*Regulations on the Negotiated Procedure with the Publication “Supply and Implementation of Invoicing IT Solution for the Needs of SIA “LDZ CARGO”*

*(approved by the minutes of the 1st meeting of the Procurement Commission of 27 January 2025)*

REGULATIONS

**ON THE NEGOTIATED PROCEDURE WITH THE PUBLICATION**

**“SUPPLY AND IMPLEMENTATION OF INVOICING IT SOLUTION FOR THE NEEDS OF SIA “LDZ CARGO””**

Riga, 2025

1. **GENERAL INFORMATION**
   1. The following terms are used in the Regulations on the Negotiated Procedure:
      1. Commission – VAS „Latvijas dzelzceļš” Procurement Commission authorized to organize the negotiated procedure with the publication;
      2. Negotiation procedure (hereinafter referred to as - the "procurement", "procurement procedure") – the negotiated procedure with the publication "Supply and Implementation of Invoicing IT solution for the Needs of SIA “LDZ CARGO” organized in accordance with the Procurement Regulations of VAS „Latvijas dzelzceļš”, the Basic Procurement Regulations of “Latvijas dzelzceļš” Group;
      3. Negotiated Procedure Regulations (hereinafter referred to as – the “Regulations”, “negotiated procedure documents”) – the Negotiated Procedure Regulations with annexes and any more exact definitions, explanations, modifications or amendments to the Negotiated Procedure Regulations that may arise during the procurement procedure;
      4. the supplier concerned– a supplier who has expressed a desire to take part in the negotiated procedure;
      5. customer in the course of the procurement procedure (in the Regulations, status until the conclusion of the procurement contract) – VAS „Latvijas dzelzceļš”, LDZ as well;
      6. supplier – a legal entity registered in the Republic of Latvia or abroad, which offers to provide the service specified in the Regulations;
      7. tenderer – a supplier who has submitted a tender for the negotiated procedure;
      8. service (also the subject of the negotiated procedure) – the supply and implementation of an invoicing IT solution in accordance with the provisions of the Regulations on the Negotiation Procedure and annexes thereto.
   2. **Bank details:** 
      1. Customer during the procurement procedure - VAS „Latvijas dzelzceļš”, unified registration No.: 40003032065, VAT registration No.: LV40003032065, registered office: Emīlijas Benjamiņas iela 3, Rīga, LV-1547, Latvia. Bank details: Luminor Bank AS Latvian Branch, current account No.: LV17RIKO0000080249645, bank code: RIKOLV2X.
      2. contracting authority of a procurement contract, customer in the execution of a procurement contract - SIA “LDZ Cargo”, unified registration No. 40003788421, VAT registration No. LV 40003788421, registered office: Dzirnavu iela 147 k-1, Riga, LV-1050, Latvia. Bank details: Luminor Bank AS Latvian Branch, current account No.: LV08RIKO0000082999854, bank code: RIKOLV2X.
   3. **Contact person:** covering the organizational and regulatory issues: Secretary of the Procurement Commission – VAS „Latvijas dzelzceļš” Chief Procurement Specialist of the Procurement Bureau Liene Popova, phone number: +371 28377135, e-mail address: [*liene.popova@ldz.lv*](mailto:liene.popova@ldz.lv).
   4. **Submission and opening of the tender:** 
      1. The tender for the negotiated procedure shall be **submitted electronically by** **2025 March 4 , at 9:30;**
      2. the tender for the negotiated procedure shall be **opened immediately upon the expiration of the term set for the submission of tenders**;
      3. the tenderer **shall submit the tender (tender documents) signed with a secure electronic signature**, **sending** it within the term set **to the e-mail address** of the contact person of the customer referred to in paragraph 1.3 of the Regulations**.** The e-mail letter with the help of which the tender is submitted must contain an indication of the title of the procurement, wherein providing the name “Tender for the negotiated procedure with the publication “Supply and Implementation of Invoicing IT Solution for the Needs of SIA “LDZ CARGO” and the tenderer's contact information**;**
      4. **The tender documents must be protected (“locked”) with a password so that they cannot be opened until the term set in paragraph 1.4.1 of the Regulations**. The tenderer must send a valid password to open the “locked” document to the e-mail address referred to in paragraph 1.3 of the Regulations not later than within 15 minutes after the deadline for opening the offer. When submitting an offer without a password, the customer does not assume responsibility for the safe storage of the information provided.
      5. the offer submitted to the Commission after the time-limits set in paragraph 1.4.1 of the Regulations shall be returned by the customer to the tenderer without review;
      6. the tenderer may amend or withdraw his tender by submitting a written notification to the Commission by the term set in paragraph 1.4.1 of the Regulations. In such a case, the tenderer shall indicate in the e-mail letter “Amendment to the tender” or “Withdrawal of the tender”;
      7. if the Commission receives a withdrawal or amendment to the tender of the tenderer, it shall be opened before the tender;
      8. the opening of tenders shall not be an open procedure;
      9. the Commission shall open tenders as soon as they become available, naming the tenderer, the time of submission of the tender and the price.
   5. **Period of validity of the tender (offer)**: 100 (one hundred) days from the date of opening the offer.
   6. **Security of the offer: not applicable.**
   7. **Drawing up of the tender:**
      1. the pages of the tender must be numbered, the documents – in Latvian or English. If the tender is submitted in another language, a certified translation into Latvian must be attached thereto. The tenderer is responsible for the conformity of the translation of the documents to the original;
      2. the tenderer shall draw up all tender documents in accordance with the applicable laws and regulations governing drawing up, preparing and signing of documents, the circulation of electronic documents, including the Cabinet Regulation No. 558 of 4 September 2018 “Procedures for Drawing up and Preparing Documents”;
      3. the tenderer is entitled to sign with one secure electronic signature and certify with an appropriate mark the copy(s), translation(s), transcript(s), extract(s), all documents forming the tender as a single package;
      4. in preparing the tender, the foreign supplier concerned shall comply with the regulatory enactments of the country of registration regulating the general requirements to the preparation of documents, which most closely correspond to the relevant regulatory document of the Republic of Latvia;
      5. The tenderer shall indicate information in its bid that is a commercial secret pursuant to Section 19 of the Commercial Law of the Republic of Latvia or that is deemed confidential information. Trade secret or confidential information cannot be information that is determined as generally available information in the Law on Procurement of Public Service Providers.

**1.8. Bid price:**

* + 1. the bid price must include all expenses related to the performance of the service, including: price for the service, involvement of specialists, consultations in-person and in absentia (by telephone, e-mail, online), personnel and administrative expenses, social and other taxes (except VAT) in accordance with the legislation of the Republic of Latvia, overhead expenses, costs related to profit and risk factors, unforeseen expenses, etc.;
    2. Expenses not included in the offer price (financial offer) will not be compensated during the execution of the contract. The offered price (respectively, the price fixed in the contract for providing the service) must remain unchanged during the execution of the contract: also, in cases of changes in the exchange rate, price inflation and other factors affecting the cost of services;
    3. when writing the price and amount in the financial offer, the numbers must be rounded to hundredths (two decimal places). The financial offer must indicate all the expenses of the tenderer related to the performance of the service in accordance with the requirements of the Regulations;
    4. in the application (financial offer) to take part in the negotiated procedure (Annex 2 to the Regulations), the price of the offer must be given in EUR (excluding VAT).
  1. **Information and documents to be included in the offer**: see Annex 1 to the negotiated procedure regulations “Selection of tenderers (rules of exclusion, qualification requirements) / information and documents to be included in the offer”.
  2. **Period of validity of the documents to be submitted to the customer:** 
     1. Certificates that acknowledge the ineligibility of the tenderer relating to the cases of exclusion and other equivalent documents issued by the competent authorities of Latvia shall be accepted and recognized by LDZ if they were issued not earlier than one month prior to the date of submission or not earlier than six months before the date of submission - if they are issued by foreign competent authorities, unless the issuer of the certificate or document has indicated a shorter period of validity.
     2. The Commission, using publicly available databases and publicly available information, may check and verify the actual situation of the applicant at the time of the request - whether the mandatory conditions for the exclusion of applicants do not apply to it. The Commission is entitled at any time to request from the tenderer to submit up-to-date documents issued by competent authorities, which confirm that the tenderer is not subject to the mandatory conditions for the exclusion of tenderers, especially in cases where it is not possible to verify the foregoing information in publicly available databases.
  3. **Issuance of documents and provision of information on the negotiated procedure:** 
     1. direct and free access to the entire current information about the negotiated procedure, including the Regulations with annexes, amendments thereto and answers to questions of the suppliers concerned, explanations and all additional necessary documents, is provided on LDZ website: <https://www.ldz.lv/>.
     2. if for objective reasons, LDZ cannot provide free and direct electronic access to the procurement documents and all documents required in addition, LDZ shall send or issue them to the contractors concerned (tenderers) within 6 (six) working days having received the relevant request;
     3. (as necessary) LDZ enables the suppliers concerned to become acquainted with the procurement documents on site, starting from the moment of announcement of the procurement in the Procurement bureau of VAS „Latvijas dzelzceļš” at Emīlijas Benjamiņas Street 3, Riga, LV-1547;
     4. the supplier concerned is obliged to follow the information published on the customer's website www.ldz.lv in the "Procurements" section next to the relevant published procurement announcement. **LDZ does not incur liability if the supplier concerned failed to get acquainted with the said information;**
     5. if the supplier concerned timely requested additional information (explanation) relating to the procurement from LDZ by the e-mail referred to in paragraph 1.3 (not later than 6 (six) days before the deadline for submitting the offer), LDZ shall provide it within 5 (five) working days upon the receipt of the relevant request. If the request is submitted later than the specified term, LDZ shall assess whether processing of additional information is necessary to provide a response, and if the information can be prepared quickly, LDZ shall give a reply.
     6. LDZ (in response to the request for additional information of the supplier concerned) gives explanation and posts additional information on the website where the procurement documents and all additionally required documents are available, as well as sends an electronic response to the supplier who asked the question.
     7. personal data included in the procurement documents will be processed based on Article 6(1)(b) and (c) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). SIA “LDZ CARGO” shall be the manager of personal data processing.

1. **INFORMATION ON THE SUBJECT OF THE NEGOTIATED PROCEDURE** 
   1. **Subject of the negotiated procedure**: the supply and implementation of invoicing IT solution for the needs of SIA “LDZ CARGO” in accordance with the provisions of the Regulations on the negotiated procedure and annexes thereto (hereinafter referred to as - the service / System, respectively).
   2. The tenderer may submit a tender only for the entire subject of the negotiated procedure and in full. It is not allowed to submit tender variants for the negotiated procedure.
   3. the **Contract’s:**
      1. key time-limits for execution:
         1. **Supply and implementation of the system within 12 (twelve) months from the date** of conclusion of the procurement contract;
         2. System **warranty 12 (twelve) months** from the date of putting it into operation (mutual signing of the Service Acceptance Certificate);
      2. place of execution: in accordance with the Technical Specification (Annex 3 to the Regulations);
      3. type: service;
      4. estimated amount (funds planned for the implementation of the contract): EUR 200 000.

