

Request for Expressions of Interest

The following deadlines and terms are approximate and referential. This is because, in accordance with Numerals 4.11 and 4.21 of Article 4 of PROINVERSION's Regulations on Hiring of Consultancy Services (approved by Agreement CD PROINVERSION No. 49-3-2018-CD and its amendments), the Definitive Terms of Reference will be elaborated with the participation of the companies that will submit Expressions of Interest and that will be qualified as the firms that have more experience and interest in doing the consultancy. Consequently, the terms and deadlines expressed in this document have no binding effect or generate any kind of obligation for PROINVERSION.

1. PROJECT DESCRIPTION

1.1. Background

- a) PROINVERSION is a public entity of the State of the Republic of Peru mainly responsible for promoting private investment in the country as provided for in its Regulations on Organization and Functions (Supreme Decree No. 185-2017-EF).
- b) The Ministry of Transport and Communications (MTC) is the institution of the Peruvian State responsible for designing and implementing telecommunications policy that allows the development of the sector and guide the actions of private telecommunications companies. Its main guidelines are:
 - Promote the growth of the supply of public telecommunications services at the national level;
 - Favour the development of the markets for fixed and mobile telephony and broadband Internet access;
 - Raise fixed, mobile and broadband Internet access penetration rates nationally;
 - Reduce the digital gap;
 - Increase competition in the telecommunications and Internet access markets in the country; and
 - Increase private investment and enhance the welfare of consumers of telecommunications services.
- c) The administration, allocation, assignment and control of the radioelectric spectrum correspond to the MTC, a scarce resource that is part of the Nation's assets, whose use and granting of use to individuals must be carried out under the conditions indicated by the Telecommunications Law and its Regulations.
- d) Likewise, the granting of a concession is required for the provision of public telecommunications services by natural or legal persons, an aspect that contributes to satisfying the communication needs of the Peruvian population.
- e) By Ministerial Resolution No. 157-2019-MTC/ 01.03 published in the official gazette El Peruano dated March 7, 2019, MTC:

- Mandates a public bidding process to grant a single concession for the provision of public telecommunications services and to allocate at the national level: (i) the frequency range 1,750 - 1,780 MHz and 2,150 - 2,180 MHz, and (ii) the frequency range 2,300 - 2,330 MHz; according to the channeling determined by the MTC and according to the conditions established in the bases of the aforementioned bidding process.
 - Commissioned PROINVERSION to conduct the Public Bidding and the granting of the good pro, in coordination with the Vice-Ministry of Communications.
- f) On the completion of the Project Evaluation Reports by the MTC, through PROINVERSION Agreement No. 96-2-2020-CD dated February 5th, 2020, Directive Council of PROINVERSION approved the incorporation of the Projects to the private investment promotion process, as well as the corresponding promotion modality.
- g) By Resolution of the Executive Directorate No. 6-2020/DPP/TE.25 dated February 14, 2020, the Agreement of the Pro Transport and Communications Committee No. 56-1-2020-Telecommunications was ratified, which approved the Special Public Bidding Promotion Plan corresponding to the promotion process indicated in the preceding paragraph.

1.2. Description of the Projects

In recent years, the demand for mobile data around the world has been growing exponentially, due to the increase in mobile users, new profiles of mobile service use, the proliferation of smartphones, Internet of Things (IoT) connections, improvements in the speed of networks and the consumption of mobile video. In other words, there is a global trend in the increase of mobile data traffic, which implies the need for the use of next-generation mobile networks that support high-capacity information transmission: 3G, 4G and later networks; therefore, the need to ensure that companies have enough spectrum to implement the mentioned networks is highlighted.

Perú is not unaware of this global trend - which has been demonstrated in the greater nationwide deployment of 3G and 4G networks, in the substantial increase in users of new broadband technologies and in the increase in data traffic. The MTC highlights the need to adopt measures that support this growth in demand. Such measures include identifying and making available to the private sector, new radioelectric spectrum bands for the provision of public telecommunication services, especially mobile broadband, which will benefit the population through increased connectivity and reduction of the digital gap, since operators will be able to offer better coverage characteristics, greater data capacity and will seek to massify the use of 4G technology and initiate the path towards the development of 5G technology.

Under the private investment promotion process to be carried out by PROINVERSION, private operators will be selected to provide public telecommunication services using the following radioelectric spectrum bands made available:

- a) 1,750 - 1,780 MHz and 2,150 - 2,180 MHz bands (from now on **AWS-3 band**).
- b) 2,300 - 2,330 MHz band (from now on **2.3 GHz band**).

Said radioelectric spectrum bands are of national coverage and will have an operating term of 20 years from the date of signing the respective contracts.

Considering the importance identified by the Sector for the attention of priority zones at national level, it has been established that the bidders of the Projects implement, as a form of offer, certain investment commitments to be developed in specific zones of the national territory.

2. PURPOSE OF THE CONSULTANCY

With the help of a competitive mechanism, PROINVERSION seeks to select a company or consortium of specialized consulting companies (hereinafter, the **External Consultant**), which will provide integral consulting services to carry out the process of promoting private investment, in the modality of Projects in Assets, of the AWS-3 Band and 2.3 GHz Band Projects.

