



REPUBLIC OF LEBANON
MINISTRY OF
TELECOMMUNICATIONS

Directorate General of Post
Director General

**Ministry of Telecommunications - Directorate General of Post
Beirut - Lebanon**

**TENDER DOCUMENTS
FOR THE OPERATION OF THE POSTAL SECTOR IN LEBANON**

June 2023

SECTION 1
INSTRUCTIONS TO TENDERERS

INSTRUCTIONS TO TENDERERS

A. GENERAL TERMS

1 SCOPE OF TENDER

1.1 Background

1.1.1 Pursuant to Legislative Decree No. 126 of 12/06/1959, in particular Article 1 thereof, and Legislative Decree No. 14969 of 12/30/6363, and in accordance with the decision of the Council of Ministers No. 2 Dated 12/05/2022 and Decision No. 31 Dated 18/04/2023, and pursuant to the Audit Bureau's report No. 11/2021 dated 8/6/2021, especially its recommendations in terms of re-award, the **Ministry of Telecommunications** – the Directorate General of Post (hereafter referred to as "the **Regulator**") invites Tenders from Tenderers for the operation of the **Postal Sector** in Lebanon, as defined in the Tender Documents and in accordance with the applicable laws and regulations, and referred to as "the **Services**".

1.1.2 All Tenderers shall base the financial proposal on a term of nine (9) years and the transfer period is according to Article 47 of the Conditions of Contract.

The Successful Tenderer shall coordinate with Government Agencies to obtain all information needed, in order to secure the transfer of correspondence materials in the best and fastest way between ministries, departments, municipalities and public institutions, including the Knowledge of existing facilities (Refer to Appendix B Buildings List).

The Regulator will provide the required documents and letters to facilitate the Operator's task in this regard.

1.1.3 All definitions mentioned in the Conditions of Contract shall apply to the Tender Documents referred to in Sub-Section B hereof.

1.2 Objectives

In its consideration in awarding the Services, the Regulator aims to attain the following strategic benefits from this Tender Procedure and the eventual award of the Contract:

- (a) The development and operation of the Postal Sector in Lebanon;
- (b) The operation of the services, including products, courier, postal courier, postal correspondence, e-commerce, and parcels are to be operated according to the applicable practices, profitably and in a way which ensures that users and the Regulator are satisfied with the level and quality of the services provided;

- (c) The development of the services, products, courier, postal courier, postal correspondence, e-commerce, and parcels is to be carried out in such a manner so as to remain fully operational upon the end of the Term;
- (d) The development of the postal and non-postal services shall conform to local and international regulatory standards, including the Postal Guidelines in Lebanon;
- (e) To ensure that no revenue or capital support for the operation of the Postal Sector will be required from the Regulator, but rather to maximise proceeds to Regulator, generate work in the industry;
- (f) To maximise the benefits to the Lebanese economy through increased investment, employment prospect and business opportunities and render the postal industry more competitive, as well as to attract new services and products in accordance with locally and internationally adopted practices;
- (g) To ensure, in the interest of competitiveness and sustainability, that the facilities are operated on the basis of private sector management principles and efficient work practices;
- (h) To complement the Services with the strategic vision and capability of experienced international players in order to tap new opportunities for on-going business growth;
- (i) To ensure that the future operation of the Postal Sector is supported by sustainable manpower levels, skill base and work practices;
- (j) To provide postal services and ancillary products that act as a solid infrastructure and effective platform for existing and new businesses, and are applied in line with paragraph (b) above.

1.3 Scope of Services

1.3.1 The Operator shall provide the following services and products:

- 1) Postal services and ancillary products (value chain):
 - a. Mail Handling Services (MHS) (of courier, postal courier, postal correspondence, e-commerce, and parcels to the final destination)
 - b. Express Mail Services (EMS);
 - c. Philatelic services, normal releases and commemorative stamps;
- 2) Non-postal services and products for governmental agencies, including government transactions (licence fees, permits, official documents...), third party transaction (utilities...) as stated in Annex [3.1].

1.3.2 The Operator shall study the feasibility, and accordingly develop and provide, the following postal and non-postal services and products(including those listed in Annex [3.1]:

- a. Non-postal services for non-governmental agencies;
- b. E-commerce services (development of e-commerce services and markets);
- c. Marketing services;
- d. Financial services (electronic money transfer and postal transfer);
- e. Domestic courier services.
- f. Banking and Insurance Services
- g. Other services listed in Annex [3.1] and services proposed by the Operator

In addition, the Operator is committed to develop new value-added services and products to complement traditional postal products and enhance the future revenue base, since the future of postal services depends on such new services, its evolution and its sustainable development, being a main and strategic objective. Value-added services and products may be in the saving banks and insurance sectors, and include the development of new services and integration of the Internet of Things and automation.

2 TENDERER'S ELIGIBILITY

2.1 Tenderers who have committed in any jurisdiction criminal offences which are related to their professional conduct, and which are ascertainable by any method, are not permitted to take part in the Tender Procedure, and consequently shall be disqualified. As regards to *sociétés anonymes*, this disqualification criterion also applies to the chairman of the board of directors and the managing director or CEO, based on the articles of association or equivalent document of the legal entity. For other types of legal entities, the above disqualification criterion applies to the company's legal representative(s). Offences related to professional conduct include, but are not limited to, embezzlement, extortion, forgery, perjury, fraudulent bankruptcy, participation in a criminal organization, bribery, fraud and money laundering, as defined and in accordance with the applicable Lebanese Laws and Regulations.

2.2 In addition, Tenderers are disqualified if they are:

- (a) In bankruptcy, or proceedings have been instigated against them for: liquidation, compulsory receivership or in any other relevant situation resulting from a similar process specified in national, legal and regulatory provisions;
- (b) Not in fulfilment of their obligations, as regards to payment of social security contributions, payment of taxes and duties, in accordance with the Lebanese Laws;

- (c) Guilty of making false representations or have neglected to submit required information, in accordance with the Lebanese Laws.

The Tenderer (or in the case of a Joint Venture, each member of the Joint Venture) must submit evidence of compliance with the eligibility requirements set forth in this Clause 2, at the time of the submission of the binding offers. The above eligibility requirements shall be met by each member of the Joint Venture.

- (d) The Tenderers' participation and qualifications are also specified in Article 7 of the Public Procurement Law.

3 QUALIFICATION OF THE TENDERER

The Regulator wishes to solicit Tenders from (companies or Joint Venture of companies) who have the necessary licenses in their country or any other country (except Israel), for the performance of their operational mission, and that the subject of the license includes the work of transporting correspondence materials, parcels and/or postal parcels.

Holders of such licences who have operational experience in delivering the correspondence materials, and/or courier, and/or postal courier, and/or parcels, and/or small packages are allowed to participate in this Tender.

The Tenderer's licence shall be valid for at least ten (10) years, and the license must be valid during the period of participation in the Tender. The Tenderer shall have a minimum of seven (7) years of operational experience in the scope specified in Article 3 of these Instructions to Tenderers, and the ability to operate the public facility on a national or provincial level.

Some of the criteria for operational experience and ability are:

- The volume of business in operating and providing the services required in the Instructions to Tenderers, transporting correspondence materials, and/or postal courier, and/or courier, and/or parcels and/or small packages from collecting, sorting and distributing these materials to the addressee (final recipient)
- Financial indicator of work progress

In case of a Joint Venture, the licensed company must retain at least 40% of the Joint Venture shares.

