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**Annex 1**

**Programme:** Private Sector Development and Technical Vocational Education and Training Programme in South Caucasus (PSD TVET SC): “Clusters4Development” Project

**PN:** 16.2179.6-007.00

**Activity:** Short term legal consulting: assessment and recommendation of a legal form for clusters “Sustainable apparel made in Georgia”, “quality and innovation in construction materials”, “Kakheti and Imereti local wine and food tourism cluster; “Kakheti and Imereti authentic accommodation cluster” and “Kakheti and Imereti cultural heritage cluster”

**Period:** August – December 2020

**1. Brief information about the project**

Georgia has undergone significant economic reforms, but a range of critical constraints still impede business growth. SMEs still need constant support to enhance capacities and technological up-scaling, improve adherence to international industrial standards and quality frameworks, contribute to further product diversification and increase their access to global value chains. Moreover, cooperation among sector actors and with public authorities needs to be enhanced to fully exploit market opportunities.

To support business performance of private sector actors in construction, tourism and apparel sectors and to improve an institutional setup for cluster and business development with an ultimate objective of enhanced business performance of private sector fostering the socio-economic development in Georgia and its regions, the PSD TVET SC within the framework of the EU Programme “Economic and Business Development in Georgia”, Component 3: Greater business sophistication, implements the “Clusters4Development” Project (hereafter – the project) for the period of 3,5 years (from July 2019 to January 2023). The Project has been integrated into the PSD TVET SC implemented by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

The Project is composed of four components: (1) development and pilot implementation of a market-oriented cluster in the construction sector; (2) development and pilot implementation of a market-oriented cluster in the tourism sector; (3) development and pilot implementation of a market-oriented cluster in the apparel sector; and (4) enhancement of institutional

capacities for cluster and business development.

Within components 1-3, it is foreseen to support the establishment of sectoral clusters. This includes a cluster on “quality and innovation in construction materials”, up to three thematic clusters in tourism (1: Kakheti and Imereti local wine and food tourism cluster; 2: Kakheti and Imereti authentic accommodation cluster; 3: Kakheti and Imereti cultural heritage cluster) as well as a cluster “sustainable apparel made in Georgia”. In Component 4, it is foreseen to support a conducive cluster development framework at the national level as well as to provide specific assistance to Enterprise Georgia (a business development agency under the Ministry of Economy and Sustainable Development of Georgia) to strengthen its role in promoting business development and providing demand-oriented services and support to the private sector. Throughout all four components, a focus will be put on ensuring direct impact on the business performance of private sector enterprises.

## **2. Objective of the Assignment**

After successful establishment of cluster initiative groups in four clusters in

1. “Sustainable apparel made in Georgia”,
2. “Quality and innovation in construction materials”,
3. “Kakheti and Imereti local wine and food tourism cluster;
4. “Kakheti and Imereti authentic accommodation cluster;
5. “Kakheti and Imereti cultural heritage cluster”

the legal assessment must be conducted to identify the best suitable legal form according to the individual needs, objectives and activities of the clusters. The objective of this assignment is to contract a company, registered in Georgia, that provides the comprehensive legal services to conduct assessment, develop the recommendations and after identification of the legal form prepare all relevant and requested documentations for registration.

**3. Activities and deliverables**

Phase / Activities	Deliverables	Due Date*
<b>1. Assessment</b>		
1.1. Review and assess the main requirements, objectives and activities of all 5 clusters 1.2. Develop an assessment report with proposed at least two options for the best suited legal form for each cluster individually that includes: 1.2.1. Description of proposed legal form 1.2.2. List of requirements for conduction of main activities under each proposed legal form 1.2.3. List of requirements toward tax regulations 1.2.4. List of requested documentations for registration for each proposed legal form	1. Assessment report	15 September 2020
<b>2. Preparation</b>		
2.1. Prepare all relevant documentations for the registration of all four clusters individually, according to the chosen legal form 2.2. Prepare all relevant templates of legal documentation, to be used by the cluster. 2.3. If requested, prepare a contract of employment for the cluster manager	2. Registration documentations 3. Templates 4. Contract of employment (if requested) 5. Final report	25 October 2020
<b>3. Registration</b>		
3.1. Collect all relevant documentations for registration 3.2. Accompany all responsible persons to register the cluster 3.3. Final report on conducted activities	6. Proof of registration (i.e. extract from register / MoU / Contract etc.) 7. Final report	20 December 2020

\* Detailed due dates for the preparation of each cluster`s documentation will be agreed individually according to the prorogation.

**4. Coordination and Communication**

Close coordination and reporting with the Project Team Leader and the dedicated Programme Experts.

**5. Submission Requirements**

The bidding consulting company shall submit technical and financial proposals to comply with the following requirements:

- 5.1. The **technical proposal** shall contain information about the company and its relevant experience, proposed concept and work plan to implement the assignment, as well as CVs of engaged experts.
- 5.2. The **financial proposal** shall clearly state all types of costs to be charged to the Project to implement this TOR. Financial proposal should be calculated according to the table below.

Phase	Involved experts	Number of days per expert	Length of each phases
Phase 1: Assessment	Senior Associate	5	10
	Associate	5	
	Junior Associate	10	
Phase 2: Preparation	Senior Associate	5	10
	Junior Associate	10	
Phase 3: Registration	Senior Associate	2	5
	Junior Associate	5	

**6. Evaluation criteria**

**6.1. Qualification criteria for a bidder**

The bidding consulting company shall be:

- 1. Active on the market for the last 10 years
- 2. Provide legal consulting services to the companies in (at least) the following areas of expertise:
  - a) Commercial law
  - b) Civil law
  - c) Tax law
- 3. At least 5 years of experience in supporting / managing the registration procedures of different legal entities.
- 4. Have an experience in providing the consulting service to international organizations (local representatives, branch offices etc.)

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**6.2. Evaluation criteria for a technical proposal\***

A technical proposal by a qualified bidder shall be evaluated based on the bidder's required experience evidenced by portfolio projects/contracts of similar type and complexity and the completeness and relevance of the chapters of the technical proposal to include:

**6.2.1. Appropriateness of suggested concept and work plan**

- a) Interpretation of objectives
- b) Strategy (technical concept/alternative concepts)
- c) Implementation methods: Management of processes, Cooperation, Learning and Innovation (L+I)
- d) Work schedule and time schedule
- e) Monitoring and evaluation concept (as part of L+I)

**6.3. Evaluation criteria for subject area experts**

**6.3.1. Senior Associate**

- a) More than 10 years of professional experience in conduction of legal consulting for commercial legal entities, individual persons, NGOs and other noncommercial organizations
- b) Professional experience in conducting legal assessments
- c) Professional experience in drafting employee agreements

**6.3.2. Associate**

- a) More than 5 years of professional experience conduction of legal service both for individual persons as well as for different legal entities, with a focus on taxation, tax regulation and procedures
- b) Professional experience in conducting legal assessments

**6.3.3. Junior Associate**

- a) More than 2 years of professional experience conduction of legal consulting
- b) Professional experience in conducting legal assessments
- c) Experience in drafting of registration documentation and accompanying the registration process.

\* For the detailed information, please review assessment grid, attached to this document