

REPUBLIC OF YEMEN



Ministry of Telecommunications & IT (MTIT)

REQUEST FOR PROPOSAL

Management & Operating Services Bid

Tender No. (TY 01/ 2011)

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Section1. Letter of Invitation

1. Ministry of Telecommunications and Information Technology (MTIT) now invites Operators to provide the following services: [Provide TeleYemen with competitive and efficient Management & Operating Services in conformity with the International Management Standards, ITU regulations, ISO standards, and recommended practices and procedures]. More details on the services are provided in the attached Terms of Reference.
2. Public invitation has been announced through public newspapers to invite qualified Operators to submit their proposals in respect of providing TeleYemen with management & operating services based on these RFP instructions.
3. The Operator will be selected under [Quality- and Cost-Based Selection Method] and procedures described in this RFP.
4. The RFP includes the following documents:
 - Section 1 - Letter of Invitation
 - Section 2 - Terms of Reference
 - Section 3 - Instruction to Operator
 - Section 4 - Technical Proposal - Standard Forms
 - Section 5 - Financial Proposal - Standard Forms
 - Section 6 - Standard Forms of Contract.

Yours sincerely,

Minister of Telecommunications and IT

Signature

Section 2. Terms of Reference

1. Introduction

In accordance with the Council of Ministers Resolution number (366) of year 2010, the Ministry of Telecommunications and IT, which is a government body entrusted with the regulation and development of the telecom sector in the Republic of Yemen, desires to enter into Management Contract with a professional and competent International Telecommunications Operator to provide management & operating services to manage and operate Yemen International Telecommunications Company Limited (TeleYemen) for a term of five years.

The Operator shall be in possession of all certificates and necessary qualifications, required for rendering Management & operating services to Telecommunications Companies.

In order to achieve this, the International Operator shall provide qualified trained management team to run the Company's operations, develop the Company's business, and prepare the Company for the competitive environment beyond 2015

2. Background

Yemen International Telecommunications Company Limited (TeleYemen) is the sole licensed provider for international telecommunications services in the Republic of Yemen. TeleYemen headquarter is located in Sana'a (the capital of the Republic of Yemen) and have several offices and customer service outlets located in major governorates and cities within the Republic of Yemen. TeleYemen Organizational Structure is attached as Appendix 1.

2.1. General Information

- A state owned limited Company with approximately \$ 230 Million gross revenue and 400 staff.
- The Company was established in 1972 as a subsidiary of Cable and Wireless Communications (CWC).
- Became TeleYemen in 1989 – 51% of the shares owned by CWC and 49% owned by Public Telecommunications Corporation (PTC), a government entity.
- Became a 100% state owned Company in 2004 – 75% of the shares owned by PTC and 25% owned by Post Office Fund.

2.2. Market Position

- The international gateway of Yemen since 1972. Being the sole licensed provider of international telecommunications services in Yemen, TeleYemen has been enjoying monopoly since its establishment in 1972.
- Liberalization of the international telecommunications market is expected to take place in 2015.

2.3. Management

- Cable and Wireless Communications Company (CWC), being the holder of the majority of the Company's shares had been responsible for managing /operating the Company for the period 1972 – 2003.
- In 2004, TeleYemen has engaged in a contract with France Telecom (Sofrecom) that has been managing/operating TeleYemen since 2004. The management contract with France Telecom (Sofrecom) is going to expire in June 2011.

2.4. Services and Products

- **International Direct Dialing (IDD):** (1) Wholesale services – 4 mobile Operators(2) Fixed lines – approximately 105,000 customers (3) Prepaid Calling Cards (PCC).
- **Leased Capacity:** (1) Corporate and IP Customers – International Leased Circuits (Voice, Data, IP etc.) (2) International Operators– Leased capacity owned by TeleYemen in FALCON cable.
- **Mobile Satellite Services:** (1) Inmarsat/Began services agent in Yemen (2) Thuraya services agent in Yemen.
- **Internet Services:** TeleYemen is the first internet services provider in Yemen. A second license was given to YemenNet, a subsidiary of PTC. Currently TeleYemen is providing dial-up and webhosting services with a customer base of approximately 12,000 customers.

3. Objectives

The purpose of this RFP is to provide TeleYemen with Management & operating services that shall enhance the Company's profitability and maintain the shareholders interest paramount through the following:

- Enable TeleYemen to benefit from its monopoly position and maintain solid position beyond 2015 (Liberalization of the telecom market)
- Enhance the Company's capabilities and prepare it for the competitive environment in order to ensure the Company's survival after liberalization of the market.
- Develop the Company's business and open new windows for business opportunities in order to strengthen the Company's position in the telecom market after liberalization.
- Enhance the Company's business strategy with its international partners (international operators) and local partners (fixed and mobile operators) to ensure profitability and stability of the business throughout beyond 2015.
- Enhance the Company's processes and procedures to cope with the competitive market environment.

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- Develop the Company's technical capabilities in conformity with the international technology evolution and business requirements to ensure enhancing efficiency, quality of service and customer satisfaction.
- Enhance the Company's organizational structure in accordance with the best international practices to cope with the market environment and comply with the business requirements.
- Develop the Company's human resources in accordance with the best international management practices to increase the staff productivity and management capabilities.

4. Scope of Work

The successful Bidder shall provide TeleYemen with competitive and efficient Management & operating services in conformity with the International Management Standards, ITU regulations, ISO standards, and recommended practices and procedures. The Bidding Operator is encouraged to propose improvements and refinements to this scope of work

4.1. International Traffic

International Traffic is the core business of the Company and the major source of the revenue. The successful Bidder is expected to prepare a detailed plan/strategy to increase the international traffic revenue, reduce the cost, and defend the core business beyond 2015:

4.1.1. Incoming Traffic

- Develop a strategy for competitive incoming traffic termination rates that shall guarantee increase of the international incoming traffic revenue
- Enable TeleYemen to benefit from its monopoly position to achieve the best feasible results.
- Ensure validity of the planned rates for competitive environment when the international telecommunications services market is liberalized.
- Align the strategy with the Ministry and TeleYemen objectives to fight illegal traffic practices (by-pass) by applying competitive termination rates that shall guarantee increasing incoming traffic revenue, discouraging the by-pass traffic, and making such illegal business unfeasible.
- Develop a pricing strategy for new business segment in international voice market and traffic wholesale service that shall enable TeleYemen provide transit services.

