



**Information and Communications Technology Authority
of the Cayman Islands**

**Costing Implementation Assessment
Request for Proposal**

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1. INTRODUCTION

1.1 Background

The Information and Communications Technology Authority of the Cayman Islands ("ICTA" or "the Authority") is currently engaged in a public proceeding that is expected to result in an approved Forward-looking Long-run Incremental Costing ("FLLRIC") methodology and model for the incumbent service provider.

Among other things, the FLLRIC costing methodology and associated model will be used to develop rates for interconnection services with other telecommunications service providers, to ensure that incumbent's retail rates are not anti-competitive, and to quantify any access deficit.

The first phase of the proceeding was initiated by a public consultation on 24 May 2004 entitled "Forward-looking Long-run Incremental Costing (CD (2004) 1)" and concluded by an Authority decision on 22 July 2005 entitled "ICT Decision 2005-4 - Decision for the Forward-looking Long-run Incremental Costing Consultation (CD (2004) 1)" ("Decision 2005-4").

The second phase was initiated by a public consultation on 25 October 2005 entitled "Costing Manual (CD (2005) 1)" and concluded by an Authority decision on 31 July 2008 entitled "ICT Decision 2008-2 – Decision for the Costing Manual Consultation (CD (2005) 1)" ("Decision 2008-2" or the "Decision").

In Decision 2005-4, (available on the Authority's website at: <http://www.icta.ky/docs/Decisions/ICT%20Decision%202005-4.pdf>) the Authority specified twelve costing principles to be adopted by Cable & Wireless (Cayman Islands) Ltd. ("LIME") when developing its regulatory costing model. In that same decision, the Authority also provided guidelines to assist LIME in the development of its costing methodology. As well, the decision provided draft filing requirements that LIME should meet when it submitted its cost studies.

In Decision 2008-2, (available on the Authority's website at: <http://www.icta.ky/docs/Decisions/ICT%20Decision%202008-2%20FLLRIC.pdf>) the Authority directed LIME to make a number of revisions to its proposed FLLRIC methodology and to provide additional documentation and modeling including the supply a fully functional and documented 3G mobile model.

On 15 January 2009 the Authority launched the third phase, termed FLLRIC Implementation, where it seeks comment from all interested parties on the revised FLLRIC model and the Mobile Termination Rate ("MTR") cost studies that will be developed by LIME.

The due dates and the procedures for the FLLRIC Implementation proceeding are available in the Consultation Document on the Authority's website at:

http://www.icta.ky/docs/FLLRIC/PhaseIII/2009_01_15_CD2009-1_FLLRIC_Implementation.pdf.

The public record of the proceeding is available on the Authority's website at: http://www.icta.ky/da_fllric3.php. The successful vendor will have access to the confidential versions of files related to the proceeding.

1.2 Scope of Services to be Provided

The Authority is seeking a vendor to;

- a. Conduct a detailed review and evaluation of LIME's proposed 3G model in light of the Authority's determinations in Decision 2005-4, and Decision 2008-2, including aspects such as:
 - Transparency, information flow and model documentation;
 - Network design, capacities, utilisation, equipment used and functionalities;
 - Equipment prices;
 - Indirect and direct expense parameters; and
 - Cost allocation mechanisms and methodology.
- b. Conduct a detailed review and evaluation of any changes to that model and methodology that may be proposed by other parties.
- c. Related to the matters above, prepare any necessary interrogatories to parties to seek any necessary further information or clarifications.
- d. Review and evaluate the responses to any such interrogatories in writing.
- e. Provide an analysis document identifying suggested changes to LIME's 3G model and methodology and clearly specifying the rationale for each suggested change.
- f. In addition to the above, the vendor is required where appropriate to assist in reviewing and evaluating statements of a technical engineering nature in the submissions by interested parties that are unrelated to the 3G model. This may include, but would not be limited to, evaluation of utilisation ratios, capacity calculations and network design rules. The Authority expects the extent of this technical assistance to be relatively minor compared to the review and evaluation of LIME's proposed 3G model.

Please note that you may wish to add additional concepts or services to your proposal, but that the Authority may exclude such concepts or services at its discretion.

The Authority anticipates that the services will be performed at the vendor's site or office unless the vendor and the Authority jointly agree it is necessary to perform services at the offices of the ICTA.

1.3 *Term of the Contract*

The term of the contract will be from the date of signing of the contract (see Sub-section 2.8 for anticipated timetable) until the completion of the services identified above. The Authority expects that the contract will be completed by the fourth quarter of 2009.

1.4 *Confidentiality*

This document is intended for the sole purpose of enabling vendors to make a proposal for the supply of the above services to the Authority.

