

Terms of reference (ToR) for the procurement of services below the EU threshold

DEVELOPMENT OF LOCAL HONORARIUM GRID	Project number/ cost centre: 94.9064.0-001.00
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0. List of abbreviations

AG	Commissioning party
AN	Contractor
AVB	General Terms and Conditions of Contract for supplying services and work
FK	Expert
FKT	Expert days
KZFK	Short-term expert
ToRs	Terms of reference

1. Context

As a service provider in the field of international cooperation for sustainable development and international education work, GIZ is dedicated to shaping a future worth living around the world. GIZ has over 50 years of experience in a wide variety of areas, including economic development and employment promotion, energy and the environment, and peace and security. The diverse expertise of our federal enterprise is in demand around the globe – from the German Government, European Union institutions, the United Nations, the private sector, and governments of other countries. We work with businesses, civil society actors and research institutions, fostering successful interaction between development policy and other policy fields and areas of activity. Our main commissioning party is the German Federal Ministry for Economic Cooperation and Development (BMZ).

In Djibouti, GIZ works regionally with the Intergovernmental Authority on Development (IGAD) at the headquarters of the organization. IGAD aims to foster the development of its member states Ethiopia, Djibouti, Kenya, Somalia, Sudan, South Sudan and Uganda.

GIZ is committed to promoting sustainable development in Djibouti and the Horn of Africa. To effectively implement its projects and achieve its goals, the GIZ Ethiopia and Djibouti office collaborates with various service providers.

The GIZ country office in Ethiopia and Djibouti ensures that the fees for local contractors (appraisers based in the country of assignment) and regional contractors (based in neighboring countries) align with local market rates. To facilitate this, the office has created a local fee grid, which helps evaluate and document the cost-effectiveness of daily rates for individual consultants and experts from consulting firms. This grid allows GIZ to assess consultants based on their technical expertise, qualifications, and experience, ensuring appropriate compensation.

Furthermore, the fee schedule mainly serves GIZ as:

- Market price orientation
- Verification of cost-effectiveness
- Basis for internal costing

Given the rising inflation and increasing demand for qualified experts in complex technical fields, it is essential to update the current fee grid for consultants. Therefore, GIZ is seeking a consulting firm with expertise in economics, market assessment, and related studies to conduct an assessment of the local market in Djibouti within the specific technical areas outlined in Annex I.

GIZ shall hire the contractor for the anticipated contract term, from January 15, 2025 to June 14, 2025.

2. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

- Collect comprehensive data from institutional sources, including official statistical agencies and relevant organizations, to assess the consulting skills present in Ethiopia and neighboring region. This research should cover a wide range of fields of expertise, as stated in Annex I.

- The expertise outlined in Annex I includes the standard services provided across GIZ, serving as a foundation for the organization's initiatives. In undertaking the assessment, it is required that the consultant engages in close collaboration with the designated project cluster coordinators and portfolio managers within GIZ. This cooperation is crucial for refining the expertise and ensuring that it is tailored to the specific local context of the project
- Obtain detailed information about remuneration structures, specifying rates for different types of consulting services, including hourly, daily, and monthly compensation. This analysis is expected to provide valuable insights into the consulting landscape in Djibouti, helping to identify skill availability and market rates.
- Conduct a thorough forecast and analysis of external factors that could impact fee ranges for consulting services over time. This should include an examination of current and projected economic conditions, such as inflation rates, GDP growth, and overall market stability. Additionally, assess market demand trends, identifying sectors that are expanding or contracting and understanding how this demand might affect pricing structures. It is also crucial to consider regulatory considerations, including changes in laws, compliance requirements, and industry standards that may influence pricing strategies.
- By understanding and analyzing the above-mentioned external variables, the consulting company is expected to draw fee ranges valid for two years and better anticipate how they will shape the consulting landscape and inform strategic decisions regarding fee adjustments and service offerings.
- The consultant shall be tasked with defining two distinct fee ranges, each applicable for a duration of one year. In determining these fee ranges, it is essential for the consultant to carefully examine both current and projected economic conditions. This analysis should encompass various factors, including inflation rates, GDP growth, and overall market stability. By considering these economic indicators, the consultant can establish fee ranges that are not only reflective of the prevailing financial environment but also adaptable to potential changes over the course of the year. This comprehensive approach ensures that the fees remain fair and relevant, accommodating any fluctuations in the economic landscape that may impact the consultancy services provided
- Synthesize the collected data and insights into a detailed report, offering actionable recommendations to ensure GIZ can establish competitive pricing that meets market expectations.

