1. BACKGROUND

The European Bank for Reconstruction and Development (the “Bank” or “EBRD”) is considering a loan of up to EUR 8 million to the Vinnytsia Automated Fare Collection (“AFC”) Project (the “Project”). The Project will finance deployment of a modern AFC system including an Automated Vehicle Location (AVL) sub-system with a loan disbursed to the special purpose municipally-owned company called Municipal Enterprise Vinnytsia Card Service (the “Company” or “VCS”). In addition, the Project will provide support for the City’s institutional strengthening and the development of a regulatory framework.

VCS was established on 12 December 2014 to implement the AFC system and then further expand it to other services in the City of Vinnytsia (the “City”). The Project is called Vinnytsia Card at the City level. The system will include an AVL sub-system to track municipal public transport vehicles and offer modern dispatch services for the City and transport operators.

It is planned to have an AFC system where users are issued with contactless smart cards (“e-cards”) carrying information with stored value or purchased tickets and other products. It is planned that the e-card will be able to carry equivalents of money, various public transport tickets and be suitable for other dedicated applications including access to City services, parking or potentially bicycle rental.

The e-cards will be optionally personalised. Personalised e-cards will have a set of personal data printed on them to identify the card holder and give access to certain pre-defined benefits, like discounts for public transport services. Personalised e-cards will be issued for groups of citizens entitled for free of charge or lower fare (concessionary) public transport services. The City may decide to issue personalised cards free of charge or take a deposit.

The current fare collection system in the City is obsolete. The system is based on monthly paper passes and single fares collected as cash on-board by conductors. High cost and fare evasion along with cash leakage are the primary shortcomings of the current system. According to initial estimates, benefits from a new AFC system could cover its costs. The expected direct benefits of the system will be brought with increased revenues from tickets, reduced cash leakage and lower operating expenses. The AFC system will cover all public transport services in the City, including private ones rendered by private minibus operators.

According to the City’s plans the new AFC system will allow the tracking of the public transport fleet. This will be used to monitor transport operator performance and adjust municipal payments in line with operators’ actually delivered kilometres. It should improve service quality by facilitating greater focus on the reliability of
services by transport operators, but also providing real time information to users on the expected arrival of vehicles at bus stops.

At the initial implementation stage VCS will be financed from municipal budget transfers. After the completion of the AFC deployment stage their payment will be provided from fare revenue collected through the system. Part of the payment from the transport operators to VCS will come as a fixed amount of rent for the system’s equipment, while the other part will depend on the performance and directly related to the value of transactions done on the AFC system. The City and VCS may also decide to charge for provision of AVL dispatch equipment to operators separately.

The bulk of the public transport supply (circa 75 per cent) is provided by Vinnytsia Transport Company (“VTC”) formerly “Vinnytske Tramvaino – Trolleybusne Upravlinnya” (“TTU”), whose tram, trolleybus and bus fleet will be the basis to introduce AFC system. However the City intends to implement the new system on all public transport services, including private operators (i.e. 200 minibuses).

The City is in the process of a major overhaul of its public transportation infrastructure. In 2010 the City received from Zurich 116 second-hand trams (93 of which are currently operational) funded by a grant from the Swiss State Secretariat for Economic Affairs. In 2011 the City replaced all of the tram fleet with the second-hand trams from Switzerland and installed Wi-Fi access points in the trams to increase their popularity. In 2012-2013 the City received UAH 63 million (EUR 6.1 million) of state grant for the purpose of completing the tram loop which should result in sizable cost savings as well as an increase in ridership. Finally the City received an approval for UAH 113.5 million (EUR 10.4 million) of state guarantees and a grant covering half of the principal and interest repayment, to upgrade the trolleybus fleet (with an average age of 24 years) and expand the bus fleet by 40 and 30 units respectively.

2. OBJECTIVES

The overall objective of this assignment is to facilitate the timely and effective implementation of the Project’s procurement processes by rendering assistance to the Company in implementation of the Project, including review of technical and legal due diligence reports and preliminary system design, preparation of tender documentation, all aspects of procurement, contract administration and disbursement.

The selected consultant (the “Consultant”) should advise the Company with respect to all aspects which, in the Consultant’s professional judgment, may jeopardise the Project’s successful implementation and/or constitute violation of the contract conditions. If requested, the Consultant will be obliged to help the Company to provide the Bank with data, advice and information in relation to the contracts which shall be impartial and take due regard of industry best practices.

It is expected that with the involvement of the Consultant, the Company will have access to best international practice and support throughout the Project procurement and advice on specific technical issues as they arise.

