

# PROCUREMENT OF RAIL BALTICA MAIN LINE CONSTRUCTION IN LATVIA



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



Ministry of Transport  
Republic of Latvia



# PRESENTATION OVERVIEW

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- EDZL ACTIVITY STATUS
- PROCUREMENT TIMELINE AND QUALIFICATION REQUIREMENTS
- PROCUREMENT SECOND STAGE DOCUMENTATION AND OBJECT OF CONTRACT

# INTRODUCTION ABOUT EIROPAS DZELZCEĻA LĪNIJAS (EDZL)

**Einārs Jaunzems**

Head of Project Implementing  
Department

Head of Procurement Commission



## OBJECTS UNDER EDZL RESPONSIBILITY

OBJECT	STATUS
RIGA Central Section	Design almost completed; Under construction
RIGA Airport Section	Design completed; Under construction
Main line construction	<b>Design ongoing (RBR)</b> Procurement for construction
Infrastructure management facilities	Design ongoing
Freight multimodal Terminal FHT	Procurement for design ongoing
Regional Station	Procurement for design ongoing
Rolling Stock Depo	Preliminary feasibility studies



# EDZL RAIL BALTICA MAIN STAKEHOLDERS IN LATVIA

ENTITY	ROLE	MAIN INVOLVEMENT IN CONTRACT
<b>CINEA</b> European Climate, Environment and Infrastructure Executive Agency	Mission is to support stakeholders in delivering the European Green Deal through high-quality programme management	<ul style="list-style-type: none"> <li>• For the Connecting Europe Facility (CEF), which supports the deployment of infrastructure across Europe, manage CEF Transport and Energy and insure finance for Rail Baltica</li> </ul>
<b>MINISTRY OF TRANSPORT</b> Republic of Latvia	Beneficiary	<ul style="list-style-type: none"> <li>• Owns infrastructure</li> <li>• Insure payment via CINEA received funds</li> <li>• Authorize procurement and signing of agreement</li> <li>• Delegete EDZL as Contracting authority</li> </ul>
<b>EDZL</b>	<ul style="list-style-type: none"> <li>• Implementing Body</li> <li>• Contracting Authority</li> <li>• Future infrastructure manager</li> <li>• RB Rail Shareholder</li> </ul>	<ul style="list-style-type: none"> <li>• Initiates procurement and establishes procurement Commission</li> <li>• Signs Agreement</li> <li>• Insures management of process and implementation</li> <li>• Authorizes payment, changing in contract condition</li> <li>• Ensures Land Acquisition</li> <li>• As future infra manager will take over completed object</li> </ul>
<b>VDZTI</b>	State Railway Technical Inspectorate Republic of Latvia	<ul style="list-style-type: none"> <li>• Approves conformity of Design</li> <li>• Authorizes starting of Construction when conditions are fulfilled</li> <li>• Certifies fulfillment of Construction and design requirements</li> <li>• Authorizes starting of exploitation</li> </ul>
<b>RB RAIL AS</b>	Rail Baltica Coordinator	<ul style="list-style-type: none"> <li>• Provides design</li> <li>• Provides minimum technical, procurement, quality and safety standard</li> <li>• Ensures coordination between beneficiaries and Implementing body pan-Baltic</li> <li>• Ensures communication and reporting to CINEA</li> <li>• Is contracting authority for Design, CCS and ENE</li> </ul>

# PROCUREMENT TIMELINE AND QUALIFICATION REQUIREMENTS



# PHASES AND ORGANIZATION

PROCUREMENT		
Type of procedure	Competitive procedure with negotiation according to the Article 8, Paragraph 6, Point 3 of the Public Procurement Law	
MANAGEMENT OF PROCEDURE	PROCUREMENT COMMISSION of 10 Members and several dedicated expert delegated by EDZL board	
COMMUNICATION AND BID SUBMISSION	Submission of bids are managed via an e-procurement system ( <a href="http://www.eis.gov.lv">www.eis.gov.lv</a> ) - register your company and get acquainted to the tool (manual is available on <a href="http://www.railbaltica.org">www.railbaltica.org</a> )	
APPLICABLE LAW	Contracts are awarded by procuring in accordance with Public Procurement Law of Republic of Latvia.	
PHASE	STATUS	OBJECTIVES
PHASE 1	Ongoing since 12th of November 2021	Selection of candidate
PHASE 2	Forecasted starting with submission to qualified candidate April 2022	<ul style="list-style-type: none"> <li>• Invitation to qualified candidate to submit the Bid;</li> <li>• Selection of the most technical economical proposal on base of objective technical and financial evaluation criteria.</li> </ul> <p>The second stage may include negotiations that may be relevant to be undertaken as specified by the Contracting Authority. The procurement commission shall be entitled to make a decision not to organise negotiations and award the contract on the basis of the initial bids submitted by the tenderer.</p>
SIGNING OF AGREEMENT	Expected Oct/Nov 2022	

# PHASE 1 QUALIFICATION REQUIREMENTS

Qualification requirements are established by Procurement Commission based on Procurement guidelines established by RB Rail AS and Implementing body Procurement Reference Group.

