

With the amendments approved by RB Rail AS open competition "Leasing of four-wheel drive vehicles" Procurement Commission's session minutes No 2, dated 29 July 2019

REGULATIONS

FOR OPEN COMPETITION

"LEASING OF FOUR-WHEEL DRIVE VEHICLES"

(IDENTIFICATION NO RBR 2019/11)



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

Riga
2019

TABLE OF CONTENTS

1. Abbreviations and terms	3
2. general information	3
3. The rights of the Procurement Commission	4
4. The obligations of the Procurement Commission	4
5. The rights of the Tenderer	5
6. Subject-matter of the Open Competition	5
7. Tenderer	6
8. Selection criteria for Tenderers	6
9. Reliance on the capacity of other persons	15
10. Subcontracting	16
11. Financial proposal	16
12. Technical proposal	16
13. Contents and form of the Proposal	16
14. Encryption of the proposal information	18
15. Submission of a Proposal	18
16. Opening of Proposals	18
17. Verification of proposal.....	18
18. Verification of Technical proposals	18
19. Verification of Financial Proposals	18
20. Contract award criteria	19
21. Tenderer check prior to making the decision regarding the conclusion of the Contract	20
22. Decision making, Announcement of results and entering into a Contract.....	21
Annexes:.....	22
ANNEX NO. 1: TECHNICAL SPECIFICATION.....	23
ANNEX NO. 2: APPLICATION	28
ANNEX NO. 3: CONFIRMATION OF FINANCIAL STANDING.....	30
ANNEX NO. 4: EXPERIENCE OF THE TENDERER	31
ANNEX NO. 5: OTHER ENTITIES ON WHOSE CAPACITY TENDERER RELIES	33
ANNEX NO. 6: SUBCONTRACTORS.....	34
ANNEX NO. 7: FINANCIAL PROPOSAL	35
ANNEX NO. 8: DRAFT CONTRACT	36

1. ABBREVIATIONS AND TERMS

- 1.1. **Common procurement vocabulary (CPV)** – a nomenclature approved by the European Union, which is applied in public procurement procedures;
- 1.2. **Contract** - signed agreement between Contracting authority and a Contractor to provide services defined in this agreement;
- 1.3. **Contracting authority** (also, the Contracting entity) - the joint stock company RB Rail AS, registration number 40103845025, legal address: Kr. Valdemāra iela 8-7, Riga, LV-1010, Latvia;
- 1.4. **Contractor** - service provider awarded the right to enter into the Contract in Open competition to provide services in accordance with requirements stipulated in Regulations and Contract;
- 1.5. **Identification number** – designation, which includes the abbreviation of the name of the Contracting authority (the first capital letters), the relevant year and the procurement sequence number in ascending order (RBR 2019/11);
- 1.6. **Open competition** (also, the Procurement) - a procurement procedure "Leasing of four-wheel drive vehicle" (identification number: RBR 2019/11) in which all interested Suppliers are entitled to submit their Proposals;
- 1.7. **Procurement commission** – commission which composition has been established by the joint stock company RB Rail AS, order No 11/2019-51 dated 27 June 2019, issued by the Management Board of joint stock company RB Rail AS;
- 1.8. **Proposal** - documentation package the Tenderer submits to participate in the Open competition;
- 1.9. **Regulations** – regulations of the Open competition "Leasing of four-wheel drive vehicles" (identification number: RBR 2019/11), as well as all the enclosed annexes;
- 1.10. **Supplier** – a natural person or a legal person, a group or association of such persons in any combination thereof, which offers to perform works, supply products or provide services accordingly;
- 1.11. **Tenderer** – a Supplier which has submitted a Proposal.

2. GENERAL INFORMATION

- 2.1. The identification number of the Open Competition is No RBR 2019/11.
- 2.2. The Contracting entity is joint stock company RB Rail AS, legal address: Kr. Valdemāra iela 8-7, Riga, LV-1010, Latvia (hereinafter – Contracting authority).
- 2.3. The Open competition is co-financed by the Contracting authority and Connecting Europe Facility (CEF).
- 2.4. Procurement Law of Latvia in effect on the date of publishing the contract notice.
- 2.5. Open competition is carried out using E-Tenders system which is subsystem of the Electronic Procurement System (<https://www.eis.gov.lv/EKEIS/Supplier>).
- 2.6. The Regulations is freely available in Contracting authority's profile in the E-Tenders system at webpage <https://www.eis.gov.lv/EKEIS/Supplier> and the webpage of the Contracting authority <http://railbaltica.org/tenders/>.
- 2.7. Amendments to the Regulations and answers to Suppliers' questions shall be published on the E-Tenders system's webpage <https://www.eis.gov.lv/EKEIS/Supplier> and the Contracting authority's webpage <http://railbaltica.org/tenders/>. It is the Supplier's responsibility to constantly follow the information published on the webpages and to take it into consideration in preparation of its Proposal.
- 2.8. Contact persons of the Contracting authority for Open competition is Lead Procurement specialist, Juri Saija, telephone: +37253444351, e-mail address: juri.saija@railbaltica.org.
- 2.9. The exchange of information between the Procurement commission and the Supplier shall be in writing (by sending documents electronically via e-mail or using E-Tenders system) in English (if information is submitted in Latvian, it shall be accompanied by a translation into English).

- 2.10. If the Supplier does not have access to the E-Tenders system, the Supplier shall follow the guidance for obtaining access to the system available on the Contracting authority's website at <http://www.railbaltica.org/procurement/e-procurement-system/>.
- 2.11. The Supplier can request additional information regarding the Regulations. Additional information can be requested in writing via the E-Tendering system or (only if the Supplier does not yet have access to the system) by sending it to the Procurement commission electronically via e-mail (see Section 2.10 of the Regulations). Any additional information must be requested in a timely fashion, so that the Procurement commission can reply on time - no later than 6 (six) days prior to the deadline of the Proposal submission. The Procurement commission shall provide response within 5 (five) business days from the day of receipt of the request from the Supplier.
- 2.12. The Supplier covers all expenses, which are related to the preparation of the Proposal and its submission to the Contracting authority. Under no circumstances will the Contracting authority be liable for compensation of any costs and damages related to the preparation and submission of the Proposal (including, *inter alia*, costs associated with any site visits) or the Supplier's participation in the Procurement exercise.

3. THE RIGHTS OF THE PROCUREMENT COMMISSION

- 3.1. The Procurement commission has the right to demand at any stage of the Open competition that the Tenderer submits all or part of the documents which certify Tenderer's compliance to the requirements for the selection of tenderers. The Procurement commission does not demand documents or information which is already at its disposal or is available in public data bases.
- 3.2. If the Tenderer submits document derivatives (e.g. copies), then, in case of doubt about the authenticity of the submitted document derivation, the Procurement commission can demand that the Tenderer shows the original documents.
- 3.3. In the course of Proposal assessment, the Procurement commission has the right to demand that the included information is clarified.
- 3.4. If the Procurement commission determines that the information about the Tenderer, its subcontractors and persons upon whose capacity the Tenderer is relying that is included in the submitted documents is unclear or incomplete, it demands that the Tenderer or a competent institution clarifies or expands the information included in the Proposal. The deadline for submission of the necessary information is determined in proportion to the time which is required to prepare and submit such information. If the Procurement commission has demanded to clarify or expand upon the submitted documents, but the Tenderer has not done this in accordance with the requirements stipulated by the Procurement commission, the Procurement commission is under no obligation to repeatedly demand that the information included in these documents be clarified or expanded upon. The Procurement commission has the right to reject all Proposals which are found not to comply with the requirements of the Procurement documentation.

4. THE OBLIGATIONS OF THE PROCUREMENT COMMISSION

- 4.1. The Procurement commission ensures the documenting the process of the Open competition procedure.
- 4.2. The Procurement commission ensures free and direct electronic access to the Open competition documents in Contracting authority's profile at the E-Tenders system's webpage <https://www.eis.gov.lv/EKEIS/Supplier> and at the webpage of the Contracting authority <http://railbaltica.org/tenders/>.
- 4.3. If an interested Supplier has in a timely fashion in writing by post, or electronically (including via E-Tenders system), or delivering in person requested additional information about the requirements included in Open competition documents regarding the preparation and submission of the Proposal or regarding the selection of Tenderers, the Procurement commission provides a response electronically within 5 (five) business days, but not later than 6 (six) days before the deadline for submitting Proposals. Simultaneously with sending this information to the Supplier who had asked the question, the Contracting authority publishes this information in Contracting authority's profile on the E-Tenders system's webpage <https://www.eis.gov.lv/EKEIS/Supplier> and on its webpage

<http://railbaltica.org/tenders/> where Open competition documents are available, indicating the question asked.

- 4.4. If the Contracting authority has amended the Open competition documents, it publishes this information in Contracting authority's profile on the E-Tenders system's webpage <https://www.eis.gov.lv/EKEIS/Supplier> and on the Contracting authority's webpage <http://railbaltica.org/tenders/> where Open competition documents are available no later than 1 (one) day after the notification regarding the amendments has been submitted to Procurement Monitoring Bureau for publication. If Supplier wishes to receive relevant updates/notifications by email regarding the Procurement exercise (e.g. when amendments to the procurement package documentation are published), Supplier shall register as an interested supplier on the E-Tenders system for the particular Procurement exercise accordingly.
- 4.5. The exchange and storage of information is carried out in such a way that all data included in the Proposals is protected and the Contracting authority can check the content of the Proposals only after the expiration of the deadline for their submission. During the time from the deadline of submission of Proposals until the opening of the Proposals the Contracting authority does not disclose any information regarding the existence of other Proposals therefore. During the time of Proposal assessment, the Contracting authority does not disclose any information regarding the assessment process until the announcement of the results.
- 4.6. The Procurement commission assesses the Tenderers and their Proposals based on the Public Procurement Law, Open competition documents, as well as other applicable regulatory enactments.
- 4.7. The Procurement commission prepares a report on the Open competition and publishes it in Contracting authority's profile on the E-Tenders system's webpage <https://www.eis.gov.lv/EKEIS/Supplier> and on the Contracting authority's webpage <http://railbaltica.org/tenders/> within 5 (five) business days from the day when the decision about the results of the Open competition is made.

5. THE RIGHTS OF THE TENDERER

- 5.1. The Tenderer has the right to submit Tenderer's Electronic Procurement System registration documents (if the Tenderer is not registered in Electronic Procurement System) in State Regional Development Agency (please see information here <http://www.railbaltica.org/procurement/e-procurement-system/>).
- 5.2. The Tenderer can request and within 3 (three) business days after submitting the request receive a copy of the Proposal opening sheet which is an annex to the Proposal opening session minutes.
- 5.3. If the Contracting authority gets the necessary information about the Tenderer directly from a competent institution, through data bases or other sources and the Tenderer's submitted information differs from information obtained by the Contracting authority, the Tenderer in question has the right to submit evidence to prove the correctness of the information the Tenderer has submitted, if the information obtained by the Contracting authority does not conform to the factual situation.
- 5.4. If a Tenderer believes that its rights have been violated or such violation is possible due to possible violation of the regulatory enactments of the European Union or other regulatory enactments, the Tenderer has the right to submit a complaint to the Procurement Monitoring Bureau according to the procedure stipulated in the Section 68 of Public Procurement Law regarding the Tenderer selection requirements, Technical specification or other requirements relating to Open competition, or relating to the activities by the Contracting authority or the Procurement commission during the Open competition.

6. SUBJECT-MATTER OF THE OPEN COMPETITION

- 6.1. The subject-matter of the Procurement is a **full-service leasing of four-wheel drive vehicles** for RB Rail AS in Estonia, Latvia and Lithuania in accordance with Technical specifications (Annex No. 1) (hereinafter – Services).
- 6.2. The applicable CPV code is 34113000-2 (4-wheel-drive vehicles).
- 6.3. The subject-matter is not divided into parts. The Tenderer shall submit a Proposal for the entire volume of the Procurement.

- 6.4. The delivery of the Services will take place in Latvia, Estonia and Lithuania.
- 6.5. Period of provision of Services is 60 months.
- 6.6. The Tenderer is not allowed to submit variants of the Proposal, the Tenderer must submit 3 identical cars . If variants of the Proposal shall be submitted, the Proposal will not be reviewed.
- 6.7. The estimated value of the contract is 90 000,00 EUR (ninety thousand euros zero cents), excluding value added tax (hereinafter – VAT).

7. TENDERER

- 7.1. The Proposal can be submitted by:
 - 7.1.1. A Supplier who is a legal or natural person (hereinafter – the Tenderer) which offers on the market to perform works, supply products or provide services accordingly and who complies with the selection criteria for Tenderers;
 - 7.1.2. A group of Suppliers (hereinafter also – the Tenderer, partnership) which offer on the market to perform works, supply products or provide services accordingly and who complies with the selection criteria for Tenderers:
 - (a) A group of Suppliers who have formed a partnership for Open competition. In this case all the members of the partnership shall be listed in Annex No. 2 "Application for participating in the Open procedure". If it will be decided to award contracting rights to such partnership, then prior to concluding the Contract the partnership shall at its discretion either enter into a partnership agreement (within the meaning of Latvian Civil Law Sections 2241-2280) and shall submit one copy of this agreement to the Contracting authority or establish a general or limited partnership (within the meaning of Latvian Commercial Law, Chapter IX and X) and notify the Contracting authority in writing;
 - (b) An established and registered partnership (a general partnership or a limited partnership within the meaning of Latvian Commercial Law, Chapter IX and X) which complies with the selection criteria for Tenderers.

8. SELECTION CRITERIA FOR TENDERERS

8.1. Exclusion grounds

The Contracting authority shall exclude the Tenderer from further participation in the Open competition in any of the following circumstances:

No	Requirement	Documents to be submitted ¹
8.1.1.	Within previous 3 (three) years before submission of the Proposal the Tenderer or a person who is the Tenderer's management board or supervisory board member, person with representation rights or a procura holder, or a person who is authorised to represent the Tenderer in operations in relation to a branch, has been found guilty of or has been subjected to coercive measures for committing any of the following criminal offences by such a public prosecutor's order regarding punishment or a court judgement that has entered into force and may not be challenged and appealed:	<ul style="list-style-type: none"> - For a Tenderer and a person who is the Tenderer's management board or supervisory board member, person with representation rights or a procura holder, or a person who is authorised to represent the Tenderer in operations in relation to a branch, which are registered or residing in Latvia, the Contracting authority shall verify the information itself in publicly available databases. - For a Tenderer and a person who is the Tenderer's management board or supervisory board member, person with representation

¹ If the Candidate submits the European Single Procurement Document as the initial proof, there is no obligation to submit other documents, unless specifically requested by the Procurement commission.

