

REQUEST FOR SERVICE

TITLE: Support for Broadband Competence Office (BCO) structuring and for broadband Projects

Request For Service ID	REFORM/SC2021/080
Framework Contract Procedure	SRSS/2018/01/FWC/002

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1. BACKGROUND AND CONTEXT OF THE REQUEST FOR SERVICE

1.1 General context

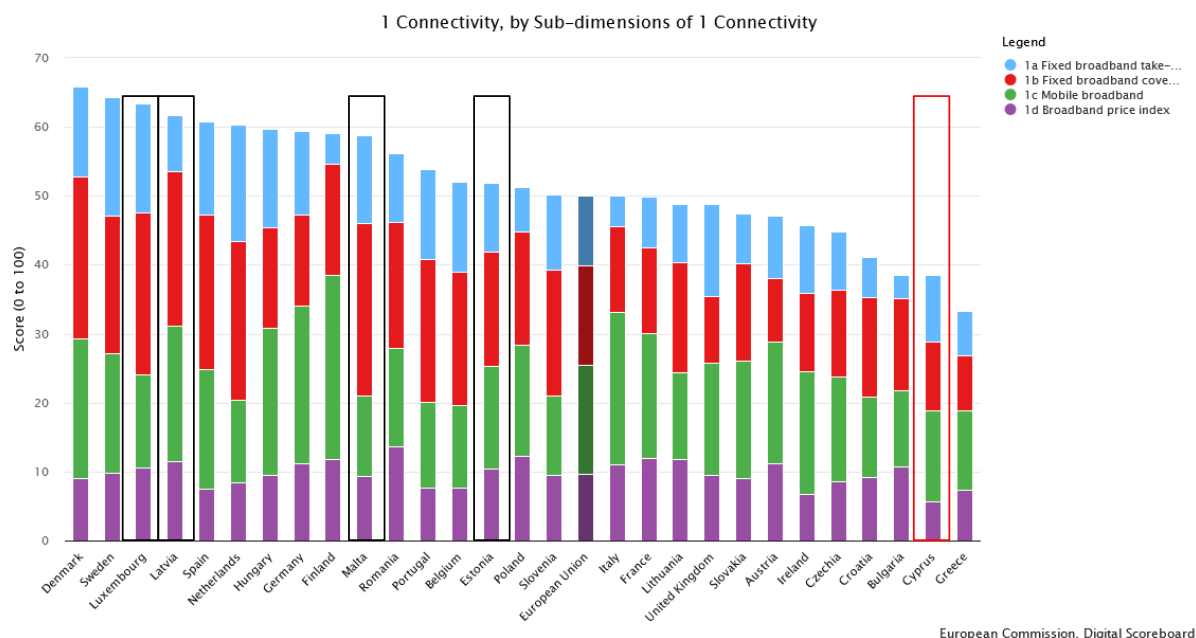
The mission of the Directorate General for Structural Reform Support (DG REFORM) of the European Commission is to provide support for the preparation and implementation of growth-enhancing administrative and structural reforms by mobilising EU funds and technical expertise. Cyprus has requested support from the European Commission under Regulation (EU) 2021/240 establishing a Technical Support Instrument (“TSI Regulation”). The request has been analysed by the Commission in accordance with the criteria and principles referred in Article 9(5) of the TSI Regulation, following which the European Commission has agreed to provide technical support to Cyprus in the area of business environment.

The European Broadband Competence Offices (BCOs) Network is a European Commission initiative that supports EU countries in reaching the Gigabit society objectives¹ and rolling out broadband connectivity. The BCO Support Facility brings together EU Member States’ national and regional public authorities in charge of broadband deployment to exchange knowledge and good practices with peers, experts and European Commission representatives, building their capacity to bring reliable, high-speed broadband connectivity to all EU citizens. In Cyprus, the national authority designated as BCO is the Department of Electronic and Communications (DEC) of the Deputy Ministry of Research, Innovation and Digital Policy. Through its active participation in the activities of the BCO network, the BCO Cyprus has gained access to an extensive knowledge base of best practices and training material, which contributed in the preparation of public intervention measures included in the submitted Cyprus Recovery and Resilience Plan (RRP) Component 4.1: Upgrade Infrastructure for Connectivity - Reform 2.

The BCO is facing challenges to respond to the wide range of activities that could enhance its capacity to plan and implement broadband measures in order for Cyprus to achieve the EU broadband targets. Among these challenges are poor cooperation and communication between responsible authorities and other stakeholders, long term and manual procedures that need to be revised and automated, and poor staffing. This has hindered the capacity of Cyprus to undertake measures to support the deployment of Very High Capacity Networks (VHCN) in Cyprus resulting in very low availability and penetration of such services. It has also resulted in a lack of coordination of private investments in Broadband, in terms of difficulties in obtaining relevant information regarding existing infrastructures, applying for its reuse and in inefficiencies in rollout speed and cost of deployment. Furthermore, the processes for acquisition of rights of way and licensing for installation of facilities in the field are not suitable for the mass rollout of VHCN infrastructures and result in unnecessary overhead, delays and cost. The end-result of these shortcomings is that private operators are discouraged from such investments and citizens and businesses are deprived of the benefits of affordable high quality and speed broadband services.