4.1.2. Outgoing Traffic

- Strategy to reduce the outgoing traffic termination rates that shall reduce the cost per minute.
- Build a pricing strategy for the outgoing traffic collection charges that shall increase the outgoing traffic and revenue.

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- Enable TeleYemen to benefit from its monopoly position to achieve the best feasible results.
- Ensure validity of the planned rates for competitive environment when the international telecommunications services market is liberalized.

4.1.3. Mobile Interconnection Traffic Pricing Scheme

- Review the existing mobile interconnection pricing scheme and develop a new scheme, e.g., based on revenue sharing.
- The new pricing scheme shall consider gradual increase of mobile operators' revenue share to avoid possible installation of international gateways by mobile Operators beyond 2015.

4.1.4. PTC Pricing Scheme

- Review the existing PTC cost structure of the international traffic which mainly consists of PTC revenue share, royalties, and levies.
- TeleYemen must prepare for market liberalization by changing the pricing scheme for work performed by PTC and setting-up of long-term leased line.
- Develop new pricing scheme for work performed by PTC
 - Set-up performance based pricing system with PTC
 - Interconnection and leased line fees instead of revenue sharing

4.1.5. Illegal Traffic (By Pass)

- Review the existing actions against illegal traffic handling (by pass) and develop a strategy to terminate such activities
- The strategy shall include commercial and technical solutions in accordance with the best practices in the telecom industry
- Back-office support to provide information and market study that shall include applicable rates in the market to Yemen and estimation of the illegal traffic volume.

4.1.6. Contracts

- To review terms and conditions of the carrier service agreement (including accounting rates, hubbing, capacity resell, capacity interconnection, etc) and enhance it in accordance with the best international telecommunications practices taking into account the best interest for the Company
- To review the terms and conditions of the Mobile Interconnection Traffic agreement and enhance it in accordance with the best international telecommunications practices taking into account the best interest for the Company

4.2. Leased Circuits

Leased capacity is the second source of revenue for TeleYemen. The successful Bidder shall prepare a detailed plan/strategy to increase the leased circuits' revenue, reduce the cost, and defend the business beyond 2015:

- Develop a pricing strategy for capacity leased to local and international customers based on benchmarking and cost structure.
- Enable TeleYemen to benefit from its monopoly position to achieve the best feasible results.
- Ensure validity of the planned rates for competitive environment when the international telecommunications services market is liberalized.
- Develop new pricing scheme for work performed by PTC
 - Set-up performance based pricing system with PTC
 - Interconnection and leased line fees instead of revenue sharing

4.3. Internet Services

TeleYemen is currently providing dial-up services and plan to enhance its internet revenue by launching new broadband services. The Operator shall prepare a detailed strategy/plan to enhance the internet services and defend the business beyond 2015:

- Develop a business case for implementing Broadband access network services (ADSL, WI-MAX, satellite access network).
- Develop a project plan to execute the project
- Provide project management that shall guarantee professional execution and achievement of the desired millstones.
- Develop a marketing strategy to achieve the business case goals
- Exploit the existing market Gap to achieve the highest feasible penetration rate that shall secure TeleYemen position as a major ISP beyond 2015, compensate ILD losses, and set-up a strong second business unit to strengthen the market position of PTC group.

4.4. Satellite Communication Services

TeleYemen is currently providing Satellite communications through Inmarsat/BEGAN and Thuraya products. The Operator will prepare a detailed strategy/plan to enhance revenue from Satellite communications services, and defend the business beyond 2015:

- Develop pricing and marketing strategy to increase the penetration rate and increase revenue from this sector.
- Enable TeleYemen to benefit from its monopoly position to achieve the best feasible results.
- Ensure validity of the strategy beyond 2015.

4.5. Commercial and Marketing

In light of the above and taking into consideration the existing monopoly position and competitive situation beyond 2015, it is important to analyze the market and develop strategies for successful growth and economical strengthening of the Company during the existing monopoly situation and beyond 2015:

4.5.1. Corporate Strategy

- Develop a Corporate Strategy that shall include defending the core business of the Company and implementation of new services to benefit from the existing monopoly situation and compensate the ILD losses beyond 2015.

4.5.2. Marketing and Communication Strategy

- Develop a professional marketing and communication strategy that shall guarantee effective growth of the existing services and new services to achieve the highest feasible penetration rates and returns.
- Enhance the Company's image and customer perception
- Select a professional marketing and communication agency to guarantee high quality campaigns, advertising, and promotional materials.
- The marketing and communication strategy shall include performance measures to assess the impact of each campaign and identify the most effective communication channels.

4.5.3. Products/Services and Prices

- Develop a pricing model for each service/product based on cost, benchmarking, and market conditions.
- The pricing strategy shall enable TeleYemen to benefit from its current monopoly position and altered to suit the competitive situation beyond 2015.

4.5.4. Sales and Distribution

- Develop a sales/distribution strategy for each service that shall achieve the highest feasible penetration rate and returns.
- Efficient use of the current capabilities and distribution channels.
- Enhance the Company sales capabilities and prepare them to work under the competitive environment conditions.

4.5.5. Business Development and Innovation

- Pursue regular analysis of the market to define market gaps and open windows for new business opportunities that shall compensate ILD losses and strengthen the Company position beyond 2015.

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- Back-office support to provide information and market studies regarding new innovations and services in the telecommunications market to assess the feasibility to introduce them into the Yemeni market

4.5.6. Customer Relationship Management

- Develop a strategy to enhance the customer relationship management that shall guarantee customer satisfaction.
- The strategy shall include enhancing TeleYemen capabilities and prepare them to work under the competitive environment conditions beyond 2015.
- The strategy shall ensure making TeleYemen perceived by customers as a unique option among its competitors throughout beyond 2015.

4.5.7. Branding

- Develop a strategy to enhance TeleYemen name and its brands to be highly perceived by the customer.
- The branding strategy shall ensure distinguishing TeleYemen and its services from its competitors.

