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

*(approved by the minutes of the 1st meeting of the Procurement Commission of June18, 2025)*

REGULATIONS

**ON THE NEGOTIATED PROCEDURE WITH THE PUBLICATION**

**“****SUPPLY AND IMPLEMENTATION OF**

**IT SOLUTION FOR INVOICING AND ROLLING STOCK MANAGEMENT FOR THE NEEDS**

**OF SIA “LDZ CARGO””**

(Procurement ID No. LDZ 2025/195-SPA)

With Amendments No.1, approved by the minutes of the 3rd meeting of the Procurement Commission of July 17, 2025

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 IT Solution for Invoicing and Rolling Stock Management 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 IT solution for invoicing and rolling stock management for the needs of SIA “LDZ CARGO” 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, Riga, 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. LV40003788421, 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** **August 5, 2025, 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 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 repealing points (b) and (c) of Article 6(1) of Directive 95/46/EK (General Data Protection Regulation) Article 6 paragraph 1 B and C points. . 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 IT solution for invoicing and rolling stock management 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. As a result of the procurement, 2 contracts are concluded (1- System supply and implementation; 2.- System maintenance).
   4. The **Contract’s:**
      1. key time-limits for execution:
         1. **Supply, implementation and maintenance** of the system **within 31 (thirty-one) months** from the date of conclusion of the procurement contract, namely:

Phase 0 – Project scope and management plan agreed by both parties (1 month from the mutual signing of the contract);

Phase 1 – Supply and implementation of the invoicing solution (within 13 months from the mutual signing of the contract), maintenance (12 months after mutual signing and implementation of the Acceptance Certificate);

Phase 2 – Supply and implementation of the process management IT solution (within 19 months from the mutual signing of the contract), maintenance (12 months after mutual signing and implementation of the Acceptance Certificate).

* + - 1. 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 supply 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)* | 50 | |
| 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)* | 20 | |
| 3. | Maintenance (C3) | System maintenance *(total amount of the offer for items 2.4 and 2.5 of the application letter)* | 30 | |
| Total | | | | 100 | |

* + 1. For the price, points C (1, 2, 3) 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. 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.

**Annex 1**

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

“Supply and Implementation of IT Solution for Invoicing and Rolling Stock Management 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**  **(item 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 7 (seven) years** (as well as within the period *up to the date of submission of the offer*), **in the successful execution of at least 2 (two) contracts** **in the field of freight transportation** 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 IT solution for invoicing and rolling stock management **in the field of freight transportation** **at least 200 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); |  | 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 Tenderer offers an existingIT solution for invoicing and rolling stock management, which can be adapted to the needs of SIA “LDZ Cargo” (development of a new System is not required).  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 IT Solution for Invoicing and Rolling Stock Management

for the Needs of SIA “LDZ CARGO””

*[Form of the tenderer’s company]*

No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_ \_\_\_\_\_\_\_\_\_ 2025

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

“Supply and Implementation of IT Solution for Invoicing and Rolling Stock Management

for the Needs of SIA “LDZ CARGO””

/form/

The tenderer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, reg. No. in the Commercial Register of the Republic of Latvia \_\_\_\_\_\_\_\_\_\_,

(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 IT Solution for Invoicing and Rolling Stock Management for the Needs ofSIA “LDZ CARGO” (hereinafter – the negotiated procedure).

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

1. offers the supply and implementation of IT Solution (System) for Invoicing and Rolling Stock Management 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..* | *Supply and service* | *Amount, EUR,*  *excluding VAT* |
| 2.1. | Supply of the System (software) |  |
| 2.2. | Implementation of the System |  |
|  | **Total amount of the offer for the supply and implementation**[[7]](#footnote-8)**:**  *(2.1.+2.2.)* |  |
| 2.3. | Performing additional development work for the System (EUR/h)[[8]](#footnote-9) |  |
| 2.4. | Maintenance of the System’s Phase 1 (12 months after mutual signing and implementation of the Acceptance Certificate),  including, 1 hourly rate EUR \_\_\_\_\_\_\_, excluding VAT,  1 monthly fee EUR \_\_\_\_\_\_\_\_, excluding VAT |  |
| 2.5. | Maintenance of the System’s Phase 2 (12 months after mutual signing and implementation of the Acceptance Certificate),  including, 1 hourly rate EUR \_\_\_\_\_\_\_, excluding VAT,  1 monthly fee EUR \_\_\_\_\_\_\_\_, excluding VAT |  |
|  | **Total amount of the offer for the Maintenance**[[9]](#footnote-10)**:**  *(2.4.+2.5.)* |  |

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. 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;
4. 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;
5. 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;
6. acknowledges that the validity period of its offer is not less than 100 (one hundred) days from the date of opening the offer;
7. 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;
8. 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.;
9. 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;
10. 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;
11. acknowledges that the tenderer 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;
12. acknowledges that unauthorized labour and other resources will not be used in the execution of the procurement contract;
13. 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 IT Solution for Invoicing and Rolling Stock Management

for the Needs of SIA “LDZ CARGO”

**TECHNICAL SPECIFICATION**

SIA "LDZ CARGO" (hereinafter referred to as LDZ CARGO) requires an existing IT solution (hereinafter also referred to as the System) that will provide the company with an invoice management process (customers, contracts, orders, trains, wagons, document calculations, invoicing, financial period closing), planning management process, wagon fleet management process, rental wagon management process, financial analytics with the possibility of adding functionality as needed.

The development, configuration and implementation of the System at the Customer is carried out in 2 phases. Each phase is as an independent delivery, and the warranty period for each phase is calculated separately. The monthly maintenance contract fee is charged for the 1st phase separately and for the overall IT solution after both phases are put into operation.

**Project organisational requirements (mandatory requirements) (Phase 1) (Phase 2)**

**Project Management Plan:**

The Supplier shall develop and submit to the Customer for review a Project Scope Worklist and Project Management Plan no later than 20 calendar days from the date of signature of the Contract. The Customer shall provide comments, clarifications on the Project Management Plan and Project Scope Worklist within 10 calendar days.

1. **Project organisational requirements:**
2. **Project Supervisory Board**.
   * 1. Consists of representatives of the management of the Customer and the Supplier. The Customer and the Supplier may invite a representative involved in the project to participate as necessary.
     2. Reviews the overall progress of the project, identified risks, evaluates and makes decisions on amendments to the project.
     3. Resolves conflict situations on the part of both the Customer and the Supplier.
     4. The Board meets once a month.
   1. **Project management group.**
      1. Consists of representatives of the management of the Customer and the Supplier. The Customer and the Supplier may invite a representative involved in the project to participate as necessary.
      2. Informs the Project Supervisory Board regarding the progress and status of the project.
      3. Coordinates the progress of the project and the progress of the project working group, tasks to be performed and their qualitative implementation.
      4. Once every two weeks.
   2. **Project working groups.**
      1. Consists of representatives of the Customer and the Supplier. The Customer and the Supplier may invite a representative involved in the project to perform the task as necessary.
      2. Responsible for the execution of specific module tasks in accordance with the project plan deadlines.
      3. Provides regular work performance reports to the project management group.
   3. **Project communication management.**
      1. The applicant must provide the proposed approach to project communication management at all levels of the organizational structure.
      2. The Customer provides a communication platform through the existing system Jira for the creation of work tasks for the Information Technology and Telecommunications Directorate of VAS LDZ, all applications are organized through LDZ Cargo.
   4. **Project quality management.**

The Supplier must take the necessary measures to ensure project quality management in accordance with the principles of good practice.

1. Coordination of the work assignment with the Customer before starting work.
2. Timely submission of deliverables to the Customer.
3. Coordination of the structure and format of deliverable documentation with the Customer.
4. Timely submission of deliverable documentation to the Customer.
   1. **Project change management.**

The applicant must propose a project change management model that provides for multi-level review and escalation of project changes according to the significance of these changes and their impact on the project time, budget and scope.

* 1. **Project working language.**

The working language of the project is English and Latvian. The Supplier shall prepare the documentary deliverables in Latvian.

During the project, it is possible to involve specialists who do not speak Latvian or English, in which case the Supplier shall ensure translation of these specialists in communication with the Customer at no additional cost.

Certain documentary deliverables of the project, upon prior agreement with the Customer, may be prepared in a foreign language.

* 1. **Project documentation.**

The Customer shall ensure the recording of minutes of the meetings of the project surveying board and the project management group.

The Supplier shall ensure the recording of minutes of the meetings of the working groups and other meetings (making notes on the decisions taken), and coordination with the parties involved in the meeting.

* 1. **The scope of the project.**

The Supplier must prepare and coordinate the project work activity plan with the Customer. The project work plan must be developed and submitted in Ms Office programs, such as Word, Excel, Ms Project. The project scope contains a detailed list of works, which is relevant to the items of the Procurement technical specification.

* 1. **Project timeline.**

The Supplier must prepare and coordinate the project timeline with the Customer.

The project timeline must be developed and submitted in the MS Project program.

Changes to the approved project timeline are organized only by decision of the Project Supervisory Board.

* 1. **Risk plan.**

The Supplier must conduct a qualitative risk assessment, and propose a risk minimization plan.

The Supplier must develop and submit a risk management plan in Word or Excel program.

The Supplier must maintain and update the risk plan throughout the project development.

1. **Functional requirements (mandatory requirements):**
   1. **Client module. (Phase 1)**
      1. The System must ensure the maintenance of a client database, automatically with integration from the LDZ system;
         1. The integration type and data structure can be viewed upon request from the Customer;
      2. The System must ensure automatic addition of new clients with integration from the LDZ system.
      3. The System must ensure the storage of at least the following data values:
         1. Organization name;
         2. Registration number;
         3. VAT payer’s number;
         4. Bank details;
         5. Client code;
         6. Client code in the external system;
         7. TAF-TSI code;
         8. Type;
            1. Forwarder;
            2. Client;
            3. Carrier;
            4. Infrastructure manager;
         9. Phone;
         10. Organization's e-mail;
         11. Person entitled to sign;
             1. Delegated person entitled to sign;
         12. Contact person's e-mail address;
         13. Actual address:
             1. Street;
             2. Zip Code;
             3. City;
             4. Country;
         14. Legal address:
             1. Street;
             2. Zip Code;
             3. City;
             4. Country;
         15. Etc.
      4. The System must provide a history of changes to existing client forms, such as changes to address, phone number, person entitled to sign, name, etc.
      5. The System must ensure the receipt, storage and reflection of the client's financial position from an external system:
         1. The System reflects the client's financial balance in Latvia, Estonia and Lithuania;
            1. The integration type and data structure can be viewed upon request from the Customer.
      6. The System must ensure the display of client’s information on tax debts, either manually or from an external system.
      7. The System must ensure the receipt, storage and reflection of client’s information about sanctions from an external system:
         1. The integration type and data structure can be viewed upon request from the Customer.
         2. The System provides validation that such a company cannot be issued a new service as long as such a restriction exists.

The System must provide for the ability to supplement the existing client template form with new data values ​​that are not listed above, as needed.

The System must provide for the display of the list in the graphical user interface, selection of clients by client basic data, filtering by client basic data, sorting by basic data in ascending or descending order.