¹ <https://ec.europa.eu/digital-single-market/en/broadband-strategy-policy>

In comparable (in terms of population and size) countries of the EU, the connectivity component of Digital Economy and Society Index (DESI)² is far more advanced, partially due to the fact that a coordinated policy approach to broadband is in place and state-aid interventions³ have taken place to address shortcomings.



ICT and broadband connectivity are key drivers to enhance socio-economic development policy in Europe. All businesses, services and citizens must be able to benefit from high speed, next generation broadband infrastructure in order to ensure Europe's competitiveness in the global economy. Availability of top class connectivity, by means of fibre networks, together with the right set of digital skills in the workforce is predicted to have an impact on total factor productivity of the European economy and result in higher GDP growth (increasing broadband penetration by 10% implies GDP growth of 0.25 to 1.38%⁴). The 2030 Digital Compass⁵ recognises that “*excellent and secure connectivity for everybody and everywhere in Europe is a prerequisite for a society in which every business and citizen can fully participate*”. The full economic and societal benefits of the digital transformation can only be achieved if there is widespread deployment and uptake of very high capacity networks, in both urban and rural areas. Ultrafast broadband connectivity is an accelerator of economic and social development and it provides numerous socio-economic benefits to communities and individuals. Countries with low ultrafast broadband connectivity

² <https://ec.europa.eu/digital-single-market/en/digital-economy-and-society-index-desi>

³ Total state-aid available in the previous programming period in Latvia was 119M€ and in Estonia 20M€ (source: The role of state aid for the rapid deployment of broadband networks in the EU - <https://op.europa.eu/en/publication-detail/-/publication/d6b8368d-f3dd-11ea-991b-01aa75ed71a1/language-en>)

⁴ International Telecommunication Union - <https://www.broadbandcommission.org/Documents/publications/davos-discussion-paper-jan2016.pdf>

⁵ https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030_en

will fail to improve labour productivity and to create new job positions for the future, and will not be able to provide access to better health care, education and governance services.

Covid-19 has highlighted, more than ever, the crucial need for high quality digital connectivity across the country for the continuation of key activities digitally, such as remote working, healthcare and education at critical times. The pandemic has widened the digital divide and has brought to the forefront important bottlenecks that need to be addressed in order to increase resilience and territorial and social cohesion. In rural and remote areas, businesses and people have a real need for high speed connections in order to thrive, and the lack of private plans for ultrafast infrastructures requires state intervention to help citizens and businesses get better access to broadband services. High quality and affordable broadband access is the key element for making rural areas an attractive place to live and work for young people as well as the older. In addition to this, digitisation and connectivity translate into new businesses; jobs and prosperity follow. The improvement of broadband connectivity in rural areas is a key element in their development.

According to Digital Economy and Society Index (DESI) 2020, Cyprus lags behind in ultrafast broadband coverage, fast broadband uptake and ultrafast broadband uptake, and the broadband price index. While fixed broadband coverage is among the factors boosting Cyprus' ability to benefit from the digital economy, the main challenge remains to encourage take-up of ultrafast broadband. Take-up is influenced by factors such as high pricing, lack of compelling content with many e-government projects still under implementation, low digital literacy with only 50% of citizens having basic digital skills and low ultrafast broadband coverage. In terms of supply, the lack of competition and infrastructure monopoly in suburban and rural areas where alternative operators hesitate to invest because of the low population density in these areas, and low competition in submarine cables resulting in expensive international connectivity, lead to high broadband pricing for end users, particularly in high speed products/services. Also, the fact that e-government, e-health and e-education services are less developed than in other EU countries, provide lower incentives for citizens to use broadband connections. In terms of demand, low digital literacy negatively influences take-up, since almost a sixth of Cypriots have never used the internet, and half lack basic digital skills. Despite growing demand in the labour market, the supply of ICT specialists is still below the EU average. It is obvious that a digital divide persists in Cyprus, even though some progress has been made the last few years. According to DESI, most digital indicators for Cyprus are slightly improved every year but this improvement is rather slow. One of the ways to help reduce the digital divide and accelerate digitalization is to spur competition between providers which in turn will lead to lower prices, making ultrafast internet more affordable for the subscribers. Therefore, the government has to intervene to expand the ultrafast broadband connectivity coverage in areas where there are no private investments and at the same time to increase the demand (take-up) in ultrafast broadband services by applying demand side measures. Market players seem keen to invest in new networks and launch 5G services. The National Broadband Plan that is currently under implementation, sets concrete targets in line with the relevant EU strategies and an extensive list of actions and public intervention measures towards these targets, can be a catalyst in this direction.

