

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

Support in human-centric service design in 16 municipalities	Project number/ cost centre: 19.2204.6-002.00
---	--

0.	List of abbreviations	2
1.	Context.....	3
2.	Tasks to be performed by the contractor.	4
3.	Concept.....	6
	Technical-methodological concept	6
4.	Personnel concept.....	6
	Team leader	7
	Short-term expert pool with minimum 2, maximum 4 members	7
5.	Costing requirements	8
	Assignment of personnel and travel expenses	8
6.	Requirements on the format of the tender	8
	Annex 1: List of selected municipalities	10

0. List of abbreviations

BMZ	German Federal Ministry for Economic Cooperation and Development
GGLD	Good Governance for Local Development South Caucasus
MMIS	Municipal Management Information System
MTAI	Ministry of Territorial Administration and Infrastructure
SDC	Swiss Agency for Development and Cooperation
TARA	Territorial and Administrative Reform of Armenia
ToRs	Terms of reference

1. Context

1.1 Brief information on the Programme

The “Good Governance for Local Development South Caucasus” (GGLD) Programme advises and supports respective partner organisations at national, regional (sub-national) and local levels in Armenia and Georgia in the implementation of cooperation initiatives towards improved local governance. It supports the improvement of frame conditions, addresses regional (sub-national) governance issues and works towards the improvement of municipal services and citizens’ participation at municipal level.

The Programme is implemented on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and in Armenia co-financed by the Swiss Agency for Development and Cooperation (SDC) through its “Improvement of the Local Self-Governance System in Armenia” Programme. It is carried out in close cooperation with the Ministry of Territorial Administration and Infrastructure (MTAI) as the main political partner. Background (e. g. short description of the project) and initial situation, in particular the objectives of the services to be tendered.

1.2 Background information and context

Before the Territorial and Administrative Reform of Armenia (TARA) in 2015, Armenia’s municipal landscape was highly fragmented, comprising 915 municipalities with considerable differences in population size and operational capacities. This fragmented structure, combined with limited decentralization, posed significant challenges to the efficiency and effectiveness of local governance. Municipalities often struggled with raising revenues, maintaining infrastructure, providing essential services, and fostering economic development, leading to disparities in service provision and resource allocation. To address these issues, the Government of the Republic of Armenia initiated TARA. The overarching goal of TARA was to create a conducive environment for local self-government and to build robust structures at the local level, enabling municipalities to function as responsive and effective units. A key aspect of TARA was the consolidation of the existing municipalities into larger territorial entities. This move was expected to strengthen the administrative capacities of municipalities, facilitating more efficient and effective operations, citizen-centric service delivery, and increased public trust in state institutions. By the end of 2022, TARA had resulted in a restructured territorial-administrative division featuring 71 municipalities, including 64 consolidated and 7 single entities.

Instruments like the Municipal Management Information System (MMIS) and Citizen Offices were introduced to improve public service delivery, the latter operating on a “one-stop-shop” principle. These instruments played a pivotal role in enhancing municipal administration efficiency and effectiveness. Moreover, public participation and engagement in local governance were strengthened through initiatives like SMS polling, participatory budgeting, etc which allowed for community input into decision making at local level.

However, despite the strides made through the Territorial and Administrative Reform of Armenia (TARA), challenges have persisted in delivering human-centric services to citizens by municipal administrations. Acknowledging the importance of tailoring services to the specific needs and preferences of citizens, a shift towards a human-centric service design and delivery becomes crucial for the success of local self-governance. It is essential that municipal administrations reevaluate their perception of service delivery, acknowledging the necessity for a more human-focused approach. By placing the people at the heart of service development, the aim is to ensure that public services are not only efficient but also aligned with the expectations and requirements of the diverse population. This shift is considered a

crucial step in further solidifying the gains of the reform, fostering a more inclusive and responsive local self-governance system.

This imperative is further underscored by the pressing humanitarian needs arising from the aftermath of the Nagorno-Karabakh conflict and the challenges faced by displaced individuals in regions of Armenia. Municipalities should proactively consider the unique needs and emerging challenges associated with serving the displaced population, adapting their service delivery strategies to address the evolving circumstances.