No	Requirement	Documents to be submitted ¹
	<p>a) establishment, management of, involvement in a criminal organization or in an organized group included in the criminal organization or other criminal formation, or participation in criminal offences committed by such an organization,</p> <p>b) bribe-taking, bribery, bribe misappropriation, intermediation in bribery, unauthorized participation in property transactions, taking of prohibited benefit, commercial bribing, unlawful claiming of benefits, accepting or providing of benefits, trading influences,</p> <p>c) fraud, misappropriation or money-laundering,</p> <p>d) terrorism, terrorism funding, creation or organization of a terrorist group, traveling for terrorist purposes, justification of terrorism, calling to terrorism, terrorism threats or recruiting or training a person in performance of acts of terrorism,</p> <p>e) human trafficking,</p> <p>f) evasion from payment of taxes or similar payments.</p>	<p>rights or a procura holder, or a person who is authorised to represent the Tenderer in operations in relation to a branch, which are registered or residing outside of Latvia the Tenderer shall submit an appropriate statement from the competent authority of the country of registration or residence.</p>
<p>8.1.2.</p>	<p>It has been detected that on the last day of Proposal submission term or on the day when a decision has been made on possible granting of rights to conclude the procurement contract, the Tenderer has tax debts in Latvia or a country where it has been incorporated or is permanently residing, including debts of mandatory state social insurance contributions exceeding 150 euro in total in any of the countries.</p>	<ul style="list-style-type: none"> - For a Tenderer registered or residing in Latvia, the Contracting authority shall verify the information itself in publicly available databases. - For a Tenderer registered or residing outside of Latvia the Tenderer shall submit an appropriate statement from the competent authority of the country of registration or residence.
<p>8.1.3.</p>	<p>Tenderer's insolvency proceedings have been announced, the Tenderer's business activities have been suspended, the Tenderer is under liquidation.</p>	<ul style="list-style-type: none"> - For a Tenderer registered or residing in Latvia, the Contracting authority shall verify the information itself in publicly available databases. - For a Tenderer registered or residing outside of Latvia the Tenderer shall submit an appropriate statement from the competent authority of the country of registration or residence.
<p>8.1.4.</p>	<p>A person who drafted the procurement procedure documents (Contracting authority's official or employee), Procurement commission member or expert is related to the Tenderer, or is interested in selection of some Tenderer, and the Contracting authority cannot prevent this situation by measures that cause less restrictions on Tenderer. A person who</p>	<p>No obligation to submit documents, unless specifically requested by the Procurement commission.</p>

No	Requirement	Documents to be submitted ¹
	<p>drafted the procurement procedure documents (Contracting authority's official or employee), Procurement commission member or expert is presumed to be related to the Tenderer in any of the following cases:</p> <p>a) If he or she is a current and/or an ex-employee, official, shareholder, procura holder or member of a Tenderer or a subcontractor which are legal persons and if such relationship with the legal person was terminated within the last 24 (twenty-four) months;</p> <p>b) If he or she is the father, mother, grandmother, grandfather, child, grandchild, adoptee, adopter, brother, sister, half-brother, half-sister or spouse (hereinafter – relative) of a Tenderer's or subcontractor's, which is a legal person, shareholder who owns at least 10% of the shares in a joint-stock company, shareholder in a limited liability company, procure holder or an official;</p> <p>c) If he or she is a relative of a Tenderer or a subcontractor which is a natural person.</p> <p>If the Tenderer is a partnership, consisting of natural or legal persons, a relation to the Tenderer is presumed also if a person who drafted the procurement procedure documents (Contracting authority's official or employee), Procurement commission member or expert is related to a member of a partnership in any of the above-mentioned ways.</p>	
<p>8.1.5.</p>	<p>The Tenderer has an advantage that limits competition in the procurement procedure if it or its related legal person consulted the Contracting authority or otherwise was involved in preparing the Open competition, and the advantage cannot be prevented by less restrictive measures, and the Tenderer cannot prove that its or its related legal person's participation in preparing the procurement procedure documents does not restrict competition.</p>	<p>No obligation to submit documents, unless specifically requested by the Procurement commission.</p>
<p>8.1.6.</p>	<p>Within the previous 12 (twelve) months before submission of the Proposals by such a decision of a competent authority or a court judgment which has entered into force and may not be challenged and appealed, the Tenderer has been found guilty of violating competition laws manifested as a horizontal cartel agreement, except for the case when the relevant authority, upon detecting violation of competition laws, has released the Tenderer</p>	<ul style="list-style-type: none"> - For a Tenderer registered or residing in Latvia, the Contracting authority shall verify the information itself in publicly available databases. - For a Tenderer registered or residing outside of Latvia, the Tenderer shall submit an appropriate statement from the competent authority of the country of registration or residence or other objective proof of good standing. For example, a link to the database of the competent authority's public database

No	Requirement	Documents to be submitted ¹
	from a fine or has decreased the fine for cooperation within a leniency program.	(website) listing all its decisions and validity thereof (provided that access to any such database/website is free of charge to the Contracting authority).
8.1.7.	Within the previous 3 (three) years before submission of the Proposals by such a decision of a competent authority, a court judgment or a public prosecutor's order which has entered into force and may not be challenged and appealed, the Tenderer has been found guilty and is punished for a violation manifested as employment of one or more persons who do not possess the required employment permit or if it is illegal for such persons to reside in a Member State of the European Union.	<ul style="list-style-type: none"> - For a Tenderer registered or residing in Latvia, the Contracting authority shall verify the information itself in publicly available databases. - For a Tenderer registered or residing outside of Latvia the Tenderer shall submit an appropriate statement from the competent authority of the country of registration or residence.
8.1.8.	Within the previous 12 (twelve) months before submission of the Proposals by such a decision of a competent authority, a court judgment or a public prosecutor's order which has entered into force and may not be challenged and appealed, the Tenderer has been found guilty and is punished for a violation manifested as employment of a person without a written employment contract, by failing within the term specified in regulatory enactments to submit an informative employee declaration regarding this person, which must be submitted about persons, who start working.	<ul style="list-style-type: none"> - For a Tenderer registered or residing in Latvia, the Contracting authority shall verify the information itself from publicly available databases. - For a Tenderer registered or residing outside of Latvia the Tenderer shall submit an appropriate statement from the competent authority of the country of registration or residence.
8.1.9.	The Tenderer has provided false information to prove its compliance with provisions of this Section 8.1 or qualification criteria, or has not provided the required information at all.	No obligation to submit documents, unless specifically requested by the Procurement commission.
8.1.10.	The Tenderer is a registered offshore ² company (legal person) or offshore association of persons.	<ul style="list-style-type: none"> - For a Tenderer which is registered in Latvia the Contracting authority shall verify the information itself in publicly available databases. - For the Tenderer and each member of the partnership (if Tenderer is an unregistered partnership) which is a legal person registered abroad – a copy of a valid registration certificate or a similar document issued by a foreign authority in charge of the registration of legal persons in the country of their residence wherefrom at least the fact of registration.
8.1.11.	The owner or shareholder (with more than 25% of share capital) of the Tenderer which is	<ul style="list-style-type: none"> - For a Tenderer which is registered in Latvia:

² **Offshore:** low tax or tax-free country or territory in accordance with Corporate income tax law of the Republic of Latvia except Member States of EEA (European Economic Area) or its territories, Member States of the World Trade Organization Agreement on State Treaties or territories and such countries and territories with which European Union and Republic of Latvia has international agreements for open market in public procurement area.

No	Requirement	Documents to be submitted ¹
	registered in Republic of Latvia, is a registered offshore company (legal person) or offshore association of persons.	<ul style="list-style-type: none"> the Contracting authority shall verify the information itself in publicly available databases; if such information by publicly available data bases isn't provided, Tenderer shall submit self – declaration which approves fact that there are no registered owners or shareholders of the Tenderer (with more than 25% of share capital) which are registered offshore.
8.1.12.	The subcontractors indicated by the Tenderer whose share of services is equal to or exceeds 10% of the Contract price or person on whose capacities Tenderer is relying, is a registered offshore company (legal person) or offshore association of persons.	<ul style="list-style-type: none"> For a subcontractor whose share of services is equal to or exceeds 10% of the Contract price or person, on whose capacities Tenderer is relying, which is registered in Latvia, the Contracting authority shall verify the information itself in publicly available databases; For a subcontractor or person on whose capacities Tenderer is relying, which is a legal person registered abroad (with its permanent place of residence abroad) – a copy of a valid registration certificate or a similar document issued by a foreign authority in charge of the registration of legal persons in the country of their residence wherefrom at least the fact of registration.
8.1.13.	International or national sanctions or substantial sanctions by the European Union (EU) or the North Atlantic Treaty Organization (NATO) Member State affecting the interests of the financial and capital market has been imposed to the: <ol style="list-style-type: none"> Tenderer or a person who is the Tenderer's management board or supervisory board member, beneficial owner^[1], person with representation rights or a procura holder, or a person who is authorised to represent the Tenderer in operations in relation to a branch, member of the partnership or a person who is the partnership's management board or supervisory board member, beneficial owner person with representation rights or 	<ul style="list-style-type: none"> For a Tenderer registered or residing in Latvia Contracting authority shall verify the information itself from the Register of Enterprises of the Republic of Latvia. <p>For a Tenderer registered or residing outside of Latvia Tenderer shall submit an appropriate statement from the competent authority of the country of registration or residence with all the information necessary for the examination regarding the Tenderer or a member of the partnership if the Tenderer is a partnership), including but not limited, information about beneficial owner or the fact that there is no possibility to find out the beneficial owner.</p>

^[1] **Beneficial owner:** a natural person who is the owner of the customer - legal person - or who controls the customer, or on whose behalf, for whose benefit or in whose interests business relationship is being established or an individual transaction is being executed, and it is at least:

a) regarding legal persons - a natural person who owns, in the form of direct or indirect shareholding, more than 25 per cent of the capital shares or voting stock of the legal person or who directly or indirectly controls it;

b) regarding legal arrangements - a natural person who owns or in whose interests a legal arrangement has been established or operates, or who directly or indirectly exercises control over it, including who is the founder, proxy or supervisor (manager) of such legal arrangement.

No	Requirement	Documents to be submitted ¹
	a procura holder (if the Tenderer is a partnership), and such sanctions can affect the execution of the Procurement contract.	

8.2. Legal standing and suitability to pursue the professional activity

No	Requirement	Documents to be submitted
8.2.1.	The Tenderer or all members of the partnership (if the Tenderer is a partnership) must be registered in the Registry of Enterprises or Registry of Inhabitants, or an equivalent register in their country of residence, if the legislation of the respective country requires registration of natural or legal persons.	<ul style="list-style-type: none"> - For a Tenderer (or a member of a partnership), a person on whose capacity a Tenderer relies, subcontractor which is a legal person registered in Latvia, the Contracting authority shall verify the information itself in publicly available databases. - For a Tenderer (or a member of a partnership), a person on whose capacity a Tenderer relies, subcontractor which is a natural person – a copy of an identification card or passport. - For a Tenderer (or a member of a partnership), a person on whose capacity a Tenderer relies, a subcontractor which is a legal person registered abroad (with its permanent place of residence abroad) – a copy of a valid registration certificate or a similar document issued by a foreign authority in charge of the registration of legal persons in the country of their residence wherefrom at least the fact of registration, shareholders, officials and procura holders (if any) can be determined. - If a Proposal is submitted by a partnership, the Proposal shall include an agreement (or letter of intent to enter into agreement) signed by all members on the participation in the Procurement which lists responsibilities of each and every partnership members and a joint commitment to fulfil the Contract and which authorizes one key member to sign the Proposal and other documents, to receive and issue orders on behalf of the partnership members, and with whom all payments will be made. The Tenderer additionally indicates (in this document) the member of the partnership on whose capacity it relies to certify its financial and economic performance and who will be financially and economically responsible for the fulfilment of the Contract. - If the Proposal or any other document, including any agreement, is not signed by the legal representative of the Tenderer, members of the partnership, person on whose capacity the Tenderer relies or subcontractors, then a document certifying the rights of the persons who have signed the Proposal or any other documents to represent the Tenderer, a member of the partnership, a person on whose capacity the

No	Requirement	Documents to be submitted
		Tenderer is relying, or a sub-contractor (powers of attorney, authorization agreements etc.) must be included.
8.2.2.	The representative of the Tenderer, or a member of a partnership, or a person on whose capacity a Tenderer relies who has signed documents contained in the Proposal has the right of signature, i.e., it is an official having the right of signature or a person authorized by the Tenderer.	<ul style="list-style-type: none"> - A document confirming the right of signature (representation) of the representative of the Tenderer or a member of a partnership, or a person on whose capacity a Tenderer relies, who signs the Proposal. For a Tenderer (or a member of a partnership), a person on whose capacity a Tenderer relies, which is a legal person registered in Latvia the Contracting authority shall verify the information itself in publicly available databases. - If the Tenderer (or a member of a partnership), or a person on whose capacity a Tenderer relies, submits a power of attorney (original or a copy certified by the Tenderer) there shall be additionally submitted documents confirming that the issuer of the power of attorney has the right of signature (representation) of the Tenderer.

