

to the Tender 'Development of the 'LBChain' Platform–Service'

APPROVED by
Minutes No 2 of the
Pre-commercial Procurement Commission
of 13 March 2018
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02-198) of the Chairman of the Board of the
Bank of Lithuania of 13 October 2017

DEVELOPMENT OF THE 'LBChain' PLATFORM–SERVICE

PRE-COMMERCIAL PROCUREMENT CONDITIONS

Contracting Authority

Bank of Lithuania

Contact Person

Andrius Adamonis,
IT Specialist
Statistical Information Services Division

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| Legal information | The pre-commercial procurement shall be carried out in accordance with Article 10(2)(7) of the Law of the Republic of Lithuania on Public Procurement, the Description of the pre-commercial procurement procedure approved by Resolution No 709 of the Government of the Republic of Lithuania of 1 July 2015 (hereinafter – the Description) and these Pre-commercial Procurement Conditions (hereinafter – the Conditions). |
| Main terms | <p>Supplier – means each economic entity that may be either a natural person, or a private legal person, or a public legal person or any group of such persons – able to offer or offering goods, services or works.</p> <p>Tenderer – means a supplier who submits a tender for participating in the pre-commercial procurement.</p> <p>Pre-commercial procurement – means the procurement of scientific research and/or experimental development (hereinafter – R&D) services, other than those where the benefits accrue exclusively to the Contracting Authority for its use in the conduct of its own affairs and are remunerated by the Contracting Authority or that constitute State aid, in order to develop an innovative product.</p> <p>Coordinating Body – means the Agency for Science, Innovation and Technology.</p> |
| Pre-commercial procurement principles | The pre-commercial procurement shall be conducted according to the principles of innovativeness, competitiveness, risk-benefit sharing and value for money. |

CHAPTER II PRE-COMMERCIAL PROCUREMENT OBJECT

The pre-commercial procurement shall be aimed at purchasing the ‘LBChain’ Platform–Service development services. Requirements for the pre-commercial procurement object are set forth in Annex 1 ‘Technical Specification’ to the Conditions.

Considering the results of stages, the Contracting Authority, while seeking to achieve the pre-commercial procurement objectives and understanding that they might be not reached or are likely to significantly affect the results, may establish additional motivated requirements and/or update the existing requirements. If such a need arises, the Contracting Authority shall preliminarily discuss it with suppliers, assess the impact (risk/benefits) of the drawing up of additional requirements or updating the existing requirements on the pre-commercial procurement and, having approved the respective decision, shall notify in writing all suppliers. Such additional requirements and/or updates shall be incorporated in the pre-commercial procurement documents.

CHAPTER III PRE-COMMERCIAL PROCUREMENT STAGES, DURATION AND BUDGET

Pre-commercial procurement stages, planned duration (of each stage of the pre-commercial procurement) and maximum number of financed tenderers

The pre-commercial procurement procedure shall consist of **3 (three) stages**. At the end of each stage the tenderers compete and their number shall be reduced after each stage in order to select those tenderers whose tender mostly corresponds to the Technical Specification of the pre-commercial procurement. The planned total duration of the pre-commercial procurement stages, including submission of initial tenders, evaluation of tenders and results of 2 (two) stages and signing of contracts – **21 (twenty-one) months**.

| Stage | Planned duration | Maximum number of financed tenderers |
|----------------------------------|--|--------------------------------------|
| Stage I (concept development) | 8 months, of which 4 months dedicated for the achievement and presentation of results of the tenderers participating in the stage. | 4 |
| Stage II (prototype development) | 7 months, of which 6 months dedicated for the achievement and presentation of results of the tenderers participating in the stage. | 3 |
| Stage III (pilot production) | 6 months, of which 4 months dedicated for the achievement and presentation of results of the tenderers participating in the stage. | 2 |

Pre-commercial procurement budget,

Pre-commercial procurement budget allocated for the procurement of services – EUR 850 000.00.

indicating the funds to be allocated for activities of each pre-commercial procurement stage and maximum fixed price for each tenderer in each stage

| | Stage I (concept development) | Stage II (prototype development) | Stage III (pilot production) |
|--|----------------------------------|-------------------------------------|---------------------------------|
| Procurement budget, EUR | 200 000 | 450 000 | 200 000 |
| Maximum fixed price per tenderer, EUR ¹ | 50 000 | 150 000 | 100 000 |

Expected sources of financing of pre-commercial procurement and part of pre-commercial procurement budget consisting of funds from both sources

| Stages | Contracting Authority's funds, EUR | Funds of the Measure 'Pre-commercial procurement LT', EUR |
|--------|------------------------------------|---|
| I | 30 000 | 170 000 |
| II | 67 500 | 382 500 |
| III | 30 000 | 170 000 |

CHAPTER IV PRE-COMMERCIAL PROCUREMENT PROCEDURES AND TERMS

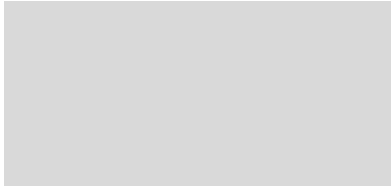
Procurement information submission procedure

Information on this pre-commercial procurement (the pre-commercial procurement conditions, the time limit for submission of tenders, information on the progress of pre-commercial procurement procedure, selected winning tenderers of each pre-commercial procurement, and answers to tenderers, etc.) shall be published on the internet websites of the Contracting Authority (www.lb.lt) and Coordinating Body (www.mita.lt). All information, explanations and changes on behalf of the Contracting Authority shall be prepared, approved and provided by the Pre-commercial Procurement Commission formed by the Contracting Authority. Pre-commercial procurement documents shall be provided by the Contracting Authority in the Lithuanian and English languages.

Updating of procurement documents

The Contracting Authority, no later than 5 days before the end of the term established for the submission of tenders, shall