

## 1. Salaspils – Vangaži - Misa Agreement amendments summary

### Agreement

Salaspils – Vangaži - Misa Design Services and Design Supervision Services Agreement No 8/2019-42 dated 5 July 2019 (Agreement).

### Amendments description

These Agreement amendments are combining two (2) Variations: combined Daugava bridge Variation, and COVID-19 pandemic situation produced Variation. Regarding combined Daugava bridge amendments: this Agreement amendment is initiated by the Beneficiary (Ministry of Transport of Latvia). It covers implementation of additional conceptual and detailed technical design services on combined Daugava bridge and related road infrastructure development (Additional Services). Designer's quote for these additional services is 4 981 692,00 (four million nine hundred eighty-one thousand six hundred ninety-two thousand *euro*), VAT exclusive, and this quote is established in line with tender documents. Regarding COVID-19 pandemic situation amendments: these Agreement amendments are initiated by the Client and the designer in order to updated Agreement performance schedule due to COVID-19 produced *Force Majeure* event.

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 (regarding combined Daugava bridge amendment);
- the amendments to the procurement contract are necessary due to such reasons which the contracting authority could not foresee in advance (COVID-19 amendment).

#### 1. Regarding combined Daugava bridge amendments

After performance of the Value Engineering analysis under the Agreement, the designer proposed dual-bridge (railway plus motorway) as one of the options for the Beneficiary (the Ministry of Transport of the Republic of Latvia). The Beneficiary altered the decision on bridge-type, as dual-bridge (railway plus motorway) is the most feasible overall solution which will benefit the Global Project and it's the advantageous solutions in terms of time and costs.

The contracting authority noted that change of designer would result it de-scoping of the Agreement concerning dual-bridge part, and organizing a separate procurement procedure in that regard, and subsequently such activities would result in a necessity to foresee work of two (2) or more design companies without common interface alignment, and that would result in excess costs, including costs of additional contracting authority's human and technical resources. Thus, decision to organize a separate procurement procedure for dual-bridge part would cause significant inconveniences for the contracting authority due to interchangeability with the existing services (Value Engineering Services performed by the designer) already procured under the Agreement, and the contracting authority has not noted any legal or factual basis to separate dual-bridge design implementation to another economic operator as current designer holds all the responsibilities towards the delivery of design of the section of railway line and related infrastructure.

#### 2. Regarding COVID-19 amendments

In addition to Additional Services related Agreement amendments COVID-19 pandemic situation produced negative impact was assessed as well. This *Force Majeure* event negatively impacted the following Client's Agreement administration activities - site investigations control activities in the Republic of Latvia and alignment of milestones with affected parties and beneficiaries. COVID-19 pandemic situation negatively affected the designer's agreement timely performance activities due to limited travel and subsequently limited on-site access in the Republic of Latvia, work stoppage due to distant work rearrangements. As a result, precisely quantified and justified extension of time in the amount of four (4) months was established. COVID-19 pandemic situation related Agreement amendments are implemented in line with Clause 3 of Section 3 of Article 61 of the Public Procurement Law of the Republic of Latvia as it is evident that neither the Client nor the designer couldn't foresee necessity of such amendments before COVID-19 pandemic situation outbreak.

Based on the assessment provided in this section it is evident that both amendments would occur regardless of the selected Tenderer therefore subject of additional scope does not impact the context of the evaluation. As a result, implementation of Additional Services related amendments will result in the remuneration increase of 4 981 692,00 (four million nine hundred eighty-one thousand six hundred ninety-two thousand *euro*), VAT exclusive, and implementation of COVID-19 pandemic situation related amendments will result in extension of Design Services completion time for four (4) months.