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міська
рада

New 10 Trams for Lviv Municipal Enterprise “Lvivelectrotrans” Ukrainian Case Study

September 19, 2024
Monthly Deep Dive September:
Successful Tenders and
Procurement Ukraine



Ukraine Urban Public Transport Project – 1 financed by European Investment Bank

The main documents:

1. UKRAINE URBAN PUBLIC TRANSPORT PROJECT
Finance Contract between UKRAINE and EIB (2016)
2. Projects Procedure Manual (20 December 2017)
3. Guide to Procurement for projects financed
by the EIB (ed. 2018)
4. European Investment Bank Anti-Fraud Policy
5. European Investment Bank Environmental
and Social Standards (2018)





Ukraine Urban Public Transport Project – 1 financed by European Investment Bank

Ukrainian Law:

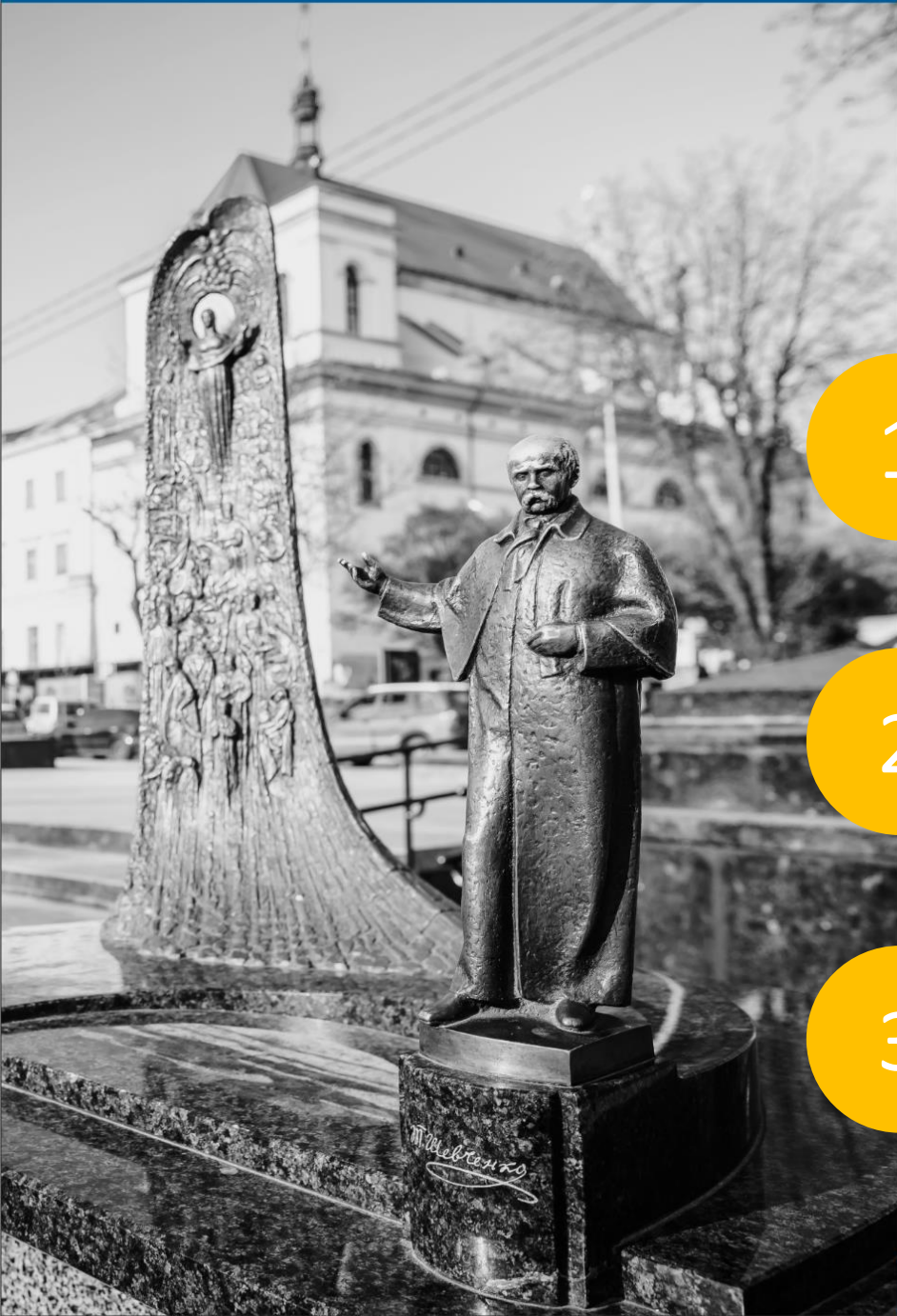
Para 2 of Article 6 of the Law of Ukraine on Public Procurement (2016) says: **The procurement of goods, work and services for the loans, facilities and/or grants provided under international treaties of Ukraine by the International Bank for Reconstruction and Development, the International Finance Corporation, the Multilateral Investment Guarantee Agency, the International Development Association, the European Bank for Reconstruction and Development, the European Investment Bank, Nordic Investment Bank, as well as other international monetary and credit organisations, shall be in compliance with the rules and procedures established by such organisations,** subject to the principles established in Part 1 of Article 5 hereof, or in compliance with this Law if there are no such rules and procedures.

