

Extraordinary
GOVERNMENT
TENDER
BULLETIN

PRETORIA
21 February 2003
NO. 2179

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FOLLOWING HOTLINE NO: 082 234 2000**

REPUBLIC OF SOUTH AFRICA



**INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA
(ICASA)**

PUBLIC TENDER

CONSULTANCY TO PROVIDE FINANCIAL, ECONOMIC, TECHNICAL AND LEGAL ADVICE RELATING TO THE LICENSING PROCESS FOR UNDER-SERVED AREA LICENCES (USALS) THAT WILL CULMINATE IN THE AWARD OF LICENCES PURSUANT TO SECTION 40A OF THE TELECOMMUNICATIONS ACT No. 103 OF 1996, AS AMENDED.

TENDER CLOSING DATE: 21st March 2003

TENDER BRIEFING DATE: 05th March 2003

The tender document is available for collection from the ICASA library and on the ICASA website at www.icasa.org.za.

**MANDLA LANGA
CHAIRPERSON
ICASA**

PUBLIC TENDER

CONSULTANCY TO PROVIDE FINANCIAL, ECONOMIC, TECHNICAL AND LEGAL ADVICE RELATING TO THE LICENSING PROCESS ASSOCIATED WITH THE ISSUING OF UNDER-SERVICED AREA LICENCES IN TERMS OF SECTION 40A OF THE TELECOMMUNICATIONS ACT NO. 103 OF 1996 AS AMENDED.

1. PROLOGUE

The Independent Communications Authority of South Africa (“ICASA”), the regulatory body of the communications industry in South Africa, is initiating a comparative and competitive bidding process to engage the services of one or more consulting organisation(s) to provide financial, technical, economic and legal advice relating to the licensing process.

ICASA is inviting all consulting companies or individuals, meeting the criteria and requirements set out below, to submit binding tenders in response to this request for proposals and terms of reference.

2. BACKGROUND

The Telecommunications Act no. 103 of 1996 (“the Act”) was recently amended to facilitate a process of managed liberalisation of the South African Telecommunications market. The amendment introduced the concept of Under-Serviced Area Licences (“USALs”) to be issued in areas determined as such by the Minister. On the 18th of December 2001, the Minister issued a gazette setting out the areas within which such licences are to be issued.

On the 19th of December 2002, the Minister issued an invitation to apply (“the ITA”) by notice in government gazette number 24202, which set out the manner and form of such applications.

These licences are to be issued in phases – with the first phase consisting of the ten areas set out in the gazette number 24202. There will be one licence per area. This tender will be limited to the first phase only.

ICASA has commenced with the preparations for this process and has identified a need to engage the services of a consulting organisation to assist and provide the required advice in the following areas:

- 2.1 Receipt, perusal and analysis of the various applications from the ten (10) licence areas;
- 2.2 Preparing and finalising the licence to be issued to each licensee;
- 2.3 Considering and preparing responses to enquiries submitted by interested parties or the public;
- 2.4 Verification of the credentials and status of each applicant;
- 2.5 Testing the assumptions made by each bidder;
- 2.6 Analysing the content, quality and compliance of the application with the specifications of the ITA in relation to each application.

3. AREAS OF EXPERTISE REQUIRED

ICASA will require expertise in the following areas:

3.1 FINANCE AND ECONOMICS

- 3.1.1 Ability to analyse business plans and to assess whether underlying assumptions are realistic;
- 3.1.2 To determine the soundness and viability of such plans;
- 3.1.3 Ability to identify any additional information required for evaluating proposals and making recommendations;
- 3.1.4 Experience in executing and assessing bank guarantees or other security instruments that may be required or contained in various proposals.

3.2 TECHNICAL ASSISTANCE

- 3.2.1 Knowledge of design and evolution of telecommunications networks;
- 3.2.2 Expertise in year by year evolution of the functionality of the network, including customer services, the number of access lines, functionality of the billing systems, quality of the network, reliability, availability and interoperability of the network including network operations and maintenance;
- 3.2.3 Assessing the network capacity and the roll out plans, digitalisation of the network, technology deployment plans;
- 3.2.4 Maintenance and migration of networks;
- 3.2.5 Efficient usage of spectrum allocation;
- 3.2.6 Knowledge of different telecommunication technologies.

