

Rīga

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Our Ref: 1.13p/LV-2024-383

Electronic Procurement System

***An answer to the questions from the interested suppliers
In the open competition
“Audit Services for 2025 - 2027”,
Identification number, RBR 2024/8***

RB Rail AS presents following answers to the questions received from the interested suppliers until 3rd December 2024:

No	Question*	Answer
1.	<p>Konkursa līguma projekta 6.1.2.punkts izteikts sekojošā redakcijā/ <i>Clause 6.1.2 of the Procurement Agreement is expressed in the following wording.</i></p> <p>6.1. <i>Standard of Performance. Without prejudice to the requirements prescribed elsewhere under the Agreement, the Contractor shall:</i></p> <p>6.1.2. upon request of the Company to provide third parties with the explanation related with the prepared Deliverables;</p> <p>Attiecībā uz norādīto punktu vēlamies paskaidrot, ka norādītais regulējums ir pārāk nekonkrēts un plašs, proti, neierobežojot potenciālo reižu skaitu, cik daudz un cik bieži Auditoram varētu būt pienākums trešajām personām skaidrot ar nodevumu saistītus jautājumus, līdz ar ko norādītais regulējums var novest līdz būtiskam laika patēriņa pieaugumam. Auditori šādam regulējumam nevar piekrist, līdz ar ko piedāvā ierobežot pienākumu sniegt skaidrojumu saistībā ar nodevumu līdz vienai reizei. Ja nepieciešami atkārtoti skaidrojumi, Auditoram ir tiesības piemērot papildus samaksu.</p>	<p>The Procurement Commission kindly explains that the purpose of Clause 6.1.2 of the Agreement is not to oblige the Contractor to explain to third parties issues related to the deliverables that might be considered as consultations, but rather to provide third parties with answers to clarifying questions that they may have about the deliverables prepared by the Contractor. Consequently, in the case of a qualitatively prepared deliverable, there is no reason to expect a significant increase in time consumption in providing with the explanation related with the prepared Deliverables.</p> <p>Considering mentioned above, no amendments will be made to the draft Procurement Agreement.</p>

	<p>ievērojot norādīto, Auditori piedāvā grozīt Līguma projekta 6.1.2.punktu, izsakot to sekojošā redakcijā/ <i>Regarding the indicated point, we would like to clarify that the indicated regulation is too vague and broad, that is, without limiting the potential number of times, how many and how often the Auditor could be obliged to explain matters related to the delivery to third parties, as a result of which the indicated regulation can lead to significant time for consumption growth. The Auditor cannot agree to such a regulation, which is why he proposes to limit the obligation to provide explanations in connection with the delivery to one time. If repeated explanations are required, the Auditor has the right to apply an additional fee. In compliance with the above, the Auditor proposes to amend Clause 6.1.2 of the Draft Agreement, expressing it in the following wording.</i></p> <p>6.1.2. upon request of the Company to provide third parties with one explanation session related to the prepared Deliverables if not agreed otherwise by Parties in pursuant to Agreement. Any repeated requests for explanation sessions will be charged at an hourly rate of EUR xxx per hour.</p>	
2.	<p>Saskaņā ar Līguma projektu, Auditoram revīzija jāveic ievērojot Starptautiskos revīzijas standartus. Norādītajos standartos noteikti ne tikai revidenta pienākumi, bet arī atrunāti atbildības ierobežojumi, kā arī auditējamā uzņēmuma vadības atbildība. Diemžēl Līguma projektā vadības atbildības nosacījumi nav iekļauti.</p> <p>Ņemot vērā norādīto un pamatojoties uz Starptautiskiem revīzijas standartiem Nr.210, lūgums papildināt Līguma projektu ar 7.4.punktu jaunā redakcijā, iekļaujot tajā sekojošas auditējamā uzņēmuma un tā vadības atbildības/ <i>According to the draft Agreement, the Auditor must perform the audit in compliance with International Auditing Standards. In the specified standards, not only the duties of the auditor are determined, but also the limits of responsibility are stipulated, as well as the responsibility of the audited company's management. Unfortunately, the terms of management responsibility are not included in the draft Agreement.</i> <i>Taking into account the above and based on International Auditing Standards No 210, please supplement the draft Agreement</i></p>	<p>The Procurement Commission kindly informs that the Company acknowledges its responsibility for the preparation of financial statements and provision of any information as may reasonably be requested by the Contractor for the purposes of the Services in line with International Standards on Auditing. The general obligations of Company are defined in Chapter 7 of the Agreement, as well as that the Agreement already sets out the Client's responsibility to act in accordance with the requirements of regulatory enactments, <i>inter alia</i> the Audit Services Law, which determines the responsibility of audit service clients. The Procurement Commission also kindly turns your attention to the wording of Clause 7.4. <u>Audit Related Obligations which states that the Company undertakes to prepare the respective financial statements in accordance with the Applicable Laws and Standards.</u></p> <p>The Procurement Commission does not consider it effective to include a detailed description of management responsibilities as per International Standard of Auditing 210 in the Agreement, as the existing provisions sufficiently cover the obligations of the Company and ensure alignment with regulatory standards.</p>

