

REQUEST FOR PROPOSAL

Design and management of a competitive process for the award of a 3rd Mobile Network Operator (MNO) Licence in the Kingdom of Bahrain

Request for Proposals

**Design and management of a competitive process for
the award of a 3rd Mobile Network Operator (MNO)
Licence in the Kingdom of Bahrain**

Issued by

**Telecommunications Regulatory Authority
of Kingdom of Bahrain**

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1. INTRODUCTION

Since 2002 the telecommunications market in the Kingdom of Bahrain has undergone a significant transformation in accordance with Government policy to stimulate the national economy. In October 2002, a Legislative Decree No 48 of 2002 promulgated the Telecommunications Law that enabled liberalization of the telecommunications sector and the formation of the Telecommunications Regulatory Authority (TRA); further to this the 1st National Telecommunications Plan was published in July 2003 and subsequently updated with the 2nd National Telecommunications Plan in February 2008.

TRA is an independent body and has a direct responsibility to ensure effective liberalization of the telecommunications market, oversee fair competition, give private investors confidence with regard to competition, and make available the related telecommunication resources, such as the radio spectrum, in a fair and transparent manner.

On the 28th of February 2008, TRA published a report on the Strategic Retail Market Review¹ ("SRMR"), which detailed a set of regulatory measures designed to further promote competition in the Kingdom of Bahrain and support the achievement of the second National Telecommunications Plan. One of the regulatory measures proposed was the introduction of a third Mobile Network Operator ("MNO").

Building on the results of the SRMR, which took into account input from all interested stakeholders, TRA announced its intention to introduce a third MNO License through a competitive public tender by the **4th of December 2008**.

¹ The SRMR Report is available at <http://www.tra.org.bh/en/consultations.asp>

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2. SCOPE

This Request for Proposals (RFP) establishes the guidelines for selecting a competent consultancy firm or consortium (Consultant) to assist TRA with the design of a competitive award process for the granting of the third MNO licence. The Consultant will also be tasked with assisting TRA with the management of the award process.

Key factors Consultants should consider in relation to this RFP are:

- the economic development of the Kingdom of Bahrain;
- enabling the Kingdom to achieve all of its goals relating to the telecommunications arena, which are published in the Telecommunications Law, and the 2nd National Telecommunications Plan, available at:

http://www.tra.org.bh/en/pdf/Telecom_Law_final.pdf

and

<http://www.tra.org.bh/en/pdf/National%20Plan%20v4%20Formatted.pdf>

Consultants will be required to take into account:

- the driving requirement coming from the award of the license is enhancement of competition in the mobile market. Hence the award process is not intended to be a revenue generating exercise since the higher costs of license acquisition will inevitably be borne by the subscribers. From an economic perspective the process should be designed to maximise consumer benefit;
- best international practices;
- transparency of the process is essential;
- security of bid information is of the utmost concern;
- parallel activities outside the scope of this RFP include the identification by TRA of the radio frequency spectrum to be awarded to any 3rd MNO.

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The proposed timeframe for the consultancy project culminating in the successful award of the 3rd mobile licence is as follows:

- the kick off meeting for the project must take place in the week ending **3rd July 2008**;
- the Invitation to Tender will be published on **14th August 2008**;
- bid submission date is expected to be **27th October 2008**;
- the identity of the successful bidder will be announced on **4th December 2008**.

The selected Consultant will be expected to produce the following main deliverables:

1. A report, by the 31st July, detailing a suitable transparent competitive award process to include a bidder evaluation procedure and award criteria. This should include details of any technical, financial, legal and commercial evaluation criteria as appropriate to the proposed process.
2. A report, covering the main pre-conditions for a successful licensing process and entrance of the 3rd MNO, considering the requirements for infrastructure sharing, termination rates, etc.
3. Produce the Invitation to Tender (ITT) document detailing all rules, conditions, procedures and time line of the award process.

TRA is in the process of drafting additional elements to be incorporated into the ITT by the Consultant. These elements are:

- information on the telecommunications sector and the economy of the Kingdom of Bahrain;
 - information on the regulatory and policy issues relating to the telecommunications sector of the Kingdom of Bahrain;
 - the draft MNO licence, and;
 - the draft frequency licence.
4. Prepare a work plan demonstrating how the Consultant will administer the process from ITT publication date to bid submission day, and then administer this part of the process once the work plan has been approved by TRA.

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5. Propose a work plan demonstrating how the Consultant will manage the post Bid receipt Bid evaluation process. (The Consultant should note that the evaluation team will be drawn from the Consultant and TRA collectively). The Consultant will implement the agreed plan. Since the number of bidders is an unknown quantity this should be presented on a time and materials cost basis comparable to the rates presented in relation to deliverables 1 to 4 inclusive. The Consultant should submit the names, CV's and daily rates for each of the team members proposed for this deliverable.

It is expected that the final version of the ITT will be published on 14th August 2008.

All deliverable documents shall be in MS Word format.

The selected Consultant will commence the project with a kick-off meeting in Bahrain with TRA in the week ending **3rd July, 2008**.

The selected Consultant may also be requested to undertake related additional tasks as agreed to be necessary by TRA and the selected Consultant. Such additional tasks shall require authorisation from TRA prior to initiation.

