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# **1. BACKGROUND INFORMATION**

## **1.1. Partner country**

Republic of Moldova

## **1.2. Contracting authority**

City Hall of Chisinau Municipality

## **1.3. Country background**

Republic of Moldova is a landlocked country in Eastern Europe, bordered by Romania to the west and Ukraine to the north, east, and south. The capital city is Chisinau. Moldova is a parliamentary republic with a president as head of state and a prime minister as head of government. It is a member state of the United Nations, the Council of Europe, the World Trade Organization (WTO), the Organization for Security and Cooperation in Europe (OSCE), the Commonwealth of Independent States (CIS) and the Organization of the Black Sea Economic Cooperation (BSEC) and aspires to join the European Union.

## **1.4. Current situation in the sector**

Providing qualitative, efficient and effective public transport is one of the biggest challenges for public authorities in all countries and Chisinau is no exception in this respect.

The existing legal framework at national level is insufficiently clear with regard to the options of organizing and managing the public transport system. The regulatory framework is affected by a lack of specific provisions on the operation of urban transport and enforcement mechanisms, as well as a lack of policies for the sustainable development of public transport.

The Chisinau street network was formed on the radial scheme, according to which the centre connects to the periphery by several thoroughfares, and the link between the neighbouring areas remained undeveloped. As a result of the considerable increase in the number of vehicles circulating in the municipality, the burden on the road network has increased significantly. Thus, the situation of decongestion of traffic is very acute and requires considerable and concentrated efforts to solve it. Other causes leading to the aggravation of this problem are inefficient use of the existing street network in the route planning process, lack of parking spaces or unauthorized parking.

The General Directorate for Public Transport of Chisinau municipality is the sole supervisor of passenger transport services, exercising the function of traffic safety control, compliance with legal requirements in the sector, ensuring the coordination of operators, maintaining the transport standards and other acts. Efficient management of the transport system is affected by an insufficient institutional capacity and underdeveloped regulatory framework.

In December 2020 Chisinau City Hall initiated a partnership with Lublin City Hall (Poland) called "Move it Like Lublin – a Chisinau Sustainable Development Initiative". The financial support for this project is provided by the European Union.

The Project's activities aim at supporting the local authorities in Chisinau to transform the city's public transport into more inclusive, safer, more resilient and more sustainable transport. It has 3 main objectives:

- 1) improving urban transport policy at municipal level;
- 2) increasing the institutional capacities of Chisinau City Hall, in line with EU practices in the field of urban mobility;
- 3) enhancing the quality of public transport management in Chisinau by implementing innovative solutions and technologies.

This assignment will contribute to the improvement and modernization of the Chişinău Public Transport system.

## **1.5. Related programmes and other donor activities**

None

## **2. OBJECTIVE, PURPOSE & EXPECTED RESULTS**

### **2.1. Overall objective**

The overall objective of the project of which this contract will be a part is as follows:

- Improvement of the public transportation system in Chisinau.

### **2.2. Purpose**

The purpose of this contract is as follows:

- Analyse technical and financial aspects of the merger between the Urban Bus Park and Electric Transport Park.

### **2.3. Results to be achieved by the contractor**

- Study on technical and financial aspects of the merger of the Urban Bus Park with the Electric Transport Park.

## **3. ASSUMPTIONS & RISKS**

### **3.1. Assumptions underlying the project**

- Project continuity will be ensured during the implementation period;
- Government bodies and relevant stakeholders are open to discussion, participation in public hearings, working groups and any other necessary operational meetings regarding project implementation;
- City Hall management, as well as municipal councillors, municipal employees and project staff will have an unimpeded communication and cooperation, with a free exchange of documents, feedback offered in due time and new project documentation elaboration, in order to increase long-term management efficiency at municipal level.

### **3.2. Risks**

- Physical risks – the main physical risks of project actions are related to the COVID-19 pandemic, and possible limitations or movement and travel restrictions.
- Environmental risks – no major environment risks pertaining to the project, except the pandemic risks described above.
- Political risks – The political risk here is not big, as the project assumption is the current administration will be allowed to carry out their 4-year term.
- Economic risks – At this point, we do not foresee major economic risks. The budgeted amounts have been secured.
- Social risks – The major social risks pertaining to project actions can be linked to the negative pandemic effects. From a gender perspective, the project is also elaborated ensuring as much as possible gender equality principles and ensuring a fair representation of people with disabilities when possible.
- Financial sustainability: All equipment acquired during the project will remain within City Hall premises, ensuring continuity of project activities for many years ahead.

