

REGULATIONS
(for candidate selection stage)
of the competitive procedure with negotiation
“Preparation of Business plan”
(identification number: RBR 2017/9)



1. DEFINITION OF TERMS AND GENERAL INFORMATION

- 1.1. The terms used in the Regulations shall have the following meaning (in alphabetical order):
- 1.1.1. **Candidate** means an economic operator (i.e. a legal person or a private individual, or group of such persons and/or entities in any combination thereof) which participates in the first stage of the Procurement Procedure prior to the submission of the Tender;
 - 1.1.2. **Commission** means the procurement commission established by the joint stock company "RB Rail AS" under the resolution No 11/2016-12 and No 11/2017-22 "*To organize the competitive procedure with negotiation for "Preparation of Business plan" and establish the procurement commission*", dated 21 December 2016;
 - 1.1.3. **Contract** means the services contract for preparation of business plan for the Company that will be awarded as a result of the Procurement Procedure;
 - 1.1.4. **Contracting authority** (also, **the Company**) means the joint stock company RB Rail AS, registration number 40103845025, registered address: 3 Gogola Street, Riga, LV-1050, Latvia, office address: Kr.Valdemara Street 8-7, 4th floor, Riga, LV-1010, Latvia;
 - 1.1.5. **Invitation** means the set of documentation that will be issued to all of the Candidates that have passed the first stage of the Procurement Procedure and are invited at the second stage of the Procurement Procedure, setting out the detailed terms and conditions of the second stage of the Procurement Procedure (i.e. the requirements, evaluation criteria, contents of the Tenders, etc.) and the negotiations;
 - 1.1.6. **Procurement Procedure** means the competitive procedure with negotiation for "Preparation of Business plan" (identification number: RBR 2017/9) that is organized in two stages: (1) submission of Requests to participate in the stage of the selection of Candidates and (2) submission of Tenders and negotiations with the Tenderers;
 - 1.1.7. **Regulations** mean these Regulations (for candidate selection stage) of competitive procedure with negotiation "Preparation of Business plan" (identification number: RBR 2017/9) as well as all the enclosed Annexes.
 - 1.1.8. **Request to participate** means the proposal/bid documentation the Candidate submits in the first stage of the Procurement Procedure, the required contents of the Request of the participate are set out in these Regulations;
 - 1.1.9. **Service** means the preparation and delivery of the business plan for the Rail Baltica Global project as well as other related services;
 - 1.1.10. **Supplier** means a legal person or a private individual, or group of such persons and/or entities in any combination thereof, which offers to perform works, supply products or provide services on the market;
 - 1.1.11. **Tender** means the proposal/bid documentation the Tenderer submits if invited to participate in the second stage of the Procurement Procedure, the required contents of the Tender will be described in detail in the Invitation;
 - 1.1.12. **Tenderer** means the Supplier which has been invited to submit a Tender in the second stage of the Procurement Procedure.
- 1.2. This Procurement Procedure is organised and carried out in accordance with the Public Procurement Law of the Republic of Latvia, Article 8(6)(3), as well as the Regulations of the Cabinet of Ministers No 107

“Regulations for Application of the Procurement Procedures and Design Contests”, dated 28 February 2017.

2. DESCRIPTION OF SUBJECT MATTER OF PROCUREMENT PROCEDURE

- 2.1. The subject matter of the Procurement Procedure is the preparation and delivery of the business plan for the Rail Baltica Global project as well as other related services in accordance with the Technical Specification.
- 2.2. In order to enable the Candidates and potential Suppliers to have a better understanding of the subject matter of the Procurement Procedure and the scope of the Service, the Provisional Technical Specification of the second stage of the Procurement Procedure has been enclosed to these Regulations as Annex No 2. The Provisional Technical Specification is enclosed to the Regulations for information purposes only and, when issuing the Invitation, may be subject to subsequent change, provided that the overall scope of the subject matter remain the same. The final and definitive Technical Specification shall be provided to the Tenderers in the Invitation for the second stage of the Procurement Procedure.
- 2.3. CPV code of the subject matter of the Procurement Procedure – 79000000-4 (Business services: law, marketing, consulting, recruitment, printing and security).
- 2.4. The Procurement Procedure is co-financed by the Connecting Europe Facility (CEF).
- 2.5. Within the framework of this Procurement Contact the contact persons of the Company are:
 - 2.5.1. In respect of the organizational aspects of the Procurement Procedure: procurement specialist-lawyer Elīna Saule, telephone: +371 266 544 33, e-mail address: elina.saule@railbaltica.org, procurement@railbaltica.org.
 - 2.5.2. In respect of other aspects concerning the subject matter of the Procurement Procedure: Financial Controlling Manager Rihards Vofls, telephone: +37126406708, e-mail address: rihards.vofls@railbaltica.org.
- 2.6. The Procurement Procedure will result in the award of the Contract to the winning Tenderer.
- 2.7. Under the Contract the term for the execution of the Service shall not exceed **26 weeks**.

3. FIRST STAGE OF PROCUREMENT PROCEDURE

- 3.1. During the first stage of the Procurement Procedure, the selection of the Candidates will be carried out in accordance with the selection criteria set out in the Regulations.
- 3.2. Conditions for the mandatory exclusion of the Candidates from participation in the Procurement Procedure are set out in Section 1 of Article 42 of the Public Procurement Law of the Republic of Latvia. The compliance of the Candidates with the conditions for exclusion will be verified in accordance with the procedure set forth in Article 42 of the Public Procurement Law of the Republic of Latvia.
- 3.3. In the event of existence of a ground for the exclusion of the Candidate from participation in the Procurement Procedure, the Candidate shall demonstrate and the Commission will verify the reliability of the Candidate in accordance with the terms and conditions laid down in Article 43 of the Public Procurement Law of the Republic of Latvia.

3.4. **The Candidate shall comply with at least the following minimum requirements pertaining to its legal, financial and economic capacity (standing):**

3.4.1. the Candidate shall be registered in the Commercial Register of the Republic of Latvia or in an equivalent institution registering legal entities (commercial activities) in a foreign country, provided that the regulatory enactments of the country of incorporation (registration) or domicile envisage such a requirement;

3.4.2. the representative of the Candidate who has signed the Request to participate documents shall have the right of signature, i.e., it is an official having the right of signature or a person duly authorized by the Candidate;

3.4.3. the Candidate's average annual overall financial turnover in the previous three years (2014; 2015; 2016), shall be at least EUR 800 000,00 (eight hundred thousand euro), VAT exclusive. In case the Candidate has been incorporated or has commenced its operations during the last three years, the minimum average turnover shall be calculated proportionally from the date of registration or beginning of operations;

3.4.4. the Candidate shall have a valid professional risk indemnity insurance in the amount of at least EUR 1 000 000,00 (one million euro) during the whole term of performance of the Contract;

3.4.5. the Candidate during the last 10 (ten) years has performed and completed at least 2 (two) contracts for the preparation of business plan for a transport project delivery company or infrastructure manager with the purpose to implement large-scale transport project, covering both investment and operational phases, with the capital expenditure of at least EUR 200 000 000,00 (two hundred million euro) per project, and at least one of such contracts for the preparation of business plan must have been a cross-border transport infrastructure project conducted in the European Union (EU) or the European Economic Area (EEA) countries. The respective contracts must be completed by the date of submission of the Request to participate;

3.4.6. the Candidate during the last 10 (ten) years has completed at least 1 (one) contract for the preparation of business plan or CBA (Cost Benefit Analysis) or funding application of a transport project delivery company or infrastructure manager with the purpose to implement a large-scale transport investment project with the EU co-financing (for example - funding granted from TEN-T, CEF or CF EU financing institutions or grant programs), with the total eligible costs of at least EUR 100 000 000,00 (one hundred million euro). The respective contract must be completed by the date of submission of the Request to participate.

