HELLENIC REPUBLIC ASSET DEVELOPMENT FUND

**INVITATION FOR EXPRESSIONS OF INTEREST TO ACT AS TECHNICAL ADVISOR TO THE HELLENIC REPUBLIC ASSET DEVELOPMENT FUND ("HRADF") FOR THE TECHNICAL AND FINANCIAL DUE DILIGENCE OF THE ROLLING STOCK OF OSE S.A. WHICH IS LEASED/OPERATED BY TRAINOSE S.A.**

9 December, 2013

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 "Privatizations Program 2011-2015" (Chapter B΄, Part II "Privatizations"),

II. the "Privatizations Program" which is included as Annex IV of Law 4046/2012 (Government Gazette A΄28/2012),

the sale of shares of TRAINOSE S.A. ("TRAINOSE") was included in the privatizations program of the Hellenic Republic.

1.2. Pursuant to decision no 232/05.04.2013 (Government Gazette B' 803/2013) of the Inter-ministerial Committee for Asset Restructuring and Privatizations (the "ICARP") 100% of the TRAINOSE share capital belonging to the Hellenic Republic ("HR") was transferred to HRADF.

1.3. Pursuant to Law 3986/2011 on "Emergency Implementation Measures for the Medium-Term Fiscal Strategy Framework 2012-2015" (Government Gazette A' 151/2011), HRADF was established with the sole object of developing assets belonging to the Hellenic Republic and are included in the Privatizations Program under 1.1 above.

1.4. TRAINOSE is the sole provider of rail transport services in Greece. It was established in 2005, under common Greek corporate law, as a subsidiary of the Hellenic Railways Organization ("OSE"), in the context of the implementation of the first Railway Package (Directive 2001/12/EC), and specifically, in the context of the separation of infrastructure management and transport operations of OSE.

1.5. Within the framework of the current privatization plan of TRAINOSE under the auspices of HRADF, HRADF will employ a specialized technical advisor in order to offer its assistance for the identification, evaluation, assessment and audit of the rolling stock, currently owned by OSE (and shall be transferred in accordance with Law 3891/2010 to the Hellenic Republic), and is leased/operated by TRAINOSE ***(approximately 1,900 rolling stock units).***

2. **Scope of Work**

2.1. HRADF considers the appointment of a Technical (Rail) Advisor to act as its advisor for the submission to the HRADF, its other advisors, the HR, as well as, to the pre-qualified bidders participating in the tender procedure for the acquisition of TRAINOSE, of a Technical and Financial Due Diligence Report ("DDR") for the rolling stock of OSE leased/operated by TRAINOSE.

The DDR will include, inter alia, the following:

a. Assessment of the present operational state and the state of conservation of the rolling stock fleet owned by OSE and leased/operated by TRAINOSE. Emphasis will be given to the traction rolling stock (locomotives including shunting locomotives either diesel, diesel-electric or electric traction powered and railcars),

b. A comprehensive technical audit of the OSE rolling stock leased/operated by TRAINOSE that will include:

   i. the technical assessment of each rolling stock unit's current condition and the determination of major discrepancies from optimal condition as per manufacturer specifications,
   ii. an estimate of the remaining rolling stock unit's lifetime in years of revenue service (without re-construction) and an estimate of present day financial value in Euro,
   iii. recommendations on optimum available mechanisms to secure the conditions for preserving/improving rolling stock operational suitability and standing as well as, maintenance.

c. Representation and identification of the actual present condition on the rolling stock delivery/acceptance forms.

**Duration**: The Duration of the engagement shall be up to three (3) calendar months, with HRADF reserving the right to extend such engagement for an equal amount of time.

It is expected that the Advisor will be in a position to present an interim version of the DDR two (2) calendar months after commencement of the engagement and the final version of the DDR on the date of termination of the engagement.

**3. Necessary Qualifications**

3.1. Interested parties should be able to demonstrate their standing and professional experience in rolling stock technical, maintenance and financial assessment, as well as, equally experienced members in their teams with experience of at least five (5) years each. Specifically, members' experience should include:

3.1.1 Specialized knowledge in the areas of:

(a) Rolling Stock technical assessment,

(b) Rolling Stock maintenance assessment,

(c) Rolling Stock financial assessment.

3.1.2 Proof of relevant international experience in the provision of technical advisory services in the railway sector, especially in connection to the areas under 3.1.1 above 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')**. In case the expression of interest is submitted by a consortium, each consortium member should submit separately DOSSIER A including the relevant projects in which each consortium member has participated in the relevant period.

3.1.3 Proposed team composition comprising of at least: one (1) member with experience in project management and at least ten (10) years of experience in the relevant sector, two (2) members with five (5) years of experience and, a sizeable engagement team of rolling stock inspectors/assessors with experience as described above under 3.1.1 and 3.1.2. Expressions of Interest should also include 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')**.

All criteria described under 3.1.1, 3.1.2 and 3.1.3 should be fulfilled.

3.2. **Methodological Approach**: 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'**).

3.3. **Budget**: The expression of Interest should also include a detailed fee level and structure, with a maximum cap for the duration of the present engagement. The estimated budget is **Euro (€) 150,000 plus VAT (DOSSIER D')**.

3.4. 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: a) OSE SA, TRAINOSE SA, the Hellenic Company for Rolling Stock Maintenance SA (ROSCO) their affiliates and/or subsidiaries, b) the pre-qualified bidders participating in the tender procedure for the acquisition of TRAINOSE and ROSCO or any of their affiliates and/or subsidiaries. Such declaration as to conflict of interest will be in effect throughout the term of the Advisor's engagement with HRADF.

3.5. 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 (articles 3, par.2.2 (b) and 3.3) (Government Gazette 1695/2013) as in force from time to time. The engagement to be signed can be extended or amended in order to include complementary services that will be needed because of unforeseen circumstances and which from a technical and financial perspective cannot be separated from the original engagement without causing a major issue or because they are absolutely necessary for the completion of the project in accordance with art. 3, par. 3.5 (e) of HRADF's Procurement Regulation. The assessment shall take into consideration the above mentioned in 3.1 and 3.2 qualifications and requirements, the fee proposal, as well as the criteria mentioned in paragraph 5 of article 7 of Law 3049/2002. HRADF may require any clarification, addition or adjustment of the submitted Expressions of Interest as deemed necessary. 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.

4.2. A candidate that does not comply with the criteria set hereof will not be allowed to participate in the process and thus be disqualified.

4.3. 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.

4.4. 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.

4.5. 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 **"TRAINOSE S.A.: INVITATION FOR EXPRESSION OF INTEREST FOR TECHNICAL 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, 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.

4.6. The Expressions of Interest containing the offers must be submitted **no later than 23 December, 2013, 15:00, Athens time**, irrespectively of the way of submission**.**