



# **Rail Baltica Global Project Procurement Plan in 2019**

**KASPARS ROKENS**

COO and Management Board Member,  
RB Rail AS

APRIL 4, 2019

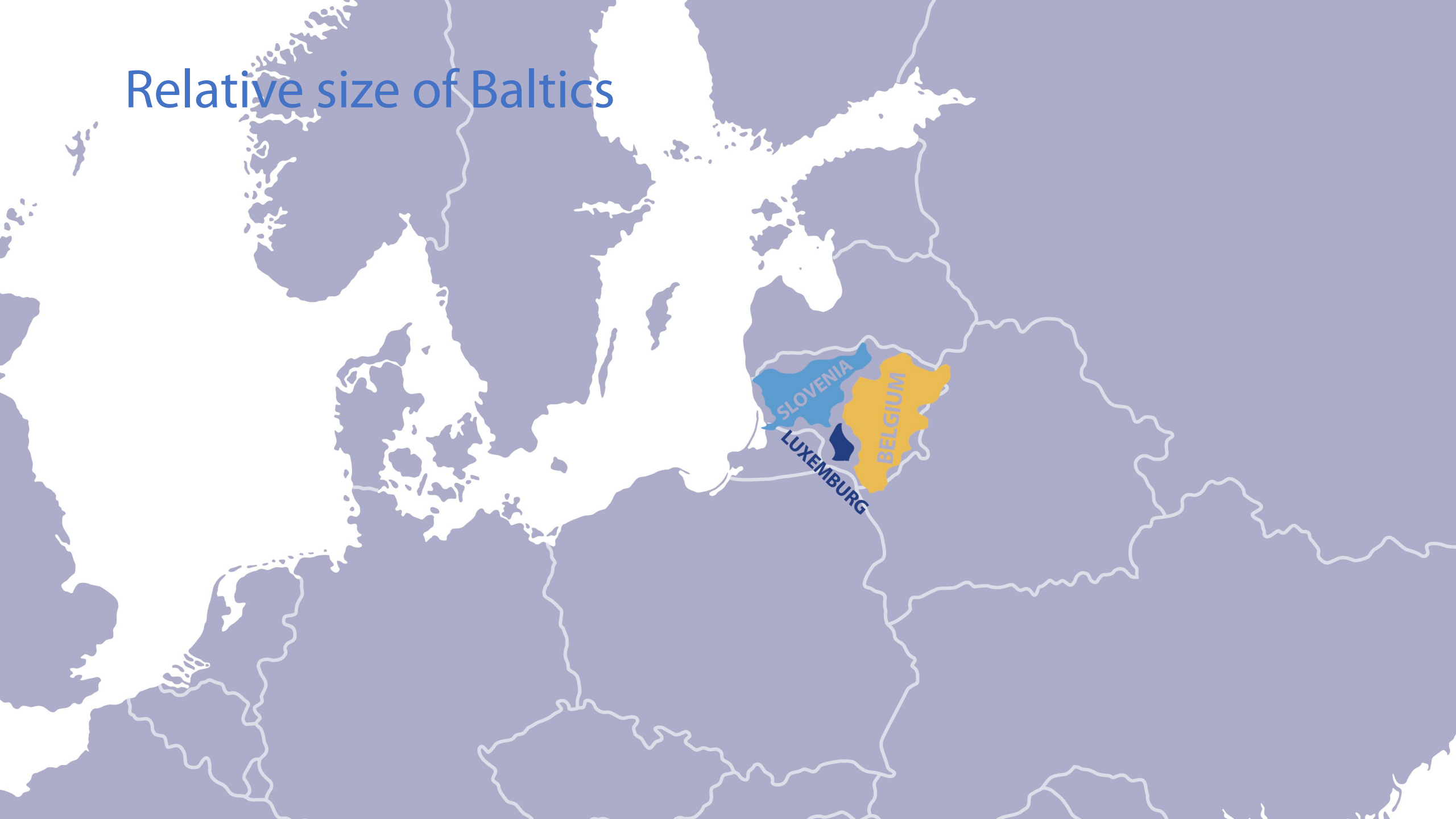


Co-financed by the Connecting Europe  
Facility of the European Union

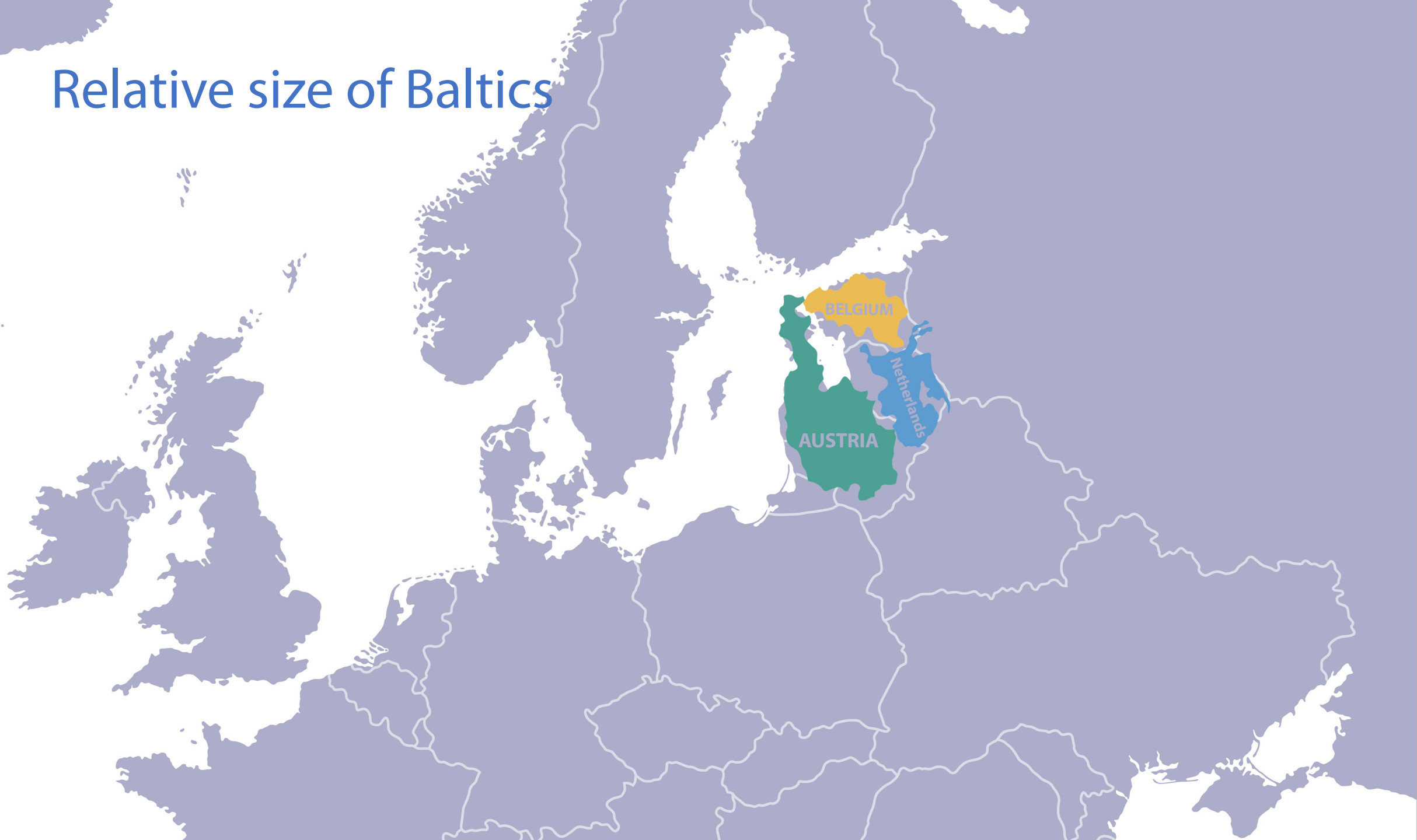


Business  
development

# Relative size of Baltics



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**Lithuania**

