

Terms of Reference

Municipal IP Transport Services (IPTM)

1. GENERAL REQUIREMENTS

- 1.1. The Free Wi-Fi Internet Access in Public Places project, the “PROJECT”, of the DOST ICT Office aims to provide as a free public service Wi-Fi Internet access at select public places across the country.
- 1.2. This tender is for 12-month subscriptions to IP connectivity services (the “SERVICES”) for **eight hundred sixty four (864) municipalities**, with a total bandwidth requirement of 12,603 Mbps (CIR). Each “SERVICE” shall connect one or more of the PROJECT’s Municipal Point of Presence (mPoP) services to any of the PROJECT’s IP Core services or Point of Presence (PoP) services, all of which are to be provisioned by the System Management & Access (SMA) Service of the PROJECT.

2. **APPROVED BUDGETARY COST (ABC).** The total of the Approved Budgetary Cost (ABC) for this tender is **TWO HUNDRED THREE MILLION EIGHT HUNDRED SEVENTY SEVEN THOUSAND PESOS (PHP 203,877,000.00)** at a monthly per Mbps cost of P1,350.00. The ABCs for the LOTS are provided in Annex 1.

3. PROPOSAL SUBMISSION AND EVALUATION

- 3.1. BIDDERS may submit one (1) proposal for each Offer Group as follows:

Offer Group	Scope Criteria	Evaluation Sequence
Province	Municipalities belonging to the same Province	First
Island Group	Municipalities within the same Island or Island Group	Second
Municipality	Individual municipalities (original IPTM lots)	Third

- 3.2. Under each Offer Group, municipalities are organized into LOTS based on the Scope Criteria for the Offer Group where a LOT is considered synonymous to a SERVICE. The Province and Island Group Offer Groups may have more than one (1) beneficiary municipality per LOT/SERVICE.

For any LOT/SERVICE with more than one (1) beneficiary municipality, a proposal must include at least two thirds ($\frac{2}{3}$), rounded off to the highest integer value, of the beneficiary municipalities specified in a lot.

Bidders may substitute an equal number of non-beneficiary municipalities for the beneficiary municipalities excluded, provided:

3.2.1. substitute municipalities fall under the same Scope Criteria as those excluded; and,

3.2.2. the ABC for a LOT/SERVICE is not exceeded;

A BIDDER may also include as Options service to the municipalities (Income Class 1 and 2) not included in a LOT/SERVICE but falling within the same Scope Criteria.

3.3. In addition to the OFFERED PRICE for each LOT/SERVICE, BIDDERS may also offer alternative values for Bandwidth, Availability, and Termination Points. Details on acceptable alternatives are given in succeeding sections.

3.4. Evaluation of proposals shall be by Offer Group according to the Evaluation Sequence given above.

3.4.1. Municipalities covered by a proposal under an Offer Group that is identified for negotiation shall no longer be evaluated when considering Offer Groups later in the Evaluation Sequence.

3.5. The Lowest Calculated Bid for each LOT/SERVICE shall be determined by identifying the **LOWEST Per-Unit-Cost** computed as follows:

Per-Unit-Cost = Effective-Bid-Offer / Guaranteed Capacity

Effective-Bid-Offer = Offered-Price + uTP-Annual-Cost + mTP-Annual-Cost

Guaranteed-Capacity = SUM(Offered-Link-Bandwidth * Offered-Link-Availability)

Details on the variables used above are given in succeeding sections.

3.6. Negotiations for a LOT/SERVICE shall start with the offer with the Lowest Calculated Bid.

4. DURATION AND EFFECTIVITY OF CONTRACT(S)

4.1. All contracts shall be for **TWELVE (12) months** and shall be subject to renewal and negotiation.

4.2. The effectivity of all contracts shall begin from their signing until such a time that 12 * 365 / 12 days of service shall have been received.

