# Appendix 4 Remuneration and Payment

1. **GENERAL PROVISIONS**
   1. As compensation for the appropriately implemented Services provided hereunder, the Beneficiary shall pay the Consultant the remuneration (the “**Total Remuneration**”) comprising the following:
      1. a service fee in the amount of EUR ……………….(…………………………euro), or any other sum that may become duly payable in accordance with the Agreement, split as follows:
         * 1. **Design Services**, on a fixed price lump sum basis in the amount of EUR …………………….(……………….euro), excluding value added tax (VAT), and
           2. **Design Supervision Services**, on a cost reimbursable basis, capped at the maximum total amount of EUR …………. (…………………………..euro), excluding VAT.

In any occasion VAT shall be charged at the prevailing rate in accordance with applicable Law of the Country.

* 1. The Total Remuneration is the all-inclusive consideration for the duly provided Services. The Beneficiary or the Client shall have no obligation to reimburse any cost to the Consultant in excess of this consideration without a prior written agreement between the Parties. Subject to the provisions of item 1.3 below, the Total Remuneration includes reimbursement of all and any expenditure incurred by the Consultant toward performance of any steps, actions or measures contemplated in accordance with the Agreement (including, without limitation, site surveys, travel, transport, communication and accommodation costs, overheads and the cost of training of personnel of the Client (if required), any taxes payable by the Consultant (including any withholdings), expected and unexpected (including, overtime) labour costs and costs related to engaging the personnel; taxes and duties; costs for insurance policies and securities, Consultant’s additional administrative costs and profit, and remuneration for all risks, liabilities and obligations undertaken by the Consultant under the Agreement and other costs), whether or not they are contained in this Appendix. In order to avoid any doubt, The Consultant agrees and acknowledges that, except as set forth in item 1.3 below, it shall have no right to request reimbursement from the Client or the Beneficiary of any additional expenditure whatsoever (without prior written agreement with the Client) as may have been incurred by the Consultant toward provision of the Services contemplated by this Agreement.
  2. Payment of the Total Remuneration for the Services is split as shown in the tables (item 2 below) and will be paid on the basis of:
     1. a valid and correct invoice after the completion of particular Services; and
     2. handing over and accepting of the relevant Service (or a part of it) in accordance with the Agreement.
  3. The Total Remuneration shall not be paid for the Services or part of them, which does not comply with the provisions of this Agreement, until the non-compliance has been eliminated and the Client has accepted the Services or a part of them in accordance with the Agreement.
  4. The Consultant is deemed to have satisfied himself as to the true extent and quantity of the Services.
  5. Each Party shall bear its own bank charges or expenses incurred in connection with the transfer of any payments.
  6. Contractual penalty rate for delayed delivery of Services as set forth in Sub-Clause 4.4.4 of the Particular Conditions shall be 0.05% of the Total Remuneration per single day, but not exceeding 10% of the Total Remuneration. Contractual penalty rate stipulated in this item is not applicable in case if the delay is caused by Exceptional Event. The Client shall not apply or shall repay already applied penalties for delays of interim deliverables of Design Services if the respective final deliverables for Design Services (approved detailed technical design in building information system by State Railway Technical Inspectorate Republic of Latvia (VDzTi)) are completed in time specified in Appendix 3 [*Programme*].
  7. Contractual penalty rate for delayed payment as set forth in Sub-Clause 7.2.2. of the Particular Conditions shall be calculated in accordance with the afore mentioned Sub-Clause at the rate of 0.05% per day of unpaid amount, but not exceeding 10% of the Remuneration. Contractual penalty rate stipulated in this item is not applicable in case if the delay is caused by Exceptional Event.
  8. Contractual penalty rate for material breach as set forth in Sub-Clause 8.1.4 of the Particular Conditions shall be 10% from the Total Remuneration payable to the Consultant pursuant to conditions of the Agreement. Contractual penalty rate stipulated in this item is not applicable in case if the delay is caused by Exceptional Event.
  9. Contractual penalty rate for the Consultant’s failure to perform any other obligation (rather than per item 1.7) arising out of the Agreement in due time shall be 0.001% per day of the Total Remuneration calculated from the first delayed date to the actual date the specific obligation is fulfilled, but not exceeding 10% of the Remuneration. Contractual penalty rate stipulated in this item is not applicable in case if the delay is caused by Exceptional Event.
  10. In case if full / partial Remuneration for the Services provided is deemed to be ineligible to fund due to the Consultant’s fault or inaction, particular amount of Remuneration shall be withheld until the outstanding issues, defects, inconsistencies and incompliances are resolved provided that the Client shall reasonably assist the Consultant to resolve these issues.
  11. Any amounts overpaid or otherwise transferred to the Consultant in the amount having no basis shall be returned immediately.
  12. The payment of any of the penalties does not release the Consultant from liability.

