



## Independent Communications Authority of South Africa

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### **APPOINTMENT OF A SERVICE PROVIDER TO ASSIST ICASA WITH THE DETERMINATION OF THE FAIR ECONOMIC VALUE OF THE IMT700, IMT800, IMT2300, IMT2600, IMT3500 RADIO FREQUENCY SPECTRUM AND THE DRAFTING OF THE INVITATION TO APPLY**

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- 1.1. ICASA seeks to appoint a company and/or consultant (Bidder) that will assist it with the following:
  - 1.1.1. Development of rules for market-based assignment and licensing models for radio frequency bands 700 MHz, 800 MHz, 2300 MHz, 2600 MHz, and 3500 MHz;
  - 1.1.2. Development and design of an auction model detailing the necessary rules and all associated components of the auction process and award, including - but not limited to - licence obligations, and packaging of the spectrum and spectrum caps;
  - 1.1.3. Determination of the value of each of the spectrum bands and determined spectrum lots as packaged; and
  - 1.1.4. Drafting of the Invitation to Apply for the afore-mentioned spectrum.
- 1.2. Furthermore, it is mandatory that the consultant transfer knowledge (skills/knowledge transfer) to at least 12 ICASA employees.

- 1.3. In undertaking the tasks above, the appointed service provider/s will be required to take the following into consideration - amongst others:
  - 1.3.1. The relevant sections of the Electronic Communications Act (Act 36 of 2005), as amended (“the ECA”);
  - 1.3.2. The National Radio Frequency Plan published in the Government Gazette No. 41650 on 25 May 2018;
  - 1.3.3. The Radio Frequency Migration Regulations and Radio Frequency Migration Plan 2013 published in the Government Gazette No. 36334 (Notice 352 and 353) on 25 May 2018;
  - 1.3.4. The requirements and procedures of the Implementation of the Frequency Migration Regulation and Plan 2015;
  - 1.3.5. Roadmap developed for all IMT Spectrum program; and
  - 1.3.6. The Radio Frequency Assignment Plans (RFSAP) developed for the 700 MHz, 800 MHz, 2300 MHz, 2600 MHz, 3500 MHz bands.

## **2. Terms of Reference**

- 2.1. The Terms of Reference are attached herewith as **Annexure A** and should be read in conjunction with the relevant policies, legislations, regulations and guidelines as published in the applicable Government Gazette Notices.

## **3. Period of Assignment**

- 3.1. All work is to be carried out in accordance with the time schedule as agreed with ICASA.

## **4. Briefing Session**

- 4.1. Non-compulsory briefing session will be held after publication of the tender.

## **5. Bid Advertisement and Bid Evaluation**

- 5.1. Bidders will be evaluated on:
  - 5.1.1. Receiving of Bids and Compliance Checks;
  - 5.1.2. Functionality; and

5.1.3. Price and B-BBEE.

5.2. Only bidders who meet the cut-off score of 80 points out of 100 points for functionality will be considered further for price evaluation. All bid proposals submitted will be evaluated in accordance with the 80/20 procurement principle as prescribed by National Treasury Regulations.

5.3. Bids will be evaluated for functionality in line with the following criteria:

	<b>Functionality: Pre-qualification criteria (cut-off score 80)</b>	
<b>7.4.1</b>	<p><b>Bidder’s clear understanding of the project brief (as outlined in paragraphs 2.2 and 2.3 above) demonstrated by Project approach.</b></p> <p>Evaluation criteria for 7.4.1:</p> <ul style="list-style-type: none"> <li>- No provision of the following: Business Case, Research Methodology, Work Breakdown Structure, and Resource Allocation in undertaking this project = 1</li> <li>- Provision of one the following: Business Case, Research Methodology, Work Breakdown Structure, and Resource Allocation in undertaking this project = 2</li> <li>- Provision of two the following: Business Case, Research Methodology, Work Breakdown Structure, and Resource Allocation in undertaking this project = 3</li> <li>- Provision of three the following: Business Case, Research Methodology, Work Breakdown Structure, and Resource Allocation in undertaking this project = 4</li> <li>- Provision of all the following: Business Case, Research Methodology, Work Breakdown Structure, and Resource Allocation in undertaking this project = 5</li> </ul>	<b>20</b>
<b>7.4.2</b>	<p><b>Bidder’s capability with regard to Spectrum Valuation which is to be demonstrated by among others:</b></p> <p>7.4.2.1      <b>Number and quality of projects of similar scope undertaken over the past 5 – 10 years (attach reference letters</b></p>	<b>30</b>

