



MONITORING RIGA CITY TRAFFIC'S FIRST PUBLIC PROCUREMENT PROJECT

In accordance with the European Commission supported project “Integrity Pacts – Civil Control Mechanism for the Supervision of EU Funds,” beginning January 1, 2016, Delna is supervising Riga City Traffic’s “Riga Tram Infrastructure Development” public procurement process and project implementation. The Integrity Pact is international anti-corruption organization Transparency International’s original instrument used to prevent corruption in public contracts which are financed or co-financed by European Union funds.

This report includes a description of the monitoring of Riga City Traffic’s first public procurement project “For the development and construction of a new tram infrastructure line, and reconstruction of existing tram lines.” Overall there were two different public procurement processes necessary to secure a developer, the first was canceled and the second resulted in a contract.

THE CANCELED PUBLIC PROCUREMENT PROJECT

“Transparency for Society – Delna” was first invited to participate in the Riga City Traffic Procurement Commission meeting on December 14, 2016. The first Procurement Commission meeting took place December 16, 2016, where Delna first became familiar with the procurement documentation. Delna requested that the contract would not be made official for at least 3 to 5 work days to provide sufficient time to analyze the regulations and prepare recommendations.

On December 21, 2016, Riga City Traffic announced the procurement without informing Delna. As a result, Delna never had the chance to influence the procurement guideline negotiations.

Following Riga City Traffic’s announcement, on December 22, 2016 Delna approached the procurement monitoring bureau and demonstrated that the terms of the agreement were expected to disproportionately limit the number of candidates and serve as a detriment to competition. Delna also requested that all necessary inspections and tests be carried out in accordance with the guidelines agreed upon by all parties.

On January 12, 2017, Delna was notified by the procurement monitoring bureau (IUB), that they had asked Riga City Traffic to interrupt their procurement process regarding the Skanstes Tram line project, and that they would have to begin the process over again, following the terms of the agreement. IUB laid out 17 points, including the need for a joint procurement for design and author supervision, that specified the criteria for the most economically advantageous tender evaluation possible.

As of January 20, 2017, Riga City Traffic ended the original procurement process.



PROCUREMENT RESULTING IN A CONTRACT

Before the procurement announcement, Riga City Traffic added members of the Transportation Engineer Association's leadership, the Latvian Civil Engineering Union, and the Riga City Council finance department to the procurement commission.

On July, 28 2017, Riga City Traffic announced a new procurement following the standards set in IUB and Delna's recommendations.

The submission period lasted from July 28, 2017 until September 12, 2017 at noon. On September 18, 2017 at 2:30pm Riga City Traffic's procurement commission opened the submitted applications from three candidates: "BRD projekts," "REM PRO," and "Vektors T."

During the evaluation period, the candidates were asked to provide more information about their proposed projects and to answer questions at nine supplemental meetings:

September 25, 2017

November 6, 2017

December 8, 2017

January 29, 2018

March 5, 2018

April 26, 2018

May 15, 2018

May 25, 2018

June 14, 2018

On June 14, 2018 Riga City Traffic came to an agreement to give the procurement project to "BRD projekts." The candidate's offer was seen as the most economically advantageous with a price of 2,054,388 euros. More information about the procurement commission's composition, candidates, decision, etc can be found here: [procurement procedure announcements](#) (in Latvian).

SUSPICIONS OF DOCUMENT FALSIFICATION

On September 25, 2017, Riga City Traffic discovered that two different candidates offered to use the same railway track designer in their offers. Additionally, both applicants included a statement from the designer in their offers stating that he was not involved in any other procurement bids and therefore had no conflicts of interest. As a result, the procurement commission asked the designer for clarifications regarding these matters and regarding the authenticity of the signatures and statements.



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On October 26, 2017, Riga City Traffic's procurement commission received an answer from the railway designer that he had consented to participate in only one of the tenders, and that the other included information that he was unaware of.

On November 6, 2017, Delna pointed out that this was a possible legal violation that would fall under the criminal code, and called on Riga City Traffic to follow and promote good practices and seek out law enforcement agencies.

When Riga City Traffic failed to act, Delna approached the National Police on November 9, 2017, claiming that Riga City Traffic may have violated chapters XIX and XXII of national criminal law.

On February 13, 2018, the Inspector of the third division of the Criminal Police Department under the National Police Riga Regional Office refused to initiate criminal proceedings claiming that the complaint lacked criminal standing in accordance with the provisions of Articles 211 and 275 of the Criminal Law.

On February 28, 2018, Delna appealed Inspector D. Graudins' decision to the Office of the Prosecutor for the Investigation of Financial and Economic Crimes.

On April 3, 2018, Delna received an answer to their appeal from Prosecutor E. Muiznieks from the Office of the Investigation of Financial and Economic Crimes, that the appeal presented a valid complaint and that the office would carry out an assessment of the matter.

On June 6, 2018, inspector L. Vindedze ultimately refused to initiate criminal proceedings as the claim lacked criminal standing under Chapters 211 and 275 of the criminal code.

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