

**DEADLINE EXTENSION
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: *TECHNICAL AND BUSINESS RATIONALIZATION OF HZ INFRASTRUKTURA d.o.o.*

Reference No.: SUCRE-HZI-CS-QCBS-16

HŽ INFRASTRUKTURA d.o.o. (HZI) has applied for financing from the World Bank toward the cost of the Sustainable Croatian Railways in Europe Project and intends to apply part of the proceeds for consulting services.

The main objective of these consulting services (“the Services”) is to develop a Detailed Restructuring Action Plan and a Labor Restructuring Plan based on HZI’s business plan, strategy, and planned investments to achieve improvements in the technical and business efficiency and effectiveness of HZI. The Restructuring Plan shall include organizational changes with a specific focus on traffic management and maintenance, reduction of technical units and rationalization of the administrative activities, innovation and utilization of ICT, and environmental impact. These improvements will be based on modern management features and the notion of levels of service – including safety, comfort, speed, etc. – and are expected to lead to a significant reduction of staffing needs, following a careful review of functional needs. A set of Key Performance Indicators (KPIs) measuring operational and business performance shall be defined.

I. BACKGROUND

For the purpose of the assignment, the consultant shall use the McKinsey Study findings and refer to all the relevant national and EU legal framework (i.e. the Plans, Regulations of the Republic of Croatia related to railways and railway services market, Railway Act, Sector Policy Letter, Decision on accepting modernization and restructuring of the railway sector, Transport Development Strategy of the Republic of Croatia from 2017 to 2030).

II. OBJECTIVES OF THE ASSIGNMENT

- Task 1: Assessment and identification of realignment needs in the current organizational structure
- Task 2: Company business planning practices
- Task 3: Railway maintenance
- Task 4: Traffic management
- Task 5: Company management, administration, and overhead expenses

- Task 6: Innovation and utilization of ICT
- Task 7: Project Management

The detailed Terms of Reference for the above referenced consulting services are posted on the website of HŽ INFRASTRUKTURA d.o.o. at www.hzinfra.hr. /WORLD BANK and EBRD/Sustainable Croatian Railways.

The Duration of the engagement shall be: 10 months from commencement.

HŽ INFRASTRUKTURA d.o.o. now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the aforementioned Services. 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 transport sector (within the EU).

2. Qualification requirements that have to be met by every interested Consultant in order to participate in the tender are as follows:

- It is expected that this project will require a team of consultants, involving construction, traffic, business operations, and other experts covering the following range of skill sets and comprising of local and international consultants
- The working language of the consultant will be Croatian, and the Consultant shall provide all interpreters and/or translators that might be required to undertake the assignment.
- Firms (or joint ventures of firms) should be experienced in providing consulting services, with at least three [3] projects or more in the last ten [10] years in EU countries, related to all the following:
 - Global presence and experience in railway sector are required
 - Business organization / operational restructuring including optimization of technical and administrative processes and functions, including the development of operational efficiency and cost rationalization measures
 - Railway maintenance and operation (traffic management)
 - Analysis of the out-sourcing potential for business processes and functions
 - HR competencies and development of management capacity/change management, including provision of training
 - Experience in SOE restructuring
- The reference value of each project must be at least 80 percent of the contract value.
- (Preferential advantage: experience with projects in more countries, experience with state owned infrastructure companies, more projects concerning railway maintenance operations,

more project in business organization and/or operational restructuring, change management experience, provision of training)

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

- **Core team** (where at least 2 persons speak Croatian):
 - Team Leader with at least 10 years' experience in business consulting including experience in operational restructuring projects in the railway /infrastructure sector, speaking the local language
 - Civil engineer with at least 7 years' experience in railway maintenance/construction respectively
 - Traffic engineer with at least 7 years' experience in railway traffic management/safety
 - Business analyst with at least 7 years' experience in relevant business operations (railway contractor and/or railway managing authority)
 - Legal expert with at least 7 years' experience in public sector restructuring
- **Support expertise:**
 - Quality assurance engineer with at least 7 years' experience
 - Environmental specialist (7 years overall experience)
 - Work organization specialist (7 years overall experience)

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 Selection under a Quality and Cost-Based selection (QCBS) method, set out in the Consultant Guidelines. The budget for this assignment is EUR 250,000.00 (not including VAT).

The Expression of Interest must be accompanied by complete Contact details.

The Consultant will perform work in compliance with public health guidance and in the physical location(s) allowed by the Government of Croatia and the European Union's response to the ongoing COVID-19 pandemic. For the avoidance of doubt this may require video conferencing in lieu of face-to-face meeting, wearing of masks if physical meetings are possible, and adherence to social distancing guidelines. If border restrictions do not permit travel to / from the Consultant's location travel will not be required.

The Expression of Interest may be submitted via e-mail or in person to the address below **by 24th August, 2022, 2 pm local time.** If submitted in person, 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 HŽ INFRASTRUKTURA d.o.o. for:
*TECHNICAL AND BUSINESS RATIONALIZATION
OF HZ INFRASTRUKTURA d.o.o.*
to the following address:**

HŽ INFRASTRUKTURA d.o.o.
Attn: Bruna Šarić
Sarajevska 43, Ground Floor, Room 9
10000 Zagreb, Croatia

or it can be sent via e-mail to all three following addresses: iva.mrsonastic@hzinfra.hr, bruna.saric@hzinfra.hr and josipa.puklin@hzinfra.hr.

Based on the evaluation of Expressions of Interest, only shortlisted firms will be invited to submit their technical and financial proposal through a Request for Proposals.

Further information may be obtained at the following e-mail addresses: iva.mrsonastic@hzinfra.hr, bruna.saric@hzinfra.hr and josipa.puklin@hzinfra.hr during office hours: 8 am to 3 pm local time.

HŽ INFRASTRUKTURA d.o.o.