* 1. **Contract module. (Phase 1)**
     1. The System must ensure the maintenance, administration, deletion of contract cards;
     2. The System must enable the creation of new contract types from a form, containing at least the following freight transportation contract types:
        1. Overland transit;
        2. Sea transit;
        3. Export, Import or Domestic;
        4. Container train;
        5. Wagon delivery and collection;
        6. Principal services;
        7. Transportation of empty wagons;
        8. Traction services;
        9. Additional services for other carriers;
        10. Wagon repair;
        11. Locomotive repair;
        12. Wagon rent;
        13. Container rent;
        14. Use of wagons.
     3. The System must enable the creation of new contracts from a form, containing at least the following data values:
        1. Contract No.
        2. Original;
           1. Electronic:

URL from document management system;

* + - * 1. Paper;
      1. Contracting party;
      2. Contracting party's bank account;
      3. Contract rate or rates;
      4. Changes to the contract term;
      5. Defining contract payment terms:
         1. Calendar working days;
         2. Working days;
         3. Specific date with a recurrence cycle;
      6. Valid from;
      7. Valid until;
      8. Signatory;
      9. Annotation;
      10. Notes;
      11. File attachment;
          1. Docx, Pdf, Jpg, Jpeg, Png, xlsx, .edoc, .asice, etc.
    1. The System must ensure that the contract is linked to the client;
    2. The System must maintain the history of expired contracts;
    3. The System must maintain amendments and additional agreements to contracts;
    4. The tariff applied to the contract, a combination of tariffs or calculation conditions individually agreed upon in the contract;
    5. The System must ensure that during the contract creation process, the company branch that concludes a contract with a client for transportation is selected:
       1. Latvian Ldz Cargo;
       2. Lithuanian Ldz Cargo branch;
       3. Estonian Ldz Cargo branch.
    6. The System must provide the possibility to add company branches.
    7. The System must provide a display of lists with filters according to affiliation with the Ldz Cargo branch.

The System must provide selection of contracts by the value of any form card data parameter.

The client contract form must have the possibility to apply one or more transportation tariff conditions from the calculation module. One contract can simultaneously have one or more tariff conditions that apply to variable values, for example, the number of wagons per year, etc.

* 1. **Client relationship management module. (Phase 1)**
     1. The System must provide listing, sorting, filtering and grouping of information about clients from the client module.
     2. The System must provide an offer form and its registration, containing at least the following data values:
        1. Client;
        2. Contract number, from the contract module;
        3. Date of submission of the offer;
        4. The term from which the offer is valid;
        5. The term till which the offer is valid;
        6. Rate:
           1. EUR per wagons and wagon;
           2. EUR per tonne;
        7. Type:
           1. Container;
           2. Wagon;
        8. Containers:
           1. 20F;
           2. 40F;
           3. 30F;
           4. 25F;

Loaded;

Empty;

* + - * 1. Number of containers per platform;
        2. Type (Other (Universal), Cisterns, …);
        3. Category (22G1, 45G1, …);
        4. Property (Private/Common Park);
        5. Number (or number template);

Tonnage type (Large-tonnage container 20F, Large-tonnage container 40 F, …)

* + - 1. Wagons:
         1. Loaded;
         2. Empty;
         3. Freight;
         4. Number of wagons;
         5. Property (Private/Common Park);
         6. Administration (LDZ, KZH, …);
         7. Wagon type (Platform, Cistern, …);
         8. Number of axles;
         9. LDZ CARGO wagon (mark);

Mark for lease;

* + - 1. Volume;
      2. Separate locomotive;
      3. Wagon ownership;
      4. Included in the rate:
         1. For transporting an empty wagon;
         2. For drawing up a transit declaration;

Indexation coefficient;

Variable part;

* + - 1. Prime cost;
      2. Profitability;
      3. Notes;
      4. Station From
      5. Station To
      6. Distance;
      7. Special notes (for example):
         1. Note on the application of the coefficient 1.3 for an empty wagon run;
    1. The System must provide calculation of the offer price according to an individual contract or tariff from the calculation module.
    2. The System must reflect the calculation of the offer cost price from the prime cost module.
    3. The System must ensure the recording of indicators for offer quality:
       1. Client;
       2. Number of offers;
       3. Offer execution time from the moment of registration;
    4. Offer and order ratio; the System must provide a registration of communication with a client containing at least the following data values:
       1. Type of communication;
       2. Date;
       3. Communication description part (comments);
       4. Contact person from LDz;
       5. Client’s contact person;
       6. Resolved/Unresolved;
    5. The implementation of the solution is coordinated with the Customer during the development.
  1. **Calculation module.** **(Phase 1)**
     1. The System must provide a base tariff and calculation constructor with which a system user can create, maintain and edit tariff conditions in various transportation categories and LDZ CARGO branches:
        1. Domestic, import and export freight rates;
        2. Freight transit transportation tariffs;
        3. Payments for railway transportation and services, and contractual penalties;
        4. Settlements with other carriers.
     2. The System must provide a tariff and calculation constructor with which a system user can create, maintain and edit tariff conditions for individual clients or client groups, based on the conditions in a concluded contract, for example:
        1. Freight transportation route;
        2. Distance between stations;
        3. Wagon type;
        4. Empty wagon;
        5. Wagon owner;
        6. Previous run;
        7. Wagon type group;
        8. Freight group;
        9. Special coefficients;
           1. UN numbers;
           2. Etc.
        10. Minimum charged mass;
        11. Route discount based on the number of wagons;
        12. Additional services outside of those defined in the contract are subject to a base tariff, which is applied to clients who do not have individual conditions;
        13. When the contract expires, the System should automatically perform further calculations based on the base tariff;
        14. Other individual conditions;
     3. The System must enable the creation of individual contract rates from a template that can be reused as a base contract version for another client;
     4. The System must ensure that one client can have one or more active transportation contracts at the same time, with individual calculation conditions;
     5. The System must provide the functions of maintaining, adjusting, deleting tax rates, which are applied:
        1. according to the type of traffic;
        2. by document type;
        3. after special marks in documents;
        4. according to the client's country of residence;
        5. according to LDZ CARGO branch;
        6. and others;
     6. The System must ensure that different tax rates may be applied to the same client in different cases;
     7. The System must ensure automatic application of the tax rate according to the parameters set in the System, while retaining the option of manual correction;
     8. The System must provide for retroactive recalculation of document groups, if discount conditions have been met, for example, the contracted transportation volume has been reached:
        1. The System reflects and maintains the original document group and the recalculated document group;
        2. The System must allow manual selection of a set of document groups and recalculation at a new rate;
        3. The System provides a report with the conversion results, including all information and reflecting the difference in the conversion amount:
           1. The resulting sum greater than original;
           2. The resulting sum may be less than the original;
     9. The System must ensure the application of new tariffs starting from the moment the contractually agreed transportation volume is reached;
     10. The System must provide a display of lists with filters according to affiliation with the Ldz Cargo branch;
     11. The System must provide for the calculation of any additional service that may be provided to a client.
  2. **Prime cost calculation module. (Phase 2)**
     1. The System must ensure the calculation of the prime cost of invoiced services and additional services, taking into account the calculation module's calculation and the applicable individual contract conditions.
     2. The System must reflect the difference between the invoiced amount and the prime cost amount.
     3. The System must provide a cumulative price of each service invoiced amount against a cumulative service prime cost group:
        1. The System must provide a time frame for how this information is reflected.
     4. The System must provide modulation capabilities, providing an overview of the impact of cost items and their dependence on volume changes on the overall result.
     5. The System must provide two-level prime cost calculation:
        1. Planned;
        2. In fact.
     6. The implementation of the solution is coordinated with the Customer during the development.
  3. **Waybill module**. **(Phase 1)**
     1. The System must provide a constructor for creating new waybills, where a system user can create, maintain and correct existing waybills.
     2. Initially, the System must provide at least the following types of waybills:
        1. SMGS
        2. KU-29
        3. CIM
        4. Estonian domestic waybill;
        5. Lithuanian domestic waybill;
     3. A physical printout of a waybill and its form in the System and the data structure in .xml can be viewed upon request to the Customer.
     4. The System must provide for the registration of a new waybill in various ways:
        1. Registration of a waybill received from an external system;
        2. A user manually fills out waybills in the system;
     5. The System must ensure the transfer of waybills to an external system;
     6. The System must provide for the taxing of waybills;
     7. The System must provide for searching for waybills by waybill parameters;
        1. The System must provide multiple filters that can be saved at the user level, such as shortcuts;
        2. The System must provide multiple filters that can be saved centrally at the category level, as shortcuts.
     8. The System must allow for editing or adding to waybills at any time (with restrictions based on waybill status);
        1. Prevent adjustments after a certain time.
        2. Make adjustments with special rights in any waybill status and time period.
     9. The System must provide for cancellation of waybills (with restrictions based on waybill status);
     10. The System must provide a history of changes to an existing waybill form;
     11. The System must allow for manual setting of statuses for waybills, transfer of status to external systems, as well as receiving changes in waybill status from external systems.
     12. The System must provide for the attachment of a file to a waybill, at least in the following formats:
         1. Docx, Pdf, Jpg, Jpeg, Png, xlsx, .edoc, .asice, etc.
     13. The System must be able to register changes en route or receive them from an external system and attach them to a waybill:
         1. Operations with seals;
         2. Reloading;
         3. Adding carrier’s documents;
         4. Delivery term extension;
         5. Transition from an electronic waybill to a paper waybill;
         6. And amendment of the transportation contract;
     14. Waybills must provide printout generation for SMGS, KU-29, CIM, Estonian waybill and Lithuanian waybill in compliance with existing regulations of the Cabinet of Ministers.
     15. The System must ensure automatic creation of waybills upon receiving train sheet data from an external system.
     16. The System must provide validation for the acceptance of a waybill for transportation or issuance against the client's current operational balance.
  4. **Additional services module.** **(Phase 1)**
     1. The System must provide the possibility to create documents in addition to the services offered to clients.
     2. The System must provide the possibility to generate documents in addition to services based on templates or Excel:
        1. Wagon delivery and removing list, separating the fee calculation logic;
           1. Delivery;
           2. Removing.
        2. Act of common sample;
        3. Consignee's note sheet;
        4. Accumulation card;
        5. Record card;
        6. Container removal (from a station) and return order;
        7. Etc.
     3. The System must provide the possibility to generate documents for additional services by importing data from Excel in a specified format.
     4. The System must provide the possibility to generate documents for additional services by receiving information from an external system:
        1. Integration description and data structure available upon request.
     5. The System must ensure automated application of taxes in additional service documents, by linking current tax information in a waybill and using additional parameters, such as a freight code.
     6. The System must provide manual correction of an imported document to a system user:
        1. Prevent adjustments after a certain time.
        2. Make adjustments with special rights in any waybill status and time period.
     7. The System must provide a history of changes to existing additional service document forms;
     8. The System must ensure the linking of the calculation logic of the calculation module with additional service documents:
        1. One calculation tariff can belong to several additional services;
        2. Additional services can be provided on an individual contract basis.
     9. The System must provide a logical connection of the calculation module for the idleness of the wagon waybill consumed at stations, which may contain one or more documents.
     10. The System must provide calculation of the principal service:
         1. Submission of a summary declaration;
         2. Drawing up a transit declaration;
         3. Declaration of temporary storage of goods;
         4. Detention of a wagon for customs clearance;
         5. Drawing up an import declaration.

