

INVITATION TO PREQUALIFY FOR THE INTERNATIONAL TENDER OF A LICENSE TO CONSTRUCT AND OPERATE A NATIONWIDE GSM CELLULAR SYSTEM IN KENYA

Following the successful introduction of competition in the cellular mobile market segment in February 2000, the Government of Kenya has decided to further liberalize this segment by licensing a third cellular mobile operator based on the GSM technology in the 900 MHz and 1800 MHz bands, in competition with the existing two mobile GSM operators namely Safaricom Kenya Limited and KenCell Communications Limited.

The Communications Commission of Kenya (Commission) invites experienced operators of mobile telecommunications systems to participate in a prequalification process, which will result in the award of a nationwide GSM mobile telecommunication licence. Only prequalified firms or consortia will be eligible to participate in the final bidding process.

The Kenya Communications Act of 1998 and the Kenya Communications Regulations of 2001 establish a framework for the licensing and regulation of the telecommunications sector in Kenya. The Commission seeks to secure the provision in Kenya of a third GSM network in order to stimulate competition and encourage expansion in the sector.

Award of tender to operate this third GSM network is expected in July, 2003.

Mobile operators with experience in operating GSM networks are invited to prequalify. To prequalify, prospective bidders should submit evidence that the minimum annual turnover of the bidder consortia exceeds USD.100 million and that the number of mobile subscribers managed by the bidder's network exceeds 250,000 subscribers. In addition, interested parties should submit a Financial and Network History of bidder or consortium members including past three years' Annual Reports. Further, and in accordance with Government policy, prospective bidders are notified that at least (30) percent of the equity must be owned by Kenyans. Members of the bidding consortia must provide year-end financial statements for the last three years..

Following prequalification, approved bidders will be invited to participate in a formal tendering process and will be eligible to obtain tender documents from the Commission.

At least three copies of prequalification packages must be submitted in English, to the address below, by the Closing Date of 3rd April, 2003 and local time 3.00 p.m.

Director General,
Communications Commission of Kenya,
5th Floor,
Longonot Place,
Kijabe Street
P.O. Box 14448,
NAIROBI 00800
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Notification of successful prequalification shall be in writing from the Communications Commission of Kenya