



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

**INVITATION FOR EXPRESSION OF INTEREST
TO ACT AS TECHNICAL & TRAFFIC ADVISOR TO THE HELLENIC REPUBLIC ASSET DEVELOPMENT
FUND (“HRADF”) FOR THE CONCESSION OF THE RIGHT TO OPERATE, MAINTAIN AND
COMMERCIALY EXPLOIT EGNATIA MOTORWAY AND THREE VERTICAL AXIS (I) SIATISTA -
IEROPIGI/KRISTALLOPIGI, (II) THESSALONIKI – SERRES - PROMACHONAS AND (III) THESSALONIKI -
EVZONI**

March 4th, 2016

1. Introduction

1.1. Pursuant to:

- I. the provisions of the single article of Law 3985/2011 “Medium Term Fiscal Strategy 2012-2015” (Government Gazette A’151/2011), which approved the Medium Term Fiscal Strategy 2012-2015 and the “Privatisations Program 2011-2015” (Chapter B’, Part II “**Privatisations**”),
- II. the provisions of Law 4046/2012 (Government Gazette A’28/2012) “Approval of the Draft Agreements for Financial Assistance Facility between the EFSF, the Hellenic Republic and the Bank of Greece, of the Memorandum of Understanding between the Hellenic Republic, the European Commission and the Bank of Greece and other provisions for the reduction of public debt and the salvage of the national economy” that updated the Privatisation Program included in Annex IV, and
- III. the provisions of paragraph 4.4 (Structural Policies for the enhancement of competitiveness and development - Privatisation) of Law 4336/2015 (Government Gazette A’94/2015) “Ratification of draft agreement for the Financial Support from the European Stability Mechanism and provisions for the implementation of the Financing Agreement”
- IV. the Joint Ministerial Decision No 215/10.8.2012 issued by the Inter-ministerial Committee for Asset Restructuring & Privatisation (ICARP) (Government Gazette 2316B’ 10/8/2012), transferring the right to operate, maintain and exploit the Egnatia Motorway and roadside sites thereto, as well as all property, tangible and intangible, rights related to the Egnatia Motorway, together with three vertical axis, namely: (i) Siatista - Ieropigi/Kristallopigi leading to Albania, (ii) Thessaloniki – Serres - Promachonas leading to Bulgaria and (iii) the Thessaloniki - Evzoni transversal part of Patra – Athens –Thessaloniki Evzoni motorway axis leading to FYROM, have been transferred to the Fund for a maximum period of forty (40) years.

the concession of the right to operate, maintain and exploit the fully constructed Egnatia Motorway, approximately 680 km in length, together with the abovementioned three vertical axes leading to Albania, FYROM and Bulgaria, approximately 228 km in length, all together referred to as (“**Egnatia**” or “**Motorway**”), is foreseen in the on-going Privatisations Program of the Hellenic Republic (the “**Transaction**” or “**Project**”).

- 1.2. Pursuant to Law 3986/2011 on “Emergency Implementation Measures for the Medium-Term Fiscal Strategy Framework 2012-2015” (Government Gazette A’ 151/2011), the Hellenic Republic Asset Development Fund SA (the “**HRADF**” of the “**Fund**”) was established with the

sole object of developing assets of the Hellenic Republic and are included in the Privatisation Program.

- 1.3. Within the framework of the current privatisation plan of Egnatia, the HRADF is seeking to employ a specialized and highly experienced technical & traffic advisor (the “**Advisor**”), who fully understands the technical, engineering, traffic, operational, commercial and financial dynamics and drivers of motorways in Europe and particularly in Greece, in order to offer its services and the necessary technical and traffic assistance for the appropriate preparation and execution of the contemplated Transaction.

2. Scope of Work

The assignment will include the following:

2.1 During the Preparatory Period (inter alia):

- 2.1.1 Overview and assessment of historic performance of the Motorway including review of historical/recent traffic data collected and historical/recent traffic models prepared by Egnatia Odos SA (“**EOSA**”) and/or HRADF’s advisors;
- 2.1.2 Pursuant to a) Joint Ministerial Decision (“JMD”) Δ17α/05/43/ΦΝ393 dated 16 April 2014 Government Gazette B’ 963/2014) and b) JMD 6686 dated 17 November 2014 (Government Gazette B’ 3086/2014), whereby the Ministry of Finance and the Ministry of Infrastructure, Transport and Networks have defined the tolling stations and tolling system to be implemented to the Motorway.
- 2.1.3 Assist the Hellenic Republic, the HRADF and the HRADF’s other advisors to review and evaluation, from a technical, operational, traffic and commercial point of view, of the:
 - construction, maintenance and operation of: i) six (6) new toll stations on the main Motorway axis and, ii) five (5) new toll stations on the Motorway’s three (3) vertical axes. All eleven (11) new toll stations are expected to be fully operational by the end of 2016 pursuant to a relevant time table approved by EOSA in August 2015,
 - installation, maintenance and operation of a hybrid (i.e. manual and electronic) tolling system in three new (3) toll stations on the main Motorway axis (“Hybrid tolls”).
 - The installation, maintenance and operation of a model electronic toll station that will be installed and operated in order to test and assess the electronic tolling concept (proof of concept stage).
 - development, installation and operation of a comprehensive proportional (electronic) tolling system, envisaged to be installed and operated on the entire Motorway and the three (3) main vertical axes by 2017, in order to ensure that users are charged according to the distance travelled (“e-tolls”). The technical adviser may be required to provide some technical assistance to the Hellenic Republic by proposing measures and techniques that will form part of a regulatory framework that will complement the e-tolls with a goal to safeguard revenues from e-tolls and combat toll evasion from users.
- 2.1.4 Develop a detailed long-term traffic forecast/model for the Motorway, with breakdown of type of vehicles, including, but not limited to:
 - description of key forecasting assumptions and modelling methodology,
 - description of drivers for traffic growth/patterns, and correlations between traffic and macroeconomic measures/patterns, such as, inter-alia, RPI, GDP, etc.,