It has also to be noted that in order to identify underserved areas a mapping of existing and future private investments in fixed networks and 5G was performed by the National Regulatory Authority (NRA) in January 2021 for a timeframe of future investments until 2025. Based on the mapping for fixed networks, private investments are expected to serve areas where 90% of the population lives and cover 32% of the whole territory with services offering a download speed of at least 100Mbps, which can be readily upgradable to gigabit. For 5G networks, private investments are expected to cover 98% of the population

and roughly 70% of the territory (including major terrestrial transport paths). Underserved areas are mainly rural and suburban areas where the population density and demand are rather low and telecommunications operators are not willing to invest. In addition, interest from the market has been confirmed during the pilot “Demand Voucher” scheme that started in 2019 and completed at the end of 2020 (<https://superfast.cut.ac.cy/>). Extensive know-how has been acquired, both from the Responsible Authority (DEC) and the market. The Pilot Voucher Scheme subsidised new subscriptions (or upgrades) for speeds of 100 Mbps and above for 12 months. Even though it was a pilot programme with limited budget and no major impact on the connectivity statistics, this subsidy clearly raised the public’s interest in ultrafast broadband connections and gave them the chance to experience the benefits of ultrafast speeds.

Therefore, a well-structured BCO should be in place as soon as possible. In this context, the DEC is seeking assistance from an external contractor for:

A. Structuring the BCO in Cyprus

The aim of this support is to structure and build the capacity of a new BCO within the DEC, which will operate as single point of reference in the broadband sector, for public investments, cooperation with private investors and facilitator of administrative procedures

After the reform, the BCO will have the capacity to ensure the maximum impact of European Structural and Investment Funds (ESIF), Recovery and Resilience Facility (RRF) and Connecting Europe Facility (CEF2) funding for broadband, by coordinating the public approach to address connectivity issues and tackle market failures in underserved areas. It will also be equipped to improve incentives for market operators to invest in V HCN, by addressing and challenging the effectiveness of implementation of the Broadband Cost Reduction Directive⁶ and its forthcoming review⁷, the Connectivity Toolbox⁸, related soft-law instruments (e.g. BEREC guidelines^{9,10}). In this respect, its responsibilities would include:

1. Enhancing the efficiency and effectiveness of broadband investments;
2. Facilitating the implementation of the Digital Single Market by accelerating public investment in broadband, through all available funding mechanisms (including the Recovery and Resilience Facility (RRF), the European Regional Development Fund (ERDF), the European Agricultural Fund for Rural Development (EAFRD) and Connecting Europe Facility (CEF2);
3. Providing advice and assistance to public authorities about broadband deployment based on the mapping coverage, quality of service and penetration, future investment plans, etc. provided by NRA;

⁶ <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex%3A32014L0061>

⁷ <https://ec.europa.eu/digital-single-market/en/news/public-consultation-review-broadband-cost-reduction-directive>

⁸ <https://ec.europa.eu/digital-single-market/en/connectivity-toolbox-foster-eu-wide-advanced-connectivity>

⁹ https://berec.europa.eu/eng/document_register/subject_matter/berec/regulatory_best_practices/guidelines/9027-berec-guidelines-to-assist-nras-on-the-consistent-application-of-geographical-surveys-of-network-deployments

¹⁰ https://berec.europa.eu/eng/document_register/subject_matter/berec/regulatory_best_practices/guidelines/9439-berec-guidelines-on-very-high-capacity-networks

4. Supporting the expertise/administrative capacity of public authorities in the planning, implementation and monitoring of broadband projects;
5. Helping in the coordination with relevant EU entities: the European Commission (DG REGIO, DG AGRI, DG COMP, DG CNECT), the European Investment Advisory Hub (EIAH) and Jaspers;
6. Promoting and explaining in national context the use of financial instruments for programmes related to broadband infrastructures;
7. Supporting the aggregation of demand for high-speed broadband.

B. Support for RRF Broadband Projects

Support to mature and prepare two public intervention projects included in Cyprus' Recovery and Resilience Plan (RRP). Assist the BCO with all necessary material for the successful preparation of the two investments included in component 4.1 of the RRP (namely "11. Expansion of Very High Capacity Networks in underserved areas" and "12. Enhance building cabling to be 'Gigabit-ready' and promote connectivity take-up"), including state-aid notification and preparation of the tender documents.

In the same vein, addressing market failures through public interventions is critical to bridge the digital divide in underserved areas. The Recovery and Resilience Plan of Cyprus has included three broadband projects flagship projects as part of the "Component 4.1: Upgrade Infrastructure for Connectivity":

1. *Investment 1: Expansion of Very High Capacity Networks in underserved areas:* To close the relevant investment gap in order to reach connectivity targets for very high capacity networks, as set above for fibre and 5G, through a public tender addressed to telecom operators, in areas of no private interest.
2. *Investment 2: Enhance building cabling to be "Gigabit-ready" and promote connectivity take-up:* Encourage end users to connect with very high capacity networks, deployed close to their residence, through the reduction of cost of: (a) internal cabling and (b) connection fee (the once-off setup fee of broadband service).
3. *Investment 3: Submarine link to Greece:* Create a new submarine link that will connect Cyprus with Greece, providing interconnection to the region's most important internet exchanges (Athens, Sofia and Chania).

Through the current contract, the BCO will receive the technical support for the planning, designing, assuring compliance with state-aid rules and the preparation of tender documentation of Investments 1 and 2 of the RRP, as will be further elaborated below.

