



# Invitation to Register Interest as Universal Service Provider

## Sistem Kabel Rakyat 1Malaysia (SKR1M)

Briefing to Licensees

7<sup>th</sup> August 2014



# Agenda

1. Overview of Universal Service Provision (USP)
2. Overview of Sistem Kabel Rakyat 1Malaysia (SKR1M)
3. Invitation to Register Interest as Universal Service Provider (the RFP)



# Overview of Universal Service Provision (USP)

# USP Rollout Mechanism



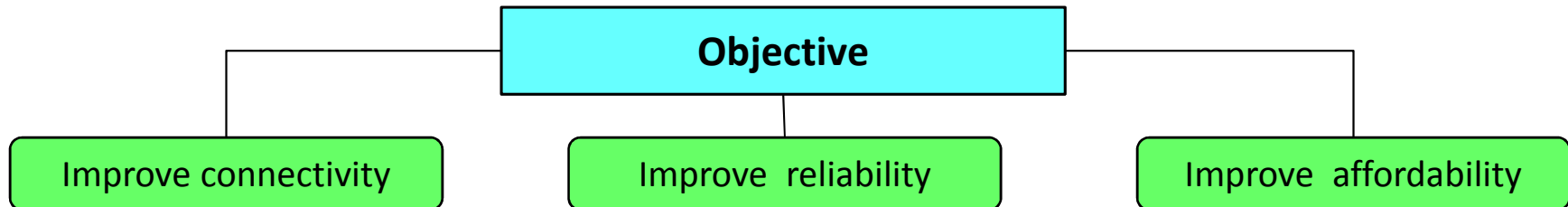


# Overview of Sistem Kabel Rakyat 1Malaysia (SKR1M)

# Background

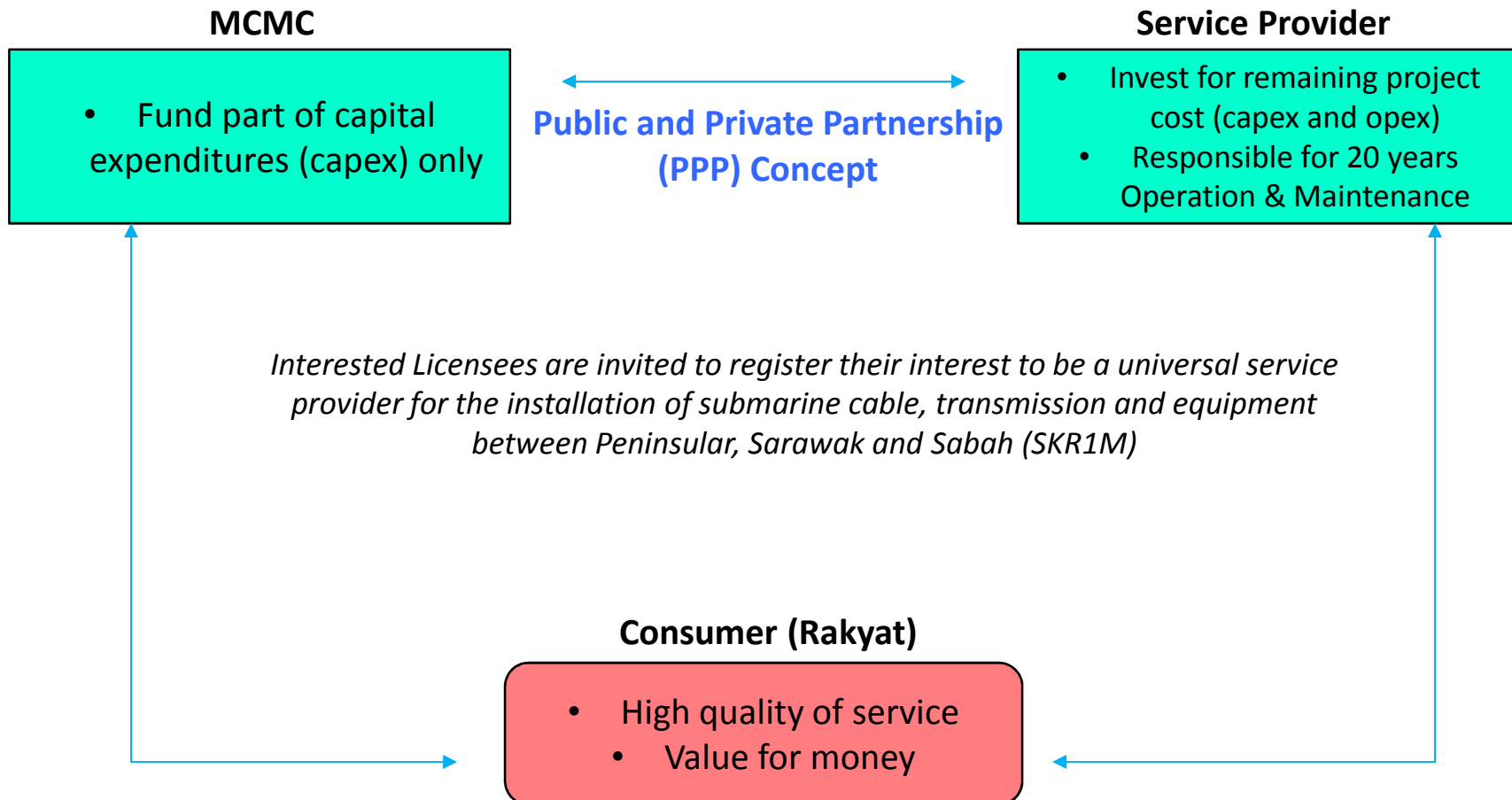


One of "Bajet 2014" project



- To improve national broadband connectivity within Peninsular and Sabah and Sarawak;
- To improve the Internet speed, reliability and to consistently deliver high speed capacity;
  - To provide resiliency via complete redundancy network; and
  - To promote efficiency and affordability for use of Internet for the people.

# PPP Concept in SKR1M Project





# Invitation to Register Interest as Universal Service Provider (the RFP)



# Contents (pg.6)



Section	Title	Description
