Minutes of the market consultation meeting with interested suppliers
for anticipated procurement procedure "IT Strategy for RB Rail AS"

Riga, 4 March 2022

In accordance with Section (2), Article 18 of Public Procurement Law of Republic of Latvia (Hereinafter- PPL), Contracting authority RB Rail AS, the main coordinator of the Rail Baltica project, organized meeting with the interested suppliers (hereinafter – suppliers or the market) for the upcoming procurement for "IT strategy for RB Rail AS", in order to prepare for the anticipated procurement procedure and inform potential suppliers about the procurement plan and requirements.

Time and venue of the consultation: 4th March 2022 at 13:00 online (Riga time), using the *Microsoft Teams* app.

Meeting organized by: RB Rail AS, Reg. No. 40103845025, address: Satekles iela 2B, Riga, LV-1050, Latvia.

Meeting participants:
Oskars Štops – Head of IT department, RB Rail AS;
Andy Billington – Innovation and Sustainability Expert, RB Rail AS;
Žaneta Podniece – Procurement specialist, RB Rail AS;
Mārtiņš Ķemme - IT Security Expert, RB Rail AS;
Suppliers' authorized representatives (Annex No 1) - shall not be disclosed.

Agenda:
1. Introduction to the main rules of meeting;
2. General Introduction to the Rail Baltica Global project;
3. General information on the planned procurement "IT Strategy for RB Rail AS";
4. Q&A session:
5. RB Rail AS questions to suppliers / suppliers' answers;
6. Suppliers questions / RB Rail AS answers;
7. Other.

The course of meeting:
2. Žaneta Podniece introduces to the meeting rules, including informs that the meeting will be recorded, but record not shared publicly.
3. Žaneta Podniece, Andy Billington and Oskars Štops presentation (Annex No 2);
4. Topics of discussion during questions and answers session and provided responses *(included are also questions and answers received from Suppliers in written, before and after the meeting):*

No	Questions from Contracting Authority	Answers from interested supplier's
1.	Does your company have experience in provision of similar services (similar to the ones described in the draft technical specification) within the last 3 to 7 years?	Indication from the market: Yes.
2.	Does your company have experts with experience in provision of similar services within the last 5 to 7 years?	Indication from the market: Most of the market indicated – Yes. Some of the market indicated –

		Mostly, but for some expert roles may require partners.
3.	Could the development of such IT strategy be made in 11 to 12 months? (If not, what would be the expected lead time for the development of IT strategy?)	<u>Indication from the market</u>: Most of the market indicated – Yes. Some of the market indicated – Yes but depending on the desired detail of level of output.
4.	Does the Technical specification define all the information and conditions you need? If not, what kind of information is missing?	<u>Indication from the market</u>: Some of the market indicated – No, information not complete. Technical specification needs to come along with a business strategy. Without a clear business roadmap, the IT strategy will result not optimized and incomplete. Some of the market indicated - Currently covers needed information, however, this will be reassessed when additional information will be provided. The technical specification provides a good high-level overview, but as the topics the project will cover are diverse it is difficult to assess the size of the project and size of the team needed. Detailed technical workshops would be advised to clarify and discuss in order to come to a final proposal.
5.	In your consideration, what are the main resources needed for service provision and thus capacity and capability of the supplier?	<u>Indication from the market</u>: Expert resources and document management model/system; stakeholder expert for infrastructure; wide range of expertise from TOM consultant, architects covering aspects of business architecture, enterprise data, integration, infra and security, digital domain and IT consultants to PMO and certain specialists (for example around CCS, BIM, GIS, EAM expert, ECM); strong experience in providing Enterprise IT services and solutions, based on emerging technologies, architectural standard and system integration capabilities as well as Railway Business Processes and Technology knowledge. European railway standard and CCS system knowledge are also needed for a successful integration. A deep understanding of rail industry processes and integrations is needed; project team with experts, analysts and IT architects.
6.	Please indicate contract value (without VAT) from previous similar contracts.	<u>Indication from the market</u>: Range: 0,5 – 2,8 M EUR
7.	Please indicate the estimated contract value (without VAT) for services described in the draft technical specification (if possible).	<u>Indication from the market</u>: Most of the market is unable to define at this phase but some of the market indicated: 0,6-1,6 M EUR.
8.	Please also indicate the possible costs separately for each deliverable (specified in draft technical specification Clause 3.2.) – General deliverables, Cyber Security	<u>Indication from the market</u>: Most of the market is unable to define at this phase but some of the market indicated 120 000-180 000 EUR per each deliverable.

