

Rīga

15.08.2019

Our Ref: 6.1p/271

**Answers to questions from the interested supplier
in open competition "Audit services for 2019 - 2021",
identification number RBR 2019/8**

RB Rail AS presents following answers to the questions received until 15 August 2019 from the interested supplier:

No	Questions	Answers
1.	According to regulation of an open competition the tenderer shall have quality management system that complies with ISO 9001:2015 standard or equivalent. Could you explain why requirement for ISO 9001:2015 standard is necessary for the audit services and whether it does not create restriction of competition? ISQC 1: Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements. This standard is mandatory for all Audit companies in Latvia. No specific certificate exists to confirm compliance with ISQC 1. However, audit companies are controlled by LACA (LZRA) and Ministry of finance and no incompliance have been found. Could you confirm that ISQC 1 might be considered as equivalent to ISO 9001:2015?	Procurement commission indicates that Procurement commission has taken a decision and Section 8.4.4 of the open competition "Audit services for 2019 - 2021" regulations (hereinafter – Regulations) will be deleted. Please follow the upcoming information regarding the amendments in the Regulations.
2.	According to regulation of an open competition the tenderer should propose a team consisting of the following key experts. Experts need to meet requirement – has the Association of Chartered Certified Accountants (ACCA) qualification or equivalent qualification. Could you explain, does requirement for such a specific qualification (ACCA) not create restriction of competition and why it is necessary for the procurement scope? In our view certificate of Sworn auditor (Latvian certified auditor) is equivalent qualification to ACCA. Please confirm. Why	Procurement commission has assessed and, in the Regulations, has included requirements that are reasonable, objective and commensurate to the subject-matter, that do not unreasonably restrict the competition. Procurement commission indicates that Association of Chartered Certified Accountants (ACCA) qualification is required because one set of RB Rail AS financial statements is prepared in accordance with International Financial Reporting Standards (IFRS) and the Rail Baltica Global Project has complex organization with multiple stakeholders from three states. This complexity must be taken into account also in the audit of RB Rail AS annual report prepared in accordance with Law on the Annual

	for Sworn auditor additionally ACCA is required in regulation?	Financial Statements and Consolidated Financial Statements of the Republic of Latvia.
3.	What is considered as difference in service providing process for audit of EU project with project value 1 milj EUR and project value 0.1 milj. In our view more appropriate requirement would be to have at least one year experience with INEA Grant agreed upon procedures requirements and specific reporting requirements. How do you support that tender requirement for auditor to have general experience in audit of EU funded projects with specific value in given circumstances can ensure higher quality audit service? How do you support that such requirement does not limit competition?	<p>Procurement commission has assessed and, in the Regulations, has included requirements that are reasonable, objective and commensurate to the subject-matter, that do not unreasonably restrict the competition.</p> <p>Procurement commission indicates that:</p> <ol style="list-style-type: none"> 1) regarding the Innovation and Networks Executive Agency (INEA)/ the European Union (EU) funded projects - INEA financed projects (as Rail Baltica Global Project is) are less common than EU funded projects and the requirement for having previous experience in auditing EU funded projects covers a wider range of potential suppliers; 2) regarding the project value – as Service Part II indicated in the Technical specification includes also the audit of procurement documentation there is a need to have a service provider that is experienced in this field. In accordance with the Public Procurement Law of the Republic of Latvia there are specific thresholds of estimated contract price from which the application of the Public Procurement Law of the Republic of Latvia and publication in the Official Journal of the EU is mandatory. These thresholds have been considered before development of requirements for tenderers. <p>Please review carefully the scope of the open competition.</p>
4.	In tender regulation everyone: sworn auditor, team manager and senior associate are required to have past 3 years (2016, 2017 and 2018) gained experience especially in transport infrastructure and/or energy infrastructure company. What is considered so specific in performing audit services for fixed assets, including infrastructure especially in transport and energy infrastructure company comparing to companies in other industries having infrastructure (including rail, roads etc)? How do you support that such requirement does not limit competition?	<p>Procurement commission has assessed and, in the Regulations, has included requirements that are reasonable, objective and commensurate to the subject-matter, that do not unreasonably restrict the competition.</p> <p>Procurement commission indicates that requirement for having a previous experience in the audit of transport infrastructure and/ or energy infrastructure project follows from the specifics of Rail Baltica Global Project – its complexity and the fact that this is a long-term project. Additionally, Procurement commission indicates that rail and roads infrastructure are part of transport infrastructure.</p> <p>Please review carefully the scope of the open competition and pay attention that focus of the services is not on auditing the fixed assets.</p>

Procurement commission chairperson

A. Benfelde