Under Ministerial Resolution No. 157-2019-MTC/01.03, carrying out the promotion process and granting the concession must be coordinated with the Vice-Ministry of Communications. Therefore, PROINVERSION may submit the consultancy's deliverables to the Vice-Ministry of Communications for its consideration before they are approved.

3. PHASES OF THE CONSULTANCY

The phases for the performance of the consultancy are the following:

a) Structuring Phase

At this phase, the projects to be promoted as Projects in Assets are designed, which include, among others, their economic and financial structuring, risk analysis and the design of the contracts in charge of PROINVERSION.

b) Transaction Phase

In this phase, the activities related to the process of promoting private investment in the Projects are included, from the Call for Tenders to its award.

The aforementioned phases of the Consultancy will be developed under the framework of Legislative Decree No. 1362, which regulates the promotion of private investment through Public-Private Partnerships and Projects in Assets, its Regulations, approved by Supreme Decree No. 240-2018-EF and its amendments or rules that replace them, and other applicable regulations.

4. SCOPE OF SERVICE

The External Consultant must be a national or international prestigious company or consortium of companies, experienced in the radio-electric spectrum bands valuation, which has and is capable of integrating technical, legal, regulatory, commercial and economic-financial knowledge. It must have a Team Leader and Economic-Financial, Technical and Legal Specialists, and should, in the case of the latter, have knowledge of the Peruvian legislation in force.

The external consultant's team must offer availability for the elaboration of the deliverables and coordination within the established deadlines and according to the strategies and needs for the development of all the phases of the Consultancy.

The scope of the service will mainly comprise the following:

Structuring Phase

4.1. Benchmarking and review of previous promotion processes

Make a review of previous processes both at national and international level, in order to know the main characteristics of the bids and the lessons learned that may be applicable to the present process.

4.2. Economic-financial evaluation of the Bands

Based on the content and scope of the Project Evaluation Reports, formulated and submitted by the MTC and that the External Consultant will receive from PROINVERSION for its knowledge and analysis, the economic-financial result of the provision of public telecommunication services in each of the Projects must be evaluated through an economic-financial model and other methods.

This should be analyzed in conjunction with the results of Section 4.3, in order to verify the economic viability of the requirements and, if necessary, propose the necessary adjustments.

4.3. Review and analysis of Mandatory Investment commitments

Taking into account the importance identified by the MTC for the attention of priority areas at national level, it has been established that the awardees of the Projects will implement, as an offer, certain investment commitments to be developed in specific areas of the national territory.

On the basis of the technical specifications to be provided by the MTC or PROINVERSION, the External Consultant shall determine the value of such commitments.

4.4. Risk Assessment

Since the Projects will be structured as Projects in Assets in accordance with the provisions of Legislative Decree No. 1362 and its Regulations, the External Consultant must prepare the Project Risk Mitigation Matrix and Plan, which will be used to prepare the contracts.

4.5. Determination of the conditions of the Special Public Bidding

Once the information and the results of the calculations indicated above are available, the External Consultant will determine the following aspects for the call of the Special Public Bidding:

- Legal, technical and economic-financial requirements
- Competition factors.
- Minimum share capital
- Guarantees
- Initial bases and draft contract.

Transaction Phase

4.6. Final asset valuation

Regarding the consultations made by the Bidders on the Bases, the final adjustments to the Contracts or others made by the MTC and the institutions involved in the Special Public Bidding, the External Consultant should update the preliminary valuation made as part of sections 4.2 and 4.3.

4.7. Advice during the Special Public Bidding and Promotional Activities

On the basis of the recommendations of the External Consultant, PROINVERSION will design and, in coordination with the corresponding areas of PROINVERSION, put into practice the strategy for the promotion of the Projects. For such purpose, the External Consultant shall propose strategies for the disclosure and promotion of the Special Public Bidding, which shall be set forth in a Marketing Plan and Promotion Strategy, to be implemented during the Transaction phase.

The External Consultant must also carry out the Promotion of the Special Public Bidding, which must include on-site promotional events both in Peru and abroad (*road shows*, bilateral meetings with potential bidders, informative conferences or similar).

The External Consultant will be responsible for the preparation of promotional material for the Special Public Bidding, which will be distributed during the execution of national and international activities.

The External Consultant will also advise PROINVERSION during the Special Public Bidding, mainly in the acquittal of consultations of the Bidders on the Bases and in the evaluation of suggestions to the project of the Contract.

Referential Terms and Deliverables of the Consultancy

The average period for the service is twelve (12) months, with the following deliverables:

Phase	Deliverables	Estimated time
Structuring	Report No. 1: Work Plan and Schedule	Twelve (12) months
	Report N° 2: Benchmarking, review and analysis of the Mandatory Investment Components and preliminary conditions of the Bidding	

Phase	Deliverables	Estimated time
	Report N° 3: Initial Bidding conditions and economic-financial and risk assesment	
Transaction	Report No. 4: Final Report on the Assets Valuation	
	Report No. 5: Advice during the Special Public Bidding and Promotional Activities	

5. QUALIFICATIONS AND EXPERIENCE REQUIRED OF THE CONSULTANT

Those companies with experience as detailed in this section may submit Expressions of Interest. In order to comply with this requirement, if the experience has been carried out as part of a consortium, the company must have had a minimum participation of 20% in that consortium.