* 1. **Technical specifications**: the tenderer undertakes to provide the service in accordance with the Technical Specifications (see Annex 3 to the Regulations).
  2. The Customer is entitled to increase or decrease the scope of the subject matter of the negotiated procedure for financial or other reasons.

1. **RULES OF EXCLUSION OF THE TENDERERS [[1]](#footnote-2)**

**See the Rules of Exclusion of the Tenderers in Annex 1 to the Regulations** “Selection of Tenderers (Rules of Exclusion, Qualification Requirements) / Information and Documents to be Included in the Offer”.

1. **QUALIFICATION REQUIREMENTS**

See the qualification requirements in Annex 1 to the Regulations “Selection of Tenderers (Rules of Exclusion, Qualification Requirements) / Information and Documents to be Included in the Offer”.

1. **EVALUATION OF OFFERS OF THE TENDERERS** 
   1. **Criteria for the selection of offers:** 
      1. the most economically advantageous offer for the subject of the negotiated procedure as a whole, taking into account the cost and quality criteria;
      2. the criteria for evaluating the most economically valuable offer, their numerical values that will be summed up at the end of the evaluation, and the valuation methodology:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Evaluation criterion** | | **Max. number of points** | |
| 1. | Price for the delivery and implementation (C1) | Supply and implementation of the system  *(total amount of the offer for items 2.1 and 2.2 of the application letter)* | 70 | |
| 2. | Price for additional works (C2) | 1 man-hour rate of a specialist for the performance of additional work (*item 2.3 of the application letter)* | 10 | |
| 3. | Additional functionality (C3) | The tenderer undertakes to ensure the compliance with the desired requirement (confirmation in the technical specification of the offer in accordance with paragraph 2 of the Technical Specification) | 20 | |
| Total | | | | 100 | |

* + 1. For the price, points C (1, 2) are calculated using the following formula for each position of the bid:

C = Cx **/** Cy **x C**m, where:

Cx – the cheapest bid price;

Cy – the price of the bid to be valued;

Cm – the maximum number of points for the price set in the Regulations;

* + 1. points for the evaluation criterion C3 are determined based on the tenderer's indication in the technical specification of the offer relating to the compliance with the requirement in accordance with paragraph 2 of the Technical Specification of the Regulations):
       1. “0” points – to comply with the desired requirement (in accordance with paragraph 2 of the Technical Specification) for the total amount of the offer (the total amount of items 2.1 and 2.2 of the application letter) *is not* ensured, it is not included in the bid price;
       2. “20” points - to comply with the desired requirement (in accordance with paragraph 2 of the Technical Specification) for the total amount of the offer (the total amount of items 2.1 and 2.2 of the application letter) *is ensured*, it is included in the bid price;
    2. The Commission shall recognize the offer as the most economically advantageous tender (**SP**) that obtains the highest number of points in accordance with the tender evaluation and selection criteria referred to in the annex to these Regulations according to the formula:

**SP = C1+C2+C3**

* + 1. when determining the winner, if the bids of two or more tenderers have obtained the same number of points, the tenderer who has obtained the higher number of points in the C1 evaluation criterion shall be determined as the winner.
  1. **Offer evaluation procedure:**
     1. when selecting tenderers, the Commission checks the compliance of the presentation, content, and qualifications of the offer with the requirements of the Regulations on the negotiated procedure, as well as whether all necessary documents have been submitted, and verifies whether the exclusion cases referred to in paragraph 3 of the Regulations on the negotiated procedure do not apply to the tenderer.

If the tenderer or the offer of the tenderer does not comply with any of the above requirements, the Commission may reject the tenderer's offer and exclude the tenderer from further participation in the negotiated procedure. If the tender does not comply with the presentation requirements, the Commission shall assess its materiality and decide on the relevance in rejecting the offer.

**The Commission shall be entitled to carry out the verification of the qualifications of tenderers and the conformity of offers only for the tenderer who should be granted the right to enter into a procurement contract**;

* + 1. after the verification referred to in paragraph 5.2.1 of the Regulations, the Commission shall assess the compliance of the tenderer's offer with the technical requirements of the Regulations on the negotiated procedure. If the offer does not comply with the foregoing requirements, the Commission may reject the tenderer's offer and exclude the tenderer from further participation in the negotiated procedure;
    2. During the evaluation of the bids, the Commission shall check whether there are any arithmetic errors in the application. If the Commission finds such errors, it shall correct these errors. The Commission shall notify the tenderer whose errors have been corrected of the correction of the errors and the adjusted application amount. When evaluating the bid, the commission shall take the corrections into account;
    3. the customer shall be entitled to request that the tenderer or a competent authority clarify or explain the tender documents submitted in accordance with the qualification requirements set out in the Regulations on the negotiated procedure, as well as to request, during the evaluation of tenders, that the information included in the tender be explained;
    4. . before making a decision on granting the right to enter into the procurement contract, the tenderer to whom the contract should be awarded is screened in accordance with the Law on International and National Sanctions of the Republic of Latvia. The tenderer will be excluded from participation in the procurement and its offer will not be considered if the sanctions laid down in Section 11.1, paragraph one of the Law on International and National Sanctions of the Republic of Latvia, which affect the execution of the contract, are established with regard to the tenderer or any of the persons referred to in the law;
    5. having valued the information referred to in paragraph 5.2.5 of the Regulations, the Commission selects the offer in accordance with the offer selection criteria and the tenderer to whom the exclusion cases referred to in the Regulations on the negotiated procedure do not apply.

1. **NOTIFICATION OF THE RESULTS OF THE NEGOTIATED PROCEDURE AND CONCLUSION OF THE PROCUREMENT CONTRACT**
   1. The negotiated procedure ends after the evaluation of all tenders submitted in accordance with the established procedure, negotiations (if necessary), determination of the winner of the negotiated procedure or after the termination or interruption of the negotiated procedure.
   2. If no tenders have been submitted within the negotiated procedure or if the tenders submitted do not comply with the requirements established in the negotiated procedure documents, the Commission shall decide to terminate the negotiated procedure.
   3. The Commission is entitled to terminate the negotiated procedure at any time if there is an objective justification for this;
   4. If one offer has been submitted within the negotiated procedure, the Commission shall decide whether it complies with the Regulations on the negotiated procedure, whether it is advantageous and whether the relevant tenderer can be recognized as the winner in the negotiated procedure.
   5. The decision on the outcome of the negotiated procedure and the conclusion of the contract, made in accordance with the procedures laid down in the internal regulatory enactments of the contracting authority - the party concluding the procurement contract, shall be the basis for concluding the contract with the winner of the negotiated procedure (in accordance with Annex 4 to the Regulations on the negotiated procedure).
   6. The contracting authority shall inform all tenderers in writing of the outcome of the negotiated procedure within 5 working days after the decision has been made. In the case where the negotiated procedure was terminated or interrupted, the Commission shall simultaneously inform all tenderers of all the reasons for which the negotiated procedure was terminated or interrupted.
   7. If the selected tenderer refuses to enter into the procurement contract, a decision is made to conclude the contract with the next tenderer that meets the requirements set in accordance with the tender selection criteria or to terminate the negotiated procedure without selecting any tender. If a decision is made to conclude the contract with the next eligible tenderer, but he/ she refuses to conclude the contract, the contracting authority decides to terminate the negotiated procedure without selecting any tender.

**Attached:**

**Annex 1** – Selection of Tenderers (rules of exclusion, qualification requirements) / information and documents to be included in the offer);

**Annex 2** – Application for participation in the negotiated procedure /*form*/;

**Annex 3** - Technical Specification;

**Annex 4** – Draft Contract.

Head of the Procurement Bureau D.Smilktena

VAS „Latvijas dzelzceļš”

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**Annex 1**

to VAS „Latvijas dzelzceļš” Regulations on the negotiated procedure with the publication

“Supply and Implementation of Invoicing IT Solution for the Needs of SIA “LDZ CARGO”

