

REQUEST FOR EXPRESSIONS OF INTEREST
CONSULTING SERVICES – FIRMS SELECTION

Republic of Serbia
The Serbia Railway Sector Modernization Project (SRSM)
Project ID No. P170868

Assignment Title:

**Technical assistance to strengthen human resources of railway sector
(Infrastruktura Železnice Srbije, Srbija Cargo, Srbija Voz and Direkcija za Železnice)**

Reference No. SER-SRSM-QCBS-CS-23-50

The Republic of Serbia has received a Loan from the International Bank for Reconstruction and Development (IBRD) in the amount of EURO 51 million and from the Agence Francaise de Développement (AFD) in the amount of EURO 51 million, toward the cost of the Serbia Railway Sector Modernization Project, Phase 1 of the Multiphase Programmatic Approach (MPA) and intends to apply part of the proceeds to payments for consulting services consulting services to be procured under this project.

The consulting services (“the Services”) include provision of guidance and tools for sustainable enhancement of the human capital in the railway sector. This includes improvement of the HR procedures and approaches in companies but goes also beyond. The assignment should look into overall human capital landscape. Also, equally enablers - like for example academia (universities, vocational schools, certified trainings, etc.) - and competitors like other sectors that might require some similar skills and have better or worst working conditions. When it comes to tools, the objective is to institutionalize long term trainings and HR tools that will be used in the companies to strengthen human capacities, provide fair compensations and advancement opportunities, nurture company loyalty culture...The objective will be achieved through the following tasks:

1. **Human Capital Vision and External Landscape:** Development of the Human Capital Visioning Paper based on, inter alia, the assessment of the Human capital landscape, position of the companies and Directorate in the labor market with focus on transportation industry in the country and in the CEE region, and potential of obtaining and preserving the right skills from current vocational schools and academia.
2. **Companies HR Strategies:** Analyses of the current internal human capital strengthening practices, HR strategy, and all HR processes in companies and RD with concrete proposals for improvements in all aspects. Development/updating of the individual companies strategies with clear action and investment plan and KPIs to monitor the achievements and implementation.
3. **Strengthening the HR department and Capacity Building:** Empowerment of the HR Departments of the companies to be able to support Human Capital strategies, ensuring “Preferred Employer” status in the market, support performance tracking, create fair employer environment, and implement various tactics and specific tools Contract duration: 18 months starting from the commencement date.

The detailed Terms of Reference for the above referenced consulting services is posted on the website of the Ministry of Construction, Transport and Infrastructure (MoCTI)

The Central Fiduciary Unit (CFU) of the Ministry of Finance now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

The Consultant will be selected in accordance with QCBS (Quality-and Cost-Based Selection) method set out in the World Bank’s Procurement Regulations for IPF Borrowers (July 2016, revised November 2017, August 2018 and November 2020). The Ministry of Construction, Transportation and Infrastructure (MoCTI), who is the Client, intends to shortlist up to eight eligible firms to whom a subsequent Request for Proposals (RFP), both technical and financial, shall be sent.

The assignment will require a qualified consulting company or Joint Venture that can demonstrate extensive experience in the technical assistance service for the contract. Consultants may associate with other firms to enhance their qualifications but should indicate clearly whether the association is in the form of a joint venture (JV) and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected. Furthermore, Expressions of interest of JVs will be evaluated based on the composition of JV submitted, whereas the experience of other firms not included in the JV will not be considered in the evaluation. The experience of any proposed sub-consultancy shall not be included in the evaluation. Key Experts’ CV are not required and will not be evaluated at the shortlisting stage.

In order to be shortlisted, the Consultant (s) or joint venture submitting the EoI must meet the following requirements:

- i) The Consultant (s) must be a legal entity.
- ii) Technical Experience required:
 - a. **Experience in design/technical support for projects aimed in developing HR and Compensation and Benefits Strategy** in the last seven (7) years
 - Must have proven experience in implementation of at least 2 completed contracts with the value of 400k EUR each, which integral activity included development of Human Resources management strategies and/or capacity building in domain of human resources out of which 1 must be in the transport sector
 - Minimum one (1) successfully completed Salary/Compensation Survey contract in region or CEE in the last 3 years
 - Must have expertise in assisting with services in relation to HR change management, including development of HR change management training programs; as a proof the Consultant must submit minimum 2 references – for contracted projects.
 - b. **Experience in organization and supervision of internal training programs-curriculum in country or region for a large enterprise / public institution in the last 7 years.**
 - - Minimum two (2) contracts successfully completed in regards to performing organization and supervision of the internal training program/ curriculum.
 - c. **Availability of qualified experts within the company/joint venture**

As proof of availability of qualified experts within their Consulting company/JV, the company shall submit an organization chart and a list of experts conforming to requested conditions within the Consulting company/JV who are relevant to the assignment. The contents of the list should be short form table information for the available experts and their fulfillment of stated conditions (i.e. name and surname of the expert, years of experience, names of reference projects, owned licenses issued by RoS).