8.3. Economic and financial standing

No	Requirement	Documents to be submitted
8.3.1.	<p>Tenderer's or all members of the partnership together (if the Tenderer is a partnership and confirms the average financial turnover jointly), average financial turnover within the last 3 (three) financial years (2016, 2017, 2018) is not less than 180 000 EUR (one hundred eighty thousand euros) per year.</p> <p>In the event the average annual financial turnover of a limited liability member of a limited partnership (within the meaning of Latvian Commercial Law, Chapter X) exceeds its investment in the limited partnership, the average financial turnover shall be recognized in the amount of the investment in the limited partnership.</p> <p>In the event the Tenderer or a member of a partnership (if the Tenderer is a partnership) has operated in the market for less than 3 (three) financial years, the requirement shall be met during</p>	<ul style="list-style-type: none"> - Filled and signed Annex No. 3 "Confirmation of Tenderer's financial standing". - Audited or self-approved (if the audited annual report is not required by the law of the country of residence of the Tenderer) annual reports for financial years 2016, 2017, 2018, showing the turnover of the Tenderer or each member of the partnership on whose capacity the Tenderer is relying to certify its financial and economic performance and who will be financially responsible for the fulfilment of the Contract/-s (if the Tenderer is a partnership), or other entity on whose capacity the Tenderer is relying to certify its financial and economic performance and who will be financially responsible for the fulfilment of the Contract/-s. - If annual report for financial year 2018 is not available yet, Tenderer has to submit other documents showing the annual financial turnover and values for of the Tenderer for the financial year 2018. - For a limited partnership (within the meaning of Latvian Commercial Law, Chapter X) - an additional document evidencing the amount of the investment by the limited liability partner (the partnership agreement or a document with a similarly binding legal effect). - If the previous 3 (three) reporting years of the Tenderer differ from the years specified in this

No	Requirement	Documents to be submitted
	the Tenderer's actual operation period.	Section 8.3.1 of the Regulations (2016, 2017, 2018), the financial turnover necessary must be indicated for the Tenderer's previous 3 (three) reporting years. <ul style="list-style-type: none"> - If the Proposal is submitted by a partnership, the Tenderer shall indicate the member of the partnership on whose capacity the Tenderer is relying to certify its financial and economic performance and who will be financially and economically responsible for fulfilment of the Contract/-s including this information in the agreement of cooperation (or letter of intention to enter into agreement) stipulated in Section 8.2.1 of the Regulations. - If the Tenderer is relying on any other entities' capacity to certify its financial and economic performance and who will be financially and economically responsible for the fulfilment of the Contract, the Tenderer along with the Proposal submits confirmation or agreement on cooperation and/or passing of resources to the Tenderer, signed between such entity and the Tenderer (please see the Section 9 of the Regulations for detailed information).
8.3.2.	The Tenderer and each member of the partnership (if the Tenderer is a partnership) on whose capacity the Tenderer is relying to certify its financial and economic performance and who will be financially and economically responsible for the fulfilment of the Contract/-s and other entity on whose capacity the Tenderer is relying to certify its financial and economic performance and who will be financially and economically responsible for the fulfilment of the Contract/-s, shall have stable financial and economic performance, namely, in the last financial year 2018 liquidity ratio (current assets divided by short-term liabilities) shall be equal to or exceed 1 (one) and shall have positive equity.	<ul style="list-style-type: none"> - Filled and signed Annex No. 3 "Confirmation of Tenderer's financial standing". - Audited or self-approved (if the audited annual report is not required by the law of the country of residence of the Tenderer) annual report for financial year 2018, showing the balance and calculation that proves liquidity ratio and positive equity. - If annual report for financial year 2018 is not available yet, Tenderer has to submit other documents showing the annual financial turnover and values for of the Tenderer for the financial year 2018. - If the Tenderer is a partnership, it indicates each member of the partnership on whose capacity it relies to certify its financial and economic performance and who will be financially and economically responsible for the fulfilment of the Contract/-s, including this information in the agreement of cooperation or letter of intention to enter into agreement or in any other similar document, signed by all parties involved and submits it along with the Proposal (please see Section 9 of the Regulations for detailed information). - If the Tenderer is relying on any other entity's capacity to certify its financial and economic performance and who will be financially and economically responsible for the fulfilment of the

No	Requirement	Documents to be submitted
		Contract/-s, the Tenderer along with the Proposal submits confirmation or agreement on cooperation and/or passing of resources to the Tenderer, signed between such entity and the Tenderer (please see Section 9 of the Regulations for detailed information).

8.4. Technical and professional ability

8.4.1. REQUIREMENTS

No	Requirement	Documents to be submitted
(a)	<p>Within the last 5 (five) years until the date of submission of the Proposal (starting from 2014) Tenderer has executed at least 3 contracts of full-service leasing, each with the value of not less than 90 000 (ninety thousand euros zero cents), excluding VAT) and with leasing period not less than 36 month.</p> <p>If the Tenderer is established at the later date, the amount of experience will be required for a shorter period.</p>	<ul style="list-style-type: none"> - Filled and signed Annex No. 4 "Description of the Tenderer's experience", where the Tenderer's experience is clearly specified.
(b)	<p>Tenderer can deliver full-service leasing that includes, but not limited, technical maintenance, out of scope maintenance/services, accident management, 24/7 Road Assistance, replacement of car, seasonal tyre exchange and storage, for car in Latvia (Riga), Estonia (Tallinn) and Lithuania (Vilnius).</p>	<ul style="list-style-type: none"> - submit information in Section 3.42. of the Technical specification Annex 1, that confirms Tenderer's ability to provide full-service leasing for vehicles in Latvia (Riga), Estonia (Tallinn) and Lithuania (Vilnius) (list of companies that Tenderer cooperates with to provide these services).
(c)	<p>Quality management system</p>	<ul style="list-style-type: none"> - The Tenderer shall have quality management system in place with a proven track record of providing quality goods. The Tenderer must submit signed references/testimonials.

8.5. Information, provided in the Proposal to prove the compliance with above-mentioned requirements for Economic and financial standing (Section 8.3 of the Regulations), Technical and professional ability (Section 8.4 of the Regulations) shall be clear and understandable without any additional analysis or external proof of the submitted information. The Contracting authority shall not be obliged to use additional sources of information to decide regarding Tenderer's compliance with the qualification requirements. The Tenderer shall remain fully responsible for the provision of sufficiently detailed information in the Proposal required to confirm clearly the compliance with qualification requirements set in the Regulations.

8.6. Notices and other documents which are issued by Latvian competent institutions are accepted and recognized by the Procurement commission, if they are issued no earlier than 1 (one) month prior to the date of submission of particular notices and documents. Notices and other documents which are issued by foreign competent institutions are accepted and recognized by the Procurement commission, if they are issued no earlier than 6 (six) month prior to the date of submission of notices and documents, if the issuer of the notice or document has not set shorter period of validity.

- 8.7. If the documents with which a Tenderer registered or permanently residing abroad can certify its compliance with the requirements of Section 8.1 of the Regulations are not issued or these documents are insufficient, such documents can be replaced with an oath or, if the regulatory enactments of the country in question do not allow for an oath, - with a certification by the Tenderer or by another person mentioned in Section 8.1 of the Regulations before a competent executive governmental or judicial institution, a sworn notary or a competent organization of a corresponding industry in their country of registration (permanent residence). Regarding all documents submitted based on an oath given under law (e.g. sworn-statements, declarations on oath etc.), the Tenderer must provide (indicate) legal grounds to law or enactment in accordance with such statements or declarations on oath have been given.
- 8.8. If the Tenderer complies with any of the exclusion grounds mentioned in Section 8.1 of the Regulations (except Section 8.1.2, 8.1.10 – 8.1.13 of the Regulations), the Tenderer indicates this fact in Annex No. 2 "Application for participating in the Open procedure".
- 8.9. The Tenderer, to certify that it complies with the selection criteria for Tenderers, may submit the European single procurement document (ESPD) as initial proof. This document must be submitted electronically and for each person upon whose capacity the Tenderer relies to certify its compliance with the requirements stipulated in the Regulations, and for each of their indicated subcontractors, the share of whose work is equal to or exceeds 10 % (ten percent) of the value of the Contract, but if the Tenderer is a partnership – for each member thereof. To fill in the European single procedure document the Tenderer uses the "ESPD.xml" file at the Internet webpage <https://ec.europa.eu/tools/espd/filter?lang=en>.

9. RELIANCE ON THE CAPACITY OF OTHER PERSONS

- 9.1. For the fulfilment of the specific contract, to comply with the selection requirements for the Tenderers relating to the economic and financial standing and technical and professional capacity, the Tenderer may rely on the capacity of other persons, regardless of the legal nature of their mutual relationship. In this case:
 - 9.1.1. The Tenderer indicates in the Proposal all persons on whose capacity it relies by filling in the table which is attached as Annex No. 5 "A list of other entities on whose capacity Tenderer relies" and proves to the Contracting authority that the Tenderer shall have available all the necessary resources for the fulfilment of the Contract by submitting a signed confirmation or agreement on cooperation and/or passing of resources to the Tenderer between such persons and the Tenderer. The confirmations and agreements on cooperation and passing of resources can be replaced by the Tenderer with any other type of documents with which the Tenderer is able to prove that the necessary resources will be available to the Tenderer and will be used during the term of fulfilment of the Contract.
 - 9.1.2. Documents on cooperation and passing of resources must be sufficient to prove to the Contracting authority that the Tenderer will have the ability to fulfil the Contract, as well as that during the validity of the Contract the Tenderer will in fact use the resources of such person upon whose capacity the Tenderer relies.
 - 9.1.3. The Contracting authority shall require joint and several liabilities for the execution of the Contract between the:
 - (a) Tenderer and a person on whose capacity the Tenderer is relying to certify its financial and economic performance and who will be financially and economically responsible for fulfilment of the Contract/-s;
 - (b) Each member of the partnership (if the Tenderer is a partnership) on whose capacity the Tenderer is relying and who will be financially and economically responsible for fulfilment of the Contract/-s.
- 9.2. The Contracting authority shall evaluate the person on whose capacity the Tenderer to whom the rights to conclude the Contract should be assigned is relying according to Section 8.1.1 - 8.1.8 and Section 8.1.12 - 8.1.13 of the Regulations. In case such person will comply with any of the exclusion grounds which are mentioned in Section 8.1.1 - 8.1.8, 8.1.12 and 8.1.13 of the Regulations the Contracting authority shall request the Tenderer to change such person. If the Tenderer shall not submit documents

about another person which complies with the selection criteria within 10 (ten) business days from the date when the request was issued or sent to the Tender, the Contracting authority shall exclude such Tenderer from further participation in the Open competition.

10. SUBCONTRACTING

- 10.1. The Tenderer shall indicate in the Proposal all subcontractors of the Tenderer by filling in the table which is attached as Annex No. 6 "A list of subcontractors".
- 10.2. The Contracting authority shall evaluate the subcontractor of the Tenderer to whom the rights to conclude the Contract should be assigned according to Sections 8.1.2 - 8.1.8 and Sections 8.1.12 to 8.1.13 of the Regulations. In case such subcontractor whose share of services is equal to or exceeds 10% of the Contract price, will comply with any of the exclusion grounds which are mentioned in Section 8.1.2 - 8.1.8, 8.1.12 and Section 8.1.13 of the Regulations, the Contracting authority shall request the Tenderer to change such subcontractor. If the Tenderer shall not submit documents about another subcontractor which complies with the selection criteria within 10 (ten) business days from the date when the request was issued or sent to the Tender, the Contracting authority shall exclude such Tenderer from further participation in the Open competition.

11. FINANCIAL PROPOSAL

- 11.1. The Financial proposal shall be submitted as part of Annex No. 7.
- 11.2. In accordance with Section 41, Paragraph 11, Article 2 of the Public Procurement Law Contracting authority rejects the Tenderer's proposal for Open competition, if Tenderer's proposed contract price for any of part of the Procurement exceeds 150% from estimated contract price set in Section 6.7. of the Regulations.
- 11.3. The Proposal price (monthly leasing fee) shall include all expected direct and indirect costs that will arise or may arise during full service leasing in accordance with Technical specification requirements and that can be reasonably estimated, including all taxes and costs related to vehicle registration, vehicle assembly in accordance with the Technical specification, annual fee of vehicle, company car tax, technical inspections, mandatory insurance (OCTA) and voluntary insurance (KASKO), as well as technical maintenance, costs of purchasing, replacing and storage tyres through the lease period.
- 11.4. The costs shall be specified in EUR, except VAT.
- 11.5. The costs must be calculated and indicated with an accuracy of 2 (two) decimal places after comma. If more than 2 (two) decimal places after comma will be indicated, then only the first two decimal places will be considered.

12. TECHNICAL PROPOSAL

- 12.1. The Tenderers should prepare and submit a Technical proposal in accordance with the requirements set out in the Technical specification (Annex No.1) by completing information in tables No.1 and No.2 **and** providing information (manufacturer's datasheets, booklets, brochures or other technical documentation), which should be sufficient to allow the Procurement commission to draw conclusions about the compliance of the proposed vehicle with the requirements of the Technical Specification.

13. CONTENTS AND FORM OF THE PROPOSAL

- 13.1. Proposal must be submitted electronically in E-Tenders subsystem of the Electronic Procurement System in accordance with the following options for the Tenderer:
 - 13.1.1. by using the available tools of E-Tender subsystem, filling the attached forms of the E-Tender subsystem for Procurement procedure;

- 13.1.2. by preparing and filling the necessary electronic documents outside the E-Tenders subsystem and attaching them to relevant requirements (in this situation the Tenderer takes responsibility for the correctness and compliance of the forms to requirements of documentation and form samples);
- 13.1.3. by encrypting electronically prepared Proposal outside subsystem of E-Tenders with data protection tools provided by third parties, and protection with electronic key and password (in this situation, the Tenderer takes responsibility for the correctness and compliance of the forms to requirements of documentation and form samples as well as ensuring capability to open and read the document by the Contracting authority);
- 13.2. During preparation of the Proposal, the Tenderer shall respect the following requirements:
 - 13.2.1. Each document mentioned in Section 13.3 of the Regulations must be filled separately, each in a separate electronic document in line with forms attached to procurement process of E-Tenders subsystem in a Microsoft Office 2010 (or later) format and attached to the designated part of the Procurement;
 - 13.2.2. Upon submission, the Tenderer signs the Proposal with secure electronic signature and time-stamp or with electronic signature provided by Electronic Procurement System. The Tenderer can use secure electronic signature and time-stamp and sign Application form, Financial proposal and other documents separately. Proposal (its parts, if signed separately) are signed by authorized person, including authorization document (e.g. power of attorney).
- 13.3. Documents to be included in the Proposal:
 - 13.3.1. Application for participation in the Open procedure in accordance with Annex No. 2;
 - 13.3.2. Financial proposal in accordance with Annex No. 7;
 - 13.3.3. Information and documents confirming compliance of the Tenderer with the selection criteria for the Tenderers (set in Section 8 of the Regulations), or the corresponding European single procurement documents;
 - 13.3.4. Information and documents relating to other entities on whose capacity the Tenderer is relying (in accordance with Annex No. 5), or the corresponding European single procurement documents;
 - 13.3.5. Information and documents relating to subcontractors (in accordance with Annex No. 6) and/or the corresponding European single procurement documents;
 - 13.3.6. Technical proposal prepared in accordance with Section 12 and Annex No.1.
- 13.4. The Proposal may contain original documents or their derivatives (e.g. copies). In the Proposal or in reply to a request of the Procurement commission the Tenderer shall submit only such original documents which have legal force. For the document to gain legal force it must be issued and formatted in accordance with the Law on Legal Force of Documents (<https://likumi.lv/ta/en/id/210205-law-on-legal-force-of-documents>) but public documents issued abroad shall be formatted and legalized in accordance with the requirements of the Document Legalization Law (<https://likumi.lv/ta/id/301436-dokumentu-izstradasanas-un-noformesanas-kartiba>). Public documents issued abroad can be self-approved by the Tenderer, if it is applicable by the legislation of the respective country. When submitting the Proposal, the Tenderer has the right to certify the correctness of all submitted documents' derivatives and translations with one certification.
- 13.5. The Proposal must be signed by a person who is legally representing the Tenderer or is authorized to represent the Tenderer in this Open competition.
- 13.6. The Tenderer shall prepare Proposal in electronic form using the E-Tenders system available at <https://www.eis.gov.lv/EKEIS/Supplier>.
- 13.7. The Proposal must be submitted in a written form in English or Latvian (if submitted in Latvian, translation in English of the Proposal must be provided together with the Proposal).