* 1. **Rental wagon module. (Phase 2)**
     1. The System must ensure the storage of information about wagons and their reflection in lists issued to client for rent, containing at least the following information:
        1. Lessee's name;
        2. Lessee details from the client module;
        3. Rental rate from the calculation module;
        4. Rental start date;
        5. Rental end date;
        6. Days in excess of the rent term;
        7. Rate of days in excess of the rent term from the calculation module;
        8. Contract for rent;
        9. Wagon for rent;
        10. Wagon in use;
        11. Rent or use.
        12. According to the terms of the contract, the payment for scheduled repairs of the wagons is made by the lessee or CARGO.
        13. According to the terms of the contract, the replacement of wheelsets and bogie parts is paid for by the lessee or CARGO.
        14. According to the terms of the contract, routine uncoupling repairs in the territory of Latvia are organized by the lessee or CARGO.
        15. Contract number;
        16. Date and time of registration of the contract [dd.mm.yy];
        17. Number of rented wagons per contract;
        18. Type of rented wagons (Fitting platforms, Covered wagons, Semi wagons, Cisterns, Cement hopper wagons, Transporters);
        19. Provide the possibility to add comments to each contract entry;
        20. The System must provide a new column to add to the list, in which to enter data values.
        21. Identify the creator of the entry;
     2. The System must provide selection, sorting and filtering of list information by various parameters.
     3. The System must ensure receipt of information about rented wagons from an external system.
        1. The applicant can familiarize himself with the data exchange structure upon request to the Customer.
     4. The implementation of the solution is coordinated with the Customer during the development.
  2. **Fleet management module. (Phase 2)**
     1. The System must ensure the storage of information about wagons and its reflection in lists, containing at least the following information:
     2. Wagon number;
        1. Owner;
        2. Dislocation railway;
        3. Country of deployment (Name);
        4. Station or border station code;
        5. Station or border station name;
        6. Operation;
        7. Train index;
        8. Date and time of operation;
        9. Destination station code;
        10. Freight weight;
        11. Freight code;
        12. Consignee;
        13. Mileage norm;
        14. Mileage until repair (AKT\_T1\_A25);
        15. Mileage until repair (C4614);
        16. Repair type;
        17. Next repair date;
        18. Registration date;
        19. Wagon type;
        20. Model;
        21. Year of manufacture;
        22. Tare weight in tons;
        23. Load capacity;
        24. Body volume;
        25. Service life extension period;
     3. Wagon wheel (1, 51):
        1. Manufacturer;
        2. Number;
        3. Year of manufacture;
        4. Rim thickness left;
        5. Rim thickness right;
        6. Average repair agent;
        7. Date of average repair;
     4. Wagon wheel (2, 52):
        1. Manufacturer;
        2. Number;
        3. Year of manufacture;
        4. Rim thickness left;
        5. Rim thickness right;
        6. Average repair agent;
        7. Date of average repair;
     5. Wagon wheel (3, 53):
        1. Manufacturer;
        2. Number;
        3. Year of manufacture;
        4. Rim thickness left;
        5. Rim thickness right;
        6. Average repair agent;
        7. Date of average repair;
     6. Wagon wheel (4, 54):
        1. Manufacturer;
        2. Number;
        3. Year of manufacture;
        4. Rim thickness left;
        5. Rim thickness right;
        6. Average repair agent;
        7. Date of average repair;
     7. Wagon bogie top spring beam (1, 61):
        1. Manufacturer;
        2. Number;
        3. Year of manufacture;
        4. Service life extension agent;
        5. Service life extension date;
     8. Wagon bogie top spring beam (2, 62):
        1. Manufacturer;
        2. Number;
        3. Year of manufacture;
        4. Service life extension agent;
        5. Service life extension date;
     9. Wagon bogie side beam (1-1, 71):
        1. Manufacturer;
        2. Number;
        3. Year of manufacture;
        4. Service life extension agent;
        5. Service life extension date;
     10. Wagon bogie side beam (1-2, 72):
         1. Manufacturer;
         2. Number;
         3. Year of manufacture;
         4. Service life extension agent;
         5. Service life extension date;
     11. Wagon bogie side beam (2-1, 73):
         1. Manufacturer;
         2. Number;
         3. Year of manufacture;
         4. Service life extension agent;
         5. Service life extension date;
     12. Wagon bogie side beam (2-2, 74):
         1. Manufacturer;
         2. Number;
         3. Year of manufacture;
         4. Service life extension agent;
         5. Service life extension date;
     13. Technical run
         1. Yes;
         2. No;
     14. History of wagon numbers:
         1. Old number (8);
         2. New number (12);
     15. The System must ensure the receipt, storage and updating of list information from an external system.
     16. The integration and data structure can be viewed upon request to the Customer.
     17. The System must provide selection, sorting and filtering of list information by various parameters.
     18. The implementation of the solution is coordinated with the Customer during the development.
     19. The System must provide automatic operation restrictions for wagons and rolling stock based on age, wheel thickness, etc.
     20. The implementation of the solution is coordinated with the Customer during the development.
     21. The System must provide a reference for wagons to the contract module that defines the parameters for the use of wagons.
     22. The System must display a real-time list of wagons by:
     23. Wagons owned by Cargo;
     24. Type of wagons;
     25. Number of wagons;
         1. Free wagons;
         2. Rented wagons;
     26. Wagons issued to a client:
         1. Number of wagons;
         2. Type of wagons;
         3. Contract number;
         4. Terms;

The implementation of the solution is coordinated with the Customer during the development.

1.9.23. The System must provide functionality that allows exporting all wagon management information in XML format.

* 1. **Invoice module.** **(Phase 1)**
     1. The System must ensure invoice generation based on a template upon documents for:
        1. Transportation fee calculation:
           1. Calculation conditions according to the Contract;
           2. Calculation conditions according to tariff;
        2. Additional services.
           1. Calculation conditions according to the Contract;
           2. Calculation conditions according to tariff;
        3. Invoice templates, excel and its structure are coordinated with the Customer during the development.
     2. The System must ensure that an invoice can include one or more documents for which a calculation is made.
        1. Invoice templates and its structure are coordinated with the Customer during the development.
     3. The System must provide for the generation of a detailed invoice based on a template by document, containing information on the reference to the document number, the nature of the service and the list of wagons for which the total amount has been calculated.
        1. Invoice templates and its structure are coordinated with the Customer during the development.
     4. The System must provide invoice generation in different languages:
        1. Latvian;
        2. Russian;
        3. English.
     5. The System must ensure that the service provider's details are specified and automatically filled in the invoice template:
        1. Ldz Cargo Latvia
        2. Ldz Cargo Lithuania
        3. Ldz Cargo Estonia
     6. The System must ensure that the service recipient’s details are specified and automatically filled in the invoice template.
     7. The System must ensure automatic assignment of a unique invoice identifier.
        1. The System must provide for the receipt and storage of the reference invoice number in the system.
        2. The System must allow the use of a reference invoice number for invoice generation.
     8. The System must ensure that the invoice date is specified and automatically filled in in the invoice template.
        1. A manual option for a system user to make a correction must be provided.
     9. The System must ensure the saving, issuing and transfer of invoices to external systems in .pdf and .xml. xlsx formats:
        1. Transfer of the invoice to SAP, containing at least the following data:
           1. Unique invoice number;
           2. Invoice issuance date;
           3. Date and period for which the invoice will be issued;
           4. Contract number;
           5. Service recipient’s details;
           6. Service provider’s details;

Ldz Cargo Latvia;

Ldz Cargo Estonia;

Ldz Cargo Lithuania;

* + - * 1. The name of the service;
        2. Service amounts with distribution according to the scheme:

VAT rate;

Tax codes;

Balance account;

Order number;

Balance position;

Cost centre;

Budget centre;

Foundation.

* + - * 1. The scope of service;
        2. Weight;
        3. Number of wagons;

The integration type and data structure can be found upon request to the Customer.

Detailed data on the documents/services included in the invoice to prepare the invoice attachment form agreed upon during the development (i.e. detailed list of documents/services).

* + - 1. The System must provide validation for repeated receipt of the unique invoice number from an external system.
      2. The System must provide validation of the invoice issue against the client’s current financial balance.
    1. The System must provide an overview of all documents prepared for invoice creation.
    2. The System must provide an overview of all invoices that have been issued and sent. There should be filters for reviewing by various parameters:
       1. Invoice number
          1. System invoice number;
          2. External system reference number;
       2. Customer;
       3. Invoicing period;
       4. Invoice date;
       5. Payment date;
       6. Service recipient;
       7. Service provider;
       8. Wagon number;
       9. Waybill number;
       10. Invoice number;
       11. Etc.
           1. The System must ensure that filters are saved at the user level;
           2. The exact report list is agreed with the Customer during the development.
    3. The System must ensure recalculation of the array of invoices issued to the client against a new calculation rate in situations when the agreed volume within the framework of the contract is reached.
    4. The generated invoice must provide the system user with the opportunity to make additions to the invoice before signing.
  1. **Planning module (Phase 2)**
     1. The System must provide a list of prepared requests for wagons, containing information about the specifics of the wagons, about the freight, about the route from the Client relationship management module.
     2. The System must provide a selection list of available free wagons that meet the client's request for wagon specifications for the transportation, or the request for rental wagons.
     3. The System must provide a wagon assembly function, selecting a wagon according to the specifics of the client's request, preparing the performance for delivery, receipt, sorting, containing at least the following values:
        1. Starting station;
        2. End station;
        3. Planned date;
        4. Number of wagons;
        5. Wagon ownership;
        6. Wagon group;
        7. Wagon parameters;
        8. Freight;
        9. Direction.
     4. The System must provide a plan list containing information about all requests and their distribution by wagon assembly tasks.
     5. The System must ensure delivery of the task to the final recipient, the CARGO terminal employee, by generating an email with the task.
     6. The System must provide a template constructor that ensures task generation according to the parameters of the wagon assembly form and the recipient assigned to perform the task.
     7. The System must provide task status tracking to provide a control mechanism for the actual task execution status:
        1. New tasks;
        2. In progress tasks;
        3. Task completed;
           1. The implementation of the solution is coordinated with the Customer during the development.
     8. The System must ensure that wagon assembly tasks are performed according to their categories, containing at least the following wagon specification groups:
        1. Covered;
        2. Platforms;
        3. Semi-wagons;
        4. Cisterns;
        5. Isothermal;
        6. Cement carriers;
        7. Fitting platforms;
        8. Grain carriers;
        9. Etc.
  2. **Operational and financial reporting module**. **(Phase 1)**
     1. The System must provide the possibility to manually or automatically close the operational and financial period:
        1. The System prevents operations with lists, invoices, service documents after a period of calendar days defined in the System.
        2. The System must provide the possibility to make adjustments in a closed financial period with high access rights.
           1. The implementation of the solution is coordinated with the Customer during the development.
     2. The System must provide a report for the selected period on issued invoices with at least the following data (in Excel format):
        1. Invoice number;
        2. Invoice date;
        3. Invoice client code and name;
        4. Amount excluding VAT;
        5. VAT amount;
        6. Amount including VAT;
        7. VAT SAP code;
        8. LDZ CARGO branch code;
        9. Etc.
     3. The System must ensure data transfer to the client’s DWH solution once a day:
        1. The data volume and the implementation of the solution is coordinated with the Customer during the development.

* 1. **Data transfer formats.** **(Phase 1) (Phase 2)**
     1. The System must ensure information exchange between various systems of VAS “Latvijas dzelzceļš” (hereinafter – LDZ) and LDZ CARGO (receiving/sending data).

The type and structure of integration are agreed with the Customer during the development. Integration descriptions, formats and data structure can be obtained from the Customer upon request.