- Policy level sustainability: Key project activities pertaining to changing existing provisions and legislation. The best-case scenario is legislation is amended during the project cycle. Worst case scenario, the changes are just initiated during the project cycle, but national legislative authorities not being able to adopt amendments to the legislation according to the policy briefs developed by Public Transport experts within the project, as this domain tends to be overlooked on the national political agenda. Middle scenario is to have just one legislative change during the project implementation, and not 2.

## **4. SCOPE OF THE WORK**

### **4.1. General**

#### **4.1.1. Description of the assignment**

The organizational framework of the Public Transport in Chisinau inherits main traits of the former centralised administrative system. The two public transport companies, the Urban Bus Park and Electric Transport Park were established separately from the beginning by their financial, technical and administrative activities. Thereby, the Urban Bus Park (PUA) provides transport services operating buses and the Electric Transport Park (RTEC) trolleybuses operation, both in the Chişinău Municipality area. The current configuration of these two operators must be reassessed and merger opportunity considered in order to provide more efficient public transport services.

Under this assignment, the contractor shall perform the following main tasks:

- Analyse and assess the merger of bus and trolleybus routes network in order to facilitate operational planning and to encourage the use of shared facilities;
- Analyse and assess the combined operations of the new joint fleet in order to measure the operational efficiency gains;
- Analyse and assess the financial and administrative implications of the companies' merger, in order to ensure better revenues management and higher cost efficiency after the merger;
- Analyse and assess technical aspects of the companies' merger in order to identify the operational efficiency after the merger.

#### **4.1.2. Geographical area to be covered**

Local and national level

#### **4.1.3. Target groups**

- Chisinau City Hall and its relevant subdivisions;
- Project Management Structures;
- Line ministries and other governmental agencies;
- Civil Society;
- Municipal and private transport companies;
- Other interested parties.

## **4.2. Specific work**

### **4.2.1. Perform a technical assessment of the merger of PUA and RTEC**

The contractor shall review all available technical data necessary for the merger of companies, assess their completeness, quality and relevance and identify inconsistencies and/or gaps in order to provide a full technical picture of the merger.

*Analyse and assess the Bus and Trolleybus network with connecting lines*

During this assignment, the contractor shall analyse the merger of the bus and trolleybus routes networks. The contractor shall identify the benefits of combining both networks, the operational planning of the two companies and facilities to be shared as well.

*Analyse and assess the combined operations of the companies*

The contractor shall identify and categorize further combined operations of the two companies and analyse the potential efficiency gains in the operational processes of the merger company.

*Analyse and assess the operating costs of the companies*

The contractor shall analyse the merger of all operating costs including the merger of the depot areas of the bus and trolleybus operators. The assessment shall include, but not limited to the following cost headings:

Trolleybus infrastructure:

- Powerline posts;
- Cables;
- Transformers that supply electricity to the trolleybus lines;
- Other important assets.

Vehicle Operating Costs:

- Manpower
  - Operating staff: inspectors, drivers, conductors, ticket sellers or booking clerks, bus loaders, trainees, night-time overheads and shifts;
  - And/or by service category: urban services, rural services, long-distance services, charter, tours and excursions.
- Fuel, lubricants and oil;
- Depreciation or fleet replacement provision;
- Vehicle insurance;
- Licences and permits;
- Bus station charges;
- Other vehicle operating expenses.

Vehicle Maintenance Costs:

- Manpower;
  - Maintenance staff: management, foremen, chargehands, skilled, semi-skilled, unskilled, trainees and apprentices;
  - And/or by activity: running repairs, unit shop, minor docks, major docks, body shop, tyres, ancillary vehicle drivers, cleaning, stores, in-house maintenance (assembly of vehicle parts such as motor rotors, etc. including 24/7 response to accidents with vehicles or infrastructure (power cables, poles, electricity supply facilities)) versus the cost of the externalisation of services.
- Maintenance materials;
- Tyres and tubes;
- Consumables;
- Outside maintenance;
- Ancillary vehicles;
- Other maintenance expenses.