As proof of experience, the company shall prepare reference forms, no more than ten (10) references for each stated requirement, clearly stating the following:

- Reference #
- Start date and completion date (mm/yy)
- Brief description of the design (10 sentence each maximum)
- Country of assignment with client name and address, and client reference contact
- Contract value
- Role on project

Submitted expressions of interest should be no larger than 30 pages of text, including reference forms.

Shortlisting of firms will be based on the following of points:

- Experience in designs/technical support of the projects aimed in developing HR and C&B Strategy review 70 points
- Availability of qualified experts within the company 30 points

The attention of interested Consultants is drawn to paragraphs 3.14, 3.16 and 3.17 of the World Bank's Procurement Regulations for IPF Borrowers – Procurement in Investment Project Financing Goods, Works, Non-Consulting and Consulting Services (July 2016, revised November 2017, August 2018 and November 2020) (“the Regulations”) setting forth the World Bank’s policy on conflict of interest.

Further information can be obtained at the address below during office hours 09:00 to 15:00 hours.

Expressions of interest in English language must be delivered in a written form to the email below, by **December 11, 2023, 12:00 hours, noon, local time.**

Contact:	E-mail:	Address:
To:	zorica.petrovic@mfin.gov.rs Ms. Zorica Petrovic Procurement Specialist	Ministry of Finance Central Fiduciary Unit 3-5 Sremska St 11000 Belgrade, Serbia Tel/Fax: (+381 11) 765 2587
Cc:	ljljana.dzuver@mfin.gov.rs larisa.puzovic@mgsi.gov.rs	

The Serbia Railway Sector Modernization Project (SRSM) Project ID No. P170868

TERMS OF REFERENCE

Technical assistance to strengthen human resources of railway sector (Infrastruktura Železnice Srbije, Srbija Cargo, Srbija Voz and Direkcija za Železnice)

1 Background information

1.1 Beneficiary country: Republic of Serbia

Client: Ministry of Construction, Transport, and Infrastructure of Republic of Serbia (MCTI);

1.2 Relevant country background

The International Bank for Reconstruction and Development (IBRD) launched the Multiphase Programmatic Approach (MPA) to support the Government of Serbia in continuation of institutional, physical and operational modernization of the railway sector in an integrated manner through providing financial support to Serbia Railway Sector Modernization Project as part of the Multiphase Programmatic Approach to be implemented in three overlapping phases over the ten-year period.

For the purpose of financing Serbia Railway Sector Modernization Project, Phase 1 of the MPA (the Project), IBRD and the Agence Francaise de Développement (AFD), jointly, granted to the Republic of Serbia EUR 102 million loan to support enhancing the efficiency and safety of existing railway assets and improving governance and institutional capacity of the railway sector.

Project will be managed by the Client through the Project Implementation Unit (PIU) supplemented by the Project Implementation Teams (PITs) in Railway Directorate (RD) and in railway companies, respectively Infrastruktura Železnice Srbije (IŽS), Srbija Voz (SV) and Srbija Cargo (SC). PITs will act as subordinate implementing agencies and provide technical support for specific Project subcomponents or activities of the MPA that pertain to their area of expertise. Primary responsibility for Project execution lies on PIU which will ensure that the Project development objectives are met. These Terms of References (ToR) relates to consultancy firm for technical assistance to strengthen human resources in order to strengthening efficiency in railway companies: IŽS, SC and SV. Client with support of IŽS, SV and SC intends to engage a highly qualified Consultant to provide services to address the challenges of strengthening human resources of railway companies, as a next step in reformed process regarding rail transport market in Serbia. This process is planned within the Component 2, Institutional Strengthening and Project Management, Sub-Component 2.2 Human Capital consisting of 221A (Human Capital Analyses and HR Strategy with change management plan –Technical Assistance to strengthen human resources (IŽS, Serbia Cargo and Serbia Voz).

The future of rail will be determined by how it responds to both rising transport demand and rising pressure from competing transport modes. Rising incomes and populations in developing

countries, where cities are growing exponentially, are set to lead to strong demand for more efficient, faster and cleaner means of transport. On the other hand, it is necessary for the railway to provide, in addition to the development of infrastructure and the introduction of modern rolling stocks, a better and more complete service to customers. This is where the key is railway reform, which includes a wide range of activities.

The reform of the railway system that is being implemented in Serbia should not be seen as a one-time activity but as a continuous process that, with minor or major modifications, should continue in the future (as has been done in other countries that have begun reforms well before Serbia).

