

Montserrat Submarine Cable Project RFP

Clarifications: 1 - 33

Last updated: 07/03/2019

The following questions related to the Montserrat Submarine Fibre Project RFP were received by the Government of Montserrat via the online Tenders Portal or via email. If you have questions, please send them via the portal or to the Head of Procurement at jutleh@gov.ms.

Question 1:

We have reviewed the information and are wondering whether there is any additional information; +DTS +Geophysical Surveys +Likely routes for the cable?

Answer 1:

The Government is not providing any specific guidelines on the exact Route of the cable. We will consider what the Suppliers propose as the optimal route(s) with regard to efficiency, cost and available redundancy.

Desk Top Surveys, Geophysical Surveys and Bathymetries, are the responsibility of the Supplier.

The Government of Montserrat, through the Physical Planning Unit may have some limited bathymetric data for the Western coastline of Montserrat, which was acquired in August 2017. Contact the GIS Manager, Mrs Lavern Rogers-Ryan at rogersl@gov.ms.

Question 2:

Would the Government be interested in an installation only proposal, with the opportunity to establish its own maintenance agreement with a maintenance organisation such as NASCA?

Answer 2:

At this time Government of Montserrat is entertaining proposals for the Installation, Operation, and Maintenance of a subsea cable system.

However, you are free to make any proposals that you think the government would find advantageous to fulfill its requirements for subsea fibre connectivity.

Question 3:

Is the station in Montserrat under the scope of the supplier?
If yes, is there available a selected land and/or an available building?

Answer 3:

Yes, the landing station in Montserrat falls under the scope of the Supplier.

The Supplier should indicate in their proposal, whether they would use a Beach Manhole only and connect to an existing telco facility; or if a purpose built landing station will form part of the proposal. We are not insisting that the cable is to be landed at a predetermined location; therefore the availability of land for locating a landing station should form part of the Supplier's private surveys.

Question 4:

Do you consider as an acceptable offer to connect the Montserrat branch to a Branching Unit to be included in one of the neighbouring existing cable? As ECFS for example?

Answer 4:

It is up to the Suppliers to propose viable and practical solutions to implement the project.

Keep in mind that price is not the only factor in determining the preferred solution. It would be expected that all of the merits of implementing a Branching Unit into an existing cable would be highlighted.

To use your example. We are aware that the ECFS wet plant is already 24 years old. You would therefore need to present information that assures us that this would not be a disadvantage for Montserrat, with regard to the long-term durability of the link and/or future upgrades.

Question 5:

Could update us on the details of the domestic market?

- Number of fixed lines
- Number of internet connections
- Number of mobiles?

Answer 5:

GoM is not in possession of current and reliable detailed statistics relating to the domestic telecommunications market.

Please refer to the Montserrat Telecommunications Authority (MICA) <http://www.mica.ms> for information in this regard or contact the local telecommunications companies, FLOW: <https://discoverflow.co/montserrat/support/support> and DIGICEL: <https://www.digicelgroup.com/ms/en/contact-us.html> directly.

Question 6:

What are the average price for each of the above services?

Answer 6:

Please contact the local telecommunications companies, FLOW and DIGICEL directly for first-hand information regarding the pricing of their services.

FLOW: <https://discoverflow.co/montserrat/support/support>

DIGICEL: <https://www.digicelgroup.com/ms/en/contact-us.html>

Question 7:

What are the price regulatory constraints, if any, for selling capacity on the submarine link?

Answer 7:

Telecommunications companies wishing to operate in Montserrat would have to apply for and receive a concession and license to operate from the *Montserrat Telecommunications Authority (MICA)* <http://www.mica.ms> Please contact MICA for further information in this regard.

Question 8:

As external company, we have little knowledge of domestic environment or land/building available in Montserrat.

Could you let us know the following; the preferred landing point? Land and/or building available? Contact details for companies in charge of construction in Montserrat?

Answer 8:

- **The preferred landing point?**
 - *There is not currently a 'preferred landing point' predetermined by GoM. Bunkum Bay, has been referenced as a possible landing site in previous documentation, but the respondent's proposals are expected to either include their proposed landing site or indicate the survey work that will be done to determine the most suitable landing point.*
 - **Land and/or building available?**
 - *There is currently no land and/or building specifically earmarked for use in this project. The Suppliers proposal should include their preferred options for land and building if necessary, or indicate their plans for survey and acquisition. In other words, it is up to the Supplier to examine their options for co-location or new building construction.*
 - **Contact details for companies in charge of construction in Montserrat?**
 - *There are a number of companies in Montserrat which should have the requisite civil engineering and construction expertise to be sub-contracted by the Supplier. It would not be appropriate for GoM to point out any specific ones. Suppliers are encouraged to conduct their own research in this regard.*
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Question 9:

Could you be more specific regarding the PPP model (Public-Private Partnership) considered by GoM?

