Terms of Reference (TOR)

on the procurement of

Consultancy Service for the Calculation of Wholesale Access Service Prices on the Relevant Markets Defined under Comprehensive Analysis of Telecom Market of Georgia

1. Description of the Log-in Georgia Project

Project name: Log-In Georgia
Employer: Open Net N(N)LE
Position title: Consultancy Service for the Calculation of Wholesale Access Service Prices on the Relevant Markets Defined under Comprehensive Analysis of Telecom Market of Georgia
Outputs to be delivered to: Georgian National Communications Commission (ComCom)
Contract duration: 22 months from the date of contract signature.

The Government of Georgia has received financing from the World Bank to implement the Log-in Georgia Project. The proposed Project development objective is to increase access to affordable broadband Internet and to promote its use by individuals and enterprises in targeted rural settlements.

The Project consists of the following key components:

- Component 1: Increasing access to broadband – This Component helps expand access to broadband Internet in rural settlements across Georgia and improve the enabling environment for digital development.
- Component 2: Promoting the use of broadband-enabled digital services – This Component supports the development of Georgia's digital economy through a strengthened enabling environment, promoting digital use-cases of broadband, and addressing barriers to the participation of individuals in the digital economy. In addition, it promotes digital inclusion amongst minority groups and supports the use of the internet and digital services by women, social minorities, and persons with disabilities in selected settlements.
- Component 3: Project implementation support – This component supports the management and implementation of the Project and associated activities.

Detailed information on the Log-in Georgia Project is available in the Project Appraisal Document (PAD) at the following link: *https://documents.worldbank.org/en/publication/documents-reports/documentdetail/996651598925686197/georgia-log-in-georgia-project*

The Project is being implemented by the Open Net N(N)LE as the Project Implementing Entity (PIE), with the oversight and implementation of the Ministry of Economy and Sustainable Development of Georgia (MOESD) and the Communications Commission (ComCom).

2. Description of the assignment

2.1 Background

Under this assignment, a consulting company (the "Consultant") will be engaged to develop a tariff calculation methodology and a corresponding cost-oriented tariff model and to determine upper-limit tariffs on that basis, for six relevant wholesale markets of fixed and mobile telecommunications services in Georgia. The work shall build on the results of the Comprehensive Analysis of the Telecom Market of Georgia conducted by ComCom, which commenced in 2022 and is aligned with Georgia's obligations under the EU–Georgia Association Agreement to approximate its regulatory framework to that of the European Union.

In furtherance of the Association Agreement, in 2024 ComCom adopted a resolution on Methodological Rules for the Definition of Relevant Segments of the Service Market and the Analysis of Competitiveness, which are based on European best practice and are fully consistent with EU telecommunications market analysis methodology and guidelines. Building on this methodology and with funding from the EU and expert assistance under the Association Agreement Facility Georgia II ("AA Facility II") project, ComCom conducted in 2022–2024 the first phase of a comprehensive study of the Georgian telecom market, the first of its kind in the country, focusing on the retail and relevant wholesale segments of mobile and fixed broadband services.

On the basis of that first phase, ComCom adopted two decisions in 2024: one regulating the wholesale market for local and central access at a fixed location (the VULA and bitstream market; markets 3a and 3b of the 2014 EU Recommendation) and one regulating the wholesale mobile access market. In 2025, with the assistance of European experts, ComCom began the second phase of the study, comprising market reviews of access to physical infrastructure, the retail market for corporate leased-line services, wholesale dedicated capacity (the wholesale market for high-quality fixed access in the terminating segment), wholesale access to leased lines (trunk and backhaul), and wholesale access to IP transit.

2.2 Objective

The overall objective of this assignment is to develop cost-oriented tariff calculation methodologies and accompanying models or, where agreed with ComCom, to update existing ones and on that basis, to calculate the upper-limit wholesale tariffs (including the Relevant Fees) for the six wholesale markets described in the Scope of Services below: (i) Virtual Unbundled Local Access (VULA) and bitstream; (ii) physical infrastructure (telecommunication ducts); (iii) dedicated capacity; (iv) mobile network access (National Roaming, MVNO and co-location); (v) IP transit; and (vi) leased lines (trunk and backhaul).

For each task, the Consultant shall ensure that the methodology, model and resulting tariffs are accurate, robust, cost-oriented, transparent and non-discriminatory; are consistent with the relevant ComCom decisions and market review documents and with the Georgian legal and regulatory framework; and comply with EU best practice, including the principles and recommendations of the European Commission and BEREC. Where a market or service has not yet been fully defined, its precise scope and tariff structure shall be aligned with the corresponding ComCom market review once finalised.