<p><i>with clause 7.4 in a new version, including the following responsibilities of the audited company and its management:</i></p> <p><i>7.4. <u>Management responsibilities.</u> The Company and its statutory body shall be responsible for:</i></p> <p><i>7.4.1. Identifying the Client's activities and ensuring the Client is in compliance with the relevant legislation of the Republic of Latvia that is applicable to its activities;</i></p> <p><i>7.4.2. Maintaining complete, supportable, and accurate accounting records and for preparation and fair presentation of the financial statements in accordance with the legislation applicable in the Republic of Latvia;</i></p> <p><i>7.4.3. Establishing and maintaining such internal controls as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;</i></p> <p><i>7.4.4. Recording transactions in the accounting records properly for making appropriate accounting estimates, safeguarding assets, and ensuring the overall accuracy of the financial statements and their conformity with the applicable reporting framework;</i></p> <p><i>7.4.5. Preparing, compiling and fair presentation of the financial statements.</i></p> <p><i>7.4.6. The Company agrees that it will notify the Auditor and obtain the Auditor's approval before including the Auditor's report or financial statements with which the Auditor is associated on an electronic site. Furthermore, it is agreed that in any electronic distribution, for example on the Company's website, the Company's management is solely responsible for ensuring any reproduction of the Auditor's report and also ensuring the subject matter on which the Auditor reported is accurate and complete.</i></p> <p><i>7.4.7. The Auditor shall under no circumstances be liable in connection to damages caused by the Company or its related entity or arising in any way from or in connection with any acts of negligence, fraudulent acts or omissions, misrepresentations, or default on the part of the Company or any client related entity or on the part of any third party. Any entity or individual that participates directly or indirectly in the management, control, and/or property of the Company, as well as any entity, association, foundation, or other organisation in which the Company participates directly or indirectly in the</i></p>	<p>In addition, the Procurement Commission would like to inform that the technical clarification will be done in the Clause 7.4 of the draft Procurement Agreement, which will be altered before the Agreement signing process. The Clause 7.4. of the draft Procurement Agreement will be adapted as follows:</p> <p><i>"7.4. <u>Audit Related Obligations.</u> The Company undertakes to (and shall cause the Participants to do the same) prepare the respective financial statements in accordance with the Applicable Laws and the Audit Standards and/or the CEF Standards, respectively, and submit to the Contractor in accordance with the Agreement".</i></p> <p>Considering mentioned above, no additional amendments will be made to the draft Procurement Agreement.</p>
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	<p><i>management, control and/or property, as well as employees and agents of the Company, are considered to be related entities for this purpose.</i></p> <p><i>7.4.8. The Company undertakes to hold harmless and indemnify the Auditor from and against any and all actions, litigation, damages, third party claims, liabilities, costs, and expenses (including, without limitation, any and all attorney fees and expenses, and the time of the Auditor's personnel involved) relating to the Auditor's services under this Agreement attributable to (i) any breach of the Company's obligations set out in this Agreement or in relation thereto, (as well as the suspension or termination of this Agreement due to any breach of Agreement), (ii) any misrepresentation of information by the Company's management in relation to the implementation of this Agreement, or (iii) any misrepresentation of the Auditor's report or misrepresentation of its contents by the Company.</i></p>	
<p>3.</p>	<p>Līguma 11.1 punktā Paredzēta iespēja Klientam bez iepriekšējas saskaņošanas ar Auditoru jebkādā veidā izmantot Auditora nodevumu. Ņemot vērā to, ka Auditora nodevums satur secinājumu kopumu, kas izriet no izpētes rezultātā iegūtiem datiem, nodevuma izmantošanas būtisks priekšnoteikums ir tā izmantošana to nekādā veidā nesadalot, nepārveidojot, nepapildinot utt. Auditors piekrīt nodevuma izmantošanai un iespējai atsaukties uz Auditoru tikai tādā gadījumā, ja nodevums tiek izmantots tāds, kādu to ir iesniedzis Auditors. Lai novērstu potenciālas situācijas, kad Auditora nodevums tiek izmainīts jebkādā veidā, kā arī nepieļautu atbildību par tādu rīcību, Auditors lūdz papildināt Līguma 11.punktu ar 11.2.apakšpunktu sekojošā redakcijā/ <i>Clause 11.1 of the Agreement provides for the possibility for the Client to use the Auditor's delivery in any way without prior coordination with the Auditor. Taking into account the fact that the Auditor's report contains a set of conclusions resulting from data obtained as a result of research, an essential prerequisite for the use of the report is its use without dividing, modifying, supplementing, etc. in any way. The Auditor agrees to the use of the deliverable and the possibility to refer to the Auditor only in the event that the deliverable is used as submitted by the Auditor. In order to prevent potential situations when the Auditor's deliverables are changed in any</i></p>	<p>The Procurement Commission kindly turns your attention to the wording of Clause 11, which grants RB Rail AS the right to use, publish, submit and transfer the deliverables prepared by the Contractor to third parties in order to fulfil the obligations set out in regulatory enactments and CEF financing agreements. Clause 11 <i>Intellectual property rights</i> does not include the right to modify the deliverables prepared by the Contractor, therefore it is not necessary to supplement the relevant clause of the Agreement.</p> <p>Considering mentioned above, no amendments will be made to the draft Procurement Agreement.</p>