Answer 9:

Government of Montserrat is seeking to address a market failure in which it has so far been deemed uneconomical for the private sector to install and operate a submarine fibre optic cable to Montserrat. To ensure that Montserrat gets the benefits of having a submarine link for international telecommunications available to the local consumers and businesses, GoM is prepared to inject some CAPEX into the installation of that cable asset. The Supplier's proposals should give the GoM an optimal solution which reduces or eliminates the need for recurrent financing by GoM. The cable will remain the property of GoM, and the Supplier is expected to monetise the cable to allow for adequate operation and maintenance. GoM expects to have an IRU on the installed cable up to the landing station on the island(s) the cable is connected to.

Question 10:

Are you open to alternatives arrangements?

Answer 10:

Yes, Government of Montserrat will evaluate ALL proposals that meet the administrative requirements for submission. However, Respondents are advised to take note of the project specifications found in Appendix 1 of the Request for Proposals.

Question 11:

Do you need confirmation that a given supplier intends to submit an offer before the due date on 4th April 2019?

Answer 11:

Potential suppliers are encouraged to register their interest at their earliest convenience on MyTenders, however this is not a requirement. All potential Suppliers have up until the deadline date of (Wednesday, 3rd April 2019) to submit their proposals. If you are planning to submit your proposal through MyTenders, it is important to allow sufficient time for uploading documents before the deadline.

Question 12:

The pricing is required to be submitted in XCD, what about the invoicing and payment currency? USD or XCD?

If the invoicing and payment currency is USD, which exchange rate between USD and XCD shall we apply?

Answer 12:

Invoicing and Payment should be listed in XCD

The exchange rate is set at USD 1 = XCD 2.7169

Question 13:

If the operation company who submit this tender is not a local operator, is a telecom license required to install and operate this cable?

Answer 13:

Yes, the company would be required to have a concession to operate the cable and a license to sell services on Montserrat.

Please contact the Montserrat Telecommunications Authority (MICA) <http://www.mica.ms> for further information in this regard.

Question 14:

Section 1.1:

Can you please provide details on the application process, including the relevant application form(s), for a Submarine Cable Landing Licence and fees (application, initial and recurring fees)?

Answer 14:

Please contact the Montserrat Info-Communications Authority at +1 (664) 491-3789 or via email at secretary@mica.ms for details on the application process as well as forms and fees. <http://www.mica.ms/>

Question 15:

Section 1.1:

Please define the term "qualified companies". In particular, what qualifications and criteria apply?

Answer 15:

A "qualified company" is one with sufficient expertise and/or experience to credibly offer a turnkey solution for the installation, operation, and maintenance of a submarine fibre optic cable for Montserrat. No specific limitations apply. Respondents could include but not be limited to submarine cable operators, telecommunications companies with international experience, infrastructure developers, suppliers, manufacturers, and/or contractors.

Question 16:

Section 2.2.1:

Will Respondents be afforded the opportunity to negotiate the General Conditions of Contract with the Authority and/or Government? If yes, what timelines have been allocated for these negotiations?

Answer 16:

It is advisable to raise any clarification and proposed changes to the General Terms and Conditions prior to the submission deadline.

The General Terms and Conditions are standard contract conditions.

GoM will conduct detailed contract negotiations with the preferred bidder.

It is anticipated that the responses will conform closely to the specifications, and therefore not require lengthy negotiations. Negotiations are not expected to go beyond the end of April 2019.

Question 17:

Section 2.4.2:

If exemptions from tax have already been granted to certain entities/individuals, other entities/individuals without such exemptions would by definition be at an unfair competitive disadvantage. What exemptions from tax will be granted to the Preferred Respondent to ensure that all Respondents can tender on an equitable basis?

Answer 17:

There are currently no entities/individuals with a concession to operate a submarine cable in Montserrat; therefore there are no existing tax exemptions in this regard.

General tax obligations and liabilities are the responsibility of the respondent. Further information can be provided by the Montserrat Customs & Revenue Service (MCRS), which can be reached at +1 (664) 491-2777 or via email at irev@gov.ms.

Question 18:

Section 2.5.1:

Leaving submissions and proposals, particularly where finance is concerned, open for 90 days may require updating if accepted some 90 days out. Would Government provide some flexibility to amend proposals to ensure it aligns with any future unexpected change in finances or details, for example, costs of equipment may increase, shipment delays may cause changes and so on.

Answer 18:

GoM's procurement policies require that supplied costs remain valid for a 90 day period; therefore financial proposals are expected to account for any potential short term increases in projected costs.