➤ **Minimum Criteria**

Adhering to established minimum criteria is essential when assessing the fee ranges. The below minimum criteria serve as foundational benchmarks for the different levels/categories under Annex I.

- Level 1: Up to 3 years of professional experience
- Level 2: 4-7 years of professional experience
- Level 3: At least 7 years of professional experience
- Level 4: At least 10 years of professional experience and consulting services at country director or director of division level, or in the partner structure at management level

- Level 5: At least 10 years of professional experience and consulting services at director general of department level or in the partner structure at senior management level

These milestones, outlined in the table below, serve as critical checkpoints throughout the duration of the contract. Each milestone has an associated deadline, which indicates the date by which the objective should be completed. Meeting these milestones is essential for the successful progression of the contract and may impact subsequent phases of the project

Milestones/partial works	Deadline/place/person responsible	Criteria for acceptance
Data Collection	February 4, 2025/ Djibouti/ Consultant	
Analysis	February 21, 2025/Djibouti/ Consultant	
Presentation /Inception report	February 24, 2025/Djibouti/Consultant	Report contents, depth of the contents and presentation, completion of all documents
Final Report	March 1, 2025/ Djibouti/Consultant	Report contents, depth of the contents and presentation, completion of all documents

Period of assignment: from January 15, 2025 until June 14, 2025.

3. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

Technical-methodological concept

Strategy (1.1): The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

The tenderer is required to present the actors relevant for the services for which it is responsible and describe the **cooperation (1.2)** with them.

The tenderer is required to present and explain its approach to **steering** the measures with the project partners (1.3.1) and its contribution to the **results-based monitoring system** (1.3.2).

The tenderer is required to describe the key **processes** for the services for which it is responsible and create an **operational plan** or schedule (1.4.1) that describes how the

services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided. In particular, the tenderer is required to describe the necessary work steps.

Project management of the contractor (1.6)

In particular, the project management requirements specified in Chapter 2 (Tasks to be performed by the contractor) must be explained in detail.

The tenderer is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the tender; the plan includes information on assignment dates (duration and expert days) and locations of the individual members of the team complete with the allocation of work steps as set out in the schedule.

The tenderer is required to describe its backstopping concept. The following services are part of the standard backstopping package, which (like ancillary personnel costs) must be factored into the fee schedules of the staff listed in the tender in accordance with Section 3.3.1 of the GIZ AVB:

- Service-delivery control
- Managing adaptations to changing conditions
- Ensuring the flow of information between the tenderer and GIZ
- Assuming personnel responsibility for the contractor's experts
- Securing the administrative conclusion of the project

4. Personnel concept

The tenderer is required to provide personnel who are suited to filling the positions described, on the basis of their CVs (see Chapter 7), the range of tasks involved and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

Team leader

Tasks of the team leader

- Remuneration Analysis: Gather detailed information on consulting service rates (hourly, daily, monthly) to understand Ethiopia's consulting landscape, skill availability, and market rates.
- External Factors Forecast: Analyze economic conditions (inflation, GDP growth) and market stability affecting consulting fees. Examine trends in market demand, identifying expanding and contracting sectors.
- Regulatory Considerations: Assess how changes in laws and compliance requirements impact pricing strategies for consulting services.
- Fee Range Development: Use external variable analysis to establish valid fee ranges for two years, aiding strategic decisions on pricing adjustments and service offerings.
- Regular Reporting: Compile findings into a comprehensive report with actionable recommendations for GIZ to set competitive pricing aligned with market expectations.
- Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ,