	Strategy, Digitalization Strategy, Data and Tools Strategy and Interdependencies with CCS/ENE projects (if possible).	
9.	Are there any conditions / risks that may hinder your participation, which should be addressed in your view?	<u>Indication from the market:</u> Most of the market unknown at this time but some of the market indicated - resource availability or will be known after more information.
10.	Would your company be able to ensure experts with relevant experience during the fulfilment of service contract? Please note, in case of substitution of the proposed expert during the service contract fulfilment, experience of newly proposed expert shall be at least the same or better as for the expert which is being substituted.	<u>Indication from the market:</u> Most of the market indicated - Yes, but some of the market indicated - some specific domain expertise may require partners.
11.	Please indicate the core expert team for procurement which would support RB Rail AS through-out the fulfilment of service contract. The Contracting Authority considers that main experts could be - Project Director, Project Management, Rail Consultant, Business Lead, Business Analyst, IT Systems Architect, Data and Information Architect, Technical Architect, Network Architect, Cyber Security Architect, Other Relevant Resources (SMEs etc.). Please indicate if you consider that there must be different experts for fulfilment service contract or some of them doesn't need.	<u>Indication from the market:</u> Most of the market indicated – Yes. Some of the market indicated - the roles specified are a good indication of those likely to be. Additionally, could be manager from all departments which deal with the future system, 5 G Expert. <u>Explanation from the Contracting Authority:</u> Please note, that experts required and exact requirements for each expert requested will be defined in procurement Regulation document published together with other procurement documents in electronic E-Tender system of the Republic of Latvia and may differ from listed here in these minutes.
12.	Does any of previously mentioned specialists require special certification to perform the service specified in the technical specification?	<u>Indication from the market:</u> Most of the market indicated - Yes, in some cases (i.e., cyber security) some specialists will require special certifications, there are certificates for Cyber experts, project managers, IT architects, also experienced in interoperability projects. Some of the market indicated – No.
13.	Does previously mentioned specialists have experience in provision of similar services within the last 5 to 7 years.	<u>Indication from the market:</u> Yes.
14.	Does your company have liquidity ratio (current assets divided by short-term liabilities) equal to or exceeding 1 and positive equity?	No specific data shall be disclosed as considered as sensitive.
15.	What is the average yearly financial turnover of your company within the last three financial years (2019, 2020, 2021)?	No specific data shall be disclosed as considered as sensitive.