Question 19:

Section 5:

The Draft General Conditions of Contract refers. Please confirm the negotiation process set aside for the contract terms. It is the Respondent's intention that a marked up copy of the Contract will be submitted for discussion. On a cursory glance, it is the Respondent's view that the Contract does not contain a number of required and critical terms, for example, definitions are not provided, tax terms are not included, there are no terms speaking to warranties or force majeure, to name a few. The Respondent therefore expects to engage with the Authority and/or Government's legal representatives in order to review, discuss and negotiate terms.

Answer 19:

Feel free to point out any particular clauses in the contract that may make a material difference to substance of your Proposal. Contract details are subject to negotiation with the preferred bidder.

Question 20:

Section 5:

Please provide a Microsoft Word version of the Contract in order to be able to make changes so that the Authority's and/or Government's legal representatives can easily follow changes and comments. This will also allow for efficient discussions and progress. The Respondent otherwise reserves its rights to provide comments on the Contract when it submits its proposal. Please confirm that this would be acceptable - or, if it is not, then provide timelines as necessary.

Answer 20:

Feel free to point out any particular clauses in the contract that may make a material difference to substance of your Proposal. Contract details are subject to negotiation with the preferred bidder.

We will make a word version available on the GoM website and myTenders.

Question 21:

Section 6(8): Question 6:

Please explain why information relating to the highest sum of any contracts completed is relevant for the purposes of this RFP?

Answer 21:

This is the standard respondent questionnaire required by Montserrat's procurement procedures. For the purposes of this project, GoM wishes to learn if the respondent has experience with contracts of similar value to the proposed Montserrat Submarine Fibre Optic Cable Project.

Question 22:

Section 6(8): Question 7:

Please explain why this information request is relevant? Contracts between the entity and third parties are confidential and any details contained within the same, including as to its success or failure, remains privy only to the signatories.

Answer 22:

This is the standard respondent questionnaire required by Montserrat's procurement procedures. For the purposes of this project, GoM wishes to learn if the respondent has failed to complete a contract for a public or private entity, as this might be considered as an indicator of future reliability. The questionnaire does not ask for specific details nor any response that could violate confidentiality or non-disclosure terms.

Public bodies are required to publish contract awards every quarter this information is open to the public therefore this information does not constitute a breach of confidentiality. The information is to gauge type and level of experience and is for information only and not scored.

Question 23:

Section 7:

Paragraph 2 puts a limitation on information sharing with entity affiliates or related companies. Please explain why this has been done? This may be required in some cases, in which case this Statement at Section 7 should be amended to provide for affiliates and related entities working with the Respondent becoming privy to the information, however, the Respondent would be open to amendment that requires the Respondent seeking the GoM's consent before providing the information, with such consent not to be unreasonably withheld.

Answer 23:

This paragraph was included with the intent of preventing any anti-competitive practices in this RFP exercise, hence the clause stating that no disclosure of proposal price or any other figures or other information in connection with the proposal may be made to any other party, sub-contractor, supplier, or any other person "TO WHOM SUCH DISCLOSURE COULD HAVE THE EFFECT OF PREVENTING OR RESTRICTING FULL COMPETITION IN THIS RFP EXERCISE." This paragraph does not prevent disclosure to affiliates or related companies if such disclosure does not have an anti-competitive effect that will in any way prevent or restrict full competition in this RFP exercise (however, it is the sole responsibility of the respondent to ensure that none of its disclosures could possibly be used by any third parties in any manner which may have an anti-competitive effect on the RFP exercise).

Question 24:

Section 9:

It remains unclear how, whether objective or subjective, the GoM expects to evaluate the proposal based on the criteria provided. How, for example, would experience be determined? Further, who determines the criteria percentage and what would they be guided by? It is difficult to see how an

objective conclusion can be reached without the criteria and percentage containing a further breakdown of what the GoM expects to see from each of the 3 criteria's [Experience/Technical/Financial].

Answer 24:

Proposals will be evaluated and compared against each other to determine the proposal that is most advantageous to the Government of Montserrat and to Montserratians. The weights of the Respondent's Experience, the Technical Proposal, and the Financial Proposals have been identified. For each proposal, the strength of each component will be evaluated and ranked by the Evaluation team which is approved by the Public Procurement Board. The specific items that will be considered, evaluated, and ranked are identified on pp. 37-38 of the Request for Proposals document.

Question 25:

Section 9:

The list of criteria or breakdown for each of the name criteria description is all the more important, and should be provided immediately, so that Respondents can evaluate now whether or not they are likely to be successful. Finally, how were the percentage targets set, for example why does the technical criteria have more weight?

Answer 25:

Respondents are requested to submit a proposal which they consider to be the most advantageous to the Government of Montserrat and to Montserratians. The percentages were set according to GoM's requirements and expectations for the project.