In order to implement rail reform process, one of the important segments is to consider the adequate structure of employees, who carry most of the reform on their backs, and propose such an operational model of railway companies, which will be able to adequately meet business goals and needs of end users.

The objective is to consider the possibilities of improving the qualification structure and structure of employees by organizational units, without increasing the number of employees compared to the level achieved by implementing the plan for optimizing the number of employees, except in case of significant increase in the scope of services or changes in the railway companies' competencies in performing the traffic function, which can be realized only by additional employment. Also, it is necessary to promote the development of personnel key to the safe and efficient performance of the railway companies' activities and continuous improvement of operations in market conditions.

1.3 Current state of affairs in the railway transport sector

Within the strategic goals of the Government of the RoS aimed at economic development, activities related to the improvement of the transport infrastructure and the formation of an integrated transport system of Serbia are continuously carried out.

Further, reform process was realized by the implementation of Comprehensive rail reform project, financed through joint efforts by EU and World Bank and supported through Economic Memorandum with IMF.

Overall HR data show few trends that are common for all 3 companies (Serbia Voz, Serbia Cargo and IŽS). In general, average age structure is pretty challenging: over 80% of the FTE are in the age range between 41-60 years (average age of the employee is cca 48). In addition, educational structure is corresponding in a similar way: majority of the employees has high school degree (cca 50%), while University degree has between 10 and 20% of the employees. More concerning fact is that not qualified personal makes between 5 and up to 20% of the total HC. As per management, it is noticeable that gender structure is better than expected but still can be improved. One of the most urgent topics from Human capital point of view is the average age of employees and overall structure of the workforce in all 3 companies. This will lead to natural workforce reduction that can exceed 5% per annum, where some of the workforce that will leave is highly specialized and cannot be easily acquired at the market. Therefore, Consultant needs to address this topic with concrete suggestions on how to manage it. Suggestions could be (but not limited to) connected with dual education model for high schools in Serbia and possibilities in this direction together with addressing other possible educational sources of human capital in the country and region. In

more detail, we need to include Labor market, data from all available human capital sources, to create a platform and space to grow workforce structure. Based on labor market availabilities and need, there is a need to establish close cooperation with traffic, mechanic and other related high school curriculums, technical and other relevant colleagues and universities curriculum alignment with industry and traffic railway needs.

Therefore, we expect that Consultant will support companies in establishing optimal structure of employees and Human capital in general (both in companies and at the labor market in general). By this, we imply education, experience, age range, gender awareness, and knowledge and personnel skills necessary to support future business plans of the companies in the most adequate way.

Through the project Technical Assistance to Ministry of Construction, Transport and Infrastructure (MoCTI) and the State-owned railway companies in Serbia – Comprehensive Railway Reform EuropeAid/137725/DH/SER/RS, the HR Strategy and Performance Management Plan and the promotion and improvement of employee efficiency for 3 rail state companies (IŽS, SV and SC) have been proposed for the period 2016-2018. This subject Report, findings based on Surveys will be shared with selected Consultant to help them quick start and better understanding of the overall situation. This HR Strategy needs to be extended for the missing period (2019-2023) and involve RD. Relevant reports related to previous period, can inform the assessment of the current state but not limited to.

1.4 Glossary

Below the main terminology used throughout the document is introduced:

- **Competitor’s analysis** also referred to as a competitive analysis, is the process of identifying competitors in your industry and researching their different marketing strategies. You can use this information as a point of comparison to identify your company’s strengths and weaknesses relative to each competitor.
- **A salary survey** is a research study that collects and analyzes data on wages and salaries. The purpose of a salary survey is to help employers and employees understand what different jobs pay in different geographic areas, and to identify trends in wage and salary levels.
- **“Training Needs Assessment”** (TNA) or Education needs assessment is the method of determining if a training need exists and, if it does, what training is required to fill the gap. TNA seeks to identify accurately the levels of the present situation in the target surveys, interview, observation, secondary data and/or workshop.
- **A training plan** is an organized description of actions and resources employees use to do their jobs efficiently. The plan can be as simple as a brief outline or something more complex, such as a hands-on activity or a list of questions for employees.
- **FTE** – full time employee
- **GAP analyses** - a method of assessing the performance of a business unit to determine whether business requirements or objectives are being met and, if not, what steps should

be taken to meet them. A gap analysis may also be referred to as a needs analysis, needs assessment or need-gap analysis.

