

Replies to Bidder's Queries (Batch-2)
Project ID: USF/SP/Optic Fiber/2018/FATA-Package-1
17th April 2018

Sr.No	Queries	Document Ref:	USF Response
1	Can we issue DD from any bank who has awarded credit rating AA or AA+ instead of AAA rated bank? Further, Demand Draft is an old terminology and currently banks are issuing Pay Orders, Cashier Cheque, Security Deposit Receipt and Call Deposit Receipt which are as good as Demand Drafts and are payable in any branch of issuing bank in Pakistan. Accordingly, kindly confirm acceptability of aforementioned instruments for participation in bidding.	Definitions – “Bid Bond”	Bid Bond must be in the form of Demand Draft from any reputable bank located in Pakistan
2	Kindly confirm that the value of the Bid Bond to be submitted is PKR 10 Million.	Clause 42.1(f) of RFA	As per Clause 42.1(f) the Applicant shall furnish a Bid Bond of minimum amount of PKR 10,000,000 in the form of Annex 2 of RFA
3	Annex 2 to the RFA is blank; hence there is no clarity on the format and validity period of the Bid Bond to be noted therein. Will the Bid Bond have Clause 39.3 or 39.4 of the RFA or any part thereof inserted therein?	Annex 2 of RFA	Bid Bond will be in the form of Demand Draft in the name of USFCo with standard validity
4	Clause 39.4(a) of the RFA, where it is stated that “where the Applicant withdraws its Proposal prior to execution of the USF Services and Subsidy Agreement”, as a condition for forfeiture of the Bid Bond, the sentence should begin with the qualification, “if the Applicant, having been notified of the acceptance of the Proposal by the USFCo during the period of validity of the Proposal, withdraws its Proposal prior to execution of the USF Services and Subsidy Agreement” because otherwise it appears that a Proposal by USFCo, which automatically stands withdrawn, may also attract this condition.	Clause 39.4(a) of the RFA	USF will complete the process of execution of Services and Subsidy Agreement with the qualified bidder within the validity period of proposal, which is 180days.
5	The quality of service requirements provided in Schedules A and B of the SSA can only be catered to the extent that the same are already reflected in the Licenses issued to Wi-tribe – as the Telecom Licenses are issued for the Territories of Pakistan and wherein the QoS KPIs are to be maintained across the board in each region, it is apprehended that catering to any KPI above and beyond those provided in the Licenses may be misconstrued to mean that Wi-tribe has willfully permitted an amendment to its License(s) or that a KPI adhered to for USF Area may become obligatory to be provided across the Country;	Clause 2.04 of SSA	Please refer to Schedule-A1 of Draft SSA. Further, the USF Service Provider shall meet all quality of service requirements for the USF fiber optic cable Services identified in the USF Service Provider’s License(s), or otherwise established by PTA.
6	Where PTA has been mentioned to assist in resolution of sharing disputes, it is requested that reference be made to Section 4(j) and Section 27-A of the Pakistan Telecommunication (Re-organization) Act 1996 (the “Act”), where PTA has been obligated to address such matters. This is requested because PTA is not a Party to the SSA and the terms of Section 27-A of the Act is to apply with respect to disputes related to right of way.	Clause 2.05(b) of SSA	The reference is made under Rule 27 of USF Rules 2006 as amended not Section 27 of the Telecommunication Re-Org Act 1996.
7	An amendment is requested with respect to the proviso mentioned therein, which should be applicable to Clause 4.01(a)(iii) as well and not just to the sub-clause (v). the proviso has been repeated below for ease of reference: “provided that the total amount of such liquidated damages shall not exceed the amount of the USF Subsidy payable to the USF Service Provider for the provision of the USF Services in the USF Areas”;	Clause 4.01(a)(v) of SSA	Compliance with the said clause is mandatory.