Question 26:

Section 9:

If the GoM is not required to accept the lowest price, or the highest price, what then is the basis of the criteria for setting out 40% as the weighted percentage required, and what are some of the factors Respondent's must meet?

Answer 26:

The statement in section 9 actually reads: "The Government of Montserrat is not bound to accept the lowest or any proposal." This is to ensure that there is no expectation that simply being the lowest bidder means a respondent will automatically be the preferred bidder.

The percentages were set according to GoM's requirements and expectations for the project. In order to be selected as the preferred Supplier-Operator, respondents are expected to possess the specialized expertise needed to construct, operate, maintain, and commercialize the proposed cable project, and to offer a combination of technical and financial terms that are the most advantageous to the Government of Montserrat and to Montserratians.

Question 27:

Appendix 1: Section 1.4:

Can the Respondents be provided with a copy of the 'feasibility assessment' procured by the GoM?

Answer 27:

The feasibility assessments were performed on behalf of the GoM and the DfID on a confidential basis.

Question 28:

Appendix 1: Section 1.5:

What is the public funding amount?

Answer 28:

Published reports in 2016 had indicated that public funding for the project was estimated to be approximately 4.5 Million British Pounds. However this was when the project was expected to be fully funded by GoM/DfID. Now that a Public Private Partnership model is being pursued, a public funding value has not been agreed. It is therefore incumbent on the Respondent to offer a financial estimate that is most advantageous to the Government of Montserrat, while keeping in mind that other criteria such as the technical soundness of the proposal will also be taken into consideration.

Question 29:

Appendix 1: Section 1. 7:

Please clarify; does this mean that the winner of the bid effectively builds, maintains and also procures all services and gains access to customers exclusively? It is suggested that the fairer way to deal with this aspect is to ensure the open and non-discriminatory rights to providers to be able to access the capacity and connect to customers. That said, we look forward to obtaining further information please in this regard. Furthermore, will the maintenance costs and fees be included in the investment -that is, will DFID or the GoM be paying maintenance fees?

Answer 29:

Yes, the selected Supplier-Operator will be required to construct, operate, maintain, and commercialize the proposed cable; therefore, it will be able to sell capacity on the system to customers.

As per Appendix 1 (Request for Proposals Terms of Reference) section 6.3.3.8, respondents are expected to submit a "Plan to ensure open access for all bandwidth purchasers," and the sufficiency of this plan will be taken into account during the evaluation and ranking process.

As stated in the "Project Objectives," GoM will seek to ensure that capacity will be sold on the cable "to all customers on a non-discriminatory basis and at a reasonable price, subject to governmental regulation and oversight."

Maintenance and repair costs and fees, as well as any other operational costs, will be the exclusive responsibility of the selected Supplier-Operator. GoM does not propose to be paying any recurring maintenance fees; such costs should be covered by the selected Supplier-Operator through the commercialization and sale of cable capacity.

Question 30:

Appendix 1: Section 2.2:

It is difficult to see how this would be achievable, that is, project completion by June 2019. It is already March, with only 3 months to the end of RFP closing and being awarded to the successful Respondent, this will leave no room for the construction, testing and eventual RFS of the fibre capacity. Furthermore, if the proposal remains open for 90 days for acceptance, this does not leave any time for Respondents. Please confirm how this is expected to be achieved, and further -if there is a revised timetable, this should be discussed during a face to face meeting with the Respondents or interested parties.

Answer 30:

It is GoM's preference that the system be implemented as quickly and efficiently as possible; however, GoM recognizes that implementation of the project by June 1, 2019 may not be achievable. However, scheduling milestones will be considered in the evaluation of the technical proposal and Respondents are requested to ensure that the project is implemented as quickly as possible without negatively impacting the quality or reliability of the system.

Question 31:

Appendix 1: Section 2.4:

Please confirm that this desire for promoting competition will not directly conflict with what is provided under Section 1.7 as discussed above.

Answer 31:

GoM does not believe that the commercialization of international capacity by the system's Supplier-Operator will restrict competition, and as mentioned above, GoM will seek to ensure that capacity is sold "to all customers on a non-discriminatory basis and at a reasonable price, subject to governmental regulation and oversight."

Question 32:

Appendix 1: Section 2.9:

Has an impact assessment been completed? If so, can we please obtain copies? If not, when is this expected?

Answer 32:

The impact assessment will be the responsibility of the system's Supplier-Operator.

Question 33:

Appendix 1: Section 5.1:

As it relates to the viability of a landing at Little Bay, if possible, please provide more details on the extent and certainty of the Little Bay Waterfront Masterplan, a decision on which it is understood may be finalised by October 2019.

Answer 33:

Due to the port developments being planned for the Little Bay area; it is suggested that this area be ruled out as a suitable landing site for the cable.

Additional Questions and Answers will be added to this document as they become available.