

# TERMS OF REFERENCE (TOR) FOR THE PROCUREMENT OF SERVICES BELOW THE EU THRESHOLD

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**Project title:** EU4ITD - Catalysing Economic and Social Life in PIRDP Regions **Project number/cost centre:** 19.2204.6-013.00/3900

**Country:** Georgia

**Transaction number:**

**Services specified in the tender:** “Rethink Urban Space” - Citython in Samtredia and Zestaponi

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## 1 BACKGROUND

Georgia’s [Pilot Integrated Regional Development Programme \(PIRDP\)](#) is a national initiative that addresses the social and economic territorial imbalance between the capital, Tbilisi, (and to a lesser extent Batumi), and the rest of the country. Targeting the 4 regions of Guria, Imereti, Kakheti, and Racha, Lechkhumi and Kvemo Svaneti, it is supported by the EU under its 2019 programme “[EU4 Integrated Territorial Development](#)” (**EU4ITD**) to the tune of 54 MEUR. Of this amount, 40 MEUR in budget support, together with 10 MEUR from the national budget, was channelled to **1**) municipal investment projects via the [Ministry for Regional Development and Infrastructure \(MRDI\)](#) and, to a lesser extent, **2**) individual entrepreneurs and micro-/small-enterprises via [Enterprise Georgia](#) and the [Georgian Innovation and Technology Agency \(GITA\)](#), both under the Ministry of Economy and Sustainable Development), as well as the [Rural Development Agency \(RDA\)](#) under the Ministry of Environmental Protection and Agriculture. In addition to this (already completed) budget support initiative, EU4ITD is also funding a number of complementary measures, including a grant scheme for municipalities (2.5 MEUR in grant funding to the municipalities of Chokhatauri, Kutaisi, and Khoni), technical assistance (2.25 MEUR), and 2 Contribution Agreements,<sup>1</sup> the first with UNDP (2 MEUR, “EU4ITD: Advancing decentralized, effective, and inclusive governance in Georgia”), and the second with GIZ (outlined in the next paragraph).

“**EU4ITD - Catalysing Economic and Social Life in PIRDP Regions**” (CESL) is implemented under the wider GIZ regional programme “Good Governance for Local Development South Caucasus” and has a total budget of 7.5 MEUR (6.5 from the EU and 1 from the German government); it runs from 28 January 2022 to 27 September 2025. It addresses on one hand municipalities to improve the quality of life locally,<sup>2</sup> and on the other individual entrepreneurs and micro-enterprises to stimulate income generation and economically activate “hard-to-reach” target groups.<sup>3</sup> Interventions are limited to the 4 PIRDP regions, while they should, in principle, also be “integrated” in nature.<sup>4</sup> Given the project’s scope, stakeholders are varied and numerous at both central, regional, and local level; of particular note are the MRDI (the ministry responsible for the PIRDP and therefore the project team’s prime interlocutor), the Governor’s Offices in each of the 4 regions, and the 27 constituent municipalities. The implementing team’s front office comprises 5 staff based in Tbilisi, 2 in Kutaisi (covering Guria, Imereti, and Racha) and 1 in Telavi (for Kakheti).

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<sup>1</sup> Under Contribution Agreements, the EU entrusts project implementation to international or Member State organisations which it has assessed as fulfilling criteria related to managing of public finances.

<sup>2</sup> Financing 23 projects, with budgets ranging from 65,000 to 800,000+ GEL on urban renewal (e.g Art gallery in Chiatura), tourism development (e.g Bakhtrioni forest park in Akhmeta), and economic activation/income generation (e.g Agro market in Lentekhi)

<sup>3</sup> 5 schemes have been or are being implemented to support rural women and youth to start up or expand business ideas – 2 implemented by municipalities and 3 by CSOs. Additionally, support is given to target gaps identified in regional or location specific value chains (e.g. the wine sector in Kakheti, use of Oda houses for economic activity in Western Georgia).