2.3 Markets to be addressed

Within the scope of this assignment, the Consultant shall carry out the following six tasks. For the purposes of this assignment, the "Relevant Fees" comprise the recurring monthly fees, together with the one-off fees related to initial access setup and any one-off service charge(s) required during subsequent service provision; the specific fees applicable to each market are set out under the relevant task below.

Task 1 – Wholesale access to VULA and bitstream services

On 8 August 2024, on the basis of the first phase of the comprehensive study, ComCom issued decision N G-24-9/361, placing the wholesale market for local and central access at a fixed location under ex-ante regulation. The market was defined as comprising VULA and central access at the sub-national and national levels, with Georgia as its geographical boundary; an SMP operator was identified and made subject to proportionate obligations, including network access at local and central points, for which upper-limit tariffs were set. The applicable tariffs were calculated applying the BU-LRIC+ (Bottom-Up Long-Run Incremental Cost) methodology, using ComCom's tariff model developed in 2019. In the subsequent consultations, the SMP operator challenged several aspects of the model and the approach applied; it was therefore considered reasonable to recalculate the access tariffs and the associated fees.

The Consultant shall create a comprehensive tariff calculation methodology and accompanying model or update the existing methodology and model and calculate the new upper-limit tariff for VULA and bitstream services on the basis of the latest data (inputs), including the Relevant Fees, so as to ensure the provision of fixed broadband internet, IPTV and VoIP services to the access seeker under non-discriminatory and transparent conditions. The Consultant shall propose in the inception report, with supporting justification, whether the existing methodology and model are to be updated or new ones developed, and the proposed approach shall be subject to ComCom's agreement before the Consultant proceeds with the calculation.

Task 2 – Wholesale access to physical infrastructure services (access to telecommunication ducts)

As part of the second phase of the comprehensive market analysis, ComCom began, a new market review of access to physical infrastructure in 2025. This review identified SMP operators in the telecommunication duct access market throughout Georgia, with the exception of one district (Varketili) in Tbilisi and proposed new obligations including tariff regulation; ComCom is preparing to open the corresponding public proceedings. The market is currently regulated under ComCom decision N620/9 of 2014.

The Consultant shall create a comprehensive tariff calculation methodology and accompanying model and calculate the upper-limit tariff for the physical infrastructure access market (access to telecommunication ducts). This shall include the recurring tariffs for duct occupation as well as the Relevant one-off Fees, for example, access to information on duct availability and on the feasibility of duct access provision (without an on-site survey); technical feasibility studies including on-site surveys; and fees for cable installation and preparatory works performed by the SMP operator (or, where installation is performed by the access seeker, for supervision of that installation) together with any other one-off fee that may be defined in the final ComCom market review document.

The duct access model shall incorporate two distinct methodologies:

- Existing ducts - Fully Distributed Costs (FDC). The Consultant shall define a clear FDC methodology for calculating the tariffs for access to existing ducts.
- New ducts - Long-Run Incremental Cost Plus (LRIC+). The Consultant shall identify all forward-looking, causal costs incurred by the SMP operator in providing the access service and determine an appropriate mark-up (the "plus") to recover non-causal costs and a reasonable return on investment, in accordance with the Law of Georgia on the Sharing of Telecommunications Infrastructure and Physical Infrastructure Used for Telecommunications Purposes (2023).

Task 3 - Wholesale access to dedicated capacity services (high-quality fixed access in the terminating segment)

The wholesale dedicated capacity market, the wholesale market for high-quality fixed access in the terminating segment, serving business users, has not previously been regulated in Georgia. As part of the second phase of its comprehensive market analysis, ComCom is assessing this market, and the market analysis study is currently drafted and it is expected to be shared with operators for consultations in September. The preliminary findings, together with the retail market assessment, indicate that the market requires regulation, including tariff regulation, so a tariff calculation assignment should be undertaken.

This task covers calculation of the wholesale prices to be charged by the operator with SMP for access to their wholesale high quality leased line (HQLL) terminating segment service or alternatively wholesale access to dedicated capacity. Current draft of the market analysis states the following for the price control obligations:

> "Currently, the pricing of high-quality access to trunk and backhaul segments is subject to price caps based on a bottom up "LRIC" (BULRIC) model developed by ComCom's external consultant. The same approach was followed for the pricing of the wholesale broadband access services (VULA and bitstream). Given that the network elements used for the provision of wholesale HQLL terminating segment services overlap to a large extent with the network elements for wholesale broadband access, ComCom will adapt its access-network related cost model in order to use it to assess the costs of wholesale HQLL terminating segments."

