

Terms of reference (ToRs) for the procurement of services below the EU threshold

Procurement of transport services for the U-LEAD with Europe Regional Offices staff to municipalities	Project number/ cost centre: G-012306-002
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1. Background

In 2020, Ukraine completed the implementation of its administrative and territorial reform, aimed at building a viable system of local self-government to foster positive changes in citizens' lives. In October 2020, local elections were held in the newly established municipalities, many of which underwent significant territorial changes.

The Multi-Donor Action “U-LEAD with Europe: Ukraine – Local Empowerment, Accountability and Development Programme” is jointly funded by the European Union (EU), its member states Germany, Poland, Denmark, Slovenia, and France, and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. On 1 January 2025, the Programme entered its third phase, which will run until 31 December 2027.

At the central level, the main beneficiary of the Programme is the **Ministry for Municipalities and Territories Development of Ukraine**, which receives support in advancing decentralisation reform and aligning regional policy with EU legislation. At the subnational level, the Programme continues to support municipalities across all regions by enhancing the professional and administrative capacities of municipal staff to strengthen local self-government and enabling municipalities to implement regional and local development policies, as well as to plan for reconstruction in the context of Ukraine's accession to the European Union.

The overall goal of the Programme is to support the further development of **multilevel governance in Ukraine** that is transparent, accountable, and responsive to the needs of the population in the context of EU integration and Ukraine's recovery.

Within this overarching framework, the activities of the **U-LEAD with Europe Programme** during Phase III are directed toward achieving three results:

- **Result 1:** The Government and Parliament of Ukraine enhance their capacity to advance decentralisation reform and align regional policy with EU legislation.
- **Result 2:** The professional and administrative skills of municipal officials are strengthened to ensure strong local self-government in the context of EU accession, taking into account, among other things, the specific needs of vulnerable groups and gender equality.
- **Result 3:** Ukrainian municipalities are empowered to implement regional and local development policies and reconstruction planning in the context of the EU accession process.

The key areas of activity of the U-LEAD with Europe Programme in Phase III include:

- **Component 1:** Political and legal advisory services for strong local governments and regions
- **Component 2:** Capacity development for all municipalities
- **Component 3:** Support for local reconstruction and development

Within **Component 1**, partners are provided with legal and policy advice on the adaptation of legislation and its alignment with EU law in the field of multilevel governance. Under **Component 2**, municipalities across Ukraine are offered tailored and targeted information, advisory services, and capacity development activities provided through 12 thematic support packages that respond to the needs of local self-government bodies and EU integration. Under **Component 3**, the Programme's expertise contributes to local recovery, the development of the capacity to absorb EU structural instruments, the creation of Ukraine–EU partnership projects, and the support of municipalities in the area of digital transformation.

The management and implementation structure of the U-LEAD with Europe Programme consists of a horizontal Directorate and four Programme Units based in Kyiv, as well as 24 Regional Offices that provide direct support to local self-government bodies.

The exercise of powers by local self-government bodies, which is complicated by the circumstances of martial law, particularly highlights the organization of trips for employees of the regional offices of the "U-LEAD with Europe" Program to municipalities in 21 regions of the "YELLOW" zone of Ukraine (according to the GIZ Risk Map in Ukraine) to meet the municipalities' needs in finding better solutions to local development issues.

In order to familiarize the staff of the regional offices of the "U-LEAD with Europe" Program with the issues of municipalities, their training and support needs, including in emergency situations, as well as to:

- Study and describe best practices of projects implemented by municipalities, including those supported by U-LEAD with Europe, for dissemination
- Identify and collect requests from local self-government bodies that need attention from the regional offices
- Provide consultations on issues that require field visits
- Conduct meetings for experience exchange among local government officials of neighboring municipalities
- Study of problematic issues related to the functioning of local self-government bodies under martial law conditions, for their generalization at the level of REGOPS and transmission to TRG trips to municipalities are being organized
- participation in events at the invitation of municipalities
- preparation and implementation of local events within the framework of the Training Programs
- meetings and events with local self-government officials aimed at strengthening their capacity on issues related to Ukraine's European integration
- Provide support to local governments in establishing and strengthening international territorial cooperation for municipality development.

The purpose of this contract is to procure high-quality transportation services to organise the travel for U-LEAD with Europe Regional Offices staff to municipalities in the YELLOW zone oblasts of Ukraine (according to GIZ Ukraine [RMO Risk Map](#)).

2. Tasks to be performed by the contractor

U-LEAD enters into an agreement with the Contractor, who shall provide transportation services for the personnel of the regional offices of the “U-LEAD with Europe” Programme, comprising up to 431 trips to municipalities using the Contractor’s or third-party vehicles and drivers, covering a total distance of up to 69 702 km and up to 1 291 waiting hours from **15 July 2026 to 20 December 2027**.

The Contractor shall be responsible for delivering the services concurrently in various oblasts on the territory of Ukraine (except for temporarily occupied territories and areas of active hostilities), namely in the YELLOW zone oblasts of Ukraine (according to the GIZ Ukraine [RMO Risk Map](#)).

