

BID DOCUMENTS

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1. Invitation for Bids
(Preparatory Tasks for IT Park)

December 8, 2006

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1. The Royal Government of Bhutan wishes to establish an IT Park with the support from the World Bank. The IT Park is intended to be set up through private-public partnership. The private sector will be the principal investor. The Government's contribution shall be the land, site development and provision of the enabling policy environment and clearances. The RGoB accordingly seeks to engage the services of a consulting firm who will be required to perform the following tasks:

- (i) Draft an RFP for the proposed IT Park;
- (ii) Identify potential IT infrastructure developers in the region;
- (iii) Help set up meetings for RGoB with potential investors/tenants;
- (iv) Prepare information packages for various participants;
- (v) Conduct desk research to support early implementation of the project.

2. Department of Information Technology, MoIC, ("the Employer"), invites sealed bids from Bhutanese, Indian and international firms for consultancy services as detailed out in the Terms of Reference.

3. Interested bidders may obtain further information from, and inspect and acquire the bidding documents, at the office of the Employer, at Department of Information Technology, MoIC, Thimphu.

4. A complete set of bidding documents may be purchased by eligible bidders from the above office from 11th December, 2006 to 9th January, 2007 (during office hours), and upon payment of a non refundable fee of Nu 500/-. Alternatively, the forms can be downloaded from dit.gov.bt. For bidders who opt for this, NU 500/- or equivalent in Indian or US dollars must be provided in bank draft in favour of Director, DIT, Ministry of Information and Communications along with the completed bid forms and other documents during the bid submission.

5. All bids must be accompanied by a bid security of **Nu 20,000/- (Twenty Thousand)** or equivalent Indian Rupees or US dollars (for non-Bhutanese firms) in the form of demand draft or cash warrant and must be delivered in favour of Director, DIT, Ministry of Information and Communications on or before 2.00 pm of 10th January 2007. Bids will be opened at 3.00 pm on the same day in the presence of bidders or their representatives choosing to attend at the MoIC Conference hall, Thimphu.

2. Instructions to Bidders

1. The Department of Information Technology wishes to receive sealed bids for providing the services as detailed out in the Terms of Reference.
2. The successful bidder will be expected to complete the tasks within 30 days from the date of signing the contract.
3. This invitation to bid is open to Bhutanese, Indian and international firms having legal status to provide such services.
4. The bidder shall furnish the following documentary evidence:
 - a) A profile of the firm.
 - b) Valid Trade license or other documents to prove the legal status and place of registration of the business.
 - c) A record of similar assignments carried out by the firm in the last 3-5 years.
5. The bidder shall furnish Nu 20,000/- or equivalent in Indian currency or in US dollars as bid security in the form of bank draft or certified check or guarantee from reputable bank. The bid security should be valid for 60 days after the date of bid opening. Any bid not accompanied by an acceptable bid security shall be rejected as non-responsive.
6. The bid security of unsuccessful bidders will be returned as promptly as possible, after the expiry of the bid validity period. The bid security of the successful bidder will be returned when the bidder has signed the agreement and furnished the required performance security.
7. The bid security may be forfeited if (a) the bidder withdraws its bid during the period of bid validity specified in the bid form; (b) if a successful bidder fails to sign the contract and (c) if a successful bidder fails to furnish the performance security.
8. The bidder shall bear all the costs associated with preparation and submission of bids and also any costs incurred in gathering information that may be necessary for the preparation of the bid.
9. The bidding documents are those stated below.
 - i) Invitation for bids.
 - ii) Instructions to bidders.

- iii) Terms of Reference.
- iv) Bid Form
- v) Bid Security Form (sample).
- vi) Contract Agreement Form (sample).

The bidder is expected to carefully examine and understand the content of the bidding documents.

10. A prospective bidder requiring any clarification on the bidding documents may notify the Employer in writing or by fax.
11. At any time prior to the deadline for submission of bids, the Employer may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the bidding documents by issuing addenda. In such a case the Employer may extend the deadline for submission of bids.
12. The bid submitted by the bidder shall comprise the following:
 - i) Duly completed and signed Bid Form.
 - ii) Bid security in the form of Bank Guarantee/ Cash Warrant/ Demand Draft)
 - iii) Company profile
 - iv) Valid Trade License or other documents to prove the legal status and place of registration of the business of the firm.