	<p style="text-align: center;"><b>and Testimonials on the company's letterheads) (Scoring: 15).</b></p> <p>Evaluation criteria for 7.4.2.1, with reference letters and Testimonials on the company's letterheads attached:</p> <ul style="list-style-type: none"> <li>- Five to Six years' experience in undertaking similar projects = 1</li> <li>- Six to seven years' experience in undertaking similar projects = 2</li> <li>- Seven to Eight years' experience in undertaking similar projects = 3</li> <li>- Eight to nine years' experience in undertaking similar projects = 4</li> <li>- Equals to or greater than ten years' experience in undertaking similar projects = 5</li> </ul> <p><b>7.4.2.2 Number of international experience with similar projects (attach reference letters and Testimonial with the letterheads) (Scoring: 15).</b></p> <p>Evaluation criteria for 7.4.2.2, with reference letters and Testimonials on the company's letterheads attached:</p> <ul style="list-style-type: none"> <li>- One similar international project undertaken = 1</li> <li>- Two similar international projects undertaken = 2</li> <li>- Three similar international projects undertaken = 3</li> <li>- Four similar international projects undertaken = 4</li> <li>- five or more similar international projects undertaken = 5</li> </ul>	
<p><b>7.4.3</b></p>	<p><b>Bidder's Experience (between 5 and 10 Years) in the fields of licensing spectrum in processes similar to that envisaged in section 31 (3) of the ECA and the procedures as detailed in regulations 6 and 7 of the RFSR 2015 which must include amongst others:</b></p> <p><b>7.4.3.1 supporting and/or executing a licensing process on behalf of the public sector organisations and/or Regulatory Authorities (Attach reference letters and Testimonials on the company's letterheads) (Scoring: 12.5); and</b></p>	<p><b>25</b></p>

Evaluation criteria for 7.4.3.1, with reference letters and Testimonials on the company's letterheads attached:

- Five to Six years' experience in supporting and/or executing a licensing process on behalf of the public sector organisations and/or Regulatory Authorities= 1
- Six to seven years' experience in supporting and/or executing a licensing process on behalf of the public sector organisations and/or Regulatory Authorities = 2
- Seven to Eight years' experience in supporting and/or executing a licensing process on behalf of the public sector organisations and/or Regulatory Authorities = 3
- Eight to nine years' experience in supporting and/or executing a licensing process on behalf of the public sector organisations and/or Regulatory Authorities = 4
- Equals to or greater than ten years' experience in supporting and/or executing a licensing process on behalf of the public sector organisations and/or Regulatory Authorities = 5

**7.4.3.2 advising entities, potential licensees within the private sector in similar licensing processes (Attach reference letters and Testimonials on the company's letterheads) (Scoring: 12.5).**

**Evaluation criteria for 7.4.3.2, with reference letters and Testimonials on the company's letterheads attached:**

- Five to Six years' experience in advising entities, potential licensees within the private sector in similar licensing processes = 1
- Six to seven years' experience in advising entities, potential licensees within the private sector in similar licensing processes = 2
- Seven to Eight years' experience in advising entities, potential licensees within the private sector in similar licensing processes = 3
- Eight to nine years' experience in advising entities, potential licensees within the private sector in similar licensing processes = 4

	- Equals to or greater than ten years' experience in advising entities, potential licensees within the private sector in similar licensing processes = 5	
<b>7.4.4</b>	<p><b>7.4.4.1 Project Members' Experience in the fields of Electronic Engineering, Economics, Legal indicated in the Curriculum Vitae (Each field should have one expert with experience between 5 and 10 Years).</b></p> <p>Evaluation criteria for 7.4.4.1, with curriculum vitae attached:</p> <ul style="list-style-type: none"> <li>- Five to Six years' experience of one expert in each field of Electronic Engineering, Economics, and Legal = 1</li> <li>- Six to seven years' experience of one expert in each field of Electronic Engineering, Economics, and Legal = 2</li> <li>- Seven to Eight years' experience of one expert in each field of Electronic Engineering, Economics, and Legal = 3</li> <li>- Eight to nine years' experience of one expert in each field of Electronic Engineering, Economics, and Legal = 4</li> <li>- Equals to or greater than ten years' experience of one expert in each field of Electronic Engineering, Economics, and Legal = 5</li> </ul>	<b>25</b>