3.5. The projects confirming the required experience of the Candidate as set out in paragraphs 3.4.5 – 3.4.6 of the Regulations above may overlap, *i.e.* any project may be used to prove the Candidate's compliance with more than one of the criteria set out in paragraphs 3.4.5 – 3.4.6 of the Regulations above.

3.6. **The Candidate shall propose a Project Manager for the execution of the Contract who has at least the following minimum qualifications:**

3.6.1. Project management experience in the capacity of a lead project manager during the last 10 (ten) years in at least 1 (one) project concerning preparation of a business plan on behalf of a transport project delivery company or infrastructure manager with the purpose to implement a large-scale transport investment project with the capital expenditures of at least EUR 200 000 000,00 (two hundred million euro) per project. The respective contract must be completed by the date of submission of the Request to participate;

3.6.2. Project management experience within the last 10 (ten) years in at least 1 (one) project concerning

preparation of business plan or CBA (Cost Benefit Analysis) or funding application of a transport project delivery company or infrastructure manager with the purpose to implement a large-scale transport investment project with the EU co-financing (for example - funding granted from TEN-T, CEF or CF or other EU financing institutions or grant programs), with total eligible costs of at least EUR 100 000 000,00 (one hundred million euro). The respective contract must be completed by the date of submission of the Request to participate.

3.7. The projects confirming the required experience of the Candidate as set out in paragraphs 3.6.1 – 3.6.2 of the Regulations above may overlap, *i.e.* any project may be used to prove the Candidate's compliance with more than one of the criteria set out in paragraphs 3.6.1 – 3.6.2 of the Regulations above.

3.8. The Candidate shall not be allowed to replace the Project Manager during the whole term of execution of the Contract without prior written approval of the Contracting Authority as laid down by Article 62 of the Public Procurement Law.

3.9. Content of the Request to participate:

3.9.1. Title page entitled "Preparation of Business plan", procurement identification number: RBR 2017/9, name, address and contact information of the Candidate;

3.9.2. Table of contents of the Request to participate, with page numbering;

3.9.3. Application for participation in the Procurement Procedure in accordance with Annex No 1, signed by the Candidate. If the Request to participate is submitted by a group of persons, information about the members of the group and about the authorized representative of the group shall be attached to the Request to participate, supplemented by the division of responsibilities of each person;

3.9.4. The Contracting Authority shall check the compliance of the Candidate registered in the Republic of Latvia with the Regulations by obtaining the information from the data base of the Companies' Register. A Candidate registered abroad shall submit a document issued by a competent institution of the respective country which confirms that the Candidate has been duly registered in accordance with the legal requirements of the respective country;

3.9.5. The document confirming the right of signature (representation) of the representative of the Candidate who signs the Request to participate. If the Candidate submits a power of attorney (original or a copy certified by the Candidate), it shall be supplemented by the document confirming that the issuer of the power of attorney has the right of signature (representation) on behalf of the Candidate;

3.9.6. In order to verify compliance with the selection criterion set out in paragraph 3.4.3 of the Regulations, the Candidate shall provide at least one of the following documents:

3.9.6.1. audited annual statements of the Candidate or extracts of them for the last three years (2014; 2015; 2016), where the publication of audited financial statements is required under the applicable statutory laws of the country where the Candidate is established;

3.9.6.2. a statement of the overall turnover, or profit and loss account/income statement, or balance sheet/statement of financial position, or statement of cash flow, for the previous three years (2014; 2015; 2016), provided that these documents set out the annual financial turnover of the Candidate.

3.9.7. In order to verify compliance with the selection criterion set out in paragraph 3.4.4 of the Regulations the Candidate shall provide documentation that proves its possession of a valid insurance certificate for at least EUR 1 000 000,00 (one million euro) during the whole term of

performance of the Contract, or a written statement of an insurance institution specifying that in case the Candidate is awarded the Contract, the insurance institution will issue the insurance certificate for at least EUR 1 000 000,00 (one million euro) during the performance of the Contract.

3.9.8. In order to verify compliance with the selection criteria set out in paragraphs 3.4.5 - 3.4.6 of the Regulations, the Candidate shall provide information in form “Experience of the Candidate” (Annex No. 3). If during the evaluation of the Requests to participate the Commission shall have doubts on the statements of the Candidate’s previous experience or the accuracy of information provided by the Candidate as well as the Candidate’s performance in the execution of the contracts, the Commission shall be entitled to request the Candidate to submit written references in order to verify the correctness of information provided by the Candidate set out in the form “Experience of the Candidate”.

3.9.9. In order to verify compliance with the selection criteria set out in paragraphs 3.6.1 - 3.6.2 of the Regulations, the Candidate shall provide information in form “Experience of the Project Manager” (Annex No. 4), and submit at least one written reference or statement (**for each of the selection criteria set out in paragraphs 3.6.1 - 3.6.2 of the Regulations**) from the Project Manager’s previous customers confirming the accuracy and correctness of information provided by the Candidate.

3.10. The documents indicated in paragraph 3.9 of the Regulations can be replaced by the European Single Procurement Procedure Document (by filling in only the parts of the documents that refer to the confirmation of the requirements indicated in the Regulations) which can be submitted by the Candidate as the initial proof for confirmation that the requirements of the qualification have been fulfilled. The European Single Procurement Procedure Document is available at: <https://ec.europa.eu/growth/tools-databases/espdp/filter?lang=lv>.

3.10.1. If the Candidate has chosen to submit the European Single Procurement Procedure Document, this document has to also be submitted for each sub-contractor or person on whose capabilities Candidate relies to confirm that its qualification corresponds to the selection requirements envisaged by the documents of the Procurement Procedure.

3.10.2. At any stage of the Procurement Procedure, the Company shall have the right to request that the Candidate submits all documents or a part of the documents confirming the compliance of the Candidate to the requirements of the selection of Candidate determined by notification in the agreement or procurement procedure documents. The Candidate shall not request the information and documents that they already have at its disposal or that is available in a public data base.

3.10.3. If the Candidate who has chosen to submit the European Single Procurement Procedure Document preliminarily complies with the requirements of the Regulations and would be chosen to participate in the second stage of the Procurement Procedure, such a Candidate shall, before adoption of the respective decision of by the Commission and pursuant to the respective request by the Commission, submit to the Commission the documentation that proves its compliance with the selection criteria set out in the Regulations.

3.11. If the Candidate, in order to comply with the selection criteria set out in the Regulations, relies on the capacity or means of other persons or subcontractors, the Candidate shall also submit any of the following documents in order to prove that the qualification of the Candidate meets the qualification requirements set out in the Regulations:

3.11.1. an agreement with a subcontractor, the confirmation of the subcontractor or any other evidence (proof) on availability of the necessary resources at the disposal of the Candidate.