All information provided will be subject to verification by the Employer. Submission of incomplete or unsigned forms will result in rejection of the bid as non-responsive.

13. The Employer intends to apply the following criteria for selection:
 - i) The bid price- 40%.
 - ii) Company profile and previous experiences -60%
14. The project estimate and rates shall be quoted in Ngultrums/ INR or US dollars.
15. Bids shall remain valid for a period of **90 days** after the date of bid opening.
16. The bidder must submit the bids in original (sealed) and one copy, duly marking the envelope as “ORIGINAL” AND “COPY” and addressed to the Director, Department of Information Technology, MoIC.
17. The bidder must submit the bid latest by 2 PM on 10th January, 2007.
18. The bid will be opened on the same day at 3PM in the MOIC Conference Hall, Thimphu. Interested bidders or their representatives can attend the same.

19. Information relating to the examination, clarification, evaluation and comparison of bids and recommendations for the award of a contract shall not be disclosed to bidders or any persons not officially concerned with such process until the award to the successful bidder has been announced. Any efforts by a bidder to influence the Employer's processing of bids or award decision may result in rejection of the bidder's bid.
20. To assist in the examination, evaluation and comparison of bids, the Employer may, at its discretion, ask any bidder for clarification of its bid. This will be done in writing, but no change in substance or price of the bid will be sought.
21. The Employer will evaluate and compare only those bids determined to be responsive in accordance with requirements specified in the bidding document.
22. The Employer will award the Contract to the bidder whose bid has been determined to be substantially responsive to the bidding documents and who has met all the criteria decided by the Tender committee.
23. The Employer reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids, at any time prior to the award of Contract, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for the Employer's action.
24. Prior to the expiry of the period of bid validity prescribed by the employer, the Employer will notify the successful bidder by fax confirmed by registered letter that its bid has been accepted. This letter (herein called the "Letter of Acceptance") shall name the sum, which the Employer will pay the Contractor for the execution of the works as prescribed by the Contract (herein and in the Conditions of Contract called "the contract Price"). This notification of award will constitute the formation of the Contract.
25. Upon furnishing by the successful bidder of a performance security, the Employer will promptly notify the other bidders that their bids have been unsuccessful.
26. At the same time that the Employer notifies the successful bidder that its bid has been accepted, the Employer will send the bidder the Contract Form Agreement provided in the bidding documents, incorporating all agreements between the parties.
27. Within 10 days of receipt of the Contract Form Agreement, the successful bidder

shall sign the form and return to the Employer.

28. Within 10 days of receipt of the notification of award from the Employer, the successful bidder shall furnish to the Employer a **performance security amount of 10 percent of the Contract price** in accordance with the conditions of contract.
29. If any discrepancy arises which is not sufficiently dealt with by the clauses herewith, the same will be resolved using the latest Financial Manual of the Royal Government of Bhutan.
30. In case of a failure of the successful bidder to meet the contract obligations in the prescribed time, the firm will be liable to pay 1% of the Contract price as liquidity damages for every day after the dead line, to the maximum limit of 10% of the contract price.
31. The decision of the tender committee will be final and binding.

3. Terms of Reference

Introduction

The Royal Government of Bhutan (RGoB) is keen to promote the development of information and communication technology (ICT) in Bhutan. It has spelt out its vision for the sector as, “With people at the center of development, Bhutan will harness the benefits of ICT, both as an enabler and as an industry to realize the Millennium Development Goals and work towards enhancing Gross National Happiness”. One of the key objectives of RGoB is to improve governance and provide transparent, efficient and effective government services to citizens and businesses. ICT can play a critical role in achieving good governance. Accordingly the RGoB has prepared a strategy for e-government that is focused on achieving tangible progress in offering citizens/business centric services. However, it will not be possible to roll out e-government services without enhancing the capacity of the private sector to develop, maintain and improve such services. Consequently the development of the private sector is a central piece of RGoB’s e-government strategy.

The ICT sector is key to Bhutan’s participation in the growing knowledge economy. The sector is eco-friendly and offers the prospect of gainful employment for a large number of youth. The sector’s development can be consistent with the RGoB’s broad vision of encouraging private sector as the engine of growth for the economy and simultaneously maintaining its pristine environment (*Ninth FYP, RGoB*).

