



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

**INVITATION FOR EXPRESSION OF INTEREST
TO ACT AS INSURANCE ADVISER TO HRADF
IN RELATION TO THE SERVICE CONCESSION AGREEMENT OF
EGNATIA ODOS MOTORWAY AND THREE VERTICAL ROAD AXES**

Athens, June 13th 2018

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 “Privatisation Programme 2011-2015” (Chapter B’, Part II “Privatisations”),
- II. the provisions of Law 3986/2011 on “Emergency Implementation Measures for the Medium-Term Fiscal Strategy Framework 2012-2015” (Government Gazette A’/151/2011), on the basis of which the Hellenic Republic Asset Development Fund SA (“**HRADF**” or “**Fund**”) was established with the sole object of developing assets of the Hellenic Republic, which are included in the Privatisation Programme,
- III. 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 the public debt and the salvage of the national economy” which updated the Privatisation Programme included in Annex IV,
- IV. 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 the draft agreement for the Financial Support from the European Stability Mechanism and provisions for the implementation of the Financing Agreement”,
- V. the provisions of the updated Asset Development Plan of the HRADF, as decided by the Board of Directors of the HRADF on December 20th 2017 and endorsed by means of a

relevant decision by the Government's Council for Economic Affairs and Policy on January 15th 2018,

- VI. the Joint Ministerial Decision No 215/10.8.2012, issued by the Inter-ministerial Committee for Asset Restructuring & Privatisation ("**ICARP**") (Government Gazette 2316 B' 2012), as amended by the Joint Ministerial Decision 241/27.08/2013, issued by ICARP (Government Gazette 2221 B' 2013) transferring to the Fund - for a maximum period of forty (40) years - 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, as (all together referred to as "**Egnatia**" or the "**Motorway**")
- VII. the provisions of the Procurement Regulation of the HRADF (hereinafter referred to as the "Procurement Regulation") as recently amended and codified by the Decision No 2/16128/0025 of the Minister of Finance (Government Gazette B'/476/2014), namely article 2.3, 2.5 and 2.6.

the Fund is conducting an international public tender in two phases (the "**Tender Process**") for the award of a service concession agreement in relation to financing, operation, maintenance and exploitation of the Motorway (the "**Transaction**" or "**Project**"). Phase A of the Tender Process (pre-qualification of interested parties) was concluded on 16.05.2018. Phase B of the Tender Process (submission of binding offers) is expected to commence within June 2018. In the framework of Phase B, the Fund will prepare and deliver to the pre-qualified parties for their comments a draft concession agreement (the "**Draft Concession Agreement**"). The Draft Concession Agreement is expected to include certain provisions regarding the obligation of the concessionaire to conclude insurance agreements.

- 1.2. Within the above framework, HRADF is seeking to engage a specialised and highly experienced Insurance Adviser (the "**Adviser**") in order to offer its services and the necessary assistance to the Fund on all aspects related to insurance matters that will emerge during Phase B and until up to successful completion of the Transaction including, inter alia, assistance in drafting the relevant clauses of the Draft Concession

Agreement and the review of the insurance policies which the concessionaire shall procure.

2. Scope of Work

The Adviser shall be required to support HRADF during Phase B of the Tender Process and until up to successful completion of the Transaction, on issues related to insurance matters. . The main task of the Adviser will be to identify key risk issues that have to be taken into consideration throughout the preparation, negotiation and finalization of the Draft Concession Agreement, until the entry of the Draft Concession Agreement into force.

2.1. The Adviser, in cooperation with HRADF's other professional advisers on the Project shall in particular:

- Identify, evaluate and manage risks across the different phases of Phase B of the Tender Process, including risk management gap analysis;
- Desktop review of project insurance costs for inclusion in financial analysis performed for the Tender Process;
- Quantify project risks, measure impact and value of mitigation strategies both prior and following the submission of binding offers by pre-qualified parties, advising on optimum risk transfer;
- Undertake a thorough review of the project risk register and site exposures to identify insurance solutions required to underpin financial security of project delivery counterparty and enhance the public's risk position;
- Ensure that the State's interests are properly protected, including loss payee provisions;
- Identify need for uninsurable risk indemnities or where it would be relevant to terminate the agreement;
- Ensure minimum security ratings for approved project insurers within contract documentation;
- Perform a (*formal*) due diligence for the Tender Process to ensure insurance and its costs are reasonable and enable these to be fixed at bid stage;
- Where lenders require a "*head for the hill*" clause, obtain advise on possible thresholds where necessary.