1. **PRICING SCHEDULES** 
   1. These pricing schedules have not been compiled in line with any recognised industry method of measurement but as a means of formulating the amount of Remuneration for the Agreement and to form the basis of valuing Variations together with other schedules and rates tables provided in this Agreement.
   2. The Consultant is deemed to have provided a price in the form of Remuneration for all items included in these pricing schedules. The cost of any Services for which no item is provided and items which are left un-priced by the Consultant will be deemed included.
   3. Amendments to these pricing schedules can be made only by written agreement between the parties. Any amendments made to these pricing schedules do not change the Consultant’s obligation to complete the Services in accordance with the Agreement.
2. **ADVANCE PAYMENT**

3.1 The Consultant is eligible for the advance payment in amount of 10% (ten percent) from the Remuneration for Design Services. The advance payment shall serve as an interest-free loan for commencement of the Services.

3.2 The advance payment shall be paid to the Consultant’s account indicated in the Consultant’s invoice within 30 days as of receipt of:

3.2.1 Consultant’s invoice; and

3.2.2 Advance Payment Security in at least the amount of the advance payment and compliant with Clause 3.12 [*Performance Security & Advance Payment Security*].

3.3 Advance payment shall be repaid through 20% (twenty percent) deductions from each invoice for Design Services except invoice for the advance payment. The deductions shall be made starting from the first invoice for provided Design Services.

3.4 In case the Agreement is prematurely terminated (in full or part), the Consultant shall repay the unpaid advance payment to the account indicated by the Client within seven 10 (ten) days as of the date of the Client’s Notice.

**4. INDEXATION**

4.1 The Consultant may require indexation of the Remuneration for Design Supervision Services. The Remuneration for Design Supervision Services may be indexed only once per year starting from the commencement of the Design Supervision Services.

4.2 The amount shall be indexed comparing Latvian index for engineering activity between date of when the Agreement enters into force in accordance with Clause 4.1 [*Agreement Effective*] and date of providing Design Supervision Services the Services (following RCP010c. M71, published by Central Statistical Bureau (CSB) of Latvia, according to the formula: amount of the year\*(index RCP010c. M71 of the year - index RCP010c. M71 of the Agreement signing year) /index RCP010c. M71 of the Agreement signing year).

4.3 The Consultant shall submit the Notice on indexation to the Client by the last business day of January of the respective year. If Notice on indexation is not submitted within the said time, it is considered that the Consultant has waived its right to request indexation for the relevant year and previously set amount shall apply. Additionally, for such Notice to be admissible the Consultant shall indicate the requested increase, and a detailed calculation of such increase.

4.4 Once the Client receives the Consultant’s Notice on indexation and provided that the Client explicitly accepts in writing that the Consultant’s Notice complies with the requirements under Clause 4 of this Appendix, the amount shall be adjusted (in a form of both Parties signing addendum to the Agreement, identifying the relevant change), and become payable starting from the next Consultant’s invoice to be issued under the Agreement.