**SELECTION OF TENDERERS 1 ((rules of exclusion, qualification requirements)/DOCUMENTS TO BE INCLUDED IN THE OFFER**

*developed in the form of table to provide simultaneously information on the linkage of qualification rules with the relevant documents to be submitted*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Numbering** | **Rules of selection** |  | **Numbering**  **(para 1.9)** | **The following documents must be included in the offer (for presentation requirements, see Section 1.7 of the Regulations on the Negotiated Procedure):** |
|  |  |  | 1.9.1. | The application letter for participation in the negotiated procedure (Annex 2 to the Regulations); |
|  |  |  | 1.9.2. | If the *tender documents* ***are signed by a person specified in the Register of Enterprises of the Republic of Latvia with the rights of representation of the company***, the customer/Commission shall verify the compliance of the representation with the requirement in the public database, and a document certifying the rights and scope of representation shall not be submitted.  *If the tender documents are signed by a person whose rights and scope of representation* ***are******not*** *publicly available* and verifiable in the ***Register of Enterprises of the Republic of Latvia***, an appropriate document certifying the rights of representation and the scope of obligations (agreement or power of attorney) must be submitted.  **A foreign-registered tenderer** must submit a document certifying the rights and scope of representation issued by a competent authority of the country of registration, if regulatory enactments of the country provide for a public register of such information. If there is none (the regulatory framework of the country of registration does not provide for a public register for such information or the provision of such information), it is required to submit a certificate of appropriate representation.  If the tender documents are signed by a person who is not specified in the document issued by a competent foreign agency, a document (power of attorney) that proves the granted representation rights and the scope of obligations must be submitted. |
| **3.** | **Rules for the exclusion of tenderers**  The **customer** **shall exclude** a tenderer (*as well as a person involved or subcontractor indicated by it*) from participation in the procurement procedure if any of the cases of exclusion referred to in paragraph 3 applies to it, shall neither examine the tender, nor shall it conclude a procurement contract with a tenderer to whom any of the following cases apply**:** | | | |
| 3.1. | **the insolvency proceedings** of the tenderer have been declared, **business activities of the tenderer have been suspended**, or the tenderer is being wound up.  The provision of this clause shall also apply to the persons referred to in paragraph 4.4 of the Regulations; |  | 1.9.3. | *A tenderer* ***registered in the Republic of Latvia*** *does not submit a document; the customer verifies the information in public databases and using publicly available information*.  **A tenderer registered abroad** (*if applicable, also for persons referred to in the requirement*) must submit a certificate issued by a competent authority of the country of registration (permanent residence) of the tenderer or person, which proves that no insolvency proceedings have been declared, business activities have been suspended or discontinued, or winding up of activities has been applied; [[2]](#footnote-3) |
| 3.2. | it has been established that the tenderer, on the last day of the term for submission of tenders or on the day when a decision is made on possible vesting with the right to conclude a procurement contract, **has tax debts** (including debts of mandatory state social insurance contributions) in Latvia or in the country where it is registered or in the country of domicile, which total amount exceeds EUR 150 in any of the countries.  The provision is checked during the evaluation:  1) on the day of submission of tenders;  2) on the day when a decision is made on possible vesting with the right to conclude a procurement contract.  The provision of this clause shall also apply to the persons referred to in paragraph 4.4 of the Regulations; |  | 1.9.4. | *If a tenderer* ***registered in the Republic of Latvia*** *does not submit a document, the customer shall check the information in public databases and using publicly available information (see also paragraph 1.10.2 of the Regulations);*  **A tenderer registered abroad** (*if applicable, also for the persons referred to in the requirement*) must submit a certificate issued by the competent authorities of the country of registration (permanent residence), which confirms the ineligibility of a particular case of exclusion;[[3]](#footnote-4) |
| 3.3. | the tenderer, its employee or a person specified in the tenderer's offer consulted or otherwise was involved in the preparation of the procurement documents; |  | 1.9.5. | Information (confirmation in Annex 2 of the Regulations – in the application letter) that the tenderer, its employee or the person specified in the tenderer's offer has not consulted or otherwise has not been involved in the preparation of the procurement documents; |
| 3.4. | the tenderer has provided false information for the assessment of its qualifications or has not provided the requested information at all.  The condition of this paragraph shall also apply to the persons referred to in paragraph 4.4 of the Regulations; |  | 1.9.6. | *Is checked by the customer*; |
| 3.5. | The tenderer failed to meet the obligations towards the customer as of the date of opening the tenders, which arise from the earlier concluded contract between the customer and the tenderer.  The condition of this paragraph shall also apply to the persons referred to in paragraph 4.4 of the Regulations; |  | 1.9.7. | *Is checked by the customer*; |
| 3.6. | it has been established that the tenderer is subject to restrictions under the **Law on International and National Sanctions of the Republic of Latvia**, which exclude the possibility to enter into a procurement contract or may delay the execution of the planned procurement contract.  The condition of this paragraph shall also apply to the persons referred to in paragraph 4.4 of the Regulations.  By submitting an offer, the tenderer acknowledges the performance of the service specified in the subject of the procurement, in accordance with the Regulations and the requirements of the legal acts of the European Union and the Republic of Latvia, and in the performance of the service, ensures the compliance with and enforcement of international or national sanctions that regulate restrictions and prohibitions on transactions (purchase of goods, transportation and cooperation) in accordance with the legal acts of the European Union and the national legal acts of the Republic of Latvia. |  | 1.9.8. | information (confirmation in Annex 2 to the Regulations – in the application letter) that the tenderer is not included and is not subject to international or national sanctions in accordance with the provisions of the European Union legislation and the national legislation of the Republic of Latvia.  *A tenderer* ***registered in the Republic of Latvia*** *does not submit an additional document with the initial offer, the customer checks the information in public databases using publicly available information. The tenderer must submit a document confirming the compliance with the requirement upon a separate request from the customer/Commission.*  **A tenderer registered abroad-** (if applicable, also for the persons referred to in the requirement) must submit a certificate issued by the competent authority of the country of registration (permanent residence), which specifies the information necessary for checking sanctions that could affect the execution of the contract:   * about the company - name, registration number, registered office of the business activities; * data about the member of the board and the member of the council of the company (also applicable to a manager of equivalent functions and responsibility, naming the office held which is appropriate to the practice of the country of registration - Director, etc.), including the given name, surname, personal identity number of the person; * data on the beneficial owner (a natural person within the meaning of the *Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing*[[4]](#footnote-5)), including the given name, surname, personal identity number of the person; or information of the fact that it is impossible to identify the beneficial owner; * data on the person entitled to represent or on the holder of the procuration, or the person authorized to represent the tenderer in activities related to a branch or a member of a partnership) for checking the restrictions set out in the Law on International and National Sanctions of the Republic of Latvia.   *If such a certificate is not issued*, the foregoing document may be replaced by an oath or, if the taking of an oath is not provided for by the laws and regulations of the relevant country, with a positive statement by the tenderer himself to a competent executive body or judicial authority, a sworn notary or a competent organization of the relevant sector in the country of their registration;[[5]](#footnote-6) |
| **4.** | **QUALIFICATION RULES FOR TENDERERS (PERSONS INVOLVED AND SPECIALISTS INVOLVED)** | | | |
| 4.1. | The business activities of the tenderer are registered with a competent authority (Register of Enterprises of the Republic of Latvia or an equivalent authority abroad) in accordance with the requirements of regulatory enactments.  The condition of this paragraph shall also apply to the persons referred to in paragraph 4.4 of the Regulations; |  | 1.9.9. | *A tenderer* ***registered in the Republic of Latvia*** *does not submit a copy of the registration certificate of the merchant, the customer shall check the information in public databases.*  **A tenderer registered abroad** – must submit a copy of a document issued by the competent authority of the country of its registration or any other confirmation of the registration of appropriate commercial activities, if the competent authority of the foreign country does not issue such a document; |
| 4.2. | **The tenderer** has experience within the **previous 5 (five) years** (as well as within the period *up to the date of submission of the offer*) **in the successful execution of at least 1 (one) contract** similar to the subject of the procurement – ​​in terms of content and scope, where the value of 1 (one) contract at least amounts to EUR 200 000,00 (two hundred thousand euro, 00 cents), excluding VAT.  **The supply and implementation of invoicing IT solution for at least 50 users** shall be deemed a similar supply in terms of content and scope**.**  The supply of the solution must be completed within the time frame and in quality specified in the contract. |  | 1.9.10. | 1.9.10.1.  written confirmation of the tenderer - **information** about the experience corresponding to the content and scope of the selection requirement referred to in paragraph 4.2. The confirmation must refer to the contact information (phone number) of the customer(s) of the relevant project for feedback - for verification of compliance with the requirements, the time of performance of the service (*start-up to commissioning*).    1.9.10.2.  *Upon request of the customer/Commission (during the evaluation of the offer), the following must be submitted:*  **1 reference** from the **client** (customer) specified by the tenderer with information (data) that confirms experience of the tenderer in accordance with the requirement, including data on the executed contract that confirms equivalence - description, of implementation of the contract, date when the service provision/work was completed, *if applicable* - put into operation, and description of the service (including if there were any complaints within the framework of the contract or during the warranty period, to provide detailed information - event, short description and term for the solution).  *If a service that meets the requirement has been provided to VAS “Latvijas dzelzceļš” or one of the companies of “Latvijas dzelzceļš” Group, the reference is not required. In such a case, written confirmation of the tenderer in the offer (in free form) of the fulfilment of the qualification requirement with the specific implementation of the project is sufficient;* |
| 4.3. | In implementing the procurement contract, the tenderer must provide **qualified personnel**, taking into account the specifics and scope of the work to be performed, including the following chief specialists:    **4.3.1.Project Manager:**  4.3.1.1. with higher education (*except for first-level professional higher or college education*) in computer sciences, natural sciences, management sciences, social sciences or engineering sciences;  4.3.1.2. knowledge in project management, as evidenced by at least a bachelor's degree in project management or a certificate in project management (e.g. PMI, PMP, Prince 2, CompTIA or equivalent);  4.3.1.3. experience in at least 1 (one) deliverable IT solution implementation and/or expansion project within the last 5 (five) years with a contract price of not less than EUR 80 000,00 (eighty thousand euro, 00 cents) excluding VAT, where the number of system users is at least 250 (two hundred and fifty) users.    **4.3.2. System Analyst:**  4.3.2.1. higher education at least a bachelor's degree in computer science, natural sciences, management sciences or engineering;  4.3.2.2. has experience over the past 5 (five) years as a systems analyst in the implementation of the IT solution to be supplied or enhancement project, where the amount of financing of the project is not less than EUR 80 000,00 EUR (eighty thousand euro, 00 cents), excluding VAT.    **4.3.3. At least 1 programmer:**  4.3.3.1. has a higher education or second-level professional education (or equivalent education) in computer science, information technology, natural sciences, management sciences or engineering;  4.3.3.2. has experience over the past 5 (five) years as a programmer in the implementation/adaptation of a deliverable solution or add-on project similar to the subject of the procurement, where the amount of financing of the project is not less than EUR 80 000,00 EUR (eighty thousand euro, 00 cents), excluding VAT.    **4.3.4. At least 1 system tester**:  4.3.4.1. obtained higher education - at least a bachelor's degree in computer science, natural sciences, management sciences or engineering;  4.3.4.2. knowledge in the field of testing, as evidenced by a certificate (for example, ISTQB certificate - Certified Tester Foundation or another equivalent document, which confirms practical experience, training and knowledge testing (examination) in the field of information systems testing;  4.3.4.3. experience in using automated testing tools and developing automated tests, testing server software, including web services and user interface software;  4.3.4.4. experience in the implementation of at least 1 equivalent information system development or enhancement project in the role of a system tester over the past 5 (five) years (information system projects that simultaneously meet all of the above conditions will be deemed equivalent);    All the specialists involved have proficiency in Latvian to the extent required by regulatory enactments in the field of use of the national language; |  | 1.9.11. | To certify and prove the qualifications of the specialists involved by the tenderer, the following must be submitted (*applicable to all specialists referred to in paragraph 4.3*):    1.9.11.1. **information** (free-form description and documentation) about the specialist:  a) **duties to be performed** **(position)** in providing the specialist's service, given name and surname of the specialist;  b) information confirming compliance with the selection requirement as to the **experience** of the specialist in terms of content and scope;  c) for the specialist specified by the tenderer, in accordance with the duties to be performed (position) in providing the service, **copy of a document which proves the conformity to qualifications** (certificate/attestation, certificate, license, diploma, educational document) or an address on the website (link) where the data is available in such a volume that the customer/Commission can check and verify the conformity of the professional qualifications of the tenderer's specialist.    1.9.11.2.*at the request of the Commission*/customer (during the evaluation of the offer), it must be submitted a document confirming the experience and/or cooperation corresponding to the requirement:  a) the **reference**\* to prove professional experience;  b) **confirmation** signed by the specified specialist to take part in the execution of the contract in the event of conclusion thereof.    *If the service that meets the requirement was provided to VAS “Latvijas dzelzceļš” or one of the companies of “Latvijas dzelzceļš” Group, the reference is not required. In such a case, the reference to the specific implementation of the project is sufficient in the information provided;* |
|  | **PERSONS INVOLVED** | | | |
| 4.4. | The tenderer is entitled to involve a subcontractor or persons whose capabilities the tenderer relies on, to certify its compliance with the requirements laid down in the procurement documents, and this is necessary for the execution of the specific procurement contract, regardless of the legal nature of the mutual relationship. In such a case, the tenderer submits information and documents that confirm the cooperation corresponding to the specified information and the compliance of the involved person with the requirements of the procurement regulations, taking into account the obligations of the person involved in the implementation of the contract in the case of conclusion thereof.  In case where the tenderer relies on the economic and financial capabilities of the specified person, a commitment document (agreement, etc.) must be submitted which confirms joint and several liability for the implementation of the procurement contract.  The cases of exclusion laid down in the Regulations shall apply to the cooperation partners engaged by the tenderer, as well as to the tenderer, and they will be checked in accordance with the prescribed in the Regulations. The requirements specified in the remaining paragraphs to be met, taking into account the obligations of the person involved in the execution of the contract in case of conclusion thereof; |  | 1.9.12. | *If applicable*, to demonstrate the compliance with the selection requirement, information and documents must be submitted that clearly prove and certify the appropriate allocation of responsibilities and cooperation, including:  1) **information** (name, registration data) **about the person involved** - the specified subcontractor, the **value** of the services to be performed at least amounts to EUR **10000,00** (ten thousand euro, 00 cents), excluding VAT, and/or the person whose economic, financial, technical or professional capabilities the tenderer relies on, the work, services or resources to be transferred to it, the part and volume of the contract;  2) written **acknowledgement or copy of the agreement** from the involved person, which proves and confirms the cooperation planned: the availability of works, services, transferable resources and competencies to the tenderer in the implementation of possible procurement contract to be concluded, if the tenderer is recognized as the winner;  3) *if applicable*, an agreement on joint and several liability for the implementation of the procurement contract must be attached (if not included in the earlier specified agreement document);  4) a written acknowledgement of the person involved in the tender (or may be included in the above agreement document) that the person involved (business partner) meets the requirements set out in the Regulations, in accordance with its duties and obligations, and that the cases of exclusion referred to in the Regulations do not apply to it; |
|  | **Technical offer of the tenderer** | | | |
| 4.5. | The offer of the tenderer **complies with the requirements of the Regulations on the negotiated procedure (including the Technical Specifications).** |  | 1.9.13. | **technical specification of the offer** in accordance with the Technical Specification of the Regulations (Annex 3 to the Regulations), which includes **detailed information that proves the compliance of the offer with each requirement put forward.**  *If necessary, data, additional documents or information should be attached*.  To comply with the requirement, the tenderer may specify the website address where data is available with no extra charge that clearly, unmistakable and unambiguously confirms the compliance of the offer with the selection requirement, including the Technical Specification and what is indicated in the technical offer (the tenderer must make certain that the website address is active and the documentation is available).  At the end of the technical specification, the form template for drawing up the technical specification of the offer is included for informative purposes. |