Bhutan however, faces a number of constraints in benefiting from new opportunities in the ICT sector. These include a difficult terrain, dispersed population, weak information infrastructure and a paucity of skilled manpower. In addition the capacity of the private sector in the field of ICT is very limited at present. The RGoB recognizes the importance of encouraging the private sector to play an expanded role in developing ICT competitiveness.

The RGoB has approached the World Bank for assistance to develop the ICT sector in Bhutan as part of a comprehensive strategy that addresses different aspects of ICT competitiveness. The World Bank is in the process of developing a project in consultation with RGoB focusing on some of the key enablers that could help develop Bhutan’s ICT competitiveness. These enablers include: (i) development of IT Park infrastructure to provide plug and play facilities for IT companies, (ii) provision of shared technology infrastructure and incubation facilities for local companies, (iii) development of skills relevant to the IT and Business Process Offshoring industry, (iv) development of IT entrepreneurship through training and linkages with leading IT companies, (v) use of IT in the financial services sector and (vi) putting in place institutional and governance structures to sustain the growth of the IT sector.

Objectives

A number of preparatory actions have to be taken for formulating the project. The RGoB wishes to commence work on these actions and also prepare the ground for speedy implementation of the project once it is approved. The RGoB accordingly seeks to engage the services of a consulting firm who will be required to perform the following tasks:

- i) Draft an RFP for the proposed IT Park;
- ii) Identify potential IT infrastructure developers in the region;
- iii) Help set up meetings for RGoB with potential investors/tenants;
- iv) Prepare information packages for various participants;
- v) Conduct desk research to support early implementation of the project.

Scope

The scope of the consultancy is given below:

Development of IT Park infrastructure

1. Preparation of a draft RFP for the proposed IT Park.
2. Identification of potential investment partners and prospective tenants for the Park.
3. Preparation of an info pack for potential investment partners. The info pack will contain: an overview of Bhutanese business environment, availability of skilled workers, details of the project, incentives, regulatory & institutional framework etc.
4. Preparation of an info pack for prospective tenants. The info pack will contain: an overview of Bhutanese business environment, reasons to invest in Bhutan such as security, eco-friendliness, English proficient labor and easy access to Indian market.
5. Setting up meetings with potential investors/prospective tenants in coordination with RGoB.
6. Making presentations during interactions with potential investment partners and prospective tenants.

Provision of shared technology infrastructure and Incubation

1. Carrying out desk research on shared technology infrastructure in some of the successful IT Parks globally.
2. Identifying private sector players who could be considered for the management of the proposed government funded incubation facility.

Development of skills

1. Preparation of a draft MoU with NASSCOM for collaboration on an ITES Skills development program.¹
2. Identification of leading universities globally offering IT courses.
3. Preparation of a draft proposal to such universities to ascertain their interest in participating in IT skills development programs/courses in Bhutan in partnership with the Royal University of Bhutan.
4. Preparation of an info pack to accompany the draft proposal. The info pack will contain: an overview of Bhutanese education system, possible linkages with Bhutanese institutions for upgrading IT skills (e.g. information on Royal University of Bhutan; supply of skilled workers etc)

IT entrepreneurship program

1. Identification of leading business schools which could be considered for an IT entrepreneurship program in partnership with the Royal University of Bhutan.
2. Preparation of a draft proposal to such business schools to ascertain their interest in participating in an IT entrepreneurship development program in partnership with the Royal University of Bhutan.
3. Preparation of an info pack to accompany the draft proposal.

Drafting of an RFP for the IT Park

RGoB has identified three different locations as potential sites for establishing the Park in Thimphu and Paro.

The IT Park would be developed in phases, and would have the following 4 key components:

- (i) Plug and play space for prospective IT/ITES companies
- (ii) Incubation space
- (iii) Shared technology centre
- (iv) Data centre

The IT Park would be designed as a world-class facility with an architectural design that embodies futuristic concepts and captures the unique architectural traditions of Bhutan. The IT Park will be conceived as an intelligent green building in keeping with the emphasis that RGoB lays on preserving and enhancing the environment. The IT Park building should become a signature building capturing Bhutan's aspirations for the future.