- **HC** – head count: number of FTE’s in the company.
- An **employee satisfaction survey** is a questionnaire that measures the contentment level of personnel regarding the various components of their job. The purpose of the employee satisfaction survey is to provide actionable data to improve the employee experience. An employee satisfaction survey can include various answer types, such as checkbox, rating scales, and open-ended answers.
- **Preferred Employer / Employer of Choice** is an organization that people want to work for, an organization that has a reputation for being a good employer, “a great place to work.” And this reputation normally comes from the people who are already working in the organization.
- **Absenteeism** is broadly defined as employee absence from work for lengths beyond what is considered an acceptable time span.
- A **quick win** is an improvement that is visible, has immediate benefit and can be delivered quickly. The best quick wins are easy to implement, inexpensive, have a narrow and focused scope, and can be fully implemented within 60-90 days. Quick wins provide project momentum by driving early value.
- **KPI** stands for key performance indicator, a quantifiable measure of performance over time for a specific objective. KPIs provide targets for teams to shoot for, milestones to gauge progress, and insights that help people across the organization make better decisions. From finance and HR to marketing and sales, key performance indicators help every area of the business move forward at the strategic level.
- **Grading system** is a process that seeks to measure objectively the different elements of a job. The jobs are placed in a rank order according to their size, thereby producing a hierarchy of jobs/grades – providing a basis for a fair pay and grading structure – though job evaluation itself is not directly about pay.
- **Key position**: unique position, central role, fundamental position, important role
- **The train-the-trainer model** is a training framework that turns employees into subject matter experts who can then teach other members of your business or organization.

2 Objective, purpose and expected results

2.1 Overall objective of the railway MPA project

Objective of the Project is to improve the efficiency and safety of Serbia’s rail network and enhance the environmental sustainability of Serbia’s transport system. The Project consists of the following components:

- Component 1: Infrastructure Investments and Asset Management. This component focuses on improving the quality and safety of railway infrastructure and enhancing rail asset management practices.
- Component 2: Institutional Strengthening and Project Management. This component focuses on strengthening rail policies and institutions to deepen and sustain recent reforms. 2.2: Human capital, Sub-Component which is this ToR part of.

- **Component 3: Railway Modernization Enablers.** This component will finance measures to protect the vulnerable and poor and strengthen sectorial enablers for sustainable business growth and job creation.

The here described assignment should support implementation of the component 2.2. The Consultant shall support the successful implementation of the Project to time, quality and cost constraints thereby to support GoS and Client to improve the functioning of state railway companies through strengthening of the overall human capital in the sector and implementation of modern HR systems and tools and human resources in general in railway companies.

2.2 Objective of the assignment

This assignment is a mix of technical assistance and capacity building activities to establish mechanisms and frameworks for long term development of human resources and knowledge sharing in the sector. The goal is to develop capacities and a pipeline of skilled staff in IŽS, SC, SV and RD to increase the rate of investments, modernize operations, improve asset management, operate services that appeal to the market, and increase IT adoption, and to raise the profile of the rail profession in education system by supporting dual education and creating a first female cohort of researchers related to rail in the country. It is essential to ensure sustainability and reach of human capital development, the interventions will extend beyond internal measures; the final idea is to create win-win situation both for the companies, FTE's, and all connected institutions.

The objective of the assignment is to provide guidance and tools for sustainable enhancement of the human capital in the railway sector. This includes improvement of the HR procedures and approaches in companies but goes also beyond. The assignment should look into overall human capital landscape. Also, equally enablers - like for example academia (universities, vocational schools, certified trainings, etc.) - and competitors like other sectors that might require some similar skills and have better or worst working conditions. When it comes to tools, the objective is to institutionalize long term trainings and HR tools that will be used in the companies to strengthen human capacities, provide fair compensations and advancement opportunities and nurture company culture. The objective will be achieved through the following tasks:

1. **Human Capital Vision and External Landscape:** Development of the Human Capital Visioning Paper based on, inter alia, the assessment of the Human capital landscape, position of the companies and Directorate in the labor market with focus on transportation industry in the country and in the CEE region, and potential of obtaining and preserving the right skills from current vocational schools and academia.
2. **Companies HR Strategies:** Analyses of the current internal human capital strengthening practices, HR strategy, and all HR processes in companies and RD with concrete proposals for improvements in all aspects. Development/updating of the individual companies strategies with clear action and investment plan and KPIs to monitor the achievements and implementation.
3. **Strengthening the HR department and Capacity Building:** Empowerment of the HR Departments of the companies to be able to support Human Capital strategies, ensuring "Preferred Employer" status in the market, support performance tracking, create fair employer environment, and implement various tactics and specific tools.

3. Scope of services

The Consultant shall carry out the specific tasks and activities as listed below and develop a well-functioning co-operation mechanism with the Client.

MCTI is the Client for this Contract. The Client together with project implementation teams from the IŽS, SV, SC and RD will lead the decision-making processes regarding the Contract implementation.