## FINANCIAL REQUIREMENTS

- The Candidate's average annual financial turnover (net) during the previous 3 (three) financial years was at least **EUR 1 000 000 000 (one billion euro)**;
- In case of partnership or an association of persons - turnover of all members of the partnership or all members of the association of persons;
- If the Candidate has operated in the market for less than 3 (three) years, financial turnover should comply with the aforementioned requirements during the relevant activity period;
- Proposal security will be up to **EUR 2 000 000,00 (two million euro and 00 cents)** for candidates which will be invited to submit the initial proposal in Stage Two of the Competitive Procedure. The exact amount of the proposal security will be specified in Stage Two of the Competitive Procedure.



## TECHNICAL REQUIREMENTS

The Candidate has performed the following construction works acting as the main contractor within the last 7 (seven) years (2015 to 2022 up to the day of submission of the Application): **date of commissioning or acceptance by Employer/contracting authority.**

- a) civil construction works (including ground preparation, construction of embankment, railway bridge, roads, road underpass and/or overpass and rail underpass and/or overpass, utility relocation and installation of rail and ballast) for the high-speed TSI compliant double-track railway line within a contract where the length of the constructed double-track railway line was at least **100 (one hundred) km**;
  - b) construction works of a railway and/or a road bridge with minimum span length at least **150 (one hundred and fifty) m**;
  - c) construction works of a railway and/or a road viaduct or bridge with minimum pier height at least **15 (fifteen) m**.
- TSI certification is not mandatory (also possible to prove compliance with project outside EU).
  - Traffic code - P2 according to the Commission Regulation (EU) No 1299/2014 (speed according to traffic code P2 and higher).
  - Experience also will be deemed as compliant in case if the Candidate has:
    - two contracts and has performed works in a way that together both contracts fully comply with requirements stipulated in Sub-Clause 3.3.1 a);
    - or the Candidate has one contract and the Candidate has performed works in two separate continuous double-track railway lines where the continuous double-track railway lines together fully comply with the requirements stipulated in Sub-Clause 3.3.1 a).

# EDZL PHASE 1 QUALIFICATION REQUIREMENTS

## TECHNICAL REQUIREMENTS

The Candidate has experience working with construction design in the Building Information Modelling (BIM) environment within at least 1 (one) contract/project within the last 5 (five) years (2017 to 2022):

- The level of the BIM is considered as corresponding to the requirements, if the Candidate has performed civil engineering construction works in contract/project where federated BIM multidisciplinary model is being used for quality control, information exchange and spatial coordination;
- BIM experience on ISO 19650 standard principles.

## Required ISO (or equivalent) certification for:

- Quality management system according ISO 9001:2015;
- Environmental management system according ISO 14001:2015.