14. ENCRYPTION OF THE PROPOSAL INFORMATION

- 14.1. E-Tender system which is a subsystem of the Electronic Procurement System ensures first level encryption of the information provided in the Proposal documents.
- 14.2. If the Tenderer applied additional encryption to the information in the Proposal (according to Section 13.1.3 of the Regulations), Tender must provide the Procurement commission with the electronic key with the password to unlock the information not later than in 15 (fifteen) minutes after the deadline of the Proposal submission.

15. SUBMISSION OF A PROPOSAL

- 15.1. The Proposal (documents referred to in the Section 13.3 of the Regulations) shall be submitted electronically using the E-Tenders system available at <https://www.eis.gov.lv/EKEIS/Supplier> by:

12 August 2019 till 15:00 o'clock.

- 15.2. The Tenderer may recall or amend its submitted Proposal before the expiry of the deadline for the submission of Proposals by using the E-Tenders system.
- 15.3. Only Proposals submitted via the E-Tenders system will be accepted and evaluated for participation in the procurement procedure. Any Proposal submitted outside the E-Tenders system will be declared as submitted in a non-compliant manner and will not participate in the Procurement procedure.

16. OPENING OF PROPOSALS

- 16.1. The Proposals will be opened in the E-Tenders system **12 August 2019** starting at 15:00 Latvian time during the opening session. It is possible to follow the opening of submitted Proposals online in the E-Tenders system.
- 16.2. The Proposals are opened by using the tools offered by E-Tenders system. The proposed price and other information that characterizes the Proposal (excluding confidential information) shall be published in the E-Tenders system.
- 16.3. The information regarding the Tenderer, the time of Proposal submission, the proposed price and other information that characterizes the Proposal is generated at the opening of the Proposals by E-Tenders system and written down in the Proposal opening sheet which shall be published in E-Tenders system and Contracting authority's webpage.

17. VERIFICATION OF PROPOSAL

- 17.1. The Procurement commission verifies whether the submitted Proposals comply with the requirements stipulated in Section 13 of the Regulations and whether all required information and documents is submitted and selects for further evaluation the compliant Proposals.

18. VERIFICATION OF TECHNICAL PROPOSALS

- 18.1. The procurement commission verifies whether the submitted technical proposals comply with the requirements stipulated in Section 12 and selects for further evaluation the compliant technical proposals.

19. VERIFICATION OF FINANCIAL PROPOSALS

- 19.1. The Procurement commission verifies whether Tenderers have completed Annex No. 7 "Financial proposal" in accordance with the requirements.
- 19.2. The Procurement commission verifies whether there are any arithmetical errors, whether an abnormally low Proposal has been received, as well as assesses and compares the contract prices proposed.

- 19.3. The Procurement commission informs the Tenderer whose arithmetical errors have been corrected about the correction of arithmetical errors and the corrected Financial proposal.
- 19.4. When evaluating the Financial proposal, the Procurement commission takes corrections into account.
- 19.5. The Procurement commission has the right to demand that the Tenderer explains the calculation upon which the Financial proposal is based and other related aspects to ascertain the objectivity of the Financial proposal and whether an abnormally low Proposal has been submitted.
- 19.6. The Procurement commission further evaluates the compliant Proposals which have not been declared as abnormally low Proposals.

20. CONTRACT AWARD CRITERIA

- 20.1. The Proposal selection criterion is the most economically advantageous proposal according to the evaluation methodology described in this Section below, which complies with the requirements stipulated by the Regulations.
- 20.2. The economically most advantageous proposal shall be Proposal which will receive the highest sum of scores for the following criteria:

No	Evaluation criteria	Maximum score
1.	Vehicle operating costs will be evaluated in accordance with Section 20.3 of the Regulations	95
2.	CO2 emissions which will be evaluated in accordance with Section 20.4 of the Regulations	5
Total:		100

- 20.3. **Vehicle operating costs** shall receive scores in accordance with the following formulas:

$$P = RP + ((FC * M / 100) * FP)$$

$$\text{Scores} = (P/P) * 95$$

where:

P- the estimated total vehicle operating costs during the lease period;

PI- lowest vehicle operating costs from the compliant proposals;

RP – total amount of lease payments for the entire period of use in accordance with Tenderer Financial proposal;

FC – combined average fuel consumption according to the manufacturer's technical specification;

M – estimated mileage of the vehicle throughout the lease period (150 000 km);

FP – average fuel price (excl. VAT) in Latvia at 01.07.2019 according to information source www.GlobalPetrolPrices.com : 0.985 EUR for one liter of gasoline, 1.049 EUR for one liter of diesel.

- 20.4. **CO2 emissions** shall receive scores in accordance with the following formula:

$$\text{Scores} = \text{CO2}(\text{lowest}) / \text{CO2}(\text{proposed}) * 5$$

where:

CO2(lowest)-lowest CO2 emission number from the compliant proposals
CO2 (proposed) -Tenderer`s proposed CO2 emission number

- 20.5. The scores shall be calculated and indicated with an accuracy of 2 (two) decimal places after comma. If more than 2 (two) decimal places after comma will be indicated, then only the first two decimal places will be considered. The Procurement commission shall obtain the final score for each Proposal by summing up points that particular Proposal obtained in accordance with the procedure set out in Section 20.3 and 20.4. of the Regulations. Contract shall be awarded to the Tenderer whose Proposal obtains the highest final score according to Section 20.2. - 20.4 of the Regulations.
- 20.6. In case several Tenderers will obtain equal highest final score, the Procurement commission shall award the right to conclude the Contract to the Tenderer which will obtain higher score for its **Vehicle operating costs**. If still several Tenderers will have equal score for **Vehicle operating costs**, Procurement Commission will invite representatives of those particular Tenderers and organize a draw. In situation, when representatives of Tenderers chose to not be present at the draw, Procurement commission will carry out the draw without representatives of Tenderers present.

21. TENDERER CHECK PRIOR TO MAKING THE DECISION REGARDING THE CONCLUSION OF THE CONTRACT

- 21.1. Prior to making the decision about assigning rights to conclude the Contract, the Procurement commission performs a check regarding the existence of grounds of exclusion for Tenderers, members of a partnership (if the Tenderer is a partnership), persons on whose capacity the Tenderer is relying to certify it's compliance with the requirements and subcontractors.
- 21.2. If, in accordance with the information published on the day of the last data update in a public database, on the last day of Proposal submission or on the day when the decision regarding the possible assignment of rights to conclude a Contract is made, the Tenderer, member of a partnership (if the Tenderer is a partnership), a subcontractor whose share of services is equal to or exceeds 10% of the Contract price or a person on whose capacity the Tenderer is relying to certify it's compliance with the requirements, have tax debts, including state mandatory insurance contributions debts, the total sum of which exceeds 150 euro, the Procurement commission informs the Tenderer and sets a deadline – 10 (ten) days from the day of issuing or receiving information – for the submission of a statement evidencing absence of tax debt, including state mandatory insurance contributions debts, the total sum of which exceeds 150 euro, on the last day of Proposal submission or on the day when the decision regarding the possible assignment of rights to conclude a Contract was made.
- 21.3. If the Tenderer fails to submit required evidence about itself before the deadline, the Procurement commission excludes the Tenderer from participation in the Open competition.
- 21.4. Change of persons on whose capacity the Tenderer is relying to certify it's compliance with the requirements or subcontractors whose share of services is equal to or exceeds 10% of the Contract price is performed in accordance with Sections 9.2 and 10.2 of the Regulations respectively.
- 21.5. In the event the Tenderer or partnership member (if the Tenderer is a partnership) fails to comply with requirements stipulated in Section 8.1 of the Regulations and has indicated this in the Proposal, upon request by the Procurement commission it submits an explanation about the implemented measures in order to restore reliability and prevent occurrences of the same or similar violations in future, as well as attaches evidence which proves the implemented measures, such as but not limited to evidence about compensating damages, on cooperation with investigating authorities, implemented technical, organizational or personnel measures, an assessment of a competent authority regarding the sufficiency of the implemented measures etc. The Procurement commission assesses such information. If the Procurement commission deems the measures taken to be sufficient for the restoration of reliability and the prevention of similar cases in the future, it makes the decision not to exclude the Tenderer from participation in the Open competition. If the measures taken are insufficient, the Procurement commission makes the decision to exclude the Tenderer from further participation in the Open competition. If the Tenderer within the indicated time does not submit the requested information, the Procurement commission excludes the Tenderer from participation in the Open competition.

22. DECISION MAKING, ANNOUNCEMENT OF RESULTS AND ENTERING INTO A CONTRACT

- 22.1. The Procurement commission selects the Tenderers in accordance with the set selection criteria for Tenderers, verifies the compliance of the Proposals with the requirements stipulated in the Regulations and chooses the Proposal in accordance with the contract award criteria as described in Section 20 of the Regulations. The Tenderer whose Proposal shall receive the best (highest) score shall be selected.
- 22.2. Within 3 (three) business days from the date of decision about the Open competition results the Procurement commission informs all the Tenderers about the decision made by sending the information by post or electronically (including through the E-Tenders system) and keeping the evidence of the date and means of sending the information. The Procurement commission announces the name of the successful Tenderer, indicating:
- 22.2.1. to the refused Tenderer - the reasons for refusing its Proposal;
- 22.2.2. to the Tenderer who has submitted an eligible Proposal - the characterization of the successful Proposal and the relative advantages;
- 22.2.3. the deadline by which the Tenderer may submit a complaint to the Procurement Monitoring Bureau regarding violations of the public procurement procedure.
- 22.3. If only 1 (one) Tenderer complies with all the Tenderer selection requirements, the Procurement commission prepares and includes in the Open competition procedure report a justification of the fact that the set requirements for Tenderer selection are objective and commensurate. If the Procurement commission cannot justify that the set requirements for Tenderer selection are objective and commensurate, it makes the decision to terminate the Procurement in relevant part.
- 22.4. If the Procurement is terminated partly or in total, the Procurement commission within 3 (three) business days simultaneously informs all Tenderers about all the reasons because of which the Open competition procedure partly or in total is terminated and informs about the deadline within which a Tenderer may apply regarding the violations of the public procurement procedure to the Procurement Monitoring Bureau.
- 22.5. The Procurement commission when informing of the results has the right not to disclose specific/confidential information, if it may infringe upon public interests or if the Tenderer's legal commercial interests, or the conditions of competition would be violated.
- 22.6. As soon as possible, but not later than within 5 (five) working days from day when the decision about the results of the Open competition is taken, the Procurement commission prepares a report on the Open competition and publishes it on the E-procurement system's webpage <https://www.eis.gov.lv/EKEIS/Supplier> and on Contracting authority's webpage <http://railbaltica.org/en/procurements>.
- 22.7. **The selected Tenderer upon receiving the notification from Procurement commission must:**
- 22.7.1. within 5 (five) business days - submit to the Contracting authority a copy of partnership agreement or notification regarding the establishment of the partnership, if required pursuant to requirements under Section 7.1.2. (a) of the Regulations;
- 22.7.2. within 10 (ten) days upon receiving the invitation - to sign the Contract.
- 22.8. The Contract is concluded based on the Tenderer's Proposal and in accordance with Annex No. 8 "Draft contract".
- 22.9. The Procurement commission has the right to choose the next most economically advantageous Proposal, if the Tenderer in the time stipulated by the Regulations:
- 22.9.1. refuses to conclude a partnership contract or establish the partnership in the cases and deadlines defined by the Regulations or in the cases and deadlines defined by the Regulations does not submit a copy of the partnership contract, or does not inform of the founding of a partnership company;
- 22.9.2. refuses to conclude the Contract or does not submit a signed Contract within the deadlines defined in the Regulations.

- 22.10. In any of such a case mentioned in Section 22.9 of the Regulations the Procurement commission is entitled to terminate this Open competition without selecting any Proposal or to select the Proposal with the economically most advantageous proposal. For either of these decisions a written decision must be made.
- 22.11. Prior to making the decision regarding the conclusion of the Contract with the next Tenderer, the Procurement commission assesses whether the next Tenderer is one market participant together with the initially selected Tenderer. If the next selected Tenderer is found to be one market participant together with the initially selected Tenderer or it does not comply with requirements set in the Section 22.7 of the Regulations, the Procurement commission decides to terminate the Open competition without selecting any Proposal.

ANNEXES:

1. Technical specification on 5 (five) pages;
2. Application for participation in the Open procedure on 2 (two) pages;
3. Confirmation of the Tenderer's financial standing on 1 (one) pages;
4. Description of the Tenderer's experience on 1 (one) page;
5. A list of other entities on whose capacity Tenderer relies on 1 (one) page;
6. A list of the subcontractors on 1 (one) page;
7. Financial proposal on 1 (one) page;
8. Draft contract on 14 (fourteen) pages.

ANNEX NO. 1: TECHNICAL SPECIFICATION

The primary objective of this Procurement is to provide Contracting authority’s engineering personal with ability to visit and explore construction sites in Estonia, Latvia and Lithuania for Rail Baltic project realization purposes, driving four-wheel drive vehicle suitable for both city and highway cruising on paved and unpaved (rough) difficult roads.