3.1 Evidence of Qualification

The Tenderer shall provide evidence of his capability and adequacy of resources to carry out the Contract. To this effect, the Tender shall include business plans and include the following information:

- (a) Structure and Organisation / Company Constitution (in possession of a valid registration);
- (b) Economic and Financial Standing for the last 5 years certified by a reputable international auditor (profitability and solvency of current operating business): The Tenderer shall be assessed according to its general financial standing and competence; and the assurances provided by the statutory auditor on historical financial data. While evaluating the financial standing, key indicators such as annual turnover, breakdown of revenues, ratio of the current (and total) assets to current (and total) liabilities, solvency...etc. shall be considered. If the Tenderer is a governmental entity, then the auditor can be a governmental entity as per their applicable regulations
- (c) Postal Products and Service Coverage and Capabilities (business information / Records and experience data, obtained to determine that a potential Tenderer's capability to execute the required mission for the Operation of the Postal Sector in Lebanon, including the following:
 - (i) Develop and/or operate a postal business, understand local needs, markets, regulations, laws, procedures to maintain an operational postal business;
 - (ii) Business plan and program to demonstrate supply continuity and meet volume of business requirements;
 - (iii) Business plan and program to demonstrate, as needed, the ability to obtain adequate resources to perform the work;
 - (iv) Ability to meet the required delivery schedule;
 - (v) Have a good quality control program;
 - (vi) Have the necessary organization, experience, accounting and operational controls, technical skills, and production and property controls;
 - (vii) Have a sound record on integrity and business ethics;
 - (viii) Have a record of validated customers, financial institutions, or government agencies;

- (ix) Qualified and eligible to receive an award under applicable laws and regulations, and preserving the current employees and their rights as of the date of the Contract and benefiting from their experience.
- (d) Litigation history and arbitration records (not exposed to financial complications because of pending litigation or arbitration, and not involved in significant history of disputes)
- (e) Quietus Compliance (Clearance) issued by the Ministry of Finance
- (f) The Tenderer shall confirm that in case of Award, the Operator shall not exchange services between Lebanon and the boycotted enemy state.

The Tenderer must submit evidence of compliance with the qualification criteria set forth above.

3.2 Technical Competence

When evaluating the Tenderer's technical proposal, the following shall be covered in the Tenderer's Proposal and shall be considered in the scoring of the technical evaluation:

- (a) Network operations operated by the Tenderer in the past or currently (Evaluation Criteria 8.1):
 - (i) Operations management and business process improvement plans;
 - (ii) Customized tools, processes and procedures to develop and optimize distribution networks based on geography and road network data collection, in order to reduce order cycle times, overall cost and improve customer service, including environment friendly electrical transportation cars;
 - (iii) Regulatory compliance plan that includes operational policies such as, health and safety, environmental, quality assurance, project management, and performance improvement procedures.
- (b) Processing, collection, sorting and delivery operations of mail, courier postal courier, postal correspondence, e-commerce and parcels (Evaluation Criteria 8.2):
 - (i) Plan for processing, collection, sorting and delivery;
 - (ii) Target processing speed or sorting rate;
 - (iii) Target plant performance defined as the total throughput volume;
- (c) Market development, sales and customer service development (Evaluation Criteria 8.3):

- (i) Market and sales development plan, that includes target markets, products and services, marketing policy and plan, client/customer base, and any planned diversification;
 - (ii) Customer service plan that considers customer advocacy, proactive information sharing, problem resolution and feedback procedures, price discounts and customer support (call centers and after sales services);
 - (iii) Target transit time;
 - (iv) Track and trace service or delivery confirmation and other related services;
 - (v) Frequency of customer complaints.
- (d) Human resource acquisition and development (Evaluation Criteria 8.4):
- (i) Human capital plan that provides forecasts for the Contract Period in terms of employment levels, skills required, labor sourcing policy, payroll costs, provisions of employee selection programs, compensation and benefit programs, training and development opportunities consistent with operational and skill requirements. Differentiation shall be made between core, subcontract and temporary labor. The plan is to propose a scheme for the existing staff of the Regulator and the existing Operator;
- (e) Corporate management development (Evaluation Criteria 8.5):
- (i) Tools, systems and business procedures needed to transfer the existing business and establish the new postal business, financial systems (such as general ledger, accounts payable, accounts receivable, asset sub-ledgers), shareholder relations and government relations processes;
 - (ii) Administrative and operating structure of the new postal business.
- (f) Services development (Evaluation Criteria 8.6):
- (i) Services development and implementation plan, including proposed new services, group of products and price and cost structure;
 - (ii) Assessment of the current marketplace conditions and local postal service business needs and competitive needs.
- (g) Retail franchise, point of sale and e-commerce (Evaluation Criteria 8.7):
- (i) Development of processes and database needed to implement a program of enhanced retail services through private sector partners (local business participation) in addition to corporate-owned outlets;

- (ii) Customization, transition and implementation of an automated system to support and manage retail sales across post offices, franchise counters and online shops;
 - (iii) Enhancement of customer accessibility to services;
 - (iv) Use of the Tenderer's philatelic centers' existing infrastructure and existing networks of international distributors and agents currently, to successfully market Lebanese philatelic products.
- (h) ICT infrastructure, system platform and software development (Evaluation Criteria 8.8):
- (i) Development of computer hardware platforms, operating system platforms, enterprise and software applications;
 - (ii) Networking and telecommunications platforms;
 - (iii) Data management and storage;
 - (iv) System integration;
 - (v) Transactions that does not require attendance;
 - (vi) Track and trace system to track all mail products at an item level, at different points of time during sorting, warehousing, and package delivery; to predict and aid delivery.

3.3 Business Plan Attractiveness and Credibility (Evaluation Criteria 9)

3.3.1 The Tenderer must provide a proposal that supports:

- (a) Reliability and adequacy of the Tenderer's financing capital structure proposal including the feasibility of the financial forecast and the level of commitment from proposed financiers;
- (b) The nature and extent of the proposed investment and expenditure to be undertaken;
- (c) The credibility and robustness of the Business Plan and financial projections, including the independent assurances provided thereto.

3.4 Grounds for Disqualification

Any attempt on the part of Tenderer or any of their directors and other officers, employees, representatives, contractors or agents to exercise undue influence on any of the following persons (as an example without limitation) with respect to the selection process may lead to disqualification:

- (a) Any official or employee in any Lebanese Ministry and/or Public Authority;

- (b) Any member of, expert or other advisor assisting the Owner;
- (c) Any official involved in the Contract; and
- (d) Any person who may be involved in the competitive process.

In addition, any conflict of interest or prohibition according to the General Procurement Law may lead to disqualification.

3.5 Evaluation Criteria (Pass/Fail)

No.	Criteria	Pass/Fail
1	Eligibility (Sound Record on Integrity and Business Ethics) and meeting the requirements in Clause 2 “Tenderer’s Eligibility”. (Each member of the Joint Venture shall comply with the requirements)	Pass/Fail
2	Valid Registration (Each member of the Joint Venture shall comply with the requirements)	Pass/Fail
3	Economic and Financial Standing (1.3) (Each member of the Joint Venture shall comply with the requirements)	Pass/Fail
3.1	Profitability of current business	
3.2	Solvency	
4	Licence, where the date of its issuance should not be less than ten (10) years, and the license must be valid for the period of participation in the Tender, and having more than seven (7) years of operational experience.	Pass/Fail
5	Litigation History (Each member of the Joint Venture shall comply with the requirements)	Pass/Fail
6	Quietus Compliance (Clearance) (Each member of the Joint Venture shall comply with the requirements)	Pass/Fail
7	Tenderer’s Capability and Organization (The sum of all Joint Venture members is calculated as the average rate over the five years)	Pass/Fail
7.1	Number of Employees - more than 200 employees to qualify/pass	Pass/Fail
7.2	Volume of Deliveries - more than 400,000 annually to qualify/pass	Pass/Fail
7.3	Average Yearly Revenues - exceeding \$5 million to qualify/pass.	Pass/Fail