The cost allocation shall separate the costs of providing dedicated-capacity services from other allocations and from other business activities. Additional, details of the tariff calculation, related cost components, fee structure is expected to be determined by the consultant firm with their best expertise after getting familiar with the market analysis study.

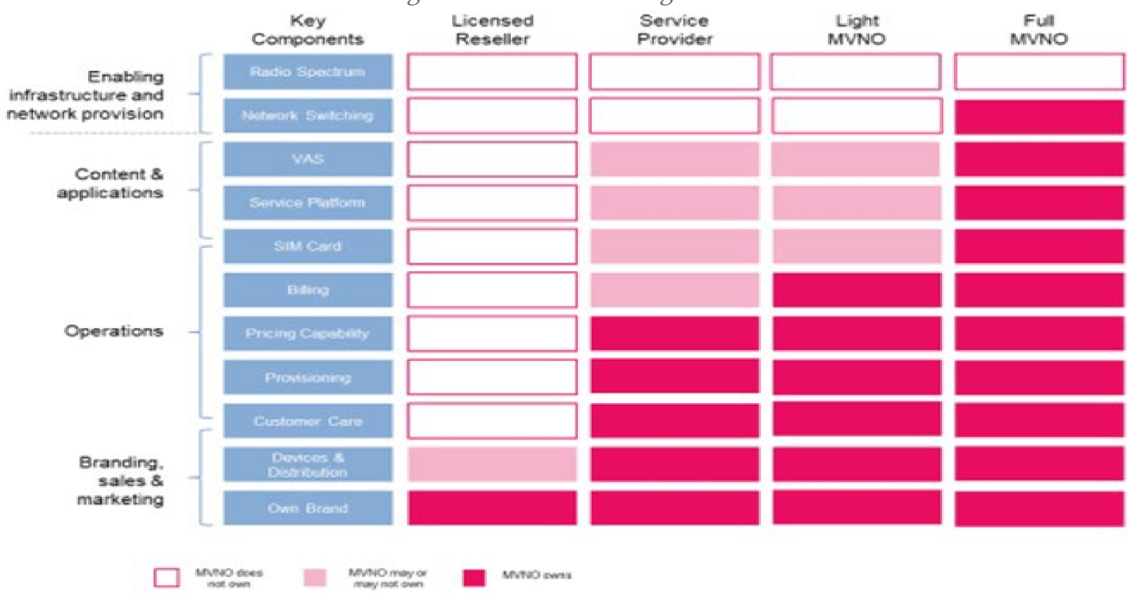
Task 4 – Wholesale access to mobile network services

Under ComCom's 2024 decision, the SMP operator is subject to obligations to provide access to MVNO services, national roaming, and co-location. This assignment concerns the development of a bottom-up LRIC model and the calculation of the corresponding tariffs, consistent with the building-block framework set out in the 2024 decision.

a. National Roaming and MVNO services

Under the 2024 decision, MVNO access comprises the obligation to provide access to radio spectrum, network switching elements, value-added services (VAS), service platforms and SIM cards. The Consultant shall prepare a cost-oriented wholesale tariff model for National Roaming and MVNO services, including the development of the underlying cost methodology; the construction and calibration of the model in line with the building-block framework defined in the regulatory decision (distinguishing the functions and cost responsibilities of the Mobile Network Operator (MNO) and the various MVNO types); detailed cost allocation and service mapping; and the final calculation of the tariffs (including the Relevant Fees), consistent with cost-orientation principles and EU regulatory practice. This building-block approach decomposes mobile services into their functional cost components (spectrum, network elements, switching, billing, customer care, and so on) and differentiates between MVNO types, thereby ensuring that tariff levels reflect actual cost responsibilities and enabling fair and flexible access conditions for all market participants. The tariffs shall be calculated for each of the four MVNO types; licensed reseller, service provider, light MVNO and full MVNO and for each building block shown in the figure below. The cost model shall follow a bottom-up, cost-oriented approach consistent with the building-block framework set out in ComCom's regulatory decision, reflecting the functional cost elements of mobile networks (radio access, transmission, switching, billing, customer care, and so on) and differentiating between MVNO types (reseller, service provider, light MVNO, and full MVNO). Cost allocation and service mapping shall separate cost components across the radio, core, transmission and support functions, and shall allow flexible tariff construction so that MVNOs can select the building blocks relevant to their operational scope. The associated data includes network topology, traffic volumes, asset registers, cost accounts, spectrum usage and existing retail and wholesale offers.