## 6. Price Evaluation

6.1. Only bidders that pass the functionality evaluation will be evaluated for price.

## **1. Terms of Reference**

- 1.1. It is the intention of the Independent Communication Authority of South Africa (“ICASA”) to license the International Mobile Telecommunications (IMT) Spectrum in the frequency bands 700 MHz, 800 MHz, 2300 MHz, 2600 MHz and 3500 MHz bands through an auction process as outlined in regulations 6 and 7 read with regulations 2(1)(c) and 2(1)(f) of the Radio Frequency Spectrum Regulations published in Government Gazette No. 38641 (Notice 279 of 2015) dated 30 March 2015, as amended.
  
- 1.2. ICASA seeks to appoint a Company and/or Consultant (Bidder) that will assist it with the following:
  - 1.2.1. Development of the rules for market-based assignment and licensing models for radio frequency bands: IMT700, IMT800, IMT2300, IMT2600, and IMT3500;
  
  - 1.2.2. Development and design of an auction model detailing the necessary rules and all associated components of the auction process and award, including - but not limited to - licence obligations, and packaging of the spectrum lots and spectrum caps;
  
  - 1.2.3. Determination of the value of each of the spectrum bands and the value of each package of spectrum lots for the auction. This includes – but is not limited to -:
    - 1.2.3.1. development of a generic operator discounted cashflow (“DCF”) valuation model;
    - 1.2.3.2. set-up of a valuation model for both incumbent and new entrant operators;
    - 1.2.3.3. benchmark based valuation;
    - 1.2.3.4. benchmark of international reserve prices;
    - 1.2.3.5. estimation of the impact of technological trends (including anticipated deployment of IMT2020

- services) on the current and future value of the spectrum bands under consideration; and
- 1.2.3.6. development of a valuation report covering the valuation and recommended reserve prices.
- 1.2.4. It is mandatory that the consultant transfer knowledge (skills/knowledge transfer) to at least 12 ICASA employees.
- 1.2.5. Drafting of an Invitation to Apply for the afore-mentioned spectrum in line with the relevant policies, legislations, regulations and guidelines as published in the applicable Government Gazette Notices.
- 1.3. In undertaking the tasks above, the appointed service provider/s will be required to take the following -amongst others - into consideration:
  - 1.3.1. The National Integrated ICT White Paper Policy 2016.
  - 1.3.2. The relevant sections of the Electronic Communications Act (Act 36 of 2005), as amended (“the ECA”);
  - 1.3.3. Radio Frequency Spectrum Regulations published in Government Gazette No. 38641 (Notice 279 of 2015) dated 30 March 2015, as amended
  - 1.3.4. The National Radio Frequency Plan published in Government Gazette No. 41650 (Notice No. 266 of 2018) dated 25 May 2018, as amended;
  - 1.3.5. The requirements and procedures of the Implementation of the Frequency Migration Regulation and Plan published in Government Gazette No. 36334 (Notice No. 352 and 353 of 2013) on 03 April 2013;
  - 1.3.6. Roadmap developed for all IMT Spectrum published in Government Gazette No. 38213 (Notice No. 1009 of 2014) on 04 November 2014;
  - 1.3.7. The Radio Frequency Assignment Plans (RFSAP) published in the Government Gazette Number 38640 on 30 March 2015, developed for the 700 MHz (Notice 271 of 2015), 800 MHz (Notice 273 of 2015), 2300 MHz (Notice 276 of 2015), 2600



MHz (Notice 277 of 2015), 3500 MHz (Notice 278 of 2015) bands; and

1.3.8. International Best Practice.

1.4. The licensing process to be followed is as outlined in the regulation 6 and 7 of the Radio Frequency Spectrum Regulations 2015 (published in terms of Government Gazette No 38641, Notice No. 279 of 2015).

## **2. Capability and Experience**

2.1. Responses should include proof of experience and capability in performance or execution of similar projects.

## **3. Functionality: Pre-qualification Criteria**

3.1. Only bidders who meet the cut-off score of 80 points out of 100 points for functionality will be considered further for price evaluation. All bid proposals submitted will be evaluated in accordance with the 80/20 procurement principle as prescribed by National Treasury Regulations.

3.2. Bids will be evaluated for functionality in line with the following criteria:

## **4. Price Evaluation**

4.1. Only bidders that pass the functionality evaluation will be evaluated for price.