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8	Where the Clause states that the Technical Auditor “may be” an external consultant, it is requested that such Technical Auditor remains an external person with no direct affiliation with USFCo. to maintain impartiality. As the Technical Auditor is being appointed by the USFCo., the SSA should also mention the liability of the Technical Auditor in maintaining impartiality;	Clause 8.01 of SSA	Please refer to clause 8.01 (a) & (b) of SSA
9	As USFCo. is paying all fee payable to the Technical Auditor, kindly confirm if costs incurred from cooperating with the Technical Auditor (if any) shall be recovered from USFCo.;	Clause 8.03 of SSA	Please refer to clause 12 of RFA, which clearly states: ".....USF Subsidy shall be paid to the USF Service Provider to help meet the capital costs of rolling out the USF Network...." As such the USF Service Provider will be responsible for payments of any cost incurred during the technical audit
10	Where the inability to obtain financing is not deemed as a Force Majeure event, there are certain instances where Force Majeure events may prevent the timely disbursement of funds - that in itself is an outcome of a Force Majeure event, hence should be mentioned as exempted from the provision.	Clause 13.01(h) of SSA	This is Universal definition of Force Majeure. Compliance with the clause is mandatory
11	A Force Majeure event, regardless of its duration, cannot be deemed to be a material breach of the Agreement by the USF Service Provider (and so declared at the sole discretion of the USFCo.), as the said Force Majeure event is beyond the control of the USF Service Provider. While the other party should have the right to terminate the Agreement, the event being called a material breach creates unnecessary burdens on the USF Service Provider, affecting the rights available to it under the prevalent law. The Clause is requested to be amended accordingly;	Clause 13.04(b) of SSA	The second part of the same clause is self explanatory which says;"however, USFco shall not be entitled to exercise any of the remedies identified in Section 4.01 and 4.02 in connection with the circumstances of the Force Majeure event".
12	It is requested that this Clause be applicable on both Parties; i.e. USFCo. should consult the USF Service Provider prior to issuing any public announcements or statements relating to the USF Area;	Clause 16.04 of SSA	No amendment is deemed necessary
13	Kindly confirm if financial statements prepared as per accounting standards and under the audit process by the external auditors are acceptable?	Clause 42.5 of RFA	Clause 42.5 is pretty clear on the format of the financial statements. Un-audited financial statements of the latest FY must be accompanied by audited financial statements of last three years.
14	Please clarify TM and ADM for our better understanding, because different solution designer use different terminologies for same equipment/topologies.	Schedule A-1 of SSA	ADM - Add/drop Multiplexer and TM - Terminal Multiplexer, Please refer to Schedule-B for further details
15	Clarification is required for 2 Way HDPE Pipe laying, from the document, SCHEDULE A-2 page-7“FO cable shall be laid in ducts with two inches diameter, 2-way PVC pipes /HDPE or equivalent along with appropriate HHs. Minimum wall thickness shall not be less than 3.5mm.” we assume that two parallel HDPE pipes will be deployed in a single Trench. Kindly confirm	Schedule A-2 of SSA	There will be single HDPE pipe in a single Trench.

