

Terms of reference for Procurement System Enhancement in the Mykolaiv City Council

1. BACKGROUND AND CONTEXT

General overview

The European Union Anti-Corruption Initiative (EUACI) in Ukraine is a joint EU and Government of Denmark financed programme aimed at supporting Ukraine to reduce corruption at the national and local level through the empowerment of citizens, civil society, businesses, and state institutions. In May 2020, the EUACI entered into its phase II that runs till mid-2024.

The overall objective of EUACI Phase II is reduction of corruption in Ukraine on the national and local levels through the empowerment of citizens, the civil society, business, and state institutions.

This specific assignment concerns the EUACI's support to Integrity Cities (Component 2). The component aligns with the government's encouragement of e-government functions by using ICT to improve the efficiency, effectiveness, transparency, and accountability of government at all levels.

It is in this context that the EUACI is seeking a Consultant (Consulting firm or a consortium of organizations) that can work closely with the EUACI and its partner cities to deliver the integrity assessment of the water supply municipally owned enterprises (MOEs) and provide practical recommendations (solutions) on how to tackle the identified managerial and integrity risks.

These Terms of Reference (ToR) provide more details about the assignment.

The partnership with Integrity Cities

The five integrity cities with which the EUACI has entered into a partnership under its component 2 are Chernivtsi, Chervonohrad, Mykolaiv, Nikopol, and Zhytomyr.

During phase I and II, the EUACI worked with these cities to further strengthen their systems and tools for enhancing integrity, transparency, and accountability. The partnership continues in the current second phase of EUACI, focusing on the continued development of the various integrity tools launched during phase one and implementation of new tools agreed expressly for phase two.

These Terms of Reference (ToR) are intended to meet the partner cities' need for technical assistance with the procurement improvement of the Department of City Council and recommendations for addressing the risks identified.

2. OBJECTIVE

The objective of this project is to enhance the efficiency, transparency, and effectiveness of the public procurement process within the Department of housing and communal service and the

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Department of Capital Construction of the Mykolaiv City Council. The project aims to identify areas of improvement, develop and implement procedure and template documents, and establish best practices to ensure that the procurement process aligns with legal requirements, promotes fair competition, transparency and the efficiency of public spending for the City Council.

3. SCOPE OF WORK

The scope of work includes all activities necessary to ensure the achievement of the above objective, including, but not necessarily limited to:

Kick-Off

- 1) Present the work plan and assignment implementation strategy and considerations to EUACI Component Team during the Kick-Off meeting.

Main tasks

- 1) Review of Current Procurement Practices:
 - a. Conduct an in-depth analysis of the existing procurement process, including documentation, procedures, policies, and regulations and also comprehensive analysis of procurements announced by the particular departments through the Prozorro electronic public procurement system and direct agreements in June 2022 - May, 2023, no less than 30 procurement cases per each.
 - b. Evaluate the strengths and weaknesses of the current system, identifying bottlenecks, inefficiencies, and potential risks.
 - c. Assess compliance with relevant legislation, including but not limited to local regulations, and ethical standards.;
- 2) Stakeholder Consultation:
 - a. Engage key stakeholders, including City Council staff, procurement officers, finance department representatives, and external vendors, to understand their perspectives, challenges, and suggestions for improvement.
- 3) Best Practices Overview:
 - a. Benchmark the City Council's procurement process against recognized standards and successful case studies.
 - b. Identify tools and approaches that can be leveraged to streamline and improve the procurement process.
- 4) Action Plan and a set of document samples:
 - a. Develop a set of clear and actionable recommendations for improving the public procurement process.

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- b. Prioritize recommendations based on their potential impact, feasibility, and alignment with the City Council's strategic objectives.
- c. Provide a detailed action plan outlining the steps, timelines, responsibilities, and resources required for implementing the recommendations.
- d. Create draft normative legal acts and relevant orders that regulates procurement sphere and the set of samples of contracts, documents, procedure updates.

The consultant must conduct **at least 4 visits** to work with key stakeholders in the Mykolaiv City Council

4. DELIVERABLES:

The Deliverables are presented below in Table 1 with a tentative schedule.

All results are expected to be provided in Ukrainian unless otherwise agreed. Electronic copies are sent by email to the particular EUACI contact person.

Table 1: Summary of deliverables/outputs and the tentative timeline for delivery.

#	Deliverable/Output	Timeline	Note
1	Consultant's updated work plan , showing tentative timing for the visits to the partner cities and for the start and completion of the activities listed under the scope of work section.	1 week after contract signing	To be submitted to the EUACI contact person by e-mail ahead of presentation during Kick-Off meeting English and Ukrainian versions
2	Report based on the results of a comprehensive analysis of procurements in particular Departments	5 weeks after the contract signing	Ukrainian versions The report should contain: <ul style="list-style-type: none"> - The results of analysis of procurement process and procurement cases; - List of identified corruption risks.
3	A report with recommendations for improving procurement at the departments	8 weeks after the contract signing	Subject for EUACI's approval English and Ukrainian versions
4	Guidebook with updated procurement procedures, samples of procurement	14 weeks after the contract signing	Subject for EUACI's approval Ukrainian version

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#	Deliverable/Output	Timeline	Note
	documents and other related docs.		
5	Trainings of the local procurement team, mentoring and consulting support	within 7-12 weeks of the project	Offline and online
6	Final report	2 weeks	A summary of all activities and outputs delivered under the contract. English version

The timelines indicated in the table above are indicative. The Consultant will reflect on and update the timelines for different activities while preparing and updating the Consultant's work plan. During the Kick-Off meeting with the EUACI Component Team, the Consultant's work plan will be discussed, including the proposed timeline for the different activities and the submission of deliverables.

