**Terms of reference**

**Procurement System Enhancement in Integrity Cities**

# 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 January 2024, the EUACI entered into phase III that runs until mid-2027.

This specific assignment concerns the EUACI's support of Integrity Cities (Component 2). It is in this context that the EUACI is seeking a Consultant (Consulting firm or a consortium of organisations) that can work closely with the EUACI and its partner cities to deliver the procurement process assessment of City Councils’ departments (units) 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 six integrity cities with which the EUACI has partnered under its component 2 are Chernivtsi, Chervonohrad, Mykolaiv, Nikopol, Mariupol and Zhytomyr.

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

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

# OBJECTIVE

The objective of this project is to enhance the efficiency, transparency, and effectiveness of the public procurement process within the Department of Capital Construction of Chervonohrad City Council, the Department of Infrastructure and Landscaping of Chernivtsi City Council and the Department of Capital Construction of the Zhytomyr 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.

# 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 the 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 a comprehensive analysis of procurements announced by the particular departments through the Prozorro electronic public procurement system and direct agreements in January 2023 - June 2024, no less than 30 procurement cases per each city.

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.

1. Stakeholder Consultation:

a. Engage key stakeholders, including staff of mentioned City Councils, procurement officers, finance department representatives, and external vendors, to understand their perspectives, challenges, and suggestions for improvement.

1. Best Practices Overview:

a. Benchmark of the City Council’s procurement processes against recognized standards and successful case studies.

b. Identify tools and approaches that can be leveraged to streamline and improve the procurement processes in mentioned City Councils.

1. Action Plan and a set of document samples:

a. Develop a set of clear and actionable recommendations for improving the public procurement process.

b. Prioritise 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 regulate the procurement sphere and the set of samples of contracts, documents, and procedure updates.

The consultant must conduct **at least three visits** to work with key stakeholders.

# 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 email ahead of the presentation during the Kick-Off meetingUkrainian version |
| 2 | Report based on the results of a comprehensive analysis of procurements in particular Departments | 5 weeks after the contract signing | Ukrainian versionThe report should contain:* The results of analysis of procurement process and procurement cases;
* List of identified corruption risks.
 |
| 3 | Report with recommendations for improving procurement in particular Departments Best Practices Overview | 8 weeks after the contract signing | Subject to EUACI's approvalUkrainian version |
| 4 | Updated procurement procedures, instructions, normative documents and other related docs | 12 weeks after the contract signing  | Subject to EUACI's approvalUkrainian version |
| 5 | Trainings of the local procurement teams, 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 contractEnglish 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.

#  TIMING

The expected duration of the assignment is three months, with a tentative start in July 2024 and completion on 30 September 2024.

# METHODOLOGY

The Consultant will work under the supervision of the Senior Project Manager of Integrity Cities.

Based on consultations with the Component Integrity Cities, and the needs identified in the documentation provided by partners, the Consultant will prepare work plans and send them to the Senior Project Manager of Integrity Cities for approval at least a full workweek ahead of time.

# PAYMENT

Payments will be made in a maximum of two instalments.

The first instalment, representing a maximum of 30% of the total contract value, will be made after receipt of the Consultant's updated work plan 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.

# 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 an 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 organise 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 record of accomplishment (no fewer than 7 years) of managing 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 record of accomplishment of a minimum of one earlier assignment as Team Leader for procurement assessments, and 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**

* Relevant working experience in the region.
* Fluency in Ukrainian as well as C1 English level.

**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 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 SOEs or local authorities or work at SOEs 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’s degree in accounting, procurement or business management or relevant.
* 5+ years of experience connecting with municipal budgeting or audit, that provide advice to SOEs or local authorities or work at SOEs or local authorities at the managerial position.

**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.

# 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 partner cities, as well as costs related to local travel, and other project-related costs such as audit or printing.

**Bids will be evaluated in accordance with the criteria provided below:**

|  |  |  |
| --- | --- | --- |
| # | Criteria | Weight |
| 1 | Budget  | 20% |
| 2 | Methodology  | 50% |
| 3 | Participant(s) CV(s) | 30% |

**HOW TO APPLY**

The proposals with

1) Budget proposal;

2) Methodology of project implementation;

3) CV(s) of the tender participant(s)

shall be submitted in electronic format only within the below deadline to the email: oleoho@um.dk, cc tarslu@um.dk indicating the subject line **«Procurement System Enhancement in Integrity Cities».**

Any clarification questions for the bid request should be addressed: oleoho@um.dk, tarslu@um.dk no later than **24 June, 18:00** Kyiv time.

The deadline for submitting proposals is **1 July 2024, 18:00** Kyiv time.

**Bidding language: English.**