

*RB Rail AS*

*Reg. No 40103845025*

*K. Valdemāra iela 8-7*

*Riga, LV-1010, Latvia*

**SUMMARIZED RESULTS OF THE MEETINGS WITH INTERESTED SUPPLIERS REGARDING BALLAST FOR RAIL BALTICA**

**Dates of the meetings:**

Riga, 14 April 2020

In accordance with Public Procurement Law of the Republic of Latvia, Article 18, Paragraph 2 Contracting authority has held meeting with interested suppliers to inform for subject matter of the upcoming procurement activity for ballast which is an important component for Rail Baltica and provide answers to the questions received from the interested suppliers.

**Meeting opening at:** 15.00.

**Meeting organised by:** RB Rail AS, registration number 40103845025, registered address: K. Valdemāra iela 8-7, Riga, LV-1010, Latvia.

**Venue of the meeting:** Online meeting organised in Microsoft Teams platform

**Participants from RB Rail AS:**

Ivars Žukovskis- Business Relation Manager;

Aiga Benfelde- Procurement Manager;

Mārtiņš Blaus- Procurement Manager;

Kaspars Briškers- Head of Strategy and Development Department;

Artūrs Caune- Innovation and Sustainability Expert;

Andy Billington- Innovation and Sustainability Expert;

Kristaps Rudzis - Activity Manager;

Andris Losāns – Technical project manager;

Kristjan Piirsalu – Chief Procurement Officer;

Kaupo Sirk – Head of Civil works and station;

Jake Ridley - Senior Planning Engineer.

**Other Participants:**

Supplier’s authorized representatives;

* Perfect Track
* Schweden Splitt AB
* Ruu Kivi OÜ
* DC Resources Baltics & M2 Ltd

**Meeting’s agenda:**

1. Rail Baltica presentation about the scope of the work.
2. Opportunity for the supplier to present themselves.
3. Discussion-Questions/Answers.

**Discussion summary:**

RB Rail AS representatives briefly explained to the meeting participants the status of the Rail Baltica Global project (please refer to the Annex with the presentation material for more details).

Participants from RB Rail AS explained to interested suppliers’ details of the procurement plan for competitive procedure with negotiation for **“Ballast delivery procurement preparation for Rail Baltica”** as well RB Rail AS expectations from the meetings.

1. **Participant's profile**

8 suppliers, The Baltic’s and international (European), participated in the meetings. Each supplier was given a chance to present themselves, by explaining the profile and the experience of the company for similar work.

**Questions addressed by the meeting participants after the meetings and answers provided by RB Rail AS:**

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| **NO** | Topic | Responses/ Explanations provided by the suppliers |
| 1. | Logistics and material handling – loading and unloading the ballast.  | Suppliers indicates that it is important that logistics chains are established so that the necessary vehicles and ships are available in due time.It was noted by suppliers that the common incoterms mainly are DPU and DAP.It is important that the material is supplied and unloaded in certain ports, due to substantial amounts of shipments.It is important to retain the sufficient quality of ballast when the material is loaded to dispatch in accorded place. It is needed to be careful, so the less tons of ballast are wasted.Market is stating that it is important to develop a sufficient logistic chain 3 months before the delivery.It is recommended that the quality of the materials is tested on loading ports due to big vessel usage – it is needed to make sure that there is no segregation and that the ballast parts are not affected.Indications from the market, it is important to organize logistics by buying directly from the manufacturer, because of the possibility to get cargos for less price.Market is stating that to properly distribute the materials it is needed to have several suppliers for the Rail Baltica project and a central organization to manage the lead times to avoid the massive delays. Market states, it is recommendable to find a market for the leftover ballast which can be used as a sublayer for the asphalt, Poland and Germany are advisable for such material. As well as the leftover ballast can be used as an additional layer in the material storage facilities, so that the stored materials are not adversely affected. |
| 2. | Time-period of delivery and Expertise services. | Suppliers indicate that it is important to acknowledge that the lead time on ballast delivery depends on the transport time, the loading on the ship etc. Market is advising that for such a big project it is needed to supply each core of the materials as one consolidated package, but due to high rate of aggregates that are needed, a quite substantial amounts of shipments must be made, which could potentially increase the ship rates. Indication from the market, if the delivery is by road, then it is important to find out the road limitations. Market states, that if the delivery is by rail, it is advisable to get trucks with cranes which allows to load materials to wagons, additional depos will not be necessary.RB RAIL AS STATES: The engineer visitations to companies will be accumulated within the tender process when COVID-19 restrictions will be eliminated. However, regarding the railroad process, RB Rail AS have an approach to the market, research has been made and division of scopes as well. RB Rail AS has the knowledge to properly procure the different components; different recommendations are also taken in the account regarding the procurement process. RB Rail AS states that the possible visiting can potentially happen early in the next year. Market states, that the quality check of ballast is in the manufacturing plant and then on the loading ports. Market states, that it is needed to make sure that the ballast is not affected by segregation if the big vessels are used as delivery method, it is important that the operators load material properly.It is important that the local supplier are involved, one of the proper ways is that the contractor makes sure that the wagons are ready for loadings to go to accorded destination. It is recommended to keep in account that some ports might have restrictions, it is needed to have permissions to cross-therefore it is important to think beforehand where to put the material since locations of the rail parts storages are in different places.  |
| 3. | Type of procurement procedure.  | Indication from the market, it is important that: * the distribution inquiry of material happens within the central organization.
* the payment is distributed with proper knowledge according to the market.
* the visits will be accumulated within the tender process.
* the material cannot be gotten from one source it must be divided from different manufacturers.
* to setup the machinery that is EU standardized.
* the local suppliers are involved as well, the contractor takes care of the wagons by making sure that ballast is loaded and unloaded to accorded place.

RB RAIL AS STATES: The main customer within the framework agreement will be RB Rail AS. RB Rail AS ensures that the system will be properly managed. The orders will not come directly from RB Rail AS but from the companies - the payment, however, will directly come from RB Rail AS.RB RAIL STATES: RB Rail AS will design and maintain more precise procurement strategy and it will be based on long term framework agreement, further consolidated purchase all for Rail Baltica network.  |
| 4. | Storage management. | Indication from the market, it is important to maintain the storage up to 30 days for big volume of material.It is recommended to either depot or find a market for the leftover ballast due to high-rate production 1,5 tons per year and more.It was noted that leftover ballast is maintained as a subbase layer material for asphalt which could be used for various markets.It is important to acknowledge that to some ports are needed to have a permission to cross and put the ballast.It is important that the large quantity amount is produced through the whole year, because it is complicated to store big volumes of the material, additional storage places are mandatory. |

**Meeting closed** at 18.00

**Statement:**

**1.** Please note that the information provided in these Minutes of the meeting shall not be treated as a part of any requirements and is provided only for the information reasons in order to analyze the market with a purpose to decide on procurement strategy, develop the scope of works and establish requirements for the upcoming procurement. Procurement documentation will be established by Procurement commission and procurement launched in accordance with the Public Procurement Law of the Republic of Latvia and requirements included in the procurement documentation can differ from the information provided during the meeting.

**2.** Please note, that some information may not be precisely reflected in these Minutes or may not be reflected at all. In addition, summarized version of additional information received via e-mail is included in the Minutes of the meeting.

**Annexes:**

1. RB Rail AS Powerpoint Presentation - “A Cross-Border Greenfield Megaproject: an opportunity for suppliers”.