* 1. **Classifiers.** **(Phase 1) (Phase 2)**
     1. The System must ensure the maintenance and periodic synchronization of existing LDZ classifiers, as well as provide the possibility of creating and maintaining new classifiers within the IT solution.

The types and structure of classifiers are agreed with the Customer during the development. The descriptions, formats and data structure of the classifiers can be obtained from the Customer upon request.

* 1. **Administration module (Phase 1) (Phase 2)**
     1. The System must provide a user administration module with conditions for granting usage rights and adjusting the necessary settings:
        1. Rights must be categorized by position groups, the system user can see and perform actions to the extent permitted by the position.

The rights matrix and management principle must be agreed with the Customer during the development.

* 1. **Number of licenses. (Phase 1) (Phase 2)**
     1. The users of the IT solution are LDZ CARGO employees ranging from 250 to 300.

1. **System security requirements (mandatory requirements): (Phase 1) (Phase 2)**
   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 of the event (name);
      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 files, logging should be performed using EventLog or SysLog with the appropriate Winlogbeat (for Windows servers) and/or rsyslog (for Linux servers).
   8. Creation of audit logging - the System must provide creation of in-depth logging (log files) – authentication and authorization, errors and warnings, configuration changes, if there is a possibility to disable the creation of audit logging, this must also be recorded in the log.
   9. Audit log storage in accordance with LDz IT security requirements - the System must provide the creation of full and traceable audit logging, protected against external factors, including against intentional 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). Audit logs must be stored in accordance with the legislation of the Republic of Latvia.
   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 – To ensure the operation of the System, only secure and encrypted services and protocols for communication are allowed (e.g. HTTPS, FTPS, SMB v2 or higher, etc.).
   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. 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): (Phase 1) (Phase 2)** 
   1. The IT solution must be deployed on the servers of the LDz Data Centre. The infrastructure is prepared in accordance with the instruction guidelines submitted by the Supplier.
   2. IS version and configuration changes are coordinated with the LDz Data Centre and are performed in accordance with LDz internal regulations on IS version and configuration changes. The Supplier provides instruction guidelines on the IS version and configuration change process, which will be performed by LDz specialists.
   3. 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.
   4. System administrator instructions - the System administrator’s instructions must include:
      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 logs (log files), place of logs storage, archiving of IS logs;
      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.
   5. System recovery instructions, the System recovery instructions must be prepared - after the fault, for the System recovery plan (from scratch).
   6. 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.
   7. Installation and configuration descriptions, 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.
   8. 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.
   9. 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.
   10. 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.
3. **Availability and performance requirements (mandatory requirements): (Phase 1) (Phase 2)**
   1. 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.
   2. 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).
   3. 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): (Phase 1) (Phase 2)**
   1. Maintenance of the System warranty - The Supplier must ensure the maintenance of the System warranty for 12 months for both phase deliveries 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 IT Solution for Invoicing and Rolling Stock Management

for the Needs of SIA “LDZ CARGO””

/form/

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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. |  | | |
| 1.1. |  |  |  |
| (..) | (..) | (..) | (..) |

*Date of last update of the technical specification: 16.06.2025.*

**Annex 4**

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

“Supply and Implementation of IT Solution for Invoicing and Rolling Stock Management

for the Needs of SIA “LDZ CARGO””

*DRAFT No. 1*

**CONTRACT**

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

**SIA “LDZ CARGO”,** registration No. 40003788421, represented by the Chairman of the Management Board Algirdas Mikelsons and the member of the Board Raimonds Freimanis, 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 services for Supply and Implementation of IT Solution for Invoicing and Rolling Stock Management for the Needs of SIA “LDZ CARGO” (jointly hereinafter referred to as – the Services/Works) the Customer undertakes to pay the Contractor for the qualitative provided Services relating to the supply, implementation in accordance with Annex No. 1 to the Contract and the Regulations on the negotiation procedure with the publication "Supply and Implementation of IT Solution for Invoicing and Rolling Stock Management for the Needs of SIA “LDZ CARGO” " (approved by the minutes of the meeting No. \_\_ 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 31 (thirty-one) 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) working 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) working 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 or English 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 to ensure development, 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 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 20 (twenty) calendar days 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 60 (sixty) 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 (Annex 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**  **THE 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 | **THE 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  Algirds Mikelsons |  |  |
| *(signature\*)* |  |  |
| Member of the Management Board  Raimonds Freimanis |  |  |
|  |

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

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

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

Annex 2

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

**Agreement on Personal Data Processing**

**The Customer**, hereinafter referred to as – the “Manager”, 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 Manager (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, Manager, 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 IT Solution for Invoicing and Rolling Stock Management for the Needs of SIA “LDZ CARGO”, hereinafter – the Agreement. The Agreement determines the procedure, whereby the Processor processes personal data of the Manager on the basis of the Contract 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 Manager, which is necessary to ensure the “supply and implementation of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” (hereinafter - the Service). The full description of the Service is specified in Annex 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 Manager 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 Manager may also allow any other types of data operations, in accordance with the instructions of the Manager 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 Manager, 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 Manager.
   5. **The Processor will process the following types and categories of personal data:** 
      1. Data of employees of the Manager:

* 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 Manager (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 Manager.
     2. Employees of the Processor based on the Agreement and other contact persons designated by the Processor.

1. **Rights and Obligations of the Manager**
   1. Obligations of the Manager:
      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 Manager 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 Manager 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 Manager 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 Manager, in accordance with the applicable laws and regulations with regard to the personal data protection and this Agreement. The Manager 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 Manager:
      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 Manager of amendments to regulatory enactments, decisions of institutions or courts that prevent the personal data processor from meeting its obligations under the Agreement, the Manager 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 Manager 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 Manager 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 Manager about changes in relation to subcontractors. The Manager 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 Manager, 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 Manager 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 Contract: (***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 Manager and the data subject, to provide the Manager 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 Manager 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 Manager 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 Manager, 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 Manager 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 Manager 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 Manager 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 Manager is not possible, the Processor shall inform the Manager 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 Manager 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 Manager and Processor provide that:
     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 Manager and certify to the Manager 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 Manager.
   2. In case where the Processor returns all personal data received from the Manager to the Manager, 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.

|  |  |  |
| --- | --- | --- |
| **THE CUSTOMER:** |  | **THE 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* |

*DRAFT* ***No. 2***

**MAINTENANCE CONTRACT**

**No. L \_\_\_\_\_\_\_\_**

|  |  |
| --- | --- |
| Riga, | *The date of the Contract is the date of last one added safe electronic signature and time stamp* |

**\_\_\_\_\_\_\_\_ “\_\_\_\_\_\_\_\_\_”** (LDz),in the person of \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_, acting on the base of customary commercial Power of Attorney No. \_\_\_ dated \_\_\_.\_\_\_.\_\_\_\_ (hereinafter referred to as the Customer), on the one hand,

and

**\_\_\_\_\_\_\_\_**, in the person of \_\_\_\_\_\_\_\_\_ acting on the base of the \_\_\_\_\_\_\_\_ (hereinafter referred to as the Contractor), on the other hand,

hereinafter collectively referred to as the Contracting Parties and/or the Parties, and each individually as the Contracting Party and/or the Party, voluntarily, without deception, fraud or coercion, in accordance with the Regulations on the negotiation procedure with the publication "Supply and Implementation of IT Solution for Invoicing and Rolling Stock Management for the Needs of SIA “LDZ CARGO”" (approved by the minutes of the meeting No. \_\_ of the Procurement Commission of \_\_ \_\_\_\_\_\_\_ \_\_\_\_) and the result (..), with respect to the offer of the Contractor (..), enter into this Contract (hereinafter referred to as the Contract) on the following:

1. **THE TERMS OF THE CONTRACT**

|  |  |
| --- | --- |
| Term | Explanation |
| System | The set of Customer's programs and solutions created therein, to which the services provided under the Contract apply: **\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| Software | Functional modules of the Software that are used to provide specific functionalities of the Software operation or to administer the Software. |
| System module | System components – functional modules of the system, which are used to ensure specific functionalities of the System operation or for the administration of the System. |
| Operating system | Is responsible for the direct control and management of computer hardware, as well as basic operations such as running application software. |
| Working day | Any day of the week from Monday to Friday inclusive, except for holidays and public holidays officially established in the Republic of Latvia. |
| Working hours | The time from 08:00 - 17:00 on weekdays. |
| Environment | A set of key hardware, software and System components. |
| Contractor development environment | A System Operation Environment at the disposal of the Contractor, which is intended for software development and demonstration to the Customer during development. |
| Customer test environment | System operations environment available to the Customer, which is intended for testing the performance of the System, performing regression tests and acceptance testing of applications, and training users of the System. |
| Customer production environment | The System operating environment at the Customer's disposal, which is intended for productive daily use of the System. |
| Level 1 support services | Support for end users of the system – incident resolution, troubleshooting, and user consultation. Authorized Persons of the Customer provide this level of support services. |
| Level 2 support services | Support for the Customer's Authorized Persons - resolution of incidents and problems that the Customer's Authorized Persons have not been able to resolve/prevent on their own within the framework of Level 1 support services. |
| Request | Customer's request for prevention of System Incidents and consulting related to the use and maintenance of the System, which is carried out in accordance with the agreed procedures. |
| Incident | A situation when the operation of the System and/or the Software is difficult/unusable or its performance does not correspond to the functional specification in the System and/or Software documentation. Incidents are classified by levels:  Critical:   * + Interruption of System operation - The state of the System when the System operation has completely stopped and/or work with the System cannot be continued, an attempt to authorize in the System by entering correct authorization data is unsuccessful, System data is not available for interface systems and/or it is unusable.   + there are critical malfunctions in the functionality of the Customer's System and/or Software that completely affect the ability of the System and/or Software to function properly and no temporary solutions are available to resolve such problems;   Serious:   * + There are significant disruptions to the functionality of the Customer's System and/or Software, but a temporary solution is available to eliminate such a problem, which the Customer can use. Are there any critical disruptions to individual functions of the System and/or Software, as a result of which they do not work at full capacity/with lower efficiency, or are the critical disruptions that fully or partially affect the ability of the System and/or Software to function at full capacity, but this inconvenience is caused only to some of the Customer's employees.   Small:   * + Slight inaccuracies are observed in the operation of the System and/or the Software, or small disturbances in the functionality of the System and/or the Software are observed for individual users, but they are insignificant and their elimination can be carried out over a longer period of time. |
| Consulting | Request related to the performance of the System and/or Software, administration and creation of queries in the database, as well as any other provision of information related to the System and/or Software. |
| Error | System / Software behavior that does not correspond to the behavior described in the System Documentation or the behavior scenario requested in the change request. |
| Request for changes | Such a Request for the transformation/modification of the System's functionality, which is not considered an Incident. |
| Problem | The cause of one or more incidents is unknown. |
| Reaction time | The time required by the Contractor from the moment of receiving the Application from the Customer's Authorized Person to the issuing of the Incident registration number and the determination and notification of the Incident Prevention Deadline to the Customer's Authorized Person. |
| Execution time | The time required by the Contractor from the moment of receipt of the Application until the moment when a solution will be delivered to the Customer to completely solve the Incident or provide a temporary solution that would reduce the priority of the Incident. |
| License | The right to use the System in accordance with the License Terms. |
| Maintenance Service Contract (SLA) | System maintenance conditions, which are agreed upon and stipulated in the Annexes to the Contract. |
| PAM (Privileged Access Management) | Software that allows you to monitor and control access rights, centrally manage user rights and audit user activities. |
| GitLab | LDz software version control tool: <https://git.ldz.lv/users/sign_in> |
| VPN (Virtual Private Network) | Virtual private network that provides connection to LDz network resources. |
| Taxation period | Taxation period is the time unit for which the Contractor invoices the Customer in connection with the Contract. |
| Maintenance Service Contract report | * Report for the Taxation Period for all registered Applications that have been resolved in this period and for all Applications that are still open at the time of preparation of this report. |
| Support portal | The Customer's system, which is intended for registering, receiving, collecting, administering, classifying and ensuring execution control of Requests. Web address of the support portal: [**https://ittpas.int.ldz.lv/secure/Dashboard.jspa**](https://ittpas.int.ldz.lv/secure/Dashboard.jspa)**.** |
| The Customer’s authorized persons | Employees of the Customer, who are authorized to:   * Monitor the fulfilment of the Contract; * Register Requests at the Support portal; * receive Maintenance Service Contract reports prepared by the Contractor and sent electronically; * Communicate with the Contractor regarding the provision of maintenance services, deadlines, etc. |
| AHA | Acceptance – Handover Act |
| LDz | Latvian Railways |