3. SCOPE OF WORK
The Consultant will provide assistance in the procurement of the contracts in a detailed manner in accordance with the procedures, specifications and documentation of the Bank and pursuant to all other agreements stipulated in the Loan Agreement signed between the Company and EBRD.

The project shall include the following components:

- Supply, installation and maintenance of the AFC system,
- Smart cards for AFC system,
- Server room equipment,
- Ticket inspector’s and maintenance service vehicles,
- Other office equipment for front and back offices.

3.1 Monitoring of procurement
The Consultant will oversee all activities and ensure that all procurement is carried out in accordance with EBRD Procurement Policies and Rules (“PP&R”).

The Consultant, in consultation with the Company shall establish, review and update the Project Implementation Plan (“PIP”), as needed, and acceptable to EBRD. The PIP shall cover all aspects of project implementation and shall include, inter alia:

- Project programme (using appropriate presentation format, e.g. liked activity programmes etc) for completion of the contracts showing all activities and milestones for design, approvals, deliveries, construction, commissioning, completion etc. In the process of developing this plan the Consultant will verify that all state expertise, planning, construction (for on-street Ticket Vending Machines) and operation approvals and permits have been identified.
- Project Budget – decaled cost budgets as well as cash flow forecast for the Project. This shall be based on existing proposals of cost estimates.
- Procurement plan. The Consultant shall advise on the best contract approach for each project component.
- General Procurement Notice for the Project in accordance with the PP&R.

3.2 Preparation of Procurement Documentation
The Consultant shall prepare technical and functional specifications for the goods and services to be procured under the loan in order to meet the requirements for an open and transparent tender process. The Consultant shall review and incorporate the technical specifications and prepare the complete tender documents taking into account any reasonable requirements of the Company and the Bank, and shall ensure that documents are no-objected by the Bank prior to being issued.

The Consultant shall base required technical and functional solutions on the best industrial practice and innovative solutions.

The Supply, installation and maintenance of the AFC system contract shall be procured through a two-stage tendering procedure in accordance with the EBRD Procurement Rules (as described in the EBRD standard tender document Supply and Installation of Plant and Equipment). The Consultant shall take this requirement into
account when estimating the required input of the Procurement Expert, as well as the implementation schedule.

3.3 Support during the procurement process
The Consultant will provide support to the Company throughout the procurement process. To this end, the Consultant will carry out the following activities:

- Draft and ensure that all procurement notices are placed in a timely manner in accordance with the PP&R.
- Ensure that all approvals and no-objections are applied for in a timely manner.
- Carry out the administration of the tender processes, ensure that appropriate records are kept, documentation is properly stored, recorded and managed, and confidentiality is maintained.
- Prepare draft responses to tender clarification enquiries, arrange for approval and issue and record the same.
- Prepare any amendments to tender documents as may be required and obtain no-objection prior to issue.
- Arrange any pre-tender meetings and record same.
- Advise the Company’s tender committees of the rules and procedure for tender opening.
- Arrange public tender openings and prepare minutes.

3.4 Evaluation of tenders
The Consultant will provide support in the organization and management of the evaluation processes. To this end, the Consultant will, inter alia:

- Give guidance on the composition of the evaluation committee and to the committee as required.
- Provide draft detailed technical evaluation reports for consideration of the committee. Compile the evaluation reports in the required format, including all technical and financial analyses, records of consultation with external parties by the committee and clarifications requested and receive.
- Arrange for meetings of the evaluation committee, attend as an advisor and record these meetings, presenting the minutes for approval by the Company.
- Document the committee’s deliberations in relation to the evaluation report and compile the agreement there into the report prior to seeing all approvals.
- Prepare revisions or additional information to the report that may be requested by the Bank.
- Ensure that all queries and complaints are promptly attended to as appropriate and copy such inquiries as appropriate to the Bank.
- The Consultant may be required by the Bank to provide confirmation of tender evaluation committee recommendations.

3.5 Support during contract finalisation
The Consultant will provide support to the Company during contract finalisations. To this end, the Consultant will, inter alia:

- Prepare a brief for the Company indicating all the items to be resolved in the clarifications pre-contract, if any.
- Attend pre-contract discussions, if any, and document the discussions, updating the contract documents necessary and seeking all necessary approvals.
- Advise on the validity of performance and other contract-related securities.
- Circulate the contracts as required by the relevant PP&R.
- Notify unsuccessful tenderers.
- Ensure that all queries and complaints are promptly attended to as appropriate and copy such inquiries and responses as appropriate to the Bank. The Consultant may be required by the Bank to participate in ‘de-briefings’ as a result of complaints.

