

**Extract of minutes of the market consultation meeting with interested suppliers  
for anticipated procurement procedure "Procurement and Commercial Services  
Framework"**

Rīga, 11 January 2022

In accordance with Section (2), Article 18 of the Public Procurement Law of Latvia, the Contracting Authority - RB Rail AS, the main coordinator of the Rail Baltica project, organises a meeting with the interested suppliers (hereinafter – suppliers or the market) for the upcoming procurement of "Procurement & Commercial Services Framework for the Rail Baltica Global Project", 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:** 11th January 2022 at 15:00 online (Riga time), using the *Microsoft Teams* app.

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

**Meeting participants:**

Kristjan Piirsalu – Chief Procurement Officer, RB Rail AS;  
Mark Loader – CPMO, Management Board Member, RB Rail AS;  
Baiba Ūbele – Procurement Manger, RB Rail AS;  
Ojārs Daugavietis – Head of Global Project Finance Department, RB Rail AS;  
Ieva Štrausa – Business Relationship Manager, RB Rail AS;  
Suppliers' authorized representatives (Annex No 1) - shall not be disclosed.

**Agenda:**

1. Introduction to the main rules of the meeting;
2. General Introduction to the Rail Baltica Global Project;
3. General information on the planned procurement of "Procurement and Commercial Services Framework";
4. Q&A session;
5. Other.

**The course of meeting:**

2. Baiba Ūbele introduces the meeting rules, informing also that the meeting will be recorded, but the recording not shared publicly.
3. Baiba Ūbele and Mark Loader presentation (Annex No 2);
4. Topics of discussion during questions and answers session and responses provided (*questions and answers received from Suppliers in writing, before and after the meeting, are also included, as well as additional clarifications from the Contracting Authority*):

1.	Are you interested in participation in this procurement?	The market has shown the interest to participate in the anticipated procurement procedure, considering numerous participants and feedback provided.
2.	Which procurement Lots are you interested in?	<u>Indication from the market:</u> interested in participation in all lots - Lot No 1., 2., 3., 4, 5, 6 and 7.
3.	Are you considering participating as a legal entity or a natural person?	<u>Indication from the market:</u> Legal entities.
4.	Would you be able to perform specified services according to the draft Technical Specification, including the provision of experts with similar experience?	<u>Indication from the market:</u> Yes.
5.	Do you have experience in the provision of similar services within the last 5 to 7 years?	<u>Indication from the market:</u> Extensive procurement / commercial expertise.
6.	Would you be able to ensure experts with relative experience during the whole Framework agreement duration (currently planned duration - 3 to 4 years)?	<p><u>Indication from the market:</u> Experience in European / world-wide rail projects, expert team with experience in metalworking, commercial and procurement services.</p> <p><u>Indication from the market:</u> Director level experts should be available for the duration of the framework agreement to liaise with the Rail Baltica team and manage all call-off contracts. As call-offs are likely to be on an ad-hoc basis, the staff used for each call-off would not necessarily be consistent; but the guidance from the appointed Director would be consistent.</p> <p><u>Indication from the market:</u> Concerning Lot No 5 and 6: recommendation to have one service provider for each Lot not further competition between up-to three suppliers for call-offs. By having one supplier for Lot No 5 and 6 the Lot workload will increase and this will make it easier to provide dedicated experts for the duration of the framework agreements.</p> <p><u>Indication from the Contracting Authority:</u> The Procurement Commission will assess all suggestions from the market (concerning all questions addressed and answers provided) prior to developing the exact requirements for the respective procurement procedure, in line with the main principles of the Public Procurement Law of the Republic of Latvia.</p> <p>In addition, the Contracting Authority would like to note the fact that, in case of substitution of the proposed expert(s) during the Framework</p>