2.2. During the term of the assignment, the Adviser shall, *inter alia*:

- Identify all risk exposures relative to the project to enable optimum transfer of risk;
- Quantify project risks and determine if the concessionaire can afford the risk transferred to it;
- Identify what insurances should be required to effect and maintain for the project;
- Determine how to protect financial interests within the insurances maintained by the concessionaire;
- Explain what happens if a required insurance risk becomes uninsurable;
- Establish whether the concessionaire is procuring project insurance from a suitably rated insurer;
- Identify the level of control which is necessary over litigation arising from the Project (for the avoidance of adverse publicity in the event of contentious claims);
- Determine responsibility for the cost of deductible related losses;
- Ensure that the concessionaire's insurance costs including any insurance contingencies are reasonable;
- Establish whether HRADF and/or the Hellenic Republic can make a claim under the project's insurances maintained by the concessionaire;
- Ensure that HRADF and/or the Hellenic Republic can use, if necessary, the concessionaire's insurance proceeds to reinstate the Project assets;
- Establish whether lenders are entitled to claims proceeds, thus leaving HRADF and/or the Hellenic Republic with a damaged asset;
- Assess any comments submitted by the pre-qualified parties on the relevant clauses of the Draft Concession Agreement related to insurance matters and provide his views to the Fund with a view of finalizing those parts of the Draft Concession Agreement;
- Ahead of entrance of the Draft Concession Agreement into effect assist and advise the Fund and/or the Hellenic Republic with respect to the insurance agreements that needs to be concluded and submitted for approval by the concessionaire to the Fund and/or the Hellenic Republic.

3. Duration and Fee

- 3.1.** The Advisor will be engaged by the Fund throughout Phase B of the Tender Process, up until the successful completion of the Transaction and his services will be requested on certain milestones related to insurance matters that will emerge during the preparation, negotiation and finalisation of the Draft Concession Agreement, until its entry into force. Indicatively, the following milestones are identified:

- Milestone 1: Preparation of the clauses of the initial Draft Concession Agreement related to insurance matters
- Milestone 2: Review and assessment of comments submitted by pre-qualified parties on the clauses of the Draft Concession Agreement related to insurance matters
- Milestone 3: Review and assessment of insurance material submitted by the concessionaire ahead of the entrance of the Draft Concession Agreement into effect.

The engagement of the Adviser shall have a maximum duration of twelve (12) calendar months.

3.2. HRADF reserves hereby the right to extend and/or amend the engagement with the Adviser in order to include complementary services, which may be required and cannot be identified today, but they shall prove either to be inseparable from the original engagement without causing a major issue, in accordance with the provisions of the Procurement Regulation of HRADF, as well as to suspend the engagement of the Adviser depending on the development of the Tender Process.

3.3. The maximum available budget for the services and the assignment provided hereunder is twenty five thousand Euros (€ 25.000,00), plus VAT (if any) (the “**Budget**”). Out of pocket expenses incurred during the assignment are reimbursed in accordance with HRADF’s expenses policy and the relevant guidelines of the Fund, up to the amount of five thousand Euros (5.000,00 €) in total.

4. Necessary Qualifications

Interested parties should be able to demonstrate their standing, international reputation and professional expertise and experience in relation to insurance coverage in general and specifically in motorway concession transactions. In particular, interested parties should be able to demonstrate:

4.1. Track Record & Experience: Proof of relevant experience in the provision of expert insurance advisory services in concessions of infrastructure assets. Experience in the Greek market, as well as in motorways projects similar to the Transaction 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 ten (10 years) (**DOSSIER A’**).