3. INSTRUCTIONS FOR RESPONDENTS

- a) Responses should address all of the requirements set out in this RFP.
- b) The selected Consultant will be required to enter into a formal contract with TRA, the terms of which will be supplied.
- c) Until any such contract(s) have been executed, this RFP, and any responses to it, shall not in any way bind TRA.
- d) Responding Consultants may sub-contract elements of the work. The selected Consultant will assume contractual responsibilities for all work and co-ordination with third parties. Any sub-contracting must be clearly identified in the Proposal. Sub-contracted team members are subject to the same CV presentation obligations included in the technical proposal requirements stated below.
- e) Responding Consultants will provide TRA with a technical proposal **and a separate** fixed price financial bid.
 - a. The technical proposal shall detail how the responding Consultant proposes to manage and complete this project.

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Technical proposal responses to this RFP may be submitted by either e-mail or hard copy. **In cases where they are submitted by e-mail, a hard copy must also reach TRA within 3 days of the closing date of this RFP.**

- i. Structure and content of the technical proposal will, at a minimum, include:
 1. Covering letter from an authorised signing officer
 2. Company overview
 3. Company's qualifications and experience (as related to the assignment)
 4. A written statement that they have read and understood the conditions of this Request for Proposals.
 5. Proposed work plan for the overall project including:
 - a. working method including the split of work between the Kingdom of Bahrain; and the Consultants home country and project management;
 - b. the main tasks and sub-tasks to be completed with associated timeframe and dates
 - c. deliverables to be submitted with associated completion dates
 - d. critical path
 6. Resource allocation plan by main task and sub-task
 7. Confirmation of deliverables to be provided
 8. CV's and contact details of all proposed team members
- b. The fixed price financial bid document must be submitted to TRA in **hard copy only** under a separate cover. The separate cover will be **clearly marked** "Financial bid in response to RFP - Design and management of a competitive process for the award of a 3rd Mobile Network Operator (MNO) Licence in the Kingdom of Bahrain" and will also clearly show the identity of the party submitting the financial proposal. The financial bid document **must reach TRA by the closing date of this RFP.**
 - i. A tabulated format should be provided to show all costs in **United States Dollars (US\$)** in a form that can easily be

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reviewed and compared with other respondents' proposals. The structure and content for the financial bid shall include as a minimum:

1. For each deliverable, task and proposed sub-task:
 - a. The proposed team member to complete the task
 - b. an estimate of the number of man days per team member required to complete the task,
 - c. a daily fee rate per team member, based on a daily rate inclusive of travel, accommodation, daily living allowance, etc.
- f) Proposals should be straightforward and demonstrate the capacity of the responding Consultant to address the practical requirements of this work.
- g) The closing date for receipt of proposals is **5.00 p.m. local time on 19 June 2008.**
- h) The selected Consultant will co-operate fully with TRA, in terms of planning, information exchange, documentation, meetings, communications or other related activities that TRA considers necessary in order to fulfil the contract and the requirements of this RFP.
- i) During the implementation of this project the selected Consultant may be required to engage in the public consultation process according to TRA's Consultation Process Regulation, available at;
[http://www.tra.org.bh/en/pdf/Consultation_Process_ERU_RN_001_v1.0\[1\].PDF.pdf](http://www.tra.org.bh/en/pdf/Consultation_Process_ERU_RN_001_v1.0[1].PDF.pdf)
- j) All proposals should be valid for acceptance for a period of at least one month from 15th June, 2008.
- k) The address for submitting proposals is:

Mr. Mohammed Nasser

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Manama

Kingdom of Bahrain

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It is the responsibility of the responding Consultants to ensure that their responses to the RFP have reached TRA within the required timeframe.

Responding Consultants may include supporting documents and attachments.

TRA may issue any clarification to all participants as an addendum to the RFP. Any such addendum will become part of the RFP documents before deadline.

Costs for submitting proposals are not recoverable from TRA.

4. INVOICING

Invoicing shall be made using the following invoicing profile:

Description	% of fixed price financial bid
Deliverable 1	20%
Deliverable 2	20%
Deliverable 3	30%
Deliverable 4	30%
Deliverable 5	Time and materials as per the agreed plan

5. EVALUATION PROCESS AND OUTCOME

TRA will evaluate the proposals according to the criteria detailed below, producing a total score of 100%.

1. Understanding of the task required in relation to this RFP: 30%
2. Quality of the technical approach outlined in the proposal, to include the skills and experience of the personnel allocated to the project by the responding Consultant: 50%
3. Realistic project plan, division of tasks and allocation of time and personnel: 20%

Proposals scoring less than 50% for any individual criterion will be eliminated from the process.

Proposals scoring less than 60% overall after the evaluation process will be eliminated from the process.

The contract will be awarded to the responding Consultant who submits the proposal offering the best value for money. (This will not take into

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account deliverable 5). This will be decided by dividing the qualitative score obtained for the technical criteria by the total price of the proposal.

TRA expects to review all of the proposals and appoint a Consultant by no later than **22nd June, 2008**.

TRA expects to notify the successful company by e-mail **by 22nd June, 2008**, followed by a telephone call. TRA has no obligation to notify unsuccessful bidders as to which company has been successful.

TRA expects all deliverables to be completed **within a time frame that enables TRA to meet publication dates and the licence award date**.

TRA reserves the right, at its sole discretion, to accept any proposal it chooses in full or part, negotiate with any responding Consultant, and accept any alternative proposals. TRA is not bound to accept any proposal or appoint a Consultant.

6. CONFIDENTIALITY

All other information materials submitted to a responding or selected Consultant, at any stage, must be considered confidential.

When confidential material is submitted to TRA, it must be clearly marked "confidential".