To this purpose, DG REFORM is launching a Request for Service under the Multiple Framework Contract for the Support to Structural Reforms in EU Member States, for the provision of the following:

Deliverable 1: Project Inception report

Deliverable 2: State-aid pre-notification documentation for "Investment 1. Expansion of Very High Capacity Networks in underserved areas"

Deliverable 3: State-aid notification documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”

Deliverable 4: State-aid pre-notification documentation for “Investment 2. Enhance building cabling to be “Gigabit-ready” and promote connectivity take-up”

Deliverable 5: State-aid notification documentation for “Investment 2. Enhance building cabling to be “Gigabit-ready” and promote connectivity take-up”

Deliverable 6: Tender documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”

Deliverable 7: Implementation Guide for “Investment 2. Enhance building cabling to be ‘Gigabit-ready’ and promote connectivity take-up”

Deliverable 8: Report: “BCO-to-be” model and capacity building roadmap

Deliverable 9: Report: Capacity building of the “BCO-to-be”

1.2 Objectives

The general objective of this service contract is to contribute to institutional, administrative and growth-sustaining structural reforms in Cyprus in line with Article 3 of the TSI Regulation.

The specific objective of this service contract is:

- to assist national authorities in improving their capacity to design, develop and implement reforms
- to assist national authorities in improving their capacity to prepare, amend, implement and revise recovery and resilience plans pursuant to Regulation (EU) 2021/241

in line with Article 4 of the TSI Regulation.

The achievement of the objectives are not solely the responsibility of the contractor and will depend partly but not only on Cyprus’s action(s).

1.3 Impact and Outcomes

It is expected that Cyprus, having been closely involved in implementation of the contract and consulted by the contracting authority on all draft deliverables, adopts the deliverables through its internal mechanisms and implements the work/recommendations contained in the final deliverables.

Provided that such work/recommendations will be incorporated as part of Cyprus’ regulatory/ framework, the deliverables are expected to result in the following **outcome: *Improved capacity of the Broadband Competence Office (BCO).***

The aim is to develop a well-structured and properly equipped, in terms of capacity, BCO in Cyprus. The BCO should be able to coordinate and provide guidance to broadband project promoters (in terms of technology, funding opportunities and administrative/regulatory issues), public or private, users or investors by collecting and distributing all such information related to broadband, as a single point of contact within Cyprus. The technical support for the preparation of the two flagship RRF Broadband Projects (state-aid and tendering procedures) will create the appropriate conditions for the successful implementation of the projects.

Although subject to other contributing factors, the tasks and deliverables of the contract and the associated outcomes should over the longer-term contribute towards increased coverage of the population with affordable, high quality, and speed broadband services. Achievement of the outcomes and contributing to a longer-term impact of this contract depends to a large extent on the degree of adoption and implementation of the deliverables by Cyprus and subsequent enforcement, as well as on wider policy conditions, which remain outside the responsibility of the European Commission and the contractor. Such adoption and implementation remains the exclusive responsibility of Cyprus.

1.4 Beneficiary institution(s) and other stakeholders

The direct beneficiary of the contract will be the Department of Electronic and Communications (DEC) of the Deputy Ministry of Research, Innovation and Digital Policy. Indirect beneficiaries will be other Ministries, the Municipalities/Communities, Telecommunication Operators and the National Regulator Authority which will be supported from the new BCO. Ultimate beneficiaries will be the Cyprus economy, society at large and individual communities as well as citizens and enterprises, as end-users of Broadband Services who will benefit over the longer term from the successful implementation of both private and public intervention projects in Broadband development.

1.5 Resources to be made available by Cyprus

Cyprus (DEC) will provide all necessary equipment, own experts and any documents, data and information necessary for the implementation of the contract. The DEC will also provide full support in terms of technical equipment to the contractor, including making rooms available for meetings in their premises, internet access, teleconference facilities and the organisation of the meetings with other stakeholders.

Cyprus will take care of the translation of all relevant documents necessary for the performance of the contract and of the final report in case it is deemed necessary. The DEC will also provide interpretation services during meetings/training if required.

1.6 Language

In general, meetings will be conducted in English. However, some meetings with stakeholders may be conducted in Greek. Deliverables 1, 2, 3, 4, 5, 6 and 7 will be delivered in English. Deliverables 8 and 9 will be delivered in English and Greek.

2. DESCRIPTION OF THE REQUEST FOR SERVICE

2.1 Deliverables and Tasks

In order to achieve the *outcome: Improved capacity of the Broadband Competence Office (BCO)* the contractor shall produce the following deliverable by implementing the tasks listed below:

a) Deliverable 1: Inception report

The main purpose of this deliverable is to establish a common understanding between the DEC, the European Commission and the contractor regarding the methodology to be followed throughout the project and ensure the alignment of the project priorities between the three parties. During this activity, the methodology to be followed will be thoroughly discussed and the deliverables and tasks will be confirmed. The project planning and the expected involvement from the stakeholders, as well as the data and information needed will also be clarified. The report should include the project's timetable and milestones, a communication protocol, the minutes of the kick-off meeting, and follow-up of activities agreed at the kick-off meeting. The report will also include a proposal by the contractor of indicators to monitor the project during its implementation and assess the outcomes and impact.

