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No: SNEA/CHQ/Cluster Committee/2018-21/01

Dated 28.09.2021.

To

Members of the Committee for reviewing the Cluster Mechanism.

Sub: Our views / suggestions on the Cluster based Outsourcing System:

Ref: No. BSNLCO-CFAP/13(15)/2/2020-NWP-CFA-BSNL-CO dated 06.07.2021.

Sir,

SNEA held one day meeting with all the Circles exclusively to discuss the Cluster maintenance mechanism related issues. The shortcomings in the existing tender, manipulations done by the vendor to have good MTTR and workable solutions to streamline the tender are discussed. **In the new experiment of cluster based outsourcing, it is concluded that:**

- i) The expenditure has not come down as expected rather gone up almost two times. On an average, about Rs 50/- paid per connection, including incentives.
- ii) Services not improved rather deteriorated resulting large scale closure of Landline and BB connections.
- iii) More importantly, the cluster partner (vendor) did not invest much to improve the network quality in terms of material and manpower.
- iv) Most of the cluster partners don't have any experience in UG cable and external plan maintenance. Most of them are Franchisees or vendors maintaining the BTSs.

All the 27 Circle reported that cluster based outsourcing become a big failure due to many reasons. Cluster management initiatives are to be streamlined in such a way to maximize service efficiency of the vendor and by ensuring prompt service delivery to the esteemed customers.

We need to concentrate more to make the system effective for which the following suggestions are made:

1. The model/solution should be worked out based on **"HOW LONG THE LEGACY COPPER WIRE CONNECTIONS WILL BE CONTINUED"**. Accordingly long term or short term strategy should be evolved. If management decides that the life is only two or three years, then there is no need for incurring huge expenditure as proposed today to improve the network. BSNL can adopt short term measures just to maintain the network for few years without much investment, say Rs 10 to 15 per connections. At the same time it may also be noted that the present demand for FTTH may go down once the Covid situation improves and normalcy taking place. Large scale surrender of FTTH also can expect at that time. The demand for landline will continue as many households will not be able to afford FTTH connections, especially in semi Urban and Rural areas. Copper cable will continue to be an asset.

2. **More powers and flexibility is to be given to the CGMs and BA heads to decide on the tender, based on the local conditions, geographical area, number of Exchanges, terrain, availability of experienced workers, etc. Basic rates are to be finalised by the CGMs, not by BSNLCO based on the prevailing labour rates in each State,** which varies state to state. BSNLCO should not impose the tender on Circles and make them powerless. Only necessary guidelines are to be issued by BSNLCO.
3. **Scope of work:** The whole works should be in the purview of Cluster partners such as primary cable maintenance and pillars to subscriber premises. Shifting of pole, laying of cable, rehabilitation of MDF, pillars, DP etc also should be included with clear guidelines. Tender document should mention all the works supposed to be done by the vendor. Due to lack of this, vendors are giving excuses and faults are pending. Route patrolling should be part of the contract as at many places, UG cables are getting damaged because of absence of patrolling and supervision during the execution of work by external agencies.
4. **Management is fully depends on the system generated good Report.** By this, we are cheating ourselves and denying better services to the esteemed customers. The manipulations done by the vendors for better MTTR etc are to be stopped and rectified in the system.
5. **How to stop MTTR manipulation by vendor:** To improve MTTR, i) Vendors are closing the faults in FMS before really attending the faults and system is closing the complaints in 3-4 hours, automatically. ii) Fake complaints are booked and closed by vendor within hours. **This manipulation should not be allowed. It is to be ensured that faults are closed in the FMS only after clearing it. Faults should not be closed automatically in the system.** Penalty clauses should be included for false closing of dockets without attending faults, which damages the BSNL brand image.

Fault docket closure should be OTP based OR under the control of cluster in charge: OTP mechanism to be introduced and the docket to be closed only after subscriber acknowledgement. If subscriber does not acknowledge in time, SMS to be send to the cluster in charge.
6. **How to ensure the Vendor have experience in local cable and External plant maintenance or have a pool of skilled and experienced labours:** In the existing tender, Franchisees and the contractors maintaining the BTSs are made eligible to participate in the tender who did not have any experience in UG Cable mtce or external plant mtce. This is the major reason why, most of the cluster partners become failure. At the same time, the experienced and skilled labours who were maintaining the system for years together did not given an opportunity. If they were made eligible, this alarming situation would not have arisen. The eligibility for participating in the tender may be reviewed with our experience of the present cluster partners. **It is suggested that the small contractors, workers, retired personal etc having experience in copper network mtce or having a pool of skilled labours may be made eligible.**
7. **Ensure minimum skilled labour and a supervisor for each cluster, considering the number of connections, Exchanges and geographical areas.** The minimum man power deployment per Exchange/cluster depends on working connections should be mentioned in tender document. Vendor should supply one supervisor compulsorily for each cluster or for each 5K lines whichever is less as nodal person to liason with their workers in attending the faults and cluster-in-charge.

How many clusters can be taken by the same vendor: Same vendor is taking the work for many places but no supervisor at many clusters. There must be some restrictions of awarding tender to particular vendor. There are several instances that same and single

vendor applying and getting the work awarded at several places with the **same turnover, which is sufficient for only one place of tender.** Definitely this is affecting their service quality.

