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COMMUNICATIONS AUTHORITY OF MALDIVES

Request for Proposals (RFP)

Internet Service Provider Licence

Information Document

30 April 2015

1. Introduction

Internet services were introduced in the Maldives in 1997. Telecommunications and Information Technology have been, and are still amongst the fastest growing commercial sectors in the world. In particular, the last two decades have seen rapid developments in information technology and the ways in which technology can be utilised. Maldives too have achieved considerable development in the telecommunication infrastructure and services. With virtually no telephones outside the capital two decades ago, it has now developed infrastructure and services covering the whole country.

The key enabler, guiding the sector and driving the development of telecommunications has been the clear communication policies practiced by the Government. Vast improvements in the coverage and quality of telecommunication services have been attained with considerable reduction in prices of services. A comprehensive regulatory framework was established that provided sufficient powers and transparency in the Regulator, resulting in foreign as well as local investments in the sector.

The National Broadband Policy is formulated to build upon the telecommunications and ICT developments triggered through previous policies and enhance existing networks as well as introduce new areas of development throughout the country. The policy aims to take advantage of new global trends and technologies to connect island communities and facilitate the use of such technologies to fulfill the changing economic and social development needs of the country.

The Communications Authority of Maldives (CAM), in addition to its role as the Regulator, has the mandate to develop the telecommunications sector in the Maldives. As the implementing agency for the National Broadband Policy 2014 - 2018, CAM endeavors to achieve the objectives of the policy through various programmes and projects, together with the initiatives and activities by industry players.

2. Situation and Objective

Internet services have now become an integral part of our daily lives in both economic and commercial activities. Internet is now counted with other essential services of livelihood such as water and electricity. Education, health services and trade services are now being developed and extended to the public relying on the internet. Thus, it is required to roll out high-speed broadband internet services in the country.

As a geographically dispersed island nation, our dependency on internet for socio-economic development has become highly important. Even though broadband services are important to the country, it is not available to all islands in the Maldives. In 2014, only 7% of the inhabited islands have access to wired broadband. Combining fixed and wireless broadband together, the broadband availability figure reaches 49% of the inhabited islands. Population wise, 51% of the total population has access to wired broadband access. This figure reaches 85% when fixed and wireless broadband are counted together.

Even though the combined statistics for the accessibility is quite high, it should be noted that 51% of all the inhabited islands still do not have access to broadband internet. Hence,

it is imperative to rollout broadband services to these islands in a near future. Just as in other countries, Maldives must thrive to provide broadband internet services in an affordable manner to promote the socio-economic development.

Apart from rolling out the broadband services universally to all islands, it is also important to ensure and maintain quality and sustainability of the service. In addition, the infrastructure for broadband services must be developed to ensure that there is a wide take-up of the services and that it is used in a manner which is most beneficial to the community.

Although it is desired that broadband services should reach to all parts of the country, it is a commercial challenge due to the small population size of many islands of the country. However, the government of Maldives is determined and committed to rollout the broadband services universally to all inhabited islands of the Maldives.

The “National Broadband Policy 2014 – 2018” focuses on five major areas:

- a. Basic Broadband Service
- b. Ensuring Quality of Service of Broadband Services
- c. Infrastructure Development
- d. Expanding Content and Services available on the Internet
- e. Enhancing Internet Services to World-class Standards

In order to achieve some of the objectives of the Broadband Policy, the Communication Authority of Maldives (CAM) has initiated a project to licence an additional provider for internet services.

This RFP document is formulated to provide information for interested parties to put forward proposals to acquire an Internet Service Provider (ISP) licence to provide internet services in the Maldives.

3. Scope of Licence

The successful bidder will be awarded with a licence to provide internet services in the Maldives. The licensed Internet Service Provider will be permitted to build and operate its own infrastructure and network.

Interested parties may submit proposals for licence as specified in below.

4. Eligibility

Local as well as foreign companies or a consortium of companies can participate in the RFP process and submit proposals. In the case of a foreign company being the successful bidder, it will be required to incorporate the company in the Maldives.

Companies holding licences or permits for ISP services in the Maldives, or companies associated with the aforementioned licence holders with shareholdings of 20% or more are not eligible to participate in this RFP process.