Tasks

1. The contractor shall organise, participate and actively contribute to a kick-off meeting upon the start of the project. Prior to this meeting, the DEC will make available to the contractor the necessary material to provide an overview of the situation and the contractor shall draft and circulate a detailed agenda and proposed stakeholders to participate. The main purpose of the kick-off meeting will be to discuss and finalise the approach to be followed for each project activity and establishing possible data and information needs.
2. After the kick-off meeting, the contractor will produce an inception report to take stock of the situation and confirm or adjust the methodology and approach accordingly. At least the following material will be included:
 - a. The updated methodology and detailed description of all deliverables and tasks, as discussed and agreed with DEC.
 - b. A list of relevant data, documents and other information, reviewed during this phase as well as the respective necessary material to be collected by DEC and other stakeholders.
 - c. Minutes of meetings held.
 - d. The project plan with milestones, the timeline and an outline of the methodology that will be followed for each task (in light of any relevant developments that may have emerged since the offer was submitted).
 - e. A list of the countries that have already implemented a BCO and could be considered as best practices

- f. The indicators to monitor the project during its implementation (progress indicators) as well as indicators to monitor the outcomes and impact of the project after the conclusion of the contract (outcome and impact indicators).
- g. An outline of a plan to engage and consult with stakeholders.

In order to achieve the *outcome: Improved capacity of the Broadband Competence Office (BCO)* the contractor shall produce the following deliverables by implementing the tasks listed below.

- b) ***Deliverable 2: State-aid pre-notification documentation for “Investment 2. Enhance building cabling to be “Gigabit-ready” and promote connectivity take-up”***
- c) ***Deliverable 3: State-aid notification documentation for “Investment 2. Enhance building cabling to be “Gigabit-ready” and promote connectivity take-up”***

Tasks

1. Develop guidance regarding the notification framework to be followed.
2. Develop: budgetary costing of the project, definition of potential beneficiaries, national legal basis, identification of the aid, objective and duration, assessment of the compatibility of the aid, aid-instrument, aid-amount, aid-intensity and means of funding, assessment of the need for evaluation, reporting and monitoring.
3. Draft the specifications of the proposed measure for public consultation.
4. Provide support during the public consultation of the measure.
5. Assess the comments submitted during the public consultation and integrate relevant comments in the logic of the proposed measure.
6. In case of notification, preparation of all the necessary documentation as per the applicable notification framework and particularly¹¹.
 - (a) Annex I - Part I General Information Form
 - (b) Annex I - Part III.5 Supplementary Information Sheet on State aid to broadband
 - (c) Annex I - Part III.8 - Supplementary Information Sheet for the notification of an evaluation plan (if necessary)
7. In case of notification, provide support to the DCO to prepare for the submission of all required documents and support during the pre-notification and notification process with the European Commission (DG COMP).

In order to achieve the *outcome: Improved capacity of the Broadband Competence Office (BCO)* the contractor shall produce the following deliverables by implementing the tasks listed below.

¹¹ https://ec.europa.eu/competition/state_aid/legislation/forms.html

- d) ***Deliverable 4: State-aid pre-notification documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”***
- e) ***Deliverable 5: State-aid notification documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”***

The main purpose is to support the BCO during the preparation of the RRF Broadband Projects in order to comply with the applicable State-Aid rules. In this context, all necessary documentation for the projects' State-Aid compliance and/or notification will be prepared.

Tasks

1. Develop guidance regarding the notification framework to be followed.
2. Develop a detailed definition of the project intervention areas (based on a mapping of private investment plans at a building- level granularity) for a period up to 2025.
3. Develop a detailed project description including: a proposal of network specifications, division of the project into lots, budgetary costing of the project, definition of potential beneficiaries, national legal basis, identification of the aid, objective and duration, assessment of the compatibility of the aid, aid-instrument, aid-amount, aid-intensity and means of funding, assessment of the need for evaluation, reporting and monitoring.
4. Draft the specifications of the proposed measure for public consultation.
5. Provide support during the public consultation of the measure.
6. Assess the comments submitted during the public consultation and integrate relevant comments in the logic of the proposed measure.
7. In case of notification, prepare all the necessary documentation as per the applicable notification framework. Particularly¹²:
 - (a) Annex I - Part I General Information Form
 - (b) Annex I - Part III.5 Supplementary Information Sheet on State aid to broadband
 - (c) Annex I - Part III.8 - Supplementary Information Sheet for the notification of an evaluation plan (if necessary)
8. In case of notification, provide support to the DCO to prepare for the submission of all required documents and support during the pre-notification and notification process with the European Commission (DG COMP).

In order to achieve the outcome: *Improved capacity of the Broadband Competence Office (BCO)* the contractor shall produce the following deliverable by implementing the tasks listed below.

- f) ***Deliverable 6: Tender documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”***

¹² https://ec.europa.eu/competition/state_aid/legislation/forms.html

The main purpose is to support the BCO during the preparation of the tender specification documents of the RRF Broadband Projects in order to proceed with the tendering process. In this context, all necessary documentation will be prepared.

