

ADDITIONAL QUERIES OF POTENTIAL BIDDERS – 19TH Oct 2020

HIRING OF CONSULTANT / CONSULTING FIRM FOR SPECTRUM AUCTION IN PAKISTAN 2020-21

Sr No	Query	Response
1.	<p>Can the PTA please confirm which spectrum licenses are due expire and what spectrum is expected to be auctioned. We understand this is only the 850MHz, 900MHz, 1800MHz and 2100MHz bands, in which there are existing assignments.</p>	<p>a. None of the existing licenses of Cellular Mobile Operators is due for expiry till the scheduled duration/ completion of the consultancy and auction. b. The available spectrum in 1800 MHz (3GPP Band3) and 2100 MHz (3GPP band1) will be offered in the auction. c. The cellular mobile operators have been assigned spectrum in 850, 900, 1800 and 2100 MHz bands. The details are available at: https://fab.gov.pk/spectrum-planning-management/#GSM-Bands.</p>
2.	<p>In Statement of works 3.2.1 the consultant is required to: e) <i>assist in conducting spectrum auction as per agreed auction design</i></p> <p>In Deliverables 3.3.1 (a) it is stated: <i>vi) Assist in completion of the auction process as per agreed auction methodology.</i></p> <p>Can the PTA please clarify the nature of the assistance offered. Is assisting limited to giving advice on whether the implemented design corresponds to the proposed design and similar questions of implementation, or does it include organizing / running the auction? If the latter, we would need to know in advance what kind of auction is envisaged. In particular is a single-stage sealed-bid e.g. combinatorial, highest bid; or alternatively a multi-round online auction e.g. CCA, Clock, SMRA envisaged. This influence both the nature of assistance and the associated project plan pricing.</p>	<p>Keeping in view objective of the consultancy at para 3.1 of the RFP, the Consultant will recommend the auction methodology as per its analysis based on Scope of Work at para 3.2. The agreed auction methodology will include the design and conduct of auction.</p>
3.	<p>If we presume an auction format is to be followed, does the PTA envisage an online auction or will it be a physical (i.e. laptop) based auction at a designated location within Pakistan?</p>	<p>Auction format will be decided as per recommendations of Consultant following best practices and approval of the Client.</p>
4.	<p>Will any mock auction/ auction simulation and/or training required in the case of an on-line auction for bidders?</p>	<p>Yes.</p>

5.	Similarly will the PTA conduct the auction and require training, or will the consultant handle all such tasks.	PTA will conduct the Auction with the assistance of the Consultant
6.	With respect to spectrum valuation, the phrase: “ <i>future projections for 3 x years</i> ” implies that an NPV type calculation is required. For regulators this is quite onerous to undertake, as it requires the calculation of industry data (the completeness of level of detail may not be available). Would a benchmark approach to determine base prices be sufficient?	Please refer to paras 3.3.1b(ii) and 3.3.1b(iv) of RFP.
7.	Can the PTA please clarify their understanding of “base price”. Generally, in auctions there is a valuation or “expected prices” and then there is also a reserve price, which is more subjective in nature. We understand that “base price” means reserve prices. Is our understanding correct?	Yes, your understanding is correct.
8.	Does the PTA intend to reveal the reserve prices as part of the auction process? We ask there is an emphasis on confidentiality in s3.3.1 (a)(ii).	Confidentiality will be maintained and decision to reveal the base price will be as per Policy Directive of GoP.
9.	Can the PTA confirm if the MoITT or Government of Pakistan has a revenue raise / minimum price expectations of the auction?	Objectives of the RFP comprehensively covers the referred matter. Please refer to Para 3.1 of the RFP.
10.	Can the PTA please clarify what the term “earnest money” means in 3.3.1 (a)(v).	Earnest money is the specified percentage of the base price which is to be submitted by potential auction bidder at the time of submission of bid.
11.	As per s 3.3.1 (b). The deliverables are expected to be in “ <i>hard form</i> ”. There is also a requirement for the consultant to hand-over “ <i>its manual and background calculations/data</i> ”. Most data is in XL spreadsheets which are generally unsuitable for hard-copy data. This tender comes amidst a global pandemic that has seen the teleworking increase and global travel shuttered. Notwithstanding the use of local partners in Pakistan, it may be reasonable to anticipate that international firms will be the primary applicants for this tender. Is it not possible to relax this requirement to soft copy of a data as provided to an official project e-mail box?	Clause 3.3.1 (b) comprehensively covers the requirement of the Client both in hard and soft forms.
12.	Returning to the point of “ <i>its manual and background calculations/data</i> ”, we presume that the PTA will respect that although the calculations can indeed be made transparent, not all source data can be handed over due	To support the outcome of deliverables, sufficient background data/calculations are required, refer to Clause 3.3.1 (b).