4.6. Investment

TeleYemen has excess cash that has been generated from its core business activities and deposits interest receivable. The Operator will provide expertise that shall help the Company to most benefit from its cash deposits:

4.6.1. Investment Management

- Develop investment management strategy that shall guarantee efficient employment of the Company's cash.
- Give priority to core business and local telecommunications market
- Define other lucrative investment alternatives

4.6.2. MVNO

- Review the existing arrangements to start MVNO through partnership with an international partner.
- Set-up joint venture for KSA MVNO/ brand. TeleYemen shall look for a partner in KSA now to enter the mobile market in order to be prepared for ILD losses.

4.6.3. Mobile Services Provider

- Develop feasibility study to enter the mobile services market with international partner.

4.6.4. Expand Internationally

- Study the possibility to expand the transit wholesale transmission services internationally through investing in one of the neighboring countries.

4.7. Technology Management

Based on market demand and taking into account financial feasibility, the Operator will develop technology strategy as basis for a future oriented network, with close co-ordination with all business units of the Company:

4.7.1. General

- Technical audit within the frame of the post acquisition analysis process.
- Technology strategy with regards to continuation of existing technologies and platforms or migration to different technologies and platforms
- In conjunction with the technology strategy, review of the existing and planning for the future vendor strategy.
- Network Architecture, Planning and Roll-out
- Network Optimization
- Develop contingency plan
- ICT Strategy and Organisation

4.7.2. Quality and Revenue Assurance

- Develop Tools for automated traffic reporting and validation, analysis and reconciliation of different call data records.
- Develop Tools for hubbing rates and numbering plan mapping to simplify financial routing process
- Develop Tools for automated testing, routing and network performance
- Develop Tools for automated Quality of Service reports to monitor traffic quality indicators KPI's
- Develop price & profitability simulation tool to optimize pricing decisions
- Develop Tools for Revenue Assurance
- Implement the necessary monitoring process to prevent irregular access to the network and fraud management.

4.7.3. Switching

- Review and enhance the NGN features and ensure functionality based on best international telecommunications practices.
- Introduce business intelligence tools in the NGN to manage in real time the wholesale voice business (Intelligent call routing, RSM, SBC), and identify technical and operational improvements required for the migration of TDM to full IP

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- Replacing the existing Ericsson switch (old generation) by a new generation (NGN). RFP to be prepared on 2011 to make the migration on 2012

4.7.4. Transmission

- Review and enhance the capacity plan to ensure diversity and sufficiency of the capacity in accordance with the market forecasted demands
- Develop a strategy to secure capacity through the most effective routes that shall guarantee high quality and cost effectiveness
- Set-up long-term leased line agreements with PTC for transmission lines to KSA and Oman to increase entrance barriers for mobile operators.
- Identify the required re-engineering action plan of National transmission services provided by PTC and implement SLA comparing to similar cases
- To identify backup utility of earth stations, and assess the performance and efficiency of current ES's

4.7.5. IT and Networking

- Review and enhance the current IT and Networking Architecture to ensure conformity with the international information technology standards and compliance with the business needs
- Ensure efficiency and cost effectiveness of the IT structure
- Ensure conformity with the evolution of Information Technology

4.7.6. Billing

- Review and develop a strategy to enhance the billing system functions and ensure compliance with the business requirements
- Provide support to implement phase 2 of the billing system project

4.7.7. Enterprise Resource Planning (ERP)

- To review and develop a business case to replace the existing obsolete applications/systems with a new sophisticated system (ERP) that shall integrate and automate all Company's business processes
- Define requirements by stakeholders
- Develop a project plan to implement ERP
- Tendering and Contract Negotiation
- Project management and roll-out

4.8. Management and Organization

To make the decisions above yield the desired results it will be necessary to enable the organisation to meet the challenges of change. Therefore, the Operator will review the organisational set-up of the Company and implement changes that are necessary to

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achieve the desired objectives. The Operator will analyse processes and align them to the possible changes in the organisational structure. The Operator will give special attention to Human Resources Management:

4.8.1. General

- Process and Organisational Excellence.
- Corporate Project Portfolio Management
- Financial Processes and Applications.
- Procurement and Supply Chain Management
- Human Resources Management

4.8.2. Organizational Structure

- Review and enhance the current organizational structure to cope with the business evolutions and requirements.
- Develop a plan to ensure smooth transition into new desired organizational structure

4.8.3. Human Resources Management

- Assessment of current staff aligned to the desired organizational structure requirements.
- Review and enhance all job descriptions to ensure accurate definition of Job Roles and Responsibilities
- Gap Analysis of Resources relative to Organisational Goals
- Develop a sophisticated and efficient system to ensure accurate definition of goals and effective performance assessment.
- Develop efficient and effective training plan to enhance TeleYemen resources capabilities to achieve the desired business goals and gain the skills required for competitive market environment
- Review and enhance the existing grading system

4.8.4. Transfer of Knowhow

- Develop a plan to transfer knowhow to counter-parts and key staff of the Company.
- The knowhow transfer plan shall include measurable KPIs
- The knowhow transfer plan shall guarantee enhancing TeleYemen capabilities and equipping them for the competitive market environment.
- Knowhow transfer shall include leadership, Management, business strategy, market knowledge, decision making etc.

4.9. Financial Management

Based on the technical, commercial and operational strategies the Operator will formulate a financially feasible budget. The principal tool applied by the Operator will be the Business Plan. The tasks to be carried out accordingly are as follows:

- Liquidity/Cash flow analysis and management
- Working capital Analysis and structure
- Current debt status and funding requirements
- Business case
- Initial budget and derived annual budgets
- Cost control and containment
- Reporting on regular basis

5. Remuneration

The Bidder must submit their financial offer to include the following:

5.1. Total Contract Price

The remuneration for the management and operating services rendered by the Operator during the duration of the Contract shall be fixed for the term of the Contract and expressed in USD.

5.2. Operator Expenses

All expenses including but not limited to accommodation, traveling and other expenses shall be borne by the bidding Operator.

5.3. Tax

All duties, fees, levies, and withholding tax that might be required by the law of Yemen for this RFP scope of work, will be borne by the bidding Operator.

6. Term

The duration of the Management Contract shall be five years subject to extension by mutual agreement between the Ministry of Telecommunications and IT (MTIT) and the Operator.