Considering the above, the Project is supporting 16 selected municipalities in the area of human-centric service design and delivery. These municipalities receive targeted support to improve service delivery, planned to start with a capacity-building initiative for municipal staff, potentially MTAI representatives and others. The initiative is aimed to equip participants with necessary knowledge, skills and tools in human-centric service design. The main aim of this intervention is to empower municipalities, ensuring they possess the necessary skills and resources to effectively address the nuanced needs of populations, including those affected by the conflict and displacement.

One key pillar of human-centric design is the activation and engagement of a diverse range of stakeholders (citizens, private entrepreneurs, civil society) in different phases of the process. The collaborative effort aims to identify, prioritize, and co-design human-centric services, with a specific target of enhancing at least one sectoral public service per municipality, either existing one in need of improvement (e.g. pre-school, extracurricular education, waste management, transport, water and others) or entirely new introduction.

This approach ensures a holistic and practical application of the acquired human-centric service design principles, translating theoretical knowledge into tangible improvements in public services. A particular focus in this specific assignment is on vulnerable groups.

Against this background, the Project is now seeking the services of a qualified civil society organisation to take on the crucial task of identifying and mobilizing a diverse range of stakeholders in human-centric design of municipal services. The contractor will ensure these stakeholders are actively involved in every phase of the service re-design process. This includes facilitating the identification of their diverse needs and the challenges they face with service delivery, collaborating with them to generate a broad set of innovative ideas for re-designing these services, guiding the co-creation and prototyping phases, and gathering valuable feedback on the prototypes developed, eventually leading to the final design of the services.

2. Tasks to be performed by the contractor.

The contractor is responsible for providing the following services:

Task 1: Identifying and Selecting the Services. Assist in organizing and facilitating inclusive discussions with relevant stakeholders (municipalities, citizens, including displaced persons from Nagorno-Karabakh, youth, women, people with disabilities, business and civil society representatives) to review and prioritize the list of services provided by the municipalities and collaboratively identify which services should be prioritized for re-design. The outcome will be a well-defined list of municipal services with descriptions of specific challenges/issues in need of improvement and re-design, ensuring they better meet the evolving needs and expectations of diverse community.

This task comprises organisation of 1 workshop per municipality (totalling up to 16 workshops).

Task 2: Stakeholder mapping: Conduct a thorough identification process to pinpoint a broad and diverse range of stakeholders within the municipalities related to the specific services. This involves municipal staff (also from municipal non-commercial organizations), citizens, including displaced persons from Nagorno-Karabakh, youth, women, people with disabilities, business and civil society representatives, and other relevant groups. Ensure that the stakeholder identification process covers all user groups to guarantee comprehensive representation and input.

- **Task 3: Exploring users' experiences and ideation:** Plan and assist municipal administrations in conducting up to 2 workshops per municipality (totalling up to 32 workshops), utilizing the provided methodology and templates. These workshops will focus on gathering insights from users and stakeholders on the experience of the selected services, the mapping of the service processes and procedures (e.g. service blueprint), and the initial generation of ideas to address needs and expectations of users (as well as public organisations requirements). Ensure the active participation of identified users and stakeholders in these workshops. The municipal staff should be engaged in the sessions, applying the tools and competencies acquired. During and post the workshops, provide support to municipal staff, including facilitating discussions, documenting results using the toolkit provided, and synthesizing insights.
- **Task 4: (Pre-) test and develop prototypes:** Support the municipalities in developing the final deliverables (prototypes) based on the methodology. This task also comprises the organisation of 1 workshop per municipality (totalling up to 16 workshops) to (pre-) test the prototypes with users and respective public servants. Municipal staff should be engaged in the sessions, applying the tools and competencies acquired. These workshops will focus on refining and specifying of service prototypes, feedback collection and systematisation, and the final design of the selected services.

Certain milestones, as laid out in the table below, are to be achieved during the contract term:

Tasks		Expert days (up to)	Duration/ Deadline
Task 1	Identifying and Selecting the Services in 10 municipalities	40	October 25, 2024
	Identifying and Selecting the Services in 6 municipalities	24	February 28, 2025
Task 2	Stakeholder mapping in 10 municipalities	15	November 8, 2024
	Stakeholder mapping in 6 municipalities	9	March 15, 2025

Task 3	Exploring users' experiences and ideation in 10 municipalities	40	December 20, 2024
	Exploring users' experiences and ideation in 6 municipalities	24	April 30, 2025
Task 4	Pre-test and develop prototypes) in 10 municipalities	20	January 31, 2025
	Pre-test and develop prototypes in 6 municipalities	12	May 30, 2025
Total		up to 184	

Period of assignment: from October 2024 until July 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).