The Consultant is required to provide professional inputs during Contract execution and will also be required to undertake coordination role with representatives of the railway companies.

Main purpose of the Task is engaging Consultant that will, based on past studies, relevant data which will be provided by Client and best HR practice, develop overall analyses of the current HR status of the beneficiary in the labor market, with concrete proposals for further development in all HR aspects in order to achieve status of Preferred Employer and of Fair Employer in the industry/country.

TASK 1: Human Capital Competitiveness Policy Paper. Assessment of the Human capital landscape and position of the companies and Directorate in the labor market with focus on transportation industry in the country and region. This activity should assess short- and long-term skill needs and how these could be acquired and preserved from the current external environment. The task should also define the stage and vision for the human capital development in the sector. Some activities under task 1 to be elaborated are, but not limited to:

- **Defining the Human Capital Key Performance Indicators.** In cooperation with the PIU and the Ministry, define the Human Capital and HR relevant KPIs that should be used as comparator with other companies/industries as well as for the later definition of companies' HR Strategies. Output of this activity will be Human Capital and HR KPIs, with detailed definition, measurement/approximation, source of data, etc.
- **Competitor's analysis:** Study the organizational structure of successful and relevant peer institutions worldwide. In coordination with the PIU choose 2-3 railway sectors in the world that are comparable to Serbia situation but have much higher modal share of overall transport. Collect also the previously defined KPIs for the comparator companies.
- **KPIs in railway companies in Serbia:** Perform initial assessments and collect data on KPIs in railway companies and directorate in the Republic of Serbia.
- **Competitiveness:** identify companies and institutions in the country and region (or even EU where relevant) that are looking for similar or the same skills as required in railway companies and compare current compensation and benefit practices within railway companies and competitors. Where possible, collect also previously defined KPIs. Identify strength and weaknesses of railway companies compared to comparators and policy actions that could position railways as more attractive employer;
- **Gap analysis:** Compare the above elements and organizational structure of the companies and Directorate with their successful and relevant peer institutions worldwide: grading

systems, organizational charts (systematization) and position in the labor market and identify gaps in skill sets and practices.

- **Availability of workforce:** Assess the existing curriculums in vocation schools and academia and how these corresponds to the todays and future needs of the companies and recommend improvements. Recommendations should be in a very clear roadmap form of how to build skills needed in the future and content of the new topics. Establish starting point for permanent cooperation between railway sector and corresponding educational and recruitment institutions (both formal: Universities and High Schools and non-formal educational institutions, National Employment Service, etc.). Identified areas and proposed roadmap will be in part operationalized under task 3;
- **Managers Human Capital Competencies:** Deliver at least 3 trainings on acquiring, nurturing and managing staff for medium and high-level management.
- **Introducing necessary competences within salary survey** that needs to be presented within the companies and Directorate to enable their participation in the survey 2024, but to collect data from 2023.
- **Human Capital Competitiveness Policy Paper:** Based on the above analysis deliver the Human Capital Competitiveness Policy Paper that will present the human capital vision for the sector and propose a clear roadmap how to achieve it. This should include, but not be limited to, identification of critical set of skills that might be lacking now or in the future, how to attract employees to the railway sector, how to keep employees in the sector, how to increase availability of the workforce, how to create image of desired employer, what trainings are needed for managers to more successfully communicate human capital strategy, how to measure and use KPIs, etc. Strategy should be accompanied with clear action plan which will be implemented through remaining tasks or future activities.

Expected result of this task is clear diagnoses of beneficiary position in the market, proposals for improvement of curriculums so to ensure availability of workforce, and cooperation's protocols agreed with relevant institutions.

Deliverables under this tasks are:

1. *Human Capital and HR KPIs report*
2. *Gap analysis report (including: alignment of the organizational structure with industry standards and positioning Serbian railway labor market within Global Railway labor market)*
3. *Workforce availability report, including proposal for curriculums improvements and cooperation protocols*
4. *Training report - Supporting delivery of the top management trainings identified internally as a first priority.*
5. *Final deliverable: Human Capital Competitiveness Policy Paper*

TASK 2: HR Strategies for all 3 companies and Directorate: Update/development of new HR Strategies and all HR processes in companies and Directorate with concrete proposals for further development in all HR aspects.

The objective of the assignment is to propose and agree with beneficiaries HR strategies and operational tactics (including operating models) for all existing HR processes within IŽS, SV, SC and RD, diagnose additional bottle necks and define HR strategy in all relevant and listed processes. Within the task is expected to perform deep dive into all railway companies on all elements that impact their internal HR Practices and basically transpose and widen overall Human Competitiveness Policy Paper to HR Strategy of each company.

