

PROCUREMENT OF CONSULTING ENGINEER AND CONSTRUCTION SUPERVISION SERVICES FOR THE RAIL BALTICA MAINLINE CONSTRUCTION IN LATVIA



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Ministry of Transport
Republic of Latvia



PRESENTATION OVERVIEW

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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	Design ongoing (RBR) 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
CINEA 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"> 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
MINISTRY OF TRANSPORT Republic of Latvia	Beneficiary	<ul style="list-style-type: none"> Owns infrastructure Ensures payment via CINEA received funds Provides authorization for procurement and signature of agreement Delegates EDZL as Contracting Authority
EDZL	<ul style="list-style-type: none"> Implementing Body Contracting Authority Developer of infrastructure management model RB Rail Shareholder 	<ul style="list-style-type: none"> Initiates procurement and establishes procurement Commission Signs Agreement Ensures management of process and implementation Authorizes payment, changing in contract condition Ensures Land Acquisition Responsible for developing future Infrastructure Management model
VDZTI	State Railway Technical Inspectorate Republic of Latvia	<ul style="list-style-type: none"> Approves conformity of Design Authorizes starting of Construction when conditions are fulfilled Certifies fulfilment of Construction and design requirements Authorizes starting of exploitation
RB RAIL AS	Rail Baltica Coordinator	<ul style="list-style-type: none"> Provides design Provides minimum technical, procurement, quality and safety standard Ensures coordination between beneficiaries and Implementing body pan-Baltic Ensures communication and reporting to CINEA Is contracting authority for Design, CCS and ENE

PROCUREMENT TIMELINE AND QUALIFICATION REQUIREMENTS



EDZL PHASES AND ORGANIZATION OF PROCUREMENT

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 (www.eis.gov.lv) - register your company and get acquainted to the tool (manual is available on www.railbaltica.org)	
APPLICABLE LAW	Contracts are awarded by procuring in accordance with Public Procurement Law of Republic of Latvia.	
PHASE	STATUS	OBJECTIVES
PHASE 1	Ongoing since 17th of December 2021	Selection of candidate
PHASE 2	Forecasted starting with submission to qualified candidate April 2022	<ul style="list-style-type: none"> • Invitation to qualified candidate to submit the Bid; • Selection of the most technical economical proposal on base of objective technical and financial evaluation criteria. <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 September 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 50 000 000 (fifty millions 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;
- 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 works acting as the main contractor within the last 10 (ten) years (2012 to 2022 up to the day of submission of the Application):
 - a) The Candidate has successfully executed a contract for the supervision of civil construction works (completed construction works, object has been put into service), within the framework of which at least 100 (one hundred) km of railway track, which includes a new railway bridge and/or a road viaduct with minimum pier height at least 15 (fifteen) m, have been built;
 - b) The Candidate has successfully executed a contract, within the framework of which it has performed a construction contract engineer's function in accordance with the conditions of the FIDIC contract system or equal at the object, the volume of construction works (completed construction works, object has been put into service) of which is at least EUR 1 000 000 000 (one billion euro), excluding VAT.

- If the Candidate is an association of persons, its **members must meet the above requirements as a whole.**
- **The Candidate's experience** also will be deemed as compliant in case if the Candidate has performed services:
 - in two contracts in a way that both contracts together fully comply with requirements stipulated in Sub-Clause 3.3.1 a)
 - or the Candidate has performed services in one contract during the performance of which the Candidate has performed services for two separate construction phases which together fully comply with the requirements stipulated in Sub-Clause 3.3.1 a).
- **Within the scope of qualification requirements as a relevant experience will be considered works including at least the following:**
 - construction contract management, building contractor cost supervision;
 - determination of the beginning of performance of work by the contractor;
 - approval or rejection of work programmes developed and prepared by the contractor;
 - inspection of the results of the work conducted by the contractor;
 - participation in the testing of the materials and equipment delivered to the construction work location;
 - issuance of orders for changing the work performed by the contractor;
 - approval of payments to the contractor;
 - inspection and acceptance of construction, installation work and proposals developed by the contractor; assessment, approval or rejection of claims submitted by the contractor on the basis of the construction contract;
 - supervision of construction work compliance with the detailed technical design and quality requirements;
- 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).

Required BIM experience:

- 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 up to the day of submission of the Application).
- The level of the BIM is considered as corresponding to the requirements, if the Candidate has provided services in contract/project where federated BIM multidisciplinary model is being used for quality control, information exchange and spatial coordination.