		Agreement fulfilment, the experience of the newly proposed (substituting) expert shall be at least at the same level or higher as for the expert which is being substituted.
7.	Please indicate the core expert team for each procurement Lot which would support RB Rail AS through-out the project.	<p><u>Indication from the Contracting Authority:</u>  Considering that the procurement documentation is still under development, the Contracting Authority is currently not in a position to name the core expert team for each procurement lot, however, the following experts most likely could be requested:</p> <ul style="list-style-type: none"> <li>- senior and junior level expert (procurement specialist) for each country;</li> <li>- senior level expert (procurement specialist) with international experience;</li> <li>- senior and junior level expert with experience in contract management;</li> <li>- senior level expert with experience in supply chain management &amp; consultancy services;</li> <li>- senior level expert with experience in financial matters;</li> </ul> <p>Please note, that exact requirements for each expert requested will be defined in the procurement Regulation document published together with other procurement documents in the electronic E-Tender system of the Republic of Latvia and may differ from the information listed herein.</p>
8.	Do you consider the planned duration of the Framework agreement - 3 to 4 years - reasonable (if not, please provide your expectations)?	<p><u>Indication from the market:</u> yes.</p> <p>4 years is a common duration in this kind of framework. First suggestion: (i) RB Rail AS reserves the right to extend the framework, perhaps for a maximum of two 1 year extensions (i.e. 4+1+1) so that it is possible to avoid needlessly hindering the project by a going through change of supplier at a crucial juncture; and second (ii) a committed or expected minimum spend through the framework, perhaps expressed lot by lot, would be beneficial and allow bidders to invest fully in preparing the best possible offer for RB Rail AS.</p> <p><u>Indications from the market:</u>  Given the volume of procurement activities left to complete it is sensible to have one provider for Lot 4 International Procurement Support Services for 3 to 4 years, which should cover the main procurement phases of the Rail Baltica programme.  For Lot 5 "Contract Implementation Support Services" and Lot 6 "Supply-Chain Management &amp; Consultancy Services" the length of the</p>

		<p>framework should ideally replicate the duration of the contracts let by the whole programme and so 3 to 4 years may be too short.</p> <p>Rail Baltica would benefit from only one supplier for each Lot 5 / 6 which enables a strategic relationship to the end of the construction phase to build relationships, ensure consistency of advice / approach taken for contract / supply-chain management and with one supplier there would be a more attractive volume of work for each lot.</p>
9.	Does your company (in case the supplier is a legal entity) have a 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.
10.	What is the average financial turnover of your company (in case the supplier is a legal entity) within the last three financial years (2018, 2019, 2020)?	No specific data shall be disclosed as considered as sensitive.
11.	What are the key considerations that need to be given to framework order management in your view?	<p><u>Indication from the market:</u></p> <ol style="list-style-type: none"> <li>1. Clarity about scope of the order, including the required deliverables from the work.</li> <li>2. Clarity about RB Rail's expectations for where the work will be carried out - i.e. the extent to which suppliers can use their teams around the world to carry out the work, rather than only using staff who are deployed in Latvia, Lithuania or Estonia.</li> <li>3. Up front statements concerning any conflicts of interest for prospective suppliers (i.e. any work that the chosen supplier will be excluded from.)</li> </ol> <p><u>Indication from the market:</u></p> <ol style="list-style-type: none"> <li>1. Visibility of planned workload through the life of the framework;</li> <li>2. Reasonably sized work packages and continuity of work;</li> <li>3. Dedicated general Procurement lead should be provided who would complete the work and will act as the client interface; and</li> <li>4. Dedicated teams of experts to complete each package of work.</li> <li>5. Project implementation quality.</li> </ol>
12.	What issues do you see with framework order management?	<p><u>Indication from the market:</u></p> <p>It is expected that Contracting Authority will provide clear translations of any local language documents required to understand the scope of work.</p> <p>In addition, please refer to information reflected in Clause 11 of these minutes.</p>