**Annex 2**

to VAS „Latvijas dzelzceļš” Regulations

on the negotiated procedure with the publication

“Supply and Implementation of Invoicing

IT Solution for the Needs of SIA “LDZ CARGO”

*[Form of the tenderer’s company]*

No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_ 2024

**APPLICATION FOR PARTICIPATION IN THE NEGOTIATED PROCEDURE WITH THE PUBLICATION**

**“Supply and Implementation of Invoicing IT Solution for the Needs of SIA “LDZ CARGO””**

/form/

The tenderer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Reg. No. with the LR Commercial Register \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

(Name of the tenderer)

Represented by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

(given name, surname, position of the head or the authorized person)

by submitting this application:

1. confirms its participation in the VAS „Latvijas dzelzceļš” organized negotiated procedure with the publication “Supply and Implementation of Invoicing IT Solution for the Needs ofSIA “LDZ CARGO” (hereinafter- the negotiated procedure);

**FINANCIAL OFFER[[6]](#footnote-7)**

1. offers the supply and implementation of Invoicing IT solution in accordance with the Regulations on the negotiated procedure (including the requirements of the Technical Specifications and the procurement contract) at the following price :

|  |  |  |
| --- | --- | --- |
| *No..* | *Delivery and service* | *Amount, EUR, excluding VAT* |
| 2.1. | Supply of the Invoicing IT solution (software) |  |
| 2.2. | Implementation of the Invoicing IT solution (software) |  |
|  | **Total amount of the offer**[[7]](#footnote-8)**:** |  |
| 2.3. | Performing additional development work for the Invoicing IT solution (EUR/h)[[8]](#footnote-9) |  |

1. confirms that the warranty period for the service provided is **12 (twelve) months** from the date of putting into operation (the date of mutual signing of the Service acceptance certificate);
2. offers the term of payment for the supply and implementation of the Invoicing IT solution within 20 (twenty) calendar days from the date of signing the service acceptance document and invoice;
3. informs about the 1-month maintenance fee for the offered Invoicing IT solution … EUR, excluding VAT (minimum for a period of 3 years)**[[9]](#footnote-10)**, as well as in the technical specification of the offer (and/or the documents attached thereto) - about the subsequent conditions of use of the IT solution;
4. confirms that it does not match to any of the cases of exclusion of tenderers referred to in paragraph 3 of the Regulations on the negotiated procedure;
5. . acknowledges and understands that if any of the cases of exclusion of tenderers referred to in paragraph 3 of the Regulations on the negotiated procedure are met during the validity period of the tender, the tenderer may be excluded from participation in the negotiated procedure, the tender may be rejected or, in the event of awarding the contract, the customer may refuse in the conclusion of the procurement contract;
6. confirms that the Regulations on the negotiated procedure are clear and understandable, there are no objections or claims and, in case of vesting with the right to conclude a procurement contract, undertakes to comply with all the provisions of the Regulations on the negotiated procedure, as well as to conclude a contract in accordance with the draft procurement contract attached to the Regulations on the negotiated procedure;
7. acknowledges that the validity period of its offer is not less than 100 (one hundred) days from the date of opening the offer;
8. guarantees that qualified specialists will be invited to perform the service, who are competent to provide the service referred to in the Regulations on the negotiated procedure, and that it will be performed in accordance with the best practice;
9. confirms that the total amount of the offer includes all expenses related to the performance of the service, including: price for the service, involvement of specialists, consultations in-person and in absentia (by telephone, e-mail, online), personnel and administrative expenses, social and other taxes (except VAT) in accordance with the legislation of the Republic of Latvia, overhead costs, expenses related to profit and risk factors, unforeseen expenses, etc.;
10. certifies that the tenderer, its employee or the person specified in the tenderer's offer has not consulted or otherwise been involved in the preparation of the procurement documents, nor has made attempts to unlawful influence on the decision of LDZ, the Procurement Commission or a member of the Procurement Commission regarding the procurement procedure or to obtain such confidential information that would provide it with unjustified advantages in the procurement;
11. certifies that the tenderer is not included in and is not subject to international or national sanctions in accordance with the provisions of legislation of the European Union and the national legislation of the Republic of Latvia. If such sanctions are applied or become applicable within the framework of the procurement or during the execution of a potential procurement contract, the tenderer will immediately notify the customer in writing thereof;
12. acknowledges that he has read the basic principles of business ethics of “Latvijas dzelzceļš” Group's cooperation partners published on the website of [*www.ldz.lv*](http://www.ldz.lv)of „Latvijas dzelzceļš” Group, complies with them and undertakes to strictly follow them himself/herself and to ensure that his/her employees also observe them;
13. acknowledges that unauthorized labour and other resources will not be used in the execution of the procurement contract;
14. guarantees that all information provided is true.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(signature)

Address and bank details of the tenderer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

Phone number, official e-mail address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Position, given name, surname of the Chief Officer or the authorized person of the tenderer

**Annex 3**

to VAS „Latvijas dzelzceļš” Regulations

on the negotiated procedure with the publication

“Supply and Implementation of Invoicing

IT Solution for the Needs of SIA “LDZ CARGO”

**TECHNICAL SPECIFICATION**

"LDZ CARGO" Ltd. (hereinafter referred to as LDZ CARGO) is looking for an existing IT solution (hereinafter referred to as System) that will ensure order-to-cash process (contracts, orders, trains, documents calculations, invoicing, closing of the financial period) with the ability to add the necessary functionality as needed.

**1. Functional requirements (mandatory requirements):**

**1.1. Contract module.** An IT solution should have a contract module, which allows to enter rates and conditions for the transportations and use the most of contract’s data in a transportation documents and invoices. IT solution also should have a possibility to attach a paper form (any type of file, but mainly .doc, .pdf) of the contract. The system must support the input of any types of contracts, such as supply and removal of wagons, settlements with other carriers, use of wagons and containers, additional services.

**1.2. Calculations module.** An IT solution must ensure the tariffing of all types of transportation documents in accordance with the current LDZ CARGO tariffs and international tariffs. Tariffing must ensure available variables based on which the tariffs are affected such as – distance between stations, wagon ownerships type, wagon type, wagon axle count, weight, cargo type (harmonized code), variable part (diesel fuel price change), Indexation factor (cost of maintenance of rolling stock, infrastructure usage, actual inflation in country).The conditions for applying the tariff and taxation can be set and, if necessary, can be changed by the LDZ CARGO. Also, an IT solution must provide group recalculation of documents, when it is necessary.

**1.3. Consignment note module (SMGS, CIM, Domestic transportations (KU-29).** An IT solution should allow to create or receive a consignment note with all the necessary data in formats SMGS, CIM, KU-29. Consignment note data may be changed during transportation. Consignment note data mainly comes from KPS system (Freight Transportation System), but an IT solution should also provide both the input of consignment note data manually and the automatic creation of consignment notes based on the train sheet data.

**1.4.** **Additional services module.** Additional services may also be provided during transportation or separately. An IT solution must provide the ability to create documents for additional services or receive them from other systems. It is also necessary to provide the ability to calculate documents according to specified conditions and the ability for a user to change these conditions.

**1.5. Invoicing module.** An IT solution should include features such as standard mode where is it possible to create an invoice, and an analytical mode, where a user can see all the documents (transportation and additional services) and can create an invoice for one or more documents. During the invoice creating process, an IT solution should generate an invoice (.pdf and/or .xls format), invoice appendices and metadata in xml format. To ensure prompt transfer of the invoice, the data can be transferred to another system (KPS WS). There should also be the ability to issue an invoice in different languages, and to adjust invoice form by a user.

**1.6.** **Operational and financial reporting module.** An IT solution should provide the formation of operational and financial reports for the current and previous periods. An IT solution also should provide the ability to close the operational (daily) financial (monthly) period, manually or automatically.

**1.7. Data transfer formats.** An IT solution should ensure the exchange of information between different SJSC “Latvijas dzelzceļš” (hereinafter referred to as LDZ) and LDZ CARGO systems (receiving/sending data).

**1.8. Classifications.** An IT solution must ensure synchronization of LDZ classifications, as well as provide for the possibility of creating and maintaining new classifications within the IT solution.

**1.9.** **Administration module** – An IT solution must ensure administration module for maintaining system users, assigning rights, and viewing and changing necessary settings.

**1.10.** The users of the IT solution are LDZ CARGO employees (200+) and external users (50+)

**2. Functional requirements (additional requirements):**

2.1. Additional functionality will be considered an advantage - cost calculation functionality, wagon acceptance/handover module (4770), CRM (customer relationship management), asset (wagon fleet) management module, rental income module, bank payment processing module, integration with other systems and modules. The availability of the solution must be no less than 99% (24\*7 mode), taking a month as the reference point.

