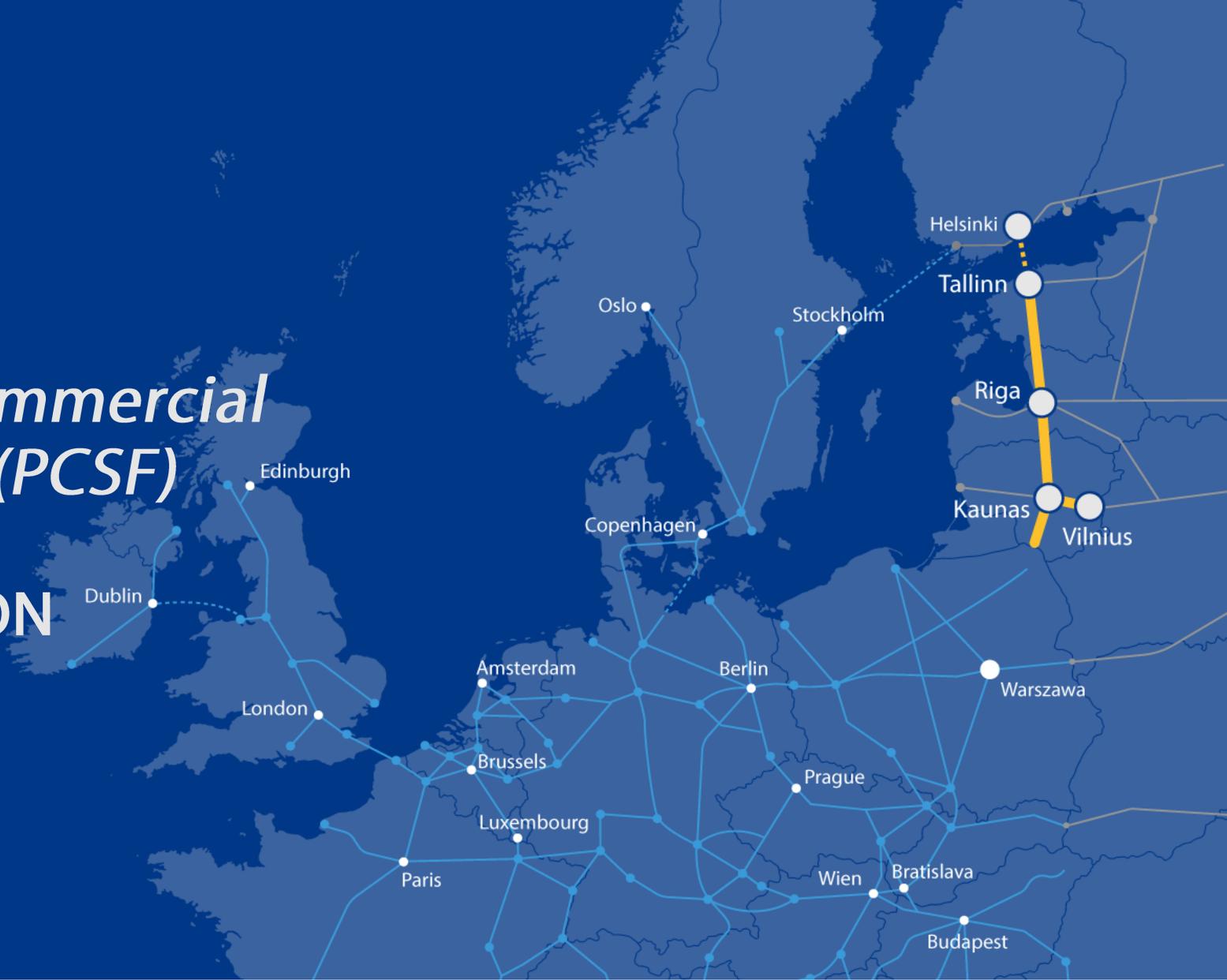




Procurement and Commercial Services Framework (PCSF)

MARKET CONSULTATION

11th January 2022



Co-financed by the Connecting Europe Facility of the European Union

Baiba Ūbele, Procurement Manager, RB Rail AS,
e-mail address: baiba.ubele@railbaltica.org

Agenda

1. Introduction to the main rules of meeting (10 min);
2. General Introduction to the Rail Baltica Global project (10 min);
3. General information on the planned procurement “Procurement and Commercial Services Framework for the Rail Baltica Global Project” (15 min)
3. Q&A session:
 - RB Rail AS questions to suppliers / suppliers answers (30 min.);
 - Suppliers questions / RB Rail AS answers (30 min.).
4. Other (10 min.)