1. **SUBJECT OF THE CONTRACT**
   1. By concluding the Contract, the Customer, on the one hand, instructs and the Contractor, on the other hand, undertakes to provide the Customer's System and Software maintenance services (hereinafter referred to as the Services) in a timely manner and of appropriate quality, in accordance with the terms of the Contract and the instructions given by the Customer:
      1. to respond to Customer Requests in accordance with agreed procedures;
      2. to prevent System and Software Incidents in accordance with the procedure specified in the Contract;
      3. to develop a data correction procedure for cases where incorrect data or records have occurre
      4. to deliver System and Software if during the term of the Contract such fixes/supplements have become available and the installation of which the Contractor considers necessary. If the installation of a new version requires additional work to change the developed functionality, then such work will be carried out under a separate contract or within the framework of the Request;
      5. to inform the Customer of the need to make changes to the Software's relational database and operating system platform, or to fix errors, or to install updates recommended by the relational database and operating system manufacturer and tested by the Contractor, in case such actions are necessary to ensure the functionality of the System;
      6. to advise the authorized persons of the Customer on problems related to the administration, operation and creation of queries in the database of the System;
      7. to carry out usability improvement analysis of Systems planned or implemented by the Customer and advise the Customer's Authorized Persons on the possibilities of improving usability;
      8. to supervise the Customer's System development works, if the development work is performed by specialists hired by the Customer or a third party;
      9. if necessary, perform a System performance analysis based on the information provided by the Customer and provide recommendations to the Customer on opportunities to optimize the operation of the System;
   2. The detailed list of the contracted Services is specified in Annex 1 of the Contract.
   3. The agreed Response and Performance Times are set out in Annex 2 to the Contract.
   4. The place of provision of services is Latvia.
2. **BASIC PERFORMANCE REQUIREMENTS**
   1. The Contractor undertakes to ensure the qualitative and professional provision of all Services with the means at its disposal. The Contractor's staff will have the appropriate competence so that this staff can provide the Services agreed by the Parties in a high-quality and professional manner.
3. **AMOUNT OF THE CONTRACT AND PAYMENT PROCEDURE** 
   1. The Parties agreed on the following fixed prices, which remain unchangeable through the total time of validity of the Contract:

4.1.1. For each hour worked, the Contractor applies an hourly rate **\_\_\_\_\_\_\_ EUR** (\_\_\_ *euro* and \_\_\_ cents) in addition to value added tax (VAT). VAT is calculated in accordance with the requirements of the regulatory enactments in force at the time of the transaction.

4.1.2. The total maximum amount of the Maintenance Services ordered and provided within the framework of the Contract may not exceed **\_\_\_\_\_\_ EUR** (\_\_\_\_\_\_\_ euro and \_\_ cents), plus VAT. VAT is calculated in accordance with the requirements of the legal acts in force at the time of the transaction;

4.1.3. The amount of the Contract includes all the costs of providing the Services.

4.1.4. VAT tax is determined in accordance with the legislation in force in the Republic of Latvia.

* 1. Parties agree on the payment procedure as follows:

4.2.1. The taxation period is a calendar quarter.

4.2.2. The Contractor shall prepare and coordinate with the Customer an Acceptance-Handover Act for the Services provided during the relevant Taxation Period. The Acceptance-Handover Act shall be coordinated via e-mail. The authorized persons of the Customer specified in Annex 2 to the Contract are entitled to coordinate the Acceptance-Handover Act on behalf of the Customer.

4.2.3. The Contractor shall prepare an invoice based on the agreed Acceptance-Handover Act. The Contractor shall be obliged to submit the invoice to the Customer by the 7th day of the following month (inclusive).

4.2.4. The Customer undertakes to perform the payment for the Services within 60 (sixty) calendar days from the receipt of the invoice.

4.2.5. All payments related to the Contract must be made in EUR.

* 1. The day of payment of the invoice is considered to be the day when the Customer has given the bank an order to transfer the corresponding amount to the Contractor's current account specified in the Contract.
  2. Each of the Parties shall cover its own expenses for banking services.
  3. The Parties agree that the invoice under the Contract is prepared electronically in accordance with the requirements set out in the legal acts of the Republic of Latvia, is valid without a signature, and is binding on both Parties. The Contractor shall send the invoice prepared under the Contract from the Contractor's electronic mail address: \_\_\_\_\_\_\_\_\_\_\_ to the Customer's electronic mail address \_\_\_\_\_\_\_\_ within the period specified in paragraph 4.1.3 of the Contract. Any of the Parties shall immediately inform the other if the specified electronic mail addresses change.
  4. In accordance with the Contract, the Contractor shall indicate in the invoice the details of the Customer and the Contractor (in Clause 16 of the Contract), as well as the Contract number and date assigned by the Customer. The Customer shall have the right not to pay the invoice if the Contractor submits an invoice with details that do not comply with those specified in the Contract and/or the LDz Contract registration number is not indicated, and/or the invoice does not comply with the requirements of applicable legal acts, and/or the invoice contains mathematical or other errors that make the performance of the obligations under the Contract impossible. In such a case, the payment term shall begin on the day when the Customer receives an invoice drawn up in accordance with the established procedure - with all the details specified in the Contract, or the Contractor has notified the Contractor of a change in the details in the manner specified in the Contract.

1. **GUARANTEES** 
   1. The Parties guarantee that each of them has the right to enter into this Contract and operates according to the provisions, set forth in the Contract.
   2. The Parties guarantee that neither the conclusion of the Contract nor the observance of the provisions of the Contract in any way affects or does not contradict with:
      1. to any decisions, orders or instructions of courts, state or local government authorities, which are binding on the Parties;
      2. for any contracts or other transactions in which any of the Parties is involved;
      3. any legal acts that are binding on the Parties.
   3. Contractor guarantees that:
      1. no third party has the right to prohibit or prevent the Customer from using the Services, the System and its components, which are provided/delivered to the Customer by the Contractor within the framework of the Contract;
      2. The Contractor has all rights and licenses to provide the Services to the Customer under the Contract;
      3. At the time of conclusion of the Contract and during its operation, assuming that the System and Software are used in accordance with the Contractor's instructions and requirements, there are no obstacles and will not exist that could limit or prevent the Customer from freely using the System and Software at his disposal;
   4. The Contractor confirms that all necessary permits, consents, licenses, etc. similar costs, if any, incurred in connection with the performance of the obligations provided for in the Contract, are included in the total amount of compensation provided for in the Contract.
   5. The parties agree that the Contractor's guarantees and obligations to provide Services in the prescribed manner and to the extent within the scope of the Contract lose their validity in the event that Incidents in the System have occurred in any of the following cases:
      1. Incompatibility or Malfunction of the operating system and database management system;
      2. As a result of the interaction of the System with the hardware, as a result of the interaction of the software developed and installed by third parties or the Contractor himself with the System, if it is contrary to the hardware and software specification approved by the Contractor;
      3. power supply disturbances or interruptions;
      4. unauthorized changes to the System made by the Customer or a third party;
      5. The Customer does not follow the recommendations for the operation of the System submitted to the Customer by the Contractor in writing.
2. **OBLIGATIONS OF THE CONTRACTOR**
   1. The Contractor undertakes to:
      1. provide all Services entrusted to him in the appropriate volume, quality and within the terms specified in the Contract;
      2. submit all documentation to be developed within the framework of the Contract to the Customer in Latvian in MS Word file format;
      3. ensure that the Services are performed with due care, comply with good commercial practices;
      4. provide oral and written responses to requests submitted by the Customer;
      5. act actively to prevent Errors and Incidents of the Customer's System, as well as to advise the Customer's authorized persons;
      6. eliminate System Errors and Incidents caused by the fault of the Contractor, at no additional cost;
      7. fully test all System and Software database modules in the Contractor's Test environment before making any changes/modifications in the Production environment;
      8. deliver System Updates together with the corresponding update documentation, if the delivery of System Updates includes changes to the documentation;
      9. when making changes to the System based on Incidents or at the request of the Customer, submit new documentation or make appropriate changes to the existing one, maintaining the submitted documentation up to date;
      10. restore the System operation with the Customer in the event of technical errors in the software or System equipment;
      11. use VPN and PAM for remote access to the Customer's Test Environment;
      12. Deliver System and Software Versions via GitLab;
      13. after the entry into force of the Contract, within 2 (two) days, to provide information to the Customer about the Contractor's persons who will need access to the Customer's Test environment;
      14. not later than within 2 (two) working days, inform the Customer of any known actions of the Contractor that may affect the Contractor's ability to fulfil the obligations agreed upon in the Contract;
      15. proactively identify technical problems in the System and offer solutions to them;
      16. cooperate with other persons involved in the development, maintenance or content administration of the System;
      17. ensure that the Contractor's personnel do not download or install illegal or unacceptable software in the System (unacceptable software within the meaning of the Contract is software that provides the possibility of unauthorized access to the System in order to make changes to the System database records (corrections, deletion of data, etc.), download data or perform other actions that may result in damage to the hardware, System or System data);
      18. ensure compliance with the incident prevention levels, consultation request execution levels and response times specified in Annex 2 to the Contract throughout the entire period of performance of the Contract;
      19. deliver error fixes to the Test Environment, if they are necessary to improve the performance of the System, in accordance with the instructions and recommendations of the Software Manufacturer, if the installation of such error fixes does not affect the performance of the System, System modules and/or Software modules; when performing these actions, also deliver documentation, if available from the Software Manufacturer;
      20. all data that has been available to the Contractor for the performance of the Services shall be transferred to the Customer after the termination of the Contract and/or permanently deleted from the Contractor's data carriers;
   2. The Contractor is not responsible:

6.2.1. for the downtime of the Customer, deviations of deadlines and losses that may occur if the Customer does not fulfil his obligations agreed in the Contract in a proper quality and time frame;

6.2.2. for non-compliance with System security requirements and System hacking in cases where the Customer or third parties have made changes to the System, as a result of which the System security has changed/decreased.

* 1. The Contractor has the right, in coordination with the Customer, to engage subcontractors for the performance of the Services specified in the Contract, prior to which he informs the Customer at least 1 (one) week in advance in writing and provides information about the subcontractor - name, registration number, legal address and information about the provided service. According to the subcontracting Contract, the Contractor has the right to transfer its obligations related to the performance of the Service or any part thereof, the supply of equipment or materials.
  2. The Contractor assumes responsibility towards the Customer for the Services performed by subcontractors and their payment.