5. DELIVERY. Each SERVICE shall be delivered according to the following schedule, which is given relative to the receipt of the Notice-To-Proceed (NTP):

5.1. Within NINETY (90) days, one third (1/3) of covered municipalities;

5.2. Within ONE HUNDRED TWENTY (120) days, two thirds (2/3) of covered municipalities; and,

5.3. Within ONE HUNDRED FIFTY (150) days, all covered municipalities.

6. **UPSTREAM TERMINATION POINTS (uTP).** A SERVICE shall virtually connect to at least one (1) uTP that would be among those of type “PoP” or “IP Core” listed in Annex 1.

6.1. BIDDERS may propose an intermediate handover location to a uTP provided the location is within THREE (3) KILOMETERS with Line-of-Sight, or within FIVE (5) KILOMETERS without Line-of-Sight of the uTP location.

However, an uTP Build-Out Annual Cost (uTP-Annual-Cost) corresponding for the necessary build-out to reach the intermediate handover location shall be added to the OFFERED PRICE for the purpose of evaluation:

6.1.1. If with Line-of-Sight and a total bandwidth not more than FIFTY (50) Mbps, ONE HUNDRED FORTY EIGHT THOUSAND TWO HUNDRED PESOS (P148,200.00) PER YEAR shall be added; or

6.1.2. If with Line-of-Sight with a total bandwidth not more than TWO HUNDRED FIFTY (250) Mbps, TWO HUNDRED TWENTY TWO THOUSAND SIX HUNDRED PESOS (P222,600.00) PER YEAR shall be added; or

6.1.3. If without Line-of-Sight, NINETY FIVE THOUSAND EIGHTY HUNDRED EIGHTY PESOS (P95,880.00) PER KILOMETER PER YEAR shall be added.

BIDDERS shall be responsible for determination if Line-of-Site exists.

7. **MUNICIPAL TERMINATION POINTS (mTP).** A SERVICE shall virtually connect one (1) or more termination points of the type “mPoP” to at least one (1) termination point of the type “PoP” or “IP Core”. All mTPs are listed in Annex 1.

7.1. The default location of an mTP shall be the municipal plaza, however in case such does not exist the public area fronting the municipal hall, the nearest central schoolyard, or public health units, in this order, shall instead be used.

7.2. BIDDERS may propose alternative mTP locations provided they are within THREE (3) KILOMETERS with Line-of-Sight, or within FIVE (5) KILOMETERS without Line-of-Sight of the original location.

However, an mTP Build-Out Annual Cost (mTP-Annual-Cost) corresponding for the necessary build-out to reach each of the alternative mTP locations shall be added to the OFFER PRICE for the purpose of evaluation.

Depending on whether “Line-of-Sight” to a SIX (6) METER point above ground at a specified location, the following values shall be applied:

- 7.2.1. If with Line-of-Sight, ONE HUNDRED FORTY EIGHT THOUSAND TWO HUNDRED PESOS (P148,200) PER YEAR; or
- 7.2.2. If without Line-of-Sight, NINETY FIVE THOUSAND EIGHTY HUNDRED EIGHTY PESOS (P95,880) PER KILOMETER PER YEAR.

BIDDERS shall be responsible for determination if Line-of-Site exists.