Tasks

1. Propose the tender procedure to be followed.
2. Develop detailed and complete draft of the tender specifications and the contract, including at least the following elements, in an indicative structure as below:
 - (a) Contracting authority
 - (b) Applicable legislation
 - (c) Technical description of the project
 - (d) Public financial contribution
 - (e) Terms and conditions for participation
 - (f) Process and Evaluation criteria
 - (g) Guarantees
 - (h) Content of the bidder's participation dossier
 - (i) Contract and annexes
3. Provide support in the public consultation of the tender specification documents and revision of the tender specification and the contract as per the results of the consultation.

In order to achieve the outcome: *Improved capacity of the Broadband Competence Office (BCO)* the contractor shall produce the following deliverable by implementing the tasks listed below.

- g) ***Deliverable 7: Implementation Guide for "Investment 2. Enhance building cabling to be 'Gigabit-ready' and promote connectivity take-up"***

Tasks

1. Develop detailed and complete draft of the measure Implementation Guide, including at least the following elements, in an indicative structure as below:
 - (a) Contracting authority
 - (b) Applicable legislation
 - (c) Technical description of the project
 - (d) Beneficiaries
 - (e) Public financial contribution
 - (f) Terms and conditions for participation
 - (g) Minimum technical specifications of the building cabling
 - (h) Implementation procedures (submission of participation file for installers, voucher application process for beneficiaries, processes for aggregation of vouchers per building, submission of documentation for completed projects, clearance of payments, controls and projects monitoring)
 - (i) Detailed requirements of the Information System to support project implementation
 - (j) Requirements for the project helpdesk

2. Provide support in the public consultation of the Implementation Guide and revision as per the results of the consultation.

In order to achieve the outcome: *Improved capacity of the Broadband Competence Office (BCO)* the contractor shall produce the following deliverable by implementing the tasks listed below.

h) Deliverable 8: Report: “BCO-to-be” model and capacity building roadmap

The main purpose is to review the current state in Cyprus and EU best practices to produce the ‘BCO-to-be’ model and a roadmap towards its setup. At the same time, capacity building needs will be identified and a roadmap towards their fulfilment should be created.

Tasks

1. The contractor should develop a blueprint for an effective and responsive governance and operation for the ‘BCO-to-be’. Through a thorough assessment of the ‘as-is’ situation - in order to allow the contractor to gain a comprehensive and detailed understanding of the existing operation and governance model of the DEC and a review of EU best practices, the contractor will design the ‘BCO-to-be’ governance model as well as the optimal structure to achieve its mission. The contractor should address at least the following:
 - (a) Map the administrations responsible for planning, funding, implementing, regulating, monitoring and competition for broadband and digital, as well as agencies dealing with digital growth and smart specialisation in Cyprus.
 - (b) Interact with investors in Very High Capacity Networks to understand administrative bottlenecks and barriers to the rapid deployment of such infrastructures.
 - (c) Document the responsibilities of the respective administrations identified in (a) and pinpoint areas of possible interventions to address bottlenecks and barriers as identified in (b).
 - (d) Recommend a new organisational and functional structure for the ‘BCO-to-be’, based on local realities and specifics, building on best practices from at least three EU countries, particularly focusing on those with characteristics comparable to Cyprus.
 - (e) Recommend interaction protocols between the ‘BCO-to-be’ and those administrations/agencies, including a plan for regular structured interaction with them (newsletter, consultations, studies, benchmarks, reports etc.).
 - (f) Introduce a steering and monitoring mechanism for the ‘BCO-to-be’, including key performance indicators (KPIs) and management dashboards.
 - (g) Produce a roadmap towards the implementation of the ‘BCO-to-be’, including the following:
 - Implementation timelines with detailed intermediate steps.
 - Possible risks and controversial aspects for the proposed implementation and recommendations to mitigate those risks.

2. Capacity building needs should be identified and a roadmap towards their fulfilment should be created. In this context the contractor should address at least the following:
 - (a) Identify possible capacity needs among those administrations/agencies with regards to their respective responsibilities, in particular in the following areas: Strategic planning, Electronic Communication Regulation, European Structural and Investment Funds Regulation, Cost Reduction Directive, Competition and State-aid rules, Procurement and evaluation, financing models (including blending) and demand aspects monitoring and benchmarking, communication, networking and stakeholder engagement, media and web presence, help desk function, use of social networks, online fora, etc. Identify the capacity building needs for the 'BCO-to-be' in order to address shortcomings in the capacities of the involved administrations/agencies
 - (b) Produce a roadmap and the respective action plan for the fulfilment of the capacity building needs of the 'BCO-to-be'. If required, get assistance or advice from the BCO Network Support Facility or from other Member States and regions where BCOs are already established and running successfully.

During the preparation of deliverable 8, it is anticipated that the contractor should organise and facilitate the following meetings:

1. a series of at least five interviews/workshops to address tasks 1(a), 1(b), 1(c) and 2(a) by collecting information and feedback from all relevant stakeholders.
2. a series of meetings with DEC to discuss and present the 'BCO-to-be' model and proposed roadmap as well as any further findings from the interviews/workshops with the aim of coming to an agreement of the final model and roadmap.