1. **OBLIGATIONS OF THE CUSTOMER**
   1. The Customer undertakes:
      1. to comply with the procedures and rules set forth in the Contract;
      2. to submit to the Contractor in a timely manner all materials, information and other documents and certificates at the disposal of the Customer, so that the Contractor can perform its duties in a timely manner, in accordance with the procedure and deadlines specified in the Contract and Orders;
      3. to provide oral and written responses to requests submitted by the Contractor;
      4. to provide the infrastructure necessary for the operation of the System, including the Operating System;
      5. to act in accordance with the System documentation and the Contractor's recommendations in a manner that does not infringe the System's intellectual property rights;
      6. to provide the Contractor with access to the Test Environment. Said environment must be available for use remotely via VPN;
      7. to provide the Contractor with access to PAM, GitLab and VPN;
      8. to use the Latvian or English language for communication and information exchange between the Contractor and the Customer;
      9. to test the System developed by the Contractor in the Contractor's test environment, in accordance with the requirements contained in the System development documents, to accept it for operation and, if necessary, to provide comments to the Contractor on any observed shortcomings or deficiencies in the System;
      10. to accept the Services provided in accordance with the requirements of the Contract and pay the Contractor in accordance with the terms of the Contract, including for the Services actually provided by the Contractor in the event of early termination of the Contract;
      11. timely inform the Contractor of any known actions of the Customer that may affect the Customer's ability to fulfill the obligations agreed in the Contract;
      12. if necessary, under the supervision of the Customer, provide the Contractor with access to the Customer's information systems, if the Contractor needs such access to perform the activities specified in the Contract;
      13. to provide access to a person authorized by the Customer, with whom the Contractor can contact in cases when the resolution of Requests is carried out outside of Working Hours;
      14. to provide the Contractor's authorized persons with access to the Customer's premises, hardware and software, which the Contractor needs to perform the duties agreed upon in the Contract;
      15. to ensure that System backups are created regularly and, if necessary, ensure the fastest possible restoration of the System from the current backup copy;
      16. not less than 3 (three) weeks in advance to inform the Contractor of any improvements, changes or version updates to the Customer's internal basic information System that may affect the operation of the System; this claus does not apply to extraordinary improvements, of which the Customer is entitled to inform the Contractor after the relevant changes have been made;
      17. using reasonable methods, provide the Contractor with responses to requests for additional information as soon as possible; the maximum deadline for responding to a request for information submitted by the Contractor is 3 (three) working days from the date of receipt of the request; if the Customer is unable to prepare the requested information due to its volume or for another justifiable reason, it must submit a motivated refusal within 2 (two) working days or indicate the deadline by which it is possible to prepare the requested information.
2. **LIABILITY OF THE PARTIES**
   1. In the event of a delay in payment resulting from the Contract, if it is due to the Customer's fault, the Contractor has the right to request an additional payment, but the Customer undertakes to pay a contractual penalty in the amount of 0.1% (one tenth of a percent) of the late payment for each day of delay, but not more than 10% (ten percent) of the amount of the late payment.
   2. In the event of a delay in service delivery deadlines (exceeding the response time), if it is due to the Contractor's fault, the Customer has the right to demand, but the Contractor undertakes to pay a contractual penalty in the amount of 0.1% (one tenth of a percent) of the overdue payment for each overdue day, but not more than 10% (ten percent) of the total payment of the Taxation Period.
   3. The payment of the contractual penalty does not relieve the guilty Party from the obligation to fulfil its obligations.
   4. In order to request liquidated damages, the claimant of liquidated damages prepares an invoice and a deed of liquidated damages with justification of application, which is sent to the other Party.
   5. If it is justified according to the procedure specified in the Contract, after receiving the issued penalty invoice, the relevant Party undertakes to pay it within 30 (thirty) days by transferring it to the bank account indicated in the penalty invoice.
   6. The Parties are not liable for the violations referred to in Clauses 8.1 and 8.2 of the Contract if such a situation is caused by the other Party's failure to timely fulfil its obligations or violation of the provisions of the Contract. The Parties are also exempted from liability in cases of force majeure (Clause 9 of the Contract).
   7. Any of the Parties is liable to the other Party in accordance with the laws of the Republic of Latvia for losses that either Party has caused to the other Party as a result of intentional, malicious action, gross negligence or omission, or due to violation of the provisions of the Contract, and undertakes to compensate for the losses incurred as soon as possible.
   8. Under no circumstances shall either Party be obligated to compensate the other Party for any losses incurred in connection with lost profits/benefits.
   9. The Contractor confirms that the signing and execution of the Contract does not infringe any intellectual property rights or copyrights of third parties. The Contractor undertakes to compensate the Customer for any losses and expenses that may arise in connection with any third party claims for infringement of their intellectual property rights or copyrights. The aforementioned representation and undertaking of the Contractor shall be valid for an indefinite period and shall not be cancelled in the event of early termination of the Contract.
3. **FORCE-MAJEURE** 
   1. The Parties are exempt from liability for full or partial failure to fulfil the obligations set forth in the Contract if such failure to fulfil the obligations has occurred as a result of force majeure circumstances occurring after the date of conclusion of the Contract, which could neither be foreseen nor prevented.
   2. Force majeure circumstances include events that arise beyond the control and responsibility of the Parties, including, but not limited to, natural disasters, fires, floods, other natural disasters, social conflicts (strikes, boycotts, lockouts), wartime activities.
   3. The Party whose performance of its obligations under the Contract has been affected by force majeure circumstances must inform the other Party thereof without delay, but no later than within 3 (three) business days after the occurrence of such circumstances.
   4. The occurrence of force majeure circumstances must be confirmed by the relevant competent authorities' statement. The relevant certificate must be submitted by the Party that will not fulfil its obligations due to force majeure no later than 20 (twenty) days after the occurrence of force majeure.
   5. The Party is released from liability only for the period during which force majeure circumstances exist. In such cases, the term of the Contract or the performance of obligations shall be extended by a period agreed upon separately by the Parties. If these circumstances continue for more than 2 (two) months, each Party shall have the right to refuse to perform the Contract due to the impossibility of its performance.
4. **DISPUTE RESOLUTION PROCEDURE**
   1. The Parties undertake to resolve all disputes arising during the performance of the Contract through mutual negotiations. The course of the negotiations is recorded in a report.
   2. If the Parties fail to agree on a solution to the dispute or disagreement through negotiations within 60 days, then any dispute, disagreement or claim arising from the Contract will be finally resolved in the court of the Republic of Latvia in accordance with the procedures specified in the effective legislation of the Republic of Latvia.
5. **TERM OF VALIDITY OF THE CONTRACT**
   1. The Contract shall enter into force from the moment of its mutual signing and shall be valid until the obligations are fulfilled, taking into account that the term for the provision of the Services under the Contract is set **from** \_\_\_\_\_\_\_, or until the amount specified in Clause 4.1.2 of the Contract is reached, whichever occurs first, unless the Contract is terminated early in the cases provided for in the Contract. Termination of the Contract before the term is possible only in the following cases:

11.1.1. if one of the Parties is declared insolvent or a decision has been made to liquidate the Party, the other Party has the right to unilaterally terminate the Contract by notifying the other Party in writing;

11.1.2. if one of the Parties fails to fulfill any of its obligations set out in the Contract or fulfills it improperly and has not eliminated it within 60 (sixty) days from the date of receipt of a written warning from the other Party about such a violation, the other Party has the right to unilaterally terminate the Contract by notifying the Party that violates the provisions of the Contract in writing;

11.1.3. either Party has the right to unilaterally terminate the Contract by notifying the other Party 3 (three) months in advance;

11.1.4. the Parties may mutually agree in writing to terminate the Contract.

* 1. Upon early termination of the Contract in any of the cases specified in the Contract, the Contractor undertakes to transfer to the Customer and the Customer undertakes to accept from the Contractor and pay for all Services performed at the time of early termination of the Contract, no later than within 10 (ten) business days after early termination of the Contract, by signing the acceptance-handover act.
  2. The Parties are entitled to terminate the Contract unilaterally or withdraw from it by notifying the other Party in writing, immediately, if the Contract cannot be performed due to the application of 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.

1. **CONFIDENTIALITY PROVISIONS OF THE CONTRACT**
   1. The Parties are responsible to each other for compliance with confidentiality obligations. Any Party is prohibited from disclosing information that has become known to it in connection with the performance of the Contract about the other Party, i.e. information about the creation of work performed within the framework of the provision of the Service, about the content of the IT Infrastructure development documentation, about the Party's commercial activities, accounting data, the type and organization of accounting, data of natural persons, economic activity, financial situation, transactions concluded by the Party before or after the expiry of the Contract, about the Party's cooperation partners, about the Party's employees' remuneration, the Party's commercial secrets or the system, procedure and organization of the Service provision, the Services provided by the Contractor, the Customer's materials, documents that the Customer transfers to the Contractor in connection with the performance of the Contract obligations, as well as any other information that the Parties will indicate in writing during the term of the Contract as confidential, hereinafter - Confidential Information, without the prior written permission of the other Party.
   2. By the disclosure of Confidential Information within the framework of the Contract, the Parties understand: Transfer of Confidential Information verbally, in writing, electronically or in any other technical way, i.e. its copying, reproduction, copying to data carriers (CD discs, mini discs, as well as other information data storage devices), distribution, change, modification, correction and transfer to third parties or other similar actions with Confidential Information.
   3. The Parties undertake to transfer confidential information to their company's employees and consultants only in case of justified necessity and to the extent necessary only for the performance of the Contract or to ensure the normal operation of the relevant Party.
   4. The Parties undertake to be responsible for compliance with the provisions of the Contract by their employees or consultants to whom confidential information is disclosed in accordance with the above paragraph.
   5. The Parties undertake to apply to the confidential information of the other Party no less security measures and degree of care than that which the Party receiving the information applies to its confidential information.
   6. The confidentiality obligations set out in the Contract do not apply to such information:

12.6.1. which is or becomes publicly known at the time of or after the transfer of the information (except in cases where it becomes publicly known to one of the Parties in violation of the provisions of the Contract);

12.6.2. which was lawfully available to the Party receiving the Confidential Information before its receipt from the Party providing the Confidential Information (provable by written official documents), except in cases where the disclosure of such Confidential Information is not restricted by another concluded contract;

12.6.3. which the Party receiving the Confidential Information must disclose, in compliance with the requirements of the regulatory acts in force in the Republic of Latvia, which this Party must fulfil.

* 1. Confidentiality obligations are valid during the term of the Contract, as well as after the termination of the Contract.
  2. The Parties agree that the Contractor has the right to publish information about the fact of the conclusion of the Contract, mentioning the name of the Customer and the subject of the Contract, on its website, in public announcements and marketing materials. Such information will not be considered Confidential and is not subject to prior approval by the Customer. All other information to be included in the Contractor's marketing materials (project "success stories", Customer reviews, etc. related information) in the context of the Contract shall be subject to prior approval and publication only with the Customer's written consent.