- 8. **BANDWIDTH.** Each SERVICE shall provide the bandwidth specified for the corresponding termination point of types “mPoP” as given in Annex 1.
 - 8.1. Alternative values for the bandwidth to a mPoP may be offered. It however must not be lower than 70% of the specified value; and,
 - 8.2. The distribution of bandwidth among the termination points of types “mPoP” in LOT may be changed by the DOST ICTO from time-to-time in increments of 512 kbps but with no allocation of less than 50% of a termination point’s specified bandwidth but no more than 150% of the same at any given time, nor higher than 100 Mbps.
 - 8.2.1. BIDDERS may propose alternative values, or removal of this requirement.
 - 8.3. The Bandwidth value offered, as specified or modified, will be use as the value of the variable “Offered-Link-Bandwidth” in Section 3.5 above.
- 9. **AVAILABILITY AND BANDWIDTH PROTECTION.** Each SERVICE shall be made 97.9% available with 50% bandwidth protection, OR 99.0% available without bandwidth protection. Availability shall be measured over a 24-hour period at termination points of the types “mPoP”.
 - 9.1. A BIDDER may propose alternative values however none may be lower than 85%.
 - 9.2. The Availability value offered, as specified or modified, will be use as the value of the variable “Offered-Link-Availability” in Section 3.5 above.
- 10. **INTERFACE:**
 - 10.1. Each SERVICE must provide a Fast Ethernet interface, with an RJ-45 handover, at any termination point, and shall support IEEE 802.1ad.
 - 10.2. Each SERVICE may use either Copper/Coax/Radio/Fiber Optic facilities, or other equivalent means, to provide the required service.

11. SERVICE LEVEL REQUIREMENTS

- 11.1. SLR monitoring shall be performed using SNMP, version 2c or higher.

12. OTHER TECHNICAL REQUIREMENTS

- 12.1. Each SERVICE must allow both IPv4 and native IPv6 traffic.
- 12.2. Test result/s such as, but not limited to, iperf test shall be used as proof that the link installed passed the link test and is acceptable requirement for link acceptance

13. SUPPORT SERVICES

- 13.1. Each SERVICE shall coordinate with the DOST ICTO, and use the web-based helpdesk service to be provided.
- 13.2. Each SERVICE shall provide a fault escalation procedure to DOST ICTO in case of link downtime, and make available specific name(s), e-mail address(es), landline(s) and mobile number(s).

14. CHARGING AND REBATES

- 14.1. Charging shall be made on a monthly basis.
- 14.2. Computation of Allowable Downtime and Liquidated Damages
 - 14.2.1. Computation of Allowable Downtime shall be based on a 24-hour 7 days a week (24x7) workweek per termination point of type "mPoP".
 - 14.2.2. Computation of Liquidated Damages shall also be based on a 24-hour 7 days a week (24x7) workweek and shall be deducted from the WINNING BIDDER's monthly subscription cost for every violation incurred. Computation shall be as follows:

$$\text{DAILY LIQUIDATED DAMAGES COST (DLDC) = ANNUAL SUBSCRIPTION COST / 365 DAYS}$$

- 14.3. Network downtime or outages at fault by a SERVICE will have a corresponding rebate.
 - 14.3.1. A rebate equal to the 1-day penalty of DLDC shall be credited to the DOST ICTO for each day of failure to meet this requirement occurs.
 - 14.3.2. A sample computation should be provided.
 - 14.3.3. The computation of rebates should be transparent to the DOST ICTO.

15. OTHER REQUIREMENTS

- 15.1. Without Interest in the System Management & Access (SMA) Service. For this bid, a sworn undertaking not to participate in the bidding for SMA in case of a successful bid may be required to be submitted. A violation of the undertaking may be used as a ground for disqualification for the SMA Service. But in case of the bid for SMA Service, a sworn affidavit that the bidder has no participation, direct or indirect in the SLR Service may also be required.

Untruthful statement in the sworn affidavit may also be used as a ground for disqualification.

- 15.2. Franchise Requirements. Non-franchise holders may participate in this tender but without prejudice to other legal requirements, particularly with respect to the provisioning of commercial services outside the PROJECT.
- 15.3. Installations Costs and Other One Time Charges (OTC). No OTCs shall be allowed.
- 15.4. Taxes & Other Fees. All proposals shall be inclusive of all taxes, installation charges and other one-time costs, and other fees.

16. OTHER MATTERS

- 16.1. Ocular inspection of termination points is recommended. Please coordinate with Director Raul Nilo (raul.nilo@icto.dost.gov.ph) for the site survey schedule and permits.