16.	What payment terms for developing an IT strategy would be acceptable to you – one payment for developed IT strategy at the end of contract term or payment in parts?	<u>Indication from the market:</u> Payment in parts according to delivered hours; Payment in parts mechanism or partial advance payment; The following payment: 15% down payment at the contract signature,35% payment at the first design delivery, 50% and the finale acceptance. <u>Explanation from the Contracting Authority:</u> Please note, that exact payment procedure will be defined in procurement Regulation document published together with other procurement documents in electronic E-Tender system of the Republic of Latvia and may differ from listed here in these minutes.
17.	Does the development of such IT strategy require for advance payment?	<u>Indication from the market:</u> Most of the market indicated - Yes. Some of the market indicated – No.
18.	Does your company have quality management system that complies with ISO 9001:2015 standard or equivalent (audited by an independent auditor)?	<u>Indication from the market:</u> Yes.
19.	Does your company have an environmental management system that complies with ISO 14001:2015 standard or equivalent (audited by an independent auditor)?	<u>Indication from the market:</u> Yes.
20.	Does your company have information security management system that complies with ISO 27001:2013 standard or equivalent (audited by an independent auditor)?	<u>Indication from the market:</u> Most of the market indicated - yes, but some of market indicated - No.
21.	Does your company have experience in implementation of cybersecurity system that complies with CLC/TS 50701:2021 standard or equivalent?	<u>Indication from the market:</u> Most of the market indicated – No, only ISO 27001:2013 and other international cybersecurity standards, equivalent standards (such as NIST, etc.) Some of the market indicated – Yes.
22.	What phases and milestones would you suggest for such project?	<u>Indication from the market:</u> 3 main phases: 1. Planning; 2. Existing situation assessment and definition of strategic priorities; 3. Development of strategy – General Deliverables, Cyber Security Strategy, Digitalisation Strategy, Data and Tools strategy Interdependencies with CCS/ENE projects. Main milestones: start of project and planning with a deliverable being Inception Report; Business need assessment, analysis and situation study; All strategy draft preparation (General Deliverables, Cyber Security Strategy, Digitalisation Strategy, Data and Tools strategy, Interdependencies with CCS/ENE projects); Final deliverable presentation.

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<u>Indication from the market:</u>
After a first assessment phase an interactive and incremental approach may be adopted for each main topic of the delivery phase, by splitting the main activities into macro-phases that provide step by step the final solution. The number of phases and milestone may be set up at project start but may be adjusted after the assessment phase.

<u>Indication from the market:</u>
Project Master plan and Work Package division; Project delivery within WP schedules; Deliverable production.

<u>Indication from the market:</u>
Would be defined project phases for baseline, validate and define. Each phase would have a specific set of deliverables. Payment milestones would be linked to particular deliverables or phase completion. Rate cards can also be agreed for any additional / out of scope work should that be required.

<u>Indication from the market:</u>
Analysis, specification design, development.
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<td>23.</td>
<td>What are your expectations and requirements towards contracting authority?</td>
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<u>Indication from the market:</u>
Availability of RB Rail management; In-depth consultations and analysis on the solutions proposed by the company; Clear scope of the project, access to necessary information and decision makers; Project leader, director; An open approach during proposal and delivery would help to smooth the project. Such a complex programme is certain to see scope and timeframe changes during its course and it is essential both parties are set up to manage this.
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<td>24.</td>
<td>What are biggest risks in success of this project (delivery)?</td>
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<u>Indication from the market:</u>
Provide an architectural framework that is not tailored for the entire scope of the project and that can't be suited in the future for any change needed. A wrong management of the relationship among the three countries systems and organization, may also affect the success of the project. Project complexity in integrating systems (both CCS/ENE and others) and organizations of different countries requires a good business strategy definition, in order to help IT Rail experts to propose the better IT Strategy fitting the business strategy.

<u>Indication from the market:</u>
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| | | Availability of the resources on both sides (RB Rail and contractor resources), time constraints, potential uncertainty about the standardized project implementation in the 3 countries.

Indication from the market:
Unknown desired level of output, wide range of issues to be covered within one project.

Indication from the market:
A detailed risk register would need to be discussed and defined during the proposal but one of the largest risks in such a project is changing scope, stakeholder alignment, and time expectations.