Rules and purpose of the meeting

- **Legal basis for the consultation:** The consultation is organised in accordance with the regulation of Section 18(2) of the Public Procurement Law of Republic of Latvia, which provides rights for the contracting authority to organise a consultation with suppliers (market research) in order to prepare for the anticipated procurement procedure and inform potential suppliers about the procurement plan and requirements.
- **Time and place of the consultation:** 11th January 2022 at 15:00 (Riga time), online, using the *Microsoft Teams* app.
- The consultation will be documented for the preparation of a summary of the consultation (a recording in *Microsoft Teams* will be retained, but not published or shared with third parties).
- **Purpose of the consultation:** To inform interested suppliers about the planned procurement exercise and the content of the subject-matter, as well as to obtain feedback from the interested suppliers regarding the main requirements.

Procurement and Commercial Services Framework for the Rail Baltica Global Project

- The participants of the meeting will be registered for the needs of organising the consultation.
- A short summary of the progress of the consultation meeting, questions asked and answers provided, as well as the feedback provided, will be published on the Contracting Authority's website: <https://www.railbaltica.org/tenders/> where the invitation is published, to ensure transparency of the process, observation of the principle of equal treatment and not to restrict the competition. Summary will be prepared without specifying the name and other specific information about the interested supplier provided the information.
- During the consultation interested suppliers shall consider whether the information provided by them is considered as commercial secret or confidential and restrain from disclosing such information. It is the sole responsibility of the interested suppliers not to disclose any commercial secret or confidential information.

Procurement and Commercial Services Framework for the Rail Baltica Global Project

➤ **Supplier`s confirmation**

By participating in this meeting the interested supplier:

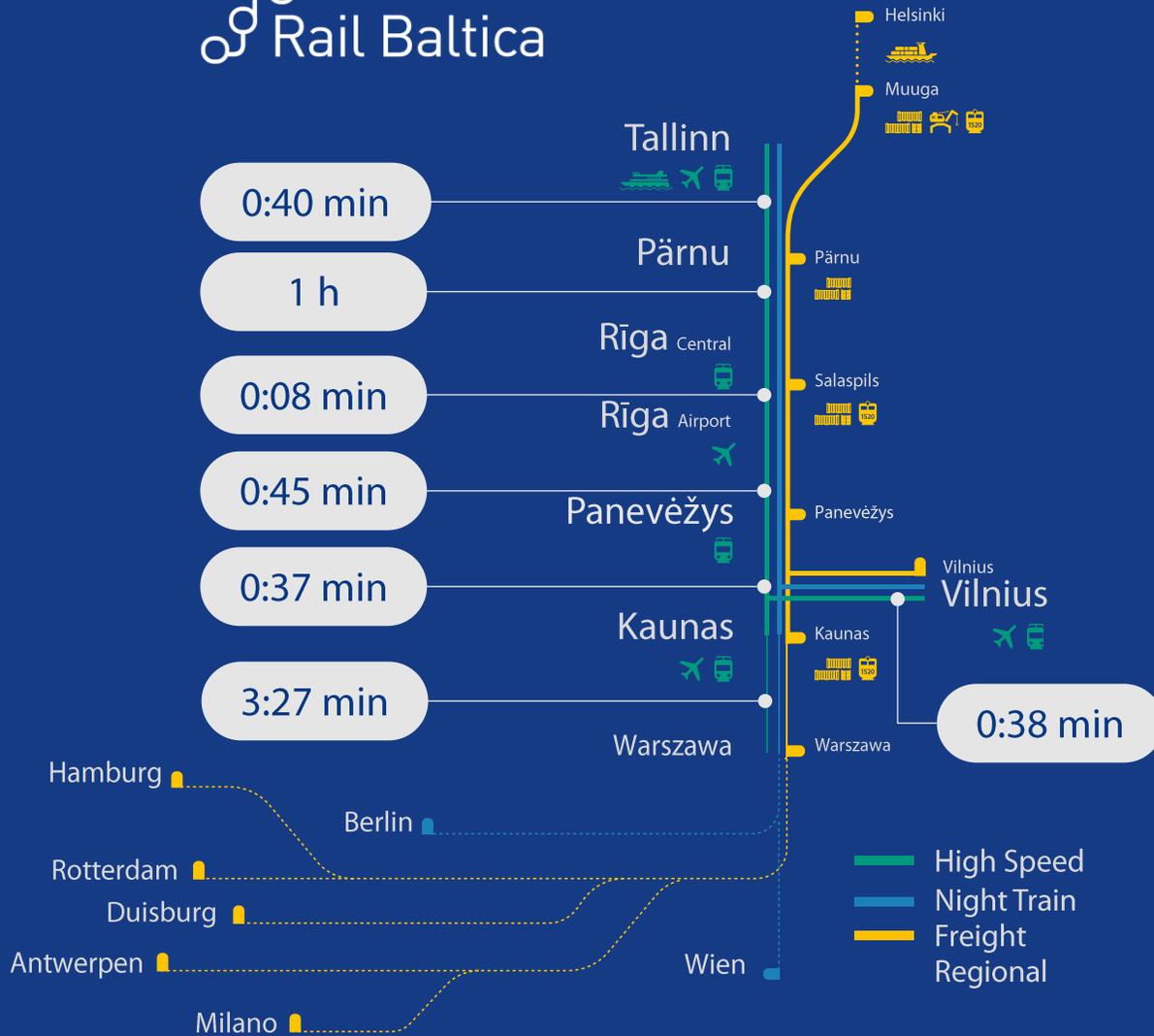
1. Confirms his / her participation in the meeting;
2. Confirms that the rules of the meeting are clear and interested supplier has no objections to the process of meeting;
3. Confirms that the supplier understands the purpose of this meeting, i.e., to inform interested suppliers about the planned procurement exercise for Procurement and Commercial services and the content of the subject-matter, as well as to obtain feedback from the interested suppliers regarding the main requirements, and that no information about other RB Rail AS procurement procedures will be discussed during this meeting.