	to the fact that the consulting firms in questions have licensing agreements with their research house sources e.g. telegeography, OMDIA, etc. which explicitly prohibit that sharing of those databased or research reports.	
13.	As per the requirement in s3.3.1 (b) (iii) to make presentations are required, can PTA please clarify as to whether the consultant needs to be on-site all the time, at key meetings, or envisages that the majority of the project can be delivered remotely?	Please refer to GC 1.5 of the contract of the RFP for minimum requirements.
14.	In s3.3.1 (b) (i) it is stated: <i>The Consultant shall submit above mentioned deliverables for approval of the Client separately as per timelines; and shall revise the reports in light of the input received from the Client for approval within next 5 x days.</i> Please advise as to the assumptions can we use for the response time in which the client will provide client input, in order to create a realistic time plan.	Timelines of the RFP and contract will be followed in true spirit, refer to Page no 63.
15.	In Annexure I. B (pg. 26) The Consultant Firm's References, the consultant is requested to provide the "Professional Staff Provided by Your Firm/Entity(profiles of each)". Can we assume that profiles are only needed for those consultants who are offered in this proposal? Can we just give the names and refer to the CV section for details?	Details required at Annexure I. B are to be provided by Consultant in complete manner. Furthermore, for the experts assigned to this project are to be filled in as per Annexure I.E and I.F.
16.	In Annexures I. B (pg. 26/30/32) The Consultant Firm's References, Annexure I. G, the consultant is requested to provide "Consultancy Projects Details of Consultancy Project which have already been Carried out by the Consultant". Can you kindly explain the difference between Annexure I. B The Consultant Firm's References and Annexure I. G Consultancy Projects Details of Consultancy Project which have already been Carried out by the Consultant? If I G refers to individual personnel, what data is to be included there and what in section "Consultancy Assignment completed" in the CV?	Relevant documents requirements of Consultancy Firm is at annexure I.B and Consultant (s) assigned to this project is specified in I.G and 1.F.
17.	As per 4.4.2 and other sections regarding the signatures on the original technical and financial proposals, could PTA kindly clarify whether the	Hard Copies to be signed physically.

	documents may be signed digitally/or as scans before printing the documents, or the hard copies have to be signed physically.	
18	<p>Can PTA please confirm that only engagements with conspirers operating inside Pakistan need to be disclosed, and not those engagements, we as an internationally active consulting firm may have with the parent company or group affiliates outside Pakistan.</p> <p>In which form should such engagements be disclosed?</p>	<p>Please refer to clause 3.7 of the RFP.</p> <p>Annexure III of the RFP</p>
19.	<p>Table 1 below summarizes our understanding of the current spectrum assignments in the 1800 MHz band in Pakistan. We understand that not all of the 1800 MHz band is currently used for mobile services (i.e. 2 lots are unassigned). Further, of the 9 currently assigned lots, one has been temporarily assigned to Zong and only 4 are due for renewal now, whilst the others are due to expire in 2022/2029/2032.</p> <ol style="list-style-type: none"> a. Please confirm whether our understanding of the status quo as set out in Table 1 is correct. b. Please confirm how many and which lots in the 1800 MHz will form part of the upcoming auctions - i.e.: <ol style="list-style-type: none"> i. Only those which have expired / are expiring in 2019/20 or will expire in 2022? ii. Only those currently unassigned? i.e. can the lots (see last two rows in table) be made available or not, as these are part of the 3GPP band plan 3. iii. Both those expiring and those unassigned? <ol style="list-style-type: none"> i. All lots? If so, what is the legal/regulatory basis for reassigning these lots during the current license duration? c. How will the temporarily assigned lot be treated? d. Please confirm the treatment of remaining spectrum lots in the 1800MHz under the planned defragmentation process, i.e.: <ol style="list-style-type: none"> i. Shall they be part of the process? ii. If so, what is the legal/regulatory basis for reassigning these lots during the current license duration? e. Concerning the currently assigned lots in the 1800 MHz band, why were these assigned in different sizes (rather than, for example in lots of 2*5MHz)? 	<p>TORs (section 3) of the RFP comprehensively covers all the related aspects of available spectrum auction and rationalization of the already assigned spectrum.</p>