# PROCUREMENT SECOND STAGE DOCUMENTATION AND OBJECT OF CONTRACT

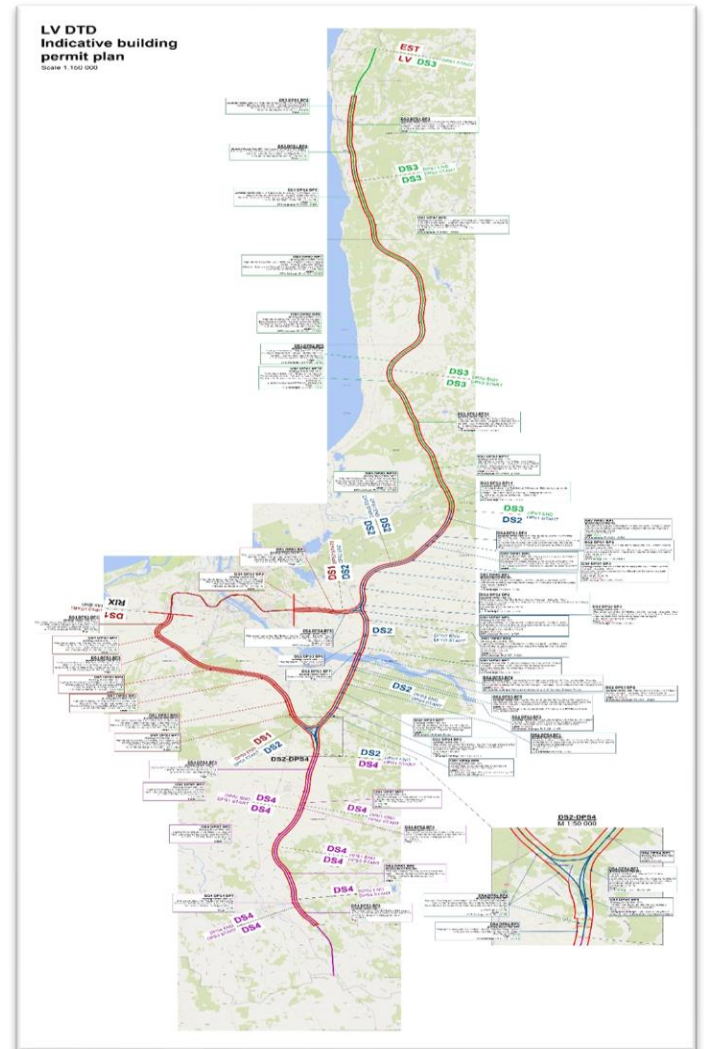
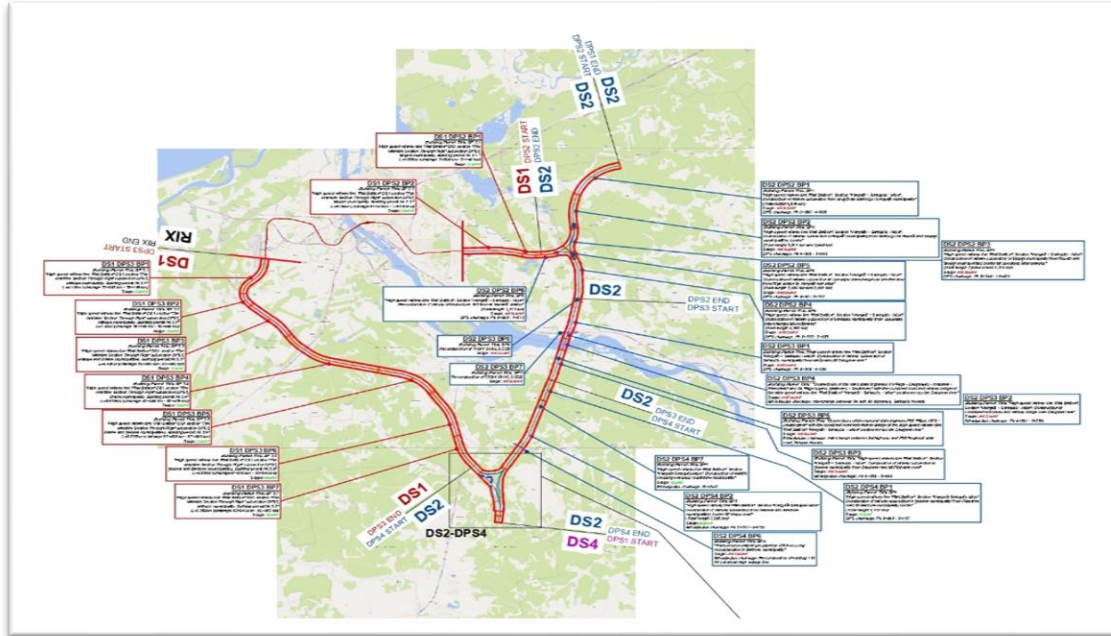
**Andrea Laudanna**

Chief Engineer

# SUGGESTIONS FOR BIDDER

- Always ask questions via official channel: PC duty is to provide as clear as transparent information as possible;
- Before submission rely on advice and support of Legal consultants with proven experience in Latvian procurement law to validate quality of your delivery;
- Local approach is extremely strict and formal;
- Be rigorous and formal in quality preparation of your BID;
- Use EIS communication channel;
- Do not rely to any information that is submitted by any individual from any institution or Stakeholder outside of EIS communication channel or within Webinar format that are not announced in official EIS channel;
- Study Latvian construction law and be acquainted with standard sample of design deliverables following Latvian construction Law;
- Practice EIS functionality and do not wait for the last moment to upload documentation;
- Only Bid submitted via EIS will be accepted and evaluated by Procurement commission.

