



Jan 19, 2022

**Tender 2021/021 – Consulting Services Regarding Charges for Fixed Telecom
Network Elements
Questions Received and Answers Provided**

Dear Potential Bidders,

Attached please find questions received and answers provided during the tender process: **(additional information that was not provided as part of the answer to the question when posed is denoted in bold)**

1. **Q:** One of the Deliverables required in section 5 of Appendix B (Project Description) includes „a matrix of suggested tariffs for services offered in the list of wholesale services provided by MoC“. Could you please provide more detail on the current tariff structure of the wholesale services? Are only recurring charges (e.g. monthly charges) or also one-off charges such as provisioning fee etc. required? Do you expect any changes in the tariff structure of the wholesale services for the new regulatory period?

A: The tariff structure of the current wholesale prices is set in administrative regulations which can be found here (https://www.nevo.co.il/law_html/law01/501_132.htm only in Hebrew, unfortunately). They include a matrix of per-user per month charges (for line rental and services, passive access etc.), variable charges (for core data transmission, voice minutes, etc.) and one-off charges (installation, etc.)

2. **Q:** Could you please send us a link to the current model used by MOC for determination of wholesale charges for fixed network elements?

A: The current model is unfortunately not public as it contains too much confidential information.

3. **Q:** As per the RFP (paragraph 7.B & C), we understand we are required to provide a signed affidavit in the presence of an attorney. We intend to provide the affidavit signed in the presence of a public notary in the United Kingdom. Please confirm this will be sufficient?

A: A Notary Public is fine. The intention was to require the approval of a duly qualified entity to attest to affidavits. As in Israel any licensed attorney may do this, that was the intention, but a Notary Public is of course acceptable as well.

4. **Q:** As per the RFP (paragraph 9.D), we intend to provide our UK company registration certificate as we are not a corporation. Please confirm this will be acceptable?

A: The use of "corporation" is American common usage, i.e. any duly incorporated entity. **[COMPANY NAME REDACTED]**'s UK company registration certificate is fine.



5. **Q:** As per the RFP (paragraph 7.A), we intend to provide our company audited financial account statement for the last financial year. Please confirm this will be acceptable?

A: If [COMPANY NAME REDACTED]'s annual accounts are audited by chartered public accountants (or the equivalent in other jurisdictions) that is sufficient.

6. **Q:** As per the RFP (Paragraph 8.3) we understand the technical proposals will be evaluated in three respects:

- The international experience of the bidder
- Previous professional reports prepared by the bidder
- Professional qualifications and experience of the bidder's experts.

Does this mean that a bidder is not required, as part of its technical proposal, to present its approach to completing the work, including, for example, a work plan and split of the work by team member? If this is required, please clarify how it will be considered in the MOC's assessment of the proposals.

A: Indeed, there is no requirement to present a formal work plan.

7. **Q:** With regards to the two professional reports that a bidder must submit as part of the technical proposal, please confirm if it is acceptable to submit a report which has been substantively prepared by a member of the bidder's proposed team, but for a different organisation to that of the bidder.

A: The reports submitted must be done under the aegis of the bidding party.

8. **Q:** Please could you clarify which document you are referring to in the RFP (Paragraph 9.B).

Is this Appendix C: 'to the Agreement' document?

If so, is this document required to be signed and provided in the technical proposal?

A: Indeed the meaning is appendix C – the draft contract

9. **Q:** Please confirm that Appendix D: 'Conflict of Interests Declaration and Undertaking', would only need to be completed once the winning bidder had been decided?

A: Indeed the conflict of interest declaration must be signed by the winning bidder. However, please note **that a lack of conflict of interest is a threshold condition and any bidder that is found to have a conflict of interest (even if this determination is made after their bid has been considered, and even after they have been declared the winning bidder) will be rejected. Therefore, please carefully consider** the terms of the conflict of interest declaration and ensure that your firm meets them to avoid any future problems.

10. **Q:** is it going to be a model for an access network only or is it going to include some parts of the core network too? (given that it requires the costs of Bistream services, transmission between local exchanges, voice minutes, etc)

A: The intention is for a full core and access model.



11. **Q:** Does the access network model need to produce a single set of estimates (geographically averaged) or as many sets as different geo-types (metropolitan, urban, rural etc)?

A: The question of granularity of cost estimates is up to the bidder. Previous MOC models have included various geotypes. I will emphasize that final decisions on the use of the model for setting prices remains in the hands of the MOC officials.

12. **Q:** What extent of benchmarking would be required for wholesale pricing aspects? How many countries would need to be benchmarked, would they need to be of different sizes etc, and could they all be Europeans?

A: Again, this question is within the professional competence of the bidder, and the winning bidder will be expected to provide enough benchmarking information to support their professional conclusions.

13. **Q:** is the model going to be a first year (that is, new build) model, or will it need to take into account RAB considerations (assets' age and corresponding rate of depreciation of the assets of the incumbent)?

A: The intention is to create a replacement cost model and not take into account legacy costs.

14. **Q:** Cost of capital: are the modellers going to be provided with an input to use in the model, or is it going to be part of the tasks to be performed?

A: Setting the cost of capital is part of the scope of the work. MOC and other government officials will support this work with relevant data and analysis on local capital markets, local inputs for the CAPM, etc.

15. **Q:** Would the "Reconciliation of model results..." be limited to comparing and commenting on differences in the results, or would you also expect a specific analysis of the reasons the results are different (which would in turn require a detailed analysis of the information provided by other operators)?

A: The reconciliation exercise is designed to provide the MOC with a reasonable explanation of any large differences between the book values of incumbent networks and the replacement model results. It should be noted that it is not expected that the reconciliation exercise result in a 100% closing of the price gap; rather, it is designed to strengthen the resilience of the model and justify cost modelling assumptions.

16. **Q:** "...must submit two professional reports...": Do these have to have been produced by the bidder, or are reports produced by the experts acceptable? Is it permissible to include more than two reports?

A: The reports must be submitted by the bidder. More than two reports are certainly welcome. **Please note that additional reports (in addition to the two minimally required) will be considered under the "International extensive**



experience" parameter and not the "Two submitted professional reports" parameter. Bidders who provide more than two reports are requested to explicitly state which two they would like to be considered under the "two submitted professional reports" parameter.