No.	Criteria	Pass/Fail
8	Technical Competence and Viability of Operational Plan	
8.1	Network operations development (Refer to Technical Competence 3.2 (a))	Pass/Fail
8.2	Mail processing, collection, sorting and delivery operations (Refer to Technical Competence 3.2 (b))	Pass/Fail
8.3	Market development, sales and customer services development (Refer to Technical Competence 3.2 (c))	Pass/Fail
8.4	Human resource acquisition and development (Refer to Technical Competence 3.2 (d))	Pass/Fail
8.5	Corporate management development (Refer to Technical Competence 3.2 (e))	Pass/Fail
8.6	Services development (Refer to Technical Competence 3.2 (f))	Pass/Fail
8.7	Retail franchise, point of sale and e-commerce (Refer to Technical Competence 3.2 (g))	Pass/Fail
8.8	ICT infrastructure, system platform and software development (Refer to Technical Competence 3.2 (h))	Pass/Fail
9	Attractiveness and Credibility of Business Plan	
9.1	Reliability and adequacy of the Tenderer's financing capital structure proposal including the feasibility of the financial forecast and the level of commitment from proposed financiers;	Pass/Fail
9.2	The nature and extent of the proposed investment and expenditure to be undertaken;	Pass/Fail
9.3	The credibility and robustness of the Business Plan and financial projections, including the independent assurances provided thereto.	Pass/Fail

Qualified Tenderer shall comply with the eligibility requirements and other requirements set forth above.

The successful tenderer shall be a qualified tenderer with the Highest proposed percent revenue sharing (P) as enclosed in the Financial Offer.

By submitting a Tender, each Tenderer certifies that he understands, agrees to, and satisfies all criteria specified in the solicitation documents. The Regulator may request, and the Tenderer shall provide, supporting information and documentation. Failure to supply supporting information and documentation as required or requested will result in disqualification of the Tenderer.

4 ONE TENDER PER TENDERER

Each Tenderer shall submit only one Tender, either by himself or as a partner in a Joint Venture. A Tenderer who submits or participates in more than one Tender will be disqualified.

5 COST OF TENDERING

The Tenderer shall bear all costs and expenses associated with his participation in this Tendering Process, and the Regulator will in no case be responsible or liable for those costs, including all costs and expenses relating to the Tenderer's participation in:

- (a) The preparation, presentation and submission of its Proposal;
- (b) The Tenderer's attendance at any meeting in relation to the Tendering Process, including any presentation, site visit and or interview;
- (c) The conduct of any due diligence on its part, including any information gathering activity;
- (d) The preparation of the Tenderer's own questions; and
- (e) Any discussion and/or finalization, if any, in respect of the Form of Agreement.

6 VISIT OF POSTAL FACILITIES

- 6.1 The Tenderer is required to visit and examine the Facilities and their surroundings and carry out all the necessary surveys and condition reports, technical studies, and obtain for himself on his own responsibility and at his own risk all information that may be necessary for preparing the Tender and providing the Services. The costs of the visits shall be at the Tenderer's own expense.

Tenderers are expected to carry out their own financial, technical, legal enquiries, assessments, investigations, market demand and feasibility studies, and to enquire and investigate on other issues relating to the postal service within and outside of Lebanon including agreements, equipment, facilities, operations and related matters.

Tenderers are thus responsible for obtaining their own independent advice on all aspects (not only statutory, legal or regulatory) of the information provided in the Tender Documents or any accompanying documents, or of any information or documents provided, or in any responses to Tenderers enquiries of whatever nature. The Regulator shall not be liable to any person or entity as a result of the use of or reliance on any information contained in the Tender Documents or any accompanying documents or in any responses to Tenderers enquiries of whatever nature, including but not limited to clarification questions or otherwise provided at any time during any stage of the Tendering Process or on account of any

information or documents being incorrect, misstated, misleading or omitted therein or thereat.

The Tenderer shall obtain a certificate from the Regulator to confirm the visit to the site. The Tenderer shall also sign the certificate, and include it in the offer.

- 6.2 While the information contained in the Tender Documents has been prepared in good faith, no representation, warranty or undertaking, express or implied, is or will be made in relation to the accuracy, adequacy or completeness of the Tender Documents. No responsibility or liability is, or will be accepted by the Regulator or any other entity, advisers and/or consultants in respect of any error, misstatement in or omission from the Tender Documents.

B. TENDER DOCUMENTS

7 CONTENT OF TENDER DOCUMENTS

7.1 The set of Tender Documents comprises the documents listed below and shall be read in conjunction with any addenda issued in accordance with Clause 9:

Section 1 Instructions to Tenderers

Section 2 Tender Form and Schedules*

Section 3 Conditions of Contract

Section 4 Terms of Reference

**To be filled in by the Tenderer*

7.2 The Tenderer shall return all Tender Documents mentioned in Sub-Clause 7.1 duly completed when required, signed and sealed.

8 CLARIFICATION OF TENDER DOCUMENTS

Tenderers requiring any clarification of the Tender Documents may notify the Regulator in writing or by email at the Regulator's address indicated in the Invitation to Tender within ten (10) days prior to the deadline for submission. The Regulator will respond to any received request for clarification at least six (6) days prior to the deadline for submission of Tenders, copies of the Regulator's response will be forwarded to all purchasers of the Tender Documents, including a description of the enquiry but without identifying its source.

The provisions of Article 21 of the Public Procurement Law (Requests for Clarification) shall apply.

9 AMENDMENT OF TENDER DOCUMENTS

9.1 At any time prior to the deadline for submission of Tenders, the Regulator may, for any reason, whether at his own initiative or in response to a clarification requested by any Tenderer, modify the Tender Documents by issuing addenda.

9.2 Any addendum thus issued shall be part of the Tender Documents and shall be communicated in writing to all purchasers of the Tender Documents. Tenderers shall acknowledge receipt of each addendum by email to the Regulator. The addenda shall not make a fundamental change, and such addenda shall be published on the central electronic platform of the Public Procurement Authority.

9.3 To give Tenderers reasonable and sufficient time in which to take an addendum into account in preparing their Tenders, the Competent Authority shall extend as necessary the deadline for submission of Tenders, in accordance with Sub-Clause 20.2. The extended deadline for submission is also published on the central electronic platform of the Public Procurement Authority.

C. PREPARATION OF TENDERS

10 LANGUAGE OF TENDER

All documents relating to the Tender shall be in both Arabic and English languages. Supporting documents and printed literature furnished by the Tenderer may be in any foreign language other than English provided they are accompanied by an accurate translation of the relevant passages in English, in which case, for purposes of interpretation of the Tender, the translation shall prevail.

11 DOCUMENTS COMPRISING THE TENDER

11.1 Content of Tenders

The Tender shall comprise the following:

- (a) Post-qualification Document (eligibility and performance records)
 - (i) Company constitution and ownership, in conformance with attached Post-qualification Form [1.1];
 - (ii) Financial statements, in conformance with attached Post-qualification Form [1.2];
 - (iii) Business information / records and experience, in conformance with attached Post-qualification Form [1.3];
 - (iv) Litigation history, in conformance with attached Post-qualification Form [1.4];
 - (v) Quietus (Clearance), in conformance with attached Post-qualification Form [1.5].
 - (vi) Securing the integrity declaration document in Arabic in conformance with the attached Form [1.7] in the Arabic Forms.
 - (vii) In the event of receiving a Tender from a foreign company, such company shall take into account the following conditions:
 - 1- To be part of a consortium that includes at least one Lebanese company that fulfills the conditions required by the Instructions to Tenderers.
 - 2- The in-person presence of the legal representative of the company for the procurement procedures.
 - 3- To have an agent or representative in Lebanon assigned to sign the Contract on its behalf.
 - (viii) An undertaking letter in Arabic in the format attached in Form [1.6] of the Arabic Forms, signed and stamped by the tenderer with stamps worth 50,000 LL. The undertaking letter serves as a confirmation from the tenderer of his commitment to his price and the validity of the tender for the specified period.