The Park is proposed to be developed as a public-private partnership (PPP), with the

¹ This issue has been previously discussed with the President of NASSCOM and the points person on this on the NASSCOM side would be Sunil (sunil@nasscom.org).

private sector making the initial investments. The RGoB would in all likelihood provide land as equity for the project. The RGoB would also provide ancillary infrastructure e.g. roads, power, water/sewerage and connectivity for the Park at its own expense.

Acknowledging that there would be a need to reduce the risk of investments, RGoB would commit to lease-in space for an incubation facility, shared technology center and a data center from the Park. The lease amount would be a fixed annual fee payable for a term to be determined through a competitive bidding process but would not in the aggregate exceed \$2 million. The Park will be developed in phases and in partnership with a private sector consortium consisting of at least: (i) a leading international IT infrastructure developer with excellent experience of developing IT parks and having good linkages with leading global IT/ITES firms and (ii) a local Bhutanese private sector company having demonstrable capacity to develop such a facility.

The PPP arrangement would be structured as part of a competitive bidding process where the following could be possible evaluation criteria:

1. The maximum equity that the consortium is willing to offer to government for its contribution of land.
2. The maximum space to be developed as part of the IT Park/maximum investment into the project.
3. The minimum annual fixed lease amount to be paid by the government for the space towards incubation, shared technology center and data center.
4. The minimum period for which government commitment for leasing-in space is required.
5. The fastest rollout of the Park project.

The proposals in response to the RFP should be required to be accompanied by a business plan with anticipated fixed and operational costs and expected revenues from the IT Park over a 10 year period. Higher revenues and a shorter break-even period would qualify for a higher evaluation score.

The space for the proposed incubation facility, shared technology Center and data center to be leased in by the government would be in the nature of shell space that could be subsequently fitted based on specifications to be decided by the government. The space required for the purpose would initially be approximately 10,000 SFT (5,000 SFT for the incubation facility and 2,500 SFT each for the shared technology center and data center). Provision should be made in the architectural design of the Park for the government to lease-in further space if so required at a subsequent stage.

The RFP should require the bidders to also indicate the following:

1. Suggestions on development of the shared technology center in order to attract companies both global and local. The shared technology infrastructure could for example include a render farm for the animation industry and software testing tools that could be offered to tenant companies at a nominal cost.
2. Suggestions on any special arrangements to facilitate location of IT/ITES firms in the IT Park. Suggestions could include for example, administrative measures that need to be taken up by the government to help firms set up businesses in the park. These could also include any legal, regulatory or policy elements that need to be put in place. The RGoB would consider such submissions though there is no commitment on the part of RGoB that such suggestions would be accepted and implemented.
3. Suggestions on any skill development initiatives that should be put in place and would enhance the capacity of the IT Park to attract high-quality tenants.
4. Indication of the bandwidth requirements for the Park and the timeframe in which such bandwidth should be provided.
5. Indications of the requirements of ancillary infrastructure e.g. power, roads, water, sewerage and transportation and such other requirements if any that should be considered by the RGoB for the IT Park.

The draft RFP will include adequate performance safeguards to ensure that the project will be implemented in the most expeditious manner. The RFP will be drafted and sent in advance to identified developers, and meetings would be set up for the RGoB with the developers to fine-tune the draft RFP and to explore interest in making investments.

It may be noted that while drafting the RFP, World Bank procurement guidelines will be followed. Copies are available on World Bank's website (<http://web.worldbank.org/> → 'projects & operations' → 'procurement/tender'). A sample RFP conforming to World Bank guidelines could be made available on to the consultant on request.

Timeline

The scope of the work is required to be accomplished over a one month period commencing from the date of contract signature.

Qualifications of the consultant firm

- Business analytics and market research firm with a good understanding of the IT/ITES and IT education sectors.
- Having global experience in providing knowledge support services to international clients.

Duration

The work is estimated to involve 4 man-months of effort and will entail domestic and international travel not exceeding US\$5,000.

4. Contract Agreement Form (Sample)

THIS AGREEMENT made on2007, between Department of Information Technology, MoIC of the Royal Government of Bhutan (hereinafter “the Employer”) of the one part and(hereinafter “the Contractor”) of the other part.