13.	Are there any conditions / risks that may hinder your participation, which should be addressed in your view?	<p><u>Indication from the market:</u></p> <ol style="list-style-type: none"> <li>1. Restrictions on suppliers' use of their own supply chains (e.g. specialist subcontractors) rather than solely their own employees to help fulfil a particular task order should be avoided.</li> <li>2. Contractual clauses.</li> </ol> <p><u>Explanation from the Contracting Authority:</u> The Public Procurement Law of the Republic of Latvia does not restrict to cooperate and rely on capacities and resources of subsuppliers from different countries and in different combinations, as well as does not set the form for cooperation with experts needed (employees or outsourced experts etc.). It is solely up to the market to decide on the composition of the tenderer and resources needed to participate in the procurement and provide services in the expected quality.</p>
14.	In your consideration, what are the main resources needed for service provision and thus capacity and capability of the supplier?	<p><u>Indication from the market:</u></p> <ol style="list-style-type: none"> <li>1. For each lot a dedicated framework manager at Director level to oversee the framework / manage resources and call-offs.</li> <li>2. All suppliers should be able to demonstrate that they have sufficient resources to deliver a number of call-offs concurrently.</li> <li>3. Some of the Lots require a variety of skills, which may require a number of staff to provide elements of each service.</li> <li>4. Technical and management expertise.</li> </ol>
15.	Project is lengthy, renewable framework agreement duration to match the duration of the project?	<p><u>Explanation from the Contracting Authority:</u> Framework Agreement will be concluded for shorter period of time than the Rail Baltica Global Project itself. Currently it is planned to purchase services for 3 years with the possibility to extend for 1 additional year.</p>
16.	Do you have any requirement about "local content"?	<p><u>Explanation from the Contracting Authority:</u> Concerning Lot No 1., 2., 3. – the Contracting Authority is looking for experts having previous involvement / experience covering local (Baltic`s) content. There is a range of possible needs that cannot be combined in one lot, that is why currently it is envisaged to have 3 separate procurement lots. To comply with requested experience the tenderer is allowed to rely on capacities of other entities (legal and natural persons).</p>
17.	What would be considered „similar services“ for Lot 1 in order to qualify –	<p><u>Explanation from the Contracting Authority:</u></p>

	previous experience procurement assistance in general or previous procurement assistance specifically in railway projects?	Currently it is envisaged that the requested experience (e.g. experience in procurement management or more specific tasks related to the fulfilment of the services for each procurement lot) might be related to the railway industry or similar projects. However, no qualification requirements have been established yet.
18.	There are plenty of subsuppliers in the Baltic countries which can contribute, but fewer main contractors. Can you guide the main contractors toward the subsuppliers?	<p><u>Indication from the market:</u> There are many subsuppliers in the Baltics, each with specialities in certain fields, however, there are not so many main contractors that would engage in such large projects as this, thus, main contracts could fall into international companies and there is concern that such contractors would only take international subsuppliers, instead of Baltic subsuppliers.</p> <p><u>Explanation from the Contracting Authority:</u> The Public Procurement Law of the Republic of Latvia does not restrict to cooperate and rely on capacities and resources of subsuppliers from different countries and in different combinations. It is solely up to the market to decide on the composition of the tenderer and resources needed to participate in the procurement and provide services in the expected quality.</p>
19.	Services within different lots probably will be tendered by different service providers. Might be a cumbersome procedure. Is it wise to combine all of these lots in 1 procurement?	<p><u>Explanation from the Contracting Authority:</u> Based on the previous experience having similar procurement procedures within RB Rail AS, the Contracting Authority considers that it is more efficient to have one procurement procedure instead of numerous separate ones which would be more a time-consuming approach. By dividing the subject-matter into several lots within the single procurement procedure, also competition would be ensured.</p>
20.	What are the more prevalent lots in terms of Lot No 1, 2, 3 and which law will be applied for the upcoming procurement procedure?	<p><u>Explanation from the Contracting Authority:</u> According to the Contracting Scheme Agreement, the governance which applies to RB Rail AS, the procurement procedures shall be organised under the Public Procurement Law of the Republic of Latvia (PPL). Thus, the current procedure will also be organised according to the Latvian PPL. However, for the content of the Lots (for the implementation of call-offs) also Estonian (Lot 1) and Lithuanian (Lot 3) Procurement legislation knowledge and experience shall be required required, considering Rail Baltica Global project covers all three Baltic states.</p>
21.	Additional information provided by the Contracting Authority concerning Lot No 1., 2., 3. and 4.	<p><u>Explanation from the Contracting Authority:</u> Contracting Authority seeks for wider, including international experience and best practice in</p>