- 3.12. If the Candidate submits its Request to participate in accordance with of paragraph 5.1.1 of the Regulations, then the requirements set out in paragraph 3.4 and paragraph 3.6 of the Regulations have to be met by at least one of the group members. The individual qualification of the members of the group is summed up.
- 3.13. **Submission of the Request to participate:**
- 3.13.1. Request to participate (documents referred to in paragraph 3.9 of these Regulations) for participation in the Procurement Procedure shall be submitted in person, by courier or registered mail delivery to RB Rail AS, Kr.Valdemara Street 8-7, 4th floor, Riga, LV-1010;
- 3.13.2. Request to participate must be submitted by 8 May 2017 until 10:00 o'clock.
- 3.13.3. A Candidate is not permitted to submit variations of the Request to participate.
- 3.13.4. Requests to participate submitted after the expiry of the deadline for the submission of Requests to participate shall not be reviewed. The Candidate is responsible for the timely delivery of the Request to participate to the Company, if the Candidate uses a courier or registered mail. Requests to participate received after the deadline will be sent back unopened;
- 3.13.5. The Candidate may recall or amend its submitted Request to participate before the expiry of the deadline for submission of Requests to participate. In case of amendments, the Candidate has to clearly notify that the Request to participate is amended by indicating: "AMENDMENTS" in addition to the information mentioned in paragraph 3.14 of the Regulations.
- 3.13.6. The opening session of Requests to participate shall not be public.
- 3.13.7. The Requests to participate submitted within the framework of this Procurement Procedure shall be the property of the Company and will not be returned back to the Candidate except for the cases when the Candidate has submitted the Request to participate after the deadline determined in paragraph 3.13.2 of the Regulations, or if the Candidate uses the right under paragraph 3.13.5 of the Regulations and recalls their Request to participate.
- 3.14. **Preparation and layout of the Request to participate:**
- 3.14.1. The Candidate shall submit a Request to participate in a glued envelope, on which it is clearly indicated: "Request to participate in competitive procedure with negotiation (id. No RBR 2017/9) "Preparation of Business plan". Do not open until 8 May 2017 at 10:00 o'clock". And the address (paragraph 3.13.1 of the Regulations). The name, address and telephone number of the Candidate shall be specified on the envelope;
- 3.14.2. a Request to participate shall be submitted sewn or bound together in a way that makes the documents inseparable, in written form, in English;
- 3.14.3. in case there are documents in the Request to participate which originally are not in English, a translation certified by the Candidate has to be included;
- 3.14.4. one original, one copy and a soft copy (soft copy files being in MS Office format and PDF format, or equivalent to the mentioned formats) of the Request to participate shall be submitted for the Procurement Procedure;
- 3.14.5. All costs associated with the preparation and submission of the Request to participate shall be borne by the Candidate.

3.15. Evaluation of the Requests to participate:

- 3.15.1. The Commission carries out the evaluation of the Requests to participate in closed meetings. The Commission verifies compliance of the Request to participate and the Candidate with the requirements of the Regulations;
- 3.15.2. The Commission verifies whether the Request to participate is prepared in accordance with paragraph 3.14 of the Regulations;
- 3.15.3. The Commission verifies whether any of the grounds for exclusion pursuant to paragraph 3.2 of the Regulations are applicable;
- 3.15.4. The Commission verifies that the Candidate and the Candidate's proposed Project Manager complies with all of the selection criteria as stipulated in respectively paragraph 3.4 and paragraph 3.6 of the Regulations;
- 3.15.5. The Commission will evaluate if any discrepancies of the Candidate's selection criteria documentation or preparation or layout of the Request to participate, are fundamental enough to deny the Commission the possibility of thoroughly evaluation the Request to participate or verify the Candidate's compliance with the selection criteria;
- 3.15.6. A Candidate shall be excluded from the Procurement Procedure if grounds for exclusion pursuant to paragraph 3.2 of the Regulations are applicable and where the measures taken by the Candidate as set out in paragraph 3.3. of the Regulations have not been sufficient to demonstrate the reliability of the Candidate;
- 3.15.7. A Candidate shall be disqualified from further participation in the Procurement Procedure where:
 - a. it does not comply with any of the selection criteria stipulated in paragraph 3.4 and paragraph 3.6 of the Regulations;
 - b. it has provided false or fraudulent information or has not provided any information at all for its compatibility with the selection criteria, has not provided the information the Commission has requested within the set time limits, or the subject matter of the selection documentation do not comply with the requirements of the Regulations, or they have not been provided in accordance with the Regulations;
 - c. the Candidate has not submitted the documentation required in paragraph 3.9 of the Regulations to prove its compatibility with the selection criteria of paragraph 3.4 and paragraph 3.6 of the Regulations;
 - d. Discrepancies in the Request to participate or its layout are so fundamental that the Commission is effectively barred from thorough evaluation of the Request to participate.
- 3.15.8. If the Candidate and its Request to participate complies with all of the requirements of the Regulations, then Candidate shall be invited for participation in the second stage of the Procurement Procedure.
- 3.15.9. After the evaluation of the Requests to participate the Commission adopts a decision on the

Candidates to be invited to the second stage of the Procurement Procedure, i.e. invited to submit the initial Tenders. The Company will duly inform all of the Candidates on the decision of the Commission in accordance with the procedure specified in the Public Procurement Law of the Republic of Latvia.

- 3.15.10. The Commission will not reduce the number of Candidates to be invited to the second stage of the Procurement Procedure.
- 3.15.11. If only one Candidate complies with the Regulations, the Commission shall pass a decision to discontinue the Procurement Procedure.

4. RIGHTS AND DUTIES OF COMMISSION

4.1. The Commission shall have the following rights:

- 4.1.1. to reject the Request to participate of the Candidate if the Candidate has not complied with the terms and requirements envisaged by these Regulations;
- 4.1.2. to request that the Candidate provides explanations in respect to the information set out in the Request to participate. The Company shall have the right to check the necessary information with the competent institution, in publicly available data basis as well as in other publicly available sources;
- 4.1.3. to correct mathematical errors in the Request to participate of the Candidate by informing the Candidates about it;
- 4.1.4. to invite an expert or experts at any time of the Procurement Procedure;

4.2. The duties of the Commission shall be as follows:

- 4.2.1. to ensure compliance of the Procurement Procedure and documentation of Procurement Procedure with the Public Procurement Law, other statutory laws and the Regulations;
- 4.2.2. to ensure free competition of the Candidates as well as equal and fair treatment towards the Candidates;
- 4.2.3. pursuant to the respective request, to provide information about the Regulations in accordance with the Public Procurement Law and other statutory laws;
- 4.2.4. to evaluate Candidates and the Request to participate submitted by the Candidates in accordance with the Public Procurement Law, other regulatory enactments and this Regulations, as well as to select Candidates for participation in the second stage of the Procurement Procedure or to make the decision on the termination of the Procurement Procedure without proceeding to the second stage of the Procurement Procedure;
- 4.2.5. to ensure the availability of the information in “Procurement” section of the webpage of the Company <http://www.railbaltica.org/en/procurements> in case there are any corrections made or explanations provided regarding the subject matter of the procurement.

5. RIGHTS AND DUTIES OF THE CANDIDATE

5.1. The Candidate shall have the following rights:

- 5.1.1. to unite in a group with other Suppliers or other legal entities and individual persons to submit a joint Request to participate;
- 5.1.2. to amend or recall the Request to participate submitted before the deadline for submitting the Requests to participate;
- 5.1.3. to request explanations regarding the preparation of the Request to participate. All requests shall be executed in writing in English and shall be sent to the following e-mail: procurement@railbaltica.org. Subject of the e-mail must contain the Procurement number: "RBR 2017/9." The name, address and telephone number of the Candidate must be specified in content of the e-mail.
- 5.1.4. to submit an application to the Company regarding the terms of the Regulations (before submitting the Request to participate) and regarding the activity of the Commission (the Company) during the Procurement Procedure (before concluding the Contract);
- 5.1.5. to submit the application to the Procurement Monitoring Bureau regarding the terms of the Regulations and regarding the activity of the Commission (the Company) during the Procedure in accordance with the order prescribed in Article 68 of the Public Procurement Law.