1. **INTELLECTUAL PROPERTY RIGHTS**
   1. The Customer is granted a perpetual license for the final version of the software after the completion of both project phases, with 300 users.
   2. The Customer has the right to receive the current source code and documentation of the IS-developed software. After the termination of the Contract, the Customer has the unrestricted right to use the IS software, make modifications to the source code, and assign the maintenance of the IS software to third parties. If the Customer makes changes to the source code provided by the Contractor, the warranty obligations shall no longer apply, and any error reports and/or consultation requests resulting from the Customer’s modifications shall be classified as paid consultations.
   3. All Standard Software used within the scope of the Contract, i.e., third-party software, remains the intellectual property of the respective Standard Software manufacturers.
   4. The Customer is granted the right to create derivative works. Ownership of such derivative works belongs to the Customer. The Customer is granted the right to distribute the software within the LDZ Group. The Customer is not granted commercial rights to the software itself; however, extensions (derivative works) built on top of the software through integrations may be used and shared within the enterprise group’s business operations.
   5. In the event that, AFTER the course of the project implementation, the Customer requests the development of a new version of the services and the Developer implements and delivers the requested changes, the Customer shall, under the Maintenance Agreement, be granted a Perpetual License for the latest version, rather than the version available at the time of project handover, including the requirements defined in Clauses 13.1. through 13.4.
2. **MUTUAL INFORMATION EXCHANGE BETWEEN THE PARTIES AND AUTHORIZED PERSONS**
   1. Both Parties shall designate authorized persons responsible for the execution of the Contract. The authorized persons are specified in Annex 2 to the Contract.
   2. In the event that one of the Parties changes its authorized persons, this Party is obliged to inform the authorized persons of the other Party in writing or via e-mail 3 (three) calendar days before such changes.
   3. The Customer is obliged to report Incidents in one of the following ways:

14.3.1. Via the Customer's Support Portal for the Customer's authorized persons. User accounts are created on the Support Portal for the Customer's and the Contractor's authorized persons [\_\_\_\_\_\_\_](https://ittpas.int.ldz.lv/secure/Dashboard.jspa);

14.3.2. via email (only in cases where the Support Portal is not available) \_\_\_\_\_\_\_\_\_ when reporting an Incident it is necessary to provide detailed information about the Request, priority and attach a screenshot (if necessary);

14.3.3. by telephone (+371 29109769) – in case of minor Incidents or Consultations only during Working Hours; if the Contractor cannot provide answers immediately, then such Requests are processed in the manner and within the time limits agreed in the Contract; the Contractor has the right to request that the Customer register such Incident after the end of the telephone conversation using the Support Portal.

* 1. The Contractor cannot guarantee that Requests submitted verbally or in any other manner not specified in Clause 14.3 of the Contract will be registered as Support Requests. In the case referred to in this Clause, the Contractor cannot guarantee that such Requests will be processed in accordance with the Response and Execution Times agreed in the Contract.
  2. After the Customer's application is created, the Contractor is obliged to inform the Customer about the planned Execution times and the required amount of work in man-hours. After receiving this information, the Customer can follow the status of each Request on the Support Portal, see the expert assigned to resolve it, the planned resolution time and other information. In the event of temporary problems with the Customer's or Contractor's internet connection, the Customer will primarily submit all Requests by telephone and, after the internet connection is restored, will re-submit them using the Support Portal.
  3. The Contractor undertakes to send the Customer the Contract report for the previous Taxation period within 3 (three) business days after the end of the Taxation Period. The Customer undertakes to review this report within 3 (three) working days and, if necessary, provide comments or notes to the Contractor. This report must be reviewed by the authorized persons of both Parties, who are responsible for compliance with the Contract and monitoring the quality of the provided Services. All reports and related communication must be made via e-mail. If no comments or remarks have been received within 3 (three) business days after sending the report, the report is considered approved.
  4. The beginning of the Testing period is fixed at the moment when the Contractor has submitted the solution to the Incident to the Customer. The Customer is obliged to inform the Contractor about the results of the testing of the Incident Solution.
  5. The Request is considered resolved when the Customer has informed the Contractor on the Support Portal about the testing results referred to in Clause 14.7 of the Contract and they are positive. In the event that feedback is not received within the period referred to in Clause 14.9, the Contractor shall assume that the Request has been resolved and close it.
  6. If the Authorized Person of the Customer does not respond to the Contractor's questions related to the testing results and/or other registered change requests on which the progress of the Application depends (clarification questions, request to send a screenshot, technical information, etc.), then the Contractor has the right to close the Application after 5 business days, starting from the next business day after the question was asked.
  7. All communication between the Parties related to the Contract must be in writing, except for informational notices.
  8. Any claims and objections regarding the fulfilment of obligations, the quality of the Services performed, improper performance of the Services or non-performance at all shall be submitted by the Parties to each other in writing.
  9. The following types of document coordination and approval may be used within the framework of the Contract:

14.12.1. approval of documents by mutual handwritten signature or secure electronic signature;

14.12.2. approval of documents by e-mail confirmation. A document is considered to be approved by e-mail if such approval is received from the e-mail address of the person who has the right to approve the relevant type of document. E-mail confirmation will be considered binding on the Parties even if it is not confirmed with a secure electronic signature;

14.12.3. approval of a document “by default”, i.e. if the other Party does not provide any comments and/or objections within a certain period, then a document is considered to be approved.

* 1. Informative notices can be sent by telephone, email or letter.

1. **OTHER PROVISIONS**
   1. The Contract fully confirms the agreement of both Parties. Any changes to the Contract will only come into force when they are made in writing and signed by both Parties.
   2. As of the date of signing the Contract, all previous agreements regarding the Contract, regardless of whether they were made orally or in writing, lose their legal force.
   3. When fulfilling the obligations assumed under the Contract, the Parties undertake not to take any actions that may directly or indirectly harm the prestige and interests of the other Party.
   4. If any of the provisions of the Contract becomes invalid due to changes in external legislation, the Contract shall not lose its validity in its remaining provisions and in such a case, the Parties shall be obliged to apply the Contract to the requirements of the applicable legislation.
   5. The Parties undertake to inform each other of any change in name, legal address, or e-mail address by sending a letter. The parties undertake to inform about the change of the current account number specified in the Contract by sending a letter with the signatures of the persons entitled to sign or by written agreement.
   6. If either Party is reorganized, the Contract shall remain in force and its terms shall be binding on the successor of the Party's obligations.
   7. Contractual relations not stipulated in the text of the Contract are regulated in accordance with the laws of the Republic of Latvia.
   8. The annexes to the Contract are integral parts of the Contract.
   9. By signing the Contract, the Contractor confirms that he has read the basic principles of business ethics of cooperation partners of the “Latvijas dzelzceļš” Group published on the Group’s website www.ldz.lv, complies with them and undertakes to strictly observe them in the future and to ensure that its employees and subcontractors related to the execution of the Contract also observe them.
   10. The Contractor is obliged to immediately inform SJSC “Latvijas dzelzceļš” if a situation is identified where any of the basic principles of business ethics of cooperation partners of the “Latvijas dzelzceļš” Group have been violated, as well as to inform about the measures taken to resolve the situation and prevent its recurrence in the future. In the event that such information is not provided, but SJSC "Latvijas dzelzceļš" becomes aware that the Contractor has violated one of the basic principles of business ethics of cooperation partners of the "Latvijas dzelzceļš" group, further cooperation will be evaluated in accordance with the procedure and scope prescribed by law.
   11. If, within the framework of the execution of the Contract, the Contractor receives information or reasonable suspicions that an employee of the “Latvijas dzelzceļš” Group company personally or through an intermediary requests, accepts, offers any kind of material value, property or other benefits to any persons with the intention of achieving a certain unlawful decision-making, obtaining unlawful benefits or advantages or achieving another selfish goal in the interests of the personal, SJSC “Latvijas dzelzceļš” or any other persons, the Contractor is obliged to immediately inform the Security Directorate of the controlling company of the “Latvijas dzelzceļš” Group about this, using the reporting options on the Group's website [www.ldz.lv](http://www.ldz.lv). The notification must include information, facts or materials that reliably indicate the aforementioned activities or provide reasonable grounds for suspicion of such activities SJSC “Latvijas dzelzceļš” guarantees that the information will be comprehensively and objectively evaluated and no unjustified negative consequences or actions will be directed against the reporter, as well as the company he represents and other employees of the company.
   12. When processing personal data, in accordance with the applicable laws and regulations (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 (General Data Protection Regulation)), the Parties must ensure the protection of natural persons by applying appropriate technical and organizational measures (Annex 3 to the Contract).
2. **REQUISITES AND SIGNATURES OF THE PARTIES**

|  |
| --- |
| **Annex 1** |
|  |

**LIST OF SERVICES**:

|  |  |  |
| --- | --- | --- |
| **No.** | **Services** | **Service description** |
|  | Level 2 System maintenance support services, incl.:   * + - registration of incidents and errors reported by the Customer's Authorized Persons, ensuring their lifecycle control and resolving them;     - guaranteed response time for processing applications submitted by the Customer;     - support of the System modules developed by the Contractor;     - consulting on error fixes, updates and module delivery, module implementation and administration;     - supporting the authorized persons of the Customer, consulting on the possibilities of system development and functionality;     - usability improvement analysis;     - supervision of the Customer's System development works, if the development work is performed by specialists hired by the Customer or a third party; | * Incidents and Errors reported by the Authorized Persons of the Customer are registered in the Customer's system, which is intended for registering, receiving, collecting and administering, classifying and ensuring execution control of Requests. Support portal web address: \_\_\_\_\_\_\_\_\_, or using a special e-mail: \_\_\_\_\_\_\_\_\_\_\_\_ ensuring their lifecycle control and resolution; * The Contractor performs error fixes, delivery of updates and module versions, module implementation and administration consulting; * The Contractor performs maintenance of the \_\_\_\_\_\_\_\_\_\_\_ test environment and its functionality, the ability to return the \_\_\_\_\_\_\_\_\_\_\_ system to its previous state, version; * Together with the Customer's Authorized Person, perform a usability improvement analysis and propose the necessary system improvements, which could be implemented after a separate agreement if necessary. |
|  | Maintenance service administering, incl.:   * SLA administration; * Support System maintenance; * Preparation and sending of regular reports (per calendar quarter) to the Customer. | * SLA administration. * Maintenance of the support system, ensuring the availability of the Support Service with the scheme "5 working days x 8 hours a week". * Preparation and sending of regular reports (**once a calendar quarter**) to the Authorized Person of the Customer. |

**Annex 2**

1. ***Incident handling levels and response time:***

|  |  |  |  |
| --- | --- | --- | --- |
| Levels  Time | Critical | Serious | Small |
| Response time | Within 1 (one) working hour starting from the moment when it is registered in the Register of Applications, indicating the person in point 4.2 of Appendix 2 as the responsible person and/or applied by telephone. | Within 1 (one) working hour starting from the moment when it is registered in the Register of Applications, indicating the person in point 4.2 of Appendix 2 as the responsible person and/or applied by telephone. | Within 1 (one) working hour starting from the moment when it is registered in the Register of Applications, indicating the person in point 4.2 of Appendix 2 as the responsible person and/or applied by telephone. |
| Time of fulfilment | The search for a solution is initiated immediately and continues until the problem is resolved.  Within 8 (eight) working hours of the response time, the problem is resolved or another acceptable solution and troubleshooting scenario and timeline are proposed. | Within 16 (sixteen) working hours of the response time, the problem is resolved or another acceptable solution and troubleshooting scenario and timeline are offered. | Within 32 (thirty-two) working hours after the response time, the problem is resolved or another acceptable solution and troubleshooting scenario and timeline are offered. |

