

**SUMMARIZED RESULTS OF THE MEETINGS
WITH INTERESTED SUPPLIERS REGARDING
THE COMPETITIVE PROCEDURE WITH NEGOTIATION “ENGINEERING SERVICES FOR PREPARATION,
PROCUREMENT AND SUPERVISION OF RAIL BALTICA CONTROL-COMMAND AND SIGNALLING
SUBSYSTEM DEPLOYMENT”**

Dates of the meetings:

10, 11, 14 September 2020

Location:

via Microsoft Teams;

Participants from RB Rail AS:

Aiga Benfelde – Procurement Manager;
Andrejs Mislēvičs – Signaling and Communications Team Leader;
Andris Losāns – Technical project manager;
Andy Billington – Innovation and Sustainability Expert;
Ivars Žukovskis – Business Relation Manager;
Jean-Marc Bedmar – Head of Systems & Operation Department;
Kaspars Briškens – Head of Strategy and Development Department;
Michel Daurenjou – ERTMS Engineer;
Vineta Ezergaile – Procurement Specialist – Lawyer.

Other participants:

Representatives of interested suppliers.

Meetings’ agenda

- Introduction to the Rail Baltica project and the project schedule;
- Information on the scope and timeline of CCS Engineering services for Rail Baltica project;
- Q&A session:
 - Part 1: RB Rail AS questions to suppliers;
 - Part 2: supplier answers;
 - Part 3: supplier questions;
 - Part 4: RB Rail AS answers.

Discussion summary

(1) On services scope and timeline:

Participants from RB Rail AS explain to interested suppliers status of the Rail Baltica Global project and its current timeline (please refer to the Annex with presentation material for more details).

(2) On system development management during the entire project lifecycle:

Participants from RB Rail AS explain to interested suppliers details of the procurement plan for competitive procedure with negotiation for “Engineering Services for Preparation, Procurement and Supervision of Rail Baltica Control-Command and Signaling Subsystem Deployment” (hereinafter - CCS Engineering services) as well RB Rail AS expectations from the meetings.

A. Participants profile, experience and CCS-specific know-how

Participants from RB Rail AS pay attention to the experience of interested suppliers in large-scale high-speed railway Control-Command and Signaling projects, experience in project management and specific technical know-how as well as field of competence of required key experts based on the scope of the services:

Interlocking System, Railway Radio communication systems, ETCS (Trackside) system, Traffic Management System, Transmission/ Communication system; Non-traction & power supply systems.

B. Possible scope of CCS Engineering services

Following feedback is provided by interested suppliers on the possible scope of the CCS-engineering services:

- Support of local experts shall be considered for the provision of the services during the design/construction supervision.
- The need of local offices and online collaboration software shall be set up for more qualitative provision of the services and better control of the services workflows.
- Requirement management software is recommended for requirement management during all project phases with focus on traceability, user needs, operational concept.
- Stakeholder involvement and interface management are important factors for the high-quality service provision.
- Clear description of responsibilities of stakeholders and third parties is necessary to understand the amount of work.
- The assistance of RB Rail AS is expected for stakeholder and third parties management.
- Interested supplier will be responsible for provision of the required input information for stakeholder management and expects that RB Rail AS shall coordinate the communication process.
- Responsibilities, change management procedure, technical competences and regular communication among the involved parties shall be clear at early contract stage.

C. Most effective ways to manage the future CCS design/construction contractors

Interested suppliers propose to use vendor neutral open specifications for preliminary design. For successful project implementation, it is recommended to focus on operational, functional requirements and functionality, performance requirements and technical constraints.

It is recommended to add to scope of services review of civil works design (DTD) in order to check consistency with CCS requirements (in particularly, cable ducts, land plot reservations for CCS systems). Presence of the interested supplier in RB Rail AS office will improve cooperation with stakeholders and future CCS-subsystems design/construction contractors.

D. Reasonable phasing of CCS Engineering services

Participants from RB Rail introduce the phasing concept for provision of CCS Engineering services which covers all CCS project phases including the Defect Notification Period. Interested suppliers highlight the necessity to consider the supervision phase for each design/construction package separately.

