



RUNE PROJECT CALL

Invitation letter

REQUEST FOR FINAL OFFER

for the supply and integration of active network layer systems

November 2019

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1. RUNE PROJECT GENERAL INFORMATION

RUNE project aims at deploying a Greenfield cross-border wholesale broadband network targeting underserved areas in Slovenia and Croatia. The infrastructure will provide several residents and small-businesses with a gigabit Next Generation Access (NGA) broadband infrastructure. The project includes a Fiber to the Home (FTTH) component and will offer wholesale services only, on an active layer open access basis, to other service providers. The infrastructure deployment will leverage, to the maximum possible, the reuse of existing infrastructure and the most efficient technologies and cost reduction measures.

The proposed network will cover a number of villages in Slovenia, and clusters of villages in Primorsko-Goranska and Istarska counties (Croatia), targeting a rural area of 372,315 potential network points, all of which are currently not covered by a fibre NGA network.

Area	Area (km ²)	Number of villages	Households on white areas	New routes to dig (km)	Use of existing routes (km)
Slovenia	10.215	2971	232.649	5.265	903
Croatia (PGŽ and Istarska counties)	4.063	705	139.666	463	1.387
TOTAL Rune	14.278	3.676	372.315	5.728	2.290

Final numbers might change, last official list is published on www.ruralnetwork.eu.

For the purpose of this document open access network (OAN) is defined as network where the access to the active network services is granted to any provider under the same fair and transparent conditions.

Rune Infrastructure must act as an OAN network ready for Bit-stream (L2) and IP-stream (L3) services:

- **Layer 2 transparent networks**, where content providers provide the connectivity and services connected with their data streams. The line terminal at the end user's premises is provided by RUNE. The demarcation point (the User-To-Network Interface, UNI) is one or more 1GE and/or 10GE ethernet interface at the user premises;
- **Layer 3 networks**, where besides the services described in the previous point RUNE also ensures the connectivity layer, providing DHCP, security, traffic policing and other possible basic network services. The line terminal at the end user's premises is provided by RUNE. The demarcation point (the User-To-Network Interface, UNI) is one or more 1GE and/or 10GE ethernet interface at the user premises.

All services will be offered at national level access (redundant), and with wire-speed capacities (zero oversubscription), both on aggregation and access level.

The word "RUNE" in this document refers to all legal entities acting with the goal to reach "RUNE" project targets by using "RUNE" project funds. At the moment of issuing this RFFO it refers to RUNE ENIA d.o.o., a Slovenian company, and RUNE CROW d.o.o., a Croatian company.

RUNE is a registered trademark at EUIPO under the filing number 018021316.

2. REQUEST FOR FINAL OFFER FOR THE SUPPLY AND INTEGRATION OF ACTIVE NETWORK LAYER SYSTEMS

The subject of this call is **Request for Final Offer** (RFFO) for **the supply and integration of active network layer systems**.

This RFFO is aimed at the bidders who have already declared their interest through RFI and RFQ procedures (documentation available at www.ruralnetwork.eu). Other bidders, however, are also invited to submit their offers. Please refer to RFI and RFQ documents for additional clarifications.

2.1. RFFO procedure

The RFFO procedure will be conducted in **two steps**. In the **first step**, the bidders will be asked to submit all the requested documentation as defined in point 3 of this Invitation letter. Up to three bidders with the most suitable offers will be selected, with whom one or more meetings (a competitive dialogue) will be held in the week after the closing date of the submission of the offers, to clarify the details in their offers.

In the **second step**, the bidders who were involved in the competitive dialogue will be asked (based on the results of the competitive dialogue) to submit their final offers. Based on the final offers the most suitable offer will be selected.

The bidders who were involved in the competitive dialogue will be ranked. If any troubles arise during the close-up or the beginning of the delivery, the next ranked bidder will be asked to step in.

