



TERMS OF REFERENCE
MOBILE LICENSE TENDER PROCESS



USAID | Iraq Economic Governance II

PREPARED FOR:

NCMC

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1 REQUIREMENTS OF PRIME CONSULTANTS:

1.1 BACKGROUND

The Iraqi National Communications and Media Commission has the sole legal responsibility of awarding and managing licenses in Iraq. There are three GSM-900 mobile operators currently operating in Iraq operating under a 2year license that are due to expire on 22 December 2005, The terms of the licenses does not currently include provisions for extensions beyond this date. The original awarded licenses were regional with provision to expand to nationwide when the operators meet certain agreed objectives. Two out of the three licensees have been approved by the NCMC to expand to provide nationwide coverage and all three are well into their roll-out program for nationwide service. Each of the licensees has been awarded 12MHz uplink and a corresponding 12MHz downlink bandwidth in the GSM-900 band.

The NCMC is looking to open competition and award a number of nationwide licenses to new bidders who would demonstrate competence, operational experience, and have the financial capability. The incumbent operators will not be excluded from bidding for the licenses again.

To ensure a level playing field for new applicants and incumbents we are looking at innovative ways that the consultants may suggest to deal with the leveling the advantage that current network operator's have with a fully operational network. In addition we are looking for the consultant to recommend and advise on strategic decisions such as the license fees, spectrum fees, valuation of infrastructure that has been built by the incumbents, licensing vs. auction, and handoff between incumbents and new winners of the service to ensure continued service to the subscribers of these networks.

1.2 CONSULTANT'S PROPOSAL

The consultant should provide a high level diagram in accord with the list in section 2 "High level process timeline the mobile licenses" providing for each section the following information:

- ✓ The level of effort in mandays to complete
- ✓ The number of staff that will be engaged on the project
- ✓ The time that will be required to complete the task
- ✓ The cost to complete each individual task
- ✓ The total cost in terms of time and materials for the project.

The NCMC is looking for a fixed price proposal and are looking to discuss options of base fee and completion success fee incentive in the case the project is completed on time and award of new licenses. The proposal should also include options of payment schedule.

The NCMC is looking to discuss with the consultant a nominal initial payment and the bulk of the payment would be paid when the NCMC receives the license fees from the winning bidders.

1.3 EXPERIENCE

The Prime Consultants should have extensive tender processing and management experience in the Mobile Telecoms field and provide commitment that they will either engage specific experienced member of their deployed team or subcontract the task to experienced subcontractors with specific knowledge in the following fields:

- Technical and Operational GSM network deployment
- Commercial and Marketing
- Financial and Business Planning
- Business, Company Structure, and Legal

The consultant should provide CVs for his company showing all past and current projects that were successfully completed and the number of successful license bid attributed to him. The applicant should clearly state the members of his team and their involvement in the project, and submit CVs for the individuals showing the background and experience engagement in licensing and regulatory work.

1.4 LOCATION

The NCMC expects the consultant to perform all the work on the bid from their normal work location. Any meeting with; the NCMC, final applicant interviews, or incumbents may be held in an agreed location by the NCMC and the consultant.

If there was a requirement for travel then the consultant shall be reimbursed on cost basis for all travel, lodging and food allowance incurred for the duration of the travel.

All additional activities such as travel, meetings and interviews with bidders and other parties shall be approved by the NCMC prior to undertaking that task.

1.5 PROJECT MANAGEMENT

The consultant shall provide a project detail showing the timelines and the deliverables of the teams that are engaged on the project.

If the consultant does not have a specific expertise within his company then he is permitted to subcontract that function to other subcontractors. Provided that no more than 60% of the total work is subcontracted out. The prime consultant is responsible for the term and conditions and payment to his subcontractors and the NCMC shall not be held responsible for any disputes between the prime contractor and his subcontractors.

1.6 CONTACT

The consultants shall correspond only with the NCMC project Manager on all matters relating to this proposal, project updates, project execution, cost, and approvals of travel and meeting.

The following person is NCMC contact person:

Dr. Faris Al-Salihi
Deputy CEO – NCMC
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The consultant shall appoint a contact person whom the NCMC will be using as the single point of contact on all issues relating to this project.

1.7 RESPONSE AND EVALUATION

Due to the tight time constraints the NCMC will follow the timetable below to process and award the contract for performing the work on the Mobile license tender.

ACTION	DEADLINE DATE
Consultant sign a mutual NDA with NCMC	18/4/2005
Issue request for proposals to consultants	21/4/2005
Q&A from consultants	25/4/2005
Consultant submission of their proposal	29/4/2005
NCMC award of the contract to consultant	2/5/2005
Engagement of Consultant	6/5/2005

2 HIGH LEVEL PROCESS TIMELINE THE MOBILE LICENSES

The following list of actions that are required for the Process of tendering the Mobile Licenses. The Dates indicate the time which the given process and all its subtasks should be complete.