The Consultant shall be responsible for the following results, but not limited to:

- Asses the company cultures, value systems, employees’ perceptions, management styles and propose temporary and permanent strategies for overcoming any identified weaknesses and for nurturing the desired company identity and value system.
- Support the companies in defining their image of desired employee and approaches to achieve and continuously nurture the desired image and value systems.
- Map all HR processes (algorithms) within the companies.
- Identify gaps compared to modern trends and successful companies in EU/world/region
- Assess all other elements that impact defined KPIs. Create proposal for Talent strategy for all 3 companies and RD
- Compensation & Benefits Strategy and policy proposal for all 3 companies and RD. Proposal has to include performance-based management aspects.
- Creating proposal for Internal Communication policies for all 3 companies and RD including gender, inclusion and diversity concepts topics.
- Developing Training Need Analyses (TNA) and training plans while supporting internal HR in obtaining quick wins by identifying urgently needed trainings as per request of the management. Indicate trainings that are to be introduced as regular and those that should be delivered periodically, while clearly indicating which could be on the longer run delivered in house and those that will need external experts.
- Develop/update HR Strategy for all 3 companies and corresponding action and investment plan
 - Support the companies to actively participate in developing their vision for HR strategy
 - Define actions that will help bridge the observed gap
 - Define tools and approaches to manage HR

Expected result of this task is set of reports and recommendations for the future consisting of: HR Strategy, policies, procedures, company culture and value system assessment, and manuals for all HR processes: Administration, C&B, Talent, Training and Internal Communication.

Deliverables:

1. *Report on company culture, employee satisfaction surveys and salary survey (data from 2023) access for 8 nominated staff*
2. *Manuals for all HR processes – Administration, C&B, Talent Management, and Training*
3. *Internal Communication Report on recommended approach for all 4 types of Communication (peer to peer, bottom up, up bottom and crises).*
4. *Training Needs Assessment Report*
5. *Final report(s): Updated/new HR Strategies for all companies and directorate*

TASK 3: Strengthening HR Departments and Capacity Building to deliver new HR Strategy, tactics and specific tools implementation.

- **Adjustments of the Administration** and labor related processes and procedures to the modern systems. Special attention to possible digitalization of the processes like for example Performance Management Tool.
- **Piloting chosen Performance Management Tool** in at least 2 departments in each company
- **Supporting internal HR departments** in creating draft specification for further development and efficient usage of HR software solution within existing SAP modules.
- **Developing training strategy** for all 3 railway companies and RD based on TNA, for key positions within the companies and principles of diversity, inclusion and gender policies.
- **On the job training for HR Personal** and other departments' employees will include the following in house trainings: TTT, trainings for top management, IT and foreign language courses. Number of participants will not exceed 30 employees per training course and will be held in Client's office space. Training sessions will be held separately for each railway company.
 - Train the trainers (TTT) in at least 3 areas as defined necessary during TNA.
 - Trainings for top management in at least 3 topics related to people and company identity management.

Trainings are to be conducted in Serbian language. Training materials, presentations and any other necessary materials are to be prepared by the Consultant.

- Support in implementing **Compensation and Benefits strategy**, policies and processes with attention to individual performance and delivery of proposal for performance based system implementation.
- **Supporting management** of all 3 companies and RD in implementation of all agreed strategies and policies
- **Supporting** companies and RD in keeping **close cooperation with all educational** and other **institutions** as a permanent sources of talents and knowledge sharing.

Expected result of this task are: significantly increased number of applicants for vacancies published by beneficiary, implemented HR processes road map, strengthened and equipped HR departments and digitalized performance management processes, urgent trainings delivery and digitalized personal administration.

Deliverables:

1. *Report on installation and piloting of the off the shelf performance management tool and results*
2. *Training Delivery Report, including but not limited to: HR Staff on the job trainings, mass trainings in language, IT skills and other, in line with TNA.*

3. *Internal Training Academy Report on establishing the Academy for induction, soft skills upskilling and on the job training, run by Training Expert by performing Train the trainer for targeted individuals in all companies with detail Curriculum of at least 3 trainings to be delivered by the Academy.*
4. *Final report: up to 50 pages summarizing achievements of the task 3 including the report on KPIs achieved by the end of the assignment.*

4. Logistic and timing

4.1 Location

Operational base for the Contract will be Belgrade. Internal travel within the RoS might be required for deeper insight into different allocated positions and their working conditions, possible training outside of Belgrade or similar.

4.2 Commencement date and period of implementation

The intended commencement date is February 2024, but the actual commencement date will be defined with the signature of the Contract. The period of implementation of the contract will be 18 months starting from the commencement date.