## Management and Administrative Costs:

- Manpower
  - Management and Administration staff: senior management, middle management, supervisory, clerical, secretarial, cashiers, office cleaners, security staff, ancillary vehicle drivers, trainees and other.
  - And/or: operations management, operations planning, advertising and public relations, personnel, computers/IT, internal audit, finance department, insurance and claims, security and other.
- Stationery
  - Software planning (for instance, the existing scenario with 10 people and manual work without planning tools vs planning software and 2 people)
- Telephones and postage
- Ancillary vehicles
- Advertising
- Claims and bad debts
- Agents' commissions
- Other insurance
- Training
- Interest Taxation
- Other management and administrative expenses

### **4.2.2. Perform a financial assessment of the merger**

The contractor shall analyse the financial aspects of the merger of the companies.

The study shall review financial data regarding companies' revenues, including tariff and finance system, and identify potential cost and revenue efficiency of the merger, as well as other financial benefits of the merger.

### **4.2.3. Assess human resources implications of the merger**

The contractor shall assess human resources implications of merging two companies and develop a detailed organisational structure of the single merged entity.

### **4.2.4. Develop new internal procedures and job position description**

The contractor shall develop new improved internal procedures and processes, including internal divisions regulations and job position description the new merged company employees.

### **4.2.5. Study administrative implications of the merger**

The contractor shall assess future administrative implications of the merged entity, including centralized management structure, processes and support functions.

### **4.2.6. Draft technical, administrative, human resources and financial implications assessment report**

The contractor shall develop an assessment report that will include recommendations on potential merger implications and scenarios to mitigate possible consequences.

### **4.2.7. Develop a roadmap for the implementation of the merger**

The contractor shall develop a roadmap for the implementation process of the merger. It shall include a detailed action plan as well as timeframe for each action.

### 4.3. Project management

#### 4.3.1. Responsible body

Chisinau City Hall

#### 4.3.2. Management structure

<b>Project Implementation Unit</b>	<b>Project Board</b>	<b>Steering Committee</b>	<b>Work Group on Public Transport</b>
- plans, prepares and implements every single project action in accordance with the Logical Framework and project calendar	- coordinates the qualitative implementation, in the established terms of the Project actions	- discuss progress, updates and any issues arising during project implementation	- contributes and supports successful implementation of the project actions

#### 4.3.3. Facilities to be provided by the contracting authority and/or other parties

Meeting facilities at the Chisinau City Hall and the General Directorate of Public Transport and Roads premises.

## 5. LOGISTICS AND TIMING

### 5.1. Location

Chisinau City Hall, 83 Stefan cel Mare și Sfint Blvd, MD-2012, Chisinau, Moldova

### 5.2. Start date & period of implementation of tasks

The Services are expected to start during November 2021 with an implementation period of 3 months.

## 6. REQUIREMENTS

### 6.1. Staff

Note that civil servants and other staff of the public administration of the partner country, or of international/ regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave.

#### 6.1.1. Key experts

All experts who have a crucial role in implementing the contract are referred to as key experts. The profiles of the key experts for this contract are as follows:

##### **Key expert 1: Team Leader/ Public Transport Expert**

###### Qualifications and skills

- University degree in public transport management or a relevant related discipline and/ or equivalent relevant professional experience;
- Good knowledge of strategic planning and organizational development of public transport (specific examples should be presented with the application);

- Excellent writing, and reporting skills;
- Ability to meet deadlines and set priorities for several tasks;
- Analytical skills;
- A good working knowledge of Romanian and English is required, Russian is an asset;
- The candidate should be able to work independently;
- Ability to work in a multidisciplinary environment comprising public companies.

#### General professional experience

- The candidate shall have preferably 7 years' professional experience but a minimum of 5 years relevant to the scope of this assignment is required.

#### Specific professional experience

- The candidate shall have at least 5 years of proven professional experience in corporate governance and organizational management;
- At least two similar successfully completed assignments (specific examples should be presented with the application);
- Proven experience in implementation of performance appraisal systems;
- Technical evaluation skills to be applied to the assessment e.g. knowledge on evaluation/assessment designs with focused questions; evaluation approaches and methods; and the analytical skills to interpret findings and to formulate conclusions and recommendations.

### **Key expert 2: Human Resources Specialist**

#### Qualifications and skills

- University degree in Human Resources Management, Labour Law or any other relevant discipline and/ or equivalent relevant professional experience;
- Excellent writing, editing and oral communication skills;
- Ability to meet deadlines;
- A good working knowledge of the Romanian language is required for this assignment; English is an asset;
- The candidate should be highly motivated and able to work in team;
- Experience and ability to work with public companies.

