

*This translation **is not official**. It is presented only as a supporting material to assist the English speaking parties interested in the bidding process. The official document is the Spanish version.*



EVALUATION ACT OF PROPOSALS SUBMITTED TO THE PUBLIC BID called “ECONOMIC, TECHNICAL, AND LEGAL FEASIBILITY STUDY OF THE SUBMARINE CABLE PROJECT: ASIA-SOUTH AMERICA DIGITAL GATEWAY”

In Santiago, Chile, on August 27, 2019, at 3:00 p.m., in the offices of the Undersecretary of Telecommunications, hereinafter SUBTEL, located at Amunátegui Street No. 139 and in accordance with the Administrative Specifications that regulate this bidding process, the Evaluation Commission met, in order to evaluate the proposals presented by the proponents indicated below, to the public tender to contract the activity called “ECONOMIC, TECHNICAL, AND LEGAL FEASIBILITY STUDY OF THE SUBMARINE CABLE PROJECT: ASIA-SOUTH AMERICA DIGITAL GATEWAY, according to the information provided by the Opening Commission, signed on August 16, 2019.

1 EVALUATION COMMISSION

The Evaluation Commission was composed of the following three (3) officials appointed by Exempt Resolution No. 1669 of August 14, 2019, of the Undersecretariat of Telecommunications:

- Mrs. Liliana Barriga Cueto, Regulatory Analyst, Regulatory Policy and Studies Division.
- Mr. Cristián Espinoza Ruiz, Telecommunications Analyst, Regulatory Policy and Studies Division.
- Mr. Jesús Sarmiento Droguett, Professional lawyer, Administration and Finance Division.

All of them officials of the Undersecretariat of Telecommunications.

2 PROPOSERS THAT PRESENTED OFFERS

Through emails: puertadigital@subtel.gob.cl, digitalgateway@subtel.gob.cl, eight (8) proponents sent proposals, which are:

- Altman Vilandrie & Company, and subcontractors: DRG Undersea Consulting, Inc. and CMS Cameron McKenna Nabarro Olswang LLP.
- Analysys Mason Limited.
- Zagreb Consultores Limitada
- Huaxin Consulting co., Ltd.
- Mantención y Servicios Paz Limitada.
- Consortium (Salience Consortium) formed by: SALIENCE MUSCAT LLC, APTelecom Limited, AQUEST.
- Consortium formed by: Telecommunications Management Group, Inc., WFN Strategies LLC.
- Consortium (Silica Marine) formed by: Silica Networks Chile S.A, Fernando Liello.

3 EVALUATION OF OFFERS

In accordance with the Administrative Specifications of this bidding, Article 11, entitled " OPENING AND EVALUATING THE OFFERS", it is recorded that the Evaluation Commission proceeded to review and evaluate the required background of the eight (8) proposals received through of the emails: puertadigital@subtel.gob.cl, digitalgateway@subtel.gob.cl that complied with the administrative requirements established to participate in the Bid, being able to verify the following:

On August 26, 2019, this Commission considered it necessary to request by email the following proponents to clarify or correct errors or omissions of the offers submitted, regarding formal aspects and ensuring the protection of the proponents' principle of equality:

- Consortium (Salience Consortium).
- Consortium (Silica Marine).
- Mantención y Servicios Paz Limitada.
- Zagreb Consultores Limitada.
- Huaxin Consulting co., Ltd.

These proponents sent their clarifications in the time and form requested, therefore this Evaluation Commission proceeded to evaluate the technical and economic offers presented, in accordance with the evaluation criteria established in the respective Administrative Specifications for the selection of the most convenient offer, the ones reproduced below:

4 EVALUATION CRITERIA:

1. Economic Offer.

- a) Weight: 10%
- b) Total maximum score: 100 points
- c) Calculation method:

100 points shall be assigned to the lowest-price offer(s), which shall be called "min price." 0 points shall be assigned to any offer(s) that exceed the amount allocated to the study. All other offers shall be scored using the following formula:

$$Score = \frac{\text{min price}}{\text{offer price}} \times 100$$

2. Bidder experience (individual or entity) in performing similar projects (*):

- a) Weight: 25%

b) Total maximum score: 100 points

c) Calculation method:

This factor will be assessed based on the experience accumulated over the past ten years on studies developed that are similar to those described in the Technical Specifications and which shall be proven via certificates or copies of the completed contracts or ongoing contracts for the respective studies listed in the offer.

