# **Terms of Reference:**

# **Executive Search for Members of the MykolaivVodokanal Supervisory Board**

**The European Union Anti-Corruption Initiative (EUACI)**

The EUACI is a joint EU and Government of Denmark financed programme aimed at supporting Ukraine in its efforts to reduce corruption at the national and local level through the empowerment of citizens, civil society and state institutions. The strategic objectives are that: Corruption in Ukraine is reduced; Ukraine advances with anti-corruption reform; and Reconstruction in war-affected areas of Ukraine is implemented within a framework that incorporates transparency, accountability and integrity.

The EUACI has four intervention areas, namely:

* Support to independent state institutions fighting and preventing corruption;
* Transparency and accountability of the reconstruction process;
* Support cities in war-affected areas in enhancing integrity in the reconstruction process;
* Civil society and media in preventing and fighting corruption.

This specific assignment concerns the EUACI's support for Integrity Cities (intervention area 3).

**The Integrity Cities**

The six integrity cities with which the EUACI has entered into a partnership are Chernivtsi, Chervonohrad, Nikopol, Zhytomyr, Mykolaiv and Mariupol. At the moment, the EUACI has no activities in Mariupol. Based on the agreement with the Mykolaiv City Mayor, the EUACI has established an Integrity Support Office of experts in the local municipality, headed by an advisor to the Mayor to support the integrity transformation, transparency, and accountability of the reconstruction process.

**Background**

As part of the Risk Minimization Plan and following an Integrity Assessment, the Mykolaiv City Council, with the support of the EU Anti-Corruption Initiative (EUACI), is implementing a Corporate Governance Roadmap for the municipally owned enterprise “MykolaivVodokanal.” Establishing a Supervisory Board at “MykolaivVodokanal” will address its key challenges and clarify areas of responsibility and authority: executive functions will be managed by the Director, while the Supervisory Board will oversee control and strategy.

The effectiveness of the Supervisory Board directly depends on the quality of its members. To ensure the board is effective, its composition must be balanced in both quality and quantity, with a majority of independent members. These members must be selected through a competitive process. It is crucial to conduct the broadest and most rigorous selection to guarantee that the board is composed of professionals with the highest standards of integrity.

The Supervisory Board for MykolaivVodokanal will be appointed by a decision of the Mykolaiv City Council, based on the recommendations of a Selection Commission. In both the public and private sectors, it is standard practice to engage professional recruitment consultants to assist with the selection of Supervisory Board candidates in line with established criteria. These consultants bring a wide network and significant experience in recruiting senior officials, which can greatly enhance the search for qualified candidates.

In this context, the EUACI is seeking a Service Provider (Consultant, Consulting Firm, or NGO) to collaborate closely with the EUACI and its partner city in conducting an executive search for the recruitment of three members of the Supervisory Board of “MykolaivVodokanal”. A professional recruiter will ensure a transparent and competitive selection process, and their expertise will be instrumental in identifying candidates who meet the rigorous standards required for this vital governance role.

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

## **Objective and results**

The objective of the assignment is to conduct a comprehensive, competitive, transparent, and high-quality selection of three independent members for the Supervisory Board of “MykolaivVodokanal”. Actively assist the Nomination Committee throughout the selection process, and provide support during the contract signing and onboarding phases to facilitate the establishment of the Supervisory Board.

**2. Scope of work**

The Service Provider will be responsible for the following tasks:

* **Initial Consultation & Planning**:
* **Develop a clear vision for candidate requirements, including the list of documents to be submitted by applicants, evaluation criteria, the composition of the Supervisory Board, and the compensation for its members. This should be based on the Corporate Governance Roadmap prepared by the Vasyl Kisil and Partners law firm and consultations with the partner city.**
* **Develop the Recruitment Plan** for identifying candidates to fill the three vacant positions of independent members of the Supervisory Board. The plan should include a draft of the relevant announcement and recommendations for selecting media/platforms to place bilingual announcements.
* Develop and conduct tests of candidates regarding their management and professional skills.
* Develop the Evaluation Methodology for assessing candidates during interviews with the Nomination Committee.
* Conduct at least 3 interviews with stakeholders.
* Conduct at least 2 offline visits to Mykolaiv.
* **Market Research & Candidate Identification**:
* Conduct comprehensive market research to identify suitable candidates from relevant sectors, ensuring a broad pool of qualified individuals.
* Publish the competition announcement across the selected media platforms to reach potential candidates.
* Manage the submission process, receiving and organizing applications submitted by candidates.
* **Candidate Assessment & Shortlisting**:
* Analyze the application documents of all candidates, assess each candidate’s suitability for the position of independent member of the Supervisory Board. This includes verifying the integrity of information, compliance, and references using validated open databases and other reliable sources.
* Provide a detailed candidate assessment report, outlining the qualifications, experience, and fit of each candidate.
* Provide an in-depth integrity assessment of each shortlisted candidate based on available material through open sources.
* Present a shortlist of at least 2-3 candidates per position for review by the Nomination Committee, along with a list of potential replacement candidates, in case of candidate withdrawal, non-appointment, or early termination of a Supervisory Board member's tenure.
* **Interview Coordination**:
* Coordinate interviews between the shortlisted candidates and the Nomination Committee.
* Maintain effective communication with all applicants, including both shortlisted and non-shortlisted candidates. Clearly communicate deadlines for each stage of the process, ensuring participants are aware.
* Provide feedback and support to the Nomination Committee throughout the interview process.
* **Final Selection Support**:
* Support the Nomination Committee in the final interview process, ensuring all aspects of the candidate’s suitability are discussed and assessed.
* Facilitate negotiations related to terms of service, legal matters, compensation, and any other contractual matters.
* Conduct a meeting of the Nomination Committee to approve the candidates who have been recognized as the best.
* **Post-Selection Follow-up**:
* Assist in onboarding the selected candidates, ensuring a smooth transition to the board.
* Provide support for up to three months post-selection to address any potential concerns or challenges.