Introduction to Rail Baltica Global project

Basis for new economic corridor, post-Covid recovery and military mobility

 Rail Baltica



870 km greenfield railway infrastructure



1435 mm Double track



ERTMS Level 2 + FRMCS*



Electrified 25kV AC



Maximum length of freight trains: 1050m



Axle load 25t



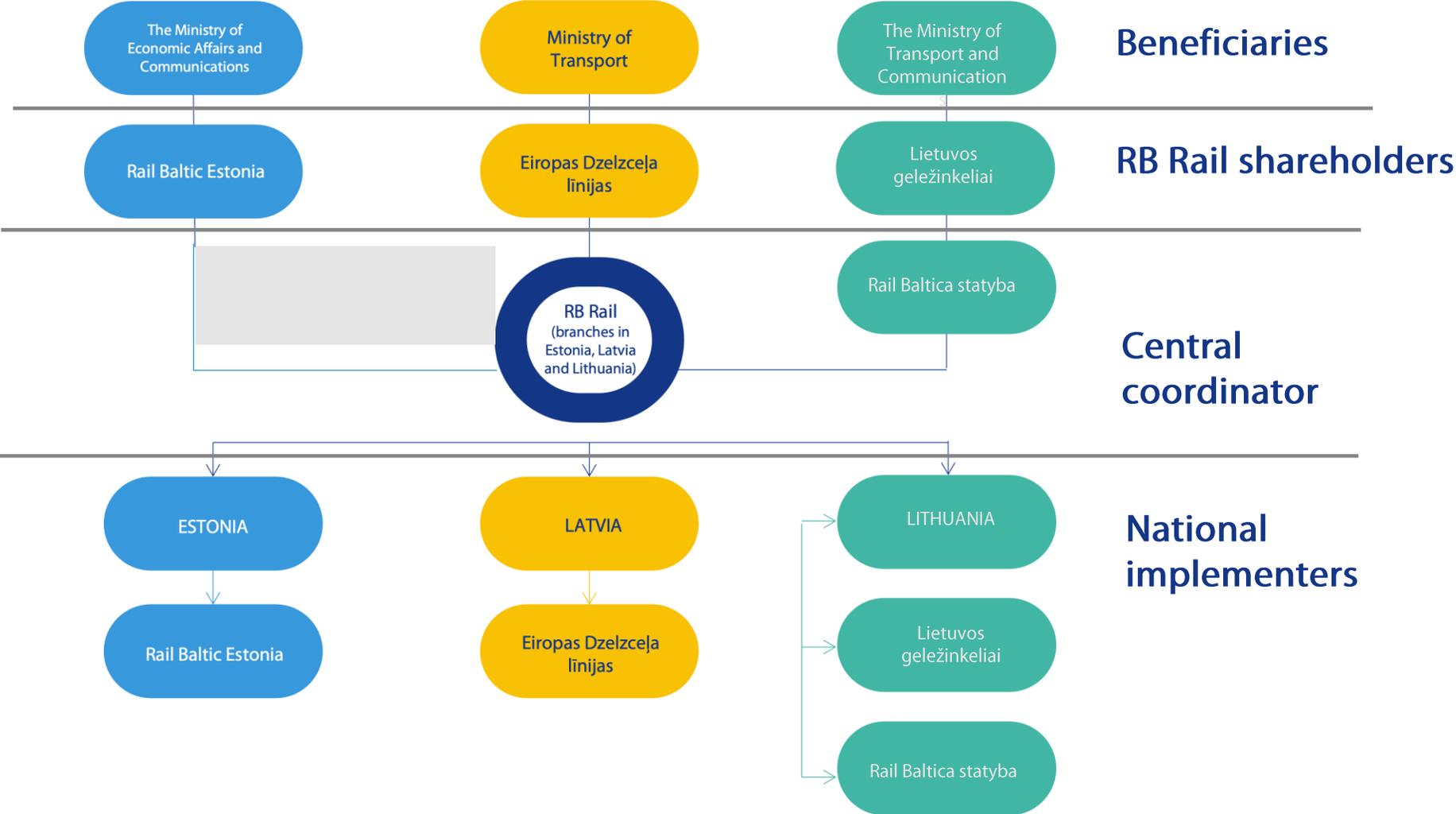
Design speed:
249 km/h for passenger trains
120 km/h for freight trains



SE-C (Swedish) loading gauge

* Subject to confirmation

Project delivery team and key principles



- Standardisation
- Support
- Compliance

Technical project progress 2021



Rail Baltica project timeline

- ✓ Large scale main line design ongoing
- ✓ Initial construction activities started in 3 Baltic states
- ✓ Preparations for railway systems procurements
- ✓ First consolidated procurements for construction materials launched
- ✓ Acknowledging the new economic corridor potential

- ✓ 100 % mainline construction readiness & large-scale construction works advancing
- ✓ Railway systems full scale implementation
- ✓ Point type objects advancing
- ✓ Economic boost

- ✓ Progressive completion and start of operations of Rail Baltica
- ✓ Full Interoperability ensured
- ✓ New North Sea – Baltic core network economic corridor developed

2021

2024

2026 - 2030

Gradual start of construction

Gradual start of operations

- The contracting entity is RB Rail AS, legal address: Satekles 2b, Riga, LV-1050, Latvia (hereinafter – **Contracting Authority**).
- **Tenderer** – supplier, which is registered in the Electronic Procurement System and which has submitted a proposal(s) in the E-Tenders system which is subsystem of the Electronic Procurement System.
- **Currently it is envisaged that the subject-matter of the procurement will be divided into 7 (seven) Lots:**
 - Lot No 1 – Procurement support services in Estonia.
 - Lot No 2 – Procurement support services in Latvia.
 - Lot No 3 – Procurement support services in Lithuania.
 - Lot No 4 – International procurement support services.
 - Lot No 5 – Contract implementation support services.
 - Lot No 6 – Supply chain management & consultancy services.
 - Lot No 7 – Financial support services in Estonia, Latvia, Lithuania.