E. Resources needed for service provision and thus capacity and capability of each of participants

Interested suppliers provide feedback on possible number of required experts, namely, as key experts are recommended: Signalling Expert, Traffic Management System Expert, Power Supply System Expert, Operational Expert, Rolling Stock Expert, Procurement Expert, RAMS, CSM expert, Requirement Manager, Maintenance Expert. The overall expert team could include up to 15-20 full time experts.

For CCS system design and implementation stage, interested suppliers recommend involving additional 2-3 Cable Ducting Project Managers, Training Specialists, Traffic Management and Maintenance experts.

F. Indicative market price of the CCS Engineering services

Interested suppliers provide feedback on payment conditions which shall ensure financial flow during the service delivery by means of certain payment approaches, such as payment based on specific deliverables or payment based on time period for service execution.

Preferred payment methods for the first stage (please refer to the Annex with presentation material for more details on the staging of the services) are lump sum or based on deliverables and for the second stage - time-based. Cash flow shall be as close to neutral as possible, so no negative cash flow exists during whole contract period.

Interested suppliers recommend to clearly specify expertise and experience level of all key experts due to different payment rates. Adjustment or indexation of hourly rates for key experts shall be included in the contract due to the duration of the project.

Co-located office and one team collaboration with RB Rail AS will positively impact project team workload and project cost.

G. Legal and administrative issues during the provision of CCS Engineering services

Interested suppliers do not accept requirement on unlimited liability of CCS Engineer, as it means unacceptable risk. Contract shall define as much details as possible for reducing the risk of uncertainties in the later project stages and related additional cost. FIDIC agreement application is generally acceptable, but any conditions, deviating from FIDIC, shall be clearly defined.

Due to project duration, the Contract shall define change mechanism for scope changes, change management and price indexation.

H. Most effective approach on project management and quality assurance

Interested suppliers recommend to set up project management and involve qualified project managers. Implementation of processes required by CENELEC standard 50126, 50128, 50129 and under 402/2013 regulation are mandatory. Moreover, interested suppliers indicate need to contribute to RAMS studies developed at system level, define safety targets, establish stakeholders map, provide review of documents delivered by CCS suppliers.

I. Most suitable remuneration approach for the participant

Interested suppliers recommend the mixed model as the most suitable one with a lump sum for the first phase and hourly rates for the second phase of CCS Engineering services.

J. Possible risks and their mitigation measures

The following risks are identified (incl. its mitigation measures provided in brackets) by the interested suppliers and RB Rail AS:

- COVID-19 situation development (appropriate mechanism to change presence conditions is needed);
- delay in FRMCS standard development (early notice for delay and development alternative solution);
- change of law, standards update and requirements (clear variation cases defined in the contract);
- design approval (clear process defined at early project stage);
- design errors (quality assurance management);
- stakeholder management (clearly defined responsibilities);
- third parties' involvement (clearly defined responsibilities);
- coordination with stakeholders and third parties (clearly defined at early project stage);
- local legislation (clearly defined responsibilities, involvement of local partners);
- quality of input data (quality management assurance);
- number of contracts to manage (defined scope);
- gathering inputs from third parties (defined time schedule, local partners involved);
- scope of work not defined in required level of detail (clear scope defined in the contract);
- project implementation responsibility is solely on the side of the interested supplier (clear liability scope defined in the contract);
- service suspension (clear conditions defined in the contract);
- insufficient local resources (communication with local companies as soon as possible).

K. Expectations towards the procurement process, requirements, evaluation and documentation

Interested suppliers suggest to put more weight on quality of the technical proposal. Moreover, it is recommended to give 6 - 8 calendar weeks for preparation and submission of applications. RB Rail AS shall include the indicative project implementation timeline and planned work hours in the procurement documentation.

L. Any other related issues

In relation to specific requirements on key experts, interested suppliers recommend to include only accreditations, certifications, technical conditions which are achievable by all international experts and not only local experts.

Representatives from RB Rail AS emphasize that for better time management and preparation for the procurement process the interested suppliers shall in advance register in the Latvian Electronic Procurement System.

Statement:

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

