*Appendix 3*

**TERMS OF REFERENCE:**

**for the procurement of a Multifunctional management and accounting system for two municipally owned enterprises in the water supply sphere in the Integrity Cities of** **Sheptytskyi and Nikopol**

# BACKGROUND AND CONTEXT

**General overview**

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

The European Union Anti-Corruption Initiative (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, businesses, and state institutions. In January 2024, a new phase of the EUACI is launched. 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 seven integrity cities with which the EUACI has entered into a partnership under its Component 3 are Zhytomyr, Chernivtsi, Sheptytskyi (former Chervonohrad), Nikopol, Mykolaiv, Poltava and Mariupol. Currently, there are no active projects in Mariupol.

As part of supporting the requests from Integrity Cities and within the framework of Risk Minimization Plans’ activities, the EUACI is ready to support the development of a multifunctional management and accounting system for two municipally owned enterprises (MoEs), “Chervonohradvodokanal” and “Nikopolvodokanal”.

Additionally, the city administrations of Sheptytskyi and Nikopol are prepared to co-finance this activity by independently procuring certain modules and related services, specifically:

• The Sheptytskyi City Council will allocate funding for the procurement of two essential standard functionality modules, specifically the “HR” module and the “Purchases” module, with a total cost of 110,000.00 UAH (approximately 2,525 EUR).

• The Nikopol City Council will allocate funding for the procurement of two essential standard functionality modules, which will be determined at the time of procurement initiation, with a total cost of 121,000.00 UAH (approximately 2,780 EUR).

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

# OBJECTIVE

The objective of the assignment is to design and implement a multifunctional management and accounting system in two MoEs in the water supply sphere in the Integrity Cities of Sheptytskyi and Nikopol. The Consultant will design and implement an IT solution that addresses the operational needs of two MoEs, “Chervonohradvodokanal” and “Nikopolvodokanal”, as part of a multifunctional management and accounting system.

# SCOPE OF WORK

The scope of work includes all activities necessary to ensure the achievement of the above objective.

The Consultant will be responsible for designing and implementing an IT solution that meets the operational needs of two MoEs, “Chervonohradvodokanal” and “Nikopolvodokanal”, as part of a multifunctional management and accounting system. The IT solution will be hosted on a cloud server, which will be provided by MoEs. The Consultant is expected to make regular visits to Sheptytskyi (if needed) and only online communication with Nikopol; additional online interactions are to be agreed upon separately with the EUACI.

**Kick-Off**

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

**The following services must be provided, and the tasks to be performed are as follows:**

**1. Preliminary Assessment**

Assess the current operational state and technical infrastructure of “Chervonohradvodokanal” and “Nikopolvodokanal”. Identify gaps and define the system requirements.

**2. Deployment**

Install and configure the IT solution to align with the operational needs of both enterprises.

**3. System Implementation**

Migrate data, customize modules, and integrate the system with existing processes.

* Data migration and validation.
* Module customization and optimization.
* Integration report.

**4. Testing**

Conduct thorough testing to ensure functionality, performance, and user satisfaction.

**5. Customer Training**

Deliver training to users to facilitate the smooth adoption of the system.

This streamlined approach ensures that the IT solution effectively meets the operational needs of the enterprises.

**The system must include the following functionalities:**

* **“Cash and Bank”** **Module:** Designed to manage accounting for cash and non-cash transactions, as well as settlements with accountable parties.
* **“Sales”** **Module**: Designed to handle accounting for customer settlements and manage contract workflows.
* **“Purchases” Module:** Designed to manage accounting for settlements with suppliers of goods and services, as well as to organize contract management (module will be funded by the cities (as part of the overall co-financing).
* **“Inventory”** **Module:** Designed to record operations related to the receipt, movement, and write-off of inventory.
* **“Production” Module**: Designed to record operations related to product manufacturing in both primary and auxiliary production processes, as well as processing activities.
* **“Fixed Assets and Intangible Assets” Module**: Designed to track operations related to the acquisition, transfer, and disposal of fixed and intangible assets, as well as repairs, upgrades, depreciation calculation, and asset revaluation.
* **“Tax Accounting” Module**: Designed to manage tax accounting and generate tax reports.
* **“HR” Module**: Designed to manage basic personnel records (module will be funded by the cities (as part of the overall co-financing).
* **“Payroll” Module**: Designed to calculate and process employee wages, including additional payments and deductions, for any number of employees.
* **“Operations” Module**: Designed to close the reporting period, determine financial results, and input initial balances.
* **“Reports” Module**: Designed to prepare financial and tax reports, as well as ongoing accounting and financial analysis reports.
* **“Directories” Module**: Designed to provide quick access to system and user directories across all modules.
* **“Administration”** **Module**: Designed to manage administration, configuration, and setup of the software product.