Hereby the Tenderer undertakes to provide full service leasing of four-wheel drive vehicles in accordance with following technical specification and requirements:

1. GENERAL PROVISIONS

Table No.1

No.	Requirement	Compliance	Tenderer response /*complete by Tenderer/
1.1.	First payment	0, EUR	
1.2.	Max mileage at the end of lease period	150 000 km	
1.3.	Leasing period	60 months (including Temporary car using (clause 2.40. table No.2 of Technical specification)	
1.4.	Monthly leasing payment	fixed for the contract period	
1.5.	Full service leasing includes:		
1.5.1.	Vehicle registration	first registration and license plates with the register of Motor Vehicles, all related taxes and fees	
1.5.2.	Technical maintenance	technical maintenance along with the cost of spare parts and materials at manufacturers recommended intervals and adjustments throughout all leasing period, replacement of parts under normal wear. Any works must be organized in the time convenient to Client**.	
1.5.3.	Out of Scope maintenance/services	The Contractor organize any work not included in the schedule of maintenance in the time convenient to Client. The Quotations on prorata basis shall be forwarded to the Client for approval. Once approved, the work is then carried out and invoiced to the Client for the necessary payments. The Client will make payments directly to the maintenance service provider.	
1.5.4.	Technical inspection	The Contractor undertakes to provide and pay for the national technical inspections (including vehicle annual levies, taxes) for his own during all leasing period	
1.5.5.	Insurance	Compulsory vehicle insurance throughout all leasing period - mandatory civil liability insurance for vehicle owners in the Baltic states (Latvia, Lithuania, Estonia) in conformity with the requirements of regulatory enactments	
		KASKO insurance throughout all leasing period- with the cover of damages considering vehicle operation specifics, including, but not limiting, damage insurance (Collision with another motor vehicle and/or collision with an obstacle,	

		toppling over of the motor vehicle while driving, a fall (from a bridge, etc.), sinking, and/or breaking into ice, running over a person or an animal, impact of animals, birds, fire, explosion, nature disaster, Impact of falling articles, third-party action) and theft (secret or open abduction of a car or parts thereof, if involving violence or threats of violence or violence) illegal entry (intrusion) into the car). Insurance territory - Baltic States (Republic of Latvia, Republic of Lithuania and Republic of Estonia). KASKO self-risk – not more than 200, EUR (two hundred-euro un 00 cents) per case. Insurance should cover expenses for replacement car during insured car repairs.	
1.5.6.	Accident management	The Contractor must organize all procedure related to insurance case, represent the Client in all loss prevention institutions and provide necessary repairs after the occurrence of the insurance case, including departure to the site of accident	
1.5.7.	Administrative support	Invoice administration	
1.5.8.	24/7 Road Assistance	The Contractor is obliged to provide the Client with the recommendation and instructions on how to deal with a specific car maintenance case, if the technical problems occurred, which results in inability of the vehicle to continue running , and if necessary, to go to the site of the event , as well as to organize and pay for the transportation of the car from accident site to the place where the car will be repaired. If the transportation of the car is required by the Client, the Contractor shall provide it within 3 hours. All above mentioned related costs will be carried out at the expense of the Contractor. 24/7 Road Assistance is provided in the territory of the Baltic States. Additional charge applies to the Road Assistance provided outside the territory of the Baltic States according to the provided Road Assistance volume.	
1.5.9.	Seasonal tyre exchange and storage	The Contractor will provide winter/summer tyre exchange and storage at its own expense during all leasing period	
1.5.10.	Replacement of car	Replacement of non-functional car or during car maintenance (if maintenance can't be completed in the same day) will be given of the same class car without time limit in the same day or latest next day of Client's requirement. Leasing payment remain the same.	
1.5.11.	Documentation	All the supplied documents – including Mandatory Driver's handbook, service schedule, and Warranty provisions must be supplied at least in standard English language with vehicle delivery	

Complete by Tenderer by filling "YES" or/and specifying the conformity of the purposed vehicle with the requirement.

** Contracting authority or other person authorized by the Contracting authority in writing, who is authorized to receive the Services on behalf of the Contractor.

2. TECHNICAL REQUIREMENTS

Technical proposal must comply at least with following minimum technical requirements, which are mandatory if not stated another.

Table No.2

No.	Specification	Technical requirement	Tenderer response /*complete by Tenderer/
2.1.	Vehicle type	Four-wheel drive passenger motor vehicle (M1 vehicle)	
2.3.	Vehicle classification	Jc, Jd, Je (according to vehicle classification "Latvian Authorised Automobile Dealers Association")	
2.4.	Body type	4/5doors	
2.5.	Make and model	-	
2.6.	Quantity	3 cars	
2.7.	Sitting places	5 (3 adult passengers at rear and 2 at front)	
2.8.	Vehicles' condition:	New, with millage less than 200 km	
2.9.	Emission standard	EURO 6 According to vehicle manufacturer`s documentation	
2.10.	The amount of emissions of carbon dioxide (CO2);	According to vehicle manufacturer`s documentation	
2.10.	Fuel	Diesel/petrol	
2.11.	Engine power	Beginning from 110kW	
2.12.	Ground clearance	At least 210mm	
2.13.	Transmission type	automatic	
2.14.	Volume of the luggage compartment	At least 500 liters without lowering the seats	
2.15.	Average fuel consumption (on full load) combined cycle	-	
2.16.	Traction and stability control	Yes	
2.17.	ABS brakes	Yes	
2.18.	Interior colour-	dark, durable textile	
	Exterior colour-	dark, preferable dark blue, black, dark grey	
2.19.	Power steering, steering wheel adjustment in four directions (by angle and by height)	Yes	
2.20.	A/C or climate control	Yes	
2.21.	Built-in car radio with Bluetooth connection (phone handsfree connection) and USB interface (or	Yes	

	factory-built car radio with Bluetooth hands-free system installed)		
2.22.	Alarm system with remote control and immobilizer	Yes	
2.23.	Central doors locking	Yes	
2.24.	Cruise control	Yes	
2.25.	Airbags for driver and front passenger	Yes	
2.26.	Front and rear doors electric windows	Yes	
2.27.	Electrically adjustable heated side mirrors	Yes	
2.28.	Heated front seats	Yes	
2.29.	Rear parking sensors	Yes	
2.30.	Automatic day lights	Yes	
2.31.	Fog lights front and rear	Yes	
2.32.	Tires not less than 16 inches on alloy wheels with summer tires, winter tires included	Yes	
2.33.	Rubber mats on the cab floor and rubber mat in the luggage compartment	Yes	
2.34.	Coupling hook	Yes	
2.35.	Emergency kit (fire extinguisher; emergency triangle; reflective vest)	in accordance with the appropriate requirements of regulatory enactments	
2.36.	Spare wheel and standard replacement kit	Yes	
2.37.	Any other equipment supplied	Specify if any	
2.38.	Warranty	At least 60 months or 150 000km	
2.39.	Delivery	Not more than 4 (four) months from Contract conclusion	
2.40.	Temporary car	If the vehicles delivery term is more than 1 (one) month from the Contract conclusion, Contractor shall provide for the entire delivery period, but not more than for 3 (three) month, 3 (three) temporary rental cars that complies with following minimal requirements: <ul style="list-style-type: none"> - Mileage not more than 100 000 km; - Not older than 5 years; - Rental payment can't exceed monthly leasing price offered by the Tenderer in Financial proposal; - Compliance with Technical specification requirements 1.5.2.-1.5.11. (table No.1) and 2.1.-2.36. 9 (table No.2) 	
2.41.	Delivery address	Riga	
2.42.	Technical specification 1.5.2., 1.5.3., 1.5.6., 1.5.8.,1.5.9., 1.5.10. (table No.1) services	Services shall be provided in Latvia (Riga), Estonia (Tallinn), Lithuania (Vilnius)	
2.43.	Charge for driven distance that exceeds 150 000 km	Fee for every km that is over mileage 150 000 km shouldn't be	

		more than fee for leasing payment per month that is divided by planned month mileage 2,500 km	
--	--	--	--

** Complete by Tenderer by filling "YES" or "N/A", or/and specifying the conformity of the purposed vehicle with the requirement. If any response to questions N/A except 2.37., your Tender will be rejected and disqualified from further participation in this Procurement.*

ANNEX NO. 2: APPLICATION

**APPLICATION FOR PARTICIPATION IN THE OPEN COMPETITION
"LEASING OF FOUR-WHEEL DRIVE VEHICLES"
(ID NO. RBR 2019/11)**

Name of the Tenderer or all members of the partnership	
Registration number of the Tenderer or all members of the partnership	
VAT payer registration number of the Tenderer or all members of the partnership	
Name, surname and position of the person authorized to represent the Tenderer or name of nominated representative (in case of established partnership)	
Legal address of the Tenderer or all members of the partnership	
Correspondence address of the Tenderer or all members of the partnership	
Bank of the Tenderer or all members of the partnership	
Bank code (SWIFT) of the Tenderer or all members of the partnership	
Bank account (IBAN) of the Tenderer or all members of the partnership	
Contact person and contact information of the Tenderer (name, surname, position, telephone number, e-mail)	

By submitting the Proposal, the Tenderer hereby:

1. Confirms participation in the Open competition "Leasing of four-wheel drive vehicles", ID No RBR 2019/11.
2. Informs that the following entities and/or persons comply with the following exclusion grounds (if any):

Name of the entity (person)	Exclusion ground and brief description of the violation
[•]	
[•]	
[•]	

3. Confirms that, if the Tenderer will be awarded the Contract, the Tenderer will provide the services in accordance with the requirements of the Annex No. 1 "Technical specification".
4. Confirms that Regulations is clear and understandable, that it does not have any objections and complaints and that in the case of granting the right to enter into a Contract it shall fulfil all conditions of the Regulations as well as enter into a Contract in accordance with the Draft contract enclosed with the Regulations (Annex No. 8 "Draft contract").

5. Confirms that in the preparation and submission of its Proposal, Tenderer has fully considered all the clarifications issued by the Contracting authority.
6. Agrees that the Contracting authority reserves itself the right to reject any or all Proposals and cancel the procurement process before entry into Contract on the grounds specified in the Regulations or the law.
7. Guarantees that all information and documents provided are true.
8. **Confirms³ that meets the criteria of (please indicate by ticking relevant box):**
 a small medium other

sized enterprise⁴ as defined in the Article 2 of the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprise.⁵

[date of signing]

[name and position of the representative of the Tenderer]

³ Tenderer must indicate size of enterprise for each member of the partnership, if the Tenderer is a partnership,

⁴ The information on the size of the Tenderer is used solely for statistical purposes and is not in any way whatsoever used in the evaluation of the Tenderer or the Proposal.

⁵ Available here - http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2003.124.01.0036.01.ENG&toc=OJ:L:2003:124:TOC

ANNEX NO. 3: CONFIRMATION OF FINANCIAL STANDING

**CONFIRMATION OF TENDERER'S FINANCIAL STANDING FOR THE OPEN PROCEDURE
"LEASING OF FOUR-WHEEL DRIVE VEHICLES"
(ID NO. RBR 2019/11)**

1. Section 8.3.1 of the Regulation

The Tenderer's or all members of the partnership together (if the Tenderer is a partnership and confirms the average financial turnover jointly), average financial turnover within the last 3 (three) financial years (2016, 2017, 2018) is not less than 180 000 EUR (one hundred eighty thousand euros) per year.

In the event the average annual financial turnover of a limited liability member of a limited partnership (within the meaning of Latvian Commercial Law, Chapter X) exceeds its investment in the limited partnership, the average financial turnover shall be recognized in the amount of the investment in the limited partnership.

In the event the Tenderer or a member of a partnership (if the Tenderer is a partnership) has operated in the market for less than 3 (three) financial years, the requirement shall be met during the Tenderer's actual operation period.

No	Year	Total Turnover in EUR	Notes
The Tenderer or member of the partnership (if the Tenderer is a partnership) on whose capacity the Tenderer is relying to certify its financial and economic performance (Section 8.3 of the Regulations) and who will be financially and economically responsible for fulfilment of the Contract/-s or other entity on whose capacity the Tenderer is relying (if the Tenderer is relying on other entity's capacity) to certify its financial and economic performance and who will be financially and economically responsible for fulfilment of the Contract/-s:			
Name of the Tenderer/member of a partnership/other entity			
1.	2018		
2.	2017		
3.	2016		
Average annual turnover within the last 3 (three) financial years			

2. Section 8.3.2 of the Regulations

The Tenderer and each member of the partnership (if the Tenderer is a partnership) on whose capacity the Tenderer is relying to certify its financial and economic performance and who will be financially and economically responsible for the fulfilment of the Contract/-s and other entity on whose capacity the Tenderer is relying to certify its financial and economic performance and who will be financially and economically responsible for the fulfilment of the Contract/-s, shall have stable financial and economic performance, namely, in the last financial year 2018 liquidity ratio (current assets divided by short-term liabilities) shall be equal to or exceed 1 (one) and shall have positive equity.

Name of the Tenderer/member of partnership/other entity

$$liquidity\ ratio = \frac{current\ assets}{short - term\ liabilities} = \underline{\hspace{2cm}}$$

$$equity = total\ assets - total\ liabilities = \underline{\hspace{2cm}}$$

[date of signing]

[name and position of the representative of the Tenderer]

ANNEX NO. 4: EXPERIENCE OF THE TENDERER

DESCRIPTION OF THE TENDERER’S EXPERIENCE FOR THE OPEN PROCEDURE “LEASING OF FOUR-WHEEL DRIVE VEHICLES” (ID NO. RBR 2019/11)

No	Client, client’s contact information for references (name of representative, phone, e-mail) ⁶	Period of the contract (month/year – month/year)	Contract value, EUR (exc. VAT)	Description of the services provided what characterize required experience, stated in Section 8.4.1. (a) of the Regulations
1.				
2.				
3.				
n+1				

[date of signing]

[name and position of the representative of the Tenderer]

⁶ In case of doubt, the Contracting authority has the right to contact the Client to verify that the services specified complies with the requirements set in Section 8.4.1. (a) of the Regulations.