This invitation to tender is in no way binding on RUNE. RUNE's contractual obligation starts only when the contract with the successful bidder is signed by both parties. Up to the signature of the contract RUNE may cancel the procurement procedure without bidders being entitled to claim any compensation. Submission of a tender implies acceptance of all the terms and conditions set out in the procurement documents.

2.2. Evaluation Criteria

Offers proposing a 100% XGSPON access solution will be treated preferentially.

In case more than one offer proposing a 100% XGSPON access solution is received, such offers will be evaluated first. The evaluation criteria for the selection of the most suitable bidder will be the cost of ownership provided that all other requirements are met. Other (non 100% XGSPON) offers will be processed, but not evaluated.

In case only one offer proposing a 100% XGSPON access solution is received, such offer will be evaluated against other (non 100% XGSPON) offers. The evaluation criteria for the selection of the most suitable bidder will be the cost of ownership provided that all other requirements are met, but the value of ONTs will not be included in the TCO calculation.

In case no received offer proposes a 100% XGSPON access solution the evaluation criteria for the selection of the most suitable bidder will be the cost of ownership provided that all other requirements are met.

In all cases, the total cost of ownership will be calculated over a 7-year period based on the prospected delivery plan (Appendix 8), Price erosion dynamics (Appendix 5) and Reference price list (Appendix 4). The total cost of ownership will be calculated as the net present value based on the previously mentioned parameters.

Evaluation quantities are described in Appendix 1 - AGREED MINIMUM TECHNICAL SPECIFICATIONS.

2.3. Other

GROUP OFFERS

Group offers are accepted provided that responsibilities of the parties involved are clearly defined, agreed upon and signed among the parties, for the delivery, system integration, system launch, future support and maintenance. In this case, an **agreement among the bidders** must also be submitted additional to other requested documentation.

In case of group offers the agreement among the bidders must include the following:

- the appointment of the partner responsible for all communication with RUNE, along with the authorization to the partner to receive and send all communication by post on behalf of the partnership.
- the scope of the transaction (an exact indication of the type and extent of materials and services) the division among partners in the group offer, expressed in % or in the value of materials and services,
- a statement that all partners are familiar with tender terms and conditions and fully agree with them.
- provisions in the event of the withdrawal of any of the partners in the partnership,
- a statement that all partners in the group offer are familiar with the payment terms defined in the tender documents,
- a statement that all partners are jointly and severally liable to RUNE for the performance of the entire contract,
- validity period of the agreement. The agreement must enter into force latest upon the submission of the group offer and must not expire before the end of the warranty period.

HIGH LEVEL SYSTEM DESIGN

The document High Level System Design must include technical description of the proposed solution with detailed explanation about how and through which mechanisms the bidder has foreseen the fulfilment of all system functionalities as defined in the Appendix 1 - AGREED MINIMUM TECHNICAL SPECIFICATIONS and other documents that are part of this tender call.

The high level system design must also define the exact testing methodologies with which the bidder will prove to RUNE that the requested functionalities are effectively deployed before the signature of the FAT on each relevant layer of the network. Additionally, the bidder must propose for RUNE approval the testing methodologies to prove the following functionalities: wholesale model related functionalities, shaping and policing to limit bandwidth - queueing and policing on Ingress and Egress, Remote Packet Capture functionality, Video Channel Analyzer functionality). Before signing the contract with the selected bidder, RUNE must agree on the proposed methodologies. In case RUNE assesses that the proposed testing methodologies do not provide sufficient evidence of the efficient performance of requested functionalities the bidder must propose an alternative solution (see PAT and FAT documents and draft Agreement).

WARRANTY PERIOD

The warranty period is n+1+6 with:

- n representing the signature of each individual PAT,
- 1 representing the regular warranty period and
- 6 representing the extended warranty period

PRICE EROSION

Bidders must define the price erosion dynamics as is defined in Appendix 5 – PRICE EROSION DYNAMICS SPECIFIED PER EACH COMPONENT OF THE REFERENCE PRICE LIST.