5.2. The Candidate shall have the following obligations:

- 5.2.1. to prepare the Request to participate in accordance with the requirements of the Regulations;
- 5.2.2. to provide true and accurate information about its qualification and the Request to participate;
- 5.2.3. to provide answers to the inquiries of the Commission regarding additional information that is necessary for the selection of the Candidates, within the time limits specified by the Commission;
- 5.2.4. to cover all costs that are related to the preparation and submission of the Request to participate;
- 5.2.5. until the end of the deadline for submission of the Request to participate, to follow the information about the process of the Procurement Procedure in "Procurement" section of the webpage of the Company <http://www.railbaltica.org/en/procurements> taking into account the fact that the Company ensures free and direct electronic access to the documents of the Procurement Procedure.

6. SECOND STAGE OF THE PROCEDURE

- 6.1. During the second stage of the Procurement Procedure the Candidates that complied with all of the requirements of the first stage of the Procurement Procedure will be invited to submit their initial Tenders, followed by the negotiations conducted in order to select the most economically advantageous Tender.
- 6.2. **Invitation to submit a Tender and participate in the negotiations.** After announcement of the results of the selection of Candidates' stage, the Company shall invite each of the selected Candidates to submit its initial Tender and participate in the negotiations. Invitations shall be sent out in accordance with the

regulatory enactments determining the term for submission of the Tenders, as well as the date and the place of the start of negotiations. The term for the submission of Tenders shall not be less than 30 days. Invitation will contain the following:

6.2.1. Detailed description of the second stage of the Procurement Procedure;

6.2.2. Technical specifications;

6.2.3. Detailed description of the evaluation criteria;

6.2.4. Draft of the Contract;

6.3. **Grounds for exclusion:** the conditions for the mandatory exclusion of Tenderers are set out in Section 1 of Article 42 of Public Procurement Law of the Republic of Latvia. The compliance of the Tenderers with the conditions for exclusion will be verified in accordance with the procedure set forth in Article 42 of Public Procurement Law of the Republic of Latvia.

6.4. **Evaluation of the Tenders:**

6.4.1. The Contract shall be awarded and the winner of the Procurement Procedure shall be the Tenderer who has **submitted the most economically advantageous Tender.**

6.4.2. Evaluation criteria (a detailed description shall be provided in the Invitation) in order of significance:

6.4.2.1. Quality of the technical proposal: 65%

6.4.2.2. Price: 35%.

6.5. During the negotiations, the Commission shall ensure equal treatment and non-discriminatory treatment of all the Tenderers.

6.6. The Commission shall perform negotiations with the Tenderers on their initial and all subsequent Tenders, except for the final Tender.

6.7. The Commission shall have the right to withhold negotiations and award the Contract on the basis of the initial tenders, if the Commission chooses so.

6.8. The Commission does not intend to reduce the number of Tenderers during the negotiations stage.

6.9. After completion of the negotiations the Commission will inform all of the Tenderers accordingly, and will set a reasonable term for the Tenderers to submit their final Tenders which the Commission will evaluate in accordance with the requirements laid down by the Invitation.

6.10. The final Tenders shall be evaluated independently by each member of the Commission in accordance with the Tender evaluation methodology stipulated in the Invitation.

Enclosed:

Annex No. 1 – Candidate's application on 1 (one) page;

Annex No. 2 – Provisional Terms of Reference for the Service on 13 (thirteen) pages;

Annex No. 3 – Experience of the Candidate on 1 (one) page;

Annex No. 4 – Experience of the Project Manager on 1 (one) page.

2017.____. _____
No _____

APPLICATION FOR PARTICIPATION IN THE
PROCUREMENT
competitive procedure with negotiation
“Preparation of Business plan” (identification No: RBR 2017/9)

Candidate _____, reg. No. ____
(Name of the Candidate or names of the members of a group of suppliers)

represented by _____
(Name, surname and position of the manager or an authorized person)

by submitting this application:

We confirm participation in the competitive procedure with negotiation organized by the RB Rail AS
“Preparation of Business plan”, No RBR 2017/9;

We meet the criteria of a (*small/medium*) sized enterprise¹ as defined in the Article 2 of the Commission
Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprise;²

We declare that for the purposes of qualifying for the competitive procedure with negotiation we rely on the
capabilities of the following entities:

No	Name, registration number and registered address of the entity	Capabilities on which the Candidate relies
1.		
2.		

We confirm that the Regulations for the competitive procedure with negotiation is clear and understandable,
we do not have any objections and complaints.

We hereby confirm that any information and documentation submitted within the framework of this
procedure is true and correct and comprehensive in all material aspects.

(Signature)

Address of the Candidate,

telephone (fax) number, e-mail address.

Position, name and surname of the manager or the authorized person of the Candidate

¹ The information on the size of the Candidate is used solely for statistical purposes and are not in any way whatsoever
used in the evaluation of the Candidates and their Requests to participate.

² Available here - http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2003.124.01.0036.01.ENG&toc=OJ:L:2003:124:TOC

Provisional Technical Specification*

(Terms of Reference)

1. Background

The Baltic countries Estonia, Latvia and Lithuania have historically been linked to the east-west railway transport axis using the 1520mm gauge system. Because of the existing historical and technical constraints, the existing rail system is incompatible with mainland European standards, thus there is a consensus that Estonia, Latvia and Lithuania need to be fully integrated into the wider European rail transport system. Currently there is no efficient 1435 mm railway connection along the Warsaw-Kaunas-Riga-Tallinn axis, i.e. there are missing links or significant bottlenecks. Thus, there are no direct passenger or freight services along the railway axis as the existing infrastructure does not allow for competitive services compared to alternative modes of transport. Thus, the clear majority of the North-South freight is being transported by road transport and the overall accessibility in the region is low.

The ambitions of the Rail Baltica Global project (Global Project) are:

- to become a powerful catalyst for sustainable economic growth in the Baltic States;
- to set a new standard of passenger and freight mobility;
- to ensure a new economic corridor will emerge;
- sustainable employment and educational opportunities;
- an environmentally sustainable infrastructure;
- new opportunities for multimodal freight logistics development;
- new intermodal transport solutions for passengers;
- safety and performance improvements;
- a new value platform for digitalization and innovation;
- completion of Baltic integration in the European Union transport ecosystem.

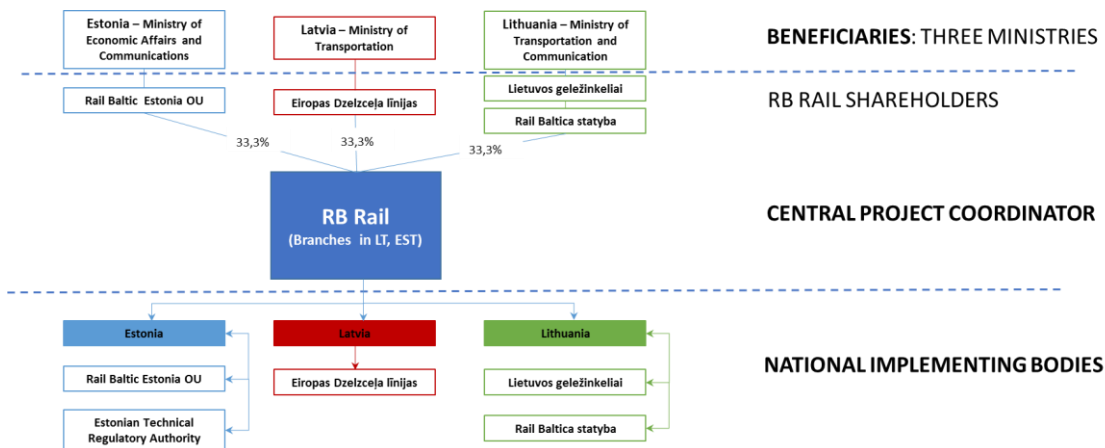
Rail Baltica is already designed to become a part of the EU TEN-T North Sea – Baltic Core Network Corridor, which links Europe’s largest ports of Rotterdam, Hamburg and Antwerp – through the Netherlands, Belgium, Germany and Poland – with the three Baltic States, further connecting to Finland via the Gulf of Finland short sea shipping connections with a future fixed link possibility between Tallinn and Helsinki. Further northbound extension of this corridor shall pave the way for future connectivity also with the emerging Arctic corridor, especially in light of the lucrative prospects of the alternative Northern Circle maritime route development between Europe and Asia. Furthermore, the North Sea – Baltic Corridor crosses with the Baltic-Adriatic Corridor in Warsaw, paving the way for new supply chain development between the Baltic and Adriatic seas, connecting the Baltics with the hitherto inadequately accessible Southern European markets. In a similar fashion, Rail Baltica shall strengthen the synergies between North-South and West-East freight flows, creating new transshipment and logistics development opportunities along the Europe and Asia overland trade routes. The new Rail Baltica infrastructure would, therefore, not only put the Baltics firmly on the European rail logistics map, but also create massive opportunities for value creation along this infrastructure with such secondary economic benefits as commercial property development, revitalization of dilapidated urban areas, private spin-off investment, new business formation, technology transfer and innovation, tourism development