<sup>4</sup> e.g. an initiative concerning urban renewal should be “place-based” (i.e. sensitive to the needs of a particular location) and multi-sectoral, involve different stakeholder groups (e.g. local administration, CSOs, businesses), combine hard and soft measures, and, ideally, bring together different levels of government

Working towards regions/municipalities which are economically, socially, and environmentally healthy is a core aim of CESL. This would result in fewer people leaving for the capital (e.g. for work) and should also encourage some to move in the opposite direction. Thus, under its **urban renewal** component, CESL seeks to identify potential within, for example, post-industrial towns, on which development can be built. A similar approach is taken under the **tourism development** and **economic activation/income** generation strands, though here the focus tends to be more on rural locales.

## 2 RATIONALE

In addition to financing concrete investments in favour of municipalities or small enterprises, CESL also seeks to lay the ground for future project generation. One of the ways to do so is to run a competition for ideas concerning how specific physical locations could be developed for the benefit (e.g. economic, social, environmental) of the local community – i.e. a “citython” which encourages different stakeholders and relevant experts to come together in teams to elaborate “solutions” to pre-defined “challenges” in the built environment. This is particularly important in municipalities which are facing de-industrialisation or experiencing a reduction in economic activity due to lack of demand. Two urban centres fitting this description, together with a specific location in each, have been selected as subject of a citython (to be financed by CESL), i.e:

- Samtredia – location Equestrian Sports Club
- Zestaphoni – location Queen Tamar Avenue and the adjacent Sakavria District

These municipalities were chosen on the basis of their interest in holding a citython (as evidenced by their observation of a similar exercise conducted in Kutaisi in October 2023),<sup>5</sup> and their active cooperation has already been agreed with the CESL team. For the reason

## 3 OBJECTIVES OF THE ASSIGNMENT

To develop imaginative, organic, and feasible ideas for the regeneration of the area of the Equestrian Sports Club in Samtredia and Queen Tamar Avenue (and the adjacent Sakavria District) in Zestaphoni.

## 4 ACTIVITIES, OUTPUTS, PAYMENT, INDICATIVE TIMELINE

### 4.1 Activities

The contractor, a legal entity registered in Georgia, will be required to perform the following main activities:

- **Develop a Citython “Concept”** setting out steps and responsibilities. See this ToR’s ` for the subjects that the Concept should cover and what questions should be addressed under each one.
- **Announce the Citython and select participants**, including **1)** designing and implementing a communication and visibility strategy for the whole citython exercise and subsequently implementing the communication and visibility campaign – this should attract the interest of people from diverse backgrounds; **2)** managing participation registration, answering any questions they might have, developing and applying selection criteria, and ensuring division of participants into teams addressing one of the two locations.

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<sup>5</sup> CESL facilitated the observation of the Kutaisi citython exercise by staff from seven of the municipalities it covers. Indeed, a Memorandum of Understanding was concluded between CESL and City Hall on the issue; the document foresees future input from Kutaisi City Hall (in the form of transfer of experience to other local self-governments) in the case that CESL supports citython exercises in the future.

- **Run workshops and provide mentorship** to selected participants (in teams) in order to enable them to generate and develop project ideas. This includes making relevant high-quality expertise accessible to participants during the time they are working on their ideas, as well as ensuring any necessary logistics (e.g. scoping/research visits in two target municipalities, organizing workshop venues, catering).
- **Establish and facilitate the proceedings of a jury** to select the top three project ideas (1 each for Samtredia and Zestaphoni, with the third being the “best of the rest” – i.e. either Samtredia or Zestaphoni). The jury should comprise eminent individuals with a mix of relevant backgrounds (e.g. knowledge of the local community, qualified architect); it is expected that it will have 5 members.
- **Organising two<sup>6</sup> award ceremonies**, including arranging a suitable venue/catering etc., issuing invitations, and ensuring appropriate publicity.
- **Transferring prize money** (10,000 GEL for each of the top three project ideas) to the bank accounts identified for each of the winning teams.
- **Drafting a final report** setting out how the exercise was implemented, feedback from participants, an analysis of project ideas proposed and their potential contribution to the objective outlined in Section 3 above, consideration of how effective communication/publicity measures were, and any lessons learned. Any materials produced/used (e.g. ppt) by the contractor during the exercise are to be attached to the report.