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.

What will be evaluated from proposals:

- Proportion between technical and financial evaluation will be in range 25-35 / 75-65 %

What will be awarded:

Full contract for supervision construction works of mainline (average 220 km - almost all located in Rural environment) including to be provided between 2023 and 2030

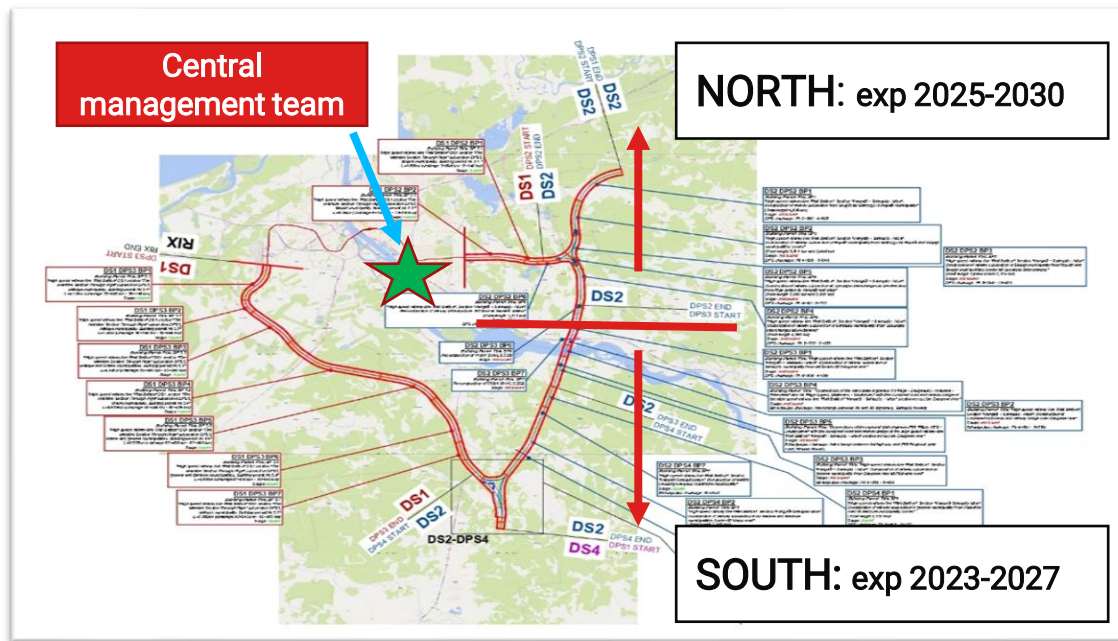
- Engineer services according FIDIC white book for FIDIC red book construction contract;
- Supervision services according construction regulation of Latvia;
- Supervision of stakeholder coordination during construction;
- Verification of conformity to Procurement Law and CINEA eligibility criteria.

What will be supervised:

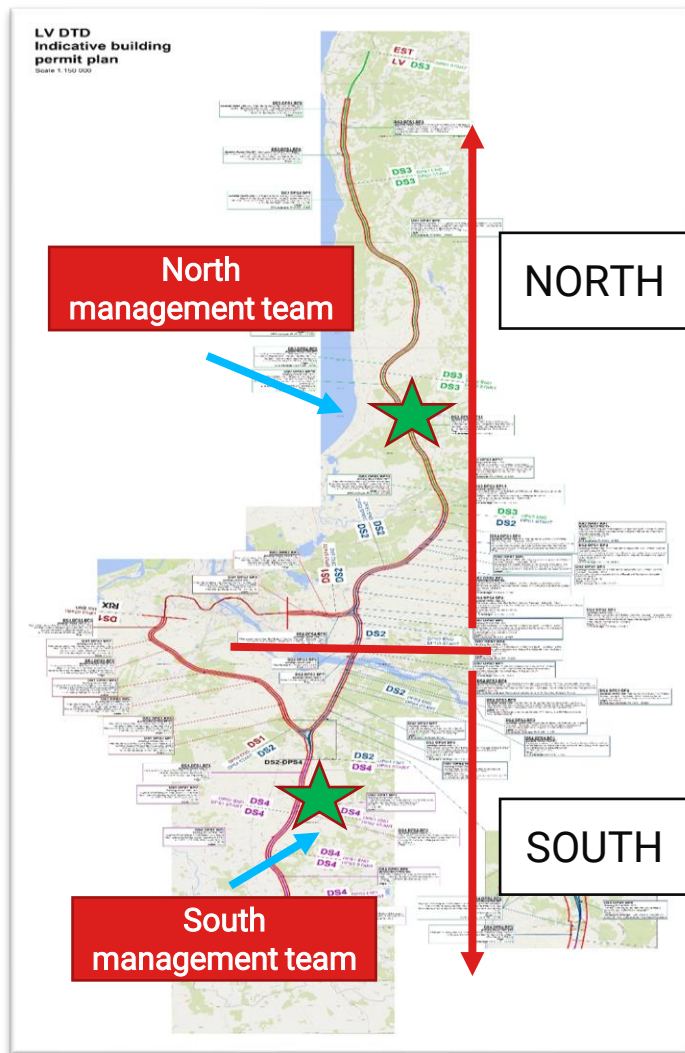
- Ground preparation;
- Embankment construction;
- Railway/road bridges construction. Road underpass and/or overpass and rail underpass and/or overpass construction;
- Road construction;
- Utility (gas: low to high pressure, electricity: low to high voltage, waste water, drinking water, relocation works)
- Installation of rail and ballast construction.