Until the receipt of proposals date identified in section 2.8, all vendors are obliged to keep the draft or final contents of their responses to this Request for Proposal (RFP) confidential and are not permitted to disclose the contents to any third party without the permission of the Authority.

The successful vendor will have access to the confidential versions of the submissions of parties participating in the proceeding and will be required to sign a confidentiality agreement.

1.5 *Evaluation Process and Selection Criteria*

The Authority's intention is to procure the most cost-effective, yet comprehensive and professional, services available. Responses to this RFP will be evaluated by the Authority which will make a decision on the contract award. The following criteria will be evaluated by the Authority.

- Vendor responses to this RFP;
- Experience with other similar proceedings;
- Range of services provided; and
- Clarity of proposal presentation.

Whilst less weight may be placed on those criteria listed below, as well as other components not listed which may be relevant, vendors should take care to detail their "best and final" prices for the services to be provided:

- The cost of providing the required services;
- Conformance with RFP instructions and conditions; and
- Conformance with RFP response format (RFP Section 3).

2. PROPOSAL INSTRUCTIONS

2.1 *Examination of Contract Conditions*

It is the intent of the Authority, through this RFP and contract conditions contained herein, to establish to the greatest possible extent complete clarity regarding the requirements of both parties to the Agreement resulting from the RFP.

Before submitting a proposal, the vendor shall be thoroughly familiarised with all contract conditions referred to in this document, and any addenda issued before the proposal submission date. Such addenda shall form a part of the RFP and shall be made a part of the contract. It shall be the vendor's responsibility to ascertain that the proposal includes all addenda issued prior to the proposal submission date. However, the Authority undertakes to make all reasonable efforts to confirm with a nominated representative of each vendor (see Sub-section 2.2) the receipt of all such addenda.

The vendor shall determine by personal examination, and such other means as may be preferred, the actual conditions and requirements under which the Agreement must be performed. If, upon inspection and examination by the vendor, there are any existing conditions or requirements of the service which are not completely understood, the vendor shall contact the individual listed in Sub-section 2.3. Inquiries will not be answered by other members of the Authority's staff.

2.2 *Notification of Vendor's Representative*

Responding vendors who expect to be notified of any correspondence or addenda related to this RFP shall nominate in writing the name, email ID, address, telephone and fax numbers of the representative to whom such correspondence or addenda should be communicated. The nomination should be received by the individual listed in Sub-section 2.3 by the time and date shown in Sub-section 2.8.

2.3 *Pre-Response Queries on Technical or Business Process Issues*

If any vendor wishes to clarify any technical or business issues, the appropriate contact is:

Head of Economics and Regulation
Information and Communications Technology Authority
PO Box 2502
Grand Cayman KY1-1104
Cayman Islands

Tel: +1 (345) 946-4282
Fax: +1 (345) 945-8284
E-Mail: mark.connors@icta.ky

2.4 RFP Interpretations and Addenda

No interpretation made to any respondent as to the meaning of this RFP shall be binding on the Authority unless in writing and distributed as an addendum by the Authority. Interpretations and/or clarifications shall be requested in writing (verbal queries will not be responded to) from the individual detailed in Sub-section 2.3 above. All such written requests shall specify the Section(s), Subsection(s), Paragraph(s), and page number(s) to which the request refers.

2.5 Preparations of Proposals

Proposals shall be prepared in accordance with Proposal Response Format, Section 3. Proposals not complying with this format may be considered invalid and may be removed from consideration on this basis.

2.6 Submission of Proposals

Final proposals must be received by the deadline specified in Sub-section 2.8. One original and three copies of the proposal must be delivered by hand or courier to the following address:

Head of Economics and Regulation
Information and Communications Technology Authority
3rd Floor, Alissta Towers
85 North Sound Road
Grand Cayman
Cayman Islands

in sealed envelopes clearly marked:

Request for Proposal, Bid for Costing Implementation Assessment Services.

In addition, by the same date and time, an electronic version of the proposal should be sent to the following email address: mark.connors@icta.ky.

Proposals will be accepted up to, and no proposals may be withdrawn after, the time and date shown in Sub-section 2.8. Vendors are responsible for ensuring that proposals are received by the above office prior to the deadline. Proposals received after the deadline will not be considered.

2.7 Vendor's Costs

Costs for developing proposals, invitations to tender, and any evaluation presentations are entirely the responsibility of the vendor and shall not be chargeable to the Authority.

