

**INVITATION FOR EXPRESSION OF INTEREST FOR THE PROVISION OF
SPECIALISED TECHNICAL SERVICES TO THE HELLENIC REPUBLIC IN
RELATION TO THE PRIVATIZATION OF (i) ATHENS WATER SUPPLY &
SEWERAGE COMPANY S.A. AND (ii) THESSALONIKI WATER SUPPLY AND
SEWERAGE COMPANY S.A.**

4 October, 2011

1 Introduction

- 1.1 According to Table II, Chapter B, Law 3985/2011 "Mid Term Fiscal Strategy Plan 2012-2015", the Government has decided the privatisation of the Athens Water Supply & Sewerage Company S.A. ("EYDAP") and the Thessaloniki Water Supply & Sewerage S.A. ("EYATH") (each the "**Company**" and collectively the "**Companies**").
- 1.2 EYDAP has the exclusive right to provide water and sewerage services in the greater Athens area through a 20-year concession agreement with the HR, effective from December 1999. Currently the HR holds 61% of the ATH.EX listed EYDAP's share capital, whilst a 10% stake is held by Agricultural Bank of Greece;
- 1.3 EYATH has the exclusive right to provide water and sewerage services in the greater Thessaloniki area through a 30-year concession agreement with the HR, effective from July 2001. Currently the HR holds 74% of the ATH.EX listed EYATH's share capital.
- 1.4 In the context of the privatisation process of EYDAP and EYATH (the "**Privatisation**"), the HR is seeking to employ one or more experienced and specialised technical advisor(s), who fully understand all aspects of the water and sewerage services sector and will assist the HR and its other advisors in relation to the Privatization.

2 Scope of the Work to be assigned

The services to be assigned include the provision of technical expert advice and assistance to the HR and its other advisors with respect to all issues of technical nature in relation to EYDAP and EYATH. It is noted that the technical advisor may submit an offer for both or any of the two Companies.

- 2.1 These services should include, inter alia, the following (for each of the Companies):
 - 2.1.1 Provide a brief review and benchmarking of the international water & sewerage ("W&S") market;
 - 2.1.2 Provision of a high level description of the water supply and sewerage system within the area of responsibility of each Company, identifying key characteristics and relevant risk factors in the business together with their mitigations and regulatory / legal context for the business;

- 2.1.3 Technical assessment of the system, including details of the network characteristics (length, pipe material, age, condition, ground types), pumping stations, treatment plants, and any particular areas of risk;
 - 2.1.4 Review of performance against required service standards (leakage, emergency response, etc.);
 - 2.1.5 Overview of legislative requirements including technical standards, permits and regulations that are applied to the business, the means of managing compliance and current/ historic levels of performance;
 - 2.1.6 Assessment of asset management and maintenance procedures: Review and comment on the management procedures and costs and benchmark with best industry practices for asset management and maintenance and the means of delivering the work required (e.g. internal or outsourced);
 - 2.1.7 Environmental due diligence, covering compliance with the EU and Greek relevant legislation and regulations on leakage, emissions, liabilities for contamination etc., waste management etc;
 - 2.1.8 Security, Health and Safety: Review management controls and procedures for ensuring compliance with the required standards, assessment of risks;
 - 2.1.9 Assessment of each Company's Business Plan, including forecast operating costs, capital expenditure (maintenance, renewal and expansion capex requirements);
 - 2.1.10 Assistance to the HR in a possible restructuring, reorganisation or unbundling procedure of each or both Companies.
 - 2.1.11 Benchmark the full time employment (FTE) staff employed to a suitable peer group.
- 2.2 Duration of the engagement: 12 months.

3 Necessary Qualifications

- 3.1 The interested firms must demonstrate a strong international track record and relevant expertise in providing services related to the **W&S** industry and are kindly requested to submit an offer in writing, which should include the following:
 - 3.1.1 Relevant experience in analysing the European water and sewerage industry during the last five (5) years.
 - 3.1.2 Proven track record of provision of relevant technical services to national authorities and W&S companies. Experience in the Greek market will be appreciated.
 - 3.1.3 Proposed team composition (and its proposed structure) including relevant experience of the senior members of the team.
 - 3.1.4 Initial thoughts on the assignment including an indicative timetable

for its implementation.

3.1.5 Proposed financial terms for the provision of the technical advisory services hereof, including a cap for fees and expenses for the term of the contract.

3.2 The interested firms and the members of the proposed teams must declare in writing that they do not have a conflict of interest. Such restriction as to conflict of interest will be in effect throughout the term of the engagement.

4 Selection Procedure

- 4.1 The award of the assignment will be made in accordance with the provisions of Law 3049/2002, following a negotiation and the maximum number of the candidates that will be called to participate is three (3). Any applicant who does not fulfill the eligibility criteria set in Law 3049/2002 and thereof shall be excluded from participating in the selection procedure. If the number of candidates that fulfil the abovementioned prescribed minimum selection criteria is less than three (3), the Special Secretariat for Asset Restructuring and Privatizations ("**SSARP**") may at its sole discretion continue the procedure by calling on the candidate(s) that fulfil such criteria. The SSARP may require clarification, addition or adjustment of the submitted offers;
- 4.2 The HR reserves, at its fullest exclusive discretion, to cancel, suspend, amend or postpone at a later time this procedure, without any prior notice, as well as to terminate any negotiations or discussions at any stage, without incurring any liability whatsoever as against any participant and/or any third party;
- 4.3 Interested firms may submit their offer together with detailed CVs of the proposed team for the assignment and other documentation that prove the firm's and the team's experience and expertise, via e-mail at the e-mail address ssarp@minfin.gr, marked "**EYDAP/EYATH: INVITATION FOR EXPRESSION OF INTEREST FOR TECHNICAL ADVISOR**". A hard copy of such offer may also be submitted, in a sealed envelope, at the offices of the SSARP (8 Karageorgi Servias Street, Athens, Postal Code: 101-84, 6th floor). The offers must be submitted no later than **October 17, 2011, 17:00**, Athens time, irrespectively of the way of submission.