Supervision of construction of CCS and ENE is not included.

CONCEPTUAL ORGANIZATION



- One Centralized management Team in Riga
- Two Regional management Teams in 2 Regional bases
- 62 Construcion management Teams mobilized on the ongoing section between the 62 available construction section (BP)



Task 1

FIDIC Red book (2017; 2nd edition) Engineer services according FIDIC white book (2017; 5th edition) contract conditions and contract administration works:

- Engineer will be entrusted of full contract administration process on behalf of the Employer;
- During ECI phase of optimization and verification of constructability of design;
- During construction:
 - Verification of respect of eligibility criteria under CINEA financing regulation;
 - Supervision and full Employer representation during Contractor relation with main stakeholders;
 - Verification of conformity of process with Latvian Procurement Law;
 - Play leading role in coordination of H&S activities.

Task 2

To perform supervision services according to construction regulation of Latvia:

The purpose of construction supervision under Latvian Construction law is:

- to ensure the rights and interests of the Employer in the process of performance of construction work, as well as to prevent:
 - arbitrary deviations of construction participants from the construction project;
 - violations of regulatory enactments regulating construction;
 - deviations from the construction project and the performance of the work specified in the design and other work performance technologies.
- Control over construction/supervision works shall be done by certified supervisors
 - Certification is delivered by different institution (see link <https://bis.gov.lv/kontakti/sertificesanas-institucijas>)
 - Certification of construction supervisor can be obtained by foreign specialist submitting appropriate documentation

EDZL STAKEHOLDERS OF CONSTRUCTION PROCESS

ROLE	DUTIES
Employer – EDZL	<ul style="list-style-type: none"> Supervises and manage global project Authorizes changes in contract condition, price, time and main technical parameter on base of Engineer determinations Ensures availability of Land Ensures availability of design (RB RAIL)
Construction company (procurement ongoing)	<ul style="list-style-type: none"> Perform works in Phase 1 – General contract part active from day one till end – include ECI Perform works in Phase 2 – Construction works in South construction section Perform works in Phase 3 – Construction works in North construction section Perform works in Phase 4 – BP installation of rail, sleepers and ballast in sections not less than 50 km
Author Supervisor (designer representative)	<ul style="list-style-type: none"> Codified role under Latvian construction law: provides designer support during construction