Price erosion dynamics must reflect the percentage of discount applied to the prices defined in Appendix 4, from the beginning of the project throughout the whole warranty period.

BIDDER’S FORMAL OFFER

Bidder’s formal offer in all its parts must be valid for 90 days from the date of submission of the offer.

3. REQUESTED DOCUMENTATION

Bidder’s final offer must include all requested documents submitted in the order stated in the table below. Some documents are provided by RUNE as a part of call documentation, while others are to be prepared by the bidder (see below).

N.	Document name	Signature	Notes
1	Information about the bidder	Signed	In case of group offer signed by each partner.
2	Draft Agreement for Active Equipment <ul style="list-style-type: none"> • Part of call documentation 	Initialed on each page.	DO NOT FILL IN the draft agreement. In case of group offer the document must be initialed by all partners.
3	Appendix 1 – AGREED MINIMUM TECHNICAL SPECIFICATIONS <ul style="list-style-type: none"> • Part of call documentation 	Initialed on each page.	In case of group offer the document must be initialed by all partners.
4	Appendix 2 – HIGH LEVEL SYSTEM DESIGN <ul style="list-style-type: none"> • To be provided by the bidder 	Initialed on each page and signed.	In case of group offer the document must be initialed and signed by all partners.
5	Appendix 3 – BOQ (Bill of offered quantities) and BOM (Bill of offered materials and services) <ul style="list-style-type: none"> • Part of call documentation 	Initialed on each page and signed.	To be submitted also in .xls format. In case of group offer the document must be initialed and signed by all partners.
6	Appendix 4 – REFERENCE PRICE LIST OF MATERIALS AND SERVICES OFFERED BY INDIVIDUAL COMPONENTS WITH CODES FOR ORDER PLACEMENT DURING THE WARRANTY PERIOD <ul style="list-style-type: none"> • Part of call documentation 	Initialed on each page and signed.	To be submitted also in .xls format. In case of group offer the document must be initialed and signed by all partners.

7	Appendix 5 – PRICE EROSION DYNAMICS SPECIFIED PER EACH COMPONENT OF THE REFERENCE PRICE LIST <ul style="list-style-type: none"> Part of call documentation 	Filled in, initialled on each page and signed	<p>To be submitted also in .xls format.</p> <p>In case of group offer the document must be initialled and signed by all partners.</p>
8	Appendix 6 – BIDDER’S FORMAL OFFER <ul style="list-style-type: none"> To be provided by the bidder 	Initialled on each page and signed.	<p>To be printed out on official company form.</p> <p>In case of group offer each partner must provide individual offer clearly indicating materials and services provided by the respective partner.</p>
9	Appendix 7 – CONSORTIUM AGREEMENT <ul style="list-style-type: none"> To be provided by the bidder 	Initialled on each page and signed by all participating parties.	Mandatory only for group offers.
10	Appendix 8 – PROSPECTED DELIVERY PLAN <ul style="list-style-type: none"> Part of call documentation 		To be submitted also in .xls format.
11	Appendix 9 – PROVISIONAL ACCEPTANCE TEST (PAT) PROTOCOL - draft <ul style="list-style-type: none"> Part of call documentation 	Initialled on each page.	In case of group offer the document must be initialled by all partners.
12	Appendix 10 – FINAL ACCEPTANCE TEST (FAT) PROTOCOL - draft <ul style="list-style-type: none"> Part of call documentation 	Initialled on each page.	In case of group offer the document must be initialled by all partners.
13	Appendix 11 – AAN list <ul style="list-style-type: none"> Part of call documentation 	Initialled on each page.	In case of group offer the document must be initialled by all partners.
14	Appendix 12 – RFI AND RFQ TENDER DOCUMENTATIONS <ul style="list-style-type: none"> Part of call documentation 	Initialled on each page	In case of group offer the document must be initialled by all partners.
15	Appendix 13 – BIDDER’S GUIDELINES AND/OR INSTRUCTIONS FOR HANDLING AND INSTALLATION <ul style="list-style-type: none"> To be provided by the bidder 	Initialled on each page and signed.	In case of group offer the document must be initialled and signed by all partners.
16	Appendix 14 - UNCONDITIONAL BANK GUARANTEE TEXT <ul style="list-style-type: none"> Draft document is a part of call documentation 	Initialled on each page.	<p>DO NOT FILL IN the document in the process of application.</p> <p>In case of group offer the document must be initialled by all partners.</p> <p>The bank guarantee will only be provided by the selected bidder upon the signature of the contract.</p> <p>In case a selected bidder is a consortium of partners, only one bank guarantee is requested, whereas it is up to the consortium partners to define how to mutually regulate their relationships.</p>