Figure 1: MVNO building-block model



b. Co-location services

The Consultant shall prepare a cost-oriented wholesale tariff model for co-location services on the mobile network, based on a transparent bottom-up cost model that derives tariff levels from the actual cost components of providing the service. This shall include the development of the corresponding cost methodology; the identification of the cost components associated with site sharing, equipment housing, power supply, cooling, security and maintenance; the construction of a cost model reflecting efficient network design; and the calculation of the tariff levels (including the Relevant Fees), in line with cost-orientation principles, transparency requirements and EU regulatory best practice. The cost model shall reflect the functional cost elements associated with site sharing; equipment space, power supply, air conditioning, maintenance, security, and others. Cost allocation shall separate these components and allow the tariff to distinguish between co-location service types (e.g., cabinet space, rack space, power-only) in line with actual service use. The associated data includes site inventory, equipment space, energy consumption, rental and maintenance costs, and any existing co-location agreements.

Task 5 – Wholesale access to IP transit services

Wholesale access to IP transit is currently subject to ex-ante regulation under ComCom decision N 57/9 of 29 January 2015, as last amended on 14 May 2019 (N 19-9/285). The Georgian definition of the wholesale IP transit market differs significantly from that applied in Europe, as it encompasses two distinct services within its product boundaries: wholesale access to global Internet resources and wholesale access to local Internet resources, the latter including cached content located on cache servers in Georgia. These services are currently priced at two different rates: 9 GEL/Mbps (approximately USD 3) for access to global Internet resources and 0.5 GEL/Mbps (approximately USD 0.17) for access to local content, including cached content on cache servers in Georgia.

ComCom is at the initial stage of an in-depth market study aimed at identifying the SMP operator and imposing the appropriate obligations. The wholesale market has, however, already been defined: it comprises the wholesale IP transit services provided by wholesale operators without a split between access to local and international resources, and was found to be susceptible to ex-ante regulation (having passed the three-criteria test) as a result of the fixed broadband market analysis conducted in 2023 under the comprehensive analysis of the Georgian telecom market; this part of the analysis has likewise been revised ahead of the in-depth study.

A recent ComCom study on the challenges of IP peering and IXP development in the Georgian market found that the existence of different prices for access to local and global IP transit is one of the main problems hindering IP peering relationships and IXP development in Georgia. The study recommended establishing a single tariff cap for global and local Internet resources (including resources located on cache servers in Georgia) that takes into account the costs and traffic volumes of both types of access. Accordingly, the objective of this task is to calculate a single, blended upper-limit price for access to Internet resources, covering both global resources and local resources (including those located on cache servers in Georgia).

On this basis, the Consultant shall prepare a cost-oriented wholesale tariff model for wholesale access to IP transit services, including the development of the corresponding cost methodology; the construction and calibration of the model in line with the product markets and remedies defined by the relevant market analysis document prepared under the comprehensive analysis of the Georgian telecom market; and the calculation of the single, blended upper-limit tariff (including the Relevant Fees), consistent with cost-orientation principles, transparency requirements and EU regulatory best practice.

Task 6 – Wholesale access to leased lines (trunk and backhaul) services

As part of the second phase of the comprehensive market analysis, ComCom is assessing wholesale access to leased lines (trunk and backhaul) services. This market is considered to require regulatory intervention, including tariff regulation, and a tariff calculation assignment should therefore be undertaken.

The Consultant shall prepare a cost-oriented wholesale tariff model for wholesale access to leased lines (trunk and backhaul) services, including the development of the corresponding cost methodology; the identification of the cost components associated with the transport of traffic (leasing capacity) and the supply of fibre between access/aggregation nodes and core network nodes; and the construction and calibration of the model, reflecting efficient network design and in line with the product markets and remedies defined by the relevant regulatory decision. On that basis, the Consultant shall calculate the upper-limit tariffs (including the Relevant Fees), consistent with the defined regulatory framework, cost-orientation principles, transparency requirements and EU regulatory best practice. The exact description of the services for which tariffs are to be calculated, together with the relevant market definition and remedies, will be set out in the applicable ComCom market review document, which is expected to be available by the end of 2026.

3. Scope of Work

The Consultant shall perform the tasks set out below.

