

TERMS OF REFERENCE

DESIGN AND IMPLEMENTATION OF PERFORMANCE MANAGEMENT SYSTEM FOR THE CENTRE FOR MULTIPARTY DEMOCRACY (CMD-KENYA)

Introduction

The Centre for Multiparty Democracy (CMD-Kenya) is a political parties' membership organisation that exists to promote, strengthen and defend multiparty democracy in Kenya. The organisation provides a platform for political parties, political actors and policy makers to engage in dialogue, cooperate in strengthening multiparty democracy, promote meaningful political participation, good governance practices and respect for human rights and fundamental freedoms as essential pillars of social justice.

CMD-Kenya is embarking on a new strategic trajectory and is seeking to introduce several measures to facilitate the development of the institution. These include: the restructuring of the organization, a job evaluation exercise, the establishment of sustainable financing mechanisms, and a review of its performance management system. To date CMD-Kenya has completed the skills audit exercise and a new three-year strategic plan. CMD-Kenya is now seeking the services of a single consultant or a consulting firm to assess CMD-Kenya's performance management needs and to develop a suitable performance management system (PMS) for the institution.

Objectives of the Consultancy

The consultancy is aimed at designing a PMS for CMD-Kenya that is tailored to the needs of the institution. The consultant will further be required to train and guide CMD-Kenya's senior management, staff members and the Steering Committee members with the implementation of the final PMS system.

Desired Minimum Characteristics of Envisaged Performance Management System

The envisaged PMS is expected to primarily be capable for use in documenting, tracking and measuring staff members' performance in a systematic manner. Secondly, it must serve as a tool that provides for taking remedial interventions on time when necessary and serve as a guide in rewarding or sanctioning staff performance as appropriate. Thirdly, the PMS must lend itself for use as a strategic key in human resources and business development of the CMD-Kenya.

The specific characteristic of the anticipated system that this assignment must deliver on are to:

1. Create a basis for several administrative decisions such as strategic planning, succession planning, promotions, rewards system, and a procedure for sanctions;
2. Ensure that the employees' duties are linked to and contribute towards attainment of the mission, goals and results of the organization;
3. Ensure that performance objectives are identified for each employee in order to provide a clear understanding – on the part of both employer and employee - of the quantity and quality of work expected;
4. Ensure the establishment of a process for boosting employees' performance by encouraging employee empowerment, motivation and implementation of an effective reward mechanism;
5. Establish a process for evaluating performance relative to expectations and agreed performance standards;
6. Develop a procedure for addressing incidences of employee performance that fall below expected or agreed standards in terms of quality, quantity or frequency;
7. Establish a process that captures employees' baseline skills and qualifications, systematically identifies skills gaps (versus required performance) with the view of supporting staff development in a systematic manner. This should also lend itself for recognizing and appropriately rewarding personal growth and advancement;
8. Provide a framework for documenting work planning and performance review to facilitate decision making; and
9. Establish and promote a two-way system of communication between the supervisors and the employees for setting performance targets, agreeing on performance standards, clarifying expectations about the roles and accountabilities, communicating the functional and organizational goals, providing a regular and transparent feedback for improving employee performance and continuous coaching.

Scope of Work

Working under the direct supervision of the Executive Director, and with inputs from the Steering Committee, the consultant(s) shall undertake specific tasks outlined below. The assignment will not necessarily be limited to these tasks.

- Undertake a thorough assessment of the working and work planning environment at CMD-Kenya.
- Study CMD-Kenya's HR Policy and all relevant policies and guidelines.
- Study various performance management systems available on the market and identify/select at least 2 options for recommendation to CMD-Kenya one or two options that best suits the organisation.
- Study best practice in the market (especially with comparable organisations) for benchmarking purposes.
- Prepare and present a situational report to the Steering Committee outlining key finding – e.g., shortcomings, challenges and most suitable PMS options for CMD-Kenya.
- Following agreement with the Steering Committee, develop a comprehensive PMS for CMD-Kenya. Such PMS must comprise of the following concrete elements:

- i. Overall CMD-Kenya Performance Management Policy or Guideline;
 - ii. CMD-Kenya's results-based PMS – that outlines processes, procedures and templates; and
 - iii. Recommended Scheme for Reward, Sanctions and other remedial measures.
- Design all necessary templates required during the implementation of the PMS e.g., performance contracts, performance monitoring tools etc.
 - Make recommendations for the rollout of the PMS within CMD-Kenya with specific steps and timelines.
 - Train staff members to implement the new systems effectively. This must ensure that the staff members reach the requisite levels of competence to implement the system internally on their own or with very minimal external input.

Process and Methodology

- Desktop review of documents, CMD-Kenya policies, guidelines and strategies.
- Key informant interviews with selected CMD-Kenya staff members and members of the Steering Committee.
- Study of secondary sources and benchmarking especially with comparable organisations.
- Periodic progress reports and consultations with Executive Director at agreed intervals
- Training and rollout support.

Outputs of the Assignment

- A comprehensive Performance Management Policy or Guideline that will serve as the overall roadmap and that complies with all national legal and regulatory instruments;
- A practical results-based PMS – a tool that outlines processes, procedures and templates;
 - i. Contains a regime for a Scheme for Reward, Sanctions and other remedial measures.
 - ii. Includes all necessary templates required during the implementation of the PMS e.g., performance contracts, performance monitoring tools etc.
 - iii. Is compatible with computerized Sage VIP HR management system.
- Training and training manuals/user-manuals.

Indicative Schedule of the Assignment.

The consultant(s) will be required to deliver according to the indicative schedule outlined in the table below:

NO	DELIVERABLES	TIMELINES
1	Inception Report to include inter alia the detailed proposed methodology and a Work Implementation Plan	Within 3 days of signing the contract
2	First Progress Report to include: <ul style="list-style-type: none"> Review of current and other existing PMS systems Initial Findings, Issues and proposed actions The performance management system proposed 	7 days
3	Draft Final Report to include: <ul style="list-style-type: none"> Recommended performance management system Implementation plan Draft PMS Manual to include: <ul style="list-style-type: none"> A Description of the performance management system Training plan which includes orientation to administration of the system 	10 days
4	Presentation to the Steering Committee.	1 day
5.	Training for management and staff in the proposed new system.	2 days
6.	Final Report incorporating feedback from the CMD-Kenya Management and staff. Finally, submission of Final PMS Manual	6 days
TOTAL NUMBER OF DAYS Level of effort and duration		30 days

Payment Schedule

DESCRIPTION	DUE (%)
Acceptance of Inception Report	20%
Acceptance of the First Progress Report	20%
Acceptance of the Draft Final Report and PMS manual	20%
Completion of Training	20%
Acceptance of the Final Report and Final PMS Manual	20%
Total	100%

Required Expertise

Eligible Consultants should have the following:

- Master's Degree in Business Administration, Human Resources or related field;
- At least ten years' demonstrated experience in the development and implementation of performance management systems
- Demonstrated experience in organisational review and/or design.
- Understanding of and experience with nonprofit/NGOs/CSOs is an added advantage.
- Ability to manage assignments effectively –consistently ensuring timeliness and quality of work with minimum supervision.
- Excellent communication and presentation skills.
- Proof of membership in relevant professional association(s).
- Certified Copies of Registration (for firms)

Submission of Proposals

The proposal from eligible Consultant(s) should include the following:

- Technical proposal (refer to evaluation criteria)
- Financial proposal (refer to evaluation criteria.)
- Statement of relevant experience i.e., similar assignments executed in/under execution in the last three years with at least three (3) traceable references
- Measurable goals, objectives and methodology
- Appendix: Documentation such as CVs
- Indication of availability to carry out the Consultancy during the implementation period

Financial Proposal

- The price broken down by professional fee (showing unit rates and input) and any incidental expenses likely to be incurred.
- Note the price should be quoted in Kenya Shillings.
- Indicate the VAT to be charged.

