

Riga

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Our Ref: 1.13p/LV-2023-370

Electronic Procurement System

***An answer to the question from the interested supplier
in the open competition
"Mobile communications services in Latvia,
Lithuania and Estonia",
identification number RBR 2023/10***

RB Rail AS presents following answer to the question received from the interested supplier until 4th September 2023:

Nr.	Question	Answer
1.	Please see the question received in the Annex.	The Procurement commission has evaluated the proposals of the interested supplier regarding the proposal evaluation criteria of the open competition "Mobile communication services in Latvia, Lithuania and Estonia", ID No RBR 2023/10, (hereinafter – Procurement), but decided not to change the criteria included in the Procurement regulations. The Procurement commission kindly indicates that these criteria have been carefully selected, considering the needs of the Contracting authority and following the guidelines "Desirable requirements/criteria to be included in the procurement of mobile and fixed communications" ¹ recommended by the Procurement Monitoring Bureau.

Sincerely,

Procurement commission member / secretary

V. Ezergaile

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¹ Please see here: <https://www.iub.gov.lv/lv/media/5262/download?attachment>

ANNEX

of the letter No 1.13p/LV-2023-370 dated 4th September 2023

QUESTION RECEIVED FROM THE INTERESTED SUPPLIER

In accordance with paragraph 20.3.2 of the regulations (Regulations of the RB RAIL AS open competition provision of "Mobile communications services in Latvia, Lithuania and Estonia" (identification number RBR 2023/10), the criteria for determining the most economically advantageous tender for the 1st part of the procurement are included,

Criteria, scoring table No.1:

Declared values of internet access service quality parameters in mobile network in 2023		Points
1.1.	Maximum upload speed available to the end user (Mbits/s)	4
1.2.	Maximum downloading speed available to the end-user (Mbits/s)	4
1.3.	Damage repair time	3
1.4.	Latency, in milliseconds	3
1.5.	Jitter, in milliseconds	3
1.6.	Packet loss rate, in percent	3
Provision of % of the service in the administrative territory *		
	Voice (SMS) service	
1.10.	Bauska municipality	2
1.11.	Limbazi municipality	2
1.12.	Saulkrasti municipality	2

Table 2 of the Procurement Part 2 includes the following quality indicators of data transmission services:

4G Internet Service % provision in administrative territory *		
1.13.	Bauska municipality	2
1.14.	Limbazi municipality	2
1.15.	Saulkrasti municipality	2
% provision of 5G Internet Service in the administrative territory *		
1.16.	Bauska municipality	2
1.17.	Limbazi municipality	2
1.18.	Saulkrasti municipality	2

*coverage map included

1.

[..] points out that the declared values of the quality parameters of data transmission services are not an objective source that would give an idea of the true quality of the suppliers' data services and the measurement of quality criteria in the network.

Furthermore, the declarations to be submitted by the PUC regarding download and upload speeds must indicate not the average speed achievable on the applicant's network, but whether the speed is achievable at all in a given range. For example, in the 2020 measurement report, the PUC states that "similar to the previous year, in the networks of individual mobile operators approximately 3% of the measurement download speeds exceeded 100 Mbit/s." – so, the range from 100 Mbit/s to 200 Mbit/s was reached only in 3% of all measurements.

The fact that the values thus drawn up in the suppliers' declarations do not give a true picture of the expected download speed on a particular network, for example, can be ascertained by comparing the average upload speed measured by the PUC in 2020 with the upload speed over the ranges in which data transmission is possible on the respective network (see Table No 1).

Table No 1:

Provider	Download speed (declared maximum range)	Average download speed over mobile operators 95% of measurements in 4G data transmission technology
LMT	Līdz 1 Gbits/s	34.38 mbit/s
Bite	Līdz 1 Gbits/s	35,24 mbit/s
Tele2	Līdz 300 mBit/s	45,70 mbit/s

Furthermore, leaving aside the comparison procedure laid down in the Regulations, a supplier who has indicated in the declarations of the PUC that it provides download speeds on its network ranging up to 1Gbit/s may, in theory, indicate in his proposal to be submitted to the Customers a speed of 999 mbit/s, which, compared to the declaration, will correspond to the information provided therein – because, for example, the maximum specified range within which the services available is up to 1Gb/s. But, such a speed, if at all possible, would have been observed, for example, in no more than 1% of cases. The same applies to other data network quality criteria, such as latency (see Table No 2).

Table No 2:

Provider	Average latency in milliseconds (declared value)	Average values of latency 2020 measurement results in 95% of measurements (milliseconds) in 4G technology
LMT	100	15.08
Bite	100	22.69
Tele2	100	23.56

Taking into account the above, we invite the Contracting authority to amend the Regulations and use not the declared values of the quality parameters of data transmission services found on the website of the PUC, but, for example, the results compiled by the widely used open-access test site speedtest.org on the quality of all three networks of Latvian mobile operators in 2022 - [Latvia's Mobile and Broadband Internet Speeds - Speedtest Global Index](#).

Internet measurements made by end-users with the Speedtest application are used to create the Speedtest Global Index. They collect the experience of end-users, including Latvia, and provide reliable and objective information about the customer experience in the network of all three mobile operators.

The fact that the results of Speedtest are objective and reliable is also indicated by the fact that the measurements made by Speedtest are also close to those made by the PUC. This, for example, is reflected in looking at the latency measurement results compiled by Speedtest for the 3rd and 4th quarters of 2020 in [Latvia's Mobile and Broadband Internet Speeds - Speedtest Global Index](#) (see Table 3).

As an alternative to the evaluation of the quality of internet service of providers, we invite the contracting authority to make internet quality measurements at the customer's addresses or to use the latest internet quality measurement results performed by the PUC for 2020.

Table No 3

Provider	Average latency in milliseconds (Speedtest result)	Average values of latency 2020 measurement results in 95% of measurements (milliseconds) in 4G technology
LMT	17	15.08
Bite	23	22.69
Tele2	21	23.56

2. Percentage coverage of county areas Table No 1. section 1.10-1.18.

The percentage coverage of the county territory, especially regarding the 5G network coverage (which is still being developed and has not been implemented by operators in the entire territory of Latvia) – is difficult to accurately measure, therefore, in our opinion, it is not an objective measurement and comparison of the awarded points in determining the most economically advantageous tender. These % coverage figures are difficult to verify.

In addition, if an operator 5G coverage in a certain county is 50% of the territory, however it can be in the area where the customer does not have any facility, then such a % of coverage does not matter for the customer.

Another important role for the measurement of 5G technology is at what frequency the operator provides the 5G coverage as this also affects the speed of 5G data download/upload.

Therefore, we invite the contracting authority to make changes in the Regulation and instead of coverage % require bidders to submit the number of operating base stations in a particular county and network, which would be an objective indicator to assess the quality of the services of applicants. The role of these criteria as an objective indicator has been recognized by both the Procurement Monitoring Bureau (PMB), industry associations and local courts in their rulings.

Detailed assessments of the PMB and the Supreme Court in relation to the quality criteria to be included in the Procurement Regulations can be found in the following PMB decisions and court rulings:

- PMB Decision No. 4-1.2/22-2/3 of 17.02.2022. (the decision also contains the views of associations representing the telecommunications sector on the quality criterion "number of base stations", as well as the PMB's assessment of the number of points to be awarded and the admissibility of the criteria);
- PMB Decision No.4-1.2/22-54 of 22.04.2022.
- PMB Decision No. 4-1.2/22-115/2 of 5.08.2022.