General requirements (applicable to all tasks mentioned in section 2.3)

Inception report and detailed work plan. Develop a detailed work plan and inception report, including the following activities:

- Develop a structured and detailed project plan that clearly defines the overall objectives, key deliverables and critical milestones. The plan should serve as a roadmap, ensuring a well-organized and efficient execution of the project.

- A proposal for each task under this assignment, as to whether the existing methodology and model are to be updated or new ones developed, with justification for the option selected and its implications for the work plan and timeline.
- Break down the project into distinct, manageable tasks to ensure comprehensive coverage of all essential aspects.
- Establish a detailed project timeline that specifies the start and end dates for each tasks/deliverable, incorporating task dependencies to maintain an efficient workflow and prevent delays. A well-structured timeline will enable seamless progress tracking and timely completion of project phases.
- Define key project milestones and set deadlines to effectively monitor progress and ensure alignment with the overall project objectives. These milestones will serve as checkpoints, enabling proactive adjustments when necessary.
- Identify an initial group of stakeholders who will play a crucial role in the project, ensuring their engagement from the early stages. Their involvement will contribute to informed decision-making and project success.
- Define the operators that are subject to the obligation of cost orientation and tariff calculation.
- Analyze project dependencies, identifying all interrelated tasks, required resources, and deliverables. This analysis will help mitigate risks, optimize resource allocation, and ensure a cohesive project execution strategy.

Analysis of the current regulatory framework applicable for electronic communications in Georgia including, relevant market analysis

This assessment aims to provide an evaluation of the existing regulatory framework as a necessary precondition for the development of an appropriate costing methodology and model for Georgian telecom market. To develop practical, functional and rational methodology and models, the following key tasks shall be undertaken:

- **Review of the Regulatory and Legal Framework:** A thorough examination of Georgia's existing regulatory policies and national legislation applicable for electronic communications.
- **Review of the existing regulations imposed by ComCom for each relevant market or the appropriate market analysis documents (provided by ComCom team) elaborate under comprehensive analysis project, on which ComCom decision may not be yet made:** Examining existing market analysis, imposed transparency, nondiscrimination, cost orientation or any other applicable obligations for each market. Getting familiar with all the details of each market analysis, which specific services are to be considered during the development of costing methodologies, general recommendations under the market analysis which costing approaches are deemed appropriate for each markets (such as Long-Run Incremental Cost (LRIC) or LRIC+ for certain regulated wholesale services).

Methodology and model development. For each task, the Consultant shall design and build a tariff calculation methodology and accompanying financial model. Each methodology and model shall comply with the European regulatory framework, guidelines, and best practices (including those of the European Commission and BEREC), take account of the Georgian legal and regulatory environment and the relevant ComCom market review decisions, and be delivered as a transparent, user-friendly tool (e.g., an Excel-based spreadsheet) that ComCom can operate and update independently.

Relevant Fees. In addition to the upper-limit tariff for each primary service, the Consultant shall calculate the Relevant Fees, such as the recurring and one-off fees determined by the corresponding market analysis decision (for example, one-off fees for access to the infrastructure necessary to provide the service, and other one-off fees related to the main service), together with any initial set-up fee.

Data collection and analysis. The Consultant shall identify, collect and analyse all technical, financial and operational data required from the SMP operator, ComCom and other reliable sources, including, but not limited to, financial statements, asset registers, network inventory and topology data, historical cost records and information on existing service agreements. The Consultant is responsible for verifying the accuracy, completeness and consistency of the data and for ensuring that all assumptions are documented and traceable within the model. ComCom shall request the required data from the SMP operator and other market participants on the Consultant's behalf, exercising its regulatory information-gathering powers and shall provide the data it holds. The Consultant shall submit its data requirements to ComCom in the format and within the timeframe set out in the agreed work plan. ComCom shall also convene working meetings with operators where clarification or verification of the data provided is required.

Cost allocation. The Consultant shall develop a clear, justifiable, and transparent cost allocation methodology that disaggregates the SMP operator's total costs and allocates them to specific services on the basis of cost causality and efficiency, separating the regulated service from other business activities and allocating shared or overhead costs (e.g., administrative expenses) in a non-discriminatory manner.

Presentation and validation of findings

Documentation. For each task, the Consultant shall deliver (i) the complete Tariff Calculation Methodology and Model (e.g., a fully functional Excel spreadsheet) with the results of calculated tariffs and (ii) an Explanatory Document setting out the data sources, assumptions, methodologies used and the step-by-step logic of the model. The Explanatory Document shall serve both as a guide enabling ComCom to understand and operate the model and as a reference enabling operators to understand the input requirements and the allocation logic.