- (ix) A trade licence mentioning the name of the person authorized to sign on behalf of the tenderer, including the signature of the authorized signatory of the tender.
- (x) Power of attorney, certified by the notary public, if the tender is signed by a person other than the person who is authorised to sign on behalf of the tenderer.
- (xi) The partnership agreement certified by the notary public, if required.
- (xii) A tenderer's registration certificate with the Directorate of Value Added Tax if applicable, or a certificate of non-registration if not applicable, in which case the tenderer is bound by his price even if he becomes registered during the term of the contract.
- (xiii) The tenderer's registration certificate with the Ministry of Finance - Directorate of Revenues.
- (xiv) A clearance from the National Social Security Fund confirmation confirming eligibility to participate in public tenders, valid on the date of the award, stating that the tenderer has paid all his contributions. The tenderer shall be registered with the fund, and documents including "unregistered institutions" shall be rejected.
- (xv) A comprehensive statement issued by the commercial register showing: founders, members, shareholders, authorized signatories, manager, capital, tenderer's activity, commercial incidences.
- (xvi) A statement issued by the competent court (the commercial register) proving that the tenderer is not in a state of bankruptcy or liquidation.
- (xvii) Tender Security.
- (xviii) A copy of the receipt handed by (the Directorate General of Post) certifying that the tenderer has paid the tender documents fees.
- (xix) Certificate of site visit
- (xx) Declaration of the owner of the economic right.
- (xxi) In the matter of the foreign company, a statement shall be submitted from the Ministry of Economy (the office of boycotting Israel) proving the application of the provisions of the law boycotting Israel to the company with regard to its activity in Lebanon, as one of the conditions of participation in the Tender.

**The above documents (whether original or certified copies) must be issued within six-month preceding the date of award.*

- (b) Technical Offer
 - (i) Operational Plan, in conformance with attached Tender Schedule [2.1];
 - (ii) Business Plan, in conformance with attached Tender Schedule [2.2].
- (c) Financial Offer
 - (i) Form of Tender for a Contract Period of nine (9) years.
 - (ii) Government Revenue Sharing Scheme, conforms to attached Annex [3.1].

11.2 Special Provisions for Joint Ventures

If a Tenderer is a Joint Venture of two or more firms, the Tender must be a single one with the object of securing a single contract. All members of the Joint Venture shall be jointly and severally liable for their compliance with the terms of the Tender Procedure. Non-compliance by any member of the Joint Venture may lead to forfeiture of the Joint Venture's Tender Security. A member shall not be in more than one Joint Venture.

Tenders submitted by a Joint Venture of two or more firms as partners shall comply with the following requirements:

- (a) The Tender shall include all the information listed in Sub-Clause 11.1 (a) for each Joint Venture partner;
- (b) The Tender shall be signed so as to be legally binding on all partners;
- (c) One of the partners shall be nominated as being in charge and this authorisation shall be evidenced by submitting a power of attorney signed by legally authorised signatories of all the partners; and
- (d) The Tender shall include pro-forma of the Joint Venture agreement which will state, inter alia, that all partners shall be liable jointly and severally for the execution of the Contract and that the partner in charge shall be authorised to incur liabilities and receive instructions for and on behalf of any and all partners, and the entire execution of the Contract including payments shall be done exclusively with the partner in charge.

12 FINANCIAL OFFER

- 12.1 The Tender shall be for the whole Services and Products as described in Sub-Clause 1.3. The Financial Offer consists of the completed Tender Form(s) including the Government Revenue Sharing Scheme.

13 CURRENCIES OF TENDER AND PAYMENT

- 13.1 The adopted currency shall be the United States Dollar. The United States Dollar shall be the currency in which the Operator will pay the dues to the Regulator. Additionally, the United States Dollar shall be the currency that will be adopted in presenting and evaluating the financial statements. The Operator has the right to issue invoices in United States Dollars or in Lebanese Pounds as the Operator deems appropriate, while the Operator's share is paid in United States Dollars in Cash.

14 TENDER VALIDITY

- 14.1 Tenders shall remain valid for one hundred and **eighty (180) days** after the deadline for Tender submission specified in Clause 20.
- 14.2 In exceptional circumstances, the Competent Authority may request that the Tenderers extend the period of validity for a specified additional period. A Tenderer may refuse the request without forfeiting his Tender security. A Tenderer agreeing to the request will not be required or permitted to modify his Tender, but will be required to extend the validity of his Tender Security for the period of the extension, or to submit a new tender security covering the extended period.

15 TENDER SECURITY

- 15.1 The Tenderer shall furnish, as part of his Tender, a Tender Security (in the form of a bank guarantee) to the amount of LBP 200,000,000 (Two Hundred Million Lebanese Pound).
- 15.2 A Tender Security shall be either paid in cash to the treasury or to the contracting authority (the procuring entity) (with a receipt for the amount paid), or shall be in the form of an irrevocable bank guarantee issued by a bank acceptable to the Central Bank, payable on demand, and submitted in the name of (the project) in favour of the contracting authority (procuring entity). Bank guarantees issued as surety for the Tender shall be valid for **twenty-eight (28) days** beyond the validity of the Tender and shall be automatically renewed. This is in accordance with Article 4 of the Public Procurement Law.
- 15.3 Any Tender not accompanied by an acceptable Tender security shall be rejected by the Competent Authority.
- 15.4 The Tender Security is automatically renewed according to Article 25, Paragraph 5 of the Public Procurement Law
- 15.5 The Tender Security of the successful Tenderer will be discharged when the Tenderer within a period not exceeding the date on which the Contract becomes effective.

15.6 The Tender Security will be forfeited, requiring the application of the provisions of Article 22, Paragraph 4 of the Public Procurement Law:

- (a) If the Tenderer withdraws his Tender during the period of Tender validity, taking into account the provisions of Paragraph 4 of Article 22 of the Public Procurement Law, stating that the Tender Security cannot be forfeited if the Tenderer withdraws his Tender before the deadline for submission of Tenders;
- (b) If the Tenderer refuses to correct the bid in accordance with Clause 25; or
- (c) In the case of a Successful Tenderer, if he fails within the specified time limit to:
 - (i) Sign the Contract; or
 - (ii) Furnish the required Performance Security.

16 ALTERNATIVE PROPOSALS

16.1 Tenderers shall mandatorily submit offers which fully comply with the requirements of the Tender Documents. Alternative proposals are not allowed.

17 PRE-TENDER MEETING

17.1 The provisions of Article 21 of the Public Procurement Law (Requests for Clarification) shall apply.

18 FORMAT AND SIGNING OF TENDER

18.1 The Tenderer shall prepare (1) one original and (1) one copy and (2) soft copies on two USB drives of the documents comprising the Tender as described in Clause 11 and clearly marked "**ORIGINAL**" and "**COPY**" as appropriate. In the event of discrepancy between them, the original shall prevail. Each soft copy shall be encrypted with a "code" or "password" which shall be placed with the "USB Flash Drive" in a sealed envelope that shall be opened when necessary and an "soft copy" shall be written on the envelope. This is to add confidentiality to the information.

The Tenderer shall separate the electronic copies of the Technical Offer from the Financial Offer using two different USBs, one for the Technical Offer and another for Financial Offer.