Link in English:

<https://zakon.rada.gov.ua/laws/show/922-19?lang=en#Text>



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Subproject “New Trams for LME “Lvivelectrotrans”

1 Concept to buy 10 new trams - 2016

2 Procurement procedure - 2019

3 Trams receiving – December 2020- March 2024



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**Tender
Procedure
2019 year
Open
International
Procedure**

Contract signing with
Contractor

Publication of
Procurement Notice
in OJEU , Prozorro
News, Lviv City
Council and
Llivelectrotrans web
pages, Fb, Instagram

Evaluation Report sent
to EIB for “no
comments”

January

February

April

May

August

2nd September

Final revision of Tender
Documents by EIB

Tender Documents
Preparation (2018)

Tender Proposals
opening

EIB “no comments” for
Contract Award and
standstill period



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Budget – EUR 20.8 million including VAT 20%

Financial sources – EUR 17,3 million – EIB loan, EUR 3,5 million – local contribution

Procurement – 10 new 5-sections low-floor trams, related goods and services

Contractor – Consortium of Limited Liability Company “ElectronMash Plant” and Limited Liability Company “Joint Ukrainian – German Venture “Electrontrans”

Delivery time – 24 months from advance payment

Advance payment – 10% + 25%

Delivery time in fact – 39 months (payments delays)



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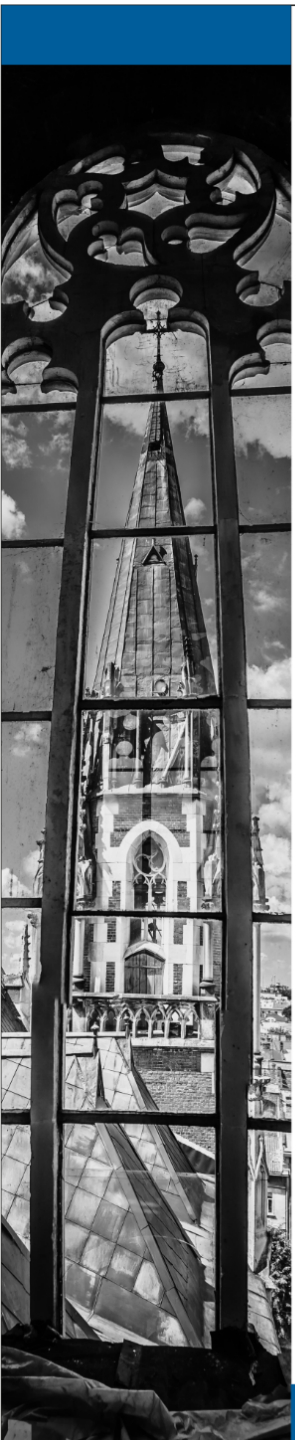




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Trams	Delivery	Payment
1 st , 2 nd , 3 rd	December 2021	December 2021
4 th , 5 th	June 2022	December 2022
6 th	December 2022	August 2023
7 th	July 2023	August 2023
8 th	September 2023	October 2023
9 th	February 2024	March 2024
10 th	March 2024	April 2024



The main challenges for Promoter:

- **Not defined deadlines for the Bank for the providing its “no comments” during the procurement procedure**
- **Not defined deadlines for the Ministries/Bank for disbursement receiving**
- **Inability to predict the receipt of loan disbursement which influence of the payment for the goods**
- **Minimum disbursement amount of 3-5 million euros for the project which requires to collect the ready subprojects payment from different companies/cities**
- **Turnover of personnel in promoter and Ministries levels which influence in time compliance of the subprojects**
- **Intentional complaints**





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Thank you!