TASK	DEADLINE
• Background Information Gathering	1/5/2005
• Appoint Tender Advisers	2/5/2005
• Develop Licensing Strategy	30/6/2005
• Bid Preparation	30/7/2005
• Bid issue and handling responses.	30/7/2005
• Criteria for selecting bidders	30/7/2005
• Issue Bids Request For Quote (RFQ)	1/8/2005
• Evaluation of Bidder Responses	15/10/2005
• Selection of Bidders	1/11/2005

3 DETAILED PROCESS PLAN AND TIMELINE

The following list details the total process that is planned for the reissuing of the mobile license tenders.

TASK	DEADLINE
<ul style="list-style-type: none">• Background Information Gathering<ul style="list-style-type: none">✓ Develop strategy for inviting new bidders✓ Develop strategy for incumbents✓ Develop transition plan for transfer between incumbent and new licensees✓ Frequency band allocation for mobile services and microwave✓ Including existing license holders in bidding<ul style="list-style-type: none">▪ Conditions for existing license holders▪ Existing licensees asset evaluation▪ Ensure equal and fair bidding terms of existing and new license bidders▪ Conditions for new bidders to take over assets of existing license holders▪ Moving subscribers, equipment, honoring contracts etc.✓ Conduct technical analysis to determine number of licenses (availability of spectrum)<ul style="list-style-type: none">▪ Issue three or four nationwide licenses▪ Issue regional or nationwide licenses▪ How to handle the northern region	1/5/2005
<ul style="list-style-type: none">• Appoint Tender Advisers<ul style="list-style-type: none">✓ Prepare shortlist of potential advisers✓ Decide whether or not to advertise✓ Prepare draft contract to include with ToRs✓ Identify funding, prepare budget✓ Draft and agree terms of reference✓ Issue Terms of Reference✓ Review bids and select winner✓ Appoint winning bidder✓ Agree revised work plan with selected adviser	2/5/2005
<ul style="list-style-type: none">• Develop Licensing Strategy<ul style="list-style-type: none">✓ Fees for the licenses and spectrum✓ Provide advice on the cost of the registering to purchase bid document✓ Number of years term for the licenses and their renewal✓ Interconnection to PSTN and ITPC obligations to interconnect✓ Rights to carry and switch own traffic to final destination✓ Rights to connect to international gateways/right to establish their own	30/6/2005

- gateways, and/or compensation to ITPC for lost revenue
- ✓ Asset sale / Asset sharing
- ✓ Foreign ownership/control percentages allowed
- ✓ Governmental ownership/control percentages allowed
- ✓ Cross-ownership/control regulations
- ✓ National, international roaming with other Iraqi carriers
- ✓ Reporting requirements
- ✓ Equipment standards
- ✓ Numbering plans and allocations
- ✓ Legal call intercept
- ✓ Supplementary services
- ✓ Rights to carry VoIP traffic
- ✓ License transfer strategy for incumbents
- ✓ Incumbents obligation post award
- ✓ Obligation to the Iraqi economy; hiring locals, training locals, and other steps

- **Bid Preparation** **30/7/2005**
 - ✓ Develop prequalification criteria (eliminate timewasters)
 - ✓ Develop a list of interested parties and participants
 - ✓ Prepare marketing document (“mini information memorandum”)
 - ✓ Bid contents and details required
 - ✓ Number of volumes/ sections in the bid response
 - ✓ Supporting legal documents and business plan data requirements
 - ✓ Identify and issue invitations to interested parties
 - ✓ Advertise (media? e.g. international press, technical press, internet, embassies)
 - ✓ Develop Tender Rules, including: obligations of both parties, detailed explanation of tender process, bid content; organization, Technical, marketing, financial, supporting documents, bid bonds/guarantees, timetable for the tender, bid evaluation criteria, etc
 - ✓ Prepare regional license area maps (if needed) with boundaries

- **Bid issue and handling responses.** **30/7/2005**
 - ✓ Develop timing for the bid issue, response, evaluation, awards
 - ✓ Transparency and independence
 - ✓ Guidelines on contact with bidders and other entities

- **Criteria for selecting bidders** **30/7/2005**
 - ✓ Develop rules for short listing bidders
 - ✓ Develop rules for eliminating unqualified bidders
 - ✓ Technical, marketing, financial, and commercial qualifications

- **Issue Bids Request For Quote (RFQ)** **1/8/2005**

- **Evaluation of Bidder Responses** **15/10/2005**
 - ✓ Handling question and answer sessions
 - ✓ Bidder due diligence – bidder conference or individual meetings
 - ✓ How to handle bidders meeting existing licensees
 - ✓ Bid submission (public, reporting, press release)
 - ✓ Evaluation of technical submission
 - ✓ Evaluation of Commercial submission
 - ✓ Evaluation of financial submission
 - ✓ Evaluation of company and shareholder structure
 - ✓ Evaluation of business plan and sensitivities
 - ✓ Announcement of the licenses

- **Selection of Bidders** **1/11/2005**
 - ✓ Handle Q&A from the bidders in coordination with the NCMC
 - ✓ Presentations by the short listed bidders to the panel
 - ✓ Make final recommendation of winners and justifications to NCMC