WHEREAS the Employer is desirous of establishing an IT Park in Bhutan, it seeks the Contractor to help the RGoB in preparing the necessary RFP, identifying and setting up meetings between RGoB and potential investors/tenants, prepare various information packages for various participants and advice on ways and means for early implementation of the project. The tasks shall be completed by the Contractor at the cost of

Nu. _____ (Ngultrum _____) only, and has accepted a Bid by the Contractor for the execution and completion of such works within 10 days of awarding the contract.

This agreement has been signed in agreement to the following terms and conditions:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be deemed to form and be read and construed as part of this agreement , viz:
 - a. The letter of Acceptance (Notification of Award);
 - b. The Bid documents which includes the Terms of Reference.
3. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to provide the specified services, and to remedy defects and shortfalls therein in conformity in all respects with the provisions of the Contract.
4. The Employer hereby covenants to pay an advance of not more than 25% of the contract price subject to furnishing of letter of guarantee from a reputed financial institute. The rest of the amount shall be paid upon the successful completion of the contract as determined by the employer.
5. Any notice under this Contract shall be in the form of letter, telex, cable or facsimile. Notices to either party shall be given at such address, unless subsequently modified by either party in writing.

For the Employer:

Tenzin Chhoeda
Director

For the Contractor:

.....
.....
.....

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed in accordance with law of the Kingdom of Bhutan the day and year written above.

.....
(Signature of Employer)

.....
(Signature of Contractor)

.....
(Authorized Signature)

.....
(Authorized Signature)

Signed in the presence of:

.....
(Witness to the Employer's Signature)

.....
(Witness to the Contractor's
Signature)

5. Bid Form (Sample)

Name of Contract: Preparatory tasks for IT Park

To: The Tender Committee
For the Department of Information Technology
Ministry of Information and Communications

1. Having examined the Conditions of Contract, for the execution of the above - named Works we, the undersigned, offer to execute and complete such Works and remedy any defects therein in conformity with the Conditions of Contract, for the sum of

Nu. _____
_____ (Ngultrum _____
_____) only.

2. We undertake, if our Bid is accepted, to commence the Works as soon as is reasonably possible and to complete the whole of the Works comprised in the Contract within the time stated in the Bid, which is 30 days after signing of the contract.
3. We understand that you are not bound to accept the lowest or any bid you may receive.

Dated this _____ day of _____ 20 _____

Signature _____ in the capacity of
_____ duly authorized to sign bids for and on behalf of

[in block capitals or typed]

Address

Witness

Address

6. Bid Security Form (Sample)

FORM OF BID SECURITY (BANK GUARANTEE)

WHEREAS, _____ [Name of Bidder] (hereafter called "the Bidder") has submitted his bid dated _____ [Date] for Preparatory tasks for the IT Park (hereinafter called "the Bid").

KNOW ALL MEN by these presents that We _____ [Name of Bank] of _____ [Name of Country] having our registered office at _____ [hereafter called "the Bank"] are bound unto _____ [Name of Employer] (hereafter called "the Employer") in the sum of _____

_____ for which payment well and truly to be made to the said Employer the Bank binds himself, his successors and assigns by these presents.

SEALED with the Common Seal of the Said Bank this _____ day of _____ 2007.

THE CONDITIONS of these obligations are:

1. If the Bidder withdraws his Bid during the period of bid validity specified in the Form of Bid: or
2. If the Bidder having been notified of the acceptance of his Bid by the Employer during the period of bid validity:
 - a) Fails or refuses to execute the Form of Agreement in accordance with the Instructions to Bidders, if required;

Or

 - b) Fails or refuses to furnish the Performance Security, in accordance with the Instructions to Bidders,

we undertake to pay to Employer up to the above amount upon receipt of his first written demand, without the Employer having to substantiate his demand, provided that in his demand the Employer will note that the amount claimed by him is due to him owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This Guarantee will remain in force up to and including the date _____, 60 days after the deadline for submission of bids as such deadline is stated in the Instructions to Bidders or as it may be extended by the Employer, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this Guarantee should reach the Bank not later than the above date.

DATE _____ SIGNATURE OF THE BANK _____

WITNESS _____ SEAL _____

(Signature, Name, and Address)