

## PARLIAMENTARY QUESTION

B/685 The Honourable Third Member for Port Louis South and Port Louis Central (**Mr. Osman Mahomed**)

*To ask the Honourable Deputy Prime Minister, Minister of Energy and Public Utilities -*

**Whether, in regard to the Supply, Installation and Commissioning of Dense Wavelength Division Multiplexing Based Optical Transmission Network, he will, for the benefit of the House, obtain from Central Electricity Board Fibernet Ltd, information to as (a) the contract value and variation costs thereof, if any (b) if delays have occurred in the implementation thereof and, if so, indicate the (i) reasons therefor and (ii) amount of liquidated damages applied, if any and (c) if same will be extended to Rodrigues and if so, indicate the cost thereof?**

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### REPLY ON TUESDAY 30 JULY 2019

Madam Speaker,

In 2001, CEB installed an Optical Ground Wire network over the transmission towers, used for the grounding system. My understanding is that the OPGW network is a tubular structure containing optical fibers surrounded by layers of steel and aluminum wires. The project was completed in 2003. This structure, the OPGW, is found along its overhead transmission lines around the island and it is used for its internal communication and control of sub stations remotely.

In the beginning of 2015, while I was in the process of deciding who would be the Chairman and General Manager of the Central Electricity Board, I was informed that the OPGW was being used only at 5% of its capacity and that it had to be optimised to be used to meet the growing demand for large data bandwidth. At about the same time, the Ministry of Technology, Communication and Innovation made a proposal to the Central Electricity Board to optimize the existing Optical Ground Wire network so as to provide ultimate backhaul network capacity to existing telecom operators.

After discussions, CEB, in September 2015 appointed a consultant which concluded that it was quite feasible to use the OPGW for development into a telecommunications network.

In February 2016, the CEB formed a steering committee on CEB's fibre optic project.

The committee recommended that a project consultant be appointed to manage the project.

In June 2016, my Ministry approved the implementation of the project which would consist in building a high speed data network using CEB's existing fibre cable infrastructure, that is the OPGW network. My Ministry also decided that the unutilised part of the fibre optic assets of the CEB would be transferred to a subsidiary company.

On 17 June 2016, Government approved the proposal of the Ministry and agreed to the implementation of the Fibernet project which had originally been initiated by the Minister of Technology, Communication and Innovation. The approval was that CEB, through its subsidiary company, would be able to build a high speed data network using the existing fibre network. Cabinet decided that a Ministerial Committee would be set up to look into the implementation of the project. Cabinet took note that the project would be implemented over a period of 18 to 24 months.

In October 2016, CEB incorporated CEB (Fibernet) Co ltd to implement above project. Upon recommendations of the Consultant appointed by CEB, it was decided to adopt a specific technology which goes by the name of “Dense Wavelength Division Multiplexing Based Optical Transmission Network”. This is an optical transmission technology widely used in the telecommunications industry for transmission of high speed data.

With regard to part (a) of the question, the House will recall that I answered to this question on 25 April 2017. In my reply to that question, I stated that CEB (Fibernet) Co. Ltd. had awarded the contract to ECI Telecom on 15 April 2017 for active equipment and on 14 March 2017 for telecom shelter. In reply to the same question and to another question on 11 April 2017, I informed the House of the contract value which is of a total of 5,838,094 USD.

I am informed by the CEB (Fibernet) Co Ltd that it issued three variation orders, within the margin of 25 % of the contract value, authorised by the Public Procurement Act.

The total variation cost amounts to USD 222,878, i.e. 4% of the initial price. The reasons for these variations were :

- (i) upgrading from 10 GB to 100 GB bandwidth for a cost of USD 59,948 ;
- (ii) supply and installation of three additional sites for USD120,399 namely Ebene head office, Curepipe and Vacoas; and
- (iii) supply and maintenance of network accessories for six additional sites in Rodrigues for USD 42,531.

With regard to part (b), I am informed by the CEB (Fibernet) Co Ltd that the initial contract was awarded on 14 February 2017 and the duration of the contract was 10 months.

There has been a delay of approximately 7 months. The reasons were that:

- (i) the initial project design for the telecommunication shelter was for 220 km/hour, based on telecommunications industry standards. As these shelters were located within the premises of CEB stations, CEB

advised for security reasons that the wind load factor be increased to 280 km/hour. As a result , instead of factory manufactured structures, more solid foundations had to be built.

- (ii) The second reason was that a number of sites needed additional works before they could be released on time.

Since the delays were not of the doing of the contractor, the question of liquidated damages did not arise.

With regard to part (c), CEB (Fibernet) Co Ltd is envisaging the implementation of the project on 6 sites in Rodrigues. The estimated budget is USD 74,000.