- Lot No 1 – Procurement support services in Estonia;
- Lot No 2 – Procurement support services in Latvia;
- Lot No 3 – Procurement support services in Lithuania

Lot No 1, 2 and 3 Description

- a) Procurement administrative support (including, *inter alia*, tender evaluation and process management support) and Procurement Specialist support in line with respective national procurement laws
- b) Managing procurement procedures;
- c) Compilation/development of tender documentation;
- d) Market research & evaluation, market sensitivity analysis (local market);
- e) Procurement time schedule planning - local practice application review;
- f) Procurement improvement review of procurement documentation (local practice perspective);

- g) Peer review of the following, including review of improvement proposals, from the local procurement practice perspective for
- tender evaluation methodology development;
 - tender evaluation;
 - possible proposed synergies (and their application) in procurement
 - procurement information flow;
 - packaging procurement requirements;
 - technical specification wording consistency, avoiding over-specification, unclarities etc
 - procurement activities' and purchasing standardisation proposals
 - improving consistency of approach of technical work scopes and contract documentation
 - conflict avoidance
- h) Other specific tasks ordered in connection with any of the above stated aspects;
- i) Procurement awareness training (local practice aspects).

➤ Lot No 4 – International procurement support services

Lot Description

- a) Evaluation of procurement related risks, mitigation measures, procurement risk management;
- b) Developing requirements for market research, market evaluation, market sensitivity analysis;
- c) Market research, market evaluation, market sensitivity analysis (international market and best practices);
- d) Procurement resource planning;
- e) Procurement planning support/consultancy; Procurement time schedule planning - Consultancy, support and international best practice advice (incl. qualitative, sustainability, green initiative related and other aspects);
- f) Tender evaluation methodology development support/consultancy, including international best practices and pro-active positive impact development consultancy;
- g) Tender evaluation consultancy/support (incl other process steps);
- h) Analysis of implemented procurement practices and processes, and improvement planning;
- i) Advice on procurement tools and supply related analysis (including, *inter alia*, criticality of supply);
- j) Analysis of possible synergies in procurement and assistance with their implementation;
- k) Standardisation of procurement activities and purchasing;

➤ Lot No 4 – International procurement support services

- l) Stakeholder management in relation with procurement activities, including (pre-) consultation on procurement matters to internal and/or external stakeholders;
- m) Procurement improvement review of procurement documentation (international and best practice application perspective);
- n) Review and evaluation of technical work scopes and contract documentation from the procurement perspective, improving consistency of approach and avoiding pitfalls; Review of Technical Specification wording consistency, from the procurement perspective, review for avoiding over-specification, unclarities etc.
- o) Whole life costing proposals and input for the procurement stage (procurement requirements);
- p) Ethical and sustainable procurement consultancy, including bid rigging avoidance and mitigation advice;
- q) Procurement awareness training (international and best practice);
- r) Procurement/tendering advice for business planning and project strategy planning;
- s) Procurement strategy development support/consultancy; Consultancy support for pre- and post- procurement interfaces to enable consistency of strategy delivery and improving awareness for interfacing departments' of available implementation tools procured;

➤ Lot No 4 – International procurement support services

- t) Procurement policy and process mapping, review, improvements; Procurement change management;
- u) Review of and improvement support/consultancy for procurement information flow;
- v) Advice on how to package procurement requirements;
- w) Procurement category management topics;
- x) Supplier negotiations;
- y) Demand (& spend) analysis;
- z) Conflict avoidance and development / implementation of conflict avoidance principles through procurement;
- aa) Procurement opportunity analysis.

➤ Lot No 5 – Contract implementation support services.

Lot Description

- a) Contract implementation consultancy;
- b) Commercial knowledge and expertise input for procurement document and/or contract requirements' development, pricing documentation (input/support/consultancy for setting of appropriate commercial and pricing models for procurement and contracting) and procurement package option/strategy development; input into the development of procurement requirements;
- c) Evaluation of procurement related commercial / contract implementation risks, mitigation measures;
- d) Review and input from commercial management / contract implementation risk assessment perspective;
- e) Tender evaluation - pricing and commercial aspects;
- f) Commercial knowledge, expertise and consultancy input to procurement process and consulting procurement commission(s) on commercial / contract implementation matters;
- g) Commercial input into procurement practice/policy and improvements, including (inter alia) estimating principles' input into procurement strategy development;
- h) Stakeholder management in relation with commercial / contract management activities, including (pre)consultation on commercial/pricing aspects and matters to internal and/or external stakeholders [..]

