

KAUNAS - RAMYGALA AGREEMENT AMENDMENT'S SUMMARY

Agreement

Design and design supervision services for the construction of the new line from Kaunas to Ramygala, No 8.1/2019-03, dated 3 April 2019 (Agreement).

Amendment's description

This Agreement amendment is related to review of the Programme (Appendix No 3) and in unforeseeable manner impacting the Remuneration and Payment (Appendix No 4) by not changing period of payments and amounts.

Amendments are made under the provisions of Clause 3 and 1 of Section 3 of Article 61 of Public Procurement Law of the Republic of Latvia.

1. Agreement amendments concerning payment schedule updates

Review of the Appendix No 3 of the Agreement (Programme) has been set forth by the conditions of the existing Agreement. It has been set forth that when parties found necessity to review and update Programme enabling provision of the services and maintaining the contract conditions the variation procedure is initiated.

Review of Programme is justified by the occurrence of unforeseen circumstances during the execution of the Agreement, such as:

- i) The changes in relation to construction works implementation strategies of the Rail Baltica project. This was presented in a different manner at the tender stage and required an unexpected modification of initial sequence of design delivery.

Due to this disruption it created prerequisites for the initiation of changes in the initially expected design, its technical solutions and in eventually resulted in the changes in the construction strategy by introducing updated sequence and phases of the design sections and delivery of design packages. To align the construction strategies with availability of the funds and optimal design process and avoid disruption of the economic balance between parties from the initially established, changes in the programme has led to the changes in pricing schedule which has been updated in the same form as reviewed programme by not affecting delivery and payment terms and amounts stipulated in the initial Agreement.

- ii) Exceptional event due to COVID-19 pandemic. For some time, it has severely disrupted functioning of all organisations including also activity of IDOM. Without organisational issues, IDOM's personnel was legally required to leave the Baltic states and suspend physical field investigations until the said restriction have been lifted.

COVID-19 pandemic and the resulting effect of previously made changes in the deliverable order, decisions made in the process of design and change of priorities including procedure for the execution of the assignments provided for in the Agreement, third party impacts, as well as extraordinary changes in the global building materials market related to the availability of materials and the increase in their prices.

- iii) The changes of the Design Guidelines and other requirements that are directly applicable for the service deliverables had been constantly updated with the last version being approved in December 2021 requiring IDOM to constantly improve the deliverables.