5. TIMING

The expected duration of the assignment is three months, with a tentative start on 15 July 2023 and completion on 15 November 2023.

6. METHODOLOGY

The Consultant will work under the supervision of the head of the Integrity Support Group for Mykolayiv.

Based on consultations with the Component II EUACI and other EUACI staff and the needs identified in the documentation provided by partners, the Consultants will prepare work plans and send them to the EUACI for approval at least a full work week ahead of time.

7. PAYMENT

Payment will be made in a maximum of two instalments.

First instalment, representing a maximum of 30% of the total contract value, will be made after receipt of the Consultant's updated work plan, Deliverable 2 and invoice.

Second, and final payment will be made upon receipt and approval of the Final Report and all other supporting documents, including a Final Invoice and a contract audit report.

Travel costs and other reimbursable costs will only be accepted if they are in compliance with the guidelines in the contract. In general, the EUACI shall not accept travel costs exceeding those of economy class tickets. In the event of unforeseeable travel not anticipated in the agreed work plans, payment of travel costs, including tickets, accommodation and other

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expenses, must be agreed upon in advance with the Senior Project Manager or the Component 2 Team Leader.

8. QUALIFICATIONS AND COMPETENCE OF STAFF

The assignment described above is expected to be carried out by a qualified team of procurement experts.

The Consultant's core team shall include the following profiles:

- One **Team Leader** responsible for overseeing and quality assuring the entire process, the processing and analysis of collected data, and the quality of key deliverables.
- **Infrastructure Procurement Experts** with experience in public procurement, especially in the sphere of household works and infrastructure
- **Procurement Lawyer** with deep knowledge of Ukrainian legislation on local government
- **Municipality finance expert** with in-depth understanding of local finance management

The more specific requirements for the above four profiles are provided below.

It will be up to the Consultant to decide how many additional team members will be required and what their roles and responsibilities will be.

The Consultant will be required to submit an implementation plan, a description of the Consultant's team, describing how the Consultant will organize and complete the tasks.

TEAM LEADER REQUIREMENTS

General qualifications

- Master's degree or equivalent in public administration, law, finances, or another related field that demonstrates the ability to perform the duties and responsibilities as described.
- Proven track record (no fewer than 7 years) of managing the teams in the field of public or private procurement for legal entities (preferably state or municipally owned) over the past 10 years.

Adequacy of the Team Leader

- A track record of a minimum of one earlier assignments as Team Leader for procurement assessments, business processes reviews for legal entities (preferably state or municipally owned) that range from project design, data collection, data analysis and presentation, and writing and presentation of reports

Experience in the region and language

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- Relevant working experience in the region.
- Fluency Ukrainian as well as C1 English level (CEFR).

REQUIREMENTS FOR THE PROCUREMENT LAWYER:

General qualifications

- Master's degree in law or a similar field.
- Proven expertise in state governance is an asset
- Proven track record (no fewer than 5 years) of working in teams that conduct public procurement for the legal entities (preferably state or municipally owned).

Adequacy for the assignment

- A minimum of two recent assignments from projects of a similar nature within the past three years

Experience in the region and language

- Relevant working experience in the region.
- Fluency in Ukrainian.

REQUIREMENTS FOR THE INFRASTRUCTURE PROCUREMENT EXPERTS

General qualifications

- Minimum of Bachelor's degree in accounting, procurement or business management
- 5+ years of experience as a procurement expert or in a similar position that provide advice to SOE's or local authorities or work at SOE's or local authorities at the procurement managerial position with procurement of services for state or communal infrastructure

Adequacy for the assignment

- A minimum of 3 recent assignments from projects of a similar nature within the past three years

Experience in the region and language

- Relevant working experience in the region.
- Fluency in Ukrainian.

REQUIREMENTS FOR THE MUNICIPAL FINANCE EXPERT

General qualifications

- Minimum of Master degree in accounting, procurement or business management or relevant

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- 5+ years of experience connecting with municipal budgeting or audit that provide advice to SOE's or local authorities or work at SOE's or local authorities at the managerial position.

Adequacy for the assignment

- A minimum of 1 recent assignments from projects of a similar nature within the past three years

Experience in the region and language

- Relevant working experience in the region.
- Fluency in Ukrainian.

9. ESTIMATED BUDGET AND LEVEL OF EFFORT

The maximum budget available for this assignment is approx. EUR 29 000. This amount includes subsistence allowance for fieldwork in the partner city as well as costs related to local travel, and other project related costs such as for example printing.

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