and other catalytic effects. Rail Baltica aims to promote these effects from the early stages of the Global Project, learning from the key global success stories and benchmarks in this regard.

The contracting authority RB Rail AS (RBR) was established by the Republics of Estonia, Latvia and Lithuania, via state-owned holding companies, to coordinate the development and construction of the fast-conventional standard gauge railway line on the North Sea – Baltic TEN-T Core Network Corridor (Rail Baltica II) linking three Baltic states with Poland and the rest of the EU. The main technical parameters shall correspond to traffic code P2-F1 as per INF TSI (Commission Regulation 1299/2014/EU) and shall have the following main technical parameters:

- double track, design speed on the main track 240 km/h, gauge GC, design speed on side tracks minimum 100 km/h;
- axle load at least 22.5 t;
- distance between track centres at least 4.20 m on the main tracks;
- distance between two sided passing loops approximately 50 km and crossovers approximately 25 km but staged according to a train traffic forecast;
- all road crossings only as above or below grade crossings (segregated grade crossings), fencing for the entire length, noise barriers where needed;
- ERTMS Level 2 with possible update to the newest version;
- communications system GSM-R with a view to accommodate the new generation railway communications standard;
- electrification 2x25 kV AC, to accommodate freight trains of up to 740 m length (with the possibility to extend to 1050 m in a long term) and with the maximum speeds of 120 km/h, and to accommodate passenger trains of up to 250 m length (with the possibility to extend to 400 m in a long term) and with the maximum speeds of 240 km/h.

The shareholders structure of RBR is presented in Figure 1.



RBR together with governments of Estonia, Latvia and Lithuania (represented by the ministries in charge of transport policy) have applied for the CEF co-financing in 2015, 2016 and 2017 (three applications in total). The first two applications were successful and INEA grants are available to support the Global Project expenses with up to 85% of co-financing in amount of 633 mln EUR. The additional amount in the 2017 application (CEF3) is 313 mln EUR, and the decision is expected to be announced and the grant agreement to be signed in the third quarter of 2017.

In accordance with the RBR Shareholders Agreement (hereinafter SHA), the company shall operate based on the Business Plan. SHA stipulates that “the Management Board shall prepare and the Supervisory Board shall consider and approve a rolling 10-year business plan”. Furthermore, the Contracting Scheme and the Grant Agreements for the Actions under CEF set the framework of the tasks of RBR as a Coordinator of the Action and those of the beneficiaries and respective implementing bodies.

While Business plan will source its key assumptions from Cost Benefit Analysis study, the results of the Business plan will be further developed in the Commercialisation study. These studies will expand with the concrete in-depth studies of activities with a potential positive business case identified in the business plan.

2. Available information

RBR will supply the Contractor with the following documents that will contain key input information necessary for the preparation of the business plan. It is expected that cost benefit analysis will be the key source of information containing most up-to-date and detailed qualitative and financial assumptions available to RBR.

- Key corporate governance documents of RBR:
 - o Shareholders agreement;
 - o Inter-beneficiary agreement on CEF payments;
 - o Contracting scheme agreement;
 - o Budget 2017 and high level budget 2018.

- Key available studies:
 - o Pre-feasibility study carried out by AECOM, 2011 with an update in 2015;
 - o Contracting Scheme study, carried out by PriceWaterHouse Coopers in 2015;
 - o Various national Rail Baltica studies in Estonia, Latvia and Lithuania;
 - o Other available studies on the subject matter.

- Cost benefit analysis, carried out by Ernst & Young Baltic, that is expected to be completed in April 2017, containing the following key assumptions and information:
 - o Infrastructure investment cost (CAPEX) (including estimation of expenses that are associated with development of infrastructure for freight and passenger transportation; connections to high voltage grid; access points power supply lines, deployment of signalling equipment etc.);
 - o Markets assessments for both passengers and freight flows, including pricing and revenue estimates;
 - o Infrastructure operational cost (including estimation of infrastructure maintenance costs; periodic renewal costs, operating information, etc.);
 - o Operational costs for passenger/freight carries (regular maintenance costs and repair expenses of the rolling stock, which include daily preventive maintenance, regular preventive maintenance, corrective maintenance and cleaning; energy consumption; leasing payments for rolling stock; cost of labour and other administrative expenses; other overhead expenses);
 - o Assumptions on depreciation, renovation and residual value of infrastructure;
 - o Risk and sensitivity analysis from project delivery company or infrastructure manager’s perspective, which will test the impact of various external and internal factors on the outcome of CBA.

The Contractor in addition to its own study and research is expected to use and rely on the existing information. The Contractor is expected to perform a critical review of existing information, updates to outdated information and completion of missing information is also expected.

3. Task

The Contractor is expected to prepare an 8 (1st to 3rd phase of the Global Project as per below) +10 (4th phase of the Global Project as per below) year Business plan of the Global Project. Afterwards RBR will use the Business plan as rolling Business plan updated annually.

Based on the Shareholders agreement, Business plan shall be independent of the decision of shareholders on infrastructure management, i.e. the Business plan shall include (1) activities for the entire Global Project up until the anticipated Global Project outcome (completion of the construction, testing and commissioning of the entire Railway) and activities of RBR (in case RBR continues the railway network development and administration activity) or (2) the activities of the Railway (in case the company is liquidated).

The Business plan shall be prepared based on the following Global Project stages:

1st phase of the Global Project Planning

2nd phase of the Global Project Designing

3rd phase of the Global Project Construction

4th phase of the Global Project Operations - Start of Operations and Continuation of Operations.

The Business plan shall set forth an intended strategy of the Global Project and RBR for each of the Global Project phases. It is generally expected that the Business plan will be prepared for all 4 phases of operations. It is expected that the stages may overlap during the duration of the Global Project.

Specifically, to meet the requirement of the Shareholders agreement, the Business plan shall include at least the following information:

For Phases 1 – 3:

- 1) set forth detailed description of the Global Project implementation activities with respect to separately horizontal Global Project activities, Estonian railway part, Latvian railway part and Lithuanian railway part, in light of the roles and responsibilities stipulated in the Contracting Scheme Agreement;
- 2) contain forecast of the deadlines for the construction of Railway infrastructure of the Global Project (including detailed information with respect to the Estonian railway part, Latvian railway part and Lithuanian railway part);
- 3) contain the forecast capital expenditure (CAPEX) to be incurred for the implementation of the Global Project (including a detailed break-down with respect to the Estonian railway part, Latvian railway part and Lithuanian railway part).