ANNEX NO. 5: OTHER ENTITIES ON WHOSE CAPACITY TENDERER RELIES**A LIST OF OTHER ENTITIES ON WHOSE CAPACITY TENDERER RELIES TO MEET THE REQUIREMENT OF
THE OPEN PROCEDURE
"LEASING OF FOUR-WHEEL DRIVE VEHICLES"
(ID NO. RBR 2019/11)**

No	Name of the entity (registration No., legal address)	Description of the capacity
1		
2		
n+1		

[date of signing]

[name and position of the representative of the Tenderer]

ANNEX NO. 6: SUBCONTRACTORS

A LIST OF THE SUBCONTRACTORS FOR THE OPEN PROCEDURE
"LEASING OF FOUR-WHEEL DRIVE VEHICLES"
(ID NO. RBR 2019/11)

No	Name of the sub-contractor (registration No., legal address)	Description of the sub-contracted task	Sub-contracted tasks		Size of the enterprise ⁷
			Amount, EUR (without VAT)	% from the proposed price	
I	Total amount of the sub-contracted tasks is equal to or exceeds 10% from the proposed contract price				
1					
2					
n+1					
		Total:			
II	Total amount of the sub-contracted tasks is smaller than 10% from the proposed contract price				
1					
2					
n+1					
		Total:			
		Total (I+II)			

 [date of signing]

 [name and position of the representative of the Tenderer]

⁷ Please indicate the size of enterprise (small, medium or other) as defined in the Article 2 of Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprise. Available here: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2003.124.01.0036.01.ENG&toc=OJ:L:2003:124:TOC

ANNEX NO. 7: FINANCIAL PROPOSAL

FINANCIAL PROPOSAL FOR THE OPEN PROCEDURE
"LEASING OF FOUR-WHEEL DRIVE VEHICLES"
(ID NO. RBR 2019/11)

The Tenderer [*name of the Tenderer*] offers to deliver services in accordance with the Annex No. 1 "Technical specification" for the following costs⁸:

No.	Description	Quant.	Price per one vehicle (EUR without VAT)	Residual value per one vehicle (EUR without VAT)	Leasing fee per one vehicle in month (EUR bez PVN)	Leasing duration, months	Total leasing price for 60 months (EUR without VAT)
1.		3				60	
	Total leasing price without VAT 21%, EUR						
	VAT 21%, EUR						
	Total price leasing price with VAT 21%, EUR						

Total leasing price (EUR without VAT) in words: _____.

[date of signing]

[name and position of the representative of the Tenderer]

⁸ When preparing the Financial proposal, the rules of Section 11 of the Regulations shall be considered.

ANNEX NO. 8: DRAFT CONTRACT

CONTRACT NO. _
LEASING OF FOUR-WHEEL DRIVE VEHICLES
(PROCUREMENT IDENTIFICATION NO. RBR 2019/11)

This contract on leasing of four-wheel drive vehicles (hereinafter referred to as the "Contract"), together with all annexes thereto, is entered into in Riga, on _____ of the year 2019 (the "Effective date") by and between:

RB Rail AS, a joint stock company registered in the Latvian Commercial Register registration No 40103845025, legal address at Krišjāņa Valdemāra iela 8-7, Riga, LV-1010, Latvia (hereinafter referred to as "Client") represented by Management Board Member _____ and Management Board Member _____ acting on the basis of the Regulations on Representation Rights dated 25 May 2018, on the one side

and

_____ registration number _____ (hereinafter referred to as "Contractor") _____

together hereinafter referred to as the Parties or each one individually as the Party, on the basis of the results of procurement procedure "Leasing of four-wheel drive vehicles" Id. No. RBR 2019/11 (hereinafter referred to as "Procurement"), without mislead, deceit or coercion as follows:

1. SUBJECT OF THE CONTRACT

- 1.1. The Contractor shall provide the Client with the full service leasing of 3 (three) four-wheel drive vehicles (hereinafter referred to as the "Services"), in the amount, payment and terms defined by the Contractor's Technical proposal (Annex 1) (hereinafter referred to as "Specification") and Financial proposal (Annex 2), which are prepared in accordance with the regulation of Procurement.
- 1.2. The Client shall make monthly lease payments (hereinafter referred to as "Service Payment" or "Service Payments") for the Services to the Contractor in accordance with the terms and amounts specified in the Payment Schedule, submitted and prepared in accordance with the Financial proposal (Annex 2) and Clause 2.4.
- 1.3. The Contractor undertakes to transfer to the Client 3 (three) _____ (hereinafter referred to as "Car" or "Cars") confirming to the Specification, within 4 (four) month from the Effective Date of the Contract. The Cars shall be transferred to Client in Riga _____, but at Service completion Client shall transfer Cars to the Contractor in _____ or by mutual agreement in the administrative territory of Riga.
- 1.4. The Contractor undertakes to provide 3(three) temporary cars (hereinafter referred to as "Temporary cars") after one month from the Effective date of the Contract, that can be used by the Client without mileage limit for the remaining Car delivery period according to the Clause 1.3. and for the monthly payment EUR _____ (_____ euro and _____ cents) in accordance with the Financial proposal (Annex 2).
- 1.4. The Temporary cars should comply with the Specification requirements. The Contractor shall ensure that all provisions of the Contract will be covered and are in force for Temporary cars, unless otherwise specified.

- 1.5. The Client will hand over the Temporary cars to the Contractor within 3 (three) working days after the delivery of the Cars.
- 1.6. The Services providing period is 60 (sixty) month from the signing the Acceptance - Transfer Act including acceptance of the Temporary car.
- 1.7. In the event of any discrepancy or inconsistency between the documents forming part of this Contract, the following order of precedence shall apply:
 - a) this Contract;
 - b) Explanations (clarifications) of the Procurement documentation;
 - c) Procurement documents with the annexes (including Technical specification);
 - d) Clarifications of the Contractor's proposal;
 - e) Contractor's proposal;
 - f) All other Annexes of the Contract.

2. CONTRACT AMOUNT. PAYMENT ARRANGEMENTS

- 2.1. The total amount for the provided Services is EUR _____ (_____ euro and _____cents) (hereinafter referred to as the "Amount of the Contract"), incl. the Contract price EUR _____ (_____ euro and _____cents) and VAT 21% EUR _____ (_____ euro and _____cents).
- 2.2. The Amount of the Contract is determined taking into account the Financial proposal of the Services specified in Annex 2. The Amount of the Contract is inclusive of the costs of materials, products, equipment, works, delivery and transport, all taxes and duties as well as other costs related to the provision of the Services.
- 2.3. The Client shall make Service payments in terms, amounts and currency in accordance with the Contract, Payment Schedule and the invoice received from the Contractor only for the actual Service term.
- 2.4. The Payment Schedule shall be drawn up at the actual time of arrival of the Car, subject to the provisions of this Contract.
- 2.5. It is acknowledged and agreed by the Parties that the Service payments shall include all costs and expenses incurred by the Contractor and Approved Sub-Contractors toward performing the Services. Value added tax will be charged at the rate applicable in accordance with applicable law at the time of invoicing.
- 2.6. The Client undertakes to pay the invoice prepared by the Contractor within 30 (thirty) calendar days from the date of receipt of the relevant invoice referred to in Clause 2.8, by transfer to the Contractor's bank account. Should the payment day be a day off or holiday, payments shall be made on the next banking day. If the Client uses the right to make the payments to the Contractor with set-off, retention, counterclaim, abatement or other deduction of any kind, then the Client so notifies to the Contractor no later than on the date of the respective payment stating the amount, the grounds and the basis on the Client uses its right to set-off, retention, counterclaim, abatement or other deduction or other right.
- 2.7. The Contractor shall issue an invoice for the preceding month, taking into account the Schedule of payments, and shall submit to the Client by 5 th date of the current month. The Contractor's invoices shall contain the following Contractor's details and details about the Contract:

Contractor	
Registration No	
VAT payer's No or indication that the Contractor is not a VAT payer	
Legal address, city, Zip code, country	
Legal name of Bank	
Bank SWIFT Code	

Bank Account No IBAN	
Subject:	For provided services according to the Contract No _ Full service leasing of four-wheel drive vehicle Activity No 34, Contract Manager: _____)

- 2.8. The Contractor shall send the invoice to the Client electronically to the following e-mail address: invoices@railbaltica.org. The Client shall review the invoice to verify whether it contains all necessary requisites. The Parties agree that in accordance with the Law on Accounting and Value Added Tax Law of the Republic of Latvia the invoices may be issued without the requisite "signature".
- 2.9. Each Party shall bear its own costs, fees, commissions and expenses incurred in connection with the transfer of any funds under this Contract to the other Party.
- 2.10. The Service payment shall be fixed and unchanged during the period of validity of the Contract.
- 2.11. If any of the payments provided for in the Contract are delayed due to the fault of the Client, the Contractor shall be entitled to request a penalty for late payment from the Client in accordance with Clause 2.12.
- 2.12. In case of delayed payment stipulated by the Contract the Client shall pay to the Contractor a penalty for delay in the amount of 0.05% (zero point zero five percent) of the delayed amount per each working day of delay but not exceeding 10% (ten percent) of the delayed amount.
- 2.13. All Service payments and other payments provided for in the Contract shall be made in EUR.
- 2.14. If, during the duration of this Contract, taxes or duties are introduced which impose additional payments on the Contractor in connection with this Contract or the Car, the Contractor shall be entitled, by mutual written agreement with the Client, to increase the payments of the Contract accordingly, by informing the Client in writing 2 (two) months in advance.

3. RIGHTS AND OBLIGATIONS OF THE PARTIES

3.1. Rights of the Client:

- 3.1.1. the unimpeded use of leased Cars in the territory of the Baltic States (Republic of Latvia, Republic of Lithuania, Republic of Estonia), as well as, with the prior written consent of the Contractor, in other countries;
- 3.1.2. to the free warranty service and Service in accordance with the Specification;
- 3.1.3. modify and improve the assembly and value of the Car by means of modifications, in advance in agreement with the Contractor and obtaining written consent (with the exception of the improvements made by the Client, which saves the Car or protects it from complete or partial destruction, if it has not been possible to reconcile such improvements with the Contractor);
- 3.1.4. to claim the Cars from any illegal possession, to request the removal of the malfunction of the Cars and to claim damages caused by other persons to the Cars;
- 3.1.5. at the acceptance of the Car:
- 3.1.5.1. to carry out a test driving and to check the compliance of the Car with all the requirements referred to in the Specification;
- 3.1.5.2. prior to acceptance, the signing of the Acceptance - Transfer Act shall, as far as possible, verify the technical and visual condition of the Car and, in the case of claims, immediately present any identified faults to the Contractor, inform the Contractor in writing and, without the express authority of the Contractor, to request the removal of the detected defects on behalf of the Cars vendor on behalf of the Contractor without additional charge. Otherwise, the Client shall be liable to the Contractor for any damage suffered in accordance with the provisions of the Contractor;
- 3.1.5.3. check the completeness and validity of the documentation given to the Cars, the conditions of the manufacturer's and seller's warranty;

- 3.1.5.4. indicate the differences identified in the Acceptance - Transfer Act and require the Contractor to rectify them.

3.2. Responsibilities of the Client :

- 3.2.1. accept and use the Car in accordance with the requirements for operation and use thereof prescribed in the Contract and the Cars user's manual, including with due consideration of the requirements set by the manufacturer of the Car, as well as the rules of the compulsory civil liability insurance policy (OCTA) and the KASKO policy;
- 3.2.2. to make timely Service payments in accordance with the procedure laid down in Clause 2.3.;
- 3.2.3. to cover the unexpected costs incurred by the Client during the use of the Car, as well as any current charges related to the use of the Car which are not included in the Service payments of the Contract:
 - 3.2.3.1. fines in connection with a violation of the regulatory enactment committed by the driver of a Car (for example, a fine for an infringement in road traffic);
 - 3.2.3.2. expenses arising from the installation and maintenance of any accessories for the Car by the Client, unless specified in this Contract;
 - 3.2.3.3. comply with the mileage limit allowed for the Client period specified in the Specification.
 - 3.2.3.4. Keep the documentation related to the use of the Car carefully during the Service period, which the Client has received with the Car for the entire duration of the Contract.
- 3.2.4. Notify the Contractor without delay (but not later than within 24 hours):
 - 3.2.4.1. if the Car has been lost, damaged, partially or wholly destroyed;
 - 3.2.4.2. about information related to hazards of destruction, loss or damage to the Car;
 - 3.2.4.3. if the Car documentation missing or damaged.
- 3.2.5. within period of a 7 (seven) days to inform the Contractor if:
 - 3.2.5.1. the location, bank details, or other details of the Client specified in this Contract have been changed;
 - 3.2.5.2. undertaken reorganization of the Client;
 - 3.2.5.3. there are other important events affecting the performance of the obligations of the Client under this Contract and, in this context, the Contractor should be notified of the measures and means to be taken;
 - 3.2.5.4. at the end of the Service or at the end of the Contract prior to the expiry date, the Client must return the Car to the person designated by the Contractor or to the Contractor, in the configuration initially received by the Client, considering the depreciation of the asset.
 - 3.2.5.5. To present this Contract and the documents referred to therein to interested parties in accordance with the requirements of regulatory enactments;
 - 3.2.5.6. Refer to the maintenance stations specified by the Car Contractor within the time limits specified in the Car documentation (at the relevant mileage or time-limit according to the maintenance interval specified in the Car documentation) for maintenance purposes.

3.3. Rights of the Contractor:

- 3.3.1. check and review the technical state of the Car in advance agreed time and date with the Client;
- 3.3.2. check the documents related to the implementation of this Contract and, in agreement with the Client, obtain information regarding the technical condition and use of the Car;

- 3.3.3. to remove the Car from an illegal possession, to require the removal of conditions which disrupt the operation of the Car and to claim damages for damage caused by other persons to the Car;
- 3.3.4. the Contractor shall be entitled to return the Car at the end of the Service period or after the termination of the Contract;
- 3.3.5. appoint Approved Sub-Contractors (Annex 5) for Service providing. The Contractor can change or amend Sub-Contractors only in compliance with the provisions of Section 62 of the Public Procurement Law of the Republic of Latvia.

3.4. Obligations of the Contractor:

- 3.4.1. to acquire or secure their rights to use, including hire-purchase, Cars specified in the subject-matter of this Contract which comply with the Regulation Requirements and the Specification after the entry into force of this Contract and to supply them to the Client within the time limits specified in the Contract in accordance with Specification;
- 3.4.2. to issue the relevant documents (acts, powers, copies of insurance policies, statements, etc.) required for the use of the Car during the Service term as Latvia and abroad (subject to the conditions of Clause 3.1.1);
- 3.4.3. at the same time as the transfer of the Car to the representative of the Client, to issue to the Client the original of the Road Car Owner's Civil Liability Insurance Policy (OCTA) and a copy of the KASKO Insurance Policy in force 1 (one) year from the date of acceptance of the Car (the date of mutual signing of the Acceptance - Transfer Act);
- 3.4.4. to provide car insurance (KASKO) in accordance with the provisions of the Specification;
- 3.4.5. during the operation of this Contract, to pay the Car taxes and duties specified in laws and other regulatory enactments, as well as the Road Traffic Safety Directorate for the roadworthiness and registration fee of the Car;
- 3.4.6. Within 7 (seven) days inform the Client if:
 - 3.4.6.1. the location, bank details or other details of the Contractor specified in this Contract have been changed;
 - 3.4.6.2. the reorganization of the Contractor is intended or has taken place;
 - 3.4.6.3. there are other important events affecting the performance of the obligations of the Contractor under this Contract, and in this context the Contractor is required to communicate the measures and means to be taken.
- 3.4.7. The Contractor shall provide Services hereunder and under the Regulations, as well as shall provide the content of the Services defined in the Specification which is an integral part of the Contract.