20.	<p>Table 2 below summarises our understanding of the current spectrum assignments in the 2100 MHz band in Pakistan. We understand that again not all of the 2100 MHz band is currently used for mobile services (i.e. 6 lots are unassigned). Further none of the currently assigned lots are due to expire before 2029.</p> <ol style="list-style-type: none"> a. Please confirm whether our understanding of the status quo as set out in Table 2 is correct. b. Please confirm how many, if any, and which lots in the 2100 MHz will form part of the upcoming auctions, i.e.: <ol style="list-style-type: none"> i. Only the lots currently unassigned? ii. All lots? If so, what is the legal/regulatory basis for reassigning these lots during the current licence duration? c. Please confirm the treatment of remaining spectrum lots in the 2100MHz under the planned defragmentation process, i.e.: <ol style="list-style-type: none"> i. Shall they be part of the process? ii. If so, what is the legal/regulatory basis for reassigning these lots during the current license duration? 	<p>TORs (section 3) of the RFP comprehensively covers all the related aspects of available spectrum auction and rationalization of the already assigned spectrum.</p>
21.	<p>The RFP requires the consultant to develop a Spectrum Rationalization / Re-adjustment Plan for the 850, 900, 1800 and 2100 MHz bands. Based on our understanding set out below, the degree of fragmentation varies by band.</p> <ol style="list-style-type: none"> a. Please confirm our current understanding of the degree of fragmentation set out below is correct. <ol style="list-style-type: none"> i. Sub 1GHz: Not all licensees have fragmented holdings in the 850 and 900 MHz bands. At the moment, only Jazz has fragmented spectrum holdings in these bands. ii. 1800 MHz: Again, not all licensees have fragmented holdings in the 1800 band, with only Jazz having fragmented spectrum holdings in this band. There is also a risk of further fragmentation after the upcoming auction relating to the currently unassigned lots. iii. 2100 MHz: There are currently no fragmented spectrum holdings in this band. However, there is a risk of fragmentation after the upcoming auction of the two currently unassigned lots. 	<p>TORs (section 3) of the RFP comprehensively covers all the related aspects of available spectrum auction and rationalization of the already assigned spectrum.</p>

	<p>b. Please confirm that the objective of the Spectrum Rationalization / Re-adjustment Plan is to identify the need for defragmentation in each of these bands and a forward looking plan to achieve contiguous spectrum holdings going forward (i.e. spectrum lots which are due to expire only in future will not be re-assigned at this point in time)?</p> <p>c. Please confirm whether there are any legal or regulatory instruments to facilitate refarming or defragmentation of existing spectrum holdings on which the planned defragmentation process can build (i.e. ability for PTA to modify license terms, ability for PTA to enforce changes in spectrum holdings if in the interest of overall sector/economy, etc.)</p>	
22.	Please confirm that any of the other 4G/5G spectrum bands (i.e. 700, 800, 2500 and 3500 MHz) are beyond the scope of this assignment.	Refer to section 3 of the RFP
23.	The RFP refers to the risk of litigation potentially arising on the upcoming spectrum award and/or Spectrum Rationalization / Re-adjustment Plan. Assessing the likelihood of such litigation and scoping the likely support need by PTA during such process is not possible on an ex-ante basis. As such, please confirm that any consultant support PTA may require during any litigation would be covered under a separate agreement to this RFP.	Concern has been noticed and same will be addressed in accordance with GoP Policy and as per applicable laws.
24.	As part of the project team, the consultant will provide an international legal expert to support PTA and the project team on this assignment. However, in our experience this should be complemented by a local lawyer who is familiar with the local law and the legal framework in Pakistan. Please confirm that PTA will provide access to such local law expertise (e.g. via its inhouse lawyers).	PTA has no observation with regard to any arrangement by consultant with any local or international lawyer fulfilling conditions prescribed in RFP.
25.	<p>Section 3.5 of the RFP states an expected completion of the overall assignment within 60 working days (i.e. 3 calendar months). In light of the overall scope of the deliverables (including the need to consult stakeholders and bidders to review and respond to the Information Memorandum), we consider the proposed timeline to be ambitious.</p> <p>a. Please confirm whether the PTA has any scope to extend the timeline, if needed.</p>	Timelines are as per section 3.5 of the RFP.