I	Introduction	Overview and purpose of this document
II	Invitation to register interest	Sets out the requirements for the facilities and services to be provided, licence requirements and the response requirements towards submission to MCMC
III	General terms and conditions	Sets out the applicable terms and conditions
IV	Payment from the USP fund	Sets out the details of the payment
<b>Appendices</b>	Appendix 1 – 6	Sets out other requirements and cable specifications

# Section I: Introduction (pg.7)



## Invitation is made pursuant to USP Regulations:

### Regulation 3(1)

- Installation of network facilities and network services
- Provision of collective access to internet access services

### Regulation 5(1)

- Upon the publication of the notification, the Commission may invite all licensees to register their interest to be a universal service provider in a particular universal service target

### Regulation 19(2A)

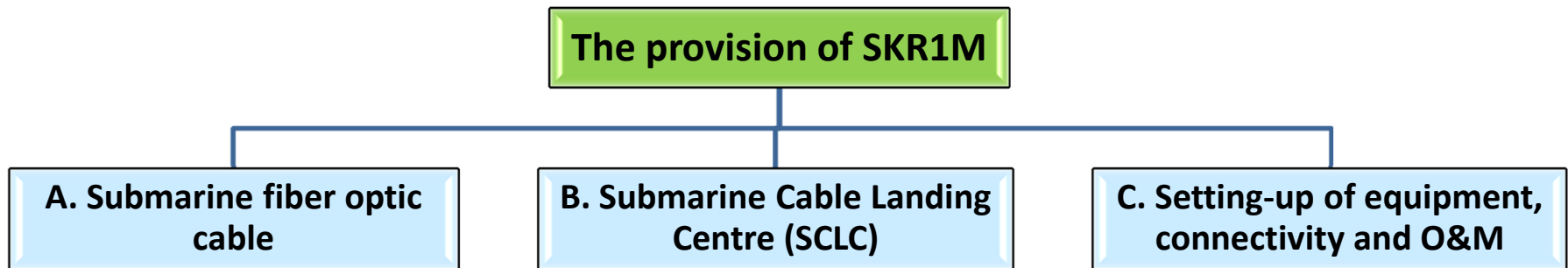
- The payment shall be computed as avoidable cost (capital cost only) less any advance payment