Qualifications of the team leader

- Education/training (2.1.1): Master's degree in Economics or a closely related field is essential
- Language (2.1.2): B2-level language proficiency in English and French
- General professional experience (2.1.3): 7 years of professional experience in economic and market analysis, policy evaluation, or research within government agencies, international organizations, or private sector
- Specific professional experience (2.1.4): 3 years of experience in conducting market price studies, including the ability to design research methodologies, collect and analyze data, and interpret results.
- Leadership/management experience (2.1.5): two years of management/leadership experience as project team leader or manager in a company
- Regional experience (2.1.6): N/A
- Development cooperation (DC) experience (2.1.7): 2 years of experience in DC projects
- Other (2.1.8): Regulatory Understanding: Knowledge of relevant regulations and policies that affect pricing in the specific market context.

Short-term expert pool with maximum five members

For the technical assessment, an average of the qualifications of all specified members of the expert pool is calculated. Please send a CV for each pool member (see below Chapter 7 Requirements on the format of the bid) for the assessment.

Tasks of the short-term expert pool

- Identify and define data sources
- Develop data collection instruments
- Implement data collection methods
- Gather comprehensive data from institutional sources.
- Evaluate consulting skills in Ethiopia and neighboring regions
- Monitor data collection progress and ensure data quality
- Complete data collection within the specified timeframe.
- Hold a review meeting to assess progress and address challenges

Qualifications of the short-term expert pool

- Education/training (2.6.1): Bachelor's Degree in a related field such as social sciences, statistics, or information technology
- Language (2.6.2): Five experts with B1-level language in English and French
- General professional experience (2.6.3): Five experts with 3 years of professional experience in data collection, whether in academic, governmental, or private sector settings,
- Specific professional experience (2.6.4): Five experts with 2 years of professional experience in statistical analysis, data collection or field research, preferably in market research or a related area.
- Regional experience (2.6.5): N/A
- Development cooperation (DC) experience (2.6.6): Five experts with 1 years of experience in DC
- Other (2.6.7): Experience in using data collection tools and software, using statistic analysis software for data analysis.

Soft skills of team members

In addition to their specialist qualifications, the following qualifications are required of team members:

- Team skills
- Initiative
- Communication skills
- Socio-cultural skills
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

The tenderer must provide a clear overview of all proposed short-term experts and their individual qualifications.

5. Costing requirements

Assignment of personnel and travel expenses

contracts for works:

The following basic calculations for the contract for works are a reference value based on the acceptance criteria for each partial work/milestone specified in Chapter 2 (Tasks to be performed by the contractor).

Since the contract to be concluded is a contract for works, we would ask you to offer your services at a lump sum price.

In addition, the assessment of the financial bid is also based on the underlying daily rate. Please also provide the underlying daily rate. A breakdown of days is not required.

Milestones/partial works	Estimated expert days for orientation	Deadline/place/person responsible
Data Collection	20+5	February 4, 2025/Djibouti/Team Leader and Expert pool/
Analysis	15	February 21, 2025/Djibouti/Team Leader/
Presentation /Inception report	3	February 24, 2025/Djibouti/Team Leader/
Final Report	7	March 1, 2025/Djibouti/Team Leader/

6. Inputs of GIZ or other actors

GIZ and/or other actors are expected to make the following available:

- Support Letter to official authorities, as necessary

7. Payment Modality

- **Payment Structure:** Payments will be made in accordance with key milestones and deliverables throughout the duration.
- **Payment Schedule**
 - **Progress Payments:** payment on the basis of partial invoices on partial acceptance will be issued at defined intervals based on the completion of specific project milestones.
 - **Final Payment:** A final payment will be made upon the completion of the work, upon the satisfactory delivery of all final reports and deliverables.

8. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToR. In particular, the detailed structure of the concept (Chapter 3) should be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in English (language).

The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long.

Please calculate your financial tender based exactly on the parameters specified in Chapter 5 Quantitative requirements. The contractor is not contractually entitled to use up the days or budgets in full. The number of days and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule.

As the contract to be concluded is a contract for works, please offer a fixed lump sum price that covers all relevant costs (fees, travel expenses etc.). The price bid will be evaluated on the basis of the specified lump sum price.

Annex

- **Annex I Fee schedule for contractors**