# Crossing of Riga city and cross border sections is not included in procurement



# PROCUREMENT SECOND PHASE

## WHAT WILL BE EVALUATED FROM PROPOSALS:

- Technical capacity (environmental and sustainable approach);
- Total mainline Costs - comparing the proposals on base of a standardized precise BOQ with **preliminar approximative quantities indicated by contracting authorities** where unit prices will be entered by contractor.

## WHAT WILL BE AWARDED:

### 1) Full contract for construction of mainline (average 220 km - almost all located in Rural environment):

- Network relocation;
- Substructure, embankment estacade;
- Bridges, overpasses, underpasses;
- Rail and sleepers installation.

# PROCUREMENT SECOND PHASE

## 2) Contract will be divided in:

- Committed phase (estimate of 200 M euro);
- ECI duties for all contract.

## 3) Construction of line in the first 4 BP (around 15 km) excluding rail to be ordered in bigger packages.

## 4) Conditional phase ordered as finance, design and land will be available (next tranche confirmation expected mid 2023).

Contractor will be provided prior to start of works with fully approved detailed design authorized by all stakeholders including municipalities, utility owners and land owners.

## PRINCIPLE OF REMUNERATION

- Mobilization cost;
- Cost for main management structure on time base;
- Executed works based on re-measured quantities applied to BOQ (under evaluation principle for remuneration of cost optimization proposal).



# EDZL STAKEHOLDERS OF CONSTRUCTION PROCESS

ROLE	DUTIES
Employer – EDZL	<ul style="list-style-type: none"> <li>▪ Supervises and manage global project</li> <li>▪ Authorizes changes in contract condition, price, time and main technical parameter on base of Engineer determinations</li> <li>▪ Ensures availability of Land</li> <li>▪ Ensures availability of design (RB RAIL)</li> </ul>
Engineer (procurement ongoing)	<ul style="list-style-type: none"> <li>▪ Provides services under FIDIC red book Engineer role (white book for Engineer's contract)</li> <li>▪ Provides Codified role of Technical supervisor under Latvian construction law (certification of quality of process of construction)</li> <li>▪ Ensures conformity of construction process to Latvian Procurement law</li> <li>▪ Ensures conformity of construction process to CINEA eligibility criteria</li> </ul>
Author Supervisor (designer representative)	<ul style="list-style-type: none"> <li>▪ Codified role under Latvian construction law: provides designer support during construction</li> </ul>

## OTHER STAKEHOLDERS

- Utility owners - provides digging permit and commission utilities
- Municipalities - no active role in general but must be carefully managed
- BVKVB - verifies on spot that all actors follow principle and process of Latvian construction law
- VDZTI - certifies completion of works on base of approved Design documentation
- RB RAIL AS - provides design and insures interface with CCS and ENE contractor also provides consolidate material
- LATVIAN PUBLIC OPINION - contractor will be requested by contract to have active role in management of PR issues



# PROCUREMENT DOCUMENTATION FOR SECOND PHASE

DOCUMENT	CONTENT
Contract conditions	Fidic Red book 2017 adapted by EDZL consultant on base of RBR standard template to latvian Procurement and construction law
<b>Administrative specification of contract administration</b> <b>Commercial terms - variation procedure, payment terms, invoicing procedure/instructions and final account procedure, quality procedures, approval of methods, subcontractor, material, personnel, safety procedure</b>	Template, procedures, form
Insurance and performance template	Insurance and performance template and conditions of FIDIC related
Human resources requirements for contractor	Specific clauses of administrative specifications with minimal requirement for team (including local rules of mobilization)
Regulation and procedure to insure respect of Latvian labour law in terms of remuneration of personnel	Specific clauses and duties in respect to providing information concerning remuneration of workers by main contractor and subcontractors - Scandinavian approach
Safety regulations	List of RBR requirements in terms of health and safety
PR regulations	Technical specifications for PR management duties
Environmental construction regulations	General environmental regulations that will be applied