The USB of the Technical Offer shall be placed in a sealed envelope that will be opened when necessary. The statement "Electronic Copy – Technical Offer" shall be written on the back of the sealed envelope and placed in the envelope designated for the Technical Offer.

- 18.2 The USB of the Financial Offer shall be placed in a sealed envelope that will be opened when necessary. The statement "Electronic Copy – Financial Offer" shall be written on the back of the sealed envelope and placed in the envelope designated for the Financial Offer. The original and all copies of the Tender shall be typed or written with indelible ink and shall be signed by a person or persons duly authorised to sign on behalf of the Tenderer. All pages of the Tender where entries or amendments have been made shall be initialled by the person or persons signing the Tender. The writing on the three envelopes shall be typed on white stickers that are attached to the envelopes upon their submission. The writing on the single outer envelope shall be typed on a white sticker that shall be attached to the outer envelope when it is submitted to the procuring entity. The single outer envelope shall be unified, and this outer envelope may be a box due to the size of the Tender Documents. However, in any case, the outer envelope shall be unified and given by the procuring entity to the Tenderers when submitting their Tenders. The unified "stickers" are obtained from the procuring entity when Tenders are submitted.
- 18.3 The Tender shall contain no alterations or additions, except those to comply with instructions issued by the Regulator, or as necessary to correct errors made by the Tenderer, in which case such corrections shall be initialled by the person or persons signing the Tender.
- 18.4 The Tender that did not succeed may request from the concerned entity the return of his original bid, while the copy will be kept with the concerned authority together with the two USB drives.

D. SUBMISSION OF TENDERS

19 SEALING AND MARKING OF TENDERS

19.1 The Tenderer is required to submit his Tender in three (3) separate envelopes containing the post-qualification application, the Technical Offer and the Financial Offer clearly marked "**Post-qualification Document**", "**Technical Offer**" and "**Financial Offer**".

- (a) The Post-qualification Document shall include the completed application forms as listed in Clause 11.1 (a).
- (b) The Technical Offer shall include the completed Tender Schedules as listed in Clause 11.1 (b).
- (c) 2. The Financial Offer shall include Tender Form(s) and Government Revenue Sharing Scheme as listed in Clause 11.1 (c) and 12.

19.2 The outer envelope shall be addressed to the Competent Authority to the address specified in the Invitation to Tender.

The three envelopes shall be packaged in one sealed outer envelope that the Tenderer obtains from the administration in the place of submission of tenders, upon submission of tenders, and addressed with the name and address of the procuring entity. Only the subject of the tender shall be mentioned on the back of the outer envelope, "Proposal for the Operations of the Postal Sector in Lebanon", and the tender reference number "-----", and the following words: "DO NOT OPEN BEFORE ----" and the date specified for tender opening, in numbers as follows: day / month / year / hour, without any distinguishing phrase or distinctive sign such as the name of the tenderer or his attribute or address, to avoid disqualification, and the writing on the three covers shall be typed on white stickers and collated on the envelopes at the time of submission to the procuring entity.

Tenders may be sent through the public postal service or through private mail service providers, anonymously, or submitted by hand directly to (the procuring entity at the place of tender submission), on the date specified for submitting tenders as stipulated in the invitation to tender, which is published on the central electronic platform of the Public Procurement Authority.

19.3 In addition to the identification required above, the inner envelopes shall indicate the name and address of the Tenderer to enable the Tender to be returned unopened in case it is declared late, pursuant to Clause 21.

19.4 The procuring entity shall provide the tenderer with a receipt including a serial number as well as the hour, day, month and year date of receipt of the tender.

19.5 The procuring entity shall maintain the security, integrity and confidentiality of the tender, and ensure that its content is not viewed until after the tender opening.

19.6 It is forbidden for any Tenderer to be present without having a Tender. As a Tenderer can only attend if the Tenderer has the Tender and intends to submit it, in anticipation of any possible collusion.

20 DEADLINE FOR SUBMISSION OF TENDERS

20.1 Tenders must be received by the Competent Authority (Directorate General of Post) at the address specified in Sub-Clause 19.2, within the period specified in the Invitation to Tender.

20.2 The Competent Authority may extend the deadline for submission of Tenders by issuing an amendment in accordance with the Clause 9, in which case all rights and obligations of the Competent Authority and the Tenderers previously subject to the original deadline will then be subject to the new deadline.

21 LATE TENDERS

21.1 In the event that the Tender received by the Competent Authority is late, a receipt shall be given to the late Tenderer, like any Tenderer who submitted his Tender within the deadline, in order to preserve the right of the Tenderer and the procuring entity, provided that the Tender is immediately returned to the Tenderer without opening it.

22 MODIFICATION AND WITHDRAWAL OF TENDERS

22.1 The Tenderer may amend or withdraw his Tender at any time before the closing date for submission of tenders without forfeiture of his tender security. The amendment or the request to withdraw the tender shall be effective on the date of receipt of the contracting authority of such amendment or withdrawal request provided that such amendment or withdrawal is received prior to the tender closing date.

E. TENDER OPENING AND EVALUATION

23 TENDER OPENING

- 23.1 The Tender Committee will open the Tenders, in the presence of the Tenderers' representatives who choose to attend at the time and in the place specified in the Invitation to Tender.
- 23.2 The Tenderers' names, the presence or absence of Tender security, and such other details as the Tender Committee may consider appropriate, will be announced by the Tender Committee at the opening.
- 23.3 The Tender Committee shall prepare minutes of the Tender opening, including the information disclosed to those present in accordance with the Instructions to Tenderers.
- 23.4 The Tender Committee shall particularly verify that the Tender is responsive to all Terms of these Tender Documents.

24 PROCESS TO BE CONFIDENTIAL

Information relating to the examination, clarification, evaluation, and comparison of Tenders and recommendations for the award of a contract shall not be disclosed to Tenderers or any other persons not officially concerned with such process until the award to the successful Tenderer has been announced, except where disclosure is needed to comply with the Law. Any effort by a Tenderer to influence the Competent Authority's processing of Tenders or award decisions would result in the rejection of his Tender.

25 CLARIFICATION OF TENDERS

- 25.1 To assist in the examination, evaluation, and comparison of Tenders, the Competent Authority may, at his discretion, ask any Tenderer for clarification of his Tender. The request for clarification and the response shall be in writing, but no change in the substance of the Tender shall be sought, offered, or permitted. In the event that the information or documents submitted in the tender are incomplete or erroneous, or a specific document is missing, the procuring entity may issue, in writing, to the respective tenderer, a request for clarifications, or request to submit or complete the relevant information or documents within a specified timeframe, provided that all correspondences are in writing, respect the principles of transparency and equal treatment between tenderer and take into account the provisions of Paragraph 3 of Paragraph 2 of Article 21 of the Public Procurement Law.
- 25.2 Any effort by the Tenderer to influence the Competent Authority in the Tender evaluation or Contract award decisions would result in the rejection of the Tenderer's Tender.

26 EXAMINATION OF TENDERS AND DETERMINATION OF RESPONSIVENESS

26.1 Prior to the detailed evaluation of Tenders, the Competent Authority will determine whether each Tender:

- (a) Has submitted the requested documents in the Tender Conditions and Procedures;
- (b) Has been properly sealed and signed by authorized representative(s);
- (c) meets the eligibility criteria of Clause 2;
- (d) meets the qualification requirements of Clause 3.1;
- (e) Is accompanied by the required securities;
- (f) Is substantially responsive to the requirements of the Tender Documents;
- (g) Provides any clarification and/or substantiation that the Regulator may require.