5. Requirements in Proposals

Parties submitting proposals (bidders) must demonstrate their experience in the ICT field and their financial capabilities. All proposals submitted must outline the plans to develop and rollout internet services to the country in consideration of the objectives of the National Broadband Policy. In the development of services and the rollout plan, special consideration must be given to the areas of high economic activity, including the Special Economic Zones as declared by the Government.

The bidder should provide a company profile, and demonstrate its financial capability and details of relevant experience and similar works undertaken.

The bidders may also propose additional contributions to the ICT sector or other areas of development for the country such as sharing of infrastructure for state use and national purposes.

Further details on the information required to be submitted are given in Annex 1.

6. Evaluation Criteria

The successful bidder will be selected on the basis of experience, financial and investment capability, service rollout and contributions to the development of the country.

Proposals will be evaluated on a scale of 1000 points. The specific weightings for the required criteria are as follows:

Criteria	Weight
Experience in the ICT field	200
Existing investments in ICT sector	200
Financial capability	200
Service rollout and development	200
Contributions to development	100
Overall proposal	100

7. Fees

The following fees will apply in respect of this RFP and licensing:

- (1) Proposal submission fee: A non-refundable fee of MVR 38,550 (equivalent to US\$ 2,500) is payable at the time of submitting the proposal for Internet Service Provider licence.
- (2) Initial Licence fee: Towards the awarding of a licence, the successful bidder (the Licensee) will be required to pay an initial licence fee of MVR 771,000 (equivalent to US\$50,000).
- (3) Annual Licence Fee: During the tenure of the licence, the Licensee will be required to pay an annual Licence Fee of 5% of all revenue collected on the provision of ISP services.

8. Conditions of Proposal Submission

Proposals are to be delivered to:

*The Chief Executive
Communications Authority of Maldives
Telecom Building
Husnuheena Magu
Male' 20117
Maldives*

Closing time for the receipt of proposals is -

1300Hrs on Tuesday, 30 June 2015

It is the responsibility of the bidder to ensure that the proposal is correctly delivered before the closing time. Proposals received after the closing time will not be accepted and senders will be notified accordingly. Such proposals delivered by post may be collected from CAM by the respective sender.

Proposals are to be submitted in a sealed envelope marked:

“Proposal on the Licence for Internet Service Provider”

The address including email, fax and telephone numbers of the bidder should be indicated on the envelope.

One original, one copy and one soft copy (in PDF format) of the proposal are required to be submitted. The original and copy must be stamped and identified.

CAM reserves the right to accept or reject any or all of the proposals.

9. Inquiries

All inquiries relating to this RFP should be directed to:

*Communications Authority of Maldives
Telecom Building
Husnuheena Magu
Male' 20117
Maldives
Tel: +960 332 3344
Fax: +960 332 0000
e-mail: isp@cam.gov.mv*

Details of information to be submitted

A1.1 Experience in the ICT field

Experience of the company in the ICT field in terms of number of years and details of operations is required to be submitted. Experience in a similar environment to Maldives will be given higher consideration.

The bidder must verify this information by a competent authority.

A1.2 Existing Investments in ICT Sector

The level of investment expenditure by the company in the field of ICT has to be demonstrated. The investment level must be expressed in US Dollars. Investments made in a similar environment to Maldives will be given higher consideration.

The bidder must verify this information by a reputed auditing firm or a competent authority.

A1.3 Financial Capability

Financial capability will be evaluated based on the company's turnover, assets and cash reserves. The bidder must submit its audited accounts for the last three years, and bank statements.

The bidders must also submit a business plan to demonstrate the viability of their proposal.

A1.4 Service Rollout and Development

Details of rollout of services indicating the areas and the time frame by which the areas will have service have to be submitted. For the purposes of evaluation, the areas are categorised into the following groups:

1. Male' City
2. Inhabited islands with population of 5000 and more
3. Inhabited islands with population between 2000 and 5000
4. All inhabited islands with population below 2000

Bidders must indicate the technologies they plan to utilise in the service rollout.

A1.4 Contributions to development

Bidders may propose contributions to the industry or other areas of development of the country. These could include contributions such as free sharing of infrastructure for state use and national purposes, or building and operating of facilities for the development of ICT. Special considerations must be given by the bidder to provide services to industrial areas and the Special Economic Zones as declared by the Government.