Request for Quotation

Georgian Digital Terrestrial Television Set-top Box Procurement

14.05.2014

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1. INTRODUCTION

Georgia is in the process of transition from Analogue to Digital Terrestrial Television Broadcasting (DTT). A number of key aspects of the digital switchover (DSO) process is headed by Digital Broadcasting Agency (DBA), a legal entity of public law, acting under supervision of the Ministry of Economy and Sustainable Development of Georgia (MoESD). The agency's mandates include procurement of the Set-top Boxes for socially vulnerable households.

The project is accomplished in conjunction with Digita Networks Oy, via the European Bank for Reconstruction and Development (EBRD) and Ernst and Young (EY).

2. PROJECT BACKGROUND

Within the framework of this project, Digital Broadcasting Agency, under the Ministry of Economy and Sustainable Development, on the basis and pursuant to the Government of Georgia Order # 819, dated May 8, 2014 is announcing a call for suppliers willing to participate in a *simplified procurement* process. Bidders are expected to deliver Digital Terrestrial Video Broadcasting receivers with Basic Profile features, outlined in and compliant to Georgian DTT Set-top Box Specification.

The DBA is looking for a low cost solution, capable of decoding DVB-T/T2 and MPEG2/MPEG4 digital signal to address digital terrestrial broadcasting signal reception for socially vulnerable families. The set top-boxes shall comply with ETSI and Digital Video Broadcasting open standards. Detailed technical requirements of the set top-boxes are outlines in the Annex.

The suppliers are expected to provide full technical and commercial information regarding the Set-top Boxes procurement. Accelerated delivery schedule is encouraged.

3. TIMETABLE FOR THE STB PROCUREMENT:

Week 20/2014 – RFQ to the supplier sent out on May 14, 2014 Week 23/2014 – RFQ replies in latest June 05, 2014 at 12:00 o'clock (GMT + 4) Week 24/2014 – Shortlisting latest June 12, 2014 Week 35/2014 – Obtaining certificate latest August 25, 2014 Week 36/2014 – Contract signing with the supplier latest September 01, 2014 Week 5/2015 – Delivery deadline January 30, 2015

4. TEST DEVICES

After the evaluation of quotations DBA shall invite limited amount of suppliers to perform pretest which is part of the final selection criteria.

The supplier shall deliver to the lab at least four test devices during week 25 in order to obtain certificate of compliance, required as part of the RFQ. The lab shall do the preform pre-test during weeks 26 - 35. Test devices shall be delivered to Labwise headquarters cost free and delivery shall be notified in advance by email to Pasi Toiva, Juha Nieminen, Kari Rönnberg and Nino Kubinidze (contact information at the end of this document). Delivery address for test devices is:

Labwise Ltd Pasi Toiva / Juha Nieminen (DBA) Viinikankatu 1 C FI-33100 Tampere, Finland

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The test device shall include main components, functionalities and technical requirements according to the specification. Perform pre-test shall include at least the following implementation areas:

- a. Tuner RF characteristics
- b. Audio characteristics
- c. Video characteristics
- d. Connectors (RCA, HDMI, SP/DIF etc.)
- e. EPG/Program Guide

f. PSI/SI handling (including static, semi-dynamic and dynamic changes in the transmission etc.)

- g. Subtitling
- h. Settings (language, video, audio, subtitling etc.)
- i. General usability and stability of the device

5. PRICES AND PAYMENT SCHEDULE

The upper price cap for a unit is 50 GEL, equivalent to 28 USD (rate 1.7710).

The final unit price shall be included to the quotation. The price is one of the major selection criteria therefore the Supplier is asked to provide the lowest possible price which meets all the requirements.

The price of one unit shall include DVB-T/T2 set-top-box and is to be understood as DAT Tbilisi (INCOTERMS 2010).

The price shall therefore include all costs and expenses of the Supplier, including packaging, shipping, authorizations and licenses for distribution, and license fee for the software of the settop boxes, so the Supplier may not require any additional fee for any other performance. The price shall not include VAT.

Each set-top-box shall include:

- DVB-T2 Set-top Box
- Packaging
- Power cord
- Remote control (with suitable batteries)
- Component Video Cable with stereo audio RCA cable
- HDMI cable
- Warranty slip

- One (1) copy of complete technical documentation with each device (set-top box) that features information on installation, set up, operation, use and maintenance in Georgian, Russian and English language.

6. ESTIMATED QUANTITIES

Total volume of order: 110,000 – 220,000 units

7. TECHNICAL REQUIREMENTS OF THE SET-TOP BOXES

Detailed technical specification is provided as an Appendix 1. The quoted Set-top Box is required to be fully compatible with the technical specification.

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Supplier shall specify all possible modifications which are required to the standard product which is in The Suppliers production line. Please specify all modifications to the quotation response template Appendix 2.

8. VISUAL QUALITY REQUIREMENTS

The supplier shall provide photographs and technical drawings with the dimension of the STB. These shall be from each relevant direction of the STB and shall be attached to the quotation.

9. ACCEPTANCE TESTING

The Supplier is asked to describe all the testing methods which they are performing during the manufacturing and delivery process to meet the quality requirements.

10. SUPPORT REQUIREMENTS DURING THE DELIVERY AND AFTER SALES SERVICES

- Location of phone assistance and engineer support 24/7 (European working hours, GMT +4)
- Equipment swap in case of a break down
- Error classifications and response times shall also be defined by the Supplier

11. PACKAGING REQUIREMENTS

Deliverables shall be packaged in a way that protects them from physical injury and malfunction. Packaging shall be able to withstand rough handling, extreme temperatures and corrosion during shipping and delivery to the specified address.