- 4.2. Project Team** Proposed team composition and its proposed structure, including the relevant experience of the leader and senior members of the team. The Dossier should also include the CVs and the list of any relevant project experience of all the members of the proposed project team. The suggested senior members of the project team may be replaced only with HRADF's prior consent. (**DOSSIER B'**).
- 4.3. Methodological Approach:** The Interested Parties should identify the critical issues and submit in their proposal a brief description of the proposed approach to the assignment, specify the methodologies to be applied as well as its deliverables, including an indicative timetable (**DOSSIER C'**).
- 4.4. Budget:** The Dossier should include a detailed fees analysis. The Dossier should also include expenses to be incurred for the purposes of the provision of the services at capped fixed amount.. (**DOSSIER D'**).
- 4.5.** Interested parties and the members of their proposed teams must formally declare in writing that they do not have a conflict of interest in relation to the services under Section 2. Such declaration confirming the absence of any conflict of interest shall be in effect throughout the term of the engagement of the Adviser with HRADF.
- 4.6.** Interested parties must meet all the qualifications as described above under 4.1 through. 4.5. Interested parties who fail to submit Expressions of Interests fully compliant to the qualifications required under 4.1 through. 4.5 of this Invitation shall be disqualified from this tender process.
- 4.7.** The Adviser must observe and abide by the rules provided for in art. 7 of the Law 3049/2002 and in particular their professional code of conduct and the relevant confidentiality rules, even after the conclusion of their engagement.

5. Selection Process

- 5.1.** The assignment will be awarded in accordance with of the provisions of the Procurement Regulation.
- 5.2.** Offers are assessed and evaluated in accordance with the table below. The tender will be awarded at the interested party whose offer will have the highest score.
- 5.3.** Offers are evaluated on the basis of the following criteria and their respective weighting:

Criterion	Weighting
Track Record & Experience - DOSSIER A'	35%
Project Team - DOSSIER B'	30%
Methodological Approach - DOSSIER C'	10%
Fees & Expenses - DOSSIER D'	25%

- 5.4.** HRADF may request additional documents and/or clarifications and/or any information from the interested parties in connection with any issue related to their offer, as deemed necessary.
- 5.5.** Offers, consisting of DOSSIERS A', B, C' and D, the declaration confirming the absence of any conflict of interest and any other supporting documentation which proves the required experience and expertise of the interested parties as well as of the individual members of their proposed team, are permissibly submitted **only electronically** by email at the e-mail address: info@hraf.gr (for the attention of Mr Yannis Zapantis), marked **"EGNATIA MOTORWAY: INVITATION FOR EXPRESSION OF INTEREST FOR INSURANCE ADVISER"**.
- 5.6.** DOSSIER D' must be protected with a password; if not, the interested party shall be automatically disqualified. Following the assessment of DOSSIERS A', B', C', and provided that the declarations confirming the absence of any conflict of interest are included, only the interested parties which comply with the requirements under para. 4.6 (regarding DOSSIER A', B', and C') will be invited via e-mail to send the password for DOSSIER D'. The interested parties who fail to comply with the above requirements will be notified accordingly. Following the assessment of DOSSIER D' the interested parties (invited to send the password for DOSSIER D') will be notified about the outcome of the process.
- 5.7.** Offers must be submitted **only electronically** no later than **June 22nd, 2018, 17:00 (Athens time)**. Offers submitted after the aforementioned deadline may shall be deemed inadmissible and thus immediately rejected. In case of late receipt, Offers shall not be evaluated.
- 5.8.** HRADF reserves the right to ask from the interested party with the highest score to improve its financial bid, prior to the final award of the assignment.
- 5.9.** The award of the assignment is subject to the conclusion of a written contract.

6. Terms and Conditions

- 6.1.** Offers to be submitted and this Invitation as well as the Adviser's engagement letter for the assignment are governed by and construed in accordance with the laws of the Hellenic Republic, taking also into consideration the prevailing market's conditions, the practice of HRADF and its internal policy, including terms and conditions customary in the circumstances.
- 6.2.** Interested parties accept hereby without reservation the expenses policy of HRADF on the reimbursement of the expenses of its advisers.
- 6.3.** HRADF or any of its directors, or agents, or employees, or officers are not to be held responsible or liable in respect of any error or misstatement/misrepresentation in, or omission from, this Invitation. No person acquires against HRADF and/or the "Hellenic Company of Assets & Participations S.A." and their respective directors, officers, agents or employees, any right or claim for compensation, or indemnification, or other, for any reason or cause related to this Invitation and/or the offers and/or the participation in this tender. No representation, warranty or undertaking, express or implied, is or will be made in relation to the accuracy, adequacy or completeness of this Invitation and the tender process in general.
- 6.4.** HRADF reserves the right, at the fullest extent possible and at its exclusive discretion, to cancel, suspend, amend or postpone this tender process, without any prior notice or updating, 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.
- 6.5.** Any dispute arising under or out of or in connection with the present Invitation, including the offers submitted as well as the Adviser's engagement letter for the assignment shall be subject to the exclusive jurisdiction of the courts of Athens, Greece.