

## Mainline through Riga design agreement amendments summary

### Agreement

Design and design supervision services for the construction of the mainline section through Riga No 8/2019-41 dated 5 July 2019 (Agreement).

### Amendments description

The Agreement amendments are made regarding the additional services pertaining to railways optimization study and necessity to establish the working group in order to assess, in parallel, improvements for both railway gauges 1435 mm and 1520 mm, for short (year 2026), medium (year 2036) and long (year 2046) term. As a result, amendments regarding additional services were made and it was agreed to establish the working group to proceed with eventual assessment while ensuring cost savings and more efficient railways design and further operations. The contracting authority is in a position to objectively note that outsourcing this case or handling it to any other designer would cause significant increase of the remuneration. Therefore, amendments are made under the provisions of Clauses 2 and 3 of Section 3 of Article 61 of PPL, i.e. the amendments to the procurement contract are necessary due to such reasons which the contracting authority could not foresee in advance, and in terms of interchangeability or interoperability with the existing services whereas the change of the economic operator would cause significant inconveniences and significant increase of costs, i.e.:

- current Agreement's deliverables for the design priority section 1 (DPS1) are directly linked with the additional services;
- railway gauge improvements study solutions which will be elaborated by the working group as part of the additional services will ensure compatible solutions to implement for design of railway under the Agreement in DPS1;
- involving any new supplier without previous knowledge of affected DPS1 milestones in Riga city will possess a risk of necessity to re-work, supplement or re-design any design milestones towards DPS1, because the detailed technical design and all associated data is author's rights object which cannot be reasonable transferred to any other entity without significant re-assessment/re-work;
- involvement of new supplier will provide uncertainty on the delivery possibilities, quality and price and will affect timeline, noting also the additional risk and potential difficulties with the alignment of scope between the services if undertaken by different suppliers. This may, in addition, produce additional scope and expenses;
- engaging any new supplier will result in additional and significant burden on the Client which will have to administrate work of two (2) different interfaces concerning the same DPS1 and increase load on human resources as well as will increase costs due to double-work and interface management;
- implementation of this specific amendment will allow integration of major elements of railway gauge improvements study into effective design, thus facilitating eventual cost savings and more efficient railway gauge improvements implementation for 1520mm railway infrastructure.

Major additional services scope is – preparation of the technical specification for railway gauges improvements. Precisely:

- development of the technical specification to a sufficient level to further allow to continue with Master Design Services and Detailed Technical Design Services;
- preparation of the technical specification for the concrete works to be used for update of accepted Value Engineering reports (if necessary);
- performance of assessment which pertains to the improvements for railway gauges in the following fields: (a) 1520mm/1435mm railway track alignment; (b) 1520 mm railway OCL and power supply; (c) 1520mm railway signaling and interlocking; (d) 1520 mm railway stations, including passenger information systems and video surveillance systems; (e) roads & structures; (f) utilities & bill of quantity; (g) construction and Gant Chart ; (g) necessary local expertise.

At the end of study – within the agreed deadlines, the designer shall prepare the report, which includes, as a minimum: (a) conceptual and schematic drawings with indicative dimensions based on input analysis

coming from the affected parties (as-built documentation, descriptions, and other); (b) Riga city impacted territories and streets to be redesigned or designed based on input coming from the affected parties; (c) decision matrix of main parties involved until final approval of the Detailed Technical Design; (d) clear list of infrastructure elements needed to be included in the scope of works however expected to result in significant 1520 mm railway infrastructure and operation improvements, if compared to the existing situation; (e) the variations order, which as a minimum includes the above listed elements.

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 increase of the Agreement value for 375'000 EUR (three hundred seventy-five thousand *euro*), VAT exclusive. Additional services implementation shall take up to 3 months from the Agreement amendments signing date.