

1. Pärnu – Rapla Agreement amendments summary

Agreement

Pärnu – Rapla Design Services and Design Supervision Services Agreement No 8/2019/EE-2 dated 29 March 2019 (Agreement) amendments include two (2) parts.

First part amendments description

This part initiated by the Implementing Body (Rail Baltic Estonia OÜ). This part covers environmental impact assessment (pre-EIA) services resulting in pre-EIA reports to be issued towards precisely identified design objects in Estonia. In total, pre-EIA reports shall be prepared for seventeen (17) objects. This amendment will result in a change of the approach in conducting necessary environmental impact assessment (EIA) activities in order to receive building permits. This approach was required by the Implementing Body in order to mitigate EIA risks in Estonia in a view to mitigate both EIA and COVID-19 related risks with a primary aim not to allow any delays, and secondary aim to mitigate cost risks. Thus, ultimate outcome of this amendment will be mitigation time allowing timely commencement of the Construction Works, and mitigation of cost in a view that any delays result in cost increase. Designer's quote for one (1) pre-EIA report is EUR 3'500 (three thousand five hundred *euro*), VAT exclusive, and this quote is established in line with tender documents. Increase of the remuneration under the Agreement will result in EUR 59'500 (fifty-nine thousand five hundred *euro*), VAT exclusive.

Second part amendments description

This part was initiated by the Beneficiary (Ministry of Economic Affairs and Communications of Estonia). This part covers additional design services towards Kohila section: 1) Master Design development, covering Urge Local Road new connections and structure over the T-15; 2) Master Design development, covering Salutaguse Local Road new connections and structure over the T-15; 3) additional surveys as to both items, and additional design services to cover utility replacement as to both items. This second part include, in addition, additional pre-EIA services, towards three (3) objects (State road T-15, Urge local road, Salutaguse local road) in Estonia. This amendment will result in additional design activities which became necessary after Estonian Road Administration conducted the traffic survey for the state road T15. Plus, this amendment will result in a change of the approach in conducting necessary pre-EIA activities in order to receive building permits. Designer's pre-EIA quote EUR 14'950 (fourteen thousand nine hundred fifty) is established in line with tender documents, and quote for additional topographical and geotechnical works and additional design activities is EUR 224'550,00 (two hundred twenty-four thousand five hundred fifty *euro*), VAT exclusive.

Amendments are made under the provisions of Clause 2 and 3 of Section 3 of Article 61 of PPL, considering Contracting Authority:

- needs additional construction work, services or supplies that were not included in the initial procurement, and a change of the economic operator would cause significant increase of costs, and it cannot be made due to economic or technical reasons such as interchangeability or interoperability with the existing equipment, services or installations purchased under the initial procurement, or the change of the economic operator would cause significant inconveniences;
- the amendments to the procurement contract are necessary due to such reasons which the contracting authority could not foresee in advance.

Considering the fact that the Consultant is already implementing the Agreement and under the Design Services covering elements attributable to additional Services, the Client concluded that outsourcing this case or handling it to any other design provider would cause the Client significant increase of the Remuneration. Such a decision would be irrational and not business-wise. In this case the Consultant is already carrying out Value Engineering and Master Design activities and will be in a position of the investigation results, necessary resources as well as completed design tasks which are integral parts of the scope of these variations that any other services provider will face significant challenges or will materialize in double reassessment of the information related to design sections to furnish additional Services towards Kohila section, and to provide pre-EIAs, as described above, more efficient. Thus, the Client will avoid re-designing. Given these circumstances, and based on purely technical and financial reasons, and considering this case business-wise, once again the Client concluded that handling these additional Services to any other designer would cause the Client significant inconvenience and costs, delaying the Project and causing re-designs (other service provider would have to review Consultant's design packages and modify them). As a result, implementation of both amendments will result in the remuneration increase of EUR 299'000,00 (two hundred ninety-nine thousand *euro*), VAT exclusive. Impact on final design delivery deadlines is not anticipated.

Based on the assessment provided in this document it is evident that the variation (subject of the additional services) could not have been foreseen by the diligent contracting authority and would occur regardless of the selected Tenderer therefore there is no disturbance to the evaluation results and subject of additional scope does not impact the context of the evaluation.