4.5 Unit costs which are applied to determine the value of Variation initiated, i.e. the date when the Variation Notice is issued, 12 (twelve) months after the date when the Agreement enters into force in accordance with Clause 4.1 [*Agreement Effective*] are subject to indexation. Such unit costs shall be indexed comparing Latvian index for engineering activity between date of when the Agreement enters into force in accordance with Clause 4.1 [*Agreement Effective*] and date when the Variation Notice is issued (following RCP010c. M71, published by CSB of Latvia, according to the formula: amount of the year\*(index RCP010c. M71 of the year - index RCP010c. M71 of the Agreement signing year) /index RCP010c. M71 of the Agreement signing year).

1. **DELIVERABLES**
   1. **Design Services without Investigations**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Item** | **Remuneration, EUR** | **Percentage from total Remuneration for the Design Service without Investigations** | **Evidence / Documentation for Payment in accordance with the approval procedures in the Particular Conditions** |
| **1** | **Master Design** |  | **35%** | Provisional Delivery and Acceptance Certificate and Consultant’s invoice |
| Design priority section 3  Riga International Airport to Misa |  | 27% |
| Building permit BP3.7 |  | 3% |
| Building permit BP3.6 |  | 5% |
| Building permit BP3.5 |  | 4% |
| Building permit BP3.3 |  | 4% |
| Building permit BP3.2 |  | 2% |
| Building permit BP3.1 |  | 3% |
| Building permit BP3.4 |  | 6% |
| Design priority section 2  Upeslejas to railway station ''Rīga – Preču'' |  | 8% |
| Building permit BP2.1 |  | 2% |
| Building permit BP2.2 |  | 3% |
| Building permit BP2.3 |  | 3% |
| **2** | **Detailed Technical Design approval before upload in Building information system** |  | **35%** |
| Design priority section 3  Riga International Airport to Misa |  | 27% |
| Building permit BP3.7 |  | 3% |
| Building permit BP3.6 |  | 5% |
| Building permit BP3.5 |  | 4% |
| Building permit BP3.3 |  | 4% |
| Building permit BP3.2 |  | 2% |
| Building permit BP3.1 |  | 3% |
| Building permit BP3.4 |  | 6% |
| Design priority section 2  Upeslejas to railway station ''Rīga – Preču'' |  | 8% |
| Building permit BP2.1 |  | 2% |
| Building permit BP2.2 |  | 3% |
| Building permit BP2.3 |  | 3% |
| **3** | **Approved Detailed Technical Design in Building information system by State Railway Technical Inspectorate Republic o Latvia (VDzTi)** |  | **30%** |
| Design priority section 3  Riga International Airport to Misa |  | **24%** |
| Building permit BP3.7 |  | 3% |
| Building permit BP3.6 |  | 4% |
| Building permit BP3.5 |  | 4% |
| Building permit BP3.3 |  | 3% |
| Building permit BP3.2 |  | 2% |
| Building permit BP3.1 |  | 3% |
| Building permit BP3.4 |  | 5% |
| Design priority section 2  Upeslejas to railway station ''Rīga – Preču'' |  | 6% |
| Building permit BP2.1 |  | 1% |
| Building permit BP2.2 |  | 3% |
| Building permit BP2.3 |  | 2% |
|  | **Remuneration for the Design Services without Investigations** |  | **100%** |