In order to achieve *outcome: Improved capacity of the Broadband Competence Office (BCO)* the contractor shall produce the following deliverable by implementing the tasks listed below.

i) Deliverable 9: Report: Capacity building strategy of the "BCO-to-be"

The main purpose is to build the capacity of the 'BCO-to-be', based on the implementation of the capacity building roadmap and action plan included in Deliverable A1. It will boost know-how of the existing personnel through staff trainings, study visits and participation in conference/workshops related to BCOs, while at the same time will set-up a programme to increase the number of qualified staff for the 'BCO-to-be'.

Tasks

1. The contractor should gather information from all relevant entities regarding:
 - (a) Broadband plans and digital strategies for the period starting from 2020 or later of three EU countries.
 - (b) Administrative and regulatory procedural guides for the issues identified in deliverable 8.
 - (c) EU level policy, regulation and technical documentation, including guidance from relevant European Commission services.

- (d) Good practice examples regarding public intervention methods in contexts relevant to Cyprus.
 - (e) EU funds and the financial tools that could be used and provide guidance on alternative funding models, including blended and debt-based schemes.
2. Plan and develop a knowledge database including all the material collected as well as guidance material.
 3. Develop training material.
 4. Plan and perform training of the staff of the 'BCO-to-be'.
 5. Develop a communication plan with all relevant public and private stakeholders
 6. Prepare, organise and facilitate a workshop addressed to all relevant stakeholders.

During the preparation of deliverable 9, it is anticipated that the contractor should organise and facilitate the following meetings and workshops:

1. In the context of Task 4, one two-day training workshop, to present and discuss all relevant material, documents, data and other information collected and prepared in task 1 above.
2. In the context of Task 6, one one-day workshop, to communicate the new BCO structure, activities and knowledge to all relevant stakeholders, inviting speakers, facilitating it and preparing the workshop proceedings. It is expected that up to 4 invited speakers and up to 80 participants will attend the workshop. The workshop should be delivered at the end of the project.

2.2 Submission and approval of deliverables

The deliverables described in section 2.1 shall be submitted by the contractor to the contracting authority within the agreed deadlines. The contracting authority may share the deliverables with Cyprus for their comments.

The contracting authority will comment on the deliverables submitted within 30 days of the date of their reception. If the contracting authority has not reacted within this period, the deliverables shall be deemed to have been approved.

In case clarifications or corrections are required, the contractor should respond within 10 working days, addressing the input of the contracting authority.

2.3 Work plan

The maximum total duration of the execution of the tasks and submission of all deliverables is **20 months**. The reference date for the contract is the date of signature.

Deliverables	Timetable
Deliverable 1: Project Inception report	Reference date + 1 month
Deliverable 2: Submission of State-aid pre-notification documentation for "Investment 2. Enhance building cabling to be "Gigabit-ready" and promote connectivity take-up"	Reference date + 2 month

Deliverable 3: Submission of State-aid notification documentation for “Investment 2. Enhance building cabling to be “Gigabit-ready” and promote connectivity take-up”	Reference date + 4 month
Deliverable 4: Submission of State-aid pre-notification documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”	Reference date + 6 month
Deliverable 5: Submission of State-aid notification documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”	Reference date + 8 month
Deliverable 6: Tender documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”	Reference date + 10 month
Deliverable 7: Implementation Guide for “Investment 2. Enhance building cabling to be ‘Gigabit-ready’ and promote connectivity take-up”	Reference date + 10 month
Deliverable 8: ‘BCO-to-be’ model and capacity building roadmap	Reference date + 12 month
Deliverable 9: Capacity building of the “BCO-to-be”	Reference date + 18 month

2.4 Place of work

Any physical meeting, presentation and/or conference with the national authorities will take place in Cyprus.

Depending on the situation with travel restrictions due to Covid-19, meetings, presentations and/or events could take place by teleconference or videoconference following the approval of the contracting authority.

2.5 Reporting & management of Specific Contract

A progress report should be provided every two months starting from the date of signature of the contract. This report should describe clearly the progress status of each deliverable described under the Work plan above.

The final progress report should also:

- Provide an overview of the main results of this assignment, including through the project monitoring indicators
- Provide an overview of lessons learned
- Have as an annex a short presentation, using simple and illustrative text (i.e. PowerPoint) with the takeaways from the project that could be useful and relevant for implementing similar initiatives in other EU Member States.
- Include the Communication material (see Section 2.7)

A Steering Committee will be established for the contract. The Steering Committee will be comprised of representatives of the contractor, DG REFORM and the beneficiary institution(s). The Steering Committee

will meet at least quarterly in order to oversee all planned activities, ensuring effective coordination and engagement.

2.6 Budget

2.7 Communication

Communication material to be annexed to the final progress report:

- Project description (maximum 250 words)
 - Title: The title should be in very close proximity to the official project title. It can however be shortened if necessary;
 - Summary: Explain the quintessence of the project (topic, EU/COM assistance mentioned, beneficiary, expected results) in one-two sentences, (maximum 40 words);
 - Context: Explain the background; the link to EU policy priorities; which problems/challenges needed addressing? Any challenges encountered? (maximum 60 words);
 - Support delivered: What did the project do? Descriptive of basic facts. How did we do it? (max. 60 words);
 - Results achieved: What was achieved? What is the benefit? What is the expected improvement/impact on the ground? (maximum 60 words);
 - Mention of EU assistance: Standard text “This project is funded by the European Union via the Technical Support Instrument and implemented by [the contractor], in cooperation with the European Commission.”
- Social media text (minimum two brief draft unpublished twitter post texts);
- Visual materials: a selection of minimum two photos from the project (if relevant, also other infographics to be included). The material should be ready to be posted online.

