

**SUMMARIZED RESULTS OF THE MEETINGS
WITH INTERESTED SUPPLIERS REGARDING
THE PROCUREMENT OF ENGINEERING SERVICES FOR PREPARATION,
PROCUREMENT AND SUPERVISION OF ENERGY SUBSYSTEM DEPLOYMENT**

Dates of the meetings:

12, 13, February, 2020

Location:

K. Valdemāra iela 8, Rīga, LV-1010

Participants:

Ivars Žukovskis – Business Relation Manager
Jean-Marc Bedmar – Head of Systems & Operation Department;
Antanas Šnirpūnas – Interim Country Manager Lithuania and Poland, Railway Systems Engineer;
Uģis Sabulis – Technical Project manager;
Michel Daurenjou – ERTMS Engineer;
Sander Sorts – Technical Interface Expert;
Dovydas Bricas – Technical Interface Expert;
Aiga Benfelde – Procurement Manager;
Natalja Vjatkina – Procurement Specialist – Lawyer;
Vineta Ezergaile – Procurement Specialist – Lawyer;
Didzis Holstroms – Railway Systems Engineer;

Representatives of interested suppliers

Meetings' agenda

- 1) Introduction to the Rail Baltica project and the project schedule;
- 2) Information on the Rail Baltica project ENE Engineering services needs;
- 3) Q&A session
- 4) Additional remarks

Discussion summary

1. Introduction to Rail Baltica project and project schedule;

General Rail Baltica project and schedule was presented (see Annex with presentation material).

2. Information on the Rail Baltica project ENE Engineering services needs;

Rail Baltica project general scope, procurement planning of *Engineering Services for Preparation, Procurement and Supervision of Energy Subsystem Deployment* (hereinafter - Engineering services) as well as expectations from the meetings with interested suppliers were presented (see Annex with presentation material).

3. Q&A session;

3.1. Discussion topic - Time and manpower necessary to implement the services

Time period necessary to deliver high quality concept design and simulation ranges from 1 to 2 years, where up to 6 months are required for initial gathering of inputs. Putting together design requirements for procurement ranges up to 1 year and after supervision services as long as needed. As regards to the manpower, in general, from 15 to 50 full-time professionals are necessary depending on the stage of service.

3.2. Discussion topic - Project management and deliverables, including planning, organization, responsibilities

General scope of the presented engineering services can be split into multiple disciplines where the major ones are power simulation, locating connection points with transmission system operators, concept design, developing procurement documents for design, supervision of design and construction and etc.

Stakeholder and interface management involvement is very important factor for the high quality service provision. Clear procedure, responsibilities and requirements for stakeholder management are necessary. The assistance of contracting authority is expected for stakeholder (as well as third parties) management. Engineering service provider shall be responsible for provision of the required input information for stakeholder management and shall expect the contracting authority to coordinate the communication process.

Clear responsibilities, change management procedure, technical competence and regular communication among the parties shall be clear at early stage, agreed, planned and ensured through the service provision process. Regular meetings between client and consultant is needed.

3.3. Discussion topic - Necessary experience (both organizational and individual) needed to deliver proposed services in good quality

Highly experienced professionals of high speed railway electrification, strong project management leaders experienced in comparable successfully implemented engineering projects are expected. Key experts are needed for every discipline covered in the scope of services (power demand simulation, ERTMS, signalling, site supervision, overhead catenary system, substations, RAMS, BIM, procurement, environment etc).

3.4. Discussion topic - Possible risks during engineering service provision and mitigation measures

The following key risks were noted, together with possible mitigation measures:

- stakeholder management (clearly defined responsibilities);
- third parties involvement (clearly defined responsibilities);
- design approval process (clearly defined at early stage);
- coordination with third parties (clearly defined at early stage);
- local legislation (clearly defined responsibilities, involvement of local partners);
- quality of input data (quality management assurance);
- design errors (quality assurance management);
- uneven financial flow (timely scheduled financial flow);
- number of contracts to manage (defined scope);
- gathering inputs from third parties (defined time schedule, local partners involved);
- scope of work not defined in wanted level of detail (clear scope defined in the contract);

- all the risk is on the consultants side (clear liability scope defined in the contract);
- service will be suspended for some time (clear conditions defined in the contract);
- change of law and requirements (clear variation cases defined in the contract);
- not enough local resources (communication with local companies as soon as possible).

3.5. Discussion topic – Payment conditions

Payment conditions shall ensure regular financial flow throughout the service delivery timeframe by employing certain payment approaches, such as payment based on specific deliverables or payment based on time period for service execution. Preferred payment method for I stage (simulation, conceptual design) could be lump sum or deliverable based and II stage (supervision and consultation services) could be time based approach for payment. Cash flow should be as close to neutral as possible so no negative cash flow would exist for prolonged period of time. Advanced payment and price indexation is mostly needed but depends on the schedule of work. Different payment rates for the experts shall be considered.

3.6. Discussion topic – Type of design/construction contract

It shall informed what is the anticipated type of contract (for instance FIDIC) to be used for design/construction phase.

3.7. Discussion topic – Time needed for tendering for Engineering services procurement

I stage pre-qualification 30-60 days is suitable and for II stage technical proposal 40-90 days could be needed.

3.8. Discussion topic – Contractual restrictions

Unlimited liability brings too much risk to consultants side and should be avoided. As the financing is not fully secured then financing terms should be defined in the contract. Contract should define as much of the details as possible for reducing the risk of something coming up in the later stages (additional cost).

3.9. Discussion topic – Local support

Local support shall be planned for the provision of the services during the design/construction supervision. The need of local offices during provision of the services shall be planned to for better control the service workflow.

4. Additional remarks

For better time management and preparation for the procurement process the consultants should make sure they are register in the Latvian procurement system.

Statement:

Information described in the summarized results of the meetings with interested suppliers is provided only for the information purposes and shall not be treated as definite requirements whatsoever of the procurement regulations. Procurement documentation will be drafted by a procurement commission and procurement launched in accordance with the Public Procurement Law of the Republic of Latvia. The requirements included in the procurement documentation may

differ from the information provided during the meetings with the interested supplier as well as in the summarized results of the meetings.