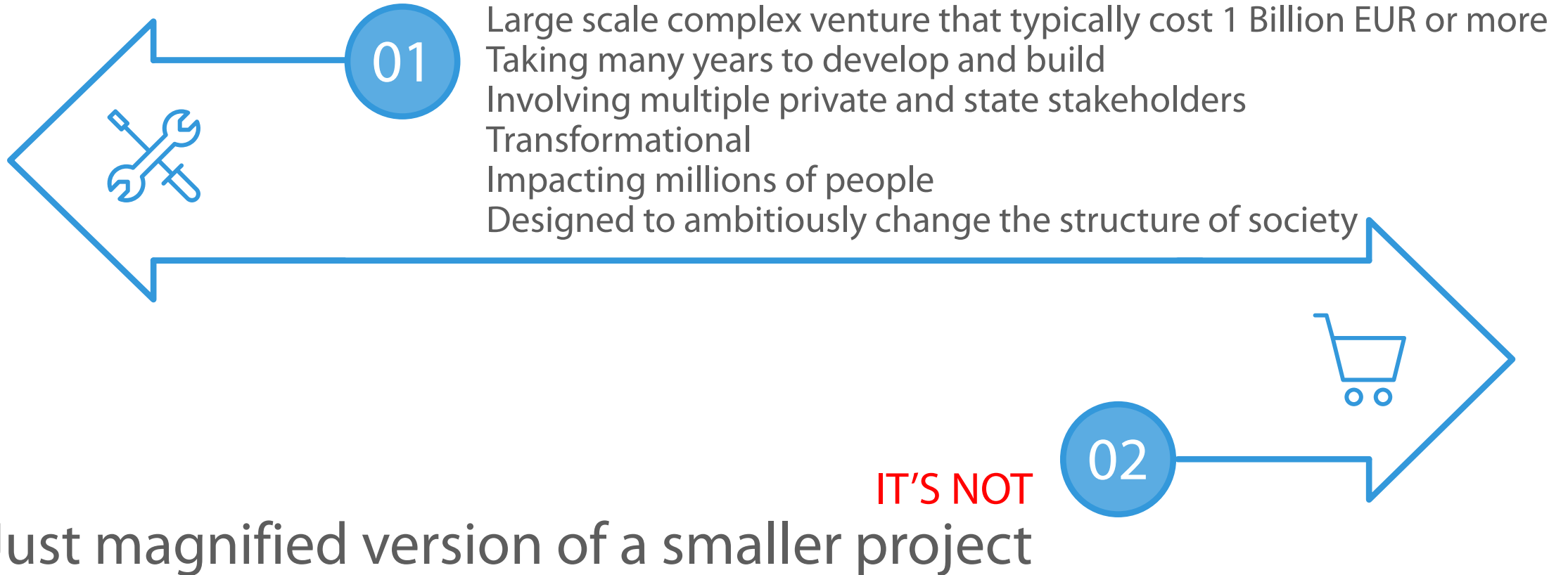
**Estonia**

**Latvia**

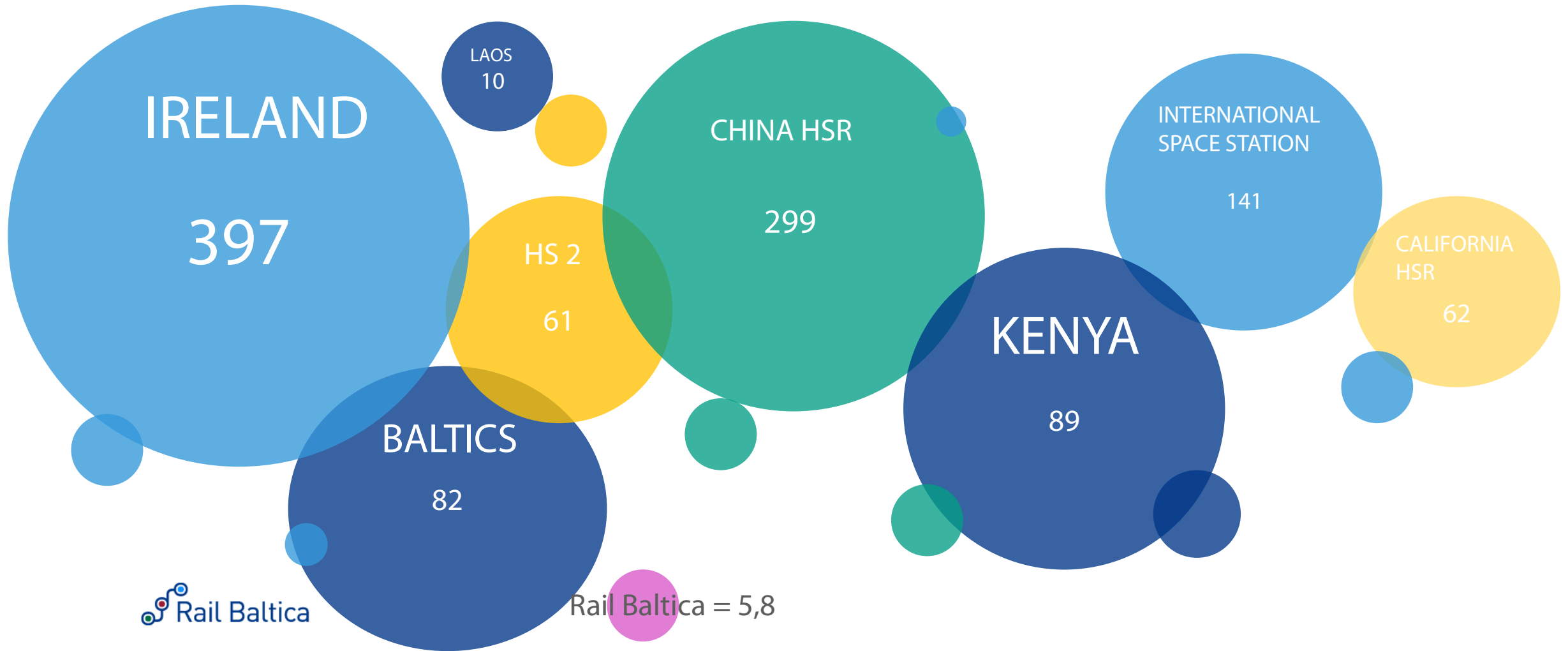
# Relative size of Baltics



# What is a MEGA Project?



# Relative Size of megaprojects, measured against GDP of selected countries



Rail Baltica = 5,8





Procurement

# RB RAIL PROCUREMENT, actual 2018

**10**  
STUDIES

**6**  
DESIGN