1. **System security requirements (mandatory requirements):**
   1. Authentication - Before starting any operations with the System, the System user must authenticate to AD using the LDz domain username. The user must be able to terminate the work session using the log-out function in the System.
   2. Authorization - In case of successful authentication, the System assigns the user an appropriate set of roles - authorizes the user to take the actions allowed for this user, in accordance with the current user rights granted to use the AD groups.
   3. The System must maintain information relating to the rights and provide access control so that only authorized users can access its resources. Exercising of control over the rights must comply with the following principles:
      1. only the one who needs to know knows it;
      2. minimum privileges must be provided for the performance of duties;
      3. everything that is not permitted is prohibited.
   4. User identification - it must be ensured that the user is identified before any other action with the system is permitted. In case of unsuccessful identification, the user must receive the notification that the identification is unsuccessful, without providing additional information that can help in the retrieval of usernames or passwords.
   5. Password management - Microsoft Active Directory functionality should be used to manage user passwords (password management does not have to be implemented in the System).
   6. General security requirements - The System must ensure that the following principles are observed:
      1. Confidentiality - information is available only to authorized users;
      2. Data integrity – information is protected from the deliberate or unintentional unauthorized modification (including protection against the possibility of entering executable commands in data entry fields);
      3. Availability – information and the related functionality are available in a certain amount, time and place;
      4. Authenticity – the origin of the information is verifiable; the system can trust that the identity is true.
      5. Responsibility – each action with the information must be linked to its performer.
   7. Audit logs (log files) - The System must audit the System processes accessible to authorized users. The System must include the following minimum information about the audited events in each audit log:
      1. date and time of the event;
      2. type (name) of the event;
      3. the identity of the user associated with the event;
      4. the outcome of the event – ​​successful or unsuccessful operation;
      5. other information specific to the event that will be identified during the detailed analysis of requirements.
      6. To ensure centralized storage of the log file, logging should be performed using EventLog or SysLog with the appropriate Winlogbeat (for Windows servers) and/or rsyslog (for Linux servers).
   8. Audit logging - The system must provide in-depth logging (log files), which can be turned on or off online for problem localization.
   9. Audit log storage - The System must provide full and traceable audit logging, protected against external factors, including against deliberate or unintentional data corruption. The System Administrator must be able to configure the address where OS log files are stored (Winlogbeat for Windows servers and/or rsyslog for Linux servers).
   10. Session termination mechanism – The system must implement a mechanism for terminating an inactive user session (the user session is terminated upon reaching a certain timeout period, the duration is configured by IS administrators).
   11. Personal data protection – The System must ensure the compliance with Personal data protection requirements – data anonymization, deletion, data portability, search, etc.
   12. Protocols - The use of the listed communication protocols is not admissible to ensure the operation of the System:
       1. SMB v1 (SMB v2 or higher must be used);
       2. HTTP (HTTPS must be used);
       3. FTP (SFTP or FTPS must be used);
       4. SMTP (SMTPS must be used);
       5. LDAP (LDAPS must be used).
   13. Security certificates – Because it is required to ensure security for portals in internal and external networks, it is necessary to use only TLS encryption (version 1.2 or newer). The existing Wildcard SSL \*.ldz.lv or/and \*.int.ldz.lv certificate must be used, otherwise it is necessary to purchase a new certificate from official certificate suppliers (e.g. Godaddy, ssl.com, ssls.com, etc.)
       1. The solution must be developed taking into account the following requirements: the Cabinet Regulation No. 508 of 6 July 2021 “Procedures for Surveying Critical Infrastructure, Including European Critical Infrastructure, and for Planning and Implementation of Security Measures and Continuity of Operation”,
       2. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)”.
   14. Where cloud computing is used, data must be located only in EU or EEA countries.
   15. The IT solution provider must be an EU or NATO, non-CIS provider. The System provider is a legal person registered in a Member State of the European Union or the European Economic Area.
2. **Requirements to documentation (mandatory requirements):**
   1. System standard and administrator documentation - When delivering the System, standard documentation must be available, which includes a general description of the System, instructions on the installation, as well as other information required to provide the operation of the System.
   2. System administrator instructions - The system administrator instructions must include, if the system is deployed on LDz Data Center servers:
      1. requirements to the software and hardware;
      2. IS architecture diagram in MS Visio format (.vsdx) with description;
      3. IS functional diagram in MS Visio format (.vsdx) with description;
      4. IS WorkFlow diagram in MS Visio format (.vsdx) with description;
      5. Description of IS modules and configuration parameters;
      6. description of processes with examples – what processes should work; how to start and stop each process, how to check the correct operation of the process;
      7. description of process operation criteria for the monitoring system;
      8. description of IS records (log files), place of record storage, archiving of IS records;
      9. IS file system structure with description;
      10. description of the firewall protocol and port configuration;
      11. antivirus Policy and Exclusions;
      12. Description of IS maintenance processes for System Administrators;
      13. Description of IS interaction with other LDz IS;
      14. IS data cleaning description by a certain date and other criteria;
      15. audit tables cleaning description;
      16. description of how to empty audit tables to the full extent;
      17. list of resources for data backup in order to restore IS operation.
   3. System recovery instructions, if the system is deployed on LDz Data Center servers - System recovery instructions must be prepared - after the fault, for the System recovery plan (from scratch).
   4. System User Manual - A System User Manual must be available so that LDz would be able to use it to describe the defined processes and prepare any additional instructions that may be needed.
   5. Installation and configuration descriptions, if the System is deployed on LDz Data Center servers - as a result of the implementation of the System, the goal of the Customer is to receive all documentation that in future would allow LDz to take over the service and maintenance of the System without further assistance from the Supplier. This does not mean that the Customer will refuse further services from the Supplier after the System is put into operation. The installation and configuration descriptions must comply with the foregoing goal.
   6. Language of documentation - All documentation prepared by the Supplier must be in Latvian. To reduce possible errors and problems that may arise as a result of translating terms, the names of System elements in configuration (installation, design) documents may be defined in the original language, with the reference to the translation into Latvian in brackets. Latvian must be used in general descriptions and instructions.
   7. Documentation format - All documentation must be submitted in electronic format - in a format that allows editing thereof with MS Office available to the Customer, or it must be updated and available online.
   8. Description of the compliance with GDPR requirements - Documentary evidence that the service provider will store LDz data only in the EU or EEA. Documentary evidence that LDZ data, EU and EEA data holders comply with AML requirements.
   9. Instructions must be provided with the description of the operations regarding the possibilities and procedures for processing data exported from cloud solution servers.
3. **Availability and performance requirements (mandatory requirements):** 
   1. Continuity of operation of the System - unplanned interruption of the service provided by the System during the intended operating hours of the System must not exceed 24 hours per month (in the aggregate).
   2. System recovery - In the event of an incident that caused the System to be suspended (e.g., a power outage), the software must resume operation automatically without human intervention. No data or software configuration data being processed during the incident must be lost.
   3. High-performance of the System – It is required to meet the following high-performance requirements:
      1. All screen forms that do not contain extensive business logic must be fully displayed in not more than 1 second;
      2. When searching for a record by a database primary key field, in 95% of the time it should not exceed 0.5 seconds (from the time the corresponding centrally located component receives the request until it prepares a list of the search results);
      3. When searching for an indexed database field, in 95% of the time it should not exceed 2 seconds (from the time the corresponding centrally located component receives the request until it prepares a list of the search results);
      4. When searching for a non-indexed database field, in 95% of the time it should not exceed 10 seconds (from the time the corresponding centrally located component receives the request until it prepares a list of the search results).
   4. System performance testing – The system must provide the ability for the monitoring system to check whether all IS processes (programs) are operating (whether all IS functionality is available) or not: API web services or scripts, or whether structured information in a file is regularly updated.
4. **Warranty requirements (mandatory requirements):**
   1. Maintenance of the System warranty - The Supplier must ensure the maintenance of the System warranty for 12 months after commissioning (i.e. from the time of mutual signing of the System Acceptance Certificate), which includes: consultations on the technical support of the System, development and modification fee.
   2. Troubleshooting of the System - As part of the maintenance of the System warranty, the Supplier must eliminate errors in the supplied software, settings, configurations or modifications, as well as eliminate data damage that has occurred as a result of deliberate or unintentional actions of the Supplier, and that make it difficult to use the System.
   3. Documentation error correction - The Supplier must correct documentation errors and deficiencies, as well as update documentation in cases where the existing System functionality has been changed or supplemented as a result of correcting the development and implementation errors.
   4. Performance of warranty service work - The Supplier must timely ensure the performance of warranty service work, in accordance with the defined categories and time-limits of works. The Supplier must ensure the following response time on working days, starting from the moment the Supplier is informed of:
      1. high and medium priority – 4 working hours;
      2. low priority – 8 working hours;
      3. consultations – 16 working hours.

TECHNICAL SPECIFICATION OF THE OFFER

on the negotiated procedure with the publication “Supply and Implementation of Invoicing IT Solution for the Needs of SIA “LDZ CARGO”

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|  |  |  |  |
| --- | --- | --- | --- |
| NPK  / retainable **numbering according to** **the Technical Specification** of the Regulation / | Requirement | **Rating of the tenderer for meeting the requirement and the relevance of the proposed solution**  **(+/ -)** | **Detailed information from the tenderer showing that the offer meets each requirement** |
| 1. | **1. Functional requirements (mandatory requirements):** | | |
| 1.1. | **Contract module**  The System should support the entry of any type of contract, including rental (use) of wagons and containers, repair of wagons and locomotives, traction services, cargo carriage, etc.  The IT solution must have a contract module that allows you enter the contract price (transportation rates) and payment terms and use the contract data in the documents which is the basis to issue the invoice, and in invoices. The IT solution must enable to add a contract form (file in .doc, .pdf format) to the system). |  |  |
| (..) | (..) | (..) | (..) |

*Date of last update of the technical specification:22.01.2025.*

**Annex 4**

to VAS „Latvijas dzelzceļš” Regulations on the negotiated procedure

with the publication “Supply and Implementation of Invoicing

IT Solution for the Needs of SIA “LDZ CARGO”

*DRAFT*

**CONTRACT**

|  |  |
| --- | --- |
| Riga, | *See date of the document in the time stamp* |

**SIA “LDZ CARGO”,** registration No. 40003788421, represented by the Chairman of the Management Board Algirdas Miķelsons and the member of the Board Raimonds Freimaņis, who operate under the Articles of Association (hereinafter – the Customer), on the one part, and **\_\_\_\_\_\_\_\_\_\_\_\_\_\_** registration No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, represented by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, who operates under \_\_\_\_\_\_\_\_\_ (hereinafter – the Contractor), on the other part, (hereinafter each individually referred to – as the Party, and jointly to as – the Parties), shall enter into the following contract (hereinafter – the Contract):

**1. Subject and the Term of Validity of the Contract**

1.1. The Contractor undertakes to provide the supply and implementation services (jointly hereinafter referred to as – the Services/Works) of the Invoicing Information System (hereinafter referred to as - IS), the Customer undertakes to pay the Contractor for the qualitative provided Services relating to the supply, and implementation in accordance with Annex No. 1 to the Contract and the Regulations on the negotiation procedure with the publication "Supply and implementation of Invoicing IT solutions for the needs of SIA “LDZ CARGO” (approved by the minutes of the meeting \_\_ of the Procurement Commission of \_\_ \_\_\_\_\_\_\_ \_\_\_\_) and the result (..), with respect to the offer (..) of the Contractor (..).