26.2 A substantially responsive Tender is one which conforms to all the terms, conditions, and specifications of the Tender Documents, without material deviation or reservation. A material deviation or reservation is one:

- (a) Which affects in any substantial way the scope or the quality of the services;
- (b) Which limits in any substantial way, inconsistent with the Tender Documents, the Regulator's rights or the Tenderer's obligations under the Contract;
- (c) Whose rectification would affect unfairly the competitive position of other Tenderers presenting substantially responsive Tenders.

26.3 If a Tender is not substantially responsive, it will be rejected by the Competent Authority; and may not subsequently be made responsive by correction or withdrawal of the non-conforming deviation or reservation.

27 CURRENCY FOR TENDER EVALUATION

Tenders shall be evaluated as quoted in United States Dollar.

28 EVALUATION AND COMPARISON OF TENDERS

28.1 The Competent Authority will only evaluate the Tenders determined to be substantially responsive in accordance with Clause 26.

28.2 The Competent Authority reserves the right to accept or reject any variation or deviation, within the scope of the Tender Documents and the administrative, technical and financial evaluation criteria.

- 28.3 No alternative Tenders can be accepted according to Article 16 above: *Alternative Proposals: Tenderers shall mandatorily submit offers which fully comply with the requirements of the Tender Documents. Alternative proposals are not allowed.*
- 28.4 The Competent Authority will evaluate all sufficiently responsive proposals to ascertain the most favourable proposal.
- 28.5 Appraisal of Tenders will be based as follows:
- (a) The Tenderer's ability to demonstrate how it will meet the Contract objectives and requirements as set out in the Tender Documents, and in particular the credibility, quality and operational feasibility of the Proposal;
 - (b) The experience/track record, reputation of the Tenderer in similar or related ventures and the overall ability and commitment of its management team in running this operation to achieve required targets;
 - (c) Viability of the operational plan detailing all operations that have to be carried out by the Tenderer, indicating the objectives, activities to be delivered, quality standards, outcomes, staffing and resource requirements, implementation timetables, and a process for monitoring progress;
 - (d) The certainty, clarity and un-conditionality of the Proposal. This will involve an assessment of the extent to which the Tenderer has a firm intent to commit to the Contract in a timely manner and commit the necessary resources to make the undertaking a success.

In reaching the above assessment, fitness and properness will be considered, including each participant of a Joint Venture, if applicable, as a result of a due diligence and proper scrutiny exercise. The Regulator reserves the right to perform any due diligence which it may deem necessary including, without limitation, into the veracity and accuracy of the responses to any questionnaire or documentation provided. This exercise will be extended to cover the ultimate beneficial owners, all shareholders, directors and other officers and key employees of the Tenderer who will, in any way, be involved in the Contract. The quality and presentation of the Proposal will also be considered, together with the commercial acumen demonstrated by the Tenderer.

F. AWARD OF CONTRACT

29 AWARD CRITERIA

- 29.1 The Regulator will award the Contract to the qualified Tenderer whose Tender has been determined to be substantially responsive to the Tender Documents and met the eligibility requirements and who has offered the most favorable Tender for the Regulator (highest percentage %P).

30 COMPETENT AUTHORITY'S RIGHT TO ACCEPT ANY TENDER AND TO REJECT ANY OR ALL TENDERS

- 30.1 The conditions for accepting or rejecting Tenders are specified in Articles 24 and 25 of the Public Procurement Law.

31 NOTIFICATION OF SELECTION

- 31.1 Article 26 of the Public Procurement Authority Law applies.
- 31.2 Upon the signing of a Contract between the Regulator and the successful Tenderer and submission of a performance security by the Tenderer, the Regulator will promptly notify the other Tenderers that their Tenders have been unsuccessful.

32 COMPANY STRUCTURE

The Successful Tenderer will be required to establish and register a company (hereafter referred to as "the Company") in Lebanon, which must adhere to the national laws and regulations and with whom the Agreement will be entered into with the Regulator.

This company should have a capital structure that reflects in large part the investment being proposed by the same, not less than ten (10) Million US Dollars.

33 PERFORMANCE SECURITY

- 33.1 Within fifteen (15) days of the date of Contract signature, the Successful Tenderer shall furnish to the Regulator a performance security in the form of a bank guarantee, with an amount of one (1) million US Dollars (Fresh), as stipulated in the Conditions of Contract. A performance security shall be either paid in cash to the treasury or to the contracting authority (the procuring entity), or shall be in the form of an irrevocable bank guarantee issued by a bank acceptable to the Central Bank, payable on demand, and submitted in the name of (the project) in favour of the contracting authority (procuring entity).
- 33.2 Failure of the Successful Tenderer to comply with the requirements of this Clause shall constitute sufficient grounds for cancellation of the award and forfeiture of the Tender security.
- 33.3 The Performance Security shall be issued under terms which provide that it shall be irrevocable and unconditional and shall become payable to the Owner on its first demand. It shall not be incumbent on the issuing bank to verify whether such demand is justified.

- 33.4 The Regulator shall not make a claim under the Performance Security except for amounts to which the Regulator is entitled under the Contract in the event of:
- (a) Failure by the Company to extend the validity of the Performance Security, in which event the Regulator may claim the full or, in case of an earlier reduction, the reduced amount of the Performance Security;
 - (b) Failure by the Company to pay the Regulator an amount due, as defined in this document, within **fifty-six (56) days** after the date of the signature of the agreement;
 - (c) Failure by the Company to remedy a default within **forty-two (42) days** after receiving the Regulator's Notice requiring the default to be remedied; or
 - (d) Should the Company be in default of any of its obligations to be undertaken by it under or in pursuance of the Contract Agreement, or in circumstances which entitle the Regulator to terminate under Clause 26 of the Conditions of Contract.

34 BANKING SECRECY

As stipulated in article (5) of the banking secrecy law dated 3/9/1956 and as stipulated in the resolution of the Council of Ministries no.4 dated 28/4/2020, the Tenderer must undertake to lift banking secrecy over his bank accounts for the benefit of the Regulator as part of the first envelope. The undertaking letter should include the following: "I undertake to lift banking secrecy from the bank account in which any amount of public money has been deposited or transferred to it for the benefit of the Regulator in any contract of any kind, dealing with public funds."

SECTION 2
TENDER FORM AND SCHEDULES

VOLUME 1
POST-QUALIFICATION DOCUMENT

COVER SHEET

The information to be filled in by the Tenderer in the following pages will be used for purposes of post-qualification as provided for in Clause 3 of the Instructions to Tenderers. This information will not be incorporated in the Contract.

Name and address of the tenderer:

Title of the project:

Name of the responsible employee:

Notes to Applicants

- (1) Please answer all questions*
- (2) Supplementary pages may be photocopied and inserted if required*
- (3) Please number each page in the space provided at the top of each page*
- (4) Please retain a copy of your complete submission*
- (5) If the applicant is a joint venture of two or more companies, he shall state below the responsibilities of the members of the joint venture and the relationship between them taking into consideration that: (a) each member of the joint venture shall complete the forms separately but under one single application for the JV to prequalify, except for Post-qualification Form [1.3] which shall be filled only by the member of the joint venture that has experience in postal services; and (b) all Partners shall be jointly and severally liable for the execution of the Contract, in accordance with the Contract terms. A copy of the Joint Venture deed, evidencing the Power of Attorney of the mandatory should be attached.*
- (6) Project financial data is to be given in US\$ unless otherwise requested*
- (7) Please list below any page additional attached to each standard page:*

Standard Page Attachment-

Attachment -

Attachment -

POSTQUALIFICATION FORM [1.1]
STRUCTURE AND ORGANISATION

{In case of joint venture, a separate sheet should be completed for each partner of the joint venture}

Copies of original documents defining the constitution or legal status, place of registration, and principal place of business; written power of attorney of the signatory of the Tender to commit the Tenderer.