** For more detailed information please refer to the Draft Technical Specification published together with invitation for the meeting.*

➤ Lot No 6 – Supply chain management & consultancy services.

Lot Description

- a) Supply chain ethics (ensuring code of conduct adherence), for example
 - o Fair & equal treatment
 - o Fair payments / cashflow
 - o Non-discrimination, incl. prohibition of child labour
 - o Fair working conditions, working permit related issues
 - o Possible collusion in the market (Tier2/3 or further levels)
 - o Other aspects
- b) Avoidance of sanctioned suppliers further down the supply chain (Tier 2 etc)
- c) Supply Chain Risks
- d) Expectation / Stakeholder management and information flow
- e) Supply chain analysis & synergies
- f) Incentivisation of Supply Chain additional value generation
- g) Supply chain strategy development, ensuring that the following are addressed:
 - o Supply criticality
 - o Whole life costing
 - o Leverage

➤ Lot No 6 – Supply chain management & consultancy services.

- h) Aligning supplier relationship principles with contracting principles
- i) Sustainability of supply base and sustainability requirement development
- j) Partner in supplier relationship management
- k) Supply Management Requirement development and consultancy support
- l) Consultancy on Local market vs international market optimum/balanced utilisation, capability & capacity (incl. continuity for future opportunities)
- m) Innovation etc.

** For more detailed information please refer to the Draft Technical Specification published together with invitation for the meeting.*

➤ Lot No 7 – Financial support services in Estonia, Latvia, Lithuania.

- a) **Finance modelling specialist** - Creating and adjusting large excel models dealing with the modelling of the project costs and different types of financing sources.
- b) **CEF Project proposal expert** - Considering that up to now Rail Baltic Project has been financed from the CEF programme, it would be needed an expertise on the CEF project proposal preparation – peer review of developed application, assistance in developing and selling the needs under specific CEF call etc.
- c) **Project funding expert(s)** - Help in preparation of documentation (presentations, financial models) needed for discussions with potential financiers – whether its public debt to be raised via our shareholders or private financing from funds, PPP, etc.

➤ Lot No 7 – Financial support services in Estonia, Latvia, Lithuania.