The Consultant will carry out the services in line with a detailed time schedule to be submitted as part of his proposal, which could be changed during the negotiations in order to reflect the comments and/or requirements by the parties

4.3 Personnel

The Consultant shall establish his Team in accordance with the needs and requirements of this ToR. The Team shall consist of a core team made of key experts with the qualifications and skills defined in the The Team, as a whole, shall include experts familiar with RoS' regulations. The team organization, proposed staff availability and number of working days assigned to specific activities and backup will be evaluated as one of the major criteria within the evaluation of the proposed methodology and time schedule.

Given the complex nature of the services to be rendered by the Consultant for the implementation of the Contract, in terms of expertise required, as part of the organization and methodology of the technical proposal, the bidders will be expected to effectively mobilize highly qualified key experts to carry out requested specific activities.

The Team Leader with qualifications and skills given below will lead the Team. The Team Leader should be responsible for ensuring high quality performance of the main outputs and deliverables and the timing implementation of the activities during the Contract execution. The Team Leader will be supported by the Deputy Team Leader, who will replace the Team Leader when necessary.

The employment of local experts will be welcomed by the Client, and such experts should form a part of the team carrying out preparation of the Study. The Consultant should pay attention to the

need to ensure the active participation of local professional skills, and to provide a suitable mix of international and local-staff in the Team.

All experts shall be independent and free from any conflicts of interest in the responsibilities they take on and have to spend significant time in the offices of Client

The Consultant shall be responsible for organization of its key experts in such a way to ensure the technical assistance for the preparation of the Study are executed in accordance with the work program. The Consultant shall make available each of its key experts at any time that their services may be required., below and non-key experts, as needed. The Consultant is obliged to ensure adequate staff in terms of expertise and time allocation, as well as needed equipment in order to complete the activities required under the scope of work and to achieve the objectives of this Contract in terms of time, costs, and quality. Having in mind the diversity of areas covered by this Contract it is expected that the Consultant will have sufficient expertise in the area of HR in large enterprises. The Team, as a whole, shall include experts familiar with RoS' regulations. The team organization, proposed staff availability and number of working days assigned to specific activities and backup will be evaluated as one of the major criteria within the evaluation of the proposed methodology and time schedule.

Given the complex nature of the services to be rendered by the Consultant for the implementation of the Contract, in terms of expertise required, as part of the organization and methodology of the technical proposal, the bidders will be expected to effectively mobilize highly qualified key experts to carry out requested specific activities.

The Team Leader with qualifications and skills given below will lead the Team. The Team Leader should be responsible for ensuring high quality performance of the main outputs and deliverables and the timing implementation of the activities during the Contract execution. The Team Leader will be supported by the Deputy Team Leader, who will replace the Team Leader when necessary.

The employment of local experts will be welcomed by the Client, and such experts should form a part of the team carrying out preparation of the Study. The Consultant should pay attention to the need to ensure the active participation of local professional skills, and to provide a suitable mix of international and local-staff in the Team.

All experts shall be independent and free from any conflicts of interest in the responsibilities they take on and have to spend significant time in the offices of Client

The Consultant shall be responsible for organization of its key experts in such a way to ensure the technical assistance for the preparation of the Study are executed in accordance with the work program. The Consultant shall make available each of its key experts at any time that their services may be required.

The Project language is English. All the team members assigned by the Consultant must be able to communicate effectively in English. A sufficient number of the Consultant's team should be fluent in Serbian language, having in mind the permanent necessary consultations, both with the management and with the employees in IŽS, SC, SV and RD.

The Consultant shall provide adequate administrative staff (secretary, translators) needed to support the expert team.

4.3.1 Key experts

The profiles of the key experts for this contract are given below.

Table 2 Key experts

Title	Qualifications/Experience	Skills
<p>Key experts:</p>		
<p>A Deputy team leader shall be appointed from one of the key or senior non-key experts (preferably Senior Railway Specialist) who shall be familiar with the relevant Serbian legislation and speak fluently Serbian</p>		
<p>Team Leader – Senior HR Generalist</p>	<p><u>Education:</u> Have as a minimum M.A. Degree in Social Sciences/Law/Economy or other relevant discipline</p> <p><u>Relevant professional experience:</u> At least 15 years of general professional experience of which at least 10 in the large systems (enterprises) at managing role in HR or at least 10 years of experience in managing/leading relevant HR projects</p>	<p>Excellent command of the English language. Serbian is highly appreciated. Computer literacy.</p>
<p>Senior HR Legal Expert</p>	<p><u>Education:</u> Faculty of Law</p> <p><u>Relevant Professional Experience:</u> At least 10 years of relevant professional experience in local (Serbian) Labor Law (as an Attorney or in house Lawyer) in large enterprises or public institutions Proven knowledge of local Labor legislation Proven experience in creating legal framework for the overall policy changes Experience and/or general understanding of the compliance process with related legislation will be considered an advantage</p>	<p>Communication skills, fluency in English and Serbian. Bar exam will be considered as an advantage</p>
<p>Senior HR C&B Expert</p>	<p><u>Education:</u> M.A. in Economy/Finance</p> <p><u>Relevant Professional Experience:</u> At least 10 years of relevant professional experience managing Compensation and Benefits in a large (HC over 5k) enterprise (or as a consultant) Proven track record in working with market researches and data Clear understanding of local (Serbian) legislation concerning C&B</p>	<p>Communication skills, fluency in English. Knowledge of Serbian language mandatory, excellent understanding of available HR IT systems</p>