1. **Deliverables:**

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

All documents are expected to be provided in Ukrainian and English language 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 start and completion of the activities listed in the scope of work section. | 1 week after the contract signing | To be submitted to the EUACI contact person by e-mail ahead of the presentation during Kick-Off meeting |
| **2.** | **The Recruitment Plan** | 3 weeks after the contract signing | Ukrainian and English  To be approved by the EUACI and the Nomination Committee.  The Plan should contain:   * the list of documents to be submitted by applicants, * evaluation methodology, * the composition of the Supervisory Board, draft of the relevant announcements * list of distribution channels. |
| 3. | The Induction Session for the Nomination Committee | 4 weeks after the contract signing | The 1.5-hour online meeting is intended to provide all nomination committee members with a clear understanding of the entire selection process, how the committee will function, its role, and to address all their questions.  The date must be agreed upon with EUACI. |
| 4. | The Candidate Assessment Report | 9 weeks after the contract signing | The report should outline the qualifications, experience, and fit of each candidate. |
| 5. | The list and brief minutes of all the Nomination Committee meetings. | 12 weeks after contract signing | The report must include brief minutes of all nomination committee meetings, including those during which candidate interviews were conducted, specifying the participants, key issues discussed, and decisions made. |
| 6. | The List of short-listed candidates with signed job offers. | 12 weeks after contract signing | Ukrainian and English  To be approved by the EUACI and the Nomination Committee.  The list should also contain a few potential replacement candidates, in case of candidate withdrawal, non-appointment, or early termination of a Supervisory Board member's tenure. |
| 7. | Induction Session for the Newly Established Supervisory Board | Ap. 16 weeks after contract signing | The date and format should be approved by the EUACI according to the current state of the matter. |
| **8.** | **Final report** | 20 weeks after the contract signing | Ukrainian and English  To be approved by the EUACI  A summary of the tasks and outputs delivered under the contract. |

The timelines indicated in the table above are indicative. The Service Provider will reflect on and update the timelines for different activities while preparing and updating the Work plan.

**4. Timing**

The expected duration of the assignment is 20 weeks (up to 90 working days), with a tentative start in October 2024 and completion at the end of March 2025.

The assignment will not begin before the relevant decisions by the City Council are adopted.

**5. Payment**

Payment will be made in a maximum of two installments.

The first installment, representing a maximum of 30% of the total contract value, will be made upon receipt of the Service Provider's Deliverable 1 and invoice, and contingent exclusively upon the Mykolaiv City Council's approval of the decision to establish a supervisory board.

The second and final payment will be made upon receipt and approval of the Final Report and a Final Invoice.

Definition of indicators

The performance of the contractor will be judged upon reaching the purpose of this contract as well as obtaining its results, as indicated in the sections "Objective" and "Expected Deliverables" herein respectively.

**Special requirements**

By signing the contract, the contractor (and its representatives) agree to hold in trust and confidence any information or documents ("confidential information"), disclosed to the contractor or discovered by the contractor or prepared by the contractor in the course of or as a result of the implementation of the contract and agrees that it shall be used only for the purposes of the contract implementation and shall not be disclosed to any third party without EUACI authorization.

The contractor reports to the EUACI. The contractor shall de-brief the EUACI prior to finalizing the assignment.

The developed deliverables can be checked (as a quality assurance) and payments will be provided by the quality assurance results.

**6. Requirements for the Service Provider:**

**Registration as a legal entity, or private entrepreneur or NGO according to Ukrainian legislation.**

**General qualifications:**

1. Proven track record in recruiting board-level executives, particularly for public sector or communal enterprises not less than 3 years of experience
2. Proven track record in recruiting board-level executives, particularly for business sector not less than 6 years of experience
3. In-depth knowledge of corporate governance, municipal governance, and leadership competencies.
4. Strong research capabilities and access to a diverse and qualified candidate pool.
5. Excellent project management and communication skills to ensure transparency throughout the process.
6. Ability to conduct due diligence, including background checks and reference verification of the candidates for different positions
7. Compliance and Ethics:

* Adherence to ethical standards and legal requirements.
* Commitment to confidentiality and data security.

**7. Estimated budget**

The maximum budget available for this assignment is **up to EUR 17 000**. 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 venue renting, printing or catering. Bids will be evaluated in accordance with the criteria provided below:

Bids will be evaluated under the criteria provided below:

|  |  |  |
| --- | --- | --- |
| **#** | **Criteria** | **Weight** |
| 1 | Proposed budget | 20% |
| 2 | Relevant experience, skills, and competencies | 60% |
| 3 | Portfolio of projects | 20% |

**HOW TO APPLY**

The proposals with:

* A short methodology outlining the consultant’s approach to executive search and candidate assessment;
* CV of the Key staff involved by the tender participant;
* Portfolio of relevant projects;
* Financial Offer (Proposed budget).

shall be submitted in electronic format only within the below deadline to the email: [tarslu@um.dk](mailto:oleoho@um.dk), cc [yuliiamincheva@gmail.com](mailto:yuliiamincheva@gmail.com) indicating the subject line **“Executive Search for MykolaivVodokanal Supervisory Board”.**

**The deadline for submitting proposals is October 7, 2024, 18:00 Kyiv time.**

Any clarification questions for the bid request should be addressed: [tarslu@um.dk](mailto:oleoho@um.dk), cc [yuliiamincheva@gmail.com](mailto:yuliiamincheva@gmail.com) no later than 30 September 2024, 18:00 Kyiv time.

**Bidding language:** English.