N° of feasibility studies for building trans-national fiber-optic submarine cables of a similar nature and size. (A)	Score
5 or more	100
Between 3 and 4	80
Between 1 and 3	50
Less than 1	0

N° of traditional and disruptive demand prospecting studies performed on projects of a similar nature and size. (B)	Score
5 or more	100
Between 3 and 4	80
Between 1 and 3	50
Less than 1	0

Distance of the submarine cables that were the subject of the completed feasibility studies. (C)	Score
More than 25,000 km.	100
Between 10,000 and 25,000 km.	80
Between 5,000 and 10,000 km.	50
Less than 5,000 km.	0

The final score for Bidder Experience shall be the average of the three tables and shall reach a maximum of 100 pts.

$$Score = \frac{A + B + C}{3}$$

(*) If the bidder is a consortium, for weighing the criteria, the sole and exclusive consideration shall be given to the experience of the member, among those who have documented their experience in this tender process that has shown the highest number of consulting experiences out of all of the members.

3. Education and Experience of the Project Leader and Team.

- a) Weight: 20%
- b) Total maximum score: 100 points.

The education and experience of the Project Leader and members of the proposed team shall be evaluated.

The information pertaining to this criterion shall be evaluated based on the resumes, degrees, and certifications the Project Leader and the team have, including academic degrees, professional experience, experience on similar projects, and other information pertaining to the tender provided for evaluation pursuant to these stipulations. The total weighting given to this item is the outcome of the evaluation of the Project Leader and the individual evaluations of the members of the proposed team.

Criterion	Sub-criterion		Score
Education and experience of the Project Leader and proposed team.	Evaluation of the Project Leader	Education and experience of the Project Leader	40
	Evaluation of the proposed team	Education and work experience of the members of the proposed team. Excluding the Project Leader.	60

3.1. Sub-Criterion Evaluation of the Project Leader:

a) Maximum score: 40 points

Education of the Project Leader	
Description	Score
Project Leader with a professional degree in a related field.	8
Project Leader with a technical degree in a related field.	4
Project Leader with a professional degree in a non-related field.	0
For purposes of the evaluation of the Project Leader, professional or technical degrees pertaining to Economics, Finance, Business or Civil Engineering, Telecommunications, Electrical Engineering, and Geology shall be considered related.	

Experience of the Project Leader		
(Max cumulative score: 32 points)		
Description	Evaluation	Score
At least one experience on submarine fiber-optic cable network market study projects.	Meets this criterion	3
	Does not meet this criterion	0
At least one experience on characterizing and analyzing demand for existing commercial submarine fiber-optic cable networks.	Meets this criterion	3
	Does not meet this criterion	0
At least one experience in grid planning and forecasting technological changes related to the convergence of expected services for the industry in the medium and long term.	Meets this criterion	3
	Does not meet this criterion	0
Having worked in the telecommunications sector, preferable in submarine FO services.	Meets this criterion	3
	Does not meet this criterion	0
Public and private telecommunications studies and/or projects in Chile or abroad.	Meets this criterion	3
	Does not meet this criterion	0
Studies on the effects in industry related to introducing bills with legal amendments, analyzing potential litigation, and	Meets this criterion	3

Experience of the Project Leader		
(Max cumulative score: 32 points)		
Description	Evaluation	Score
anticipating mitigation mechanisms.	Does not meet this criterion	0
Economic impact studies on: ICT policies and/or digital gap, and/or public policy strategy in telecommunications and/or evaluation of ICT projects.	Meets this criterion	3
	Does not meet this criterion	0
Studies conducting economic characterizations of the telecommunications industry in such areas as: investment levels, operating and service conditions in the Chilean territory.	Meets this criterion	3
	Does not meet this criterion	0
The project leader has held a managerial position on projects in any of the above areas.	Meets this criterion	8
	Does not meet this criterion	0

The information provided in the resume submitted as part of the proposal shall be used to evaluate the education and experience of the Project Leader.