**16**  
OTHER

Totally **32** new procurements launched, 3 became unnecessary

**30** procurement contracts signed, excluding small procurements and minitenders

# Procurement staff

## Efficiency

3,55 procurements / head

3,8 MEUR /head

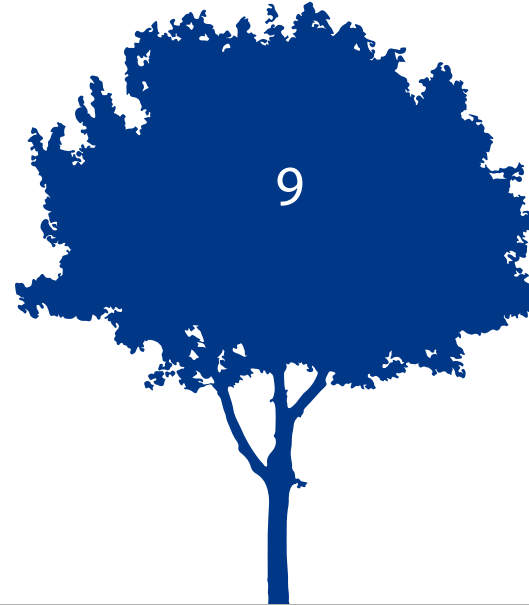
6 DTD's process alone generated:

- 740 questions
- 137 session minutes



5

2017



9

2018



10 → 15

2019

# MAIN TASKS IN 2019

01

## Design

- Detailed technical design tenders south and north sections in Latvia
- Detailed technical design works start now in Estonia and Lithuania

02

## Studies

- BIM implementation
- Technical Assessments of technical designs and NoBo technical assessment
- Series of technical studies
- Supplier market studies
- Commercialization studies