4. CAR TRANSFER TERMS

- 4.1. To demonstrate the rights of the Client to accept in the possession and use of the Cars as well as the actual acceptance of the Cars, the Parties (their authorized representatives) shall, for each Car, sign the Acceptance - Transfer Act.
- 4.2. When accepting a Car and related documentation, the Client shall have the rights specified in this Contract and in the regulatory enactments. Before signing the Acceptance - Transfer Act Client shall have the right (but not the obligation) to study thoroughly technical condition of the Car, carry out a Car test driving and Contractor should provide enough fuel for the test driving, during the time agreed with the Contractor in advance. Study of the technical condition shall be performed during one working day.
- 4.3. At the time of the transfer of the Car, when drawing up the Acceptance - Transfer Act, it shall indicate:
 - 4.3.1. the national registration number of the Car;
 - 4.3.2. any defect or defect of the Car (for example: additional equipment not complying with the Specification) which has been detected at the time of its adoption, as well as the final date and procedures for the removal of such defects or deficiencies;

- 4.3.3. odometer readings;
- 4.3.4. the amount of fuel in the tank;
- 4.3.5. the value of the Car.
- 4.4. The ownership of the Car, the risk of accidental destruction and the responsibility of the owner of the source of increased danger shall be transferred to the Client at the moment when the Car is accepted by mutual signature of the Acceptance - Transfer Act.
- 4.5. If the supply of a Car is delayed due to the Contractor's fault, it pays the Client a contractual penalty of EUR 100.00 (one hundred *euros* and 00 cents) per unit of the Car. The contractual penalty shall be calculated for each working day overdue from the first day on which the performance of the Contract's obligations is overdue, but not more than 10 per cent (ten per cent) of the total amount of the Contract.
- 4.6. If the Car complies with the Specification, the Client shall not have the right to refuse to receive the Car.
- 4.7. As a user of the Car, the Client takes full and unlimited responsibility for a significant decrease in the value of the Car, which cannot be classified as normal depreciation. In the depreciation classification, the Parties shall be guided by the Automobile Normal Depreciation Instructions (Annex 3), which are included in the guidelines developed by the Procurement Monitoring Bureau of Latvia for the procurement of public car rentals.
- 4.8. From the time of signature of the Acceptance - Transfer Act, the Client shall bear any potential costs or losses in relation to third parties which may arise from the operation of the Car, with the exception of expenses for risks insured under this Contract.

5. WARRANTY and LIABILITY OF THE PARTIES

- 5.1. The Car is owned or held by the Contractor on the basis of ownership rights (in possession), which, for the purposes of this Contract, is considered to be equivalent to the ownership of property rights in such a way that the Contractor is the only one who ensures timely compliance with the obligations of the Contract to the Client.
- 5.2. The Contract shall remain in force if the obligations and rights of the Contractor, including the ownership of the Car, are transferred to other persons and are binding on the new owner of the Car in respect of the contractual rights and obligations of the Contractor.
- 5.3. The Party shall be fully and unreservedly responsible for the accuracy and accuracy of all documents, invoices and other materials or information to be submitted to the other Party. The Party shall reimburse the other Party for the losses suffered by the latter which have occurred in the event of the first Party's knowingly false provision of information or the deliberate concealment of true information.
- 5.4. The Contractor represents and warrants to the Client, as of the effective date it is compliant with all of the requirements of the Contractor's Declaration contained in Annex 4: Declaration of Contractor and will continue to be compliant with all such requirements during the term of this Contract.
- 5.5. If the Contractor fails to comply with the terms of performance of the Services stipulated by the Contract, the Contractor shall pay to the Client a penalty in the amount of 0.05% (zero point zero five percent) of the Amount of the Contract per each day of delay but not exceeding 10 % (ten percent) of the amount of the Amount of the Contract. The Client shall have the right to deduct the calculated penalty from the amount of payment when performing the payment according to the Contract.
- 5.6. The payment of the penalty set forth in clauses 2.12, 4.5. and 5.5. hereof shall not release the Parties from the performance of obligations.
- 5.7. Notwithstanding anything to the contrary set forth in this Contract, in no circumstances shall the Contractor or Client be liable to one another for any loss of production, loss of profit, loss of revenue, loss of contract, liability incurred under other agreements or any indirect or consequential loss arising out of or in connection with this Contract.

6. INSURANCE

- 6.1. The Contractor shall, for the duration of this Contract, insure the Cars against damage and theft (KASKO) in conformity with this Contract and the Annexes thereto, as well as carry out the compulsory civil liability insurance of the entitled user of the car (OCTA).
- 6.2. The amounts payable for Car insurance are included in the amount of the Contract.
- 6.3. The insurance shall be valid during the term of the Services and shall cover all areas and meet all requirements specified in the Specification.
- 6.4. If the Vehicle is involved in a traffic accident, the Client must complete all documents required by law and by the insurance company, and no later than on the next working day after occurrence of the accident must forward them to the Contractor. The Contractor shall be in charge of further dealing with the insurance company (for example, ensure repair etc.).
- 6.5. The Client must comply with road traffic and safety requirements in the course of the operation of the Car, as specified in the insurance rules, which the Contractor shall submit to the Client on the date of conclusion of the Contract.
- 6.6. If a Car is damaged, destroyed or lost/stolen in a way that cannot be considered as an insurance case, or the insurance fee does not cover the full amount of the loss, or the Client fails to comply with the terms of the insurance contract, and in the event of the complete death of the Car, where the insurance case does not occur under the insurance contract, the Client shall be obliged after the insurance undertaking has declared that the insurance fee will not be paid, to pay to the Contractor the amount represented by the residual value of the Car and the amount of Service payments outstanding at the time of accidental damage, destruction or loss/theft. The Parties shall, within 15 (fifteen) calendar days of the notification of the insurance undertaking referred to in this Clause, agree on the amount, maturity and payment arrangements of the amount of unpaid Service payments to be paid by the Client.
- 6.7. If the Client does not agree with the conclusion of the insurance company regarding the non-recognition of a Car as damaged or destroyed or that such insurance case is not provided for in the insurance contract, these legal disputes shall not exempt the Client from the performance of its duties referred to in this Clause. The relationship arising from this Contract shall be deemed to have been terminated in respect of the damaged Car.
- 6.8. In cases where the term of the repair of a Car equal or exceeds 2 (two) days, as well as in cases where the Car has died or is unusable, as approved by the insurer, the Contractor shall ensure that the damaged Car is replaced by an equivalent Car for the repair period or the remainder of the Service period.

7. RETURN OF THE CAR TO THE CONTRACTOR

- 7.1. Upon termination of the Service term, but not later than on the last day of the Service term, the Client shall be required to transfer the Car to the Contractor by signing the Acceptance - Transfer Act, specifying the odometer readings and the fuel balance at the time of transfer.
- 7.2. The returned Car must be fitted according to the Car technical documentation and include all the equipment that the Car has been installed. The Car supplied by the Client shall not have any visible damage to internal or external parts which has not occurred as a result of normal depreciation.
- 7.3. If the technical condition of a Car transferred by the Client does not meet the conditions of Clause 7.2, the Client shall make the necessary repairs to the Cars for its own means in connection with need to improve the technical condition of the Car in order to meet the manufacturer's specifications, in accordance with the provisions of Clause 7.8.
- 7.4. If the mileage of the Car exceeds the limit of 150 000 km, the Client shall pay the Contractor payment for extra mileage in the amount determined in the Specification.
- 7.5. Prior to the return of the Car, the Client must remove all modifications and enhancements (accessories) of the Car assembly and value that have been made by the Client during its use, if this does not damage the technical condition and assembly of the Car.
- 7.6. If the Contractor unilaterally terminates the Contract, any improvements to the Car made by the Client without the consent of the Contractor, which cannot be separated from the Car without

damaging the Car, shall, without any consideration, be transferred to the Ownership of the Contractor. The Contractor is entitled to reject from these improvements and to require the Client to separate them from the subject-matter of the Services. In such a case, any potential costs must be borne by the Client.

- 7.7. Within the time limit for the return, the Client shall transfer the Car to the Contractor in the place indicated by him. After the transfer of the Car, an act certifying the transfer of the Car to the Contractor shall be drawn up and the right to the Car as well as the risk associated with the Car shall be transferred to the Contractor. By signing the Acceptance Transfer Act, the Parties confirm that the technical condition of the Car complies with the conditions of this Contract and excludes any possible requirements regarding the Car assembly, damage, use capacity or defects in proper operation.
- 7.8. The Contractor shall be required to carry out an immediate inspection of the Car. If the Contractor refuses to accept the Car, indicating shortcomings in the technical condition and performance which have not occurred as a result of normal depreciation, within 5 (five) working days from the date of return, the Contractor shall make a relevant statement stating the faults and deficiencies of the technical condition of the Car. The Client must cover all costs related to the repair work carried out by the Car or re-install the Car in such a way that it complies with the manufacturer's specifications. The respective deadlines and arrangements shall be agreed by the Parties.
- 7.9. If the Client does not agree with the statement of the Contractor regarding the shortcomings of the Car, the Client shall have the right to organise an independent expert-examination demonstrating the conformity of the technical condition and normal performance with the provisions of this Contract. A representative of an independent expert-examination company (representatives) shall prepare an expert assessment regarding the technical condition of the Car. The expert assessment decisions shall be final and binding on the Parties concerned.
- 7.10. If the results of the expert assessment demonstrate the inadequacy of the claims and statements of the person identified by the Contractor, the Contractor shall bear the costs associated with the expert-examination. If the expert assessment has demonstrated that the Car does not comply with the provisions of this Contract, the Client shall bear all costs related to the expert-examination and shall act in accordance with the requirements of this Contract.

8. PROCEDURE FOR AMENDING THE CONTRACT AND PROCEDURES FOR ALLOWING FOR DEROGATION FROM THE CONTRACT

- 8.1. The Contract shall become effective upon the date of its signing by Parties and shall be valid until complete fulfilment of the contractual obligations by the Parties.
- 8.2. The Contract may be terminated if mutually agreed by the Parties in writing or according to the provisions of the Contract.
- 8.3. Notwithstanding anything to the contrary contained in this Contract, a Party may terminate this Contract partly or in full immediately upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination upon occurrence of any of the following:
 - (a) breach by the other Party of Clause 14.2;
 - (b) an event of Force Majeure has been continuing during more than sixty (60) days;
 - (c) breach by the Contractor any of the confidentiality undertakings contained in Section 13. Confidentiality;
 - (d) liquidation, insolvency or legal protection proceedings have been initiated with respect to the other Party or the other Party is declared insolvent;
 - (e) the occurrence of any event analogous to the events enumerated under Clauses 8.3. (d) under the law of any jurisdiction to which the other Party's assets and undertaking are subject.
- 8.4. **The Client may terminate this Contract** immediately upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination, if:
 - 8.4.1. CEF Co-financing for further financing of the Services are not available to the Client fully or partly; In such a case, the Client shall pay the Contractor the fees in respect of the Services

- provided under this Contract up to the date of the notification of the termination of this Contract and the Client is not obliged to pay contractual or any other penalty or damages to the Contractor.
- 8.4.2. it is not possible to execute the Contract due to the application of international or national sanctions, or European Union or North Atlantic Treaty Organization applied sanctions significantly affecting interests of financial or capital market.
- 8.4.3. The Contractor does not fulfil its obligations under the Contract in its entirety or in any part thereof and does not complete them during 10 (ten) days from the Client relevant notifying;
- 8.4.4. The Contractor fails to comply with any terms for commencement and/or performance (conveyance) of the Services, including Cars delivery terms specified in the Contract and if the delay of the Contractor lasts at least 10 (ten) calendar days.
- 8.5. The Contract can be immediately terminated upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination upon occurrence of any of the provisions mentioned in the Section 64 of the Public Procurement Law. In such a case, the Client shall pay the Contractor the fees in respect of the Services provided under this Contract up to the date of the notification of the termination of this Contract and the Client is not obliged to pay contractual or any other penalty or damages to the Contractor.
- 8.6. Upon expiration or termination of this Contract, the obligations of the Parties set forth in this Contract shall cease, except with respect to the following:
- (a) any obligations arising as a result of any antecedent breach of this Contract or any accrued rights; and
 - (b) the provisions stipulated in accordance with Clauses 2.12., 4.5., 14.2, 14.6, 14.7, 14.8, and Clause 13. Confidentiality, Clause 10. Right to Audit, Clause 11. On-the-spot-visits and Clause 9. Procedures for Dispute Settlement which shall survive the termination or expiry of this Contract and continue in full force and effect along with any other Clauses of or Annexes hereof which are necessary to give effect to the Clauses specifically identified in this 8.6(b).
- 8.7. **The Contractor is entitled to terminate this Contract** upon giving the other Party a written notice in 1 (one) month prior of termination explaining, in reasonable detail, the reason for termination, if:
- 8.7.1. the Client has knowingly provided false information in this Contract or other documents submitted to the Contractor which have caused material damage to the Contractor;
 - 8.7.2. the Client has knowingly provided incomplete or incorrect information (documents) regarding an accident (insurance case) or in relation to this Contract;
 - 8.7.3. the Client has gross violated the provisions of this Contract or insurance policy in respect of an accident (insurance case);
 - 8.7.4. the loss was intentionally caused by the Client or was caused by the fact that the Car was driven by a person who did not have a driving licence of the relevant category;
 - 8.7.5. the Client does not fulfil the obligations laid down in this Contract relating to the performance of the maintenance of the Car;
 - 8.7.6. the Client has not fulfilled or failed to comply adequately with the obligations laid down in this Contract relating to the information of the Contractor and the maintenance of the Car Documents and has caused damage to the Contractor;
 - 8.7.7. The Client without written permission of the Contractor, has entered into an agreement regarding the transfer of the Car, such as the subleasing of the Car, or the encumbrance of the Car with limited property rights or other requirements for the benefit of a third party, as the Contractor has the right to claim the Client to cover the losses incurred;
 - 8.7.8. The Client does not comply with the Contractor's requirements for the use (exploitation), maintenance and repair of the Cars in accordance with the provisions of this Contract;
 - 8.7.9. Service payments are not paid in whole or in part, and this breach of payment obligation will continue to take place 20 (twenty) days after the relevant payment date, which is the due date specified in the Contractor's invoice and the Contractor has complied with the deadlines for the submission of invoices laid down in the Contract.