*Avoidable cost - costs that a designated universal service provider would avoid if it had not been required to provide facilities and services in a universal service target*

# Section II: Invitation to Register Interest (pg.8)



Cluster	Landing Point	Landing Point	Est. Length (km)
S1	Mersing	Kuching	800
S2	Kuching	Bintulu	500
S3	Bintulu	Miri	190
S4	Miri	Kota Kinabalu	440
S5	Kota Kinabalu	Cherating	1,570
		<b>Total (km)</b>	<b>3,500</b>



- *Initial capacity of 4Tbps*
- *O&M – Operation and Maintenance*

# Requirements (pg.9)



## General Design Philosophy

- Primary telecommunication backbone link
- To ensure the objectives are to be met

## Technical Requirements

- To design effective domestic communications system
- To ensure interconnection and comply with ITU standards

## Service Requirements

- To facilitate and encourage open and fair access to bandwidth services
- MCMC reserves the right to control the bandwidth rate structure

## Financial Requirements

- PPP concept
- USP Fund for Capex for 3years
- The Licensees shall ensure the operation is up to 20 years

# Scope of Work (pg.11)



- Design, supply, delivery, installation, testing, commissioning and operation of SKR1M
- Laying of submarine cable system connecting Peninsular, Sarawak and Sabah
- Establishment of 6 cable landing stations, equipped with necessary equipment and related interconnection and access to other existing networks
- To operate and maintain the system for 20 years (system life period)

## Design

- Responsible for overall system design
- To perform site surveys, desktop and environmental impact study

## Supply and Laying Cable

- Supply all wet and dry plant equipment
- Ensure best route for laying cable
- Obtain permits and approval

## Installation, testing, commissioning

- Marine and land cable installation
- Functionality and integration test
- Network Management System (NMS)

# Registration of Interest Requirements (pg.13)



## Must be holder of :

1. Network Facilities Provider (Individual) licence (NFP(I)) including fixed links and cables, and submarine cable landing centre (SCLC);
  2. Network Services Provider (Individual) licence (NSP(I));
- NFP(I) & NSP(I) Licensees must ensure that the licensed area permitted in their licences is within the USTs that is bid for. The coverage area shall be Malaysia.

## Others:

- No outstanding amount as of 14 August 2014:
- USP Fund contribution;
  - License Fees (under CMA license); and
  - AA Fees / Any other amount due to MCMC.

MCMC reserves the right to disqualify the ROI and submission due to the above

**Licensee shall register for ALL of the clusters of Universal Service Target (UST) in the ROI form in Appendix 2 (pg.34)**

# Submission of Draft Universal Service Plan (pg.14)



The submission shall consists:



Technical Proposal ( 1 Original & 2 Copies)

Financial Proposal (1 Original & 2 Copies)

### One Off Document:

- Licensee information (Appendix 4);
- Company profile;
- A complete set of softcopy of the submission in CD-ROM format

To complete the [Acknowledgement Submission Form](#)