Provision of Services to the Clients is made on the basis of the Order which is sent to the Contractor by e-mail not later than 3 (three) hours before the beginning of their provision to the Contractor’s e-mail.

Within 1 (hour) of the receiving of the Order the Contractor provides confirmation for its fulfilment or motivated refusal to fulfil it.

The Contractor must provide to the Client in writing by e-mail information about the vehicle designated for the Order fulfilment, in particular, brand, color, registration number and name and phone number of the driver not later than 1 (one) hour before the provision of the vehicle under the Order.

The vehicles provided by the contractor to the customer for the provision of services shall conform to the following requirements (including but not limited to):

- Five-seat car for 5 passengers, including the driver, fully serviced, clean, in good condition and well equipped (including seat belts for every passenger, working air-condition / climate control system, tires installed in accordance with the season).
- One driver with a valid driving license according to the vehicle class, with a minimum driving experience of 5 years, medical certificate and on the state of health that allows proper services provision.

3. Reporting

The Contractor shall submit the written reports in English to the person responsible for the contract.

All written and verbal communication under this contract is confidential and not subject to disclosure to third parties

For reporting and payment the contractor submits once a month the following documents:

- invoice;
- act of acceptance of the provided services;
- route sheet(s) with description of the detailed route of the travel approved by U-LEAD representative;

- registration documents of the service provider.

Post payment is planned to be provided after the municipality trips. The billing period is 1 month. For the timely payment of the invoice, it is necessary to provide all the needed documents by the 3rd day of the following month at the latest.

Post payment of the invoice should be done not later than 10 working days after the trip if all reported documents are sent on time.

Potential costs related to translation of reporting documents into English will not be covered by GIZ.

All templates for required report documents will be provided by the U-LEAD with Europe after conclusion of the contract. All documents will be revised and approved by GIZ/U-LEAD.

The contractor shall present GIZ and U-LEAD in an appropriate and professional manner and shall not under any circumstances engage in political discussions or other delicate issues. The contractor cannot represent GIZ and/or U-LEAD, act on behalf of them, give unauthorised comments, statements or opinions attributed to GIZ and/or U-LEAD.

The contractor is not a GIZ staff member. Any personal statement or opinion of the contractor must be clearly separated from those attributed to GIZ and/or U-LEAD. The contractor will respect the U-LEAD visibility guidelines and other EU, BMZ and GIZ regulations as advised by the U-LEAD Regional Operations Team.

4. Costing requirements

Costs of the services shall be defined based on Rates for transportation.

The cost of services that will be provided by the contractor shall include compensation of all expenses of the contractor and its fee. Rates for transportation are valid on a permanent basis. Provision of the vehicle shall not be subject to a separate fee.

Compensation of downtime for trips and long-time trips in the region/Ukraine shall be made only if the daily distance run by the vehicle is less than 300 km. The downtime shall be paid for working hours from 9:00 to 18:00 but not more than for 6 (six) hours per day.

Item	Unit	Quantity, up to
<i>Transfer to the municipality</i>	km	69,702
<i>Waiting time</i>	h	1,291

5. Eligibility criteria

The bidder is obliged:

- to be a registered in Ukraine legal entity or private entrepreneur;
- not to be on the sanctions list of Ukraine, the EU, the USA, Canada, Japan, the UK;
- to have a valid license for transport and passenger transportation services
- not to be in the process of termination;
- not to be registered on temporarily occupied territories of Ukraine.

By submitting a bid, the bidder declares his/her compliance with the eligibility criteria mentioned above and minimum requirements mentioned in section 3-4 of Self-declaration of eligibility for the award of local service contracts. GIZ reserves the rights to check this information any time.

The bidder confirms his/her acceptance of personal data processing in accordance with the provisions of the EU General Data Protection Regulation (GDPR) and Law of Ukraine "About personal data protection" № 2297-VI dd. 01.06.2010.

All bidders will be assessed for eligibility together with technical expertise. Failure to provide confirmation of compliance with the above requirements will result disqualification at the technical assessment stage.

6. Requirements on the format of the bid

The bid must contain the following documents:

1. Commercial Offer in English- **according to the provided template** stating the total cost of services as well as include information on:
 - the cost of travel per kilometer.
 - the cost of 1 hour idle.
2. Copies of registration documents (official document/s confirming and clarifying a legal/business status of the bidder).
3. Copy of valid license for provision of transport services.
4. Must be submitted in accordance with provided template: Self – Declaration.

The structure of the bid must correspond to the structure of the ToRs, must be legible (font size 11 or larger) and clearly formulated.

Please calculate your price bid based exactly on the afore mentioned costing requirements. In the contract the contractor has no claim to fully exhaust the number of trips to municipalities/ distance / budgets. The number of trips / distance and the budget amount shall be agreed in the contract as 'up to' amounts. The specifications for pricing are defined in the price schedule.

Tender requirements and evaluation of the offers

Only registered legal entities and individual entrepreneurs can submit their bids.