Key steps in the activities outlined above will be **subject to approval by CESL** before the contractor can move ahead; such steps include the Citython Concept, the communication and visibility campaign, the selection of participants and division into teams, the composition of juries, and the proposal for the award ceremony. The contractor shall equally ensure that both EU and GIZ regulations on visibility are respected during project implementation.

## 4.2 Outputs

Outputs will comprise the following: **1)** the Citython Concept; **2)** a communication and visibility strategy; **3)** the final report. Drafts are to be submitted in Georgian and translated into English after approval by CESL; only electronic versions are required.

## 4.3 Payment

The contractor will be remunerated on the basis of costs it has already incurred related to the budget headings “fees”, “travel expenses”, and “other costs” (see Section 6 below). However, in the case where the contractor cannot cover costs itself prior to reimbursement by GIZ (e.g. related to travel, workshop organisation, or transferring prize money), advances will be granted.

In principle, invoices should be submitted on a quarterly basis; when advances are being requested, they should be accompanied by an explanatory cover letter. All advances will be settled in the final invoice, whose approval is dependent on delivery and acceptance of the outputs indicated in 4.2 above.

## 4.4 Indicative timeline

Performance of activities shall fall within the duration of the assignment (see Section 5 below). Indicatively, announcement of the citython is foreseen for March, with the award ceremony for September. A precise

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<sup>6</sup> Two award ceremonies events will be held, namely: one in Samtredia Municipality and the other in Zestaphoni Municipality.

and final timeline will be agreed between CESL and the contractor after project start-up and included in the Citython Concept.

## 5 DURATION AND LOCATION OF THE ASSIGNMENT

The anticipated duration of the assignment is 1 February 2025 to 31 July 2025, though the final start/end dates will be set in the contract itself.

## 6 REQUIRED INPUTS

The following inputs are foreseen to be necessary for contract implementation. Presented under the 3 main budget headings of “fees”, “travel expenses”, and “other costs” (see the format to be completed for the contract budget), they are to be considered, at this stage, indicative (they will be finalised after contract signature).

Budget heading/item	Comments
<b>Fees</b>	
Team Leader	<ul style="list-style-type: none"> <li>• <b>Experts for management and implementation of the contract:</b> These experts comprise the team indicated by the contractor in its bid as responsible for the management and implementation of the contract as a whole; as such, they should also deal with communication and visibility activities. The number of person days for such experts is estimated up to 60 and the fee rates for person days indicated in the budget are to incorporate all such experts’ travel expenses, communication expenses during the project’s lifetime. One of the experts responsible for contract management and implementation should be identified as the <b>Team Leader</b>; the person so identified should have the appropriate skills and experience, and it is up to bidders’ discretion how many days to assign to the position.</li> <li>• <b>Experts for workshops and mentorship:</b> Specialist input for participant teams (during workshops and mentorship) is to be provided by suitably qualified personnel (though these may also be, at the same time, involved in the management and implementation of the contract as a whole). The number of person days for such experts is estimated up to 30<sup>7</sup> and again, their fee rates shall incorporate all their travel expenses and communication expenses. It is anticipated that jury members will work on a voluntary basis (i.e. they will not be remunerated for their work).</li> </ul>
Experts	
<b>Travel expenses</b>	
Total travel expense budget	N/A

<sup>7</sup> The number of days mentioned should be distributed over the entire project implementation period in both target municipalities.