8. Cluster Partners are not using proper and sufficient quantity of stores. How to ensure good quality materials are procured and used by the vendor: Minimum drop wire usage to be defined depends upon the number of connections in the cluster. Provisions must be made in the tender for supply of minimum Drop wire/ 5 Pair/ 10 Pair / 20 pair UG cable, jointing kits, UY connectors etc along with jointing materials by the vendor. If BSNL supplies, the cost of the material amount should be recovered from the vendor. The Cable fault locator/ Cable tracer etc should be with cluster partner. **It is suggested that the cluster partners may get the certificate from the cluster in charge regarding the quality and quantity of stores supplied as the materials are becoming BSNL assets.**

9. How NPC and Local Shift can be ensured. Vendor should not be given the authority to declare TNF: There must be clear guidelines about shifting / NPC upto how much length drop wire with pole to be erected / cable to be laid by the contractor (Minimum upto 250 meters). Beyond that, the payment is to be made through the bill with specified rate per meter. It is becoming assets of BSNL. At present, vendors are not doing work beyond 50 to 100 meter distance. Incentive based target for acquiring new connections should be incorporated. Penalty clause should be included for non-provision of NPCs / External shifting in time.

The vendor should not be given any authority to declare Non-Feasibility. It is the right and responsibility of the supervising Officer or cluster in-charge.

10. For BTS mtce also, minimum labour for a fixed number BTSs to be defined.

11. With respect to rates, there should be an upper and lower limit of the basic rates fixed, that can be quoted by the vendor. This will ensure participation of serious players.

12. Performance of BTSs mtce deteriorated after handing over to cluster partners. The vendor are under quoting and taking the work, but not attending the BTS faults and enjoying capping in penalty.

13. Why Capping on Penalty: Penalty can be for **"inefficient working"** and not for, **"Not Working"**. For **"Not working"**, 100% pro-rata reduction is required.

Otherwise, Penalty capping of 15% should be only for 3 months. Capping should be fully removed OR increased considerably if vendor fails to meet the SLA for 3 months.

There is no provision in the NIT to deduct the outsourcing charges from the invoice partly or fully for non-performance in a particular Exchange/ pillar area in a cluster for many days by the cluster in charge (after taking necessary approval from the competent authority).

Voluntary closure of any connection due to non attending complaints must be penalized.

Service numbers and DNP numbers should be removed from vendor billing.

Any rent rebate granted by BSNL to customers / penalty imposed on BSNL for not meeting the TRAI bench Mark is to be deducted from the cluster partner.

14. Incentives should not be paid if SLA parameters are not maintained. FMC is required only: i) for the attended faults and not for all the connections, ii) for the connections got upgraded to higher plans by the cluster partner and iii) for the new connections provided by the cluster partner as the vendor is having NO role in bringing the existing customers in higher plans. It is suggested that if FMC of existing plans are

upgraded by BSNL, accordingly the FMC slab also to be modified OR the incentive amount should not be changed. (eg: FMC 299 plan was changed to 329).

- 15. If the vendor fails, there is no alternative for the cluster in-charge?** The nearby cluster partner performance also may not be good. In such cases, cluster in-charge should be immediately allowed to incur expenditure through temporary advance to maintain the network till alternative arrangement is made.

In case new tenders are to be called for those clusters for which the existing partners are not performing, BA heads may be permitted to call limited/ open tender based on the amount involved.

- 16.** Leased Circuit faults are not pushed to the FMS, but the cluster partners are paid for the Leased Circuits. In many cases the Leased Circuit faults are not attended by the partners, but payment for total number of Leased Circuits are given to the partners. Atleast one person should be deployed exclusively for Leased Circuits mtce if there are atleast 10 to 20 Leased Circuits in a cluster. Otherwise we will be forced to pay heavy penalty to Banks etc on failure of Leased Circuit. ISDN BRI circuits are to be treated as normal LL but counted at par with ISDN PRI/Leased Circuits.

- 17. Some Franchisees are very good for Sales but very poor in cluster mtce. Similarly, some contractors are maintaining BTSs properly but very poor in cluster mtce.** So, cluster in charges are not able to take action against such cluster partners or terminate them for poor performance. It is to be addressed.

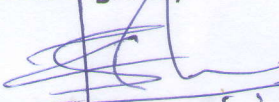
- 18. Cable fault closure should be done by the cluster in charges only to ensure updation of data.**

- 19. Security is one of the prime concerns after outsourcing.** Every vendor must provide a list of the authorized persons to ensure the safety and security of BSNL equipment.

- 20. It is also reported that the cluster in charges and accounts personal are not getting sufficient time to check the correctness of the bills submitted by partners, the hurry shall not result in loss.** GST compliance and other statutory obligations are to be verified before final passing of the bill for which a time period of minimum 15 days is required. The invoices generated in FMS require close re-verification as many discrepancies are noted in the invoice generated as well as failure in attending the faults for many days. As the cluster partners are submitting the bills only by 7th, time schedule allowed to complete the bill processing before 10th of current month for the invoice of previous month is quite difficult. Sufficient time (minimum two weeks) to be allotted for verification of the invoice.

- 21.** Cluster partners are allowed as LCOs. Some are closing BSNL connections and giving connection to other TIPS. To stop this, they should be allowed only as exclusive LCOs.

With regards,


(Sebastin. K) 28/09/2021

- Copy to:** 1. CMD, BSNL for info and n/a pl.
2. Director(CFA), BSNL Board for info and n/a pl.
3. Director(Fin), BSNL Board for info and n/a pl.
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