		setting evaluation criteria, incentivisation mechanisms, cooperation models etc.
22.	For Lots 4, 5 & 6 what will be the requirement to visit Rail Baltica's offices / can the services be provided some or all of the time remotely?	<u>Explanation from the Contracting Authority:</u> Contracting Authority currently envisages that part of the services could be provided remotely, however, it depends on the nature of the respective assignment and thus, expert's presence at RB RAIL AS premises or on site might be requested as well. Nevertheless, this aspect should be described in particular assignment for each contract under the framework agreement.
23.	What forms of contract / terms and conditions will be part of each framework?	<u>Explanation from the Contracting Authority:</u> Framework agreement conditions, including main requirements for contracting under the framework agreement have not been developed yet, procurement documentation is currently in development. Draft framework agreement conditions will be enclosed in procurement documentation and published. During the procurement phase, potential suppliers have the right to ask questions concerning procurement documentation, including draft framework agreement conditions and highlight any concerns they may have.
24.	A number of the procurements to support Rail Baltica Global Project have already been awarded. What proportion remains and can this be broken down to cover type of contracts?	<u>Explanation from the Contracting Authority:</u> The Contracting Authority is not able to name the exact remaining proportion, however, considering that the Rail Baltica Global Project is developing in a fast pace, additional external resources are and most likely will be needed during the next following years.
25.	Can you please provide the timeline for the planned procurement to cover: Pre-qualification / selection stage; Invitation to tender issue date and return date; and Contract award date and duration of frameworks for each lot.	<u>Explanation from the Contracting Authority:</u> During the meeting with the market it was explained by the Contracting Authority, that it is envisaged to launch the procurement till the end of the 1 <sup>st</sup> quarter (if no outstanding circumstances delaying the process), evaluate proposals till the end of the 2 <sup>nd</sup> quarter and sign framework agreements within the 3 <sup>rd</sup> quarter year 2022. However, currently it is envisaged to launch procurement during the 2 <sup>nd</sup> quarter and sign framework agreements within 3 <sup>rd</sup> quarter year 2022. It is envisaged that the framework agreement for each lot will be concluded for 3 years, with an option to prolong the agreement for 1 additional year. Nevertheless, the indicated timeframe may change and suppliers are encouraged to follow the information published in the E-Tendring system of the Republic of Latvia and the

		Procurement Monitoring Bureau's webpage where this procurement will be announced.
26.	For the pre-qualification / selection stage and invitation to tender, please advise what the evaluation weightings will be?	<p><u>Explanation from the Contracting Authority:</u>  Contract award criteria, including weightings, will be established by the Procurement Commission and included in the procurement documentation (criteria has not been established yet). According to the Public Procurement Law of the Republic of Latvia, there are two type of contract award criteria: lowest price or economically the most advantageous proposal.</p> <p>In addition, there will be separate criteria for mini-tenders under the Framework Agreement. The contract award criteria for mini-tenders during the framework agreement for selection of the contractor for each separate assignment/call-off might be based on the following (shall serve only as example):</p> <ul style="list-style-type: none"> <li>• Amount of fee / hourly rate;</li> <li>• Time necessary for the provision of the particular assignment;</li> <li>• others [..].</li> </ul> <p>Selection of the contractor for each separate assignment could be allocated either through a "direct award" or by conducting a "mini-competition". In case of "mini-competition" contracted suppliers for each lot will be invited to participate in competition. In case of "direct award" process Contracting Authority will invite selected supplier to participate in this process and submit proposal. The selection between the "direct award" or conduction of "mini-competition" will remain within the discretion of the Contracting Authority taking into consideration the specifics, urgency, nature, prior and similar assignments and complexity of the particular assignment to be performed and the planned fees for the provision of the particular assignment, other interests of the respective Contracting Authority, etc., as defined in the Framework agreement.</p> <p>NB! Please note, that the above described shall serve only as examples and might be changed and adapted for the respective procurement.</p>
27.	Once each framework is awarded there may be up-to three suppliers on each framework. How will the call-offs work and what will be the evaluation criteria in determining who will be awarded each call-off?	Please see the answer provided in point 26 above of these session minutes.



