national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ANNEXURE A

RT15-2016 MOBILE COMMUNICATION SERVICES

ENTERPRISE VOICE BUNDLE SOLUTION

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List of Acronyms

CIB	Cash Incentive Bonus (Handset)
CUG	Closed User Group
EVB	Enterprise Voice Bundle
FUP	Fair Usage Policy
MB	Megabytes
MMS	Multi Media Service
SIM	Subscriber Identification Module
SMS	Short Messaging Services
USSD	Unstructured Supplementary Service Data
VAS	Value Added Services
VAT	Value Added Tax

1. AN ENTERPRISE VOICE BUNDLE (EVB) INCLUDING A HARDWARE FUND

Figure 1: Enterprise Bundle Model

- It is a shared pool of minutes/SMS/MB which all users can consume and it includes a device. The high usage by one user is offset by low usage of another.
- To derive to the optimum usage of each user, current spend patterns will be analysed and reviewed every 3 months. The intention of Enterprise Voice Bundle is to allow the Organs of State a **flat-rate price** which has bearer **bundle sizes shared across all voice device users** that are calculated from historical data.
- As usage changes, the monthly subscription as shown below on the table is adjusted by pre-agreed increments. This can be increased or decreased depending on usage trends. There will be online tools and monthly reports to ensure State Institutions are able to manage trends before they translate into a price adjustment.

Average shared bundle size per user on contract setup		**Fair Usage Policy Matrix**		
		Fair Usage Tolerance 10%	Minimum shared bundle size on contract setup	Maximum shared bundle size on contract setup
Subscription		R463.98		
CIB		R3,990.00		
CUG	500		500	500
Minutes	400	40	360	440
SMS	100	10	90	110
Data (MB)	600	60	540	660

Table 1: EVB Fair Usage Policy Matrix

Please note all pricing are inclusive of VAT

- The pool is defined by the average usage profile of all users in the pool, multiplied by the number of users in the pool. This means that the size of the pool increases or decreases with the number of users.
- The Price Plan has the option to be implemented at National, Provincial, Departmental or Account level.
- There is an option to include a device or a SIM only.

1.1 The value the EVB offers includes:

- National voice, data and SMS with no out of bundle charges;
- One easy tariff to manage at a fixed monthly fee for all users;
- Optimised spend with an efficient pooled bundle;
- Complete predictability and control of costs;
- 10% tolerance and transparent fair usage policy;
- Guaranteed pricing for 3 months;
- Closed User Group (CUG) with 500 minute fair usage policy;
- Spend Manager reporting tool to give complete visibility of spend and allow management of individual lines;
- The EVB bundle is a flexible tariff that can be adjusted according to the average usage and customer requirements;
- Included in the EVB is the Closed User Group (CUG). Which allows Government employees under each State Institution contract to call each other free of charge provided that both parties are on the Vodacom South Africa network and on the same Enterprise Voice Bundle;
- Calls between Enterprise Voice Bundle users will be zero rated for all internal Vodacom mobile calls;

- A Fair usage Policy (FUP) of an average of 500 minutes per user per month for closed user group calling will be applicable. (Based on current internal Vodacom analysis on usage profiles this equates to a de facto unlimited usage experience).

1.2 Hardware fund for the purchasing of devices;

- The EVB solution includes a hardware fund;
- It is aimed at allowing a State Institution maximum flexibility in choosing appropriate devices;
- An average value of R3, 990 including VAT, will be added to the hardware fund for new users and users due for upgrade, the high category device purchasers will be offset by low category device purchasers;
- A State Institution will benefit from a hardware fund refresh every 24 months depending on the line upgrade date;
- All hardware and devices are subject to foreign exchange rate fluctuations;
- At the minimum threshold level of 220,000 users, as an example the hardware fund would equate to R877,8 million including VAT. The high category device purchasers will be offset by low category device purchasers within the hardware fund.

1.3 EVB Fair usage Policy

- Each State Institution's usage will be reviewed according to the Fair usage Policy (FUP) and if it has changed beyond the defined limits, the price will be adjusted for future months. There are no charges for historic usage above the bundle limits, so there will be no out of bundle charges at all;

- The limits defined in the FUP provide a "band" within which the baseline pricing applies. If usage trends are above the upper limit then the price will increase at the 3 month price review, likewise price could reduce if usage decreases. The fair usage tolerance is +/- 10%;

- The price review is NOT a re-negotiation, it is simply the result of applying the rules defined in the FUP and shared with a State Institution up-front and contractually committed. This also means that no internal governance is required to implement price changes at the price review, as all details are already part of the contract originally agreed;

- If usage should change by 35% or more within the 3 month period then an immediate price review is triggered;

- In the review period when the actual usage in a usage category is above the maximum Enterprise Bundle size by 10% or more, the price is increased by the price delta. When the price is below the minimum Enterprise Bundle size by 10% or more, the price is decreased by the price delta. Each time the usage exceeds the minimum or maximum Enterprise Bundle size in a usage category a price adjustment shall apply. Under or over-usage of bundles is managed in 10% increments. Any price adjustment shall apply to all users.

1.4 Services not included in the EVB bundle

Services not included in the EVB bundle will be charged at Business Call per second rates as below:

	Cost including VAT
MMS (MMS per 300 KiloBytes – charge in increments	R0.79
Voicemail forwarding (diverts)	R0.87
Voicemail deposit from another MSISDN number	R1.75
USSD session (charge in 20sec increments)*	R0.21
Premium rates SMS	Varies
Premium rates Calls	Varies
Content services	Varies
International SMS	R1.75
Mobile to International	International Calling Plus rate table
International Roaming	International Roaming rate table

Table 2: Services Not Included in the EVB

- The Service Provider will further discount USSD sessions by 50%.
- It is reduced from a rate of R0.18 to R0.09.
- The discount will be calculated on a monthly basis, whereby a rebate to the value of the discount will be passed to a State Institution.

1.5 Spend Manager Reporting Tool

The Service Provider is including this tool with the Enterprise Voice and Data Bundles product which will provide a medium for a State Institution to manage, control and have visibility of usage across the organisation at National, Departmental, Cost Centre or User level. The analytical capability of this solution will empower a State Institution to understand its employee's usage behaviour and spend with the objective of containing cost and abuse.

2. AN ENTERPRISE VOICE BUNDLE – SIM ONLY

- Vodacom has developed the following tiered bespoke Sim-only average usage profile for National Treasury.
- The following table shows the allocated average usage per users that has been used to calculate the pricing for National Treasury. As usage changes, the tariff is adjusted by pre-agreed increments. This can be increased or decreased depending on usage trends. Vodacom provides online tools and monthly reports to ensure government is able to manage trends before they translate into a price adjustment. For more details refer to the usage policy later in the document.

Average shared bundle size per user on contract setup		**Fair Usage Policy Matrix**		
		Fair Usage Tolerance 10%	Minimum shared bundle size on contract setup	Maximum shared bundle size on contract setup
Subscription		R320.34		
CUG	500		500	500
Minutes	400	40	360	440
SMS	100	10	90	110
Data (MB)	600	60	540	660

Table 3: EVB Sim Only Fair Usage Policy Matrix

Please note all pricing are inclusive of VAT

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