17	Appendix 15 - WARRANTY AND POST-WARRANTY SERVICE DESCRIPTION <ul style="list-style-type: none"> To be provided by the bidder 	Initialled on each page and signed.	In case of group offer the document must be initialled and signed by all partners.
18	Appendix 16 - THE CODE OF ETHICS AND BUSINESS CONDUCT OF THE COMPANIES RUNE ENIA D.O.O. AND RUNE CROW D.O.O. <ul style="list-style-type: none"> Part of call documentation 	Initialled on each page.	In case of group offer the document must be initialled by all partners.
19	Appendix 17 - THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT (ESG STATEMENT) OF THE COMPANIES RUNE ENIA D.O.O. AND RUNE CROW D.O.O. <ul style="list-style-type: none"> Part of call documentation 	Initialled on each page.	In case of group offer the document must be initialled by all partners.

ADDITIONAL NOTES:

- All changes of any document provided by RUNE may result in the elimination of the bidder from the bidding process.
- Any discrepancies between electronic and hard-copy versions will be considered unfair commercial practice and may result in the elimination of the bidder from the bidding process.

4. PROCEDURE FOR THE SUBMISSION OF THE OFFERS

All offers must be submitted in **electronic version by email** and in **one hard copy**. Electronic and hard copy versions must be **identical**. All Appendices in electronic version must be submitted in a pdf format, whereas Appendices 3, 4, 5 and 8 must also be submitted in an xls format. When submitting the offer in electronic format bidders are required to submit each Appendix as individual document.

ELECTRONIC VERSION

Submitted electronic version should be sent via email to the following email addresses: **goran.zivec@ruralnetwork.eu, sasa.ukic@ruralnetwork.eu, davor.car@ruralnetwork.eu** and **nina.sega@ruralnetwork.eu**

A **BIC CODE** of the bidder should always be included in the subject of the email.

HARD-COPY VERSION

Hard-copy version should be sent to RUNE ENIA premises: **Partizanska cesta 109, 6210 Sežana, Slovenia**

5. DEADLINE FOR THE SUBMISSION OF OFFERS

The offers must be delivered by email and in a hard copy by **29 November 2019 by 15:00 CET**.

For hard-copy documentation a post stamp with the above date is also valid, but the documents should not be delivered later than **3 December 2019 by 15:00 CET**.

Offers, for which the hard-copy will not be delivered by **3 December 2019 by 15:00 CET**, will be treated as invalid and will not be processed.

6. ADDITIONAL INFORMATION

All requests for clarification must be sent via email to **goran.zivec@ruralnetwork.eu**, **sasa.ukic@ruralnetwork.eu**, **davor.car@ruralnetwork.eu** and **nina.sega@ruralnetwork.eu**

All communication coming from ruralnetwork.eu domain should be considered official.

Questions sent latest by 26 November 2019 12:00 CET will be answered and published on RUNE website in the shortest possible time but not later than 28 November 12:00 CET. RUNE reserves the right not to answer all the questions at its own discretion.

A BIC CODE of the bidder should always be included in all communication in the subject of the email.

7 November 2019

For RUNE:
Goran Živec
Saša Ukić