03

## Project Financing

- CEF 1 Grant Agreement amendments
- Promotion of the RB project for future EU financing (MFF)
- Implementation of long-term business plan
- Ensuring long-term RB Rail financing model

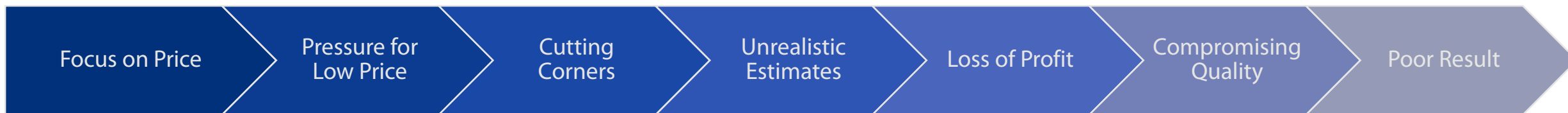
04

## Other


- Cooperation with Poland and Finland
- Future business clients
- Digitalization and Innovation approach


# What we focus on in procurements? 1/2


- Features being implemented in RBR
  - Standardised estimating
  - Regular market research
  - Application of negotiation
  - Balanced risk & liability sharing
- Procurement = Best Possible Solution + Pre-Contract Risk Mitigation
- Cheapest products are not best products
  - Cheapest quality → long term expense + time lost



# What we focus on in procurements? 2/2

- Pricing Methodology
  - Target Cost & Re-measurement with BoQ
  - Priced Risk Matrix
  - Pain-Gain Mechanism
  - Incentivisation Mechanism

Unlock Additional Value  
&  
Reduce Inflated Price Risk
- All Risk with Contractor\*  


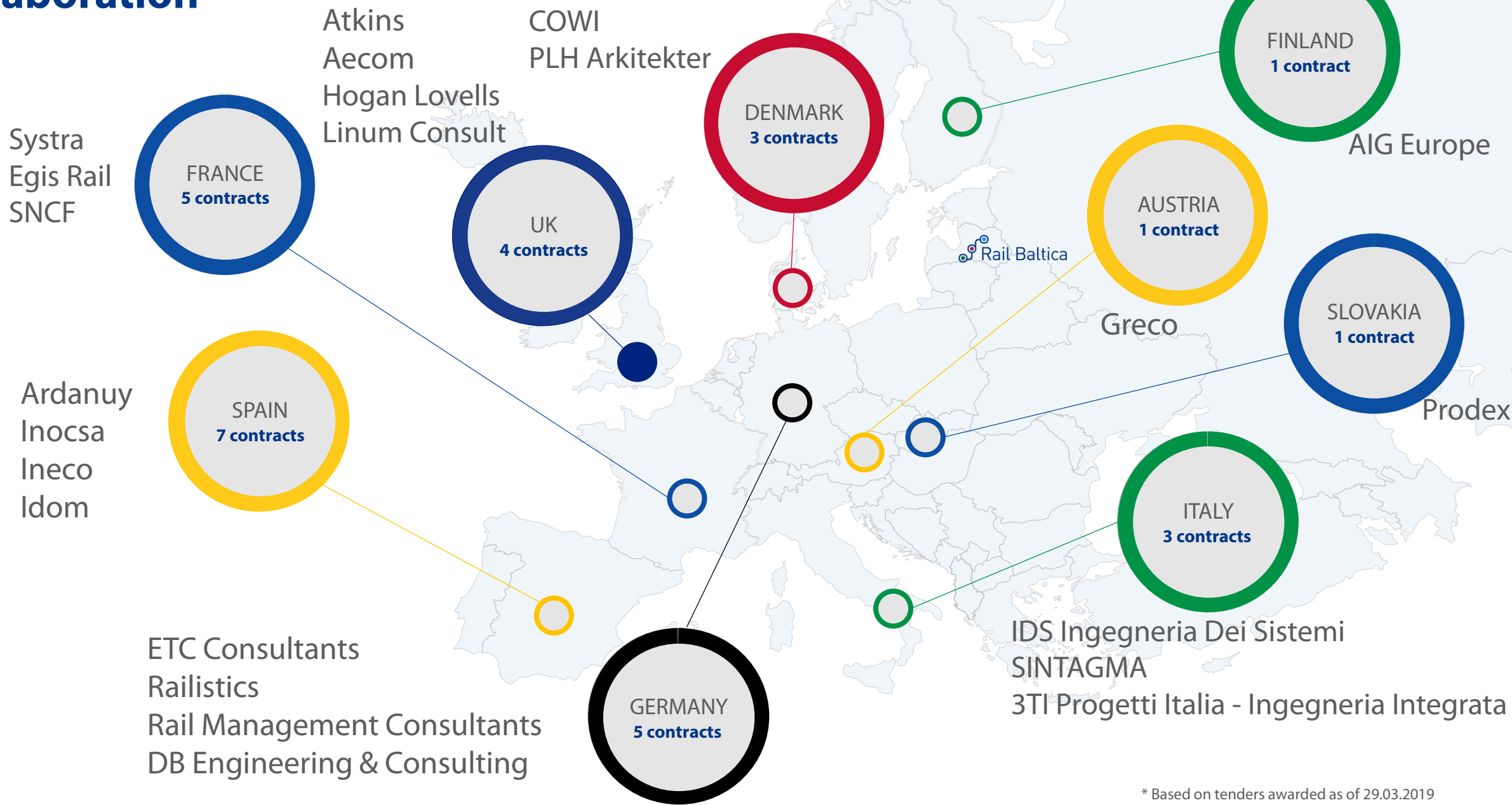
Contractor's Price with a High Risk Margin
- Balanced Risk Approach\*  