Stakeholder engagement. For each task, the Consultant shall prepare and deliver a presentation of results to ComCom and shall participate actively in the consultation process with stakeholders, including the SMP operator and other interested parties to present the proposed model/methodology/results, respond to feedback and justify the chosen approaches whenever challenged.

General implementation arrangements

During the implementation of the assignment, the Consultant shall participate in meetings with stakeholders and ComCom representatives, conducted either in person or remotely. ComCom retains the right to use the results for both internal and external purposes, including the publication of all documents produced within the scope of these projects.

Upon prior notice from ComCom, the Consultant shall make three (3) experts, who are involved in this procect, available for each three (3) separate visits to Georgia, subject to ComCom's request, each visit comprising no fewer than five (5) working days; the costs of these visits shall be included in the price schedule.

Deliverables

The Consultant shall provide the deliverables set out below for every task (separately or in combination). These are organised around the four main stages of the assignment — inception, draft, final, and presentation of results — together with the supporting materials that underpin the analysis:

Inception Report and Work Plan. A concise report setting out the Consultant's understanding of the assignment, the proposed approach and methodology, the data requirements and a refined project timeline.

Final Methodology, Model and Explanatory Report. Draft Methodology, Model, and Explanatory Document. A preliminary version of the tariff calculation methodology and cost/financial model, with an accompanying explanatory note, submitted for ComCom's review and comment. Where a task involves more than one methodology (e.g., FDC and LRIC+ for ducts) or more than one service (e.g., National Roaming, MVNO, and co-location), the draft shall cover each; where relevant, it shall include the mapping of cost components (e.g., to MVNO types) and preliminary tariff estimates.

The final, validated, user-friendly model (e.g., an Excel-based spreadsheet) and the accompanying methodology and explanatory report, incorporating ComCom's feedback and stakeholder input. The report shall document the model's logic, input data, assumptions, allocation rules and the final calculated upper-limit tariffs and Relevant Fees.

Presentation of Results. A presentation summarising the methodology, model structure, data inputs, assumptions, results and key policy implications, to be delivered to ComCom and the stakeholders during consultation process.

Supporting materials. All supporting documents, research files, and data used in the analysis.

Timing

The total contract period of **22 months** shall be divided into **two stages**:

Stage 1: Implementation of the main assignment activities, including development of the required methodologies, cost models, calculations, and submission of all final Deliverables specified in the Terms of Reference. The duration of the first stage shall be **12 months**.

Stage 2: Support during the public consultation process and completion of related activities arising from the consultation. The duration of the second stage shall be **10 months**.

The deadline for the **first stage** of the assignment is **12 months**, during which the Consultant shall complete all activities and submit to the Commission all final Deliverables specified in the Terms of Reference.

No detailed timetable is prescribed in advance for each individual task. Instead, the Consultant shall propose a comprehensive implementation schedule as part of the **Inception Report** (see Section 3), indicating the timing for each task and each deliverable stage, including the inception, draft, final, and presentation phases, while ensuring completion within the overall 12-month period. The proposed implementation schedule shall be subject to the Commission's approval before substantive work commences and may be updated during the course of the assignment, where justified by the circumstances and agreed with the Commission.

The **second stage** of the assignment shall have a duration of **10 months** and will primarily cover support during the Commission's public consultation process. This period includes public consultations relating to the six regulatory tasks covered by the assignment. The consultation period for each task is expected to be **up to three months**, and multiple public consultations may be conducted in parallel within the overall 10-month implementation period. During this stage, the Consultant shall remain available to provide technical support throughout the consultation process, including responding to comments, participating in meetings where required, and making any necessary revisions to the cost model, methodologies, calculations, or tariff results arising from the consultation.

All contractual payments shall be made during the **first stage** of the assignment. The final payment shall be released upon successful completion and acceptance of all first-stage Deliverables. However, prior to the release of the final payment, the Consultant shall provide an unconditional bank guarantee equivalent to **5–10% of the total contract value**. The exact percentage of bank guaranty and payment details will be specified in the **Request for Proposals (RFP)**.

The purpose of the bank guarantee is to ensure the Consultant's continued commitment to fulfilling all obligations during the second stage of the assignment, including support throughout the public consultation process. The bank guarantee shall remain valid until the Consultant has satisfactorily completed all obligations relating to the second stage, after which it shall be released by the Commission.