Title	Qualifications/Experience	Skills
	Experience with developing, supporting and/or implementing grading system in a large enterprise within last two years	
Senior HR Training Expert	<u>Education:</u> At least M.A. degree in Social Sciences <u>Relevant Professional Experience:</u> 10 years of professional experience in Lecturing, Training and development in large enterprises or public institutions (as a lecturer, manager or consultant) Proven experience with training needs assessments. Experience in creating training curriculums and training efficiency measuring system	Extraordinary communication skills, fluency in English and Serbian, coaching skills
Senior Railway Specialist	<u>Education:</u> At least M.A. degree in Traffic engineering/Social sciences or similar <u>Relevant Professional Experience:</u> 5-10 years of professional management experience in Railway company or institution directly connected with it working on HR questions Ideally, 3-5 years of direct exposure to HR in railway	Fluency in English Clear understanding of both railway labor market in the country/region and organizational structures in different rail companies

4.3.2 Non-key experts (NKE)

The Consultant is expected to include in their proposals other positions that they consider necessary for the assignment. CVs for non-key experts should be submitted in the proposal, however they would not be subject of evaluation.

The Consultant is free to propose an appropriate non-key experts team composition considering that it is likely to require a mix of international and local experts with substantial international and developing country experience in a wide range of transport sector studies, and advanced multi-disciplinary skills in a range of areas, including but not limited to:

- Internal Communication expert;
- Training expert
- Employer branding expert;
- Recruitment Expert;

4.4 Office accommodation

Office accommodation for each expert working on the Contract is to be provided by the Consultant.

The Consultant shall ensure that experts are adequately supported and equipped. In particular, it shall ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities.

No equipment is to be purchased on behalf of the Client.4.5 Outputs requirements and payment schedule

Process	Reports	Due date
<u>Inception report</u>		1 month after contract signing
<u>Task 1</u>	<i>Human Capital and HR KPIs report</i>	3 months after inception report
	<i>Gap analysis report with Salary Survey</i> <i>Workforce availability report</i> <i>Training report</i> <i>Final deliverable: Human Capital Competitiveness Policy Paper</i>	6 months after contract signing
<u>Task 2</u>	<i>Report on company culture and employee satisfaction surveys</i> <i>C&B policy, based on salary survey, including but not limiting to:</i> <i>Overall market and industry analyses</i> <i>Proposal for improving existing grading system</i> <i>Report on absenteeism influence on costs of work and work efficiency</i>	9 months after inception report
	<i>Manuals for all HR processes</i> <i>Internal Communication Report</i>	
	<i>Training Needs Assessment Report</i> <i>Final Task 2 report(s): Updated/new HR Strategies for all companies and directorate</i>	
<u>Task 3</u>	<i>Performance Management Tool Report</i> <i>Training Delivery Report</i> <i>Internal Training Academy Report</i> <i>Final report</i>	Up to 17 months after inception report

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The Consultant shall prepare, as a minimum, the above listed reports during the period of execution of the Contract. Contract will last 18 months with possibility for extension (if necessary) for additional 2 months.

In addition to this, the Consultant should deliver progress reports every 3 months, maximum length of 15 pages, indicating progress to date and listing any bottleneck or issue that needs Client attention.

All reports and other outputs (except for the Salary Survey), must be written in both languages: Serbian and English. Presentations will be held in offices or on line, depending on the possibilities.

The deliverables should be delivered in accordance with the timetable listed in table above.

4.6 Submission and approval of outputs

Reports must be simultaneously transmitted to the Client.

The Consultant shall prepare the Minutes of Meetings (MoM) for all meetings held during the process. Minutes of Meetings will be distributed by the Consultant. MoM of the meetings must be commented within 14 calendar days by participants.

All deliverables will be sent as electronic copies to the Client and 3 hard copies in English and 3 in Serbian. Hard copies will be sent or delivered in person to the following address:

- PIU, Uzun Mirkova Street 3, 11000 Beograd, Republic of Serbia.