For Phases 1- 4:

- 1) set out a detailed marketing plan for the upcoming financial year and a summary of the most important marketing activities during the whole business plan period
- 2) contain details of any major or unusual items of expenditure forecast to be incurred for the implementation of the Global Project (including a detailed information with respect to the Estonian railway part, Latvian railway part and Lithuanian railway part) during the financial years to be covered by the Business plan;
- 3) set out financing needs and proposals on the most efficient capital structure, considering received and applied grant financing, national financing, equity of RBR, State subsidies for operations if relevant, bank borrowings, other financial facilities and/or instruments separately with respect to separately

horizontal Global Project activities, Estonian railway part, Latvian railway part and Lithuanian railway part, in light of the roles and responsibilities stipulated in the Contracting Scheme Agreement;

- 4) contain any other relevant information RB Rail may reasonably require in respect of the period covered by such Business plan.

For Phase 4:

- 1) contain an estimate of the revenues, operating expenditure, and cash flows of the of the Railway on a consolidated basis for the financial years to be covered by the Business Plan, (including detailed information with respect to Estonian railway part, Latvian railway part and Lithuanian railway part).

4. Deliverables

At the end of the Task, the Contractor is expected to produce the following deliverables: (1) Business plan, (2) Financial model, (3) Presentation.

Financial model shall be delivered with full ownership described under section 5.2.

All deliverables should be submitted in accordance to the Rail Baltica visual guidelines and the EU CEF visibility requirements.

5.1. Business plan

Business plan should clearly explain assumption for the key items in the Financial Model with clear indications and references for the source data.

The Contractor shall develop a methodology how in the Business plan to separate essential (basic) functions for the project delivery company or infrastructure manager from other – supplementary - business areas and functions in line with the EU rail industry legislation (including the 4th Railway package) and European and global best practice benchmarking.

The Contractor shall provide a list and indicate the commercial potential (value added) of supplementary services and business areas for the project delivery company or infrastructure manager to consider pursuing in addition to essential functions based on analysis on specific business cases.

Business plan at minimum should contain the following key sections. The Contractor may suggest to supplement the Business plan with additional sections as deemed necessary and relevant:

5.1.1. Global Project implementation status

Global Project status shall provide a short update of the progress of the Global Project implementation. The information shall explain the status of the completed, ongoing and future Global Project activities until the date of commissioning of the entire railway as of the date of preparation of the Business Plan. The analysis of the Global Project status may be complemented by using SWOT analysis or similar tools.

5.1.2. Long term Global Project development strategy

Qualitative and quantitative discussion on how does the Global Project contribute to key objectives, including wider transport and government objectives. Describe what will constitute success for the Global Project and how it will be measured, including by drawing from the experiences of the European and global best practice examples in this area. The contractor is expected to present a set of relevant key performance indicators for each

Global Project stage. The long-term strategy shall consider current and known future EU transport policy developments.

Strategy shall address Global Project implementation strategy and description of the business of RBR. Strategy of RBR shall contain key strategic goals, mission and long-term, medium and short-term targets of the company during each of the Global Project `s phases.

Strategy shall also outline spectre of strategic options for Global Project management and operation after commissioning (including but not limited to an infrastructure management company, a rolling stock company, rail transport services provider and other relevant options). These options must be assessed from the point of view of potential commercial viability, as well as benchmarking the European and global best practices, also indicating best practice scenarios with regard to the use and evolution of the Global Project delivery companies after the commissioning of the infrastructure.

5.1.3. Organisational structure and Global Project governance

Business plan should address the organisational structure and governance model of the Global Project and RBR during different stages of the Global Project implementation. The Contractor shall analyse in detail the Global Project implementation tasks under responsibility of RBR and resources required to conduct these tasks and provide analysis of in-house capability building vs outsourcing of tasks.

Any relevant cooperation partners, daughter companies, stakeholders and any legal or other regulatory or supervisory aspects related to decision making should be identified and, if relevant, should be analysed. The detailed stakeholder model/ matrix could be one of the presentation tools for this section of the business plan.

5.1.4. Market and competition

Relevant business environment trends and constraints should be analysed and outcomes of the previous studies updated. The market development scenarios should be carried out. The Contractor will identify target client groups and produce service descriptions for services of the Railway, including additional and ancillary services, analyse options for business model and propose the most feasible business model for service provision.

5.1.5. Commercialisation strategy

Business plan shall address the various models of ensuring operations and use of the newly built railway infrastructure, as well as the wider aspects of Rail Baltica commercialization. The Business plan must identify/indicate future business areas, services or activities with a commercial potential (i.e. for which sizeable market demand exists or could develop or be developed) and thereby provide critical input to other subsequent Global Project studies which would analyse these identified business opportunities in detail through commercialization studies and pilot projects. The contractor should consider such options (but not limited to) as development of piggyback transportation services, development of seamless air-rail intermodal connectivity for passenger and freight mobility; transportation of passenger vehicles on the Rail Baltica passenger services; promotion of synergy and optimal intermodality between the 1435mm and 1520mm railway infrastructures; automotive and other industrial supply chain development; digitalization and deployment of innovations in the Rail Baltica economic corridor; development of high added value logistics services (including assembly logistics); commercial property development around stations and other relevant possibilities. In this context, the Contractor is expected to perform a comprehensive European and global best practice benchmarking with regard to the commercialization of high-speed rail infrastructure and analyse the adaptability and market potential of these practices for Rail Baltica.

5.1.6. Capital expenditure and Global Project scheduling

The Contractor shall compile information from the management of RBR and relevant stakeholders on the planned capital expenditure. The information available in the cost-benefit analysis shall serve as a point of departure in this regard. Any inconsistencies or material deviations should be noted and appropriate adjustments made.

Capital expenditure forecasts should be based on clear description and realistic time line of activities related to the technical implementation and construction. Additional complexity in relation to national and European public procurement processes as well as availability of potential suppliers need to be considered.

In this area, we would specifically expect involvement of railway engineers, scheduling and procurement experts to be able to perform this task.

5.1.7. Regulatory and compliance matters

The Contractor shall describe the legal framework (including, but not limited to list of applicable legal acts) affecting and regulating railway and general transport market in the European Union and each of the Baltic countries. The Contractor shall also analyse the possible effect of the legal acts on the Global Project by analysing options for railway infrastructure management and operations accordingly. State aid issues need to be assessed separately. Impact of regulatory and compliance matters in each of the Global Project stages should be quantified and reflected in the financial model, including the forecast of infrastructure charge.

In this area, we would specifically expect involvement of railway compliance specialists and/or lawyers to be able to perform this task. The Global Project aims to ensure full compliance with the provisions and recommendation of the EU railway legislation (including the 4th Railway package), as well as the highest standards of the functioning of the European Single Market.

5.1.8. Taxation matters

The Contractor shall describe key taxation matters of Estonia, Latvia and Lithuania (and other countries where relevant) that need to be addressed in Preparation of Business plan.

In this area, we would specifically expect involvement of tax specialists of the three Baltic countries to be able to perform this task.

5.1.9. Public procurement matters

The Contractor shall describe the procurement framework, best practice and benchmarks in the European Union and Latvia, Estonia and Lithuania specifically that will impact the Global Project and accordingly take into consideration the impact on the Global Project.

In this area, we would specifically expect involvement of procurement lawyers of the three Baltic countries to be able to perform this task, as well as an EU procurement expert with best practice know-how.