4. Qualification Requirements

The Consulting Firm and the experts it proposes shall meet the minimum qualification requirements set out below. These cover the key experts to be fielded, the Consulting Firm's own experience, the conflict-of-interest constraints applicable to both and the supporting documents to be submitted with the proposal.

The Consultant shall be entitled to engage a subcontractor, provided that such subcontractor, considered independently, meets the experience and qualification requirements applicable to the Consultant Firm under this tender. Where the consultant firm proposes to engage a subcontracting company, it shall also submit all required qualification documents for that subcontractor. In the case of subcontracted individual experts, such experts shall meet the experience and qualification requirements applicable to experts, and the consultant firm shall likewise submit all required qualification documents for such individual experts. The conflict of interest requirements listed subsequently in this document shall apply in full to any subcontractors engaged under this assignment.

Consulting Firm's experience

The requirement regarding the Consulting Firm's experience shall be satisfied through one of the following:

(a) Experience with EU/EEA or UK national regulatory authorities. Since 1 January 2021, the Consulting Firm shall have completed at least five (5) projects involving the development, revision or implementation of BU-LRIC or BU-LRIC+ cost models for national regulatory authorities (NRAs) of EU/EEA Member States or the United Kingdom.

Or

(b) Experience with the European Commission (alternative qualification). Demonstrated experience in at least one (1) project involving the development, review or methodological support of BU-LRIC or BU-LRIC+ cost models carried out for the European Commission, provided that the Consulting Firm can demonstrate a leading role in such assignment(s).

Experience under both qualifications together will be considered an asset.

Key experts

At a minimum, the proposed team shall include the following Key Experts:

Economic Experts (at least two, including one Lead Expert)

- A university degree in economics, finance, regulatory economics or a related discipline.

- At least ten (10) years of professional experience in telecommunications regulatory economics and cost modelling.
- Experience in developing and applying Long-Run Incremental Cost (LRIC) models for fixed and mobile telecommunications services the standard for setting regulatory prices including the ability to build and run complex, bottom-up models that simulate the costs of a hypothetical, efficient network operator (a greater number of comparable projects completed for the same markets identified in Section 2.3 will be considered an asset).
- Knowledge of telecommunications regulatory policies and pricing methodologies, such as those of BEREC and other European national regulatory authorities (e.g. Ofcom), including an understanding of concepts such as cost causality and asset valuation.
- Experience in performing regulatory impact assessments that forecast the effects of a proposed tariff on market players, such as incumbent operators, new entrants and wholesale customers.
- Experience in collaborating with technical experts to translate engineering and network data into economic models, and in defending the models' assumptions and results in regulatory proceedings.
- Skills in econometric and statistical methods to analyse large datasets and model cost and demand relationships.
- Proficiency in financial analysis, including asset valuation, cost allocation and forecasting of future costs and revenues.
- Involvement in assignments or projects of the European Commission (considered an asset).

Lead Expert (designated from among the Economic Experts)

One of the Economic Experts shall be designated as Lead Expert. In addition to the minimum requirements for Economic Experts set out above, the Lead Expert shall:

- Hold overall responsibility for the assignment, including the quality, consistency and timely delivery of all tasks and deliverables and coordinate the work of the expert team.
- Have served as team leader or project manager on at least two (2) comparable assignments developing or revising BU-LRIC or BU-LRIC+ cost models for national regulatory authorities or other relevant bodies.
- Demonstrate a proven track record of presenting and defending cost models and tariff results before regulatory authorities and in public consultations.
- An advanced degree (master's or doctorate) in economics, regulatory economics or a related discipline will be considered an asset for the Lead Expert.

Technical Expert(s)

- A university degree in telecommunications engineering, electronics, information technology or a related discipline.
- At least ten (10) years of professional experience in the design and dimensioning of fixed and/or mobile telecommunications networks.
- Knowledge of telecommunications network architectures.
- Experience in developing and applying cost models for telecommunications services, including LRIC models using bottom-up and forward-looking approaches, capable of accurately reflecting the costs of a hypothetical, efficient operator.
- Knowledge of financial analysis and data manipulation to support cost modelling, including working with large datasets to allocate network costs and to calculate capital expenditure (CapEx) and operational expenditure (OpEx).

- Working experience with the regulatory frameworks and pricing principles of European telecommunications regulatory authorities (e.g. BEREC, Ofcom), including cost-orientation, non-discrimination and the promotion of efficient competition.