Processes (1.4): 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.

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 6), 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

- Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the project
- Personnel management, in particular identifying the need for short-term assignments within the available budget, as well as planning and steering assignments and supporting local and international short-term experts
- Regular reporting in accordance with deadlines
- Participate in the joint training by GIZ on human-centric service design.

Qualifications of the team leader

- Education/training (2.1.1): university degree (German 'Diplom'/Master) in Social Sciences, Economics, Management or other degree relevant for the assignment
- Language (2.1.2): B2-level language proficiency in English and C2-level in Armenian language
- General professional experience (2.1.3): 10 years of professional experience in the civil society sector
- Specific professional experience (2.1.4): 8 years of professional experience in activating citizens, including women, youth and vulnerable populations, for community development initiatives in municipalities
- Leadership/management experience (2.1.5): 8 years of management/leadership experience as project team leader or manager in a company
- Development cooperation (DC) experience (2.1.7): 8 years of experience in working in/cooperating with DC projects

Short-term expert pool with minimum 2, maximum 4 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

- Participate in the joint training by GIZ on human-centric service design.
- Build cooperation with 16 selected municipal administrations and, jointly organize up to 3 one-day workshops on human-centric design in each of the municipalities
- Identify and contact citizens, including women, youth and vulnerable populations, with a special focus on individuals displaced from Nagorno-Karabakh, as well as business representatives and civil society stakeholders, for participation in these workshops
- Document the results of the workshops

Qualifications of the short-term expert pool

- Education/training (2.6.1): university degree (German 'Diplom'/Master) in Social Sciences or other degree relevant for the assignment
- Language (2.6.2): B2-level language proficiency in English and C2-level in Armenian language
- General professional experience (2.6.3): 8 years of professional experience in the civil society sector

- Specific professional experience (2.6.4): 5 years of professional experience in activating citizens, including women, youth and vulnerable populations, for community development initiatives in municipalities
- Development cooperation (DC) experience (2.6.6): 3 years of experience in working in/cooperating with DC projects

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

Specification of inputs

Fee days	Comments
Fees of Team Leader and short-term experts in the pool	Expert fee(s), per working day and in total
Travel expenses	Comments
Overnight allowance in country of assignment	Accommodation is reimbursed by 5.000 AMD per night as a lump sum or upon provision of evidence (up to 14.000). Considering that the list of municipalities is not yet finalized, the company should submit the financial proposal based on an estimated 64 nights of accommodation. The actual number of nights will be adjusted once the final list of municipalities is confirmed.
Transport	Comments
Travel expenses (train, car)	Travelling by private car is reimbursed with 100 AMD per km as a lump sum or upon provision of evidence-based on the market price of transportation service. The list of municipalities is attached to these ToR and shall be used as a basis to calculate the travel expenses for 10 municipalities. The calculation of travel costs for the remaining six municipalities should be based on an estimated round-trip distance of 250 km per municipality. These costs will be adjusted accordingly once the actual list of municipalities is finalized.
Other costs	Comments
Other costs	Any other expenses essential for implementing the assignment, e.g., costs for materials. Evidence of these expenses must be submitted. For the workshops, no venues need to be booked as municipalities are asked to provide suitable spaces.

6. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToR. In particular, the structure of the tender must correspond to the structure of the ToRs. 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 15 pages (excluding CVs and title page/ list of contents). 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. They must clearly show the position and job the proposed persons held in the reference project and for how long. The CVs shall also be submitted in English language.

Please calculate your financial tender based exactly on the parameters specified in Chapter 5 (Costing requirements). The contractor is not contractually entitled to use up the days, trips, workshops or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule. The financial proposal must be submitted separately from the technical proposal.

Annex 1: List of selected municipalities

Below is the list of 10 municipalities. The list of additional 6 municipalities will be provided at a later stage.

Municipality	Region
Ashtarak	Aragatsotn
Masis	Ararat
Khoy	Armavir
Sevan	Gegharkunik
Abovyan	Kotayk
Hrazdan	Kotayk
Pambak	Lori
Artik	Shirak
Sisian	Syunik
Yeghegnadzor	Vayots Dzor