Evaluation of Proposals

Technical Evaluation:

The proposals will be evaluated and scored against the following technical criteria with respective corresponding weights:

- i. Expertise and Experience:** Relevant experience in designing performance management systems, Proven track record of successful implementations for similar organizations or industries and Knowledge of best practices in performance management. (**maximum 10 points**)
- ii. Qualifications and Team:** Qualifications and certifications of the consultants involved, The composition and qualifications of the consulting team and availability and commitment of

- key team members. **(maximum 10 points)**
- iii. **Understanding of CMD Kenya:** A clear understanding of CMD Kenya goals, culture, and specific needs and an ability to tailor the performance management system to your CMD Kenya's unique requirements. **(maximum 10 points)**
 - iv. **Methodology and Approach:** Detailed approach and methodology for designing the performance management system. Project timeline and milestones. Strategies for employee engagement and change management. **(maximum 20 points)**
 - v. **Technical Capabilities:** Knowledge of relevant software and tools for performance management and capability to integrate with existing systems or platforms. **(maximum 10 points)**
 - vi. **Compliance and Legal Considerations:** Compliance with relevant legal and industry standards. Data security and privacy measures. **(maximum 5 points)**
 - vii. **Communication and Collaboration:** Ability to communicate effectively and collaborate with your organization's team. The process for regular project updates and feedback. **(maximum 5 points);**
 - viii. **References and Past Clients:** References from previous clients who can attest to the consultant's performance. Case studies or success stories related to performance management system design. **(maximum 5 points);**
 - ix. **Innovation and Creativity:** Innovative ideas or features that set the consultancy apart from others. **(maximum 5 points);**
 - x. **Interview** with the proposed lead consultant **(maximum 20 points)** for the selected short list of consultants.

The maximum technical score (T) is **100 points**. Note, in the first phase of the evaluation the proposals will be evaluated based on criteria (i) to (ix) above and combined with the financial evaluation as outlined below. This combined score will provide the ranking to determine those proposals to be shortlisted for the interview stage. The score resulting from the interview according to (x) will be added to the first phase combined score to give the final evaluation result.

Financial Evaluation:

The financial proposals will be verified and, if necessary, adjustments will be made to the prices to ensure consistency with the technical proposals in terms of work input and to eliminate arithmetical errors.

The currency used for evaluation is **KENYA SHILLINGS**.

Only proposals meeting a minimum of 70 points under technical evaluation shall be considered for the financial evaluation.

The financial scores (F) will be computed as follows:

The lowest evaluation price proposal (E_m) will be given a financial score (F_m) of 100 points. The financial scores of the other proposals will be computed applying the formula: $F = 100 \times E_m/E$, where: E_m is the lowest evaluation price, and E is the evaluation price of the proposal under consideration.

Consolidated Technical and Financial Score:

The final consolidated scores (S) will be computed by applying the formula:

$$S = t \times T + f \times F, \quad \text{where: } t \text{ is the weight given to the technical score} \\ f \text{ is the weight given to the financial score}$$

The weights given to the technical and financial scores are:

$$t = 70\%$$

$$f = 30\%$$

The firm ranked highest will be invited to negotiate the contract and if negotiations are successful the selected firm will be awarded the contract. Should the negotiations fail; the second ranked will be invited to negotiations.

CMD-Kenya reserves the right during the negotiation stage to vary at the time of award of contract or scope of work by up to a maximum of twenty-five per cent (**25%**) of the original TOR. This negotiation will not permit any changes to unit fee rates or other terms and conditions outlined in the tender proposal.

CMD-Kenya reserves the right to directly award a follow up contract to the contractor selected for the tender to carry out potential future work related to this initial assignment. This will depend on satisfactory delivery of the tender assignment.

Interested consultants should submit Proposals with supporting documentation as an appendix and to be delivered not later than **12:00PM on 20 November 2023** VIA **EMAIL** procurement@cmd-kenya.org or to be delivered at: **Centre for Multiparty Democracy (CMD-Kenya): 6th Floor International House – Nairobi.**