# Reminder During Submission of Draft Universal Service Plan



**Avoid non-sealed box**

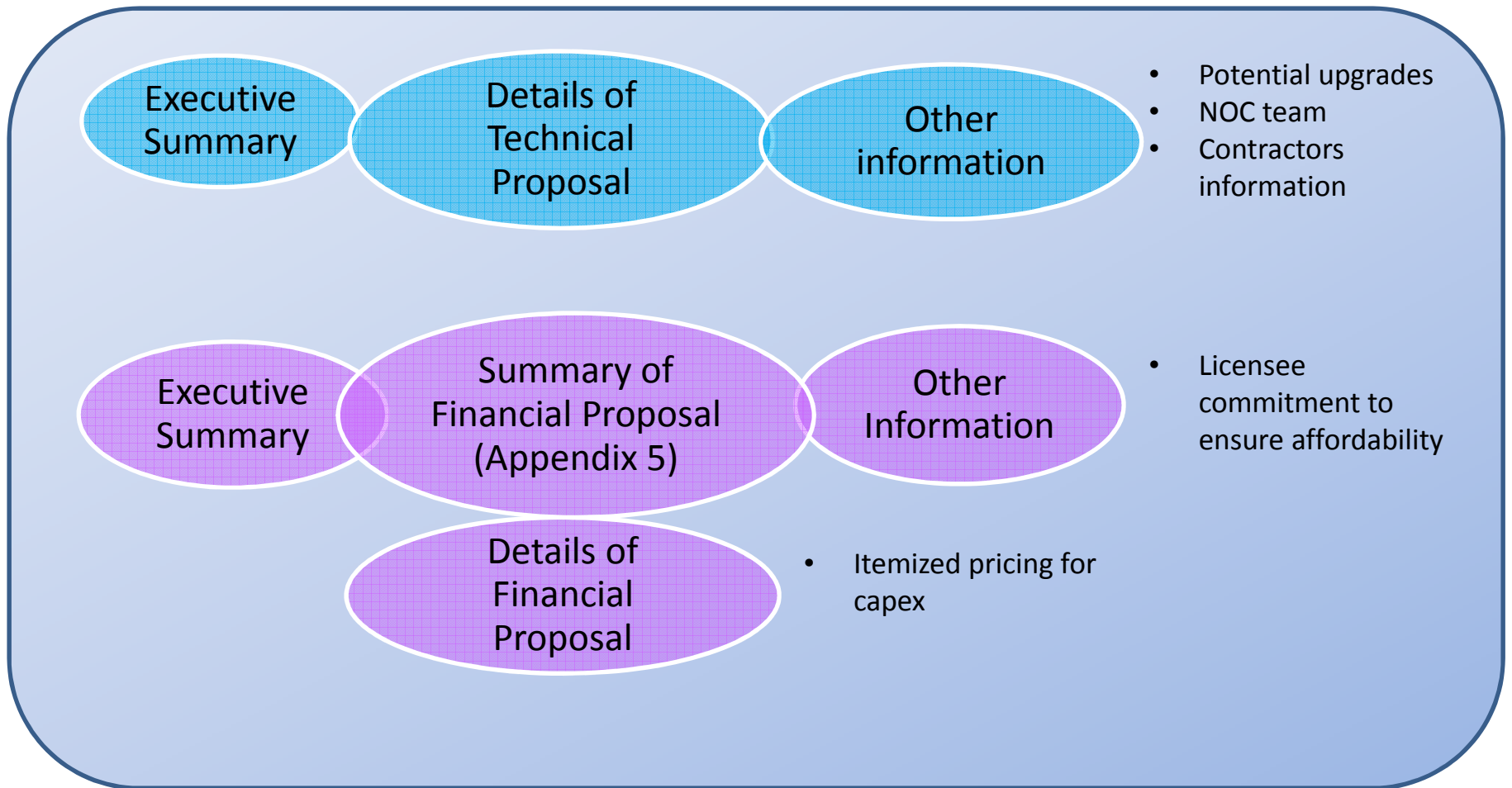


**Avoid stack of envelopes**

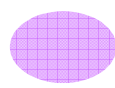




# Scope of Draft Universal Service Plan (pg.16)



Technical Proposal



Financial Proposal

# Section III: General Terms & Conditions (pg.21)



No.	Key Points/Description	Page #
1	MCMC reserves the right to increase or decrease the number of UST or vary the list or names	21
2	MCMC reserves the right to accept or reject any draft plan	21
3	MCMC may designate successful Licensee or Licensees	21
4	Service providers shall carry out the work with due diligence and efficient	22
5	Claim verification by MCMC and <b>External Independent Professionals (EIP)</b>	22
6	The EIP scope of work during implementation period of 3 years or once project handover completed	22
7	Service providers shall ensure highest quality of all items and free from defects (not second hand or reconditioned)	23
8	All equipment shall have Malaysian Standards type-approved	23
9	Service providers shall comply with the quality of service standards as provided in any mandatory standards	23
10	Licensees shall be responsible for the correct design and configuration of the network facilities, equipment and services.	24

# Section III: General Terms & Conditions (pg.21)...cont.



No.	Key Points/Description	Page #
11	Service providers shall be responsible to obtain any approval from the relevant authorities	24
12	Acceptance tests shall be conducted as per MCMC approval	24
13	Service providers shall provide O&M details	25
14	Service providers shall submit reports at any time request by MCMC	25
15	Service providers shall be responsible to ensure safety of persons and property at sites	25
16	MCMC shall have the right to inspect and verify of the universal services (audit)	26
17	Implementation timeline is <b>30 months</b>	26
18	Service providers may request for an extension of time	26
19	Service providers shall pay liquidated damages in the event of delay	27