3. DESCRIPTION OF THE ELEMENTS OF THE SPECIFIC TENDER

In its specific tender, the contractor must provide a technical offer to answer the description of the Request for Service (section 2). In order to do so, the contractor is expected to provide a specific tender that describes the methodology, the organisation of the work and resources (notably team composition, allocation of tasks, roles and responsibilities of the team members) and the quality control measures that he/she/they intend/s to put in place for delivering the service.

As part of the minimum requirements, the contractor must submit the organisation of the work and resources in accordance with the template for “organisation of the work and resources” found as ANNEX IV to the invitation to tender. The filled in template/table shall be annexed to the submitted technical offer.

In addition, the contractor must submit a financial offer in accordance with the "template for financial offer" in ANNEX II of this invitation to tender.

The technical offer must not exceed 25 pages in length (The CVs of the team members and the table for organisation of the work and resources are excluded from the page count). Respect of this limitation is a minimum requirement of the tender.

Contractors are invited to use font size 11 point, in the style of Times New Roman, Arial, or similar. All margins should be at least 2.54 cm (the standard default). The text can have one-line spacing.

⚠ Tenders that are not compliant with the applicable minimum requirements shall be rejected.

The specific tender may be structured to include:

- The contractor's analysis of the general context of the request and the purpose of the technical support;
- A description of the specific approach of the contractor to technical support and the analysis that prevails in the design of the methodology;
- The presentation of how the tenderer could bring added value to the design and implementation of the respective reform in an EU Member State;
- Team structure: composition and distribution of roles;
- Presentation i) of the proposed profiles of the team members and of the different economic operators; and ii) of the relevance of their experience to the project;
- Elements related to project management;
- Interaction with the Commission and the Beneficiary EU Member State;
- The project supervision; and
- The procedures that the tenderer intends to use for quality control.

4. AWARD CRITERIA FOR A SPECIFIC CONTRACT AND RANKING OF SPECIFIC TENDERS

The contracting authority evaluates the specific tenders and selects the most economically advantageous one based on the award criteria set out in section 5.4 of the Tender Specifications (Annex I to the signed Framework Contract) and following the application of the award formula set out in section 5.5 of it.

5. FINANCIAL OFFER

The financial offer (using - mandatorily and without any modifications - the financial offer template of Annex II to the Invitation to tender) must provide the unit daily rates for each profile. These rates must respect the maximum rates (lower or equal) provided in Annex II to the signed FwC and must include all related costs (project management, quality control, training of the contractor's staff, support resources, management of the firm, secretariat, social security, salaries, etc.) in performance of the services.

Travel, accommodation and daily subsistence allowance expenses of the specific contracts should not be included under the unit daily rates quoted. If deemed necessary for the implementation of this specific contract, such costs must be quoted separately as a lump sum in the financial offer.

Legal services, interpretation and translation services should not be included under the unit daily rates quoted. If deemed necessary for the implementation of this specific contract, the relevant amount must be quoted separately as a lump sum in the financial offer.

The contracting authority will check the financial offers as follows:

- whether the unit rates offered comply with the maximum prices set in the framework contract.
In case the offered unit rates exceed the maximum prices set in the framework contract, the specific tender shall be rejected.
- for obvious clerical errors.
In case of clerical errors, the contracting authority will ask the contractor for clarification (e.g. request confirmation about the correction of a clerical error in wording or calculation). However, the contractors will not be given an opportunity to provide extra information that may modify the technical offer or the price.

6. CONFLICT OF INTEREST

By submitting a specific tender as a response to this Request for Service, the contractor confirms that the contractor and the staff proposed for this tender are not in a situation of conflict of interest, as defined in Article II.7 of the signed Framework Contract.

7. PAYMENTS

The payment arrangements shall be in compliance with art. I.6 of the Framework Contract.

The contractor (or leader in the case of a joint tender) may request an interim payment in accordance with Article I.6.2 "Interim payment" of the Framework Contract's Special Conditions. In case an interim payment is requested, the deliverable results that must be accompanying the invoice are the following:

Deliverable 1: Project Inception report
Deliverable 2: Submission of State-aid pre-notification documentation for “Investment 2. Enhance building cabling to be “Gigabit-ready” and promote connectivity take-up”
Deliverable 3: Submission of State-aid notification documentation for “Investment 2. Enhance building cabling to be “Gigabit-ready” and promote connectivity take-up”
Deliverable 4: Submission of State-aid pre-notification documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”
Deliverable 5: Submission of State-aid notification documentation for “Investment 1. Expansion of Very High Capacity Networks in underserved areas”

In addition to the aforementioned deliverables, the invoice for the interim payment shall be accompanied by:

- a list of all pre-existing rights to the results or part of the results or a declaration stating that there are no such pre-existing rights as provided in Article II.13.4 of the Framework Contract;
- the latest progress report.