The bidder is required to be suited to the tender requirements for the potential provider including the range of tasks and the requirements. Assessment of the bidder will be based on the criteria stipulated above and submitted in the appropriate format and based on the principle of the lowest price, taking into account that all bidders made their offers which fully meet all our technical requirements.

8. Other provisions

8.1 General

The Contract will be signed by the Parties in original form. Each Party agrees to provide the other Party with the original signed Contract and annexes. In this case, the Party that sent the

Contract is responsible for the authenticity of the signatures of its authorized representatives and imprint of seal (if any).

The implementation of activities under present Contract can be started only after the Contact enters in force.

At the same time, the Period of Assignment, during which the Contractor is anticipated to work in order to perform the Contract, is defined by the Article 3 of this Contract.

Implementation of any activities under the present Contract /Supplement to this Contract (if any) can be started only after the Contact/Supplement (if any) enters in force and must take place only during the Period of Assignment.

Costs that are incurred outside the Period of Assignment are not eligible.

With signing of this contract, the parties are fully aware of the respective GIZ provisions, namely General terms and conditions of contract for supplying services and work on behalf of the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH in Ukraine, Code of Conduct for Contractors of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Supplements to General Terms of contract governing Contracts with Appraisers/Firms of Consultants (local) published on the link [Ukraine Tenders | GIZ](#) (section “Terms of procurement of services”/ секція “Умови закупівель послуг”) and such provisions shall be binding on the parties as if stated in full in this agreement.

On the date of signing this Contract, the Contractor confirms that in accordance with the Tax Code of Ukraine, the Contractor is/is not a payer of value added tax under general conditions.

The Contractor shall be responsible for all taxes and other payments according to the Ukrainian law. Taxes, levies or fees to the Government of Ukraine shall be paid by the Contractor.

Contact person from GIZ side responsible for contract implementation and communication with the Contractor will be provided at contract preparation stage.

The Contractor shall be solely responsible for all the security issues according to the own security concept during the implementation of the Contract. GIZ shall not be reliable and/or responsible for any damages and/or injuries occurred during the implementation of the Contract by any Person directly or indirectly involved into the implementation of the Contract and/or by any other third Person.

The Contractor is obliged to provide the originals of documents indicated in the special agreement at his own expense.

The Tenderer/ Contractor must:

- be a registered legal entity/private entrepreneur in Ukraine;
- not be on the sanctions list of Ukraine, the EU, the UN;
- ensure that the final beneficiaries/participants are not on the sanctions list of Ukraine, the EU, the UN;
- not be in the process of termination;
- not be registered on temporary occupied territories of Ukraine;
- not have the ultimate beneficial owner, member or participant (shareholder), having a share in the authorized capital of 10 percent or more, which is the Russian Federation, the Republic of Belarus, the Islamic Republic of Iran, a citizen of the Russian Federation, the Republic of Belarus, the Islamic Republic of Iran except for those who live on the territory of Ukraine on legal grounds, or a legal entity created and registered in accordance with the legislation of the Russian Federation, the Republic of Belarus, the Islamic Republic of Iran.

GIZ reserves the right to verify the information at any time. The tenderer confirms that he agrees to the processing of personal data in accordance with the provisions of the EU General Data Protection Regulation (GDPR) and the Law of Ukraine "On the Protection of Personal Data" No. 2297-VI dated 01.06.2010.

8.2. VAT Exemption

The given procurement of services/ works upon the Contract shall be carried out at the funds of the Project of International Technical Assistance (Project ITA), PN: 2023.2122.2, Project title "Supporting decentralization in the context of reconstruction and EU integration in Ukraine / UDU – U-LEAD with Europe: Phase III", registered by the Secretariat of the Cabinet of Ministers of Ukraine (registration card of the project (program) No. 5974 dated 21/04/2025) and complies with the category (type) of Services specified in the purchase plan available at address <https://www.kmu.gov.ua/diyalnist/mizhnarodna-dopomoga/pereliki-zareyestrovanih-proektiv-z-planami-zakupivel>

The above-mentioned ITA project is implemented within the Framework Agreement between the Government of Ukraine and the Government of the Federal Republic of Germany on Counselling and Technical Cooperation dated 29/05/1996 and Framework Agreement between the Government of Ukraine and the Commission of European Communities ratified by the Law of Ukraine № 360-VI of 03.09.2008.

The given procurement of services/ works upon the Contract shall be determined free from VAT under provisions of cl.197.11 Art. 197 of the Tax Code of Ukraine. Operations for providing services under this Agreement are subject to VAT exemption.

In case if on the date of Contract signing the Contractor is not registered as a VAT payer and during execution of the Contract the Contractor becomes registered as a VAT payer, then the Contractor must notify GIZ of such VAT registration in writing or in electronic form by means of submission of an e-mail with copy of the Excerpt from VAT Registration Registry to the GIZ's e-mail address indicated in the details of the Contract. The Contractor must submit the mentioned notification to the GIZ not later than 1 calendar day following the day of VAT registration. At the same time the Parties agreed that the purchase of Services after the VAT registration of the Contractor shall be exempt from VAT in accordance with the abovementioned.