7. Management Team

The operator will provide highly qualified managers to manage/operate the Company through the period of the contract. The management team for the Company would consist of Chief Executive Officer (CEO), Chief Technical Officer (CTO), Chief Commercial Officer (CMO), and International Business Manager (IBRM). Job profiles and requirements for each management member are detailed in Appendix 2 Management Team.

8. Back-Office Support

The operator shall guarantee Back-Office support to its employees and TeleYemen management at no extra costs. Such support is expected to include but not limited to online support, information, market studies, new innovations, access to relevant websites, management models/tools etc.

9. Additional Services

The Operator shall be able to provide TeleYemen with professional experts other than the management team mentioned in **Article 7** to cover specific needs required during the contract period provided that such need must be justified. The Operator will commit to offer special and best prices for such services.

10. Knowhow Transfer and Training

Transfer of knowhow and training of local resources shall be a prime objectives of the successful selected bidding Operator along side with the proficient and efficient operations of the Company. The successful bidding Operator will set a plan for transfer of knowhow with measurable performance criteria to ensure readiness of the Company's resources to run the business beyond 2015.

11. Performance KPIs

The proposals shall include Key Performance Indicators (KPIs) that must be connected with the execution of the scope of work of this RFP. The KPIs shall be measurable, assessable and in accordance with the best international practices.

12. Eligibility Requirements

In order to be eligible for participating in this bid, the Bidder shall at minimum meet the following Criteria:

- At least 10 years experience in managing and operating telecommunications companies worldwide, preferable in the Middle East with demonstrated knowledge of telecommunication markets in the Middle East
- The Bidder should be an organization and not an individual with an annual turnover of at least 350 m USD per year.
- Bid Bond according to conditions detailed in **Article 7** in Section 3.

13. Reporting

The successful Bidding Operator shall submit the following reports to the project steering committee during the term of the Contract:

- Monthly progress report including financial and statistical data
- Quarterly performance progress report including achieved results aligned to the KPIs and work plan for the following quarter

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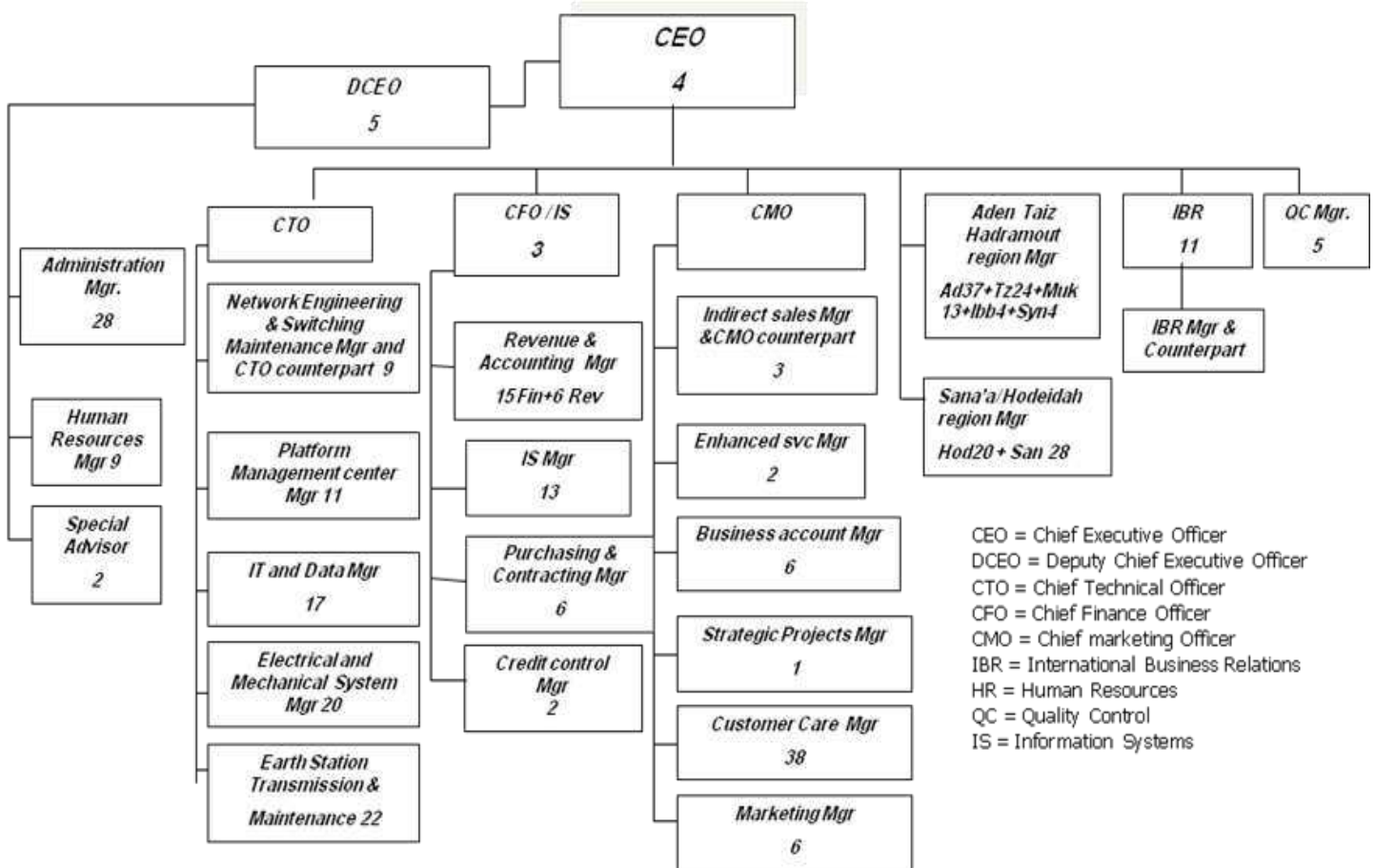
- Yearly Progress report including financial and statistical data (including achievements aligned to the KPIs)
- Annual audited accounts
- Annual work plans
- Any additional reports may be required by the Board of Directors.

