



THE  
PRIVATISATION  
COMMISSION

## **Invitation for bidder prequalification**

<b>Services:</b>	A PPP arrangement for the provision of international broadband connectivity to Malawi over fiber optic cable from Lilongwe to Dar es Salaam and onward transit over submarine fiber optic cable.
<b>Procurement No.:</b>	RCIPMWSERV0512-11
<b>IDA Project:</b>	Regional Communications Infrastructure Program - Malawi Project (RCIPMW)
<b>IDA Credit No.:</b>	4602-MAI
<b>IDA Project ID:</b>	P111432
<b>Employer:</b>	The Privatization Commission (soon to be renamed The PPP Commission)
<b>Country:</b>	Republic of Malawi
<b>Issued on:</b>	22 December 2011

The Government has received financing from the International Development Association (IDA) under the Regional Communications Infrastructure Program – Malawi Project (RCIPMW). The Government, as the primary public sector component of the public-private partnership, intends to use portion of this credit (up to USD 10 million) to procure international broadband capacity and other associated services to meet public sector needs over the foreseeable future.

This invitation for bidder prequalification follows a general procurement notice published in *UN Development Business Magazine* on 17 September 2009. The Government of the Republic of Malawi (GoM) has designated the Privatization Commission (the "PC"), soon to be renamed the PPP Commission, as the implementing agency for the project, which is being structured as a public-private partnership (PPP). The Government as a party to the PPP agreement intends to use its purchasing power to lower the demand risk of the project and therefore the cost of international broadband connectivity. The Government through the PPP arrangement seeks to attract new private sector investment in Malawi's fiber optic telecommunication backbone infrastructure with the objectives of diversifying international routes and reducing international connectivity prices through increased competition. The winning bidder will be required to offer a specified menu of international telecommunication services at the virtual landing point to be established in Lilongwe. The designated route for the services is from Lilongwe to the Tanzania Border in Karonga, a distance of about 670 km. Several drop off points (less than 10) in the Malawi leg of the network will be required. The winning bidder will be mandated to supply services to both the Government and all requesting telecommunication operators and commercial subscribers in Malawi on a non-discriminatory basis.

In the process initiated by this invitation for bidder prequalification, the PC intends to prequalify telecommunications service providers with the requisite experience and qualifications (whether single entities or joint ventures of entities) to supply such telecommunication services to the Government. Only applicants who participate in the prequalification process, and whom the PC determines are qualified to bid, will be requested to bid. The PC currently plans to issue an invitation for bids ("IFB") after completion of the bidder prequalification process, which is expected to be in March 2012.

Prequalification will be conducted through prequalification procedures specified in the World Bank's *Guidelines: Procurement under IBRD Loans and IDA Credits* (May 2004 ed., Oct. 2006 rev.) (the "Bank Guidelines") and is open to all prospective bidders from eligible source countries under the Bank Guidelines.

The winning bidder, in order to perform its obligations to provide telecommunication services to the Government, and as a significant private sector component of the public-private partnership, will have to construct, install, maintain and operate a Virtual Landing Point (VLP) and the fiber optic cable telecommunication system between the VLP in Lilongwe, Malawi and an interconnection point at the Malawi-Tanzania border with corresponding fiber optic telecommunication facilities in Tanzania. Onward terrestrial and submarine transit (to recognized Tier 1 suppliers at international interconnection points such as London and Frankfurt) must also be over fiber optic cable, but may be provided by the winning bidder either on a reseller or facilities-based operator basis. The contract price, for services offered to Government, will be fixed at an amount no greater than USD 10 million, and will be paid by the Government in installments upon commencement of the delivery of service against specific performance standards, all as specified in the IFB.

To provide bidders with advance notice of the license terms that will be applicable to the winning bidder, the Malawi Communications Regulatory Authority ("MACRA") will offer a form of license as part of the bid package included in the IFB, with the assurance that the winning bidder will be awarded a license on substantially the same terms. Each incumbent telecommunication operator whose existing license(s) already permit(s) some or all of the activities covered by the offered license will be required, as a condition of bidding, to agree to the amendment of its existing license(s) to incorporate the obligations set forth in the offered license, if it is selected as winning bidder and awarded a contract to provide telecommunication services to the Government. Accordingly, applicants for prequalification to bid will have their applications reviewed by the PC with the involvement of MACRA, and a determination that an applicant is prequalified to bid will also include a determination that it is prequalified to be issued a license in the form included in the bid documents accompanying the IFB.

In addition, the Electricity Supply Commission of Malawi ("ESCOM") will offer the winning bidder the option, but not the obligation, to access and use its electric transmission facilities for the installation and operation of a telecommunication network from Lilongwe to a point near the prescribed interconnection point at the Tanzania border.

Interested persons may obtain further information and inspect or obtain a copy of the prequalification document free of charge from The Chief Executive Officer, The Privatization Commission, 2<sup>nd</sup> Floor, Livingstone Towers, Glyn Jones Road, Blantyre, Malawi, e-mail: [info@pppc.mw](mailto:info@pppc.mw) from 9:00 a.m. to 4:00 p.m. local time during working days.

Applications for prequalification must be submitted by hand or through e-mail as set forth in the prequalification document by 4:00 p.m. Blantyre time on 10<sup>th</sup> February 2012.

Done at Blantyre, Malawi on 22<sup>nd</sup> December 2011.

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