1.2. The Contract shall enter into force on the date when signed by both the parties and shall be valid for 12 (twelve) months from the date of signing the Contract or until the total discharge of the obligations.

**2. Amount of the Contract. The Settlement Procedure**

2.1. The Customer shall pay the Contractor for the Services received, the Contract amount of EUR \_\_\_ (\_\_\_\_\_\_\_\_euro, \_\_\_\_cents), excluding VAT. All expenses relating to the implementation of the IS to the full extent are included in the Contract amount, including the supply and implementation of the IS, involvement of specialists, consultations, technical consultations in person and in absentia (by telephone, e-mail, online), personnel and administrative expenses, social and other taxes in accordance with the laws and regulations of the Republic of Latvia, overhead costs, expenses related to profit and risk factors, unforeseen expenses, etc.;

2.2. VAT is calculated pursuant to the requirements of the Law on Value Added Tax of the Republic of Latvia. In case of change in the VAT rate, the rate will be applied to the transaction in accordance with the requirements of the applicable regulatory enactments.

2.3. The amount referred to in clause 2.1 of the Contract shall be paid by the Customer to the Contractor based on the acceptance certificate signed by the Parties for the supply and implementation of the IS in accordance with the terms of the Contract. An acceptance certificate signed by both Parties is the basis for issuing an invoice.

2.4. Payment for the Services actually received is made by transfer to the current account of the Contractor specified in the Contract within 20 (twenty) calendar days having received the invoice from the Contractor. The invoice shall be drawn up electronically, indicating the Customer's details (see Section 14 of the Contract), the Contract number and date assigned by the Customer, and sent to the Customer's e-mail address [cargo.rekini@ldz.lv](mailto:cargo.rekini@ldz.lv).

2.5. In case where the invoice does not comply with the requirements of the applicable laws and regulations or contains mathematical or other errors that make payment of the invoice impossible, the Customer has the right not to make the payment until receiving a document drawn up in accordance with the requirements of the Contract. In this case, the due date for payment begins from the date of receipt of a document correctly drawn up and it shall not be deemed a delay.

2.6. The day of payment is considered to be the day when the bank has accepted the payment order of the Customer.

**3. Transfer-Acceptance Procedure of the Services**

3.1. Information requests and information provision, as well as additional work tasks (if additional development is required) are ordered in the work task management system ITTPAS (JIRA) of the Customer, with the Parties coordinating the Work Task electronically, specifying the following basic positions:

3.1.1. Work tasks;

3.1.2. Priority of work tasks;

3.1.3. Time required for the implementation of work tasks (work intensity, man-hours) and the total price of execution;

3.1.4. Time frames for the implementation of work tasks;

3.1.5. Acceptance criteria for work tasks (for development services).

3.2. The Contractor shall submit to the Customer the Service Acceptance Certificate for the completed Work Tasks, to sign it in 2 (two) copies or send it electronically to sign with an electronic signature, denoting the identifier of each Work Task in the ITTPAS system, the description of the work, the labour intensity consumed and the total price.

3.3. . The Customer within 10 (ten) business days from the receipt of the Service Acceptance Certificate for the Work Tasks completed, and handing over the completed Work Task to the Customer, must send the Contractor signed Service Acceptance Certificate submitted by the Contractor or duly motivated refusal to accept the Services, specifying the deficiencies and the time-limits preferred for the elimination thereof. If the Customer has not sent the Contractor the signed Service Acceptance Certificate or a motivated refusal to accept the Services within the aforementioned period, it is deemed that the Customer has accepted the Services specified in the certificate and the Service Acceptance Certificate submitted to the Customer shall be deemed mutually signed on the 11th (eleventh) business day after the submission thereof to the Customer.

3.4. The Service Acceptance Certificate referred to in Clause 3.3 of the Contract shall be signed by the Customer if no deviations from the provisions of the Contract have been stated.

**4. Contract Management and Authorized Representatives**

4.1. Each Party authorizes the following representatives, aiming at the execution of the Contract, who are entitled to sign and approve the Work Orders and Acceptance Certificates related to the execution of the Contract:

4.1.1. Representative of the Customer: \_\_\_\_\_\_\_\_\_\_\_\_, tel. \_\_\_\_\_\_\_\_\_\_, e-mail: \_\_\_\_\_\_\_\_\_;

4.1.2. Representative of the Contractor: \_\_\_\_\_\_\_\_\_\_\_\_, tel. \_\_\_\_\_\_\_\_\_\_, e-mail: \_\_\_\_\_\_\_\_\_.

4.2. In the event of change of the authorized representatives, the other Party shall be notified thereof by a letter signed by the Party's authorized signatory within 10 (ten) business days after the change of the authorized representative.

4.3. Any notice affecting the contractual obligations of the Parties (except for a notice of a technical nature) under this Contract shall be given in writing, in the Latvian language (in a registered letter or signed with a secure electronic signature) and shall be deemed to have been served or sent on the same day if it:

4.3.1. sent to the other party to the addresses specified in Section 14 of the Contract;

4.3.2. handed in person to the other Party against the receipt;

4.3.3. sent to the electronic e-mail of the Customer's representative or the Contractor's representative referred to in Section 4.1.

4.4. If the notice is sent as a registered postal item by registered mail, the date of receipt will be the date of the postal notification of the delivery of such item.

**5. Rights and Obligations of the Parties**

5.1. Obligations of the Customer:

5.1.1. To accept the Services performed in due quality and make payment in accordance with the terms of the Contract;

5.1.2. Within the framework of the Contract, to provide the Contractor with all necessary information required for the execution of the Contract;

5.1.3. During the development and operation of the software, to purchase the necessary Standard software licenses with support at its own expense for the provision of test and production environment;

5.1.4. The Customer has the right to involve VAS “Latvijas dzelzceļš” specialists to the IS acceptance procedure.

5.2. Obligations of the Contractor:

5.2.1. to provide the Services with due quality, within the agreed time frame and in full (supply and implementation of IS within 12 (twelve) months from the date of signing the Contract by both Parties) in accordance with the provisions of the Contract, as well as other binding rules and regulations;

5.2.2. to hand over the IS to the Customer with an acceptance certificate;

5.2.3. to ensure the compliance with data protection requirements of the Republic of Latvia and international legal acts;

5.2.4. to submit the IS and Service implementation plan to the Customer for coordination within 2 (two) weeks after signing the Contract by both Parties (within the time limit specified in Clause 1.2 of the Contract).

5.3. If the delay in the execution of one Party's obligations (only such delay that affects the ability of the other Party to comply with its obligations) prevents the other Party from meeting its obligations on time, it shall be extended by the period of delay of the first Party.

5.4. Rights of the Customer:

5.4.1. To involve third parties in the monitoring of the execution of the Contract and the quality of the deliverables at any stage of execution of the Contract.

**6. Liability of the Parties and Termination of the Contract**

6.1. If the Contractor fails to be within the term set in Clause 5.2.1 of the Contract, the Customer has the right to demand that the Contractor pay a contractual penalty in the amount of 0.1% (zero point one percent) of the amount referred to in Clause 2.1 of the Contract for each delayed day, but in total not exceeding 10% (ten percent) of the amount of the defaulted obligation.

6.2. If the Customer fails to pay the invoice within the period set in the Contract, the Contractor shall be entitled to demand that the Customer pay a contractual penalty in the amount of 0.1% (zero-point one percent) of the overdue payment amount for each day in arrears, but in total no more than 10% (ten percent) of the amount of the outstanding obligation.

6.3. The Contractor shall have the right to stop providing the Services if the Customer has not made payment for more than 60 (sixty) calendar days.

6.4. The Parties shall compensate each other for direct losses caused to each other as a result of their culpable actions (actions or inactions of one Party or its employees, as well as third parties involved in the implementation of the Contract by this Party, as well as a result of gross negligence, actions committed with malicious intent or negligence, etc.).

6.5. Payment of the contractual penalty does not discharge the Parties from the full and proper performance of the obligations specified in the Contract.

6.6. The Customer has the right to terminate the Contract with a unilateral notice if:

6.6.1. During the execution of the Contract, business activities of the Contractor are suspended or terminated in accordance with a decision of the relevant institution, or insolvency proceedings are initiated, or a decision has been made by a competent authority within the area of competition whereby the Contractor is found guilty of infringing the competition law;

6.6.2. The Contractor changes the amount of the Contract without coordination with the Customer;

6.6.3. The Contractor fails to comply with its obligations under the Contract and, in accordance with the provisions of the Contract, the non-conformities have not been eliminated within 30 (thirty) days of receipt of a written warning;

6.6.4. In case of non-acceptance of the Services, the Contractor has not eliminated the deficiencies within the specified time limit;

6.6.5. if the Contract cannot be performed due to the fact that international or national sanctions or sanctions imposed by a Member State of the European Union or the North Atlantic Treaty Organization affecting significant financial and capital market interests have been applied within the period of execution of the Contract.

6.7. If the Contract is terminated pursuant to the provisions of Clause 6.6, the Customer shall send a written notification to the Contractor in one of the notification methods specified in Clause 4.3 of the Contract. The Contract shall be deemed terminated within the period set by the Customer, which in the cases specified in Clauses 6.2.2, 6.6.3 and 6.6.4 of the Contract shall not be less than 5 (five) business days from the date of sending the letter, but in the cases specified in Clauses 6.6.1 and 6.6.5 of the Contract – ​​the Contract shall be deemed terminated with immediate effect.

6.8. If the Contract is terminated, the Customer is obliged to pay the Contractor for the Services performed until the termination of the Contract, which have been accepted in accordance with the procedure specified in Clause 3.3 of the Contract. If, due to the sanctions applied in Clause 6.6.5 of the Contract, the Customer does not have the right to make payment to the Contractor, the Customer shall postpone the payment and the maturity date shall be extended until the sanctions against the Contractor are called off and payments can be made, in which case the Services provided shall pass into the ownership of the Customer before payment is made.

6.9. If the State Revenue Service suspends the business activities of the Contractor, the Customer will comply with the requirements laid down in Section 341 of the Law "On Taxes and Fees".