2.8 RFP Timetable

a) Release of RFP document	13 Feb 09
b) Last day to receive details of vendor's nominated representative	6 Mar 09
c) Deadline for receipt of proposals	25 Mar 09
d) Proposal evaluations	26 Mar to 9 Apr 09
e) Proposed date of contract awarded and signed	24 Apr 09

2.9 Rights to Proposal Document

All copies and contents thereof of any proposal, attachment, and explanation thereto submitted in response to this RFP, except copyrighted material, shall become the property of the Authority. All copyrighted material must be clearly marked.

2.10 Award of Contract

Vendors must confirm that the tender is valid for sixty days from the submission date shown in Sub-section 2.8.

The Authority reserves the right to reject all proposals and not issue any contract based on this RFP.

3. PROPSAL RESPONSE FORMAT

3.1 *General Format*

In order to facilitate the analysis of responses to this RFP, vendors are required to prepare their proposals in accordance with the instructions outlined in this section. Each vendor is required to submit the proposal in a sealed envelope and via email. The envelope should contain the response to this RFP as outlined below. Proposals which deviate from these instructions may be considered invalid and may be disqualified.

Proposals should be prepared as simply as possible and provide a straight forward response to the requirements of the RFP. Emphasis should be concentrated upon accuracy, completeness, and clarity of content. All parts, pages, figures, and tables should be numbered and clearly labelled. The proposal should be organised into the following major sections:

<u>Section</u>	<u>Title</u>
1.	Executive summary
2.	Company background
3.	Proposed services
4.	Optional services
5.	Responses to specific questions
6.	Project plan
7.	Client references
8.	Cost quotations
9.	Contract terms and conditions

Instructions relative to each part of the response to this RFP are defined in the remainder of this section.

3.2 *Executive Summary (Section 1)*

Summarise the proposal, highlighting the most important reasons for selecting your company. It should contain as little technical jargon as possible.

3.3 *Company Background (Section 2)*

This section should provide background information on the company. You should also give details of how long your company has been established, and provide at least one reference who can comment upon the company's financial stability.

3.4 Proposed Services (Section 3)

Present in detail the skills and experience of your company, together with an explanation of how these will be used to satisfy each of the major requirements of the Authority as defined in this RFP and its attachments. Resumes on key staff should also be provided including qualifications held, experience gained and a description of how the individual's skills will be used to satisfy the major requirements of the Authority as defined in this RFP and its attachments.

3.5 Optional Services (Section 4)

In this section, you should describe any services that the company would recommend and could provide but that have not been specifically requested in the RFP. The availability of any such services which are considered to be of value to the Authority will be given due weight during the assessment of proposals.

3.6 Responses to Specific Questions (Section 5)

Responses to the questions listed in Section 4 of this RFP must be provided in this section of your submission. Each response should answer the question fully, or explain in detail how the requirement will be satisfied. A simple statement that the requirement will be met is not sufficient. Answers should be clearly cross-referenced to the corresponding reference number in Section 4.

3.7 Project Plan (Section 6)

An outline project plan must be provided, which gives the following details for each major project activity and deliverable:

- Activity or deliverable name
- Brief description
- Responsible party or person
- Precedent activities
- Duration of the activity
- Scheduled start date
- Scheduled finish date.

3.8 Client References (Section 7)

The Authority will wish to review other services that you have provided and will contact previous clients. For each reference, please provide the following information:

- Customer name, address, e-mail, telephone number, fax number; and
- Contact person and their designation.

Confirm that the Authority will be free to contact these individuals.

3.9 *Tender Prices (Section 8)*

Prices must be quoted for all the services detailed in Section 1.2 above. Prices should be all inclusive and quoted in Cayman Islands dollars (CI\$). Costs which appear elsewhere in the proposal but which are not detailed in Appendix A, will be presumed to have been waived.

3.10 *Contract Terms and Conditions (Section 9)*

In this section, the vendor is invited to provide sample contract terms and conditions. This section is intended to form the basis for the development of a contract to be awarded as a result of the RFP.

4. SPECIFIC QUESTIONS

This section covers specific issues that the Authority considers to be essential to the provision of the Costing Methodology Implementation services. Vendors therefore must fully respond to each question if their submission is to be considered. Costs must be included on the Form of Tender (Appendix A).

4.1 Organisation

Ref #	Requirement
1	Please state whether you will provide all required services from within your own resources, or, whether you propose to sub-contract portions of the contract. If so, full details of subcontractors and what services they will provide should be given.
2	Any contract resulting from this RFP will require all rights to any intellectual property developed or captured as a result of that contract to be vested exclusively in the Authority. Please confirm acceptance.