Budget heading/item	Comments
Transportation	Transportation costs for 1) <sup>8</sup> 25 participants for a site visit to the Equestrian Sports Club in Samtredia, 2) <sup>9</sup> 25 participants for a site visit to Queen Tamar Avenue (and the adjacent Sakavria District) in Zestaphoni, 3) Up to 70 (estimated aggregate for both events) participants and 5 jury members for the two award ceremonies. Note that this input only relates to transportation for citython participants and not for the experts indicated above (whose fees have to incorporate all travel related costs).
Per-diem allowance	N/A
Overnight accommodation allowance	Arranging accommodation for jury members for the award ceremonies – only one night per jury member is anticipated for both events (e.g. the award ceremonies are held on consecutive days with jury members only requiring accommodation on the night in between).
Flights	N/A
Other travel expenses	N/A
<b>Other costs</b>	
Subcontracts	N/A - here “subcontracts” refers to contracts the contractor might conclude with other companies, not independent individual experts
Equipment	N/A – no equipment purchase is foreseen as necessary. Any equipment hires for events (e.g. for workshops) should be factored into “workshops” or “other expenses” below
Workshops	Costs associated with specialist support for participant teams while they are developing their project ideas (for instance, during workshop or mentorship) – e.g. venue hire and catering (for travel costs, see above). The number of such events are forecast at 2 (1 workshop will be held in each municipality to clarify and gather information) with between up to 25 attending each one.
Award ceremonies	Costs for the two award ceremonies – e.g. venue hire, catering, production of trophies, preparation of rollups, printing of certificates. The number of attendees is estimated up to 70.
Other expenses	<ul style="list-style-type: none"> <li>• Costs associated with the implementation of the communication and visibility strategy – e.g. information sessions for local stakeholders, production of promotional/marketing materials and distribution</li> <li>• Cash prizes for the teams with the best project ideas (as selected by the jury). The winner company has to insure proper documentation of prize award (hand over act, payment order/cash receipt, etc.). The prizes should include all the taxes envisaged by the legislation of Georgia.</li> <li>• Any other costs (not covered above) necessary for contract implementation (e.g. administrative supplies; Banking service fee; Equipment hires for events)</li> </ul>

<sup>8</sup> Including transportation on the following routes: Tbilisi-Samtredia-Tbilisi; Most of the participants are expected to be university students. Since that most universities are in Tbilisi, it has been taken as the start/end point of transportation to the Citython locations.

<sup>9</sup> Including transportation on the following routes: Tbilisi-Zestaphoni-Tbilisi

Budget heading/item	Comments
Flexible remuneration	N/A

## 7 LIAISON WITH CESL

The company contracted for the performance of this ToR shall ensure regular liaison with the CESL team as necessary/appropriate; the relevant contact persons are [rusudan.devdariani@giz.de](mailto:rusudan.devdariani@giz.de) and [nino.khukhua@giz.de](mailto:nino.khukhua@giz.de).

## 8 FORMAT OF TENDERERS' BIDS

Tenderers' bids shall comprise **1)** a technical offer, and **2)** a financial offer.

### 8.1 Technical offer

There is no prescribed format for the **technical offer**, and it is therefore up to bidders' discretion how to structure these documents. However, they should:

- Be no more than 10 pages (excluding any attachments) in English, with a minimum font size 11;
- Cover the issues indicated in the table below.

Technical offers will be evaluated against the positively weighted criteria in the assessment grid (indicated in the table below for ease of reference), with marks awarded for completeness, accuracy, argumentation, imagination, critical thinking, presentation, and knowledge and understanding of CESL's current environment.