3.2. Sub-criterion of evaluation of the proposed Team:

- a) Maximum score: 60 points.

To earn this score, the consultant shall furnish the minimum number of members required in the Technical Specifications.

The Team Evaluation will be done based on the average score of all members (excluding the Project Leader). In other words, this score will be the sum of the scores of each member, divided by the number of people making up the Team, without counting the Project Leader.

- b) Calculation method:

$$Team\ evaluation = \frac{\sum individual\ scores}{N^{\circ}\ of\ members}$$

Education of proposed team members	
Description	Score
Has completed continuing education in areas related to the tender.	10
Has professional education in areas related to the tender.	5

Does not have any education related to the tender.	0
For purposes of the proposed team members, continuing education in related areas shall refer to any additional education or post-graduate education (certifications, diplomas, master's, and doctoral degrees) pertaining to the fields of economics, civil engineering, electrical engineering, and telecommunications. Certificates and degrees must be submitted in all cases.	

Professional experience of proposed team members		
(Max cumulative score: 50 points)		
Description	Evaluation	Score
Expertise in or at least one experience with economic impact studies on: ICT policy and/or the digital gap, and/or telecommunications public policy strategy, and/or evaluating ICT projects.	Meets this criterion.	5
	Does not meet this criterion.	0
Expertise in or at least one experience with studies conducting economic characterizations of the telecommunications industry in such areas as: investment, operating and service conditions worldwide.	Meets this criterion.	5
	Does not meet this criterion.	0
Expertise in or at least one experience with industrial organization studies for the transportation and services market, the intermediate and end-user telecommunications market, in particular, submarine FO cable.	Meets this criterion.	5
	Does not meet this criterion.	0
Expertise in or at least one experience with studies analyzing the development and evaluation of projects related to submarine FO.	Meets this criterion.	5
	Does not meet this criterion.	0
Expertise in or at least one experience on public and private telecommunications studies and/or projects in Chile or abroad.	Meets this criterion.	5
	Does not meet this criterion.	0
Knowledge of or at least one experience with sizing and designing submarine FO networks.	Meets this criterion.	5
	Does not meet this criterion.	0
Expertise in or at least one experience with characterizing and analyzing demand for existing commercial submarine fiber-optic cable networks.	Meets this criterion.	5
	Does not meet this criterion.	0

Professional experience of proposed team members		
(Max cumulative score: 50 points)		
Expertise in or at least one experience with maintenance of submarine FO to enable forecasting operating conditions.	Meets this criterion.	5
	Does not meet this criterion.	0
Expertise in or at least one experience in grid planning and forecasting technological changes related to the convergence of expected services for the industry in the medium and long term.	Meets this criterion.	5
	Does not meet this criterion.	0
Expertise in or at least one experience with developing detailed technical specifications for implementing submarine FO networks.	Meets this criterion.	5
	Does not meet this criterion.	0

4. Execution Timeline.

- a) Weight: 10%
- b) Total maximum score: 100 points
- c) Calculation method:

The time period to complete the entire study, as long as it is shorter than or equal to the time period stipulated in Appendix N°6, to submit each report. The offer with the shortest execution timeline will earn a 100-point score. All other offers shall be assigned a score pursuant to the following:

$$SCR = \frac{SET}{BET} \times 100$$

Where:

SCR: Bidder's Execution Timeline Score.
SET: Shortest Execution Timeline (out of all the bidders).
BET: Bidder's Execution Timeline.

Each report can earn a maximum of 100 points. The final score for the Execution Timeline criterion shall be weighted as follows:

Report N° 1: 40%, maximum 60 days.
 Report N° 2: 40%, maximum 60 days.
 Final Report: 20%, maximum 180 days.