Contractor's Base Price OH & P Risk Matrix

Risk Mgmt Savings Inflated Price Savings
- Improved Business Culture
  - Closer to contracting parties → Improved information flow
  - Common risk management vs traditional finger-pointing with contractor
  - Early warnings and quick actions



\* Chart not in scale (illustrative)

# Prerequisite #1: Best practice benchmarking & transparent pan-European collaboration



\* Based on tenders awarded as of 29.03.2019

# RAIL BALTICA PROCUREMENT PLAN

Procurement phase   
Implementation phase 

2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026



## Studies



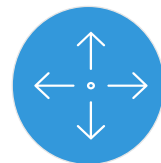
## Design



## Railway line construction & supplies



## Stations / Terminals / Maintenance Facilities Construction



## ERTMS



## Electrification



TESTING AND COMMISSIONING



# RB RAIL PROCUREMENT 2019, Q1-Q2

	Type	Time	Status
Travel agency services	Services	Q1	BID EVALUATION
Directors and officer's liability insurance	Services	Q1	COMPLETED
Health insurance for RB Rail employees in Riga office	Services	Q1	BIDDING ONGOING
Organisation services for Rail Baltica Global Forum	Services	Q1	COMPLETED
Tax advisory and reporting services	Services	Q1	COMPLETED
Recruitment services	Services	Q1	COMPLETED
Planning, Scheduling, Reporting and Risk Management software	Services	Q1	BIDDING
Experts' pool Services, Stage II	Services	Q2	TO BE ANNOUNCED
Pre-feasibility study on piggyback transportation services on Rail Baltica	Study	Q2	TO BE ANNOUNCED
Pre-feasibility study on air-to-rail intermodal solutions for passenger mobility	Study	Q2	
Study on freight intermodality between Rail Baltica (1435mm) and 1520mm networks	Study	Q2	
Rail Baltica Digitalisation and Innovation Strategy	Services	Q2	
Secondary economic benefits study	Study	Q2	
Study on the maximization of Gross Value Added (GVA) of Rail Baltica international passenger stations	Study		
Rail Baltica Global Project Marketing Strategy	Services		

