

REQUEST FOR EXPRESSIONS OF INTEREST (CONSULTING SERVICES – FIRMS SELECTION)

COUNTRY: CROATIA

NAME OF PROJECT: Modernization and Restructuring of the Road Sector Project

Loan No.: 8749 - HR

Assignment Title: Financial strategy renewal technical assistance

Reference No. (as per Procurement Plan): A1 - B - QCBS - MARS

Republic of Croatia has signed a loan with the World Bank for financing toward the cost of the "Modernization and Restructuring of the Road Sector Project", and intends to apply part of the proceeds for consulting services.

The consulting services ("the Services") include services in order to help prepare a financial strategy that will guide (SOEs') capital investment plan for period 2020-3030. Updated strategy is needed since various SOEs operational and financial aspects have changed in the past two years (staff reduction at HAC, organizational optimization at HC/HAC, merger of ARZ to HAC, SOE revenue deterioration due to Covid-19 pandemic and related recession, recent debt repayment moratoriums and refinancing, unachievable MARS project financial and operational ratios (KPI's). Consulting services will include as follows:

- (i) performing a thorough analysis and assessment of SOE current and projected financial position through 2020-2030;
- (ii) performing analysis of MARS project's operational and financial ratios (KPI's) and provide analysis what SOEs need to do to meet and exceed set targets;
- (iii) producing detailed financial projections for the period comprising between 2020-2030;
- (iv) identifying financing needs on the basis of different capital investment plans, revenues, and expenses scenarios, including indebtedness, cost of debt and any other relevant variables and/or assumptions;
- (v) advising on revenue adequacy and sustainability mechanisms in view of current Covid-19 development;
- (vi) preparing the financing strategy for SOEs that will support the various scenarios of investments, including the identification of financing options available to support those investments (including possible new round of debt-reprofiling, enhanced usage of EU funds), the associated expenses, and time line for implementation of option;
- (vii) providing SOEs' detailed future debt repayment models

Contract under this ToR will be done for 4 months from the contract signing date.

NOTE: The detailed Terms of Reference for the above referenced consulting services is posted on the website of the Client, at: <https://mmpi.gov.hr/promet/cestovni-promet-124/modernizacija-i-restrukturiranje-cestovnog-sektora/18853>.

Ministry of Sea, Transport and Infrastructure (as the Client) now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services (criteria related to required qualifications and experience of the firm, but not individual experts’ bio data). The shortlisting criteria are:

1. Details on required company's capabilities requirements:

Firms (or joint ventures of firms) should be experienced in providing consulting services to road sector, with at least one [1] project or more in the last ten [10] years in European union member countries, related to all of the following:

- business organization / operational restructuring including optimization of technical and administrative processes and functions, including development of operational efficiency and cost rationalization measures, modelling capabilities
- key performance indicators implementation and experience with drafting public service contracts/service level agreements
- experience in analyzing cash flows and financial statements of SOE’s
- development of management capacity / change management, including provision of training

The reference value of each project must be at least 50 000 EUR, while at least one value of the project shall amount to 150 000 EUR. (The experience specified in those projects should cover all skills as requested in ToR. The presented experience could be interpreted as experience in similar assignment(s).

(Preferential advantage: experience with projects in more countries, experience with state owned infrastructure companies, more project in business organization and/or operational restructuring, change management experience, provision of training)

2. Details on required personal capabilities requirements:

The Team Leader must have at least 15 years of experience in providing advisory services for clients in public and private sector. Team leader has to have professional experience of managing large corporate restructuring and infrastructure projects and specialized in financial restructuring, processes improvement and in planning and modeling.

- Senior Finance Expert with minimum of a master’s degree in finance, business administration, with at least 10 years’ experience in business consulting including experience in operational restructuring projects, preferably with experience in road sector, experience in project management (at least 10 projects) on projects about improvement of business organization or operational restructuring of state-owned companies with at least 3 projects in transport and/or infrastructure segment;
- Senior Financial Expert and Senior Financial Analyst with at least 7 years of experience, preferably with experience in road sector, at least 5 years in consulting of public sector companies, participated in at least 3 projects about analysis on business organization or corporate and financial restructuring, participated in at least 10 projects related to business planning and financial consulting related to construction/maintenance of

infrastructure, of which 1 project in transport/infrastructure sector in Republic of Croatia or neighboring countries.

- Legal expert with university degree and at least 10 years' experience in public sector companies' law, service level agreements and corresponding affairs.

Experience in state owned infrastructure companies, knowledge of spoken and written Croatian and experience in Croatia would be considered an advantage for all positions.

The Consultant will be required to mobilize a team of experts with diversified competences, including but not limited to finance expert, finance analyst, legal and other corresponding experts. The Consultant shall ensure that experts are adequately supported and equipped. It shall ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities.

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank's "Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers dated January 2011, revised July 2014" ("Consultant Guidelines"), setting forth the World Bank's policy on conflict of interest. In addition, please refer to the following specific information on conflict of interest related to this assignment as per paragraph 1.9 (d) of Consultant Guidelines:

Consultants may associate with other firms in the form of a joint venture or a subconsultancy to enhance their qualifications. The "association" may take the form of a Joint Venture or a subconsultancy. In case of a Joint Venture (JV), all members of the JV will be evaluated jointly for the purpose of short listing and shall be jointly and severally liable for the assignment and shall sign the contract in case of award is made to that JV group. Interested consultants should clearly indicate the structure of their "association" and the duties of the partners and sub consultants in their application. Unclear expression of interests in terms of "in association with" and/or "in affiliation with" and etc. may not be considered for short listing. Keeping one expression of interest per firm as principle, a consultant firm may decide whether it wishes to participate as a sub consultant or as an individual consultant or as a partner in a joint venture. Please note that a firm shall submit only one expression of interests in the same selection process either individually as a consultant or as a partner in a joint venture. No firm can be a sub consultant while submitting an expression of interests individually or as a partner of a joint venture in the same selection process. A firm, if acting in the capacity of sub consultant in any consultant or JV, may participate in more than one consultant, but only in the capacity of a sub consultant.

A Consultant will be selected in accordance with the Quality and Cost Based Selection (QCBS) method set out in the Consultant Guidelines.

1. Delivery of Expressions of Interest

Expressions of interest must be delivered in a written form to the address below (in person or by mail) marked as:" Expression for Interest - FINANCIAL STRATEGY RENEWAL TECHNICAL ASSISTANCE" by February 19, 2021 (until 1 pm - following CET) to:

*Ministry of Sea, Transport and Infrastructure (Room 1008, X floor)
Ms. Darja Pavlič-Grdjan, Coordinator for Financial Aspects
Prisavlje 14, 10000 Zagreb, Croatia*

or by e-mail to the following persons and respective e - mail addresses:

*[Email address]: darja.pavlic-grdjan@mmpi.hr
& Attn: Igor Guja, Procurement Specialist (igor.guja@mmpi.hr)*

2. Contact person for inquiries during bidding procedure

Contact person during bidding procedure to whom potential Consultants could send their inquiries will be:

Mr. Igor Guja, Procurement Specialist (igor.guja@mmpi.hr)