# 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 with the exception of the public document and Final Report that should be in Ukrainian and English versions. 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** | **Target Timeline/Due Dates** | **Review/Approval** |
| 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 contract signing | To be submitted to the EUACI contact person by e-mail in Ukrainian version ahead of presentation during Kick-Off meeting. |
| 2 | Demonstration of basic functionalities and identification of discrepancies that require custom configurations. | 2 weeks after contract signing | To be submitted to the EUACI contact person by email during the Kick-Off meeting ahead of the presentation. |
| 3 | Detailed terms of reference (technical specifications) for the software customization development and approved by partner city. | 6 weeks after contract signing | These should be comprehensive terms of reference outlining the software's functionality, reflecting both the business processes agreed upon with the city and the technical requirements.To be approved by the EUACI. |
| 4 | Data management: collection, processing, cleaning and uploading of data in the system according to the defined data file structure. | Constantly | This process should result in the creation of high-quality, structured data sets based on the data provided by the partner city. |
| 5 | The beta version of the system has been developed for the partner city, with data collected, refined, and uploaded into the system. | 34 weeks after contract signing | The beta version of the software is developed and presented to the city. Note: The system should be developed according to the detailed terms of reference (specifications) based on technical requirements and approved by EUACI and the city. |
| 6 | The software has been installed on the city servers and is now operational (productive). | 38 weeks after contract signing | After testing the beta version of the developed system and addressing the comments received from the municipality, the system should be installed and configured on the municipality’s servers, and all of the documentation is transferredAll necessary software licenses, if any required, are transferred to the City council  |
| 7 | The basic technical assessment of the developed software is conducted. | 43 weeks after contract signing  | The basic technical assessment of the developed and installed system in Integrity City is conducted, and a report is provided to the EUACI contact person |
| 8 | Preparation of training plan and at least 3 online training sessions provided for public officials responsible for working in developed software of the partner city. | 43 weeks after contract signing  | A contractor is expected to develop training materials and provide at least 3 online training sessions for public officials responsible for the system use |
| 9 | Final Report | 44 weeks after contract signing | To be approved by the EUACI.A summary of the tasks and outputs delivered under the contract.To be submitted to the EUACI contact person by e-mail in Ukrainian version with summary in English. |
| 10 | Provision of system updates by the Consultant for MoEs | 96 weeks after contract signing | Such support will be provided by the Consultant throughout the contract duration and for an additional 13 months after its completion. |
| 11 | Technical support and consultation on system operation by the Consultant for MoEs | 96 weeks after contract signing | Such support will be provided by the Consultant throughout the contract duration and for an additional 13 months after its completion. |

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 11 months, with a tentative start in August 2025 and completion in June 2026.

# METHODOLOGY

The Contractor will work under the supervision of Project Expert for Integrity Cities.

Based on the consultations with the EUACI staff and the needs identified in the documentation provided by the partner city, the Contractor will prepare the work plan and send it to the Project Expert for Integrity Cities for approval at least a full work week ahead of time.

The Contractor's work plan shall be output-based, specifying the outputs the Consultant will be delivering or contributing to, the activities carried out, and the input required in terms of workdays. The contractor should appoint a responsible project manager for communication with the EUACI team and a responsible manager for communication with the city.

# PAYMENT

Payment 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, Deliverable 1, and invoice.

The second and final payment will be made upon receipt and approval of the Final Report with all other supporting documents, including a Final Invoice.

# QUALIFICATIONS AND COMPETENCE OF STAFF

The Consultant must be a registered legal entity, private entrepreneur, or NGO under Ukrainian law. The assignment described above is expected to be completed by a qualified Consultant or expert team. If third parties or additional experts are engaged in the contract, this must be specified in the proposal.

The assignment described above is expected to be carried out by a qualified Contractor. The Contractor has to meet a minimum of the following requirements:

* minimum 3 years of experience with similar projects, including developing and implementing business processes;
* minimum 5 successfully implemented similar projects for local organizations;
* minimum 2 years of experience in cooperation with local self-governments on the development and implementation of software.

# ESTIMATED BUDGET AND LEVEL OF EFFORT

The budget is up to **33,000 EUR**. 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 for example audit, basic technical assessment and printing.

**EVALUATION CRITERIA**

Bids will be evaluated under the criteria provided below:

|  |  |  |
| --- | --- | --- |
| **##** | **Criteria** | **Weight** |
| 1 | Portfolio of successfully completed software development projects | 60% |
| 2 | Proposed methodology  | 20% |
| 3 | Proposed budget | 20% |

**HOW TO APPLY**

The bidder must submit the following information:

1. Letter of Tender (Appendix 1)
2. Portfolio of relevant projects demonstrating previous experience in similar assignments (PDF, up to 10 pages);
3. Financial offer (proposed budget) with a detailed indication of the fee for each team member separately (Budget template).

To apply, please send all the documents listed above to euaci@um.dk, cc ulytyb@um.dk indicating the subject line **"Multifunctional management and accounting system for two MoEs in Sheptytskyi and Nikopol"**.

If the requested documents are not submitted in line with the request above, the bid will not be considered.

**The deadline for submitting the proposals is 15 July 2025, 18:00** Kyiv time.

Any clarification questions for the bid request should be addressed to euaci@um.dk, cc ulytyb@um.dk no later than **8 July 2025, 18:00** Kyiv time.

To ensure your documents were successfully received, please check that you receive an auto-reply from our system.

Please note that the name of the winner of the tender will be published on EUACI’s website.

**Bidding language: English**