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16	<p>page 10 (section 2) state: "Following interfaces shall be supported by the F.O equipment corresponding to the capacities designed for the network and as applicable in compliance to latest ITU recommendations. i) 2 Mb/s Electrical Interface ii) 34 Mb/s Electrical Interface iii) 45 Mb/s Electrical Interface iv) 140 Mbit/s electrical interfaces v) 155 Mbit/s electrical interface" Mentioned SDH interface are obsoleted, only 100 Mb/s and 1000 Mb/s interface are available. Please confirm if the obsolete aspects are also required, so we plan the solution accordingly.</p>	Schedule A-2 of SSA	The interfaces are required, because they are required by multiple operators who may opt to use this network in future
17	<p>Page 10 Section C (Section 4) states: "The operation and maintenance functions of F.O transmission equipment shall be manageable through LCT and NMS for which all necessary interfaces and features shall be provided." Please elaborate: what is meant by LCT?</p>	Schedule A-2 of SSA	LCT is Local Craft Terminal used for operation and maintenance of the node
18	<p>Page 11 Section 2.5 states: "The electrical characteristics of the V.11, 64kbit/s interface shall conform to the specifications given in ITU-T Rec. V.11."Please elaborate: what is meant by V.11?</p>	Schedule A-2 of SSA	ITU-T Rec. V.11 describes electrical characteristics for balanced double-current interchange circuits operating at data signaling rates up to 10 Mbit/s
19	<p>Is there any SLA about maintenance, so that it may be referred to while preparing the solution as per your SLA?</p>	Schedule A-2 of SSA	As per schedule A1, The USF Service Provider shall ensure that the USF FOC Services are maintained and continued, and meet applicable service requirements and quality of service standards, throughout the Term of the SSA
20	<p>In the table provided on Page1, Please advise: either we propose our solution with (100 or 1000 Mb Card) or (100 or 1000 Mb Port) because both have different price impacts. As per STM 16 Solution FE 100 Mb card are used preferably</p>	Schedule B of SSA	The table provides required number of Ethernet ports supporting 100/1000 Mbps per site.
21	<p>At what interfaces will the traffic be handed over at TALL, TANK,BANNU, MIRAN SHAH, Mir Ali? How will the existing Vendor/Operator be handled at these locations? Do we need to propose new equipment at said locations?</p>	Schedule C of the SSA	The Service Provider is responsible for collecting the information about existing infrastructure and planning national backbone connectivity accordingly
22	<p>If we calculate the traffic matrix as per the requirement mentioned in the RFA, the traffic is more than STM 16 and it can be facilitated with STM 64, so please suggest if we plan our system with STM 64 or we design cable system with STM 16 which will be upgraded to STM 64 by replacing STM 16 card (2.5 G) to STM 64 Card (10 G) when bandwidth requirement will be exceeded from 2.5 G?</p>	Schedule C of the SSA	Its up to the Service Provider to decide whether to start with STM 16 and later expend to STM 64 as the bandwidth requirements grow or to start upfront with STM 64.
23	<p>Please clarify the scope of work and dimension for Exchanges construction. If not, please confirm that this remains at the discretion of the USF Service Provider.</p>	Schedule C of the SSA	Dimension of Exchange is at the discretion of USF Service Provider. However the area should be sufficient to provide space for equipment, future expansions and infrastructure sharing requirements provided in RFA.

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24	The Performance Bonds (being in the form of Irrevocable Bank Guarantees) make no reference to the milestones which, if not met, shall result in the forfeiture of the Performance Bond – a simple request for drawing any amount under the Performance Bonds appears highly strict and limits the legal rights of the USF Service Provider to ensure the provision of required services under extraordinary circumstances but without risking the Performance Bonds submitted;	Schedule F of SSA	Compliance with the Schedule F is mandatory.
25	Under Section 6.01 of the SSA, the validity period provided for the Performance Bonds is subject to extension to the extent of Force Majeure events encountered during this time – the Performance Bonds are recommended to reflect the same, to ensure its continuity by the Bank who are not a party to the SSA.	Schedule F of SSA	Compliance with Article 6.01 is mandatory.
26	The Performance Bonds need to be reviewed in accordance with Article 6 of the SSA, to which there is no reference available in the Performance Bonds.	Schedule F of SSA	Service Provider has to submit a performance bond under Article 6 of the SSA and in accordance with the Format provided in Schedule F of the SSA.
27	There is a difference in Reserve Price mentioned in Clause 1.2 i.e. Rs. 915million whereas in Definitions Reserve price is maximum subsidy value of Rs.913 million. Kindly clarify what is the actual Reserve Price for this project	Clause 1.2 and Definitions of RFA	This is a typo error in the relevant definition. Reserve price for the said project is Rs. 915 million.