20	All items shall be at least 3 years warranty from completion of work	27
21	Service providers shall submit performance bond and valid for a period of 12mths from the date of completion	28

# Section III: General Terms & Conditions (pg.21)...cont.



No.	Key Points/Description	Page #
22	MCMC may revoke designated service providers	28
23	MCMC may not entertain any request for additional costs due to omission/errors in submission	29
24	Declaration by CEO or any authorized person by its Boards of Directors	29
25	Clarification and enquiries shall be directed to <b>Secretary of the Tender Committee, 03-8688 8300/ 8227/8175</b> or email <b>tender@cmc.gov.my</b>	29

# Section IV: Payment from the USP Fund (pg.31)



No.	TYPES OF CLAIMS	USP REGS.	REMARKS
i)	Advance Claims (Optional)	Regulation 12	Payable in installments Initial / Preliminary installment upon receiving Letter of Award & Progress installments
ii)	Quarterly Claims (Optional)	Regulation 20A	Payable for each Quarter Expenditure i.e. Quarter ending March, June, Sept & Dec
iii)	Yearly Claims (Mandatory)	Regulation 19 (2A) and 20	Net Claims Payable = Avoidable Cost less Any payments made in (Advance & Quarterly Claims)

# List of Appendices



<b>Appendix 1</b>	List of Universal Service Targets (UST)	<b>33</b>
<b>Appendix 2</b>	Registration of Interest Form	<b>34</b>
<b>Appendix 3</b>	Operation and Maintenance Support Services	<b>35</b>
<b>Appendix 4</b>	Summary of Licensee's Information	<b>36</b>
<b>Appendix 5</b>	Summary of Financial Proposal for Draft Universal Service Plan	<b>37</b>
<b>Appendix 6</b>	Submarine Cable System Specifications	<b>38</b>

# Appendix 1 (pg.33)



## LIST OF UNIVERSAL SERVICE TARGETS (UST)

No.	Cluster	State	UST	Locations
1	S1	Johor	Mersing	Mersing
		Sarawak	Kuching	Kuching
2	S2	Sarawak	Kuching	Kuching
		Sarawak	Bintulu	Bintulu
3	S3	Sarawak	Bintulu	Bintulu
		Sarawak	Miri	Miri
4	S4	Sarawak	Miri	Miri
		Sabah	Kota Kinabalu	Kota Kinabalu
5	S5	Sabah	Kota Kinabalu	Kota Kinabalu
		Pahang	Kuantan	Cherating