14. Business Plan

The successful bidding Operator shall prepare in three months period from the Contract Commencement Date, a detailed business plan includes sub action plans by function. The business Plan shall be updated in an annual basis and shall guide the performance of the Operator. The Business Plan will be the base for the Company to evaluate the Operator performance.

15. Appendices

Appendix 1 – Organizational Structure



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Appendix 2 – Management Team

1. Chief Executive Officer (CEO)

Main Objectives	Responsible for restructuring and leading the Company, implementation of Board policies and business initiatives to achieve a successful growth and an influential position in public.
Specific Duties and Responsibilities	<ul style="list-style-type: none">● Develop overall business strategy● Plan, develop and execute strategies to ensure the effective, fast and cost-sensitive transformation of the existing network operator into a highly competitive private enterprise.● Develop guidelines for the Company's business processes● Provide leadership for the building and functioning of all departments of the Company● Provide leadership to Legal, Security, HR and PR departments and to a Central Project Office, including the respective planning and operational responsibilities● Establish management information & reporting systems to ensure optimal co-operation and control● Take steps needed to improve the performance of each department as required● Lead the management team in a result driven and fair way, suggest, get approved and implement rules for corporate governance● Finalize regular and extraordinary business plans● Establish and maintain solid contacts with the business partners, investors, banks, interconnection partners, international bodies (e.g. ITU) and competitors● Support the Board of the Company in communication with the regulator● Create and maintain a favorable stakeholder environment● Build up and maintain a healthy corporate culture which supports the achievement of ambitious goals and fosters motivation of staff and effective inter-cultural co-operation● Any other duties and responsibilities assigned by the Board of Directors and mutually agreed upon● Reports to the Board of Directors

2. Chief Technical Officer (CTO)

Main Objectives	Responsible for leading the technical divisions of the Company including all IT-systems, development & implementation of appropriate technology, networks and services
Specific Duties and Responsibilities	<ul style="list-style-type: none">● Plan, develop, and execute strategies to ensure the fast, timely and cost-effective establishment of the communication technology networks for (voice, data and multi-media) applications.● Responsible for future technology strategy, network roll-out and network optimization● Definition and implementation of processes in line with the Company's business processes● Planning and implementation of new technology according to customer demand and in line with Business Plan● Chief responsibility for the technical side of operation and network/service upgrades & expansion: issuing and evaluating large scale ICT related requests for proposals, technical procurement, vendor negotiation and contracting, technical roll-out and launch● Guide technical planning and implementation of necessary systems● Establish and manage the technical departments● Oversee the work of his teams and units in charge of the ICT network development, implementation and operation● Provide leadership for the management of those teams Contribute to a Company-wide reporting system to ensure optimal co-operation and control● Contribute to Business Plans● Within the overall budget: prepare budgets and manage finances of the technical department● Within the overall budget: responsible for staffing and staff development of department● Contribute to a corporate culture which supports the achievement of ambitious goals and fosters effective inter-cultural co-operation● Any other duties and responsibilities assigned by the CEO● Reports to the CEO

3. Chief Commercial Officer (CMO)

<p>Main Objectives</p>	<p>Responsible for excellence in marketing, sales, billing and customer care strategies and operations. Leads and decides all major product and market communications initiatives and is responsible for the overall customer management of the network operator</p>
<p>Specific Duties and Responsibilities</p>	<ul style="list-style-type: none"> ● Plan, develop and manage the commercial departments and work as a member of the Management Team, with chief responsibility for the commercial side of the Company. ● Determination of short- and long-term marketing strategies and implementation Marketing Plan (incl. Pricing Concept) ● Establishment of a medium- and long-term Product and Service Strategy in order to guide the development of innovative communications solutions, attractive packages, products and services for various customer segments ● Definition and implementation of processes in line with the Company's business processes ● Determination of an Innovation-, Product- and Portfolio Management Formula ● Set-up and act upon a Marketing Planning and Controlling System, supported by Marketing Information Systems ● Definition of Sales Strategy / Goals and the resulting Distribution Network Strategy (direct and indirect sales channels) plus the individual channel de-sign, retail- and sales plans / targets ● Conception and implementation of a Customer Service/ CRM Strategy as well as Sales Support Systems ● Alignment of the Organizational Design of the Sales & Marketing as well as the Billing & Customer Care Departments to the Corporate Strategy, including the responsibility for staffing and staff development of departments ● Guide optimizing the centralized billing system; implement a call centre and outlets working on service level agreements for the subsidiaries. ● Contribution to a customer-centric corporate culture which supports the stretching goals and fosters effective inter-cultural co-operation ● Any other duties and responsibilities are assigned by the CEO ● Reports to the CEO

4. International Business Manager (IBRM)

<p>Main Objectives</p>	<p>Responsible for managing the optimization of operational and commercial business relationship with the international carriers, telecommunication players and domestic Operators Interconnection. Leads, decides and coaching in all aspects of TeleYemen Voice and Data transmission and traffic termination cost and quality of all international rates, traffic routing, and capacity planning and is responsible for overall quality of service management.</p>
<p>Specific Duties and Responsibilities</p>	<ul style="list-style-type: none"> • Plan, develop and manage the international business department and work as a member of the Management Team, with manager responsibility for the international relations side of the Company. • Determination of most cost effective short- and long-term business strategies and implementation Traffic and Network Plan (incl. Pricing and capacity concepts) • Establishment of a medium- and long-term International Traffic Strategy in order to enhance the Company's revenue and quality of service • Direct and guide negotiation of tariffs (Inbound and Outbound) with international Operators as well as rates (buy and sell) for transit traffic and meditation of disputes and litigations with international operators. • Direct and guide negotiations of pricing and quality (SLA) for transmission broadband IP, interconnect, capacity resell services. • Guide the ongoing optimization of the capacity dimensioning (national/international), routing cost, quality and possibly volume commitments. This includes the management of overflows, outages, price increase or decrease. The main driver is the preservation of the profitability of the international voice traffic. • Plan and manage technical and commercial strategies to fight against illegal traffic practices (by-pass). This includes testing, identification and blocking of illegal local SIM boxes and estimation of the illegal traffic volume as well as by applying competitive termination rates that shall discouraging the by-pass traffic, making such illegal business unfeasible and increasing incoming traffic revenue. • Any other duties and responsibilities are assigned by the CEO • Reports to the CEO