5. Description of the work to be done, methodology and work plan.

- a) Weight: 15%
- b) Total maximum score: 100 points
- c) Calculation method:

Good: The technical specifications includes: a breakout and development of each activity involved in the study; a work methodology to follow; the details of the activities to carry out and the deliverable to submit to the Undersecretariat; a list of the consultants that will be working directly on each activity; description of all of the activities and assumptions to obtain the required estimates; explanation of how the proposed work methodology will tackle the scope of the study and meet the general and specific objectives; a Gantt Chart with the timeframes and a detailed timeline for each of the activities required.

For the proposed working methodology, the technical specifications includes: Use of available information sources and a definition of justified assumptions in those areas where information is not available; development of assumptions pursuant to expert judgment, with a rationale;(*) a list of the variables and how they will be measured, with a rationale; a statement of the analysis and calculation methods to be used to estimate financial flows, with a rationale: **100 points.**

Fair: The technical specifications includes: a breakout and development of each activity involved in the study; a work methodology to follow; the details of the activities to carry out and the deliverable to submit to the Undersecretariat; However, the proposal is not clear enough about any of the following aspects: list of the consultants that will be working directly on each activity; description of all of the activities and assumptions to obtain the required estimates; explanation of how the proposed work methodology will tackle the scope of the study and meet the general and specific objectives; a Gantt Chart with the timeframes and a detailed timeline for each of the activities required.

For the work methodology, the technical specifications are insufficiently clear as to any of the following aspects: Use of available information sources and a definition of assumptions in those areas where information is not available; development of assumptions pursuant to expert judgment; a list of the variables and how they will be measured, with a rationale; a statement of the analysis and calculation methods to be used to estimate financial flows, with a rationale: **40 points.**

Unsatisfactory: The proposal is insufficiently clear as to a breakout and development of each activity involved in the study; a work methodology to follow; the details of the activities to carry out and/or the deliverable to submit to the Undersecretariat: **0 points.**

Note: It shall be understood that the bidder provides the requirements listed in these Technical Specifications with a rationale as long as it uses a qualitative or statistical method that provides additional justification for the expert opinion, in terms of clarifying what are the trends looking to the future and their impact on traffic.

6. Degree of understanding, diagnosis, and forecast by the bidder of the main scopes of the submarine cable between Asia and South America, considering demand, investment, and exploitation models under the Public-Private Partnership Model, a regulatory analysis of the public sector, all of the foregoing with a particular emphasis on telecommunications, pursuant to the introductory report to the topic of the tender. Understanding associated with submarine cable as a facilitator of network and digital market integration in South America. Propose in a clear way and conceptualize the impacts for other countries in the region.

- a) Weight: 20%
- b) Total maximum score: 100 points
- c) Calculation method:

Full understanding of the issue posed and the specific diagnosis of the current situation in the context right now of a submarine cable between Chile and Asia, as well as its impact on the region: **100 points**.

Fair understanding of the issue posed and the specific diagnosis of the current situation of a submarine cable between Chile and Asia, as well as its impact on the region: **50 points**.

Weak understanding of the issue posed and the specific diagnosis of the current situation in the context right now of a submarine cable between Chile and Asia, as well as its impact on the region: **0 points**.

Full understanding: Analyze, contextualize, and describe the current state-of-the-art on matters pertaining to connectivity and submarine FO network infrastructure and implications for development in Chile, citing sources. Analyze the integration potential and impact on countries in the region (South America) that would enable a submarine cable between South America and Asia, with Chile as the gateway, in a detailed way and citing sources.

Comparative analysis of international telecommunications development initiatives, with specific emphasis on successful submarine FO projects, including iconic examples in the field and how they could successfully be replicated in this case. Identify main market and investment challenges that could interfere with implementing and developing the project and how the fallout could be mitigated. A critical and purposeful discussion of the capacity of traditional traffic demand models to forecast relevant demand for this project. Analyze the key variables that could be considered in final choice of the route, considering legal, technical, and economic aspects. Conduct a detailed analysis of the industrial organization of the telecommunications market, with a particular focus on submarine FO. Deliver a PPP proposal for the project, with a good rationale for the aspects considered above.