# PROCUREMENT DOCUMENTATION FOR SECOND PHASE

DOCUMENT	CONTENT
Requirements for temporary construction facilities for main contractor	Specifications and sketches of: <ul style="list-style-type: none"><li>▪ Requirements for Engineer's and Contractor's office in Riga</li><li>▪ Main offices facilities for Contractor, Engineer in each region</li><li>▪ Logistic base and facilities in IMF to be used by contractor</li><li>▪ Site facilities requirements for each BP</li></ul>
Description of AS duties and rules of engagement	List of duties under contract (possibly will be needed amendement)
Description 3ti (expert rules)	List of duties under contract (possibly will be needed amendement) - brake between design correction and changes initiated by contractor
NoBO and Asbo rules of engagment	List of duties under contract (supervision of the organization, requirements) - brake between design correction and changes initiated by contractor
Explanatory note on functioning of CINEA financing	
Explanatory note on decision making process	
ECl phase scope of works	
Bill of Quantities	Complete list of Works to be performed - description for submsission of unit prices for all element of construction and ECl phase; <ul style="list-style-type: none"><li>▪ Filling instruction</li><li>▪ Main resources and material list for new prices</li><li>▪ List of suspension remuneration item</li><li>▪ Coefficient for remuneration of handling of material provided by consolidate procurement</li></ul>

# PROCUREMENT DOCUMENTATION FOR SECOND PHASE

DOCUMENT	CONTENT
<b>Bill of Items (quantities)</b> Site installation, management of other issues	
<b>Methodes of measurement</b>	Methodes of measurement and explanation on how to address correct content of each unit price
<b>Results of Geotechnical investigation</b>	All approved or not yet approved geotechnical reports
<b>Design (for information about pricing of BoQ)</b>	<ul style="list-style-type: none"> <li>▪ Submitted Design in minimal composition</li> <li>▪ Submitted Value Eng</li> <li>▪ Submitted Master Design (approved and not)</li> <li>▪ Submitted DTD (approved and not)</li> </ul>
<b>BIM specifications</b>	Construction and Design BIM guidelines
<b>List of stakeholders</b>	List with contact number of all stakeholders involved
<b>Technical specifications for material and works</b>	
<b>Technical specifications of consolidated procurement</b>	Technical specifications and quality standard for material to be procured by RBR
<b>List of quality test required beyond in force regulations</b>	Base for general quality control plan
<b>Interface Matrix</b>	List of items related to processes for management of the interface: <ul style="list-style-type: none"> <li>▪ ENE contractor</li> <li>▪ CCS contractor</li> <li>▪ Maintenance in temporary phase</li> <li>▪ Rail border section with main line</li> </ul>

# PROCUREMENT DOCUMENTATION FOR SECOND PHASE

DOCUMENT	CONTENT
<p>Procedure for handling of the Consolidate procurement</p>	<p>Description of conditions related to consolidate procurement:</p> <ul style="list-style-type: none"><li>▪ List of materials procured by RBR</li><li>▪ Technical specification</li><li>▪ Condition and minimum time for delivery</li><li>▪ Compensation and remuneration to Contractor for handling</li><li>▪ Quality test to be performed prior to contractor acceptance and respective remuneration methods</li><li>▪ Fees on delay and accrued damages to be paid by Contractor/RBR in case of failure in delivery (depending of failing party)</li><li>▪ Contractual coefficient of waste to be considered at ordering</li></ul>

## OBJECTIVES:

- Improves and anticipates global preparation and organization;
- Anticipated and mitigated risk in respect of quality of design reducing claims (saves time for all parties) in respect of design completeness and detailization;
- Achieves CAPEX reduction without jeopardize quality of the object and increased OPEX cost.

## MOBILIZATION AND PROCESS PREPARATION

General site facilities establishment, human resources qualification approval, general process preparation for full implementation.

## GENERAL SCRUTINY – preparation of 3 main documents:

- **General constructability report:** contractor addresses suggestions about phasing, planning, implementation etc.:
- **General design scrutiny report:** contractor addresses stability, clarity, technology improvement measure;
- **General CAPEX value engineering report:** contractor provides suggestions to improve at global level design and construction strategy to achieve consequent CAPEX reduction.

# EARLY CONTRACTOR INVOLVEMENT PHASE

## SPECIFIC SCRUTINY

Two stages in parallel with RBR review – same time given than for RBR experts:

- **ONLY DTD FOR THOSE WHERE MASTER DESIGN WAS COMPLETED**
  - **MASTER DESIGN AND DTD FOR OTHERS**
- 
- **BP constructability report** - contractor addresses suggestions about phasing, planning and implementation specific to BP works etc.;
  - **BP design scrutiny report** - contractor addresses stability, clarity, technologically deliverable improvement specific to BP works;
  - **BP CAPEX value engineering report** - contractor provides suggestions to improve at global level design strategy to achieve consequential CAPEX reduction and clear cost - benefit analysis.

THANK YOU FOR  
ATTENTION!  
We are ready to answer  
to your questions.

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