Section 3. Instructions to Bidders

1. Introduction

- 1.1. This invitation is extended to qualified International Telecommunications Operators to submit a Technical and Financial Proposals, for implementing the services as specified in the TOR. The proposal will be the basis for contract negotiations and ultimately for a signed contract with the selected Company.
- 1.2. The assignment shall be implemented to MTIT's satisfaction
- 1.3. The Operators must familiarize themselves with local conditions and take them into account in preparing their proposals
- 1.4. The costs of preparing and/or negotiating the contract are not reimbursable as a direct cost of the assignments.
- 1.5. The successful Bidder's proposal and this RFP will become part of any contract awarded.
- 1.6. The International Telecommunications Operator shall provide professional, objective, and impartial advice and at all times hold MTIT and TeleYemen interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. The Operator shall not be hired for any assignment that would be in conflict with their prior or current obligation to MTIT and/or TeleYemen, or that may place them in a position of not being able to carry out the assignment in the best interest of MTIT and/or TeleYemen.

1.7. Business Ethics

MTIT, as well as the Operators shall observe the highest standard of ethics during the selection and execution of such contract. In accordance with these requirements MTIT:

- (a) Defines for the purposes of this provision, the terms set forth below as follows:
 - i. "Corrupt Practices" means the offering, giving receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and
 - ii. "Fraudulent Practices" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the borrower, and includes collusive practices among the Operators (prior to or after submission of proposals) designed to establish prices at artificial, noncompetitive levels and to deprive the borrower of the benefits of free and open competition.
- (b) Will reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent activities in competing for the contract in question;

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- (c) Will declare a firm ineligible through the MTIT black listing, either indefinitely or for a stated period of time, to be awarded a Government-financed contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices.
- (d) Will have the right to require that , a provision be included requiring Operators to permit the Government to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by the Government.

1.8. Each Company shall submit only one proposal as individual. More than one proposal will lead its owner to be rejected.

2. Schedule

The table below presents MTIT expected schedule for this RFP and contracting process. Please note that, at its total discretion MTIT may change this schedule or cancel the RFP at any point in the process.

RFP Published	7 th Feb 2011
Bid Submission Due and Technical Proposal Opening (see section below for detailed instructions on Proposal Format and submission instructions)	26th March 2011, 11:00 GMT+3
Financial Proposal Opening	26th April 2011, 11:00 GMT+3
Bid Selection Notification	10 th May 2011, 15:00 GMT+3
Contract Negotiation Period	16 th May to 23 rd May 2011.
Contract Signature	25 th May 2011
Handover Period	1 st June to 30 th June 2011.
Management Start Date	1 st July 2011.

3. Submission of Proposals

This RFP is issued by Ministry of Telecommunications and IT. Bids must be sealed and submitted in paper (one original and five (5) copies) and electronic format (on CD or Flash Disk) with the enclosed files in .DOC, .DOCX, XLS, XLSX, or .PDF. Proposals shall be received by **26th March 2011, 11:00 GMT+3** and submitted by Courier or hand (FedEx or DHL) to the following contact address:

**TeleYemen
Head Office
Purchasing and Contracting Department
26th September Street
Sana'a, Republic of Yemen
Telephone: + 967 777 918877
E-mail: t.aldholi@teleyemen.com.ye (Chief Financial Officer)**

4. Clarifications of RFP Documents

4.1. The Operators may request a clarification of any of the RFP documents. Any Bidder requiring clarification of any section of this proposal or wishing to comment or take exception to any requirements or other portion of the RFP must submit specific questions in writing according to Schedule listed above.

4.2. Questions may be e-mailed to the following contacts:

t.aldholi@teleyemen.com.ye (Chief Financial Officer)

m.alsabahi@teleyemen.com.ye (Financial Control Analyst)

4.3. MTIT will respond to such requests and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all invited Operators who intend to submit proposals. . Every effort will be made to have these available soon, contingent on the number and complexity of the questions.

4.4. MTIT in no case is bound to respond to any clarification request after the deadline of submission is elapsed.

5. Amendment of RFP

5.1. At any time before the submission of proposals, MTIT may, for any reason, amend the RFP. Any amendments shall be issued in writing through addenda.

5.2. Official letters shall be sent to RFP documents recipients to notify for amendments. New Bidder, during bid period shall receive main the RFP documents plus the addenda and will be binding on them and will be an integral part of the RFP documents.

5.3. MTIT may at its discretion extend the deadline for the submission of proposals to allow for enough time for reviewing the RFP.

6. Proposal Format

To fairly evaluate all proposals, MTIT requires a uniform proposal format. Additional information which enhances the Operator's response may be provided in a format of the Service Provider's choice. Bidders shall be aware that MTIT shall have the right to verify all information provided. The uniform proposal format shall contain the following:

6.1. Preparation of Proposal

- a) Bidders are requested to submit a proposal correspondence written in English.
- b) The original proposal shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the Company itself. Any such corrections must be initialed by the persons or person who sign(s) the proposal.
- c) An authorized representative of the Operator initials all pages of the proposal. The representative's authorization is confirmed by a written power of attorney accompanying the proposal.
- d) Each Bidder shall prepare one original and five copies of its proposal. The Proposal shall be marked "ORIGINAL" or "COPY" as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original governs.
- e) Bidders shall submit the original and copies of the Proposal in separate sealed envelopes as follows:
 - (i) Separate sealed envelope marked as "**Technical Proposal**".
 - (ii) Separate sealed envelope marked as "**Financial Proposal**".

6.2. Technical Proposal

In preparing the Technical Proposal, Bidders are expected to examine the documents constituting this RFP in details. Material deficiencies in providing information requested may result in rejection of a proposal. The Technical Proposal must be submitted in a separate envelope marked as "**Technical Proposal**" including the following:

- a. While preparing the Technical Proposal, the Operator must give particular attention to the following:
 - (i) Proposed key professional management must be permanent employees of the firm or have an extended and stable working relationship with it.
 - (ii) Alternative professional staff shall not be proposed, and only one curriculum vita (CV) may be submitted for each position.
 - (iii) Reports to be issued by the Bidders as part of this assignment must be in English.