* 1. **Investigations according to Annex 18 "Additional Requirements for Site Investigations (Geological and Hydrogeological Surveys)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **4** | **Item** | **Amount of units** | **Unit** | **Unit cost \* (excl. VAT), EUR** | **Total cost\*\*  (excl. VAT), EUR** |
| **First stage investigations** |  |  |  |  |
| **Initial phase SI (1.1) Verification investigations (20% of the 1.2 scope)** |  |  |  |  |
| Boreholes 6m | 156 | m |  |  |
| Boreholes and field tests 6m | 162 | m |  |  |
| Boreholes 6-10m | 20 | m |  |  |
| Boreholes and field tests 6-10m | 30 | m |  |  |
| Boreholes and field tests 25-50m | 1550 | m |  |  |
| **Remaining phase SI (phase 1.2)** |  |  |  |  |
| Boreholes 6m | 678 | m |  |  |
| Boreholes and field tests 6m | 714 | m |  |  |
| Boreholes 6-10m | 30 | m |  |  |
| Boreholes and field tests 6-10m | 60 | m |  |  |
| Boreholes and field tests 25-50m | 6750 | m |  |  |
| **Second stage investigations** |  |  |  |  |
| **Second stage SI (20% of the 1.2 scope)** |  |  |  |  |
| Boreholes 6m | 156 | m |  |  |
| Boreholes and field tests 6m | 162 | m |  |  |
| Boreholes 6-10m | 20 | m |  |  |
| Boreholes and field tests 6-10m | 20 | m |  |  |
| Boreholes and field tests 25-50m | 1550 | m |  |  |
| Geophysical investigations for karst (km) | 20 | 100 m |  |  |
|  | **Remuneration for the Investigations** |  |  |  |  |

\*\* Payment per actual works/amounts of units performed according to Annex No. 18. will be made together with the approved Design Service deliverable (MD, DTD, etc.).

* 1. **On Demand Services**

|  |  |  |
| --- | --- | --- |
| **5** | **Item** | **Remuneration,**  **EUR (excl. VAT)** |
| Design piority section 3  Riga International Airport to Misa |  |
| Building permit BP3.7 |  |
| Building permit BP3.6 |  |
| Building permit BP3.5 |  |
| Building permit BP3.3 |  |
| Building permit BP3.2 |  |
| Building permit BP3.1 |  |
| Building permit BP3.4 |  |
| Design piority section 2  Upeslejas to railway station ''Rīga – Preču'' |  |
| Building permit BP2.1 |  |
| Building permit BP2.2 |  |
| Building permit BP2.3 |  |
|  | **Remuneration On Demand Services** |  |

* 1. **Total Remuneration for the Design Services**

|  |  |  |
| --- | --- | --- |
|  |  | **Total cost  (excl. VAT), EUR** |
| **6** | **Remuneration for the Design Services without Investigations** |  |
| **Remuneration for the Investigations** |  |
| **Remuneration for the On Demand Services** |  |
| **Total Remuneration for the Design Services** |  |

* 1. **Design Supervision Services**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **7** | **Item / Expert** | **Amount of units, days** | **Unit cost  (excl. VAT), EUR** | | **Total cost\*\*  (excl. VAT), EUR** |
| **Design priority section 3  Riga International Airport to Misa** | **858** | **EUR per unit \*** | **Unit** |  |
| Design manager |  |  | for 1 day |  |
| Railway track designer (1435mm gauge) |  |  | for 1 day |  |
| Bridge-structural designer |  |  | for 1 day |  |
| Road designer |  |  | for 1 day |  |
| Other experts |  |  | for 1 day |  |
| **Design priority section 2  Upeslejas to railway station ''Rīga – Preču''** | **242** |  |  |  |
| Design manager |  |  | for 1 day |  |
| Railway track designer (1435mm gauge) |  |  | for 1 day |  |
| Bridge-structural designer |  |  | for 1 day |  |
| Road designer |  |  | for 1 day |  |
| Other experts |  |  | for 1 day |  |
|  | **Remuneration for the Design Supervision Services** |  |  |  |  |

\*\* Payment on monthly basis per actual works/amounts of units performed.

* 1. **Total Remuneration for the Design Services and Design Supervision Services**

|  |  |  |
| --- | --- | --- |
|  |  | **Total cost  (excl. VAT), EUR** |
| **8** | **Total Remuneration for the Design Services** |  |
| **Remuneration for the Design Supervision Services** |  |
| **Total Remuneration for the Design Services and Design Supervision Services** |  |