- 8.8. In the event of breach by the Client of its obligations under this Contract Clause 8.7., the Contractor shall allow the Client 10 (ten) days for corrective action or submission of a corrective action plan. The corrective period shall be counted from the date of receipt by the Client of a written notice of breach. Should no satisfactory corrective action be taken, or acceptable corrective action plan provided by the Client, the Contractor shall have the right to terminate the Contract in accordance with the provisions of Clause 8.7.
- 8.9. If the Contractor unilaterally terminate the Contract and the Client refuses to transfer the Car in accordance with the provisions of this Contract, the Contractor may take the Car into its possession without initiating additional legal procedures. When taking over a Car, the Contractor is entitled to take any necessary action to remove the Car from the premises where it is located. In such a case, the Client shall cover in full and without additional conditions the Contractor's expenses necessary to carry out those activities.
- 8.10. The Client have the right to terminate this Contract partly or in full upon giving the Contractor a written notice 30 (thirty) days in advance by covering the difference of Car residual value according to the Customer accountancy data and Car market value, if such has occurred.
- 8.11. The Contract considered to be terminated regarding to the Car that has been stolen, exploded, destroyed or has become unfit for use, and these facts were confirmed by the insurer's decision on the refusal of payment of insurance or reimbursement, and the conditions referred to in Clause 6.6 have been fulfilled.

9. PROCEDURES FOR DISPUTE SETTLEMENT

- 9.1. This Contract shall be governed by and construed in accordance with law of the Republic of Latvia.
- 9.2. The Parties shall first attempt to settle any dispute, controversy or claim arising out of or relating to this Contract through good faith debate, discussion, and negotiating prior to submitting them to mediation, arbitration, or other legal proceeding.
- 9.3. If the Parties cannot agree, any dispute arising out of or in connection with this Contract shall be submitted to the court pursuant to procedure specified by the laws of the Republic of Latvia.

10. RIGHT TO AUDIT

- 10.1. Notwithstanding anything to the contrary set forth in this Contract including, the Client itself, a reputable outside independent body or expert engaged and authorized by the Client shall be entitled to inspect and/or audit the Contractor to ensure compliance with the terms of this Contract, including inspecting and/or auditing:
 - (a) the performance of any aspect of the Services; and/or
 - (b) any documentation, including all payrolls, accounts of the Contractor and/or other records used in or related to the performance of the Services.
- 10.2. The Contractor shall provide all reasonable assistance to the Client or the independent body authorized by the Client in carrying out any inspection or audit pursuant to this Clause 10. Right to Audit. The Client shall be responsible for its own costs, or the costs incurred by the outside independent body designated by the Client, incurred toward carrying out such inspection or audit, unless, in the case of any such audit, that audit reveals that the Contractor is not compliant with the terms of this Contract, in which case the Contractor shall reimburse the Client for all of its additional reasonable costs incurred, provided such non-compliance is material.
- 10.3. The rights and obligations of the Client set forth in accordance with this Clause 10. Right to Audit shall survive expiration or termination of this Contract for any reason and shall continue to apply during eleven (11) years following expiration or termination of this Contract for any reason whatsoever.

11. ON-THE-SPOT-VISITS

- 11.1. By submitting a written notice five (5) working days in advance, but at the same time reserving the right of an unannounced on-the-spot visit without an advance notice, the Client may carry out on-the-spot visits to the sites and premises where the activities implemented within the Contract are or were carried out.
- 11.2. On-the-spot visits may be carried out either directly by authorized staff or representatives of the Client or by any other outside body or third party authorized to do so on behalf of the Client. Information provided and collected in the framework of on-the-spot visits shall be treated on confidential basis. The Client shall ensure that any authorized outside body or third party shall be bound by the same confidentiality obligations.
- 11.3. Contractor shall provide to the performer of the on-the-spot visit or any other authorized outside body or third party access to all the information and documents, including information and documents in electronic format, which is requested by the authorized staff of the performer of the on-the-spot visit or any other authorized outside body or third party for the performance of an on-the-spot visit and which relates to the implementation of the Contract, as well as shall allow the authorized staff of the performer of the on-the-spot visit or any other authorized outside body or third party the copying of the information and documents, with due respect to the confidentiality obligation.
- 11.4. By virtue of Council Regulation (Euratom, EC) No 2185/961 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EU) No 883/20132 of the European Parliament and the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by European Union law for the protection of the financial interests of the European Union against fraud and other irregularities. Where appropriate, OLAF findings may lead to criminal prosecution under national law.

12. FORCE MAJEURE

- 12.1. Subject to the requirements set forth in accordance with Clauses 12.2 and 12.3, each Party shall be relieved from liability for non-performance of its obligations under this Contract (other than any obligation to pay) to the extent that the Party is not able to perform such obligations due to a Force Majeure Event.
- 12.2. Each Party shall at all times, following the occurrence of a Force Majeure Event:
 - (a) take reasonable steps to prevent and mitigate the consequences of such an event upon the performance of its obligations under this Contract, resume performance of its obligations affected by the Force Majeure Event as soon as practicable and use reasonable endeavours in accordance with Good Industry Practice to remedy its failure to perform; and
 - (b) not be relieved from liability under this Contract to the extent that it is not able to perform, or has not in fact performed, its obligations under this Contract due to any failure to comply with its obligations under Clause 12.2(a).
- 12.3. Upon the occurrence of a Force Majeure Event, the affected Party shall notify the other Party as soon as reasonably practicable and in any event within ten (10) working Days of it becoming aware of the relevant Force Majeure Event. Such notification shall give sufficient details to identify the particular event claimed to be a Force Majeure Event and shall contain detailed information relating to the failure to perform (or delay in performing), including the date of occurrence of the Force Majeure Event, the effect of the Force Majeure Event on the ability of the affected Party to perform, the action being taken in accordance with Clause 12.2(a) and an estimate of the period of time required to overcome the Force Majeure Event. The affected Party shall provide the other Party with any further information it receives or becomes aware of which relates to the Force Majeure Event and provide an update on the estimate of the period of time required to overcome its effects.

- 12.4. The affected Party shall notify the other Party as soon as practicable once the performance of its affected obligations can be resumed (performance to continue on the terms existing immediately prior to the occurrence of the Force Majeure Event).
- 12.5. As soon as practicable after the notification specified pursuant to Clause 12.3, the Parties shall use reasonable endeavours to agree appropriate terms or modifications to the Services to mitigate the effects of the Force Majeure Event and to facilitate the continued performance of this Contract.

13. CONFIDENTIALITY

- 13.1. "Confidential Information" means, in relation to the Client, all information of a confidential nature relating to the Client and its affiliates which is supplied by the Client (whether before or after the date of this Contract) to the Contractor, either in writing, orally or in any other form and includes all analyses, compilations, notes, studies, memoranda and other documents and information which contain or otherwise reflect or are derived from such information, but excludes information which:
 - 13.1.1. the Client confirms in writing is not required to be treated as confidential; or
 - 13.1.2. the Contractor can show that the Confidential Information was in its possession or known to it (by being in its use or being recorded in its files or computers or other recording media) prior to receipt from the Client and was not previously acquired by the Contractor from the Client under an obligation of confidence; or
 - 13.1.3. was developed by or for the Contractor at any time independently of this Contract.
- 13.2. Subject to Clauses 13.1 and 13.3, the Contractor shall:
 - (a) at all times keep confidential all Confidential Information received by it and shall not disclose such Confidential Information to any other Person; and
 - (b) procure that its affiliates and its and their respective officers, employees and agents shall keep confidential and not disclose to any Person any Confidential Information except with the prior written consent of the Party to which such Confidential Information relates.
- 13.3. Notwithstanding anything to the contrary set forth in accordance with Clauses 13.1 and 13.2, the Contractor shall, without the prior written consent of the Client, be entitled to disclose Confidential Information:
 - (a) that is reasonably required by the Contractor in the performance of its obligations pursuant to this Contract, including the disclosure of any Confidential Information to any employee, contractor, agent, officer, Sub-Contractor (of any tier) or adviser to the extent necessary to enable the Contractor to perform its obligations under this Contract;
 - (b) to enable a determination to be made pursuant to Clause 11. On-the-spot-visits;
 - (c) to its lenders or their professional advisers, any rating agencies, or its insurance advisers but only to the extent reasonably necessary to enable a decision to be taken on the proposal;
 - (d) to the extent required by applicable law or pursuant to an order of any court of competent jurisdiction, any parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law; or
 - (e) to the extent Confidential Information has become available to the public other than as a result of any breach of an obligation of confidence; provided that any such disclosure is made in good faith.
- 13.4. Whenever disclosure is permitted to be made pursuant to Clauses 13.3(a) or(c), the Contractor shall require that the recipient of Confidential Information be subject to the same obligation of confidentiality as that contained in this Contract.
- 13.5. If this Contract is terminated for whatsoever reason, the Contractor shall:
 - (a) return to the Client all of the Confidential Information then within the possession or control of the Contractor; or
 - (b) destroy such Confidential Information using a secure and confidential method of destruction.
- 13.6. Save as required by applicable law, the Contractor shall not issue any press release in relation to the matters contemplated under this Contract without the prior written consent of the Client (such

consent not to be unreasonably withheld or delayed) as to both the content and the timing of the issue of the press release.

- 13.7. For the avoidance of any doubt, the Client shall have the right to publish any of the documents, information or data provided by the Contractor to the Client during provision of the Services.
- 13.8. The Parties acknowledge and agree that a breach of the provisions of this Section 13. Confidentiality may cause the owner of Confidential Information to suffer irreparable damages that could not be adequately remedied by an action at law. Accordingly, the Contractor agrees that the owner of Confidential Information that is disclosed in breach of Clauses 13.2, 13.4 or 13.6 may be entitled to specific performance of those provisions to enjoin a breach or attempted breach thereof and to any other remedy, including, inter alia, damages and injunctive relief, awarded by a court of competent jurisdiction.

14. MISCELLANEOUS PROVISIONS

- 14.1. Each Party warrants to the other Party that it has full power to enter into and perform this Contract, and the person signing this Contract on its behalf has been duly authorized and empowered to enter into such agreement. Each Party further acknowledges that it has read this Contract, understands it and agrees to be bound by it.
- 14.2. Notwithstanding any penalties that may be enforced against the Contractor under applicable law, or the laws of other jurisdiction(s), the Contractor shall be deemed to have committed a breach under this Contract and the Client shall be entitled to terminate this Contract immediately if it is shown that the Contractor is guilty of:
- (a) offering, giving, receiving or soliciting anything of value with a view to influencing the behaviour or action of anyone, whether a public official or otherwise, directly or indirectly in the selection process or in the conduct of the Contract; or
 - (b) misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Client, including the use of collusive practices intended to stifle or reduce the benefits of free and open competition.
- 14.3. Notices under the Contract shall be in writing and will take effect from receipt by the Party to which the notice is addressed at the address of the Party set forth in the Preamble to this Contract. Delivery can be by hand or facsimile message against a written confirmation of receipt or by registered letter, in exceptional cases, notices shall also be entitled to be sent by e-mail. Any communication between the Parties shall take effect upon receipt by the other Party of the relevant letter, e-mail or fax.
- 14.4. To the extent damages are covered by insurance, the Client and the Contractor waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages, except such rights as they may have to the proceeds of such insurance current as of the date of this Contract.
- 14.5. The relationship between the Contractor to the Client under this Contract is that of independent contractors. The Contractor (or the Contractor's Sub-Contractors) is not an employee of the Client, is not carrying out the regular business of the Client and is not subject to the same employment regulations as are applicable to employees of the Client. Each of the Parties shall be solely and entirely responsible for their own acts and the acts of their employees. No benefits, special considerations, or employer/employee-type provisions are provided by the Client to the Contractor, the Contractor's employees, or the Contractor's consultants, or the employees of such consultants.
- 14.6. If any provision of this Contract shall be held to be illegal, invalid, void or unenforceable under Applicable Laws, the legality, validity and enforceability of the remainder of this Contract shall not be affected, and the legality, validity and enforceability of the whole of this Contract shall not be affected.
- 14.7. The Client and the Contractor each bind themselves, their successors, legal representatives, and assigns to the other party to this Contract and to the partners, successors, legal representatives

and assigns of such other party in respect to all covenants of this Contract. Neither Party shall assign or transfer its respective interest in the Contract without written consent of the other Party.

- 14.8. No amendment to or variation of this Contract shall be effective unless made in writing and signed by duly authorized representatives of both Parties. The Contract can be amended in compliance with the provisions of Section 61 of the Public Procurement Law of the Republic of Latvia.
- 14.9. This Contract, and the Annexes hereto, constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes and extinguishes all and any prior drafts, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter. The following are added to the Contract for its entry into force as an integral part:
 - 14.9.1. Annex 1 - Technical specification on ____ pages.
 - 14.9.2. Annex 2 – Financial proposal (should be added with Payment schedule) on ____ pages.
 - 14.9.3. Annex 3 — Manual of normal depreciation of motor vehicles on ____ pages.
 - 14.9.4. Annex 4 — Contractor`s declaration ____ on pages.
 - 14.9.5. Annex 5 – Subcontractors list ____ on pages.
 - 14.9.6. Annex 6 – Contractor`s proposal (not attached to Contract) on ____ pages.
- 14.10. This Contract may be executed in two counterparts to be held by each Party which counterparts, taken together, shall constitute one and the same instrument.
- 14.11. The Contractor and the Client undertake to notify each other immediately of the change of registered and postal addresses of the Parties.

15. CONTACTS OF THE CONTRACTING PARTIES

- 15.1. Contacts:
 - 15.1.1 on behalf of the Contractor -
 - 15.1.2 on behalf of the Client –

16. ADDRESSES AND BANK PROPERTIES OF THE CONTRACTING PARTIES

Client:

RB Rail AS
 Registered address: Krishna Valdemar Street 8-7
 Riga, LV-1010
 email: info@railbaltica.org
 Reg. No. LV40103845025
 Bank details: Latvian Branch of Nordea Bank AB
 Code: NDEALV2X
 Account: LV73NDEA0000084270995

Member of the Management Board

Member of the Management Board

Contractor:

 Registered address: -----

 email: _____
 Reg. nr. -----
 Bank details: -----
 Code: -----
 Account: -----

.....