**The Licensee may propose the locations of SCLC but subject to MCMC approval**

# Appendix 2 (pg. 34)



## REGISTRATION OF INTEREST FORM

[ To be printed on Licensee's Letterhead ]

### REGISTRATION OF INTEREST

To: **MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION**  
Secretary of the Tender Committee  
Off Persiaran Multimedia  
63000 Cyberjaya,  
Selangor Darul Ehsan  
(Re.: Sistem Kabel Rakyat 1Malaysia)

Date:

Dear Sir,

#### UNIVERSAL SERVICE PROVISION – REGISTRATION OF INTEREST TO BE UNIVERSAL SERVICE PROVIDER

We refer to the "Invitation To Register Interest As A Universal Service Provider" ("the Invitation") reference number MCMC/RDD/PDD(3)/SKR1M/TCA/07/14(06) issued by MCMC on 25 July 2014.

2. We hereby register our interest to be the universal service provider pursuant to subregulation 5(1) of the Communications and Multimedia (Universal Service Provision) Regulations 2002 ("the Regulations") for the provision of Sistem Kabel Rakyat 1Malaysia (SKR1M) in the following universal service targets:

[ Insert the Universal Service Target as per **Appendix 1** ]

3. We are also aware that pursuant to subregulation 6(1) of the Regulations, we are legally obliged to submit the draft universal service plan(s) for the universal service target(s) chosen above on or before the time frame specified in the Invitation.

Signed for and on behalf of

.....  
by [ to be signed by the Chief Executive Officer or any other person authorised to do so by way of a resolution by the Board of Directors ].

**Must be completed and submitted by  
the Licensee**



# Appendix 3 (pg. 35)



## OPERATION AND MAINTENANCE SUPPORT SERVICES

The universal service provider shall be responsible to provide maintenance and operational support for a period of 20 years from the date of completion of work.

The maintenance support shall include but is not limited to preventive and corrective maintenance, trouble-shooting faults, hardware replacement inclusive of spare parts, cable cut and repairs, software update and upgrade.

The draft universal service plan shall contain detailed information on the maintenance and support services for the SKR1M including, but not limited to, the following:

- (a) Routine inspections and maintenance of the cable;
- (b) Ensuring the availability of bandwidth as per the industry standard Service Level Agreement (SLA) commitment;
- (c) Setting up, operation and maintenance of a Network Operating Centre (NOC) by 24x7 basis;
- (d) Maintaining a log of all the defects/fault in the cable system including the down time details;
- (e) The severity shall be assigned and resolved within the time frame indicated in the SLA; and
- (f) Establishment of a 24x7 basis customer service (helpdesk) in Malaysia and to provide MCMC its contact number, contact personnel and all other relevant information for maintenance support purpose.

**Must be submitted by the Licensee as part of TECHNICAL PROPOSAL**

# Appendix 4 (pg. 36)



## SUMMARY OF LICENSEE INFORMATION

1. Full Company's Name:
2. Full Address:
3. E-Mail Address:
4. Homepage/Website:
5. Status of Incorporation:  
Sole Proprietor / Partnership / Enterprise / Sendirian Berhad / Berhad / Private Limited / Limited
6. Date Incorporated:
7. Date of Operation:
8. Paid up Capital (RM):
9. Status of Licences:  
(a) NFP(I): Yes / No  
(b) NSP(I): Yes / No  
(c) ASP(C): Yes / No
10. Number of Employees:
11. Bumiputera Status: Yes / No
12. Financial Details:  
(a) Asset (RM):  
(b) Liability (RM):  
(c) Worth (Asset – Liability) (RM):
13. Letter / Memorandum of collaboration (if any).