Fair understanding: The understanding and diagnostic report displays one or more of the features listed below:

Vague description and/or failure to cite sources about the current state-of-the-art on matters pertaining to connectivity and submarine FO network infrastructure and implications for development in Chile. Scant analysis and/or failure to cite sources as to the integration potential

and impact on countries in the region (South America) that would enable a submarine cable between South America and Asia, with Chile as the gateway. Vaguely analyzes a comparison of international telecommunications initiatives, or fails to emphasize submarine FO projects, does not consider iconic examples in the field or how they could be replicated in the case study. Lack of clarity in identifying the major market and investment challenges to the implementation and development of the project or only partially states how their fallout could be mitigated. Partial discussion of the capacity of traditional traffic demand models to forecast relevant demand for this project. Limited analysis of the key variables that could be considered in final choice of the route, considering legal, technical, and economic aspects. Insufficient analysis of the industrial organization of the telecommunications market, with scant focus on submarine FO. Delivery of a PPP proposal with a weak rationale.

Weak understanding: The understanding and diagnostic report displays one or more of the features listed below:

Failure to analyze, contextualize, or describe the current state-of-the-art on matters pertaining to connectivity and submarine FO network infrastructure and implications for development in Chile. No sources cited. Failure to analyze the integration potential and impact on countries in the region (South America) that would enable a submarine cable between South America and Asia, with Chile as the gateway, in a detailed way and citing sources. Failure to provide a comparative analysis of international telecommunications development initiatives. No emphasis placed on successful submarine FO projects or iconic examples in the field. No mention of how they could be successfully replicated in this case. Failure to identify the major market and investment challenges to the implementation and development of the project and how their fallout could be mitigated. Shallow analysis of demand. Failure to analyze the key variables that could be considered in final choice of the route, considering legal, technical, and economic aspects. Failure to conduct a detailed analysis of the industrial organization of the telecommunications market, with a particular focus on submarine FO. Does not deliver PPP proposal or the proposal lacks a rationale.

Weighted score obtained in the evaluation:

N°	Consultant Name	Criterion 1: Economic offer	Criterion 2: Bidder Experience	Criterion 3: Work team	Criterion 4: Execution time	Criterion 5: Methodology	Criterion 6: Project Understanding	TOTAL
1	Altman Vilandrie & Company	86.98	86.67	74.56	77.35	100.00	100.00	88.01
2	Analysys Mason Limited	86.47	100.00	85.88	73.87	40.00	100.00	84.21
3	Zagreb Consultores Limitada	90.45	66.67	76.12	77.62	40.00	0.00	54.70
4	Mantencción y Servicios Paz Limitada	100.00	0.00	34.08	100.00	0.00	0.00	26.82
5	Huaxin Consulting co., Ltd	86.47	76.67	43.24	73.87	0.00	50.00	53.85
6	Consortium Salience Consortium	95.90	100.00	66.14	77.51	40.00	100.00	81.57
7	Consortium TMG, WFN	90.23	100.00	95.88	80.32	100.00	100.00	96.23
8	Consortium Silica Marine	90.39	33.33	54.50	77.41	40.00	50.00	52.01
N/A	Weight	10%	25%	20%	10%	15%	20%	100%

5 AWARDED PROPOSAL.

Having fully complied with the procedure established in the public bidding specifications, this Evaluation Commission proposes to award the activity called “ECONOMIC, TECHNICAL, AND LEGAL FEASIBILITY STUDY OF THE SUBMARINE CABLE PROJECT: ASIA-SOUTH AMERICA DIGITAL GATEWAY”, to the offeror Consortium TMG/WFN, formed by the companies Telecommunications Management Group, Inc. (“TMG”) and WFN Strategies (“WFNS”), given that their offer was evaluated and obtained the highest score, in the evaluation and its offer is convenient to the interests of the service.

After reading this Act and without having further observations, the members of the Evaluation Committee of SUBTEL offers sign in conformity.

Liliana Barriga Cueto

Analista de Regulación, División Política
Regulatoria y Estudios

Cristián Espinoza Ruiz

Analista de Telecomunicaciones, División Política
Regulatoria y Estudios.

Jesús Sarmiento Droguett

Abogado, División Administración y Finanzas