When calculating the size and weight of packages, the Supplier shall take into account the distance to end user and the lack of equipment to handle heavy loads. No more than 10 units shall be packaged together.

The Supplier shall be responsible for any damage during transportation caused by improper packaging.

The packaging of set-top-boxes (cardboard) shall feature Buyer's previously submitted design, as well as

a) the serial number of the box.

Packaging shall be closed by a seal.

The packaging of collective lots shall include the bar codes with the serial number/factory data of the individual boxes (i.e. each collective lot shall carry 10 individual bar codes on the outside, representing the boxes included in the lot).

The Supplier must provide one extra bar code sticker per set-top-box, carrying the serial number of the set-top-box.

12. QUALITY CONTROL

The Buyer shall be entitled to conformity inspection within 7 days after the receipt of the goods. The Buyer shall perform test measurements on a randomly picked sample from the cargo, tak-

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ing into consideration the fulfillment of technical specifications and the results of the tests carried out on the sample units. Functionality tests will be based on agreed software version.

The Buyer shall promptly notify the Supplier of any non-compliance, in which case Supplier shall have eight (8) days to decide on the course of action:

- (i) repair the goods free-of-charge within 30 days in the place agreed by both parties
- (ii) take back the shipment, at Supplier's cost, and send new shipment of equal volume within thirty (30) days.

Quality control procedures shall always be documented in writing (measurement logs). If quality control is concluded with positive results, Buyer shall issue an official Certificate of Receipt to Supplier within 24 hours.

13. WARRANTY

Supplier shall deliver 2% extra set-top-boxes (on top of the Deliverables and at no cost for the Buyer), i.e. deliver extra 2200 – 4400 pieces of set-top-boxes as warranty.

The Supplier shall include the warranty slip with each set-top-box. Warranty period shall be 12/24 months.

No complaints or claims under warranty shall affect the right of the Buyer to indemnification for losses and damages arising out of the Supplier breaching its warranty obligations.

The Supplier warrants that:

- Deliverables under the quotation are new and unused;
- Deliverables meet technical specifications set out in this RFQ;
- Technical information and documents under the quotation are accurate and complete.
- Deliverables are free of faults and errors resulting of poor design, inadequate materials, manufacturing problems, or any acts of omissions of Supplier, that may arise during normal use.

The Supplier shall be relieved from the above warranty obligations only if the Supplier is able to prove that errors or faults were caused after delivery and due to acts or omissions of the Buyer, such as improper storage, lack of observing operation and maintenance instructions, non-authorized modifications or servicing.

The starting point for the warranty period is when the Device is delivered to the end-customer.

14. CERTIFICATE OF COMPLIANCE, REGISTERING WITH AUTHORITIES

The Supplier shall produce the RoHS Certification and CE Certification of the devices, evidencing that the product has met EU consumer safety, health and environmental requirements, by the date of the first delivery.

The Supplier shall produce the Antenna Ready Certification of the devices.

15. SUPPLIER CONTACT

The Supplier shall deliver a contact information list including:

- Main project responsible
- Technical contacts (incl. escalation chart)
- Commercial contacts (incl. escalation chart)
- Support and service contacts (incl. escalation chart)

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16. LEGAL TERMS AND REQUIREMENTS

Legal terms and requirements are provided by Ernst & Young in a Contract as an Appendix 3.

17. PERIOD OF VALIDY

The quotation of Supplier shall be validity until December 31, 2014

18. QUOTATION RESPONSE TEMPLATE AND TERMS

The Supplier shall fill answer template including all relevant information. Appendix 3.

Supplier shall provide at least following necessary documentation listed here below:

- 1. Formal and Signed tender document
- 2. All relevant certificates
- 3. All relevant technical documentation related to the Set-top Boxes
- 4. Duly completed quotation response template (Appendix 2)
- 5. Photographs and technical drawings with the dimension of the STB

The Supplier shall quote different options and pricing for the CAS system:

- The Supplier shall specify and name each possible CAS system
- The Supplier shall include the lowest possible CAS system to the STB unit price
- The Supplier shall also give delta pricing for all possible other CAS options compared to the lowest possible STB and CAS combination

Technical Specification is defined in the Appendix 1. The Products and the Services performed under the quotation shall be made in accordance with the Specifications. The Supplier shall ensure that the Set-top Boxs are compatible and interoperable with the Specification.

In case there are conflict between the request for quotation and the technical specification, the technical specifications should be followed.

19. ATTACHMENTS

Appendix 1. Technical Specification Appendix 2. Quotation Response Template Appendix 3. Legal Requirements

20. DBA CONTACT PERSONS

For additional technical & commercial information, please contact:

Nino Kubinidze Digital Broadcasting Agency Acting Chair Mobile : +995 599 313331 Email: <u>nkubinidze@dba.gov.ge</u>

Kari Rönnberg Digita Networks OY Technical Project Manager Mobile: +358 405154976 Email: kari.ronnberg@digita.fi

For pre-test delivery notification, please contact:

Pasi Toiva Labwise Ltd Managing Director Mobile: +358 40 7220773 Email: pasi.toiva@labwise.fi

Juha Nieminen Labwise Ltd Chief Operating Officer Mobile: +358 50 3732060 Email: juha.nieminen@labwise.fi