5.1.10. Public relations and communication matters

The Contractor shall identify key stakeholder groups for each of the Global Project phases and their influence on the Global Project. Business plan should contain analysis of approach and strategies on stakeholder

engagement for the Global Project benefit using best practice examples of similar projects. The proposed methods should be quantified and reflected in the financial model.

In this area, we would specifically expect involvement of public communication and or/stakeholder engagement specialists to be able to perform this task.

5.1.11. Environmental and sustainability matters

The Contractor shall identify and discuss key global and locally specific and Global Project specific environmental and sustainability matters that may affect Global Project outcome in each stages of the Global Project. Business plan should offer approach on dealing with environmental matters in the most efficient way.

In this area, we would specifically expect involvement of environmental experts to be able to perform this task.

5.1.12. Accounting policy matters, especially in the areas of capitalisation in general, capital expenditures, etc.

The Contractor shall identify key judgmental accounting matters, especially considering differences in national accounting legal acts across three Baltic countries and differences with International Financial Reporting Standards. Financial forecasts should incorporate the potential adjustments that may arise.

In this area, we would specifically expect involvement international financial reporting specialists to be able to perform this task.

5.1.13. Proposed KPIs for each Global Project stage

The contractor shall identify the set of relevant key performance indicators for each Global Project stage with justification for their relevance as well as clear description of input data to be used, process of calculation and method for result interpretation, i.e. benchmarks.

5.1.14. Financing options

Financing plan covers overall financing strategy of the Global Project and RBR in different Global Project stages. Financing plan shall cover analysis of potential future EU grants, national contribution and borrowing options, if appropriate.

The Contractor shall analyse potential scenarios of future EU grants for design and construction of the entire railway, considering existing and new EU financing instruments like the European Fund for Strategic Investments (EFSD) ('Juncker Plan') and others.

While analysing national contributions, the Contractor should have a clear understanding of national (Estonian, Latvian and Lithuanian) financing timing and methods, as well as available national financing instruments (government allocations, government procurement, loans, guarantees, etc.) to enable RBR to offer most efficient financing proposals to Global Project stakeholders. The Contractor shall identify all relevant information / requirements from the national beneficiaries (ministries) with respect to national state budgeting procedures and requirements, future assets capitalization aspects, state aid implications, equity investment decision making, corporate governance and other relevant input with regard to the financing and accounting of the infrastructure as per Business plan delivery timing

Review of the financing option should describe key commercial "bankability" criteria of the Global Project considering Global Project timing and maturity. Potential sources of debt and equity financing shall be described

by analysing potential pros and cons. Potential suppliers of commercial or semi/commercial financing and specific programs needs to be listed.

In addition, business plan should clearly separately also propose/describe financing scenarios of RBR as the Global Project manager, either through equity injections, service charge model or otherwise.

5.1.15. Risk management

The Contractor shall conduct high level risk assessment of the Business Plan (initial risk assessment is covered by Cost Benefit analysis) covering risk identification, risk evaluation and advise on their mitigation strategies. The risks shall at least cover the following categories:

- Regulatory risks;
- Financial risks (including tax risks);
- Strategic risks;
- Operational risks;
- Technical and construction process risks;
- Environmental risks;
- Regulatory risks;
- Reputational risks.

5.2. Financial model

The Contractor is expected to deliver the financial model with the following minimal technical requirements:

- In Ms Excel or equivalent format;
- Formulas available, model construction should demonstrate high financial modelling proficiency, no “hard coding” in the model is allowed (all inputs should be linked to the assumptions sheet);
- Macros enabled (access to the source codes), should include automatic error checking and be free of circular references;
- No protected sheets, passwords, hidden sheets or hidden cells are allowed;
- Model should be easily adjustable by making changes in the assumptions, there must be a separate sheet for assumptions;
- Model should be useable by RBR with total independence from the Contractor after the end of the assignment. The modelling tool should be sufficiently accessible and clear to give RBR the possibility to keep on using the model for other purposes than the objectives of the present assignment.

The financial model should be constructed for the whole Global Project, but at the same time demonstrating separately with respect Estonian railway part, Latvian railway part and Lithuanian railway part:

- The presentation worksheet containing general information, change log and table of contents;
- Profit/loss statement, including detailed forecasts on Global Project implementation support measures;
- Balance sheet;
- Detailed capital expenditure forecasts;
- Monthly cash flow statement, structured as operational, investing and financing cash flows, including analysis of net working capital cash flow;
- Profit/loss statement and operating cash flow shall differentiate between minimum required service and additional services and innovations to be added based on business cases;
- Applied scenario analysis, highlighting the most important sensitivity factors. Scenario analysis will be made by changing various key inputs, to see their change impact on the Business plan. In addition, several

sensitivity scenarios shall be determined that would represent extreme positive or adverse impacts that the Global Project might face in the future to test the robustness of project’s economic viability against such impacts. Sensitivity factors as example could be changes in capital expenditure, infrastructure maintenance cost, infrastructure periodic renewal cost, administration cost, minimum infrastructure charge, EU grants, national contribution, borrowing, passenger carrier tariff, freight carrier tariff, freight carrier tariff change, passenger amount, freight amount, passenger induced flow;

- KPIs for each Global Project stage.

The Contractor is also expected to develop Preparation of the model assumption book (“Assumption Book”) and model’s manual, describing the logic of the model and necessary steps required for standalone analyses and scenario management and provide training for the relevant Client’s employees on use of the model.

5.3. Presentation

The presentation should summarise in detail findings of the business plan and financial model in PowerPoint or equivalent format. The presentation should include visualisations (i.e. infographics) and should be self-explanatory and easy to understand for potentially wider audience.

6. Organisational matters

The Global Project management should consider that it will be conducted in Latvia, Riga, but shall include travel to Lithuania and Estonia, while the main Contracting Authority is in Riga. The Contractor is required to propose a Global Project management approach (see below), which is adequate to that scheme to ensure a smooth and efficient preparation of the Business Plan.

At the inception of the Global Project, the RBR will nominate a Global Project coordinator that will be a Global Project manager’s counterparty from RBR’s side. The person will serve as a one-stop communication point for all Global Project related matters from RBR side.

6.1. Business plan delivery timing

Duration of the performance of the task can be no longer than 26 weeks as of the date of signing of the Contract. Contractor shall start the work on the Business Plan and start preparation of the Inception Report as of the date of signing the Contract with the Contractor. The Contractor will be expected to report on the Global Project status to the RBRs Global Project Coordinator on at least weekly basis. Furthermore, RBR plans to establish Reference group to update stakeholders on the Global Project progress. Implementation of the comments made by Reference group will be discretionary to RBR and Contractor.

It is expected that in week 22, the final Business plan and Financial model will be submitted for an independent Peer review to the party chosen by the Contractor. Peer review is expected to be finalised by week 24, so during weeks 24-26, the Contractor may need to incorporate any relevant comments.