28.	Please advise the approximate contract value of each Lot?	<u>Explanation from the Contracting Authority:</u> The Contracting Authority is currently not in a position to indicate the approximate contract value for each lot. However, currently the planned total framework agreement value for all lots combined, is approximately 5 million euros. (excl. VAT).
29.	Do we understand correctly that tenderers will not be obliged to tender for all lots? Instead, a tenderer will be able to choose which lots it wishes to tender for.	<u>Explanation from the Contracting Authority:</u> Yes, the Contracting Authority confirms that, currently it is envisaged that the supplier can apply for one, several or all lots. Nevertheless, please follow requirements to be established in procurement documentation (this aspect is always described in the procurement Regulation document).
30.	Regarding the Procurement lot: Do you already have an idea which of the national procurement support services (lots 1 – 3) shall be of most demand by RB Rail? The descriptions of lots 1 - 3 are all encompassing and virtually include any task that could arise during the procurement stage, thus it would be beneficial to know which procurement stages (areas) are identified by RB Rail as most in need for external legal assistance?	<u>Explanation from the Contracting Authority:</u> Contracting Authority is not in a position to foresee which services will be the most requested, considering complex and fast changing nature of the Rail Baltica Global project. However, as the Contracting Authority noted further above, in this document, it undertakes procurement procedures itself on the basis of the Latvian Public Procurement Law. Lots 1 and 3 are anticipated mostly for supporting the Contracting Authority's supervision mandate for national supervised procurement activities.
31.	How does the scope of lot 4 relate to lots 1-3? It is our understanding that all tenders by RB Rail shall be concluded under either Lithuanian, Latvian or Estonian legislation (which is covered by lots 1 - 3), thus what is the scope of lot 4?	<u>Explanation from the Contracting Authority:</u> Please note, that the Framework Agreement will be concluded under the Latvian Public Procurement Law conditions for all procurement Lots. While it is envisaged that Lot No 1-3 covers experts with knowledge of local laws of each Baltic state, considering the specifics of the market in each country which may request specific knowledge, within the Lot No 4 the Contracting Authority is looking for experts with international experience (outside Baltic`s), i.e., best practices from other large-scale projects similar to the Rail Baltica Global Project or which are similarly large and complex.
32.	Could you elaborate more on the scope of Lot 7? Currently the description only names a few categories of experts.	<u>Explanation from the Contracting Authority:</u> Please be aware, that the description of Lot No 7 has been supplemented with the description of the expected services (please see the Draft Technical specification available on RB Rail AS website together with these session minutes).
33.	Will tenderers have to provide services according to lot No 5 – 7 in national	<u>Explanation from the Contracting Authority:</u>

	languages of Estonia, Latvia and Lithuania, that is, should tenderers have different teams of experts for these lots for Estonia, Latvia and Lithuania?	Currently it is envisaged that for provision of services described in Lot No 4 - 7, knowledge of local language will not be required (only English language knowledge required). As regards Lot No 1 – 3: experts shall have local language and English knowledge for each respective Lot (i.e., Estonian and English knowledge for Lot No 1, Latvian and English knowledge for Lot No 2, Lithuanian and English knowledge for Lot No 3).
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5. There are no other agenda items to discuss, therefore Baiba Ūbele declares to close the Meeting with the Suppliers.

**Meeting closed at 16:45.**

**Disclaimers:**

1. The Contracting Authority and its representatives have provided only general information about the subject-matter of the planned procurement procedure during the consultations. This information (including number of procurement Lots) may change in the process of 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 any of the interested suppliers.
2. The information provided in these Minutes of the meeting shall not be treated as a part of any requirements and is provided only for information, in order to analyse the market with a purpose to decide on the procurement strategy, develop the scope of works and establish requirements for the upcoming procurement procedure.
3. Please note, that some information may not be precisely reflected in these Minutes or may not be reflected at all. In addition, a summarised version of additional feedback received via e-mail, as well as additional information given by the Contracting Authority is also included in these Minutes of the meeting. Remote meeting was held on 11 January 2022 and minutes prepared and signed after the meeting.

**Enclosed:**

[..] Annexes