- evaluations of long term traffic forecasts/models including risk analysis and sensitivity testing,
- 2.1.5 With the assistance of EOSA that will provide all required information, develop, produce and update (if required) the **Base Case Traffic Model and Sensitivity Scenarios (Deliverable 1)**, that will be used by the HRADF's other advisors for the preparation of the Financial Model of the Project and by the Hellenic Republic for any analysis necessary for any filling to the European authorities (i.e. DG Mobility and Transport - **DG Move** and/or Directorate-General for Regional and Urban Policy – **DG Regio** and/or DG Competition - **DG Comp**).
- 2.1.6 Advice and recommendations to the Hellenic Republic, the HRADF and the HRADF's other advisors on the:
- selection and installation of the - technically, operationally and commercially - most suitable e-tolls system for the Motorway,
 - design, technical and operational prerequisites and specifications of the e-tolls system,
 - capital expenditure requirements for the installation, operation and maintenance of the e-tolls system (including vehicle identification, vehicle classification, transaction processing, violation enforcement, etc.),
 - milestones and timelines for the installation and operation of the e-tolls system.,
 - review and assessment of the Motorway's current traffic management system and submission of recommendations for the improvement of the efficiency and effectiveness of the traffic management system under the recommended e-tolls system,
 - submission of an **e-tolls System Recommendation (Deliverable 2)**,
- 2.1.7 Conduct a Technical and Engineering Audit of the Motorway and submit a **Technical and Engineering Audit Report (Deliverable 3)**. Emphasis, inter alia, should be placed on the Motorway's:
- current operational and maintenance levels,
 - short, medium and long term capital expenditure requirements for the operation and light/heavy maintenance of the Motorway's tunnels, bridges, pavements, geotechnical works, electromechanical equipment, e-tolling related heavy equipment, fire and police installations, etc.
 - compliance with construction and maintenance specifications/standards and relevant regulations and legislation,
 - recommendations for the attainment of appropriate levels of compliance per operational and maintenance specifications and standards, related milestones and timelines, etc.

2.2 During the **Execution Phase** (inter alia):

- 2.2.1 In conjunction with HRADF's other advisors, assist and contribute in the preparation and execution of any tendering process aiming at the assignment of the economic and other rights of the HRADF on the Motorway until Transaction Close. The Advisor is, indicatively, expected to:

- periodically maintain and update/adjust the Base Traffic Model and sensitivity scenarios,
- assist in the review of submissions made by interested investors/pre-qualified investors during the due diligence period of the Project,
- in cooperation with the HRADF's other advisors and, where appropriate, evaluate from a technical point of view any proposal made by any interested parties/pre-qualified investors, and submit written recommendations to the HRADF,
- participate in presentations to interested parties/pre-qualified investors,
- co-ordinate with the HRADF and the negotiating team, assist in planning the negotiation strategy, participate in the relevant negotiations, assess - from a technical point of view - the proposed financial terms and conditions of the Transaction documentation, draft all technical specifications, parts and terms of the Transaction documentation (including but not limited to the Concession Agreement) and assist the HRADF's other advisors in drafting the relevant parts of such documentation,
- assist and advise the HRADF and its other advisors in relation to the Transaction Close and the fulfillment of any conditions thereof,
- In conjunction with the HRADF's legal and financial advisors, assist in the preparation by the Hellenic Republic and liaise with the DG Mobility and Transport - DG Move, and provide any required technical input for the notification to be submitted, justifying the proposed tolling system model and the proposed toll charges for the Motorway;
- Provide any required assistance and analysis to the Fund and/or the Hellenic Republic to support in the communication with Directorate-General for Regional and Urban Policy (**DG Regio**) and/or DG Competition (**DG Comp**), to assess and justify the imposition of tolls to the vertical axis that have been co-financed with European Funds.
- Provide any required assistance and analysis to the Fund and/or the Hellenic Republic to support any communication with DG Competition (**DG Comp**), to assess and justify compliance with EU Law of any aid or support provided to the two co-financed vertical axis where imposition of tolls is envisaged.
- Together with HRADF's other advisors, assist in collecting any Government approvals and/or other approvals from European Institutions, as necessary to implement the Transaction.
- perform all other customary services of a technical and traffic advisor for the successful consummation of any transaction similar in nature to the Transaction.
- Provide to the Board of Directors and/or the Counsel of Experts of the HRADF, any required recommendation justifying the proposed course of action in the different steps of implementation of the Transaction up to Closing;

Duration: The Duration of the engagement shall be twenty four (24) calendar months **or** until Transaction close (whichever event occurs first).