**Must be submitted by the Licensee as part of ONE-OFF document**

**Note:**

*The Licensees are required to enclose the financial statement for the last one (1) financial year.*

# Appendix 5 (pg. 37)



## SUMMARY OF FINANCIAL PROPOSAL FOR DRAFT UNIVERSAL SERVICE PLAN

The Licensee may add/remove the item where applicable. Refer Item 2.7 and 8.1 of the RFP

No.	Item	Qty.	Cost per Unit (RM)	Capex (RM)	Total (RM)
1	Project Management & Engineering Service				
2	Submarine Plant				
3	Land Cable				
4	Terminal Station Equipment				
5	Training & Documentation				
6	Marine Operations				
7	Terminal Station Cost				
8	Permit and Approval				
9	Test Equipment				
10	Tax				
11	External Independent Professionals				
12	Others				
Total (RM)					

Must be submitted by the Licensee as part of FINANCIAL PROPOSAL

The Licensee must include estimated cost for EIP. Refer Item 15 of the RFP for detail scope of work

For information purpose only, **NO ITEMISED/DETAILED** is required. Refer Item 2.7(d) of the RFP

- Total Project Cost (RM):
- Total Licensee's Investment For Capex (RM):
  - Total Licensee's Investment For Opex (RM):
  - Cost To Be Paid From USP Fund For Capex Only (RM):

Total cost for **CAPEX** only



- Will be used as **FINAL Financial Proposal**
- Must be enclosed with **ITEMISED/DETAILED Financial Proposal**

# Appendix 6 (pg. 38)



## SUBMARINE CABLE SYSTEM SPECIFICATIONS



**MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION**  
(*SURUHANJAYA KOMUNIKASI DAN MULTIMEDIA MALAYSIA*)

**INVITATION TO REGISTER INTEREST**

**AS**

**UNIVERSAL SERVICE PROVIDER**

**SISTEM KABEL RAKYAT 1MALAYSIA (SKR1M)**


**Appendix 6**

**Submarine Cable System Specifications**

**Requirements to be adhered by the  
Licensee**

# Acknowledgement Form



	<b>MCMC/RDD/PDD(1)/T3 Extn(P1)/TCA/03/14(01)</b> ( Acknowledgement of Submission – Registration of Interest)	UOTCD-T3Ex-P1
		Version 1

COMPANY PARTICULARS			For MCMC use only
1.	Company Name :		
2.	Company Address :		
	Tel. No :		
	Fax. No :		
	Email Address :		
3.	Name of representative :		
4.	Contact Persons (Maximum Three Only):		
a.	Name :	Tel :	Signature:
	Designation :	Email :	
b.	Name :	Tel :	Signature:
	Designation :	Email :	
c.	Name :	Tel :	Signature:
	Designation :	Email :	
5.	Details of Submission:		
	Cluster Submitted for Part 1	Cluster Submitted for Part 2	
	No. of Box (Boxes)/ Envelope(s) :	Acknowledged Received : (Day / Date / Time)	

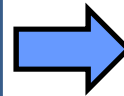
**Sample of Acknowledgement Submission Form during ROI and Draft Plan submission**

# Closing Date (pg.20)



**Registration of Interest (ROI)**

On or before  
**12pm, 14 August 2014**

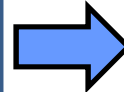


**MALAYSIAN COMMUNICATIONS AND  
MULTIMEDIA COMMISSION**  
Off Persiaran Multimedia  
63000 Cyberjaya, Selangor  
(Attn.: Secretary of the Tender Committee)

@

**Submission of Draft USP Plan**

On or before  
**12pm, 28 August 2014**



**MALAYSIAN COMMUNICATIONS AND  
MULTIMEDIA COMMISSION**  
Rural Development Division  
Ground Floor, Prima Avenue 1  
Block 3507, Jalan Teknorat 5  
63000 Cyberjaya, Selangor  
(Attn.: Secretary of the Tender Committee)

- *The Licensee shall complete the Acknowledgement Form for each ROI and Draft Plan submission*
- *The Licensee shall contact Secretary of the Tender Committee for the submission on or before the closing date*



THANK YOU