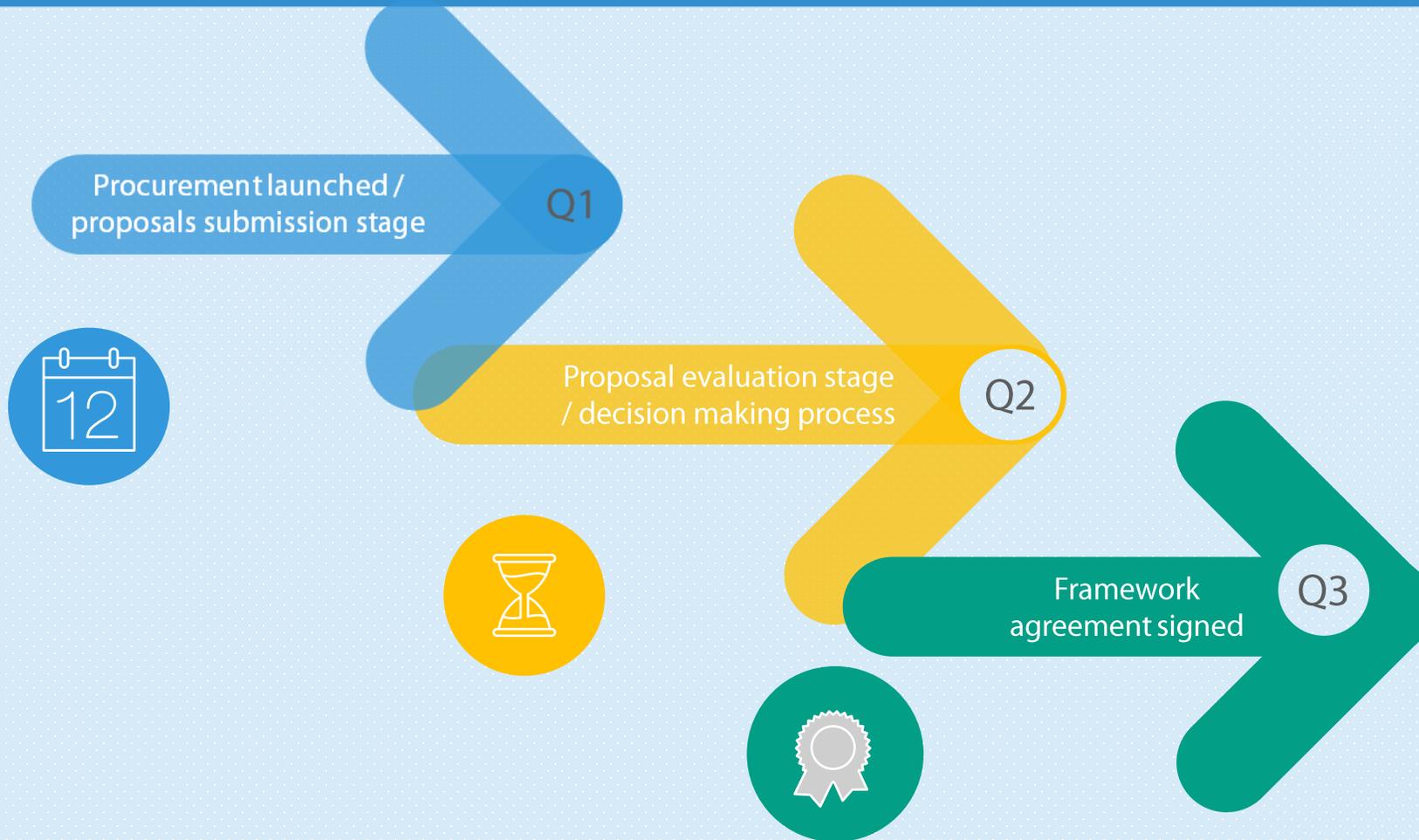
d) Finance Processes Development Specialist - Optimisation of finance and business processes on corporate and Global Project level. To help identify opportunities, gaps and bottlenecks in finance processes. To support finance process transformation from collecting and consolidating data to higher efficiency and focusing on value adding services to stakeholders.

e) Finance Reporting Specialist - Support and optimise financial reporting for multiple CEF grant agreements with different reporting periods and under different CEF programmes and requirements (for example, no interim finance reporting under CEF7). Higher reporting quality, meeting reporting deadlines (and shortening report preparation timeline), enhance integration of finance reporting for different stakeholders. To reduce manual interventions/corrections.

f) Finance Data Analyst - To enhance comparable finance data usage and analysis for stronger decision base. To reduce manual interventions/corrections. To support tracking performance.

- Estimated contract price for all Lots – approximately 5 million euros (excl. VAT);
- Planned duration of the Framework Agreement for each Lot – 3 to 4 years;
- Planned type of the contract for each Lot – Framework agreement;
- Selection criteria during the Framework agreement implementation – direct award or mini-competition.
- Supplier should be entitled to apply for one or several procurement Lots (all necessary capacity and resources to provide services shall be ensured).

**Information given in this presentation shall be treated as only indicative and scope of works, number of lots and other procurement related information can be changed prior launching the procurement.*



01

Legislative Requirements

- **Public Procurement Law of the Republic of Latvia**
- **Cabinet Regulation No. 107 of the Republic of Latvia**
- Law on Prevention of Conflict of Interest in Activities of Public Officials
- Law on Administrative Liability
- Latest Latvian Court Practices
- (EE and LT Court Practices)
- EU Directives
- European Court of Justice principles
- **Procurement Monitoring Bureau of the Republic of Latvia Practices**

02

Company & Project Rules and Policies

- Contracting Scheme Agreement
- Shareholders Agreement
- Inter-Beneficiary Agreement
- RB Rail AS Statutes
- **Common Procurement Standards and Guidelines**
- **In-house Procurement Regulations:**
 - **Regulations for Organisation of Procurements**
- Regulations on Representation Rights
- Other in-house rules & policies

Procurement Commissions are safeguarded by Legislation, Corporate Governance and applicable practice, de-politicised and empowered to act based on due professional diligence, following the Rail Baltica Global Project requirements.