1. ***Compliance levels and response time for consultation requests:***

|  |  |
| --- | --- |
| Levels  Time | Small |
| Response time | Within 16 (sixteen) working hours starting from the moment when it is registered in the Register of Applications, indicating the person in point 4.2 of Annex 2 as the responsible person |
| Time of fulfilment | The Contractor shall carry out the evaluation within 5 (five) working days after the requirements have been agreed with the Customer.  The Contractor shall carry out the development by mutual agreement with the Customer. |

***4.1. Authorized persons of the Customer:***

|  |  |
| --- | --- |
| **Name, surname:** |  |
| **Responsibilities within the framework of this Contract** |  |
| **Phone:** |  |
| **E-mail:** |  |
| **Name, surname:** |  |
| **Responsibilities within the framework of this Contract** |  |
| **Phone:** |  |
| **E-mail:** |  |
| **Name, surname:** |  |
| **Responsibilities within the framework of this Contract** |  |
| **Phone:** |  |
| **E-mail:** |  |
| **Name, surname:** |  |
| **Responsibilities within the framework of this Contract** |  |
| **Phone:** |  |
| **E-mail:** |  |

* 1. ***Authorized persons of the Contractor:***

|  |  |
| --- | --- |
| **Name, surname:** |  |
| **Responsibilities within the framework of this Contract** |  |
| **Phone:** |  |
| **E-mail:** |  |
| **Name, surname:** |  |
| **Responsibilities within the framework of this Contract** |  |
| **Phone:** |  |
| **E-mail:** |  |

***For the purpose of ensuring the continuity of direct communication between the Parties, the Parties shall be responsible for informing each other of changes in the composition of Authorized Persons and their contact information.***

|  |  |
| --- | --- |
| **The Customer** | **The Contractor** |
|  |  |

**Annex 3**

**Agreement on Personal Data Processing**

For the purposes of this Agreement, the **Customer** - \_\_\_\_\_\_\_\_, is considered the **Manager**, hereinafter referred to as the **“Manager”,** and the **Contractor - \_\_\_\_\_\_\_\_**, is considered the **Processor**, hereinafter referred to as the “**Processor**”, and each individually also referred to as the “Party”, both together as the “Parties”, pursuant to 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 Manager (hereinafter – the Agreement):

***1. Terms used in the Agreement***

1.1. The Parties agree that within the framework of this Agreement, the concepts - *personal data, personal data processing, manager, processor and data subject and other concepts* are used in the sense of the General Data Protection Regulation.

***2. Information on the personal data processing***

2.1. Subject of the Agreement.

The Parties has entered into the Contract on \_\_\_\_\_\_\_ **maintenance**, hereinafter referred to as the Contract. The Agreement determines the procedure, whereby the Processor processes personal data of the Manager on the basis of the Contract concluded and pursuant to the General Data Protection Regulation and other applicable regulatory enactments.

2.2. The planned duration of data processing (term of validity).

2.2.1. The Processor is entitled to process personal data for no longer than is necessary for the provision of System \_\_\_\_\_\_\_\_ maintenance services, hereinafter referred to as the Service, unless the applicable laws and regulations of the Republic of Latvia determine a different period for the storage of personal data. Similarly, the period for the storage of personal data in information systems used for the performance of the Service, if not determined by external legal norms, is determined by the Manager or the Processor jointly or separately, provided that this does not interfere with the provision of the Service or the normal and secure operation of the relevant information system..

2.2.2. According to the Manager's file nomenclature, personal data may have different retention periods, depending on the document containing personal data and they are stored in accordance with the time period specified in the file nomenclature.

2.3. The nature and purpose of the data processing.

2.3.1. As part of the services provided by the Processor, the following personal data processing operations are performed: collection, organization, storage, processing, issuance, back-up and restoration in case of incidents, deletion, viewing, access provision or any other type of operations with data in accordance with the instructions of the Manager and in accordance with the requirements of regulatory acts.

2.3.2. The Processor will process the personal data electronically.

2.3.3. The purpose of processing personal data is to receive and *maintain* the Service \_\_\_\_\_\_\_\_\_.

The Parties understand that the scope of the provided Services may change depending on the Manager's business, as well as the development of the information systems involved in the provision of the Service. In view of the above, the Parties agree that the terms of this Agreement shall remain unchanged until the purpose of the Service remains unchanged.

2.3.4. Personal data may be processed for other legal purposes not arising from the Contract and the Agreement, if provided for by the laws and regulations of the Republic of Latvia or pursuant to the documented instructions of the Manager.

2.4. The Processor will process the following categories of personal data:

*2.4.1. Data on the access and actions performed by the Manager and Processor employees to the systems mentioned in Clause 2.1 - actions performed, access time, all changes and actions made, what was viewed, what was done, when they entered, when they left the system.*

*2.4.2. Third party access and activity data for the systems referred to in Clause 2.1 - activities performed, access time, all changes and activities performed, what was viewed, what was done, what time they entered, what time they left the system.*

*2.4.3. Manager's data, which are stored in the System mentioned in Clause 2.1*:

\_\_\_\_\_\_\_\_\_" to the prescribed and in the manner and scope provided for therein.

Types of data – name, surname, address, personal identification number, personal identification document data, if \_\_\_\_\_\_\_\_\_\_.

2.5. The processed personal data refer to the following categories of data subjects:

The Manager’s employees with the right to work \_\_\_\_\_\_\_; the Processor's employees with the right to work with \_\_\_\_\_\_\_\_ maintenance; the Customers - \_\_\_\_\_\_\_\_\_\_ and other categories of data subjects that may arise in connection with the performance of the Service.

2.6. The processed personal data will be stored:

Electronically on the local servers of the Manager in LDz. Data is not duplicated on the servers of the Processor. The Processor's access to the Manager's systems occurs remotely in accordance with the procedure specified in the Contract.

***3. Obligations and rights of the Manager***

3.1. Obligations of the Manager:

3.1.1. 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.

3.1.2. The Manager 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.

3.1.3. To make sure of the ability of the Processor to comply with its legal obligations under the terms of the Agreement.

3.1.4. The Manager 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.

3.1.5. The Manager 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 Manager, in accordance with the applicable laws and regulations with regard to the personal data protection and this Agreement. The Manager undertakes to provide the Processor with the necessary briefing throughout the validity period of the Contract and the Agreement, if necessary for the Processor.

3.2. Rights of the Manager:

3.2.1. to exercise control over the Processor for the adherence to the provisions of the Agreement, as well as its ability to ensure data security;

3.2.2. temporarily suspend or restrict access of the Processor to personal data if security threats are identified;

3.2.3. terminate the Contract if the Processor fails to comply with the obligations under the Agreement or fails to take sufficient measures to protect data;

3.2.4. terminate the Contract if the Processor is unable to meet the obligations under the Agreement, in pursuance of the regulatory enactments;

3.2.5. upon the occurrence of the case specified in Sub-clause 4.4 of the Agreement, i.e. if the Processor notifies the Manager of amendments to regulatory enactments, decisions of institutions or courts that prevent the personal data processor from meeting its obligations under the Agreement, the Manager may suspend or terminate the Contract.

***4. Obligations* *of the Processor***

4.1. 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.

4.2. 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.

4.3. 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.

4.4. 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 Manager 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.

4.5. The Processor shall inform the Manager 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 Manager about changes in relation to subcontractors. The Manager 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.

4.6. The Processor shall process personal data only on the instructions of the Manager, 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 Manager of the said legal requirement prior to processing, unless such information is prohibited by the relevant law for reason of important public interest

4.7. 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 Contract: \_\_\_\_\_\_\_\_ personal data processing procedures and user security policy. The Processor guarantees that it complies with all the processing security requirements provided for in Article 32 of the General Data Protection Regulation.

4.8. 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.

4.9. Upon request by the Manager and the data subject, to provide the Manager 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.

4.10. Immediately inform the Manager of requests from law enforcement authorities, as well as in cases where unauthorized or third parties have access to personal data.

4.11. Immediately inform the Manager of any request received directly from the data subject and to which request the Processor is not authorized to respond.

4.12. To provide, upon the written request of the Manager, all information necessary for assessment of the impact on the preparation of data protection or the creation of the register of data processing.

4.13. The Processor shall be obliged to inform the Manager of any security incident that has direct or indirect consequences for the Data processing.

The information referred to in Sub-clause 4.11 and 4.13 of the Agreement must be sent to the Manager (e-mail address \_\_\_\_\_\_\_\_\_\_) as soon as possible, but no later than 48 hours after the discovery of the security incident or receipt of the complaint.

4.14. 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.

4.15. 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.

4.16. Provide the Manager 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.

4.17. To destroy or return (at the Manager's option in accordance with Sub-clause 6.1 of the Agreement) to the Manager all personal data, all processing means and documents containing personal data, if the operation of the Contract is terminated. If the destruction or return of data to the Manager is not possible, the Processor shall inform the Manager of the storage periods and undertake to ensure appropriate protection of personal data until:

4.17.1. the obligations towards the data subject are terminated;

4.17.2. the national laws and regulations do not provide for the right to destroy documents.

***5. Mandatory technical and organizational requirements for the protection of personal data***

5.1. The Manager and Processor implement mandatory technical protection of personal data with physical and logical means of protection, ensuring:

5.1.1. protection against threats to personal data caused by physical impact;

5.1.2. protection implemented with software tools, passwords, encryption, and other logical means of protection.

5.2. When processing personal data, the Manager and the Processor provide that:

5.2.1. only authorized persons have access to technical resources used for the processing and protection of personal data (including personal data);

5.2.2. that information carriers containing personal data are registered, moved, arranged, modified, transferred, copied and otherwise processed by authorized persons;

5.2.3. that the collection, recording, organization, storage, copying, rewriting, modification, correction, deletion, destruction, archiving, backup copying, blocking of personal data are carried out by authorized persons, 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 performed it;

5.2.4. that the resources used in the processing of personal data are transferred by authorized persons;

5.2.5. when processing personal data, storing information about the personal data that has been transferred, the time of transfer of personal data, the person who transferred the personal data, the person who received the personal data;

5.2.6. receiving personal data, saving information about received personal data, time of receiving personal data, person who transferred personal data, person who received personal data.

5.3. The Manager and the Processor are informed about the rights of the State Data Inspection Office as defined in Article 5 of the Law on the Processing of Data of Natural Persons.

***6. Obligations after termination of personal data processing***

6.1. The Parties agree that upon termination of the Contract, the Processor shall return to the Manager all personal data received from the Manager and copies thereof or destroy all personal data received from the Manager and certify to the Manager that this has been done in compliance with the conditions of this clause, the Processor shall act in accordance with the Manager's instructions.

6.2. In case where the Processor returns all personal data received from the Manager to the Manager, the Processor guarantees that it will ensure to keep confidential such personal data and will no longer process the received personal data.

***7. Dispute settlment procedures and applicable law***

7.1. The Parties agree that disputes regarding non-compliance with the Agreement shall be considered in the courts of the Republic of Latvia.

7.2. Disputes shall be considered in accordance with the laws and regulations applicable at the territory of the Republic of Latvia

7.3. The Agreement shall enter into force upon its mutual signing and shall be concluded for the period of operation of the Contract.

|  |  |
| --- | --- |
| **The Customer/Manager** | **The Contractor/Processor** |
|  |  |

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. ***2.4. ir C3 vērtēšanas kritērijs, skat. nolikuma 5.1.punktu*** [↑](#footnote-ref-10)