GENERAL INFORMATION

Name of company:

Address:

Telephone/Fax numbers:

Email address:

Registered office address:

Description of company (for example, General Operator/Service Provider):

Number of years of experience as a general operator/service provider

In own country:

Internationally:

COMPANY CONSTITUTION AND OWNERSHIP

Registration

Place and date of company registration (attached copy):

Type of work / activities licensed:

Type of company (e.g. limited liability, subsidiary of parent company ...):

COMPANY STRUCTURE

Ownership and management

Principal shareholders / partners:

Key Position(s):

Treasurer/Financial Manager:

TENDER DOCUMENTS
FOR THE OPERATION OF THE POSTAL SECTOR IN LEBANON

Please indicate here or attach an organisation chart showing the company structure including the positions of directors and key personnel, if relevant.

The applicant shall provide an organizational chart
showing the company structure, parent and subsidiary companies and the relationship between them.

COMPANY FINANCIAL CONSTITUTION

The applicant shall attach to this application a
statement of the company's financial constitution, including its paid up capital, the main shareholders names and the share held by each.

Power of Attorney of Signatory of Tender:
[To be attached]

POSTQUALIFICATION FORM [1.2]
FINANCIAL STATEMENTS

{In case of joint venture, a separate sheet should be completed for each partner of the joint venture}

Please attach copies of the company's five (5) years' audited accounts (profit/loss, assets/liabilities), indicated in the USD currency. If audited financial information is presented in a currency other than USD, key financial indicators should be indicated in USD. The currency conversion should be based on the closing rate of exchange of the Statement of Financial Position date. A separate audit certificate confirming these conversions is required;

Latest letter issued by the auditor communicating to those charged with governance any issues noted during the course of the statutory audit. If such letter has not been provided by the auditor, a confirmation to this effect is required;

Declaration that no adverse material change to the financial standing has occurred from the date of the last audited accounts until the actual date of submission of the Proposal.

If an affiliated company, participates in the Tender Procedure on its own or as a member of a Joint Venture, it may rely on the financial capacity of other companies of the same group as specified below: (a) If the Tenderer is a parent company it may rely on the financial capacity of its subsidiaries; (b) If the Tenderer is a subsidiary, it may rely on the financial capacity of its parent company only if it proves that it will have at its disposal the resources necessary, by submitting a relevant Parent Company Guarantee confirming its commitment to financially support the subsidiary.

POSTQUALIFICATION FORM [1.2]
FINANCIAL STATEMENTS [CONT'D]

*{The following table shall be filled-in, signed and stamped by the certified auditor for the Tenderer
For each party separately in case of a joint venture }*

Company's Legal Name:

Date:

	Year 1	Year 2	Year 3	Year 4	Year 5
Information from Balance Sheet					
Total Assets					
Total Liabilities					
Net Worth					
Accounts Receivables					
Current Assets					
Current Liabilities					
Working Capital					
Information from Income Statement					
Total Revenue					
Profits Before Taxes					
Profits After Taxes					
Turnover					
Financial Indices					
Current Ratio					
Profit Margin					
Return on Assets					
Debt Ratio					
Revolving liquidity of Tenderer:					

(The average over 5 years is considered in the evaluation of the Total Revenue)

.....
(Signature)

.....
(Name and seal or authorized stamp of
accounting firm)

POST-QUALIFICATION FORM [1.3]
KEY RECORD DATA / OPERATOR PERFORMANCE
POSTAL SERVICE KEY PERFORMANCE INDICATORS

{In case of joint venture, a separate sheet should be completed for each partner of the joint venture}

The applicant shall state below, the key record data pertaining to the business he has operated. The information to be provided is stated below. The company profile should be attached.

Project Name:		Date and Period of Operation:				
Indicators	Units	Year 1	Year 2	Year 3	Year 4	Year 5
Delivery Volume	Number					
Employees	Number					

(The average over 5 years is considered in the evaluation)

Other Information on the Tenderer's Experience:

.....

.....

.....

POSTQUALIFICATION FORM [1.4]
LITIGATION HISTORY

{In case of joint venture, a separate sheet should be completed for each partner of the joint venture}

Company's history of litigation or arbitration from contracts executed in the last six years or currently under execution. Please indicate for each case year, name of employer, cause of litigation, matter of dispute, disputed amount and whether the award was for or against company.

Year	Name of Employer	Cause of Litigation	Matter of Dispute	Disputed Amount	For or Against

POSTQUALIFICATION FORM [1.5]
CLEARANCE

{In case of joint venture, a separate sheet should be completed for each partner of the joint venture}

The applicant shall attach to his application a Clearance from the Ministry of Finance, clearing it of any taxes or other payments due to the state.

Clearance: Declaration of any liabilities still due to the Republic of Lebanon, including departments and public entities by means of direct/indirect taxation, licensees, fees, penalties and other monies that still accrue to Republic of Lebanon and a plan detailing how the Tenderer intends to settle such dues. If the Tenderer does not have any pending monies due to the Republic of Lebanon, a statement confirming this fact is required.

VOLUME 2
TECHNICAL PROPOSAL

TENDER SCHEDULE [2.1]
OPERATIONAL PLAN

The tenderer shall include here plans and procedures for the execution of the contract including the physical means and implementation processes and a preliminary bar-chart or table showing the estimated times and periods for each phase of the contract.

TENDER SCHEDULE [2.2]
BUSINESS PLAN

Tenderer's proposed Business Plan to include, inter alia:

- (a) Executive summary providing a clear and concise summary of the key features of the Proposal, including technical, financial, commercial, organizational, planning, social impact, and legal features;
- (b) Strategy that defines a vision for the Contract Period and development plan for the business, key alliances and interaction with other business units owned or managed by the Tenderer;
- (c) Capital investment plan that includes the nature and extent of the proposed investment and development expenditure to be undertaken for the Term. Plan to include all investments anticipated during the Term, in the following: technology and development of the services, machines and equipment, offices rehabilitation, transportation fleet, etc.
- (d) Financing requirements and arrangements for the initial capital investment during the Contract Period. Details are to be provided regarding the proposed sources of finance for the Contract consideration, investment outlay and business funding requirements. Furthermore, the financial Proposal must be accompanied by a support letter from each Tenderer's bank that indicates the banker's ability and willingness to provide the debt financing portion of the total funding requirements contemplated in the respective Proposal;
- (e) Projected revenues from all services, based on P=10% as an example without mentioning at all the proposed P%, to allow a comparison of bids on the same basis, and because the technical bid shall not include any information from the Financial Bid. The revenues and data in the plan shall be sorted by categories, including without limitation the mail handling, express mail, philately, non-postal services and all new services; and mail handling tariffs and postal rates;
- (f) Projected operating costs, including salaries, buildings occupancy compensation, maintenance, insurance, utilities, marketing and advertising, fleet and transportation costs;
- (g) Financial projections and feasibility indicators, supporting the Tenderer business plan including Statement of Comprehensive Income, Statement of Financial Position, Capital Expenditure Budgets and Cash Flow Statements covering the Contract Period. The financial model provided in an electronic format must be structured to allow for ease of use by the Owner and in particular it must allow the Owner to manipulate the model as, to be capable of running its own sensitivity analysis.

VOLUME 3
FINANCIAL PROPOSAL

FORM OF TENDER

Subject: Proposal for the Development and Operation of the Postal Sector in Lebanon

To: The Ministry of Telecommunications
Beirut – Lebanon

Gentlemen,

We offer to build/ rehabilitate, finance, manage, operate and transfer the Postal Service Network (with the non-postal services) in Lebanon, all as described in the Request for Proposal in accordance with the Contract and other particulars identified in the Instructions to Tenderers for a Contract Period of nine (9) years after notification date and an annual payment payable to the Owner pursuant to the Contract and in accordance with the Government Revenue Sharing Scheme (Annex 3.1), expressed as a percentage of the operator's revenues.