Indication from the market:
Less information, stakeholder not involved. |
|---|---|---|
| **No** | **Questions from interested supplier's** | **Contracting Authority Answers** |
| 1. | Will there be more than one company awarded? | Explanation from the Contracting Authority:
The planned procurement for IT strategy for RB Rail AS development will be organized according to Public Procurement Law of Republic of Latvia (PPL).
According to PPL supplier can be a natural person or a legal person, a group or association of such persons in any combination thereof which offers to perform works, supply products or provide services accordingly.
In the procurement will be awarded one Tenderer – supplier who has submitted a proposal. |
| 2. | What is the expected timeline of the procurement and project? | Explanation from the Contracting Authority:
Currently it is envisaged to launch the procurement till the end of 2nd quarter (if no outstanding circumstances delaying the process), evaluate proposals till the end of 3rd quarter and sign contract within 4th quarter year 2022.
However, planned time can be changed and suppliers shall follow the information published in the E-Tendering system of the Republic of Latvia and Procurement Monitoring Bureau`s webpage where this procurement will be announced. |
| 3. | What is the estimated work allocation for the project? | Explanation from the Contracting Authority:

Contracting Authority currently envisages that work allocation for this project could be provided both remotely and on site. However, |

		requirements will be developed during the preparation of the procurement documentation.
4.	Would knowledge and experience with ISO 27001 or other similar cyber security standards or industrial system control standards would be relevant for CLC/TS 50701 "Railway applications – Cybersecurity"?	<u>Explanation from the Contracting Authority:</u> IT strategy must set requirements and framework for business systems, control, command and signalling (CCS) systems as well as other systems because these systems share common architecture, network(s) and data centre(s). IT strategy must be strongly linked to the used operational technologies (OT), consequently requirements for knowledge of TS 50701 or equivalent. Knowledge and experience of ISO 27001 (or equivalent) alone will not be sufficient as it does not cover specifics of OT deep enough.
5.	Have you considered system lifecycle management in the cyber security strategy (software and hardware obsolescence)?	<u>Explanation from the Contracting Authority:</u> IT strategy must cover project implementation phase, handover to beneficiaries and operation stage. That will include full lifecycle of systems.
6.	Is your intent that the cyber security standard TS 50701 will be followed?	<u>Explanation from the Contracting Authority:</u> Contracting Authority envisages that TS 50701 is the most appropriate framework for addressing OT assets on top of the other frameworks addressing IT assets, e.g., ISO 27001. However, there can be offered equivalent to TS 50701 standard.
7.	Please elaborate on the impact of NIS and NIS2 on cyber security strategy?	<u>Explanation from the Contracting Authority:</u> IT strategy must follow all legislative requirements relevant to the subject.
8.	Do you foresee or will you foresee subsequent implementation phases after the design phase, i.e., after the design phase, is it necessary to also provide the implementation of the project in the same tender?	<u>Explanation from the Contracting Authority:</u> This planned procurement covers only development of IT strategy and currently it is envisaged that RB Rail will implement IT strategy themselves.
9.	If you decide to participate in the IT Strategy tender, can you participate in future IT tenders?	<u>Explanation from the Contracting Authority:</u> As the planned procurement will be organized according to Public procurement Law of Republic of Latvia (PPL), the Paragraph (4) Section 18 of the PPL stipulates that, <u>if the candidate or tenderer, or a legal person connected with the candidate or tenderer consulted the contracting authority or otherwise engaged in the preparation of the procurement,</u> the contracting authority <u>shall ensure</u> that the participation of the relevant candidate or tenderer <u>does not give rise to the</u>

		restriction of competition in the procurement, communicating to other candidates and tenderers the relevant information which has been provided when the candidate or the tenderer engaged in the preparation of the procurement or which arises out of such engagement, and setting a corresponding term for the submission of, respectively, applications or the tenders. It follows from the judgment of the Court of Justice of the European Union in Joined Cases C-21/03 and C-34/03 that a person (including a tenderer) who has participated in the preparation of the procurement documents is in any event in a better position in relation to tenderers who have not participated in the preparation of the procurement procedure documents. And only in exceptional cases, if it can be objectively proved that the tenderer does not have an advantage which could restrict free competition in the relevant procurement procedure, such participation of the tenderer in the procurement procedure is allowed. According to the regulatory enactments in the field of public procurement, it is not allowed that any of the tenderers or candidates have any advantages in the procurement procedure, i.e., if the tenderer or candidate has information or resources (experts, employees) in or at the disposal of the proposal, then these circumstances are the object of evaluation within the meaning of Paragraph (4) Section 18 of the PPL. Considering the above-mentioned if the candidate or tenderer has resources that give him an advantage in the procurement procedure, then his further participation in the procurement procedure should be assessed in order to ensure equal treatment of all tenderers or candidates in the procurement procedure.
10.	Can IT Strategy host cloud services or is RB thinking about using a proprietary data center, in case of cloud services do they have to be within the Baltics, or can they be outside?	Explanation from the Contracting Authority: IT strategy can include cloud services, but it should be considered that in the future RB Rail AS can possibly use/rent a physical data centre in Baltics. Regarding cloud services, the data centres offered for their provision should be located in EU or EEA. Also, it must be considered that the services offered under the IT strategy must be widely