3.6 Administration of the Contracts

The Consultant will assist the Company to administer the contracts.

The Consultant will perform the duties of the Engineer/the Project Manager or equivalent, as these may be attributable to, specified and/or implied by the contract, in accordance with the laws, technical standards and construction norms and rules.

In order to do so the Consultant will *inter alia*:

- Review and assist with Client’s approval of the working technical and functional design prepared by the Contractor;
- Supervise the installation and approve all materials and system components, installation techniques and methods on a day-to-day basis in accordance with the contract(s);
- Provide expert advice on all aspects of the services provided, especially regarding project supervision, functionality of the system contracts monitoring and quality control;
- Ensure the proper programming, recording, measurement and accounting of the installation by means of contemporary management and measurement techniques;
- Carry out monitoring of the project progress and promptly report to the Companies details of any aspect that may jeopardize the progress of the installation and deployment of the systems, as well as any implications such aspects may have on the original time of completion or cost of the contracts, and the measures being (or to be) adopted to overcome such factors;
- Approve the contractor’s contract implementation and system deployment programmes and sources of materials and system components and characteristics thereof;
- Approve adjustment of the installation on the given location and instruct the contractors on these issues;
- Determining by measurement the value of the goods and installation services in accordance with the Contracts documents;
- Issue Interim Certificates for interim payments to the Company for approval and certifying quality, etc. and completion of all, or parts of, the works;
- Determine the value and time impact of variations, reviewing new rates proposed by the Contractor and making recommendations to the Company for the acceptance (as appropriate) of revised rates and the issue of Variation Orders;
Ensuring that environmental protection measures are implemented during AFC system installation process are implemented;

Ensuring that safety requirements (including on-site movements) are met and that the minimum disruption to operations of transport operators is caused by installation of equipment under the contracts;

Facilitate arrangements between the Contractor and City’s transport operators and the Company sharing occupation of the worksite for vehicles’ on-board and Ticket Vending Machine equipment installation;

Participate in the interim and final acceptance of the separate parts of the system as the whole AFC system;

Agree the final measurement and payment on completion of contracts;

Verify functional and technical manuals of the system and certificates supplied by the Contractor;

Verify “As-built” drawings supplied by the Contractor in works contract(s), if any;

Advise the Company on all matters related to the execution of the contract(s), including settlement of the Contractor’s claims;

Carry out other inspections, when necessary and envisaged under the contracts;

Verify sufficient training of staff required under the contract was delivered by the Contractors;

Verify the spare parts of the system were supplied by the contractors and stored securely at the warehouse of the Company;

Participate in acceptance of equipment delivered.

The Consultant shall seek prior approval from the Company before:

Issuing any Variation Order and/or contract amendment with financial or time implications, except in an emergency situation when the approval of the Company shall be obtained as soon as practicable;

Sanctioning additional items, sums or costs;

Approving the sub-contracting of any part of the installation, integration or any other services; and

Approving any extension for the time(s) for completion.

4. IMPLEMENTATION ARRANGEMENTS AND DELIVERABLES

4.1 Facilities for the Consultant and access to information

The Consultant will sign the contract with the Company and will report to the Directors of the Company. The Consultant will liaise as required with the EBRD’s Denis Gaiov (gaiovyd@ebrd.com) and Nourilya Moldakhmatova (moldakhn@ebrd.com) in Kyiv.

The Consultant will be responsible for arranging accommodation and local and international transportation for staff. It is envisaged that given the long term nature of the assignment the Consultant would rent an apartment for its staff to avoid local hotel costs. The Consultant will be responsible for all salaries, fees, allowances, insurance, leave pay and taxes for the staff involved in the assignment.
It is expected that the Company will provide the Consultant free of charge with furnished office accommodation and access to telephones, fax and internet. All calls and internet service costs are to be paid by the Consultant.

The Company will also provide access to all available and relevant project information, reports and documents, including maps, studies, models, legal documents etc. at no cost to the Consultant. All documentation will be provided in the original version (i.e. not necessarily in English), so good translation support will be required. All documentation related to the contracts will remain the property of the Company after completion of the assignment. The Consultant shall not publish, use or dispose of this documentation without the written consent of the Company.

4.2 Timetable

The assignment is expected to start in the Q3 2015 and have a duration of 30 months.