#### General professional experience

- The candidate shall have preferably 7 years of professional experience, but a minimum of 5 years relevant to the scope of this assignment is required.

#### Specific professional experience

- The candidate shall have at least 5 years of proven professional experience in Human Resources Management and/or Development;
- At least two similar successful completed assignments (specific examples should be presented with the application);
- Proven experience in strategic planning and organizational development including development of human resources strategies;

- Proven experience in Human Resources Management within a Moldovan public companies will be considered an asset;
- Analytical skills to interpret findings and to formulate conclusions and recommendations.

### **Key expert 3: Financial Specialist**

#### Qualifications and skills

- University degree in Economics, Finance or any other relevant discipline and/ or equivalent relevant professional experience;
- Excellent writing, editing and oral communication skills;
- Ability to meet deadlines;
- A good working knowledge of the Romanian language is required for this assignment, English is an asset;
- The candidate should be highly motivated and able to work in team;
- Experience and ability to work with public companies.

#### General professional experience

- The candidate shall have preferably 7 years of professional experience, but a minimum of 5 years relevant to the scope of this assignment is required.

#### Specific professional experience

- The candidate shall have at least 5 years of proven professional experience in Public transport finance and Budget Analysis (specific examples should be presented with the application);
- At least two similar successful completed assignments (specific examples should be presented with the application);
- Proven experience in cost efficient analysis including development of financial models in public transport;
- Proven experience in financial management of public companies will be considered an asset;
- Analytical skills to interpret findings and to formulate conclusions and recommendations.

All experts must be independent and free from conflicts of interest in the responsibilities they take on.

#### **6.1.2. Other experts, support staff & backstopping**

CVs for experts other than the key experts should not be submitted in the tender but the tenderer will have to demonstrate in their offer that they have access to experts with the required profiles. The contractor shall select and hire other experts as required according to the needs. The selection procedures used by the contractor to select other experts shall be transparent, and shall be based on pre-defined criteria, including professional qualifications, language skills and work experience.

The costs for backstopping and support staff, as needed, are considered to be included in the tenderer's financial offer.

#### **6.2. Office accommodation**

Office accommodation for each expert working on the contract is to be provided by the contractor.

### **6.3. Facilities to be provided by the contractor**

The contractor shall ensure that experts are adequately supported and equipped. In particular it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support their work under the contract and to ensure that its employees are paid regularly and in a timely fashion.

### **6.4. Equipment**

No equipment is to be purchased on behalf of the contracting authority / partner country as part of this service contract or transferred to the contracting authority / partner country at the end of this contract. Any equipment related to this contract which is to be acquired by the partner country must be purchased by means of a separate supply tender procedure.

## **7. REPORTS**

### **7.1. Reporting requirements**

The contractor will submit the following reports in Romanian and English language in two originals:

- **Inception Report** of maximum 12 pages to be produced after 2 weeks from the start of implementation. In the report the contractor shall describe e.g., initial findings, data sources, any difficulties encountered or expected in addition to the work plan. The contractor should proceed with his/her work unless the contracting authority sends comments on the inception report.
- **Interim Report** of maximum 30 pages to be produced after one month from the start of implementation. In the report the contractor shall describe the key findings, desk review results, data collected, main opportunities, as well as the outline of the Study. The contractor should proceed with his/her work unless the contracting authority sends comments on the Interim Report.
- **Draft final Report** of maximum 50 pages (main text, excluding annexes) in .doc format and according to the Study outline described in the Interim Report. The Report shall contain final analysis of the financial, human resources, administrative, technical implications of the merger between the bus and trolleybus operators and draft municipal decision on merger. This report shall be submitted no later than one month before the end of the period of implementation of tasks.
- **Final Report** with the same specifications as the draft final report, incorporating any comments received from the parties on the draft report. The deadline for sending the final report is 7 days after receipt of comments on the draft final report. The final report must be provided along with the corresponding invoice.

### **7.2. Submission and approval of reports**

The report referred to above must be submitted to the Project Manager identified in the contract. The Project Manager is responsible for approving the reports.

## **8. MONITORING AND EVALUATION**

### **8.1. Definition of indicators**

- Reports submitted and approved by Project Manager.

### **8.2. Special requirements**

None