		available on the market, so the multiple vendors would be available for the elements recommended in the IT strategy.
11.	Deal the project only in one country?	<u>Explanation from the Contracting Authority:</u> IT Strategy development is for Rail Baltica project and that means for all three countries, LV, EE, LT.
12.	Are you looking for experience in IT strategy or in combination with specific railway industry knowledge and expertise?	There might be a need for some the main specific knowledge in rail. That is defined part of CCS engineering scope. Also, there will be quite a lot of railway specific terminology that will need to be familiar with and standards to follow. Please note, that exact requirements will be defined in procurement Regulation document published together with other procurement documents in electronic E-Tender system of the Republic of Latvia and may differ from listed here in these minutes.
13.	Are there sources about your strategy, your needs?	<u>Explanation from the Contracting Authority:</u> Contracting Authority has defined the basic needs in a draft technical specification.
14.	Did you accept consortia?	<u>Explanation from the Contracting Authority:</u> Yes, we will accept consortia. The planned procurement for IT strategy for RB Rail AS development will be organized according to PPL. According to PPL supplier is a natural person or a legal person, <u>a group or association of such persons in any combination</u> thereof which offers to perform works, supply products, or provide services accordingly.
15.	Deal the project only with infrastructure or also with services for logistics, passenger transport, etc.?	<u>Explanation from the Contracting Authority:</u> The project must deal also with logistics, passenger transport.
16.	Are there milestones planned or available?	<u>Explanation from the Contracting Authority:</u> The milestones for IT strategy are planned to finish in quarter 3 (three) in 2023.
17.	We know from our practice that especially in the international environment the bridge between requirements and implementation in different cultures has to be considered. Our experience concerns the "interoperability". An	<u>Explanation from the Contracting Authority:</u> It is a right conclusion. IT strategy must be developed as one system with one set of rules for architecture.

	essential part for a successful implementation is therefore the understanding in the realization of the goal achievement.	
18.	Before starting such a project, the goals have to be described in time segments, which is important for a further proposal. Please send more background material.	Explanation from the Contracting Authority: Detailed procurement documentation will be developed before announcing the procurement and this aspect will be taken into consideration.

5. There are no other agenda items to discuss, therefore Žaneta Podniece declares to close the Meeting with the Suppliers.

Meeting closed at 13:47.

Disclaimers:
1. The Contracting Authority and its representatives during the consultations has provided only general information about the subject-matter of the planned procurement procedure, which may change later during the development of the documentation for the specific requirements. This information does not entail any legal consequences (rights and duties) for the Contracting Authority and interested suppliers.

2. 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 to analyse the market with a purpose to decide on procurement strategy, develop the scope of works and establish requirements for the upcoming procurement.

3. 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 feedback received via e-mail is also included in these Minutes of the meeting.

Enclosed:
1. Suppliers' declarations of participation on 3 pages [Not to be disclosed];
2. Presentation on 7 pages, including Draft Technical Specification on 16 pages.

Oskars Štops, Head of IT department /...../

Andy Billington, Innovation and Sustainability Expert /...../

Žaneta Podniece, Procurement specialist /...../

Mārtiņš Ķemme, IT Security Expert /...../