4.2 Vendor Capabilities

Ref #	Requirement
3	Specify your number of years experience in providing the services required by this RFP.
4	Provide a narrative demonstrating your experience and results with clients and projects of similar size, scope and complexity. Potential client conflicts should be identified.
5	Provide an organisational chart, resumes and descriptions of the roles, responsibilities and accountability of key personnel. Specify which staff, and what percentage of their time, would be assigned to this account.
6	Provide details of your experience (if any) of providing LRIC Costing Implementation Assessment services.

Ref #	Requirement
7	Provide a brief description of your company's experience in the following practice areas: <ul style="list-style-type: none">• Telecom regulatory proceedings• LRIC costing methodology• 3G cost modelling.
8	Provide a brief description of proposed staff's experience in the following practice areas: <ul style="list-style-type: none">• Telecom regulatory proceedings• LRIC costing methodology• 3G cost modelling.
9	Provide details of your experience and technical expertise (if any) in the development, evaluation or implementation of costing methodologies.

4.3 Quality Control and Client Relationships

Ref #	Requirement
10	Provide a description of your procedures for quality control and contingency planning.
11	What measures do you take to assure and maintain client satisfaction?
12	How do you report status/results to the client?

Appendix A. Form of Tender

IMPORTANT INSTRUCTIONS

**PLEASE FILL OUT THESE FORMS COMPLETELY AND ACCURATELY AND
SUBMIT THEM IN A SEPARATE SEALED ENVELOPE AS PART OF YOUR
PROPOSAL.**

An electronic version of the proposal response will be provided upon request to facilitate preparation of your proposal. The file has been prepared using MS Word. The Proposed Pricing Forms are not to be modified in any manner except to provide additional pricing details.

If the price categories do not fit your pricing scheme exactly, please choose the "closest fit" to match the form and provide any further explanation in a separate page. Finally, if you are forced to estimate a service, please note that it is an estimate in an obvious way.

Form of Tender

Tender No: **ITCA 2009-1**

To be returned by hand or courier by 3.45 pm on **Wednesday, 25 March 2009** to the **Head of Economics and Regulation, 3rd Floor Alissta Towers, 85 North Sound Road, Grand Cayman, Cayman Islands**. In addition, either email a scanned copy of the form to mark.connors@icta.ky or send via fax to Mark Connors, Head of Economics and Regulation, ICTA, Fax: +1 (345) 945-9284 .

TENDER

FOR: Costing Methodology Implementation Services

TO: ICTA of the Cayman Islands ("Client")

1. We have perused the RFP for the provision of Costing Methodology Implementation Services.
2. We agree that the essence of the selective tendering is that the Client shall receive bona fide competitive tenders from all those tendering. In recognition of this principle, we certify that this is a bona fide tender intended to be competitive, and that we have not fixed or adjusted the amount of the tender by or under or in accordance with any agreement with any other person. We also certify that we have not done and we undertake that we will not do at any time before the hour and date specified for the return of this tender any of the following acts:
 - a) Communicate to a person, other than the person calling those tenders, the contents of his proposed response to this RFP.
 - b) Enter into any agreement or arrangement with any other person that he shall refrain from the tendering or as to the amount of any tender to be submitted.
 - c) Offer or pay or give or agree to pay or give any sum of money or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other tender or proposed tender for the said service any act or thing of the sort described above.

In this paragraph, the word "person" includes any persons and any body or association, corporate or unincorporated; and "any agreement or arrangement" includes any such transaction, formal or informal, and whether legally binding or not.

3. We agree that this tender shall remain open for consideration sixty days from the date for the return of this tender.

4. Subject to and in accordance with paragraphs 2 and 3 above and the terms and conditions contained or referred to in the documents listed in paragraph 1, we offer to provide and implement the items referred to in the said documents in consideration of payment by the Information and Communications Technology Authority of the sum shown below in words for:

Provision of Costing Methodology Implementation Services: _____

_____ (CIS)

Name _____ Signed _____

In the capacity of _____ duly authorised to sign tenders for and on behalf of (in BOCK CAPITALS)

Postal address _____

Telephone No. _____ date _____ 20 _____

N.B. In the following sections you should EXCLUDE disbursements to third parties for services such as printing that would be subject to individual prior approval by the Authority. You must INCLUDE all sums payable to you for your services or those of your nominated sub-contractors (if any).

Optional Services	
Item	CI\$
Optional services that could be provided (Please specify, and indicate whether there is a fixed cost or an hourly rate)	

Additional Services	
Item	Hourly Cost (CI\$)
Hourly rate for additional (minor) services (major work would be subject to a further fixed price tender). If rates would vary depending upon the service, please give examples.	