The proposed illustrative time schedule based on the Global Project duration of 26 weeks is described below: If the Contractor offers to complete the Global Project in a shorter time period, a reworked time schedule needs to be presented in the initial Tender documentation. If the Contractor chooses to rework the time schedule, then it should be noted that each review phase of RBR is expected to take 2 (two) weeks.

week	Report	Main contents
1 – 6	Inception report	1. Table of contents of the Business plan and financial model architecture 2. Review of available information

		<ol style="list-style-type: none"> 3. Identification of strategic options for Global Project management and operation after commissioning 4. Identification of RB Rail direct shareholders and national government needs of Business plan supporting their decisions regarding Global Project implementation 5. Initial European and global best practice benchmarking insights 6. Financial model is set-up and pre-populated with the available information 7. Detailed Global Project management structure and plan
Strategic briefing to the MB (Management Board) of RBR		
6 - 12	Deliverables 1 st draft	<ol style="list-style-type: none"> 1. Business plan 1st draft (at least but not limited to sections: Global Project implementation status, Long term Global Project development strategy, Organisational structure and Global Project governance, Market and competition, Regulatory and compliance matters, Taxation matters, Public relations and communication matters, Capital expenditure and Global Project scheduling, Accounting policy matters Financing options) 2. Financial model 1st draft with populated fields (at least 60% completed), including Operating cash flow 1st draft with populated fields (at least 95% completed)
Strategic briefing to the MB of RBR		
12 - 16	Deliverables 2 nd draft	<ol style="list-style-type: none"> 1. Incorporation of comments received since 1st draft 2. Business plan 2nd draft (at least 80% completed) 3. Financial model 2nd draft with populated fields (at least 80% completed), including Operating cash flow 2nd draft with populated fields (100% completed)
Strategic briefing of 2 nd draft to the MB of RBR Briefing session to the Reference group after 3 rd draft with the ambition to prepare for the Supervisory Board (SB) mandate for consideration and approval of the finalised Business plan (Shareholders Agreement Clause 7.1).		
16 - 20	Deliverables 3 rd draft	<ol style="list-style-type: none"> 1. Incorporation of comments received since 2nd draft 2. Business plan 3rd draft (100% completed) 3. Financial model 3rd draft with populated fields (100% completed)
Strategic briefing of 3 rd draft to the MB of RBR		

Briefing session to the Reference group after 3 rd draft with the ambition to prepare for the Supervisory Board (SB) mandate for consideration and approval of the finalised Business plan (Shareholders Agreement Clause 7.1).		
20 - 24	Business plan Financial model Sensitivity analysis	1. Incorporation of comments received since 3 rd draft (including IB comments) 2. Business plan final (100% completed) 3. Financial model final (100% completed)
Review of the final draft by the MB of RBR Peer review as commissioned by RBR		
24-25	Presentation	1. Presentation 2. Final review 3. Incorporation of comments from Peer review, if relevant
Presentation to the Global Project stakeholders (Implementing bodies, Beneficiaries, SB and MB of RBR). At least two presentations are expected for each country plus two presentation for RBR internal use (8 presentations in total), including presentation to the SB that is mandated to consider and approve finalised Business plan (Shareholders Agreement Clause 7.1).		
26	Final deliverables submitted	1. Business plan 2. Financial model 3. Presentation 4. Supporting materials if relevant

6.2. Required experts

The Tenderer will be asked to submit in its initial Tender the proposal of the Core Team that will consist of the Global Project manager and Key experts. It is expected that the core team will be supported by additional staff as the Tenderer deems necessary.

6.2.1. Business plan project manager

The daily Business plan project management will be performed by Business plan project manager. Business plan project manager is expected to spend at least 65 man-days on the project out of which at least 50 man-days shall be in presence in Riga (including liaison in the other two capitals in Lithuania and Estonia). Project manager for the purposes of the performance of the Contract should be participating in face-to-face interviews, meetings, telephone calls, and on e-mail to frequently and quickly discuss topical and arising questions as well as plan further steps pertaining to the preparation of the Business plan. The Project Manager for the duration of the Contract shall have the possibility to use a workplace provided at the premises of the Company free of charge.

The Tenderer will not be allowed to change the Project manager during execution of the Contract without prior written approval of RBR pursuant to Article 42 of the Public Procurement law.

6.2.2. Key experts

The Tenderer will be asked to submit in its initial Tender a list of Key Experts. Key Experts are expected to be available on as-needed basis throughout the Project lifecycle. At the minimum, the Tenderer will be asked to present expertise in the following areas (not in the order of priority):

- Railway design;
- Railway construction planning and management;
- Infrastructure financing, including, but not limited to national infrastructure financing mechanisms, EU financing, commercial and mixed financing;

- Railway commercialisation and marketing;
- Intermodal logistics and supply chain management (both passenger and freight, preferably with a business practice experience);
- Railway and logistics digitalization and innovation;
- Transport economist;
- Environmental aspects of infrastructure construction and management;
- Management of public opinion in large scale infrastructure projects;
- Financial modelling;
- IFRS expert;
- European and national (Latvian, Lithuanian, Estonian) public procurement legislation;
- European and national (Latvian, Lithuanian, Estonian) railway regulatory matters, including state aid issues;
- Taxation in Latvia, Lithuania and Estonia;
- Risk management in large scale infrastructure projects;

For the purposes of clarity, one expert and/or Project manager can cover multiple areas of expertise as required above. The Tenderer will not be allowed to change the Key Experts during execution of the Contract without prior written approval of RBR pursuant to Article 42 of the Public Procurement law.

6.2.3. Additional staff

The Tenderer will be welcome to complement the list of Key Experts with additional skills and/or additional staff that based on the Tenderer's experience will be required for the execution of the Contract and successful implementation of the Project.

Project Manager, all experts of the Core Team and Additional staff should have good working knowledge and presentation skills in English and have impeccable reputation.

6.2.4. Contents of the Initial Tender

(1) Technical proposal, that will likely consist of:

- List of key experts to be involved in the Project covering the required areas as described above and their CVs (including detailed description of project relevant experience and English language fluency). The Tenderer must estimate and present the required time for each of the proposed Key Experts in general and their planned face-time presence in Latvia (or Lithuania/ Estonia as required), specifically (time and functional distribution chart).
- Description of methodology and approach for the Project management.

(2) Financial proposal, in lump sum, net of VAT, including the payment schedule³. The quoted amount should include all ancillary expenses (travel, document preparation, etc.).

After the submission of initial Tenders all Tenderers will be invited to present their Technical proposals in a 1 – 2 hour presentation to the representatives of RB Rail Commission. The planned timing of presentations is 12 – 17 June 2017.

**Please note that the information mentioned in this Provisional Technical Specification is solely for information purposes, in order for the Candidates to have a better understanding of the subject matter of the Procedure. This document will be subject to change, while the general scope of the subject matter will remain the same. The final and definitive version of the Technical Specification will be sent to the Tenderers in the Invitation documentation.*

³ RBR is legally restricted in payment of any advances.

Experience of the Candidate

No	Name and description of the project (scope of the project, funding source, place of execution, cross-border element, etc.)	Date of completion of the contract	Contracting authority, including the description on the status/role of the Contracting authority in implementation of the project (project delivery company or infrastructure manager)	Description of the responsibilities according to contract, which characterize the experience, mentioned in respective paragraphs 3.4.5 - 3.4.6	Total capital expenditure in the project (million EUR, excl. VAT), and total eligible costs (million EUR, excl. VAT), if applicable	Contact information of the Contracting authority for references (telephone number, e-mail address at the minimum)
1.						
...						

Experience of the Project Manager

<i>Name, Surname</i>							
Professional experience <i>(relevant to paragraph 3.6.1 -3.6.2)</i>							
No	Employer, Contracting authority including the description on the status/role of the Contracting authority in implementation of the project (project delivery company or infrastructure manager)	Position/role according to contract	Date of completion of contract	Name and description of the project (scope of the project, funding source, etc.)	Description of the responsibilities according to contract, which characterize the experience, mentioned in paragraph 3.6.1-3.6.2	Total capital expenditure in the project (million EUR, excl. VAT), and total eligible costs (million EUR, excl. VAT), if applicable	Contact information of the Contracting authority and Employer for references (telephone number, e-mail address at the minimum)
1.							
2.							
...							