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- b. The Technical Proposal shall provide the following information:
- (i) A brief description of the Company's organization and an outline of recent experience on assignments of a similar nature. For each assignment, the outline shall indicate, inter-alia, the profiles of the key staff used, duration of the assignments, contract amount, and Company's involvement.
 - (ii) Any comments or suggestions on the Terms of Reference and on the data, list of services, and facilities provided by MTIT.
 - (iii) A description of the methodology and work plan for performing the assignment.
 - (iv) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing.
 - (v) CVs recently signed by the proposed staff and the authorized representative submitting the proposal. Key information shall include number of years working for the Company/entity and degree of responsibility held in various assignments during the last five (5) years.
- c. The following must also be submitted as a part of the Technical Proposal:
- (i) All Bidders must submit a cover note, signed by the responsible official in their organization, certifying the accuracy of all information in their proposal and that proposal will remain valid for One Hundred and Twenty (120) days after the date of opening the envelopes prescribed by MTIT. NOTE: Do not include any price information in the Cover Letter.
 - (ii) Copy of a valid registration or classification certificate
 - (iii) Copy of the General Sales Tax Certificate + a valid Tax ID.
 - (iv) Copies of valid Social Security ID and the Zakat ID.
 - (v) Bid Bond according to conditions detailed in Article 7.
 - (vi) All Bidders must sign the RFP and return it back with their offer.
 - (vii) All Bidders shall meet eligibility requirements detailed in Article 12 in Section 2.

Foreign Companies are exempted from submitting the above mentioned documents and certificates (ii-iv) and they are only required to provide official documents issued by their original countries.

6.3. Financial Proposal

The Financial Proposal must be submitted in a separate envelope marked as **“Financial Proposal”**.

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- The Price must be submitted in USD.
- Breakdown of the quoted price will be required.
- The Proposal Price must be fixed and valid for the duration of bid and contract.
- The pricing proposal shall be submitted in a separate individually sealed envelope.

7. Bid Security

The Bidder shall furnish, as part of its bid and according to Appendix 1 in this section, a bid security that shall comply with the following conditions:

- 7.1. The amount of the bid security shall equal (\$100.000) Only One Hundred Thousand US Dollar.
- 7.2. At the Bidder's option, the bid security shall be in the form of either a certified check, or an irrevocable bank guarantee issued from or confirmed by a local and reputable bank in Yemen.
- 7.3. Be payable promptly upon written demand by the purchaser (MTIT) in case any of the conditions in the RFP Clause 7.9 are invoked.
- 7.4. Be submitted in its original form; copies will not be accepted.
- 7.5. Remain valid for a period of at least 150 days from the bid opening date.
- 7.6. Any bid not accompanied by a substantially acceptable bid security in accordance with RFP Clause 2.7, shall be rejected by the Company as non-responsive.
- 7.7. The bid securities of unsuccessful Bidders will be returned as promptly as possible, but not later than twenty-eight (28) days after the expiration of the period of bid validity.
- 7.8. The bid security of the successful Bidder will be returned when the Bidder has signed the Agreement.
- 7.9. The bid security may be forfeited:
 - a) if a Bidder:
 - i. withdraws his bid during the period of bid validity specified by the Bidder on the Bid Form
 - ii. fails to accept the MTIT corrections of arithmetic errors in the Bidder's bid
 - b) in the case of the successful Bidder, if the Bidder fails to:
 - i. sign the Contract in accordance with this RFP.

8. Contract Award

This RFP does not commit MTIT to enter into an agreement with the Bidder or any other organization. This RFP doesn't commit MTIT to accept the lowest offer and MTIT reserves the right to accept or reject proposals on each item separately or as a whole, to reject any or all bids without penalty, to waive any informalities or irregularities therein, and to contract as the best interest of MTIT may require to best meet the needs of MTIT, as expressed in this RFP.

Selection of a bid does not mean that all aspects of the bid are acceptable to MTIT. MTIT reserves the right to negotiate modification of the bid prices, terms and conditions with the best, responsible Bidder in conjunction with the award criteria, prior to the execution of a contract, to ensure a satisfactory procurement. If the parties are unable to reach agreement, MTIT reserves the right to cease negotiations and choose another Finalist/Bidder, until either agreement on the provisions of the contract is reached or MTIT rejects all proposals. MTIT reserves the right to determine if an alternate item is equal to the specified item and will meet MTIT requirement.

9. Subcontracting

The Bidder may not convey, assign or otherwise dispose of the contract as a whole or in part, or the Bidder's right, title, or interest in the contract, or its power to execute the contract, to any other person, Company, corporation, or entity without the prior written consent and written approval of MTIT.

10. Validity of Proposals

Proposals shall remain valid for One Hundred and Twenty (120) Days after the date of opening the envelopes prescribed by MTIT.

11. Proposals Evaluation

11.1. General

- a) From the time the bids are opened to the time the contract is awarded, if any Operator wishes to contact the Client on any matter related to its proposal, it should do so in writing at the address indicated in this RFP. Any effort by the Bidder to influence the Client in proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the consultant's proposal.
- b) Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is completed.
- c) After the evaluation of technical quality is completed, the Client shall notify those Operators whose proposals did not meet the minimum qualifying mark or were considered non-responsive to the RFP and Terms of Reference, indicating that their Financial Proposals will be returned unopened after completing the selection process. The Client shall simultaneously notify the Operators that have secured the minimum qualifying mark, indicating the date and time set for opening the Financial Proposals. The opening date shall not be sooner than two weeks after the notification date. The notification may be sent by registered letter, facsimile, or electronic mail.
- d) The Financial Proposals shall be opened publicly in the presence of the Operators' representatives who choose to attend. The name of the Operator, the technical scores, and the proposed prices shall be read aloud and recorded as the Financial Proposals are opened. The Client shall prepare minutes of the public opening

11.2. Preliminary Evaluation

In order to be qualified for the evaluation stage, bids shall pass through the Preliminary Evaluation stage, which include meeting all eligibility requirements detailed in **Article 12** in Section 2. A proposal shall be rejected at this stage if it does not respond to All eligibility requirements detailed in **Article 12** in Section 2