3.3 LEGAL

- 3.3.1 Finalising the licence terms and conditions;
- 3.3.2 Ability to advise ICASA on all regulatory aspects at all stages of the licensing process including and up to the award of the licence;
- 3.3.3 Sufficient knowledge and experience of such projects in other countries focusing on “international best practices”;
- 3.3.4 A sound knowledge of South African Law and legal principles involved in the licensing process.

4. EMPOWERMENT

- 4.1 Which of the consortium or joint venture members have meaningful Black Economic Empowerment (“BEE”) status;
- 4.2 What percentage of the tender award will be conducted via a partnership or joint venture with BEE;
- 4.3 Which functions specifically will be conducted via a partnership or joint venture with BEE;
- 4.4 A signed copy of the partnership or joint venture agreement with the BEE component is to be attached;
- 4.5 Where applicable a certified copy of the shareholding certificate is required;
- 4.6 What percentage of the shareholding is allocated to BEE;
- 4.7 Where shares are held by entities other than natural persons, what is the percentage of black shareholding in the entity;
- 4.8 What is the percentage of black senior management;
- 4.9 Does the consortium have any affirmative action policy in place, if so attach a copy of the policy;
- 4.10 What percentage of affirmative action appointments have been effected in the past twelve months.

5. CONDITIONS

- 5.1 All work will be co-ordinated with the project leader;
- 5.2 Prior to embarking on work that is beyond the scope of this tender, prior consent of the project leader shall be sought;
- 5.3 The location of work space will be at ICASA or an office in the Sandton area (at the expense of the consultant) and at any of the ten determined areas during the licensing process;
- 5.4 The consultant must provide its own transport, where required ICASA will reimburse the consultant per kilometre travelled according to the rates of the Automobile Association (“AA”) of South Africa, as applicable to his or her vehicle;
- 5.5 In cases of air travel, such travel will be limited to economy class and it is the responsibility of the consultant to make his / her own travel arrangements and to produce the vouchers or invoices for the arrangement so that they may be reimbursed accordingly;
- 5.6 Accommodation (up to a three star hotel) will be paid to a maximum of R600 per person, per night as supported by certified receipts;
- 5.7 All expenses incurred for alcoholic beverages and private telephone calls while staying at a hotel will be for the consultant’s account;
- 5.8 Fees will be paid against key deliverables which will be stipulated in a contract to be entered into between ICASA and the successful bidder;

- 5.9 Payment will only be effected against invoices that are clearly broken down and approved by authorised person(s) as contained in the contract. Payment terms on invoices must also be provided;
- 5.10 It is a compulsory requirement that the tender is rand based.

6 TENDER DETAILS

- 6.1 A detailed profile of the consultants company;
- 6.2 A detailed breakdown of the budget for the licensing of all ten (10) areas;
- 6.3 List of persons to be used on the project stating who will work full time on the project, together with detailed curriculum vitae of their experience and expertise in the areas required;
- 6.4 Description of the methodology to be used in conducting the project;
- 6.5 An estimated cost of the project within the time frames;
- 6.6 Details of any conflicting or possible conflicting interests;
- 6.7 Details of any other tender awarded to the consultant by ICASA in the last twelve (12) months.

7. EVALUATION CRITERIA

	Description	Score
7.1	Budget	15
7.2	Consultants profile	10
7.3	Methodology	15
7.4	Skills transfer	10
7.5	Empowerment	10
7.6	Legal Experience	10
7.7	Financial and economic experience in telecommunications projects	15
7.8	Technical experience	15

8. DETAILS OF SUBMISSION OF TENDER

- 8.1 The closing date for submission of tenders will be the 21st of March 2003;
- 8.2 The tenders are to be submitted to Mr Eric Nhlapo, Chairperson, Tender Committee;
- 8.3 The number of copies to be submitted is one (1) original and eight (8) duplicates as well as a CD-ROM;
- 8.4 The bidders must indicate whether they will be in a position to make themselves available for an interview with the tender panel;

- 8.5 The Notification period for the interview will be no more than three (3) days;
- 8.6 All tenders shall be binding and remain open for 60 days. The successful Service Providers will be expected to immediately enter into an agreement with ICASA committing themselves to the project on the terms outlined in this tender document;
- 8.7 Any queries in relation to the content of this document may be directed to:

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9. TENDER BRIEFING:

A tender briefing will be conducted on **Wednesday the 5th of March 2003 at 10H00**, at ICASA, Block C, Presentation Room, Pin Mill Farm, 164 Katherine Street, Sandton.

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