Procurement documentation – general minimum set of requirements for suppliers



Enrolment in a
professional registry



Financial turnover &
liquidity



Possession of expertise &
experience (including key
experts experience)

More information regarding Procurement Regulation and Supplier Qualification you can find in RB Rail AS web page:

<https://www.railbaltica.org/procurement/procurement-regulation-supplier-qualification/>

https://www.railbaltica.org/wp-content/uploads/2021/06/COMMON-PROCUREMENT-STANDARDS-AND-GUIDELINES_June_2021.pdf

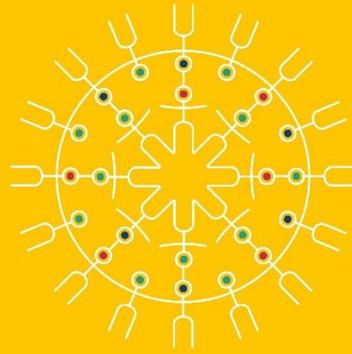


OUR VISION

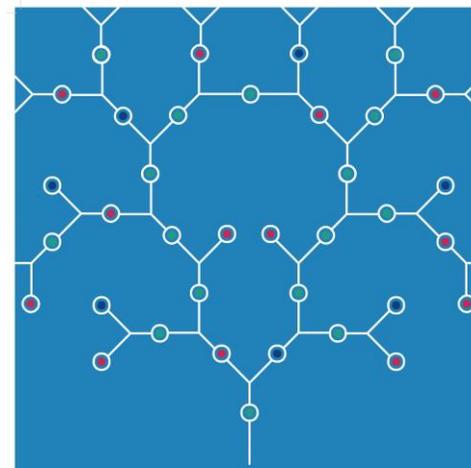
Connected Baltics in a
connected Europe

OUR MISSION

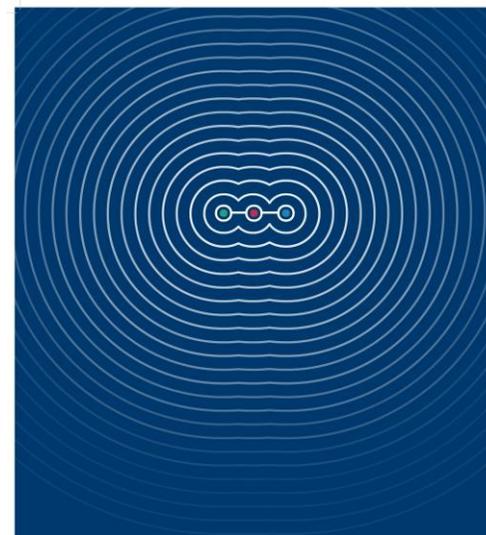
We are delivering a seamless mobility for
people, goods and services to accelerate
social and economic development in the
Baltics and beyond



WE VALUE PEOPLE



WE VALUE PROFESSIONALISM



WE VALUE PURPOSE

Thank you!
Time for Q&A
session!

The Contracting Authority's questions:

1. Are you interested in participation in this procurement?
2. Which procurement Lots are you interested in?
3. Are you considering to participate as a legal entity or a natural person?
4. Would you be able to perform specified services according to the draft Technical specification, including propose experts with similar experience?
5. Do you have experience in provision of similar services within the last 5 to 7 years?
6. Would you be able to ensure experts with relative experience during the whole Framework agreement duration (currently planned duration - 3 to 4 years)? Please note, in case of substitution of the proposed expert during the Framework agreement fulfilment, experience of newly proposed expert shall be at least the same or better as for the expert which is being substituted.
7. Please indicate the core expert team for each procurement Lot which would support RB Rail AS through-out the project.
8. Do you consider the planned duration of the Framework agreement - 3 to 4 years - reasonable (if not, please provide your expectations)?
9. What are the key considerations that need to be given to framework order management in your view?
10. What issues do you see with framework order management?
11. Are there any conditions / risks that may hinder your participation, which should be addressed in your view?
12. In your consideration, what are the main resources needed for service provision and thus capacity and capability of the supplier?