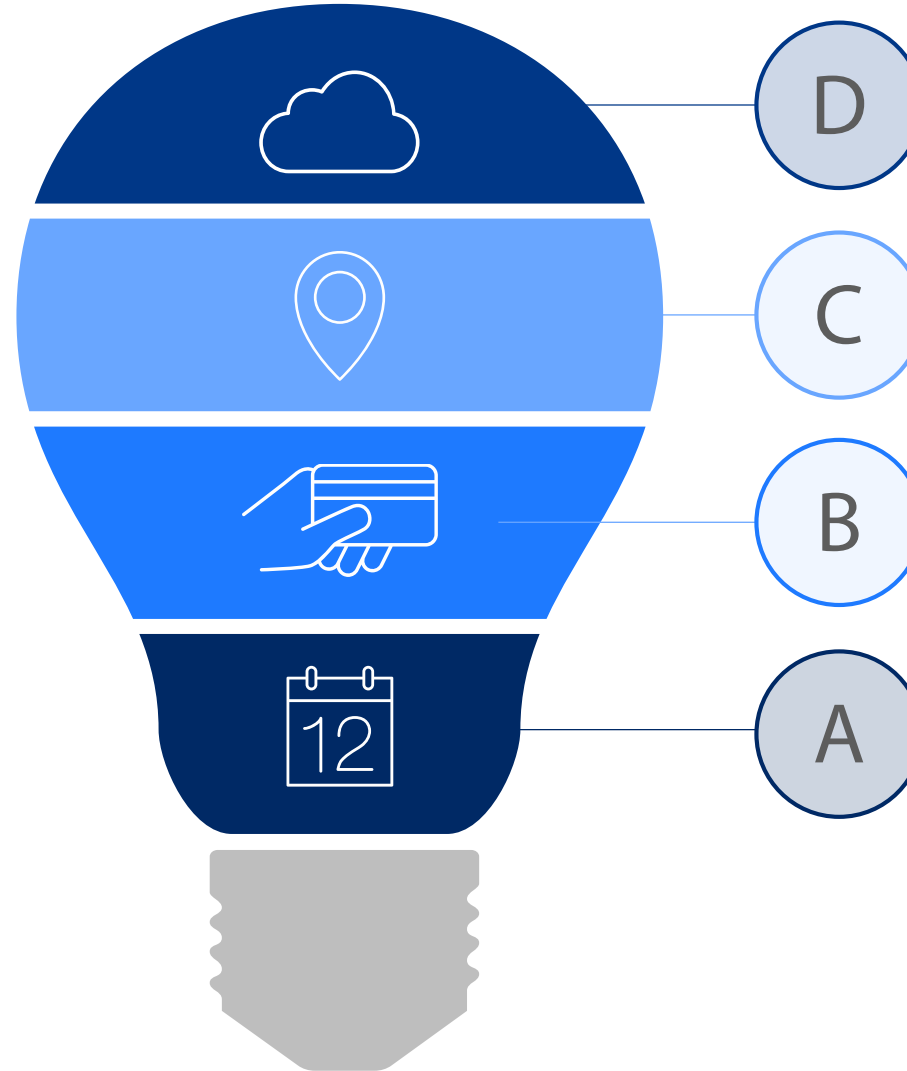
# RB RAIL PROCUREMENT 2019, Q2-Q3

	Type	Time	Status
Control, command and signaling (including ERTMS) subsystem procurement and deployment strategy for Rail Baltica	Study	Q2	
Design and design supervision services for the construction on the new line from Vangaži to Latvian / Estonian border	Design	Q2	
Design and design supervision services for the construction on the new line from Misa to Latvian / Lithuanian border	Design	Q2	
Technical assessment of the technical design, NOBO of sections of Rail Baltica	Service	Q2-Q3	
Technical assessment of the technical design, of sections of Rail Baltica	Service	Q2-Q3	
Rail Baltica reliability, availability and maintainability and safety study (RAMS)	Study	Q3	

# Governing procedures in procurements

## Main tips

- E-procurement is compulsory for procurements from and above 42 kEUR
- Supplier has to register in e-procurement system
- All procurement related information as well as how to register is available in [Railbaltica.org](http://Railbaltica.org) website
- Follow tender checklist
- Carefully manage deadlines
- Efficient – eliminates need for physical submission



D

E-procurement

C

Supplier declaration

To be signed by winning contractor

B

Newsletters

(subscription advised), Website, TED\*

A

English language

(e.g., design tender documents – in addition translated in local languages)

# Thank you for your attention!



info@railbaltica.org



www.railbaltica.org



K. Valdemara iela 8-7, Riga, Latvia



+ 371 66 967 171



linkedin.com/company/rb-rail



RailBalticaGlobalProject