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

COMMITTED AND CONDITIONAL PHASE

PHASE	STATUS	CONTRACTOR	ENGINEER
PHASE 1	COMMITTED	<ul style="list-style-type: none"> • Mobilization central management team • Organization central Riga office for contractor and Engineer • Rent of central Riga office for contractor and Engineer for 36 months • Remuneration of contractor central management team for 36 months • Complete design review (24 months) 	<ul style="list-style-type: none"> • Mobilization central management team • Remuneration of Engineer central management team for 24 month • Supervision Complete design review 24 months
	CONDITIONAL	<ul style="list-style-type: none"> • Rent of central Riga office for contractor and Engineer for 60 months • Remuneration of contractor central management team for 60 months 	<ul style="list-style-type: none"> • Remuneration of central management team for 60 months
PHASE 2	COMMITTED	<ul style="list-style-type: none"> • Mobilization regional management team South • Rent of Regional office for contractor and Engineer for 24 months • Remuneration of contractor regional management team South for 24 month • Construction of base facility South • Construction of substructure for 4 BP sections in South 	<ul style="list-style-type: none"> • Mobilization regional management team South • Remuneration of Engineer regional management team South for 24 month • Technical Supervision of construction of 4 BP sections in South
	CONDITIONAL	<ul style="list-style-type: none"> • Remuneration of contractor regional management team South for 36 months • Construction of substructure for 26 BP sections in South 	<ul style="list-style-type: none"> • Remuneration of contractor regional management team South for 36 months • Technical Supervision of construction of 26 BP sections in South

COMMITTED AND CONDITIONAL PHASE

PHASE	STATUS	CONTRACTOR	ENGINEER
PHASE 3	CONDITIONAL	<ul style="list-style-type: none"> • Mobilization regional management team North • Rent of Regional office for contractor and Engineer for 60 months • Remuneration of contractor regional management team North for 60 month • Construction of base facility South • Construction of substructure for 32 BP 	<ul style="list-style-type: none"> • Mobilization regional management team North • Remuneration of Engineer regional management team North for 60 month • Technical Supervision of construction of 32 BP sections in North
PHASE 4	CONDITIONAL	<ul style="list-style-type: none"> • Equipement for rail instalation of 1520 and 1435 tracks in North and South site facility • Instalation by phase of 50 to 70 km of railway superstructure rail and ballast 	<ul style="list-style-type: none"> • Supervision
FINANCIAL DATA OF COMMITTEMENT		<ul style="list-style-type: none"> • YEARLY COMMITMENT <ul style="list-style-type: none"> • NOT LESS THAN 150 meuro • Not MORE THAN 300 meuro 	<ul style="list-style-type: none"> • ACCORDING CONTRACTOR COMMITMENT

ESTIMATED COMMITTED AMOUNT 12 - 14 meuro for 36 month

NEEDED RESOURCES AND DUTIES

TEAM	NUMBER OF FTI	DUTIES	NEED LOCAL CERTIFICATE	REMUNERATION
CENTRAL MANAGEMENT TEAM	20-25	<ul style="list-style-type: none"> General management Fidic and contract administration Legal support to Employer General standardized organization of <ul style="list-style-type: none"> Quality, H&S, Environmental, QA/QS, risk management Supervision and approval of ECI review 	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> Monthly payment
REGIONAL MANAGEMENT TEAM	5-10	<ul style="list-style-type: none"> Regional coordination Auditing and verification of BP section process QA 	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> Monthly payment
BP SUPERVISION TEAM	5-10 by BP section	<ul style="list-style-type: none"> Technical supervision according construction law QS 	<ul style="list-style-type: none"> NEEDED FOR TECHNICAL SUPERVISION TEAM 	<ul style="list-style-type: none"> Lump sum by BP on % of BP value divided by month

EDZL EARLY CONTRACTOR INVOLVEMENT PHASE DUTIES

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.

BP scrutiny for all 62 BP – preparation of 3 main documents:

- **BP constructability report:** contractor addresses suggestions about phasing, planning, implementation etc.:
- **BP design scrutiny report:** contractor addresses stability, clarity, technology improvement measure;
- **BP level CAPEX report:** contractor provides suggestions to improve BP level design and construction principles to achieve CAPEX reduction for each BP.

THANK YOU FOR ATTENTION!

We are ready to answer to your questions.

Provided information is a general description of the procurement process only. Before acting on any information, you should consider the appropriateness of it having regard to procurement regulations, officially published documentation for this procurement in electronic procurement system (EIS) and written answers to questions. Not information shared during the presentation constitutes advice, a confirmation, or any kind of commitment or interpretation with regard to this procurement. Any shown materials or verbal statements are provided with no guarantees of reliability, completeness, accuracy or timeliness, and without any obligations. SIA Eiropas Dzelzceļa Līnijas assumes no liability or responsibility for any content shared (in written or in verbal form) during the presentation. The opinions expressed in this presentation and on the following slides are those of the participants individually and not necessarily those of SIA Eiropas Dzelzceļa Līnijas and/or Procurement Commission of respective procurement. Information provided may change later during development of the documentation for the specific procurement.

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