3. Necessary Qualifications

Interested parties should be able to demonstrate their standing and professional experience in relation to this assignment. Interested parties are kindly requested to submit an offer in writing, which should include the following:

3.1 Track Record & Experience (weight 25%): Proof of relevant experience in the provision of expert technical advisory services in infrastructure concessions and motorway projects in particular. Experience in the Greek market will be highly appreciated. The dossier of the Expression of Interest should include obligatorily a catalogue of all relevant projects in which the interested party has participated in the last 10 years (**DOSSIER A'**).

- 3.2 **Project Team (weight 25%):** Proposed team composition (and its proposed structure) including relevant experience of the leader and senior members of the team. Expressions of Interest should include CVs of all members of the engagement team. Moreover, a list of all relevant projects proving experience of those individual members should be submitted and included in the Expression of Interest (**DOSSIER B'**).
- 3.3 **Methodological Approach (weight 20%):** Interested parties should submit in their proposal a brief description of the proposed approach to the assignment, identification of critical issues, methodologies to be applied as well as its deliverables including an indicative timetable (**DOSSIER C'**).
- 3.4 **Maximum Budget (weight 30%):** The maximum available budget for retainer/deliverables fees for the assignment is Euro 300,000 (plus VAT, if applicable). Expenses should be calculated and quoted separately at a capped amount. Expenses will have to comply with the Fund's Expense Policy. The Expression of Interest should include a detailed Budget analysis and structure (**DOSSIER D'**)

All criteria described under 3.1, 3.2, 3.3 and 3.4 should be fulfilled.

- 3.5 Interested parties and the members of the proposed teams must declare in writing that they do not have a conflict of interest, as well as that they do not have a relationship of economic or other nature and that they are not retained by EOSA. Such declaration as to conflict of interest will be in effect throughout the term of the Advisor's engagement with HRADF.
- 3.6 The Advisor will be obliged to abide by the rules provided for in art. 7 of Law 3049/2002 and specially their professional code of conduct and relevant confidentiality rules even after the conclusion of their engagement.

4 Selection Process

- 4.1 The assignment will be awarded in accordance with the provisions of Law 3986/2011 and HRADF's Procurement Regulation (Government Gazette 476/2014) as in force from time to time.
- 4.2 The HRADF hereby reserves the right to extend or amend the engagement with the Advisor to include complementary services (if necessary), that may be required and can not be identified today and from a technical perspective will prove to be inseparable from the engagement, in accordance with applicable law and/or to complete the Transaction.
- 4.3 The assessment shall take into consideration the above mentioned in Article 3.1 3.2, 3.3 and 3.5 qualifications and requirements and the fees and expenses proposal of 3.4. HRADF may require any clarification, addition or adjustment of the submitted Expressions of Interest as deemed necessary.
- 4.4 Following the assessment process, up to three (3) candidates may be invited to present their proposals to HRADF. Should the number of candidates that fulfill the abovementioned minimum selection criteria is less than three (3), HRADF may - at its sole discretion - continue the procedure by calling on the candidate(s) that fulfill such criteria.
- 4.5 A candidate that does not comply with the criteria set hereof will not be allowed to participate in the process and thus be disqualified.
- 4.6 HRADF reserves, at the fullest extent possible and at its exclusive discretion, the right to cancel, suspend, amend or postpone until a later time this procedure, without any prior notice, as well as to terminate any negotiations or discussions at any stage of the process, without incurring any liability whatsoever as against any participant and/or any third party.
- 4.7 No responsibility or liability is or will be accepted by either the HRADF or its advisors, or any agents, employees, officers in respect of any error or misstatement in or omission from this

document. No person acquires any right or claim for compensation or other from this Invitation or from their participation in the procedure described herein, against the HRADF or its advisors for any reason or cause.

- 4.8 Interested parties should submit their offer consisting of DOSSIERS A', B, C' and D' and any other documentation that prove the firm's and the team's experience and expertise together with all requested documents as above via e-mail at the e-mail: info@hraf.gr, marked **"EGNATIA MOTORWAY: INVITATION FOR EXPRESSION OF INTEREST FOR TECHNICAL AND TRAFFIC ADVISORS"**. Additionally, a hard copy of such offer may also, at the discretion of the interested parties, be submitted, in a sealed envelope, at the offices of **HRADF, 1, Kolokotroni & Stadiou str., 7th floor, Athens 10562, Greece**. If there is any inconsistency between the hard copy and the submission via e-mail, the e-mail submission shall prevail.
- 4.9 The Expressions of Interest containing the offers must be submitted **no later than April 26th 2016, 17:00, Athens time**, irrespectively of the way of submission.