	<p><i>way, as well as to prevent liability for such actions, the Auditor requests to supplement Clause 11 of the Agreement with Subclause 11.2 in the following wording:</i></p> <p><i>11.2. In case of any modification, change, creation, improvement, combination, division/separation or any other amendments to Contractor's deliverables (or any portion of deliverable), the Clients is not entitled to refer to Contractor as an author of such amended deliverable and Contractor accepts no responsibility for reliance on such amended deliverables (or any portion thereto) towards the Client, members of the Client Group or any other Beneficiary (including but not limited to Client Affiliate and, when applicable, branches and subsidiaries of Client and any Client Affiliate in Latvia, Lithuania and Estonia, including permitted, legal successors and assignees of the Client and/or the Client Affiliate, if there are any such permitted legal successors or assignees).</i></p>	
<p>4.</p>	<p>Tehniskajā specifikācijā ir norādīts, ka tiek prognozēts, ka būs nepieciešamas aptuveni 90 izmaksu pārbaudes laika periodā 2025.-2027.g. Pašlaik ir noslēgti 6 līgumi, potenciāli, pakalpojuma sniegšanas periodā būs noslēgti arī jauni līgumi. Vai Jūs varētu, lūdzu, paskaidrot, kāds ir iemesls tam, ka katram līgumam ir plānotas vairākas pārbaudes katrā no pakalpojumu sniegšanas gadiem? Piemēram, līgumam Nr. 1 ir plānotas 14 pārbaudes nevis 3 pārbaudes 3 gadu laikā./</p> <p><i>The Technical Specification states that approximately 90 cost reviews are expected to be required during the 2025-2027 timeframe. Currently, 6 contracts have been concluded, potentially, new contracts will also be concluded during the service provision period. Could you please explain what is the reason for the fact that several inspections are planned for each contract in each of the years of service provision? For example, contract no. 1, 14 inspections are planned instead of 3 inspections in 3 years.</i></p> <p><i>(Please see the picture bellow).</i></p>	<p>Each reporting period requires a separate audit report for each participant (as defined in p.2.2.2 of the Technical Specification) whose expenses exceed the CFS threshold (please refer to p.2.2.3 of the Technical Specification). For example, under Grant Agreement No. 101079279 - 21-EU-TC-RBGP Part VII C (CEF8), 14 audits are planned due to seven participants and two reporting periods within the auditing period. Please note that the planned number of audits is indicative, and if a participant does not exceed the CFS threshold, an audit for that participant may not be required.</p>

The picture of the Question No 4

No	Grant Agreement No. - Abbreviation	Signed on	Eligibility Period	Total eligible costs as per signed Grant Agreement, EUR	Number of Participants	Total reporting periods	Indicative number of audits for period 2025-2027*
1.	101079279-21-EU-TC-RBGP Part VII C – CEF8	19.10.2022	01.01.2022 - 31.12.2026	422 629 844,00	7	3	14
				15 469 179,44	RB Rail AS		
				1 671 569,03	MoC-EE		
				139 089 800,00	MoT-LV		
				30 320 772,28	MoTC-LT		
				6 908 248,37	EDzL		
				132 233 526,75	RBE		
				96 936 748,13	LTGI		

**Considering that the language of the Procurement process is English (please pay attention to the Section 2.8. of the Regulations), the Procurement Commission kindly points out that the questions received in Latvian have been machine translated.*

Sincerely,

Procurement commission chairperson / Secretary

I. Zuļķe

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AND CONTAINS A TIME STAMP*