**7. Confidentiality**

7.1. The terms and conditions of the Contract, as well as information related to the cooperation of the Parties or which has been at the disposal of the Contractor relating to SIA “LDZ CARGO” and VAS „Latvijas dzelzceļš” as a result of the implementation of the Contract, shall be deemed a trade secret of SIA “LDZ CARGO” and VAS „Latvijas dzelzceļš”, and shall not be disclosed to third parties during the period of validity of the Contract and thereafter without the prior consent of the earlier specified companies. This obligation does not apply to information that is publicly available and information that must be disclosed to relevant state institutions in accordance with the applicable law, if provided to these institutions.

7.2. After the termination of the Contract, the Contractor undertakes to destroy all information, data and documents received from the Customer.

7.3. The Contractor shall be entitled to use the test data received from the Customer only for testing the functionality created for the Customer and shall not be entitled to disseminate this data, as well as use it for any other purposes.

7.4. The Contractor ensures that its employees, subcontractors and their employees fully adhere to the confidentiality provisions set out in this section.

**8. Force Majeure Circumstances**

8.1. If the implementation of the Contract is made impossible by force majeure circumstances, the term of the Contract specified in the Contract shall be extended by such a period for which the relevant force majeure circumstances delay the fulfilment of the appropriate obligations assumed under this Contract.

8.2. The Parties the performance of whose obligations is delayed by force majeure shall immediately inform the other Party by notice of the beginning and approximate time of ending of such circumstances. If possible, a certificate from the relevant state authorities confirming the existence of force majeure circumstances shall be attached.

8.3. Untimely submission of a notice, i.e. its submission later than 15 (fifteen) business days upon the occurrence or termination of the force majeure circumstances, deprives the Party submitting such late notice of the right to be discharged from the fulfilment of the obligations assumed under this Contract due to force majeure circumstances. If due to the fact of force majeure circumstances, the provision of the Services is delayed for more than 90 (ninety) calendar days, the Customer has the right to withdraw from the Contract on unilateral basis in whole or withdraw from the fulfilment of its individual provisions. If the Contract becomes null and void due to force majeure circumstances, neither Party has the right to claim from the other Party any compensation for any loss it may incur due to such circumstances.

**9. Copyright**

9.1. All Standard Software copyrights, i.e. the software of third parties, used within the framework of the Contract shall be reserved by the manufacturers of the Standard Software.

9.2. The Customer has the right to receive all current source code and documentation of the IS software developed. After the termination of the Contract, the Customer has the right to use the IS software without restrictions, make modifications to the source code, as well as transfer the maintenance of the IS software to third parties. If the Customer makes changes to the source code given by the Contractor, then the warranty obligations are not valid, and the error and/or consultation applications filed as a result of the changes made by the Customer are to be classified as paid consultations.

9.3. The Contractor incurs full liability for ensuring that the personal and property rights of the authors would be formalized between the Contractor and the Contractor's employees in accordance with the requirements of regulatory enactments and that this will not pose any risk to the Customer in connection with copyright during the use of the IS software.

**10. Personal Data Protection**

* 1. The Parties hereby acknowledge that they are informed that personal data provided by one of the Parties, if necessary for the implementation of the Contract and the performance of the work specified in the Contract, may be processed only in accordance with the subject matter of the Contract, to the extent specified in the Contract, for the period of validity of the Contract and only in accordance with the requirements of applicable laws and regulations.
  2. When processing personal data, in accordance with applicable law (including Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (GDPR)), the Parties shall ensure the protection of personal data by applying appropriate technical and organizational measures (Anex 2 to the Contract).

1. **Basic Principles of Business Ethics for the Cooperation Partners**

**of “Latvijas dzelzceļš” Group**

11.1. By signing the contract, the Contractor acknowledges that he has read the basic principles of business ethics for the cooperation partners of “Latvijas dzelzceļš” Group published on the website [www.ldz.lv](http://www.ldz.lv), adheres to them and undertakes to strictly observe them in the future and to ensure that its employees and subcontractors involved in the fulfilment of the Contract also observe them.

11.2. The Contractor is obliged to immediately inform VAS “Latvijas dzelzceļš”, if a situation is identified where any of the basic principles of the business ethics of the cooperation parties of „Latvijas dzelzceļš” Group have been infringed, as well as to inform about the measures being taken to resolve the situation and prevent its recurrence in the future. In case where such information is not provided, but the Customer becomes aware that the Contractor has infringed any of the basic principles of business ethics of the cooperation parties of “Latvijas dzelzceļš” Group, further cooperation will be evaluated in accordance with the procedure and within the scope specified by law.

11.3. If, within the Contract limits, the Contractor receives information or reasonable suspicions that an employee of “Latvijas dzelzceļš” Group personally or through an intermediary, requests, accepts, offers any kind of material value, property or other fringe benefits to any persons aimed at achieving a certain illegal decision-making, obtaining illegal benefits or advantages or achieving any other self-interested goal in the interests of the Customer or any other persons, the Contractor shall be obliged to immediately inform the Security Department of the controlling company of „Latvijas dzelzceļš”, using the reporting options on the website www.ldz.lv of the Group. The notification must include information, facts or materials that credibly point to the foregoing activities or provide reasonable grounds to suspect such activities. The Customer guarantees that the information will be comprehensively and objectively evaluated and that no unjustified negative consequences or actions will be turned to the reporter, as well as the company he represents and other employees of the company.

**12. Warranty**

12.1. Warranty obligations for the completed Services are valid for 12 (twelve) months, counting from the date of signing the acceptance certificate. The warranty obligations specified herein and elsewhere in the Contract are valid only for the supply and implementation of the IS software in accordance with the Technical Specification.

12.2. During the warranty period, the Contractor is obliged to provide the support specified in the Contract without extra payment and to eliminate problems within the scope of this Contract that have arisen due to the Contractor's erroneous design or execution (non-compliance of the quality of the product with the provisions of the Contract and addenda thereto).

12.3. The Contractor **is** not obliged to eliminate defects within the warranty obligation limits, if they have arisen as a result of the action or inaction of the Customer and/or third parties.

**13. Miscellaneous**

13.1. The Parties may agree in writing on amendments to the term of execution of the Contract or termination of the Contract if, due to obvious considerations, further operation of the Contract is impossible.

13.2. Any amendments and supplements affecting this Contract shall be made as agreed upon the parties and drawing up an agreement in writing, which becomes an integral part of this Contract.

13.3. All disputes and disagreements that may arise from or in connection with this Contract shall be settled as agreed upon the Parties through negotiations. If no agreement is reached after 14 (fourteen) calendar days, the disputes shall be referred for consideration to the court of the Republic of Latvia according to jurisdiction. The obligations arising from the Contract shall be submitted for discussion in accordance with the laws of the Republic of Latvia.

13.4. Reorganization of the Parties or change of their managers cannot be a basis for the suspension or termination of the Contract. In case where one of the Parties is reorganized or wound up, the Contract shall remain in force and its provisions shall be binding upon the successor of the Party.

13.5. The Parties undertake to immediately notify each other by sending a letter of any change in name, legal address, or e-mail address. About any change in the number of the current account referred to in the Contract, by sending a letter with the signatures of the authorized signatories.

13.6. The Contract is made and signed electronically with a secure electronic signature (contains a time stamp. The date of signing of the Contract by both parties is the date of the last signed time stamp) in Latvian with 2 (two) addenda: “Technical Specification” and “Contract on the Processing of Personal Data”.

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| **14. Bank details and signatures of the Parties**  **CUSTOMER:**  **SIA “LDZ CARGO”**  Registered office and the place of performance:  Dzirnavu iela 147 k-1, Riga, LV-1050,  Reg.No.: 40003788421  VAT payer’s No.:LV40003788421  Bank account No.:  LV08RIKO0000082999854  Name of the bank: AS Luminor Bank Latvian Branch  Bank code: RIKOLV2X | **CONTRACTOR :**  \_\_\_\_\_\_\_\_\_\_\_\_\_  Registered office and the place of performance:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Reg.No.: \_\_\_\_\_\_\_\_\_\_\_  VAT payer’s No.: \_\_\_\_\_\_\_\_\_  Bank account No.:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name of the bank: \_\_\_\_\_\_\_\_\_  Latvian Branch  Bank code: \_\_\_\_\_\_\_\_\_\_\_\_\_ |

|  |  |  |
| --- | --- | --- |
| *(signature\*)* |  | *(signature\*)* |
| Chairman of the Management Board  Aļģirds Miķelsons |  |  |
| *(signature\*)* |  |  |
| Member of the Management Board  Raimonds Freimanis |  |  |
|  |

*Anex 1 to the Contract “Technical Specification” – see Annex 3 of the Procurement Regulations,*

*Anex 2 to the Contract “Agreement on Personal Data Processing”*

THE DOCUMENT IS SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP

Annex No. 2

to the Contract No. \_\_\_\_\_\_\_\_\_ of \_\_\_ \_\_\_\_\_\_\_\_\_\_ \_\_\_\_

**Agreement on Personal Data Processing**

**The Customer**, hereinafter referred to as – the “Controller”, on the one part, andthe **Entrepreneur**, hereinafter referred to as – the “Processor”, on the other part,

In pursuance of Article 28(3) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (hereinafter referred to as - the General Data Protection Regulation), shall enter into the Agreement on personal data processing, carried out by the Processor for and on behalf of and as assigned by the Controller (hereinafter – the Agreement):

1. **Terms Used in the Agreement:**
   1. The Parties agree that within the scope of this Agreement, the terms personal data, processing of personal data, controller, processor and data subject and other terms are used within the meaning of the General Data Protection Regulation.

1. **Information on the Processing of Personal Data** 
   1. The Parties VAS “Latvijas dzelzceļš” and \_\_\_\_\_\_\_\_\_\_\_ entered into the Contract No. \_\_\_\_\_\_\_\_\_ on the “Supply and Implementation of Invoicing IT Solution”, hereinafter – the Agreement. The Agreement determines the procedure, whereby the Processor processes personal data of the Controller on the basis of the Agreement concluded and pursuant to the General Data Protection Regulation and other applicable regulatory enactments.
   2. The Processor shall carry out processing of personal data on behalf of and in the interests of the Controller, which is necessary to ensure the “supply and implementation of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” (hereinafter - the Service). The full description of the Service is specified in Anex 1 to the Contract.
   3. **Planned duration (term) of data processing and storage:** 
      1. The Processor is entitled to process personal data for no longer of the period required to provide the Service, unless the applicable laws and regulations of the Republic of Latvia determine another period for processing personal data, for example, for accounting purposes.
      2. The periods for data storage necessary to provide the Service shall be set by the Controller in each specific case and depending upon the need.
   4. **Nature and purpose of data processing**:
      1. The following personal data processing activities are carried out within the scope of the work performed by the Processor: viewing, accessing, data monitoring, copying, organizing data, but within the scope of the execution of the Agreement, the Controller may also allow any other types of data operations, in accordance with the instructions of the Controller and pursuant to the requirements of legal acts.
      2. The Processor will process personal data electronically.
      3. The purpose of processing personal data is the supply and implementation of the Personnel Management Self-Service and Payroll Solution (PVPAS). Achieving of the foregoing goal may not be possible without access to personal data contained in IT systems owned by the Controller, such as SAP, DVS, Intranet, etc.
      4. Personal data may be processed for other legal purposes that do not arise from the Agreement, if provided for by the laws and regulations of the Republic of Latvia or if the instructions follow from the documented instructions of the Controller.
   5. **The Processor will process the following types and categories of personal data:** 
      1. Data of employees of the Controller:

* employee master data (identification data) and all calculations related to personnel management (SAP HR module);
* employee contact information data;
* legal relationship data on the employee’s employment;
* salary data;
* employee training data, including knowledge test records;
* employee certificate data;
* employee vacation (including rest days) and domestic business trip data;
* employee working time records;
* employee special category data.
  + 1. Identification data of the employees of the Processor and data of the actions taken in pursuance of the Agreement – ​​access data to the IT systems of the Controller (username, IP address of the device from which the connection is made, device name, actions taken by the employees in the System and time).
  1. **The personal data processed relate to the following categories of data subjects**:
     1. Employees of the Controller.
     2. Employees of the Processor based on the Agreement and other contact persons designated by the Processor.

