BSNL order: Ericsson rubs Sun, EMC the wrong way

Rajesh S Kurup / Mumbai for BS June 11, 2008, 5:28 IST

A move by Swedish telecom major Ericsson, the main implementation partner for Bharat Sanchar Nigam's (BSNL) disaster recovery (DR) program, to replace Sun Microsystems and EMC Corporation storage solutions with Hewlett-Packard (HP) products has kicked up a controversy

While the state-owned telecom behemoth is believed to be favouring the move, US-based Sun and EMC are exploring options, including legal recourse.

DR is the process of storing data (records and software) and other business processes in a different geographical location as a backup in case the originals are lost to natural or human-induced disasters. BSNL is implementing DR sites in the northern, eastern and the western zones of the country.

"BSNL had floated a tender in March 2006 following which the company's technical committee approved installation of the storage solutions from Sun and EMC. At this time, HP's DR solutions were not mentioned in the purchase order issued to the main bidder (Ericsson)," a top source with a vendor said.

In a letter dated April 18, 2008 to BSNL, Ericsson had sought permission to use HP solutions in three zones, against BSNL technical committee's approval for Sun and EMC.

"Any change in the approved tender will set a wrong precedent and result in delays of future projects. It is also detrimental to the interests of the industry and against the procurement norms," he added. "HP's DR solution was not accepted by the technical committee and it was reflected in the purchase order issued to the main bidder (Ericsson). It is not understood as to how the same solution is being allowed to be approved, post the bid finalisation," Sun said in a letter to BSNL.

BSNL officials said that a final decision was yet to be taken even though the company had reviewed the issue in a couple of internal meetings.

Ericsson and HP executives did not reply to the mails sent.