

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

**COUNTRY:** CROATIA  
**NAME OF PROJECT:** SUSTAINABLE CROATIAN RAILWAYS IN EUROPE PROJECT  
**Loan No.:** 8500-HR  
**Assignment Title:** Strategy 2020 - Assessment of restructuring potential of HŽ Infrastruktura Ltd.

**Reference No.:** SUCRE-HZI-CS-CQ-14

HŽ INFRASTRUKTURA d.o.o. has applied for financing provided by the World Bank for the cost of the Sustainable Croatian Railways in Europe Project and intends to apply a part of the proceeds for consulting services.

Consulting services include conducting due diligence of the current condition of the company, drafting a restructuring plan, which will include detailed measures to be carried out with a clear financial impact, aimed at achieving financial stability and improvement of operational efficiency. A restructuring plan should encompass all business operation segments: review of the organizational structure, field of traffic regulation, maintenance and investments.

Objective and independent top-down assessment of the situation and development of pragmatic recommendations for effective restructuring in the stated areas:

- Re-organization
  - a. assess current organization structure and coverage and propose organizational improvement and, if needed, HR restructuring in detail per proposed org. structure throughout the following period
- Cost optimization
  - a. identify biggest levers for cost optimization with focus on:
    - Optimization of network, traffic control and maintenance cost (including materials, third party services and internal costs)
    - Benchmark personnel and administrative cost with best-practice companies and propose rightsizing (taking into account new organization, if applicable)
    - Review IT cost and investigate potential for IT investment to improve processes and reduce other related costs
  - b. review real estate portfolio and P&L and identify potential strategic options
- Operations
  - a. top-down assessment of operations optimization potential and developing improvement initiatives to increase efficiency (including maintenance services)
- Pricing strategy
  - a. review current pricing strategy for non-state revenues if applicable/needed
- Norms and regulation
  - a. high-level review of Company norms and regulations
  - b. identify levers to simplify processes and optimize cost
- Business strategy

- a. review the current business plan (including high level review of CapEx and OpEx)
- b. assess potential investments
- c. propose high-level strategic options for daughter companies and non-core businesses
- Overall restructuring plan and financial impact
  - a. develop overall restructuring plan to make the company profitable
  - b. project financial impact of all identified and proposed initiatives for the following 5 years

The implementation period of this assignment is 6 months from the Contract start date.

The estimated value of the contract is EUR 200,000.

HŽ INFRASTRUKTURA d.o.o. 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. The shortlist criteria are:

1. Company profile, organization and staffing – global presence and experience in railway sector are required

2. Details of experience or similar assignments undertaken in the previous ten years. Qualification requirements that have to be met by every interested Consultant in order to participate in the tender are as follows:

- Expertise
  - Consultant has to show expertise in operational and strategic restructuring and transformation of railway companies in Europe, minimum 1, more than that is an advantage
  - Consultant has to show expertise in operational and strategic restructuring and transformation of large companies in Croatia, minimum 1, more than that is an advantage
- Local presence and language requirements – Local office based in Croatia with at least 3 consultants speaking the Croatian language

3. Confirmation of availability of Key Experts with the required qualifications as indicated:

- **Project Manager (speaking the local language with extensive restructuring experience for large companies in Croatia)**
- **Project team (where at least 2 other persons speak Croatian and have relevant experience in restructuring)**
- **Technical experts (who have significant expertise in restructuring of major railway companies in Europe and may spend at least 1 full working day per week in HZI)**

A list of major assignments on provided services which are by type and quantity comparable to the activities which are the object of this EoI and which were provided in the last 10 years [and indicate from which year to which year]

The Expression of Interest must be accompanied by completed Contact details. One original and two copies and a CD of the Expression of Interest in English shall be submitted to the Client in an envelope marked Expression of Interest for HZ INFRASTRUKTURA d.o.o. for:

### **Strategy 2020 - Assessment of restructuring potential of HŽ Infrastructure Ltd.**

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank's "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and 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 of Consultant Guidelines.

Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. The "association" may take the form of a Joint Venture or a sub-consultancy. In case of a Joint Venture (JV), all members of the JV will be evaluated jointly for the purpose of shortlisting and shall be jointly and severally liable for the assignment and shall sign the contract in case it is awarded 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 shortlisting. 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 a 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 Selection Based on the Consultants Qualifications (CQS) method, set out in the Consultant Guidelines. Further information may be obtained at the address below during office hours: 08:00 am to 3:00 pm local time. Expressions of interest must be delivered in a written form to the address below (in person, or by mail, fax, or e-mail) until August 26, 2016, 2 pm local time.

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