1. **Rights and Obligations of the Controller**
   1. Obligations of the Controller:
      1. To transfer or allow access to personal data only in accordance with the nature and purpose of the personal data processing specified in Sub-clause 2.3 of the Agreement and in accordance with the mandatory technical and organizational requirements to the protection of personal data referred to in Clause 5 of the Agreement and provided for in the General Data Protection Regulation.
      2. The Controller guarantees that it implements the mandatory technical and organizational requirements to the protection of personal data specified in Clause 5 of the Agreement and provided for in the General Data Protection Regulation.
      3. To make sure of the ability of the Processor to comply with its legal obligations under the terms of the Agreement.
      4. The Controller shall ensure and guarantee that processing of personal data carried out within the framework of the Agreement is carried out in accordance with the General Data Protection Regulation and other regulatory enactments covering the personal data protection.
      5. The Controller shall guarantee that he has kept informed the Processor of the fact that processing of personal data must be carried out only for and on behalf of the Controller, in accordance with the applicable laws and regulations with regard to the personal data protection and this Agreement. The Controller undertakes to provide the Processor with the necessary briefing throughout the validity period of the Contract and the Agreement, if necessary for the Processor.
   2. Rights of the Controller:
      1. to exercise control over the Processor for the adherence to the provisions of the Agreement, as well as its ability to ensure data security;
      2. temporarily suspend or restrict access of the Processor to personal data if security threats are identified;
      3. terminate the Contract if the Processor fails to comply with the obligations under the Agreement or fails to take sufficient measures to protect data;
      4. terminate the Contract if the Processor is unable to meet the obligations under the Agreement, in pursuance of the regulatory enactments;
      5. upon the occurrence of the case specified in Sub-clause 4.4 of the Agreement, i.e. if the Processor notifies the Controller of amendments to regulatory enactments, decisions of institutions or courts that prevent the personal data processor from meeting its obligations under the Agreement, the Controller may suspend or terminate the Contract.

1. **Obligations of the Processor**
   1. Before commencing the processing of personal data, the Processor shall ensure compliance with the mandatory technical and organizational requirements for the protection of personal data specified in Clause 5 of the Agreement and provided for in the General Data Protection Regulation.
   2. To process personal data only in accordance with the nature and purpose of the personal data processing laid down in Sub-clause 2.3 of the Agreement, guaranteeing that appropriate technical and organizational measures will be implemented so that the requirements of the General Data Protection Regulation will be met during the processing and the protection of the rights of data subjects will be ensured.
   3. Not to store personal data longer than required for the purpose they are processed and to ensure that personal data are updated accurately and in a timely manner in accordance with the purpose of the personal data processing.
   4. The Processor guarantees that it has no reason to believe that the applicable laws and regulations do not allow it to meet the requirements of the Agreement. The Processor undertakes to immediately notify the Controller of any amendments to laws and regulations, decisions of institutions or courts that hinder or prevent the Processor from fulfilling its obligations under the Agreement.
   5. The Processor shall inform the Controller in writing if the Processor has concluded an agreement with subcontractors who are involved in the performance of the obligations under the Contract within 3 (three) months upon the conclusion of this Agreement, indicating the details of the subcontractors, the country of location of the subcontractor, if it is not Latvia. The Processor shall be obliged to inform the Controller about changes in relation to subcontractors. The Controller has the right to object to the involvement of a subcontractor if its technical and organizational measures for the protection of personal data do not comply with the requirements of the General Data Protection Regulation.
   6. . The Processor shall process personal data only on the instructions of the Controller, including in connection with the transfer to a third country or an international organization, unless this is required to be done in accordance with the law of the European Union or a Member State applicable to the Processor, in which case the Processor shall inform the Controller of the said legal requirement prior to processing, unless such information is prohibited by the relevant law for reason of important public interest.
   7. The Processor informs that it uses the following security standards relating to the processing and protection of personal data, the security of information and communication technologies and they apply to the implementation of this Agreement: (***to be completed by the Processor***)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The Processor guarantees that it complies with all the processing security requirements provided for in Article 32 of the General Data Protection Regulation.
   8. The Processor shall ensure that the persons authorized to process the data have undertaken to keep it confidential or are subject to a relevant legal obligation to guarantee confidentiality with regard to personal data.
   9. Upon request by the Controller and the data subject, to provide the Controller and the data subject with information on the processing of personal data carried out by the Processor and information on those natural or legal persons, state or local government authorities that have received information about this data subject from the Processor.
   10. Immediately inform the Controller of requests from law enforcement authorities, as well as in cases where unauthorized or third parties have access to personal data.
   11. Immediately inform the Controller of any request received directly from the data subject and to which request the Processor is not authorized to respond.
   12. To provide, upon the written request of the Controller, all information necessary for assessment of the impact on the preparation of data protection or the creation of the register of data processing.
   13. The Processor shall be obliged to inform the Controller of any security incident that has direct or indirect consequences for the Data processing.
   14. The information referred to in Clauses 4.11 and 4.13 of the Agreement must be sent to the Controller electronically to the e-mail address: [datuaizsardziba@ldz.lv](mailto:datuaizsardziba@ldz.lv) as soon as possible, but at the latest within 24 hours after the discovery of a security incident or receipt of a complaint.
   15. To compensate the data subject for any damage or loss caused, if such damage or loss has occurred due to the failure of the Processor to comply with the terms of the Agreement.
   16. To provide the Data State Inspectorate of the Republic of Latvia with the information and documents necessary for the performance of its tasks, related to the processing of personal data within the scope of this Agreement.
   17. Provide the Controller and representatives of the Data State Inspectorate of the Republic of Latvia with free access to the premises where the personal data processor processes the transferred personal data, access to all documentation, as well as personal data processing systems, any processing equipment or information carriers, in order to verify the compliance of processing of the transferred personal data with the requirements of the Agreement.
   18. Destroy personal data, all handling facilities and documents containing personal data if the Contract is terminated, except for the case specified in clause 2.6 of this Agreement. If the destruction or return of data to the Controller is not possible, the Processor shall inform the Controller of the storage periods and undertake to ensure appropriate protection of personal data until:
       1. the obligations towards the data subject are terminated;
       2. the national laws and regulations do not provide for the right to destroy documents.

1. **Mandatory Technical and Organizational Requirements**

**to the Protection of Personal Data**

* 1. The Controller and Processor implement mandatory technical protection of personal data with physical and logical means of protection, ensuring:
     1. protection against threats to personal data caused by physical impact;
     2. protection implemented with software tools, passwords, encryption, and other logical means of protection.
  2. When processing personal data, the Controller and Processor provide:
     1. access by authorized persons to technical resources used for the processing and protection of personal data (including personal data);
     2. that information carriers containing personal data are registered, moved, arranged, transformed, transferred, copied and otherwise processed by authorized persons;
     3. that the collection, recording, organization, storage, copying, rewriting, modification, correction, deletion, destruction, archiving, backup copying, blocking of recorded personal data are carried out by persons authorized to do so, as well as ensuring the possibility of determining personal data that have been processed without the relevant authorization, as well as the time of processing and the person who carried it out;
     4. that the resources used in the processing of personal data are transferred by authorized persons;
     5. when processing personal data, the reservation of information about the personal data that was transferred, the time of the transfer of personal data, the person who transferred the personal data, the person who received the personal data;
     6. when receiving personal data, the reservation of information about the personal data received, the time of receipt of personal data, the person who transferred the personal data, the person who received the personal data.

1. **Obligations after the Termination of Personal Data Processing** 
   1. The Parties agree that upon the termination of the Agreement, the Processor shall destroy all personal data received from the Controller and certify to the Controller that this has been done. Complying with the terms and conditions of this clause, the Processor shall act in accordance with the instructions of the Controller.
   2. In case where the Processor returns all personal data received from the Controller to the Controller, the Processor guarantees that it will ensure to keep confidential such personal data and will no longer process the received personal data.

1. **Dispute Settlement Procedure and Applicable Laws** 
   1. The Parties agree that disputes regarding non-compliance with the Agreement shall be considered in the courts of the Republic of Latvia.
   2. Disputes shall be considered in accordance with the laws and regulations applicable at the territory of the Republic of Latvia.

|  |  |  |
| --- | --- | --- |
| **CUSTOMER:** |  | **ENTREPRENEUR:** |
| *Signed with a secure electronic signature* |  | *Signed with a secure electronic signature* |
|  |  |  |
| *See the date in the timestamp* |  | *See the date in the timestamp* |

1. See in addition paragraph 1.10.2 of the Regulations. [↑](#footnote-ref-2)
2. The specified documents are submitted at the request of the customer/Commission by the tenderer who may be vested with the right to conclude the contract during the process of evaluation. [↑](#footnote-ref-3)
3. The specified documents are submitted at the request of the customer/Commission by the tenderer who may be vested with the right to conclude the contract during the process of evaluation. [↑](#footnote-ref-4)
4. Website address: https://likumi.lv/ta/id/178987-noziedzigi-iegutu-lidzeklu-legalizacijas-un-terorisma-un-proliferacijas-finansesanas-noversanas-likums [↑](#footnote-ref-5)
5. The specified documents are submitted upon the request of the customer/Commission by the tenderer, who may be vested with the right to conclude a contract during the evaluation process. [↑](#footnote-ref-6)
6. ***The tenderer may include in the Financial Offer, by providing a breakdown of the mandatory items specified in the table, more detailed breakdown of the total amount of the offer in the additional calculations.*** [↑](#footnote-ref-7)
7. ***2.1.+2.2. is the C1 evaluation criterion, see paragraph 5.1 of the Regulations.*** [↑](#footnote-ref-8)
8. ***2.3. is the C2 evaluation criterion, see paragraph 5.1 of the Regulations.*** [↑](#footnote-ref-9)
9. ***the license fee may not increase by more than 3% within 3 years.*** [↑](#footnote-ref-10)