This Tender and your written acceptance of it shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any tender you receive.

Yours faithfully,

Signed:

Company:

Address:

Date:

ANNEX [3.1]
GOVERNMENT REVENUE SHARING SCHEME

1. The Government's revenue share in a particular year is the percentage $P = \%$ _____ (_____ percent), which is paid annually to the Regulator, provided that P shall not be less than 10% (ten percent). **The best price shall be determined according to the best Percentage $P\%$ provided by the technically qualified tenderers. The Percentage shall be applied over the 9 years as follows:**
 - Same Percentage P during the first 3 years
 - From the beginning of the 4th year till the end of the 6th year, 0.5% shall be added
 - From the beginning of the 7th year till the end of the 9th year, Another 0.5% shall be added, reaching during the last 3 years 1% above the original $P\%$ submitted at tender stage.
2. The Operator shall pay the Regulator an Annual Advanced Payment in an amount of US\$ 1,000,000 (One Million US Dollars), to be deducted from the Government's Share of the Operator's Revenue for the same year, though the Operator shall be exempted from paying the Advanced Payment for the first year only.
3. The above-mentioned services, i.e. postal, non-postal exclusive and non-postal non-exclusive, refer to the Services mentioned in the Conditions of Contract. The portion share under each will be calculated separately according to its applicable table.
 - A. Revenue sharing and participation rule between the Regulator and the Operator for postal services:

<u>A- Postal Services (Category 1)</u>	<u>Revenue sharing equation</u>
Postal Stamps sales (regular mail, Registered mail, Parcels, others...)	$P \times$ Gross revenues
Franking machine	$P \times$ Gross revenues
Prepaid mail	$P \times$ Gross revenues
Large Volume Mail (Corporate & Government)	$P \times$ Gross revenues
Inter-branches	$P \times$ Gross revenues
Mail preparation	$P \times$ Gross revenues
Local Express Mail Service (document)	$P \times$ Gross revenues
Money Order Fees (Postal transfer)	$P \times$ Gross revenues
<u>B- Postal Services (Category 2)</u>	<u>Revenue sharing equation</u>
International Express Mail Service (EMS)	$P \times$ (Gross revenues - Cost of outland transportation) ⁽¹⁾
International Settlements (IS)	$P \times$ (IS revenues - IS expenses) ⁽²⁾

⁽¹⁾ The air transport cost consists of the fees incurred by the operator for shipping mail through airlines, such as Middle East Airlines, Air France, etc. (the cost should not include any other direct or indirect cost)

⁽²⁾ The final expenses cost consists of the bills issued by international postal operators who are members of the Universal Postal Union in exchange for delivering the operator's mail abroad. (the cost should not include any other direct or indirect cost)

- B. Revenue Sharing and Participation basis between the Regulator and the Operator for non-postal services provided by the Operator exclusively, based on those provided by the government administrations and institutions:

<u>A- Non-Postal (Exclusive services)</u>	<u>Revenue Sharing Equation</u> ⁽³⁾
Collection Services	$P \times$ Gross revenues
Formalities Services	$P \times$ Gross revenues
Banking Services (Decree 126)	$P \times$ Gross revenues

⁽³⁾ Gross revenues mean the total amount of sales or revenues generated by the operator, excluding any amount collected on behalf of third parties. For example, in tax collection for the Ministry of Finance: if the amount of the Ministry of Finance tax is 10,000,000 Lebanese pounds, and the operator's fees are 100,000 LBP (one hundred thousand Lebanese pounds), and the value-added tax (11%) is 11,000 LBP (eleven thousand Lebanese pounds), then the total amount collected by the operator is 10,111,000 LBP (ten million one hundred eleven thousand Lebanese pounds). In this example, the amount subject to revenue sharing with the Ministry of Telecommunications is 100,000 LBP (one hundred thousand Lebanese pounds), and the equation is $P \times 100,000$.

(The numbers in the examples are indicative only for the purpose of explaining the equations and may not be accurate)

C. The rule of sharing and revenue sharing between the regulator and the operator for non-exclusive non-postal services provided by the operator.

B- Non-Postal (Non-exclusive services)	Revenue Sharing Equation
Last Mile Delivery (LDM)	$P \times (\text{Gross revenues} \times 50/100)$
Collection Services	$P \times (\text{Gross revenues} - \text{agencies commissions})$ ⁽⁴⁾
Formalities Services	$P \times (\text{Gross revenues} - \text{agencies commissions})$ ⁽⁴⁾
Financial Services	$P \times (\text{Gross revenues} - \text{Cost of services sold})$ ⁽⁵⁾
Mail Room Management	$P \times (\text{Gross revenues} \times 50/100)$
Third party logistics	$P \times (\text{Gross revenues} \times 50/100)$
Insurance services	$P \times (\text{Gross revenues} - \text{Cost of policies sold})$ ⁽⁶⁾
International Express Mail (Shipping companies)	$P \times (\text{Gross revenues} - \text{Cost of services sold})$ ⁽⁷⁾
Retail Products & Services	$P \times (\text{Gross revenues} - \text{Cost of products sold})$ ⁽⁸⁾
Value Added Services	$P \times (\text{Gross revenues} - \text{Cost of services sold})$ ⁽⁹⁾

⁽⁴⁾ Agency commissions are made up of the share paid to the authorized agents of the operator. The authorized agency is the one that has an official agreement with the operator approved by the Ministry of Communications - General Directorate of Post.

⁽⁵⁾ The cost of financial services is limited to the tariff of the provider of these services, according to the invoices submitted by the service provider (and should not include the cost of any other direct or indirect services sold).

Example for clarification: In transferring amounts with a transfer service provider, if the transferred amount is \$1000, and the transfer fee is \$50, which includes the service provider's fee of \$35, the total amount collected by the operator is \$1050. The amount subject to sharing revenues with the Ministry of Communications is \$15, and the equation is $P \times 15$ (numbers in the examples are for illustrative purposes only).

⁽⁶⁾ The cost of insurance policy sold is the cost of the insurance policy as issued by the insurance provider to the operator (and should not include the cost of any other direct or indirect services sold).

Example for clarification: An insurance policy with a value of ten million L.L., the invoice from the insurance company is six million L.L. The operator's gross profit is four million L.L. In this example, the amount subject to sharing revenues with the Ministry of Communications is four million L.L., and the equation is $P \times 4,000,000$.

(7) The cost of services sold for international express mail (via shipping companies) is the cost of services according to the invoices issued by the service provider (and should not include the cost of any other direct or indirect services sold).

(8) The cost of products sold "for retail products and services" is the cost of products or services according to the invoices issued by the product/service provider (and should not include any direct or indirect cost of the products sold).

Example for clarification: The price of a mobile recharge card sold by the operator = S, the cost of purchasing the recharge card = C, the operator's gross profit = S - C. In this example, the amount subject to sharing revenues with the Ministry of Communications is the operator's gross profit, and the equation is $Px(S-C)$.

(9) The cost of value-added services (VAS) is the cost of the services according to the invoices issued by the provider of these services. It should not include any direct or indirect costs of the services sold. For example, the cost of SMS messages is determined by the invoice of the SMS service provider and does not include any other direct or indirect costs.

(10) Any new non-postal and non-exclusive service that is not mentioned in the lists provided in this attachment, and requires a revenue-sharing system different from the "total revenue - cost of goods sold" equation, requires prior written approval from the regulator signed by the Minister of Communications. (To clarify, "cost of goods sold" should not include any direct or indirect costs).