Issues to be covered in the technical offer	Assessment criteria
<p><b>Involvement of stakeholders</b></p> <ul style="list-style-type: none"> <li>• An outline of the various stakeholders of the citython exercise, together with a description of what their interest in the exercise is.</li> <li>• A description of how the tenderer plans to approach and involve each stakeholder group, with an explanation of why the methods for their engagement are considered appropriate</li> </ul> <p>Here, the two municipalities concerned are considered "stakeholders", as well as Kutaisi City Hall (since it should be possible to transfer its experience of a recent citython exercise to other local self-governments);</p>	1.2.2 - Strategy for establishing cooperation and then cooperating with the relevant actors
<p>An <b>indicative plan</b> for implementation indicating both individual steps to be taken and their timing. To this end, the <b>Attachment to these terms of reference (from its Section 2 until the end) should be completed in line with the points indicated in italics and attached to tenderers' bids.</b></p>	1.4.1 - Presentation and explanation of the implementation plan: work steps, milestones, schedule
<p>An <b>outline of the personnel</b> who will be involved in contract implementation from the side of the tenderer, including</p> <ul style="list-style-type: none"> <li>• A designated person who will be the main contact point for CESL, as well as any other staff deemed necessary/appropriate.</li> <li>• A description of each person should be included setting out relevant education, experience, and skills (e.g. languages)</li> <li>• An indication of which person will be assigned which tasks</li> </ul> <p>CVs are not to be included the bid</p>	2.8.2 - Qualifications and sufficient assignment duration of the team (professional experience and other specific experience)

Issues to be covered in the technical offer	Assessment criteria
<p><b>Qualifications and experience of the bidder</b> has to include:</p> <ul style="list-style-type: none"> <li>Information enabling GIZ Georgia to confirm that the company is legally established and legally able to operate in Georgia</li> <li>Information on previous and/or current work/assignments/activities of a similar nature and/or dealing with related subject matter(s), with an indication of what they concerned, where they were performed, when they were conducted, and how much they cost</li> </ul>	<p>3.1 – See ToR for requirements</p>

## 8.2 Financial offer

The financial offer is to be drawn up using the format included in the tender dossier circulated to tenderers. Costs should be either:

1. Based on the related “**required inputs**” indicated in Section 6 above, or
2. Based on the bidder’s own estimation of the inputs necessary for the performance of contract activities; in this case, since there is **deviation** from the “required inputs” in Section 6 above, appropriate information should be included in the column for “explanations” in the financial offer format. Note that any such deviations will be seen in a positive light provided that they are supported by solid reasoning; indeed, such reasoning will be understood as a sign of appropriate critical thinking by a tenderer.

When drawing up the financial offer, tenderers are reminded that:

- The **fee rates indicated for experts** should include all travel-related costs (e.g. for transport, accommodation) incurred when they are performing contract activities. Such costs are not to be included under the heading “travel expenses” (which is solely reserved for travel-related costs of citython participants/jury members).
- The costs for the **cash prizes** for the three winners of the citython exercise are to be incorporated in the budget line “other expenses” (under the budget heading “3 Other costs”) at a total of 30,000 GEL (i.e. 10,000 GEL times 3). The payment will be carried out against original signature of the receipts.

## 9 OTHER PROVISIONS

**VAT:** The contract amount doesn’t include VAT. According to the article 71 of Order N 996 of the Ministry of Finance on “Tax Administration” and in compliance with international agreements on Technical Cooperation between the government of The Federal Republic of Germany and the government of Georgia dated December 19 2008, (which is previously based on international agreement dated May 11, 1998) GIZ enjoys tax exemption and will procure goods/services exclusive of VAT (issuing “0” VAT rate), using off-setting right. The relevant status may be found at the webpage [www.rs.ge](http://www.rs.ge) - [საგადასახადო შეღავათით მოსარგებლეთა რეესტრი](http://www.rs.ge) .

**Personal data** collected by GIZ may be entrusted to the contractor in order to fulfil the contract. The contractor is obliged to protect this data under the standards of the [GDPR](http://www.gdpr.eu), in particular the Art. 44-50 GDPR. The contractor shall act as an independent data controller for the personal data that he processes in connection with the contract and shall comply with the applicable obligations under data protection legislation.”

## 10 ATTACHMENTS

- Citython Concept - Rethink Urban Space Samtredia/Zestaphon