11.3. Technical Evaluation

- a) The evaluation committee appointed by the Client, as a whole, and each of its members individually will evaluate the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria, and point system specified below. Each responsive proposal will be given a technical score (St). A proposal shall be rejected if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated below

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b) The Technical Evaluation will include the following criteria (100 points total):

Item	Criteria	Sub-Point	Point
1.	Specific experience of the Operator related to the assignment		15
	– Telecommunication Management Experience	10	
	– Experience in the region	5	
2.	Adequacy of the proposed work plan and methodology in responding to the Terms of Reference		40
	– Responding to the Terms of Reference	25	
	– Work plan and methodology	15	
3.	Qualifications and competence of the key staff for the Assignment		40
	CEO	12	
	CTO	9	
	CMO	9	
	IBRM	10	
4.	Suitability of the transfer of knowledge program (training)		5

c) The number of points to be given under each evaluation sub-criteria for qualifications of staff under (3) above are:

	Points
(i) General qualifications	[20]
(ii) Adequacy for the assignment	[60]
(iii) Experience in Telecommunication Management	[20]
Total Points:	100.

d) The minimum technical score required to pass is [70] points

11.4. Financial Evaluation (100 points total)

The results of the financial evaluation are scaled to make them compatible with those of the technical evaluation and completion offer evaluations. For doing this, the lowest financial proposal is given a full score which is the same as the maximum score used for the technical and completion evaluations (in this case, 100). The score of the other financial proposal are then calculated in the following way:

$$\text{Score of lowest proposal} = 100\%$$

$$\text{Financial score of other proposals} = \frac{\text{Price of lowest proposal}}{\text{Price of proposal}} \times \text{Full score}$$

11.5. Final Evaluation

The results of the technical and financial evaluations are combined using the weighting between them as follows: (1) technical evaluation 70% (2) financial evaluation 30%. To do this, the technical score is multiplied by its weight (70%), and the financial score by its weight (30%) and the two products added to get the combined score.

12. Appendices

Appendix 1 – Tender Security Form

Dear: Ministry of Telecommunications and Information Technology (MTIT.)

Name of Tender: Providing Management & Operating Services

Tender no. (TY 01/ 2011)

KNOW ALL PEOPLE by these presents that We [Name of bank] guarantee
..... [Name of the supplier] an absolute, unconditional and irrevocable
guarantee to pay for

Dear: Ministry of Telecommunications and Information Technology (MTIT.), its successor in
office, or who is appointed by its side the amount [Write the amount
in figures] [Write the amount in letters] upon receipt by us of
your first demand in writing without any reservation or objection from our part or by the
content and conditions of this commitment.

THE CONDITIONS of this obligation are:-

1. If the tenderer withdraws its Tender during the period of tender validity specified by the tenderer
on the Tender Form; or

2. If the tenderer, having been notified of the acceptance of its tender by the [Ministry of
Telecommunications and Information Technology (MTIT.)], during the period of tender validity:

(A) fails or refuses to execute the Contract Form, if required; or

(B) fails or refuses to furnish the performance; or

(C) do not accept arithmetical corrections in accordance with the instructions to tenderers.

This guarantee shall be valid for a period of (.....) days starting from the date of

//_ and expire at the date of _/_/_.

Any request for extension of this guarantee must be submitted by the tenderer (content)

Signature and Seal: ____ Bank Name :__ Address: _____ Date: __

Section 4. Technical Proposal-Standard Forms

1. Technical Proposal Submission Form

Date:

To: Chief Financial Officer
TeleYemen
Sana'a, Yemen

Dear Sir,

We, the undersigned, offer to provide the Management and Operation services for TeleYemen in accordance with your Request for Proposals dated [Date] and our Proposal dated [Date]. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

We confirm our commitment to our proposal during its validity period starting with deadline for submission and opening of proposals.

If negotiations are held during the period of validity of the Proposal, i.e., before [Date] we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Authorized Signature (In full and initials): _____

Name and Title of Signatory: _____

Name of Company: _____

Address: _____

Stamp of the Company _____

2. Company's References

Relevant Services Carried Out in the Last Five Years That Best Illustrate Qualifications

Using the format below, provide information on each assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted

Assignment name:		Country:
Location within country:		Professional staff provided by your Firm/Entity/(profiles):
Name of Client:		No. of staff:
Address:		No. of staff-months Duration of assignments:
Start date (month/year):	Completion date (month/year):	Approx. Value of Services (in Current US\$):
Name of Associated Company, If Any:		No. of Months; of Professional staff Provided by Associated Operators:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:		
Narrative description of Project:		
Description of Actual Services Provided by Your Staff:		

3. Comments and Suggestions on the Terms of Reference and, Services.

4. Description of the Methodology and Work Plan for Performing the Assignment

5. Team Composition and Task Assignments

6. Format of Curriculum Vitae (CV) For Proposed Professional Staff

Proposed
Position: _____

—

Name _____ of
Company: _____

—

Name _____ of
Staff _____

—

Profession: _____

Date of Birth: _____

Years _____ with _____ Company/Entity: _____
Nationality: _____

Member _____ in _____ Professional
Societies: _____

Detailed _____ Tasks
Assigned: _____

Key Qualifications:

(Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use about half a page):

Education:

(Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page)

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this data correctly describes my qualifications, my experience, and me.

Date: _____

(signature of staff member and authorized representative of the staff)
Day/Month/Y car

Full name of staff member:

Full name of authorized representative:-

Section 5. Financial Proposal - Standard Forms

1. Financial Proposal Submission Form

Date:

To: Chief Financial Officer
TeleYemen
Sana'a, Yemen

Dear Sir,

We, the undersigned, offer to provide the Management and Operation services for TeleYemen in accordance with your Request for Proposals dated [Date] and our Proposal (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of [*Amount in words and figures*]. This amount is exclusive of the local taxes, which we have estimated at [*Amount(s) in words and figures*].

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e.,[Date].

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Authorized Signature (In full and initials): _____

Name and Title of Signatory: _____

Name of Company: _____

Address: _____

Stamp of the Company

2. Summary of Costs

Costs	Currency	Amount(s)
Subtotal		
Local Taxes		
Total Amount of Financial Proposal		

3. Breakdown of Price

Section 6. Standard Form of Contract (Attached)