Conflict of interest and independence

The following independence requirements apply to both the Consulting Firm and its proposed experts:

Consulting Firm: Since 1 January 2023, the Consulting Firm, including its parent company, any subsidiary and any affiliated entity*, shall not have carried out any paid consultancy or advisory work for telecommunications operators designated as having SMP in Georgia in any of the markets for which the tariffs are being calculated (for the period during which this tender is being conducted), where such work concerned tariff regulation, cost modelling, the regulation of wholesale access, interconnection matters, the analysis of relevant markets, the assessment of Significant Market Power (SMP), participation in fulfillment/compliance of specific obligations or any other activity that may affect the performance, independence and impartiality of the services to be provided under this procurement. Such engagements shall likewise be prohibited for the duration of the contract.

* An affiliated person is defined in accordance with subparagraph "ჰ^{33}" (h^{33}) of Article 2 of the Law of Georgia on Electronic Communications and is worded as follows: "Interdependence (affiliated) - the existence of special relationships between interdependent (affiliated) persons that is capable of having a direct influence on the terms or the economic results of transactions between them. Such special relationships include, in particular, relationships in which: the persons are founders (participants) of the same enterprise, where their aggregate share is not less than 20 percent; one person, directly or indirectly, participates in another person's enterprise, where the share of such participation is not less than 20 percent; one person is subordinate to another person by virtue of their official position, or one person is directly or indirectly controlled by another person; the persons are subsidiary enterprises, or the persons are directly or indirectly controlled by a third person; the persons jointly, directly or indirectly, control a third person; the persons are relatives (for the purposes of this Law, the following are deemed relatives: family members, relatives in the direct ascending and descending line, a stepchild, a sister and a brother, as well as the stepchildren of a parent and of a child)."

Experts: Since 1 January 2023, none of the experts proposed by the Consultant shall have had any direct participation in projects commissioned by telecommunications operators designated as having SMP in Georgia in any of the markets for which the tariffs are being calculated (for the period during which this tender is being conducted), where such projects concerned tariff regulation, cost modelling, the regulation of wholesale access, interconnection matters, the analysis of relevant markets, the assessment of Significant Market Power (SMP), participation in fulfillment/compliance of specific obligations or any other activity that may affect the performance, independence and impartiality of the services to be provided under this procurement (for the period during which this tender is being conducted). Collaboration with such operators in relation to these matters shall likewise be prohibited for the duration of the contract.

To confirm compliance, the Consulting Firm shall submit the written declarations specified under “Documents to be submitted” below.

Documents to be submitted

As part of the technical proposal, the consultant shall submit the following.

For the Consulting Firm

- Evidence of the required experience, which may take any of the following forms:

- an internet link to a report published in the public domain within the framework of the relevant project; and/or
    - an acceptance certificate (handover/acceptance act) confirming receipt of the services; and/or
    - contracts indicating, at a minimum, the project title/subject, the contracting parties and the duration of the services, together with a document proving its fulfilment.
- A declaration of independence and absence of conflict of interest.

For each proposed expert

- A Curriculum Vitae (CV), from which the required experience is clearly evident; where the information on a particular project is unclear, the tender commission reserves the right to request additional documentation or information.
- A description of relevant project experience, clearly indicating the expert's role.
- A signed declaration of availability and absence of conflict of interest.

5. Institutional Arrangements and Reporting

The Consultant shall work under the overall supervision of and report directly to, the designated focal point of the ComCom. The focal point will coordinate the assignment, facilitate communication with the SMP operators and other stakeholders and serve as the single point of contact for all matters related to this engagement.

- ComCom will review each deliverable and provide written comments within a reasonable period; the Consultant shall address such comments before the deliverable is considered final and accepted.
- ComCom will facilitate the Consultant's access to the data, documents, premises, and stakeholders reasonably required to perform the assignment, including requesting information from the relevant SMP operators.
- All deliverables shall be submitted in editable electronic format (e.g., Word and fully functional Excel files), together with any underlying data and assumptions, so that ComCom can operate and update the models independently.

6. Confidentiality and Data Protection

All data, documents, and information provided to or obtained by the Consultant in the course of the assignment shall be treated as strictly confidential and used solely for the purposes of this assignment. The Consultant shall not disclose any confidential or commercially sensitive information (including the SMP operators' cost, financial, and network data) to any third party without ComCom's prior written consent. This obligation shall survive the completion or termination of the contract. The Consultant shall apply appropriate technical and organizational measures to safeguard the information received.

7. Language

The working language of the assignment is English. All deliverables, reports, models, and presentations shall be prepared and submitted in English.