Required experience will be as follows:

- a) A minimum of **three experiences**^{1/} in the radioelectric spectrum valuation related to bidding processes or auctions, for the provision of public telecommunications services, in Peru or abroad, in the last ten (10) years; the valuations must be **no less than US\$ 100,000,000** (One Hundred Million US Dollars) for each of the experiences.

Note:

- 1/ Both public (government) and private sector consultancies concluded with the agreement of the contracting party

6. FORMALITY FOR THE SUBMISSION OF THE EXPRESSION OF INTEREST

The expressions of interest shall consist of the following documents:

- a) **Format N° 1:** A Letter of Expression of Interest in the Consultancy, signed by the company's legal representative or proxy.
- b) **Format N° 2:** Companies' experiences duly completed and signed by the company's legal representative or proxy.

The Expressions of Interest must be sent via e-mail or by PROINVERSION's Reception Desk, with a deadline of March 20, 2020, until 5:00 p.m., Lima time (Perú):

- a) **By email:** to the mail of Mr. Aldo Laderas, Project Manager, aladeras@proinversion.gob.pe.
- b) **By Reception Desk:** with attention to Mr. Aldo Laderas, Project Manager, at the PROINVERSION offices, Av. Enrique Canaval Moreyra N° 150, San Isidro.

7. CRITERIA FOR DETERMINING THE SHORTLIST OF QUALIFIED BIDDERS

The following criteria, in order of importance, will be used to determine the Shortlist:



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- Radioelectric spectrum valuations amounts, from those experiences that meet PROINVERSION's requirement.
- Number of experiences that meet PROINVERSION's requirement.

Additionally, experiences with radioelectric spectrum auctions/bids in which the payment of fees has been specifically structured through "obligations to do" or investment commitments will be evaluated.



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Format N° 1: Letter of Expression of Interest in Consultancy

_____(City), (date), 2020

Sir

Aldo Laderas Parra

Project Manager

PROINVERSION

Av. Enrique Canaval Moreyra N° 150, Piso 10, San Isidro

Lima, Perú

I, _____(name of Legal Representative)_____, identified with identity document No. _____, acting as Legal Representative of _____(name of the Company)_____, I express my interest in participating in the selection process for the hiring of a specialized consultant to advise PROINVERSION in the Projects "1,750 - 1,780 MHz and 2,150 - 2,180 MHz Bands" and "2,300 - 2,330 MHz Band".

I also declare to know and accept that, in case of being awarded, the consultancy contract to be signed with PROINVERSION will contain an anti-corruption clause in accordance with the requirements of the last paragraph of Article 5° of the Regulations for Hiring Consultancy Services by PROINVERSION, approved by Agreement CD PROINVERSION N° 49-3-2018-CD, published on 05.01.18, as amended. In this sense, I declare under oath that we comply with the requirements set forth in Paragraph 6.1 of Article 6 of such Regulations to become a Bidder or Consultant.

Sincerely,

(Signature of Legal Representative or Proxy)

City : _____
Address : _____
Phones : _____
Email : _____

Format N° 2: Company's experiences in radioelectric spectrum valuation

Company name:

Experience N° 1:

- Project name:
- Customer and country where the service was provided:
- Service description:
.....
.....
- Start date of the service:
- Completion date of the service¹:
- Amount of spectrum band valuation (US\$):
- Customer contact persons:

(...)

Experience N° [n]:

- Project name:
- Customer and country where the service was provided:
- Service description:
.....
.....
- Start date of the service:
- Completion date of service¹:
- Amount of Spectrum band valuation (US\$):
- Customer Contact Persons:

In signing this format, I hereby declare that I know and accept that, in case of fraud or misrepresentation of the information regarding which I make this affidavit, PROINVERSION will proceed according to the provisions of numeral 34.3² of Article 34° of the Consolidated Ordered Text (TUO) of the Law of General Administrative Procedure - Law No. 27444, approved by Supreme Decree No. 004-2019-JUS, published on 01.25.19

Sincerely,

(Signature of Legal Representative or Proxy)

¹ Service concluded with the agreement of the contracting party.

² In case of proving fraud or falsehood in the declaration, information or documentation presented by the administering party, the entity will consider the respective requirement not satisfied for all purposes, proceeding to declare the nullity of the administrative act supported by such declaration, information or document; and impose a fine in favor of the entity between five (5) and ten (10) Tax Units in force on the date of payment on whoever has used such declaration, information or document; and, in addition, if the conduct is in accordance with the assumptions provided for in Title XIX Crimes against Public Faith of the Criminal Code, it must be communicated to the Public Prosecutor's Office so that it may file the corresponding criminal action.