4.3 Deliverables

The Consultant will submit the following reports in Ukrainian and English languages:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Draft submitted</th>
<th>Final submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial report</td>
<td>One month after mobilisation</td>
<td>Two months after mobilisation</td>
</tr>
<tr>
<td>Quarterly report</td>
<td>Last working date of each quarter</td>
<td>Not required</td>
</tr>
<tr>
<td>Final report</td>
<td>Last month of the assignment</td>
<td>Upon completion of the services</td>
</tr>
<tr>
<td>Project Implementation Plan</td>
<td>One month after mobilisation</td>
<td>Two months after mobilisation</td>
</tr>
<tr>
<td>Tender document for Supply, Install and Maintain of the AFC system</td>
<td>Three months after mobilisation</td>
<td>Two weeks after comments</td>
</tr>
<tr>
<td>Tender document for Server Room</td>
<td>Four months after mobilisation</td>
<td>Two weeks after comments</td>
</tr>
<tr>
<td>Tender document for Smart Cards</td>
<td>One month after Contract award for AFC system</td>
<td>Two weeks after comments</td>
</tr>
<tr>
<td>Tender document for other contracts</td>
<td>Six month after mobilisation</td>
<td>Two weeks after comments</td>
</tr>
<tr>
<td>Final report</td>
<td>Two month after commissioning of the AFC system</td>
<td>Two weeks after comments</td>
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Not later than in four weeks upon mobilisation the Consultant will prepare an Initial Report. This report will include information about the status of the project’s preparation and implementation and the Consultant’s assessment of effectiveness of the Loan Agreement, and the PIP.
The Consultant will submit **Quarterly Progress Reports**. The format of these reports shall be agreed between the Company and the EBRD and shall include, but not be limited to, the following:

- Progress to date versus progress anticipated in the PIP for each activity;
- Actual or expected deviations from the PIP and the implications for meeting target completion dates;
- Recommendations and/or actions proposed/taken as within the Consultant’s delegated authority to mitigate and/or rectify such deviations;
- Highlights on risks likely to affect contracts viability and project implementation in general.

The Consultant will prepare a draft of the **Final Report** one month prior to the end of the Contract and deliver it to the Company. The Final Report will in fact be a review of all of the Consultant’s tasks, the level of fulfilment and necessary conclusions. Upon receipt of the Company’s comments and suggestions the Consultant will prepare the finalised version of the report.

The Consultant shall prepare hard copies of all reports and deliverables as follows, unless agreed with the Company and the Bank that some deliverables are submitted in electronic format:

- **Company**: 4 in Ukrainian, 4 in English
- **Bank**: 1 in Ukrainian, 3 in English

### 5. CONSULTANT PROFILE

Corporate services are required. The Consultant will be a firm or a group of firms with proven **previous project experience** related to:

- (a) Urban transport sector;
- (b) Project management, procurement and administration of similar contract under IFI procurement rules.

The Consultant’s Experts team is expected to include **key Experts** as follows (with short-term support as required):

- **Key Expert No. 1**: Project Manager / Expert for AFC systems;
  - preferably 5 years of previous professional experience in a similar role to the one proposed for this Assignment;
  - project management experience gained in countries with comparable industry conditions to Ukraine;
  - project management and procurement experience in comparable AFC projects;
  - substantial technical experience of working with AFC solutions, AFC customer payment channels and AFC system suppliers;
  - good knowledge of procedures and rules of procurement of international financial institutions, such as the EBRD, World Bank or EIB, knowledge of FIDIC and/or World Bank/EBRD Supply and Installation contractual arrangements;
  - good proficiency in written and spoken English;
- **Key Expert No. 2**: IFI Procurement and Contract Specialist;
  - preferably 5 years of previous professional experience in a similar role to the one proposed for this Assignment;
  - procurement experience in comparable AFC projects;
  - good knowledge of procedures and rules of procurement of international financial institutions, such as the EBRD, World Bank or EIB, knowledge of FIDIC and/or World Bank/EBRD Supply and Installation contractual arrangements;
  - good proficiency in written and spoken English;

- **Key Expert No. 3**: Expert for IT software systems;
  - Experience as an IT systems architect in customer channels and payments, back office, datacentre, networks
  - preferably 5 years of previous professional experience in a similar role to the one proposed for this Assignment;
  - procurement experience in comparable AFC projects;
  - good proficiency in written and spoken English;

- **Key Expert No. 4**: Engineer for local acceptance and certification support.
  - preferably 5 years of previous professional experience in a similar role to the one proposed for this Assignment;
  - procurement experience in a comparable AFC projects;
  - substantial experience of complex system test and acceptance oversight
  - good proficiency in written and spoken English and Ukrainian/Russian;
  - good knowledge of requirements of Ukrainian legislation and good practice concerning financial, accounting and disbursement issues.

**Non-key experts** are expected to include local office support.