	<p>b. Please confirm whether there is an external driver for the timeline (i.e. a particular date by which the spectrum needs to be awarded)</p>	<p>Based upon industry requirement the spectrum is being awarded subject to policy Directive issuance by GoP.</p>
26.	<p>Section 4.2.1 refers to the need of an “<i>Affidavit that bidder has never been black listed from any Govt. /Semi Govt./ Autonomous body.</i>” Please confirm what supporting evidence international consultants need to provide to meet this criterion.</p>	<p>Affidavit dully notarized.</p>
27.	<p>Due to the ongoing Covid-19 pandemic, it may not be possible for our international project team members to visit Pakistan to attend face-to-face meetings with PTA and other relevant stakeholders. If so, we would conduct any required meeting based on a combination of:</p> <ul style="list-style-type: none"> a. Video conference calls with our international project team b. Face-to-face meetings with our local partner, where required <p>Please confirm this approach is acceptable to PTA</p>	<p>Please refer to GC 1.5 of the contract of the RFP for minimum requirements.</p>
28.	<p>1-SoW: Section 3.2.1</p> <p>a. Spectrum Pricing (a & b): It is not clear that if the spectrum valuation should be purely based on “Benchmarking” or a combination of “Benchmarking” and “Econometric Modelling”. Please Clarify.</p> <p>b. Engagement with Mobile operators (c): It is not clear what’s expected here; please elaborate on what you expect the outcome to be and how the outcome should be used.</p> <p>2- Deliverables: Section 3.3.1</p> <p>a. Vi (last deliverable): There appears to be no timeline again this (Appendix F Annexure iv), would it be acceptable to base this on “Time and Materials” and not as part of the “Fixed Price?”</p> <p>3- Payment Schedule: Section 3.3.2</p> <p>a. 40% first payment: This is planned by PTA after the approval of the first three deliverables. The first three deliverable constitute to 70% of the work; please see our proposed Payment Schedule below; please comment on b. and c.</p> <p>b. Our proposal is as follows (X% of the contract price):</p> <ul style="list-style-type: none"> i. 10%: Contract signed (Kick-off) ii. 20%: Deliverable i iii. 25%: Deliverable ii iv. 25%: Deliverable iii 	<p>Refer to Para 3.3.1 b(iv) of the RFP. Spectrum pricing should be based on benchmarking as well as use of analytical /financial /econometric modelling. Reference clause 3.2.1 (c) of the RFP, stakeholder consultation is a key factor for data collection for development of deliverables mentioned at para 3.3 of the RFP.</p> <p>Please refer to 4.3.1 (b) and clause 7.1.1 of the RFP.</p> <p>Payment schedule is as per clause 3.3.2 of the RFP.</p>

	<p>v. 10%: Deliverable iV vi. 10%: Deliverable V vii. Time and Materials: Deliverable Vi b. We would plan the project based on: The work for each Deliverable will commence once the payment is received for its preceding Deliverable.</p> <p>4- Project Duration: Annexure IV a. 60-day project duration is very hard to achieve, in particular, as highlighted in your project timeline (Appendix F, Annexure iv) Deliverable Vi has no timeline b. Based on 6 deliverables (disregarding 7) and our suggestion for Payment Schedule (please see below), we estimate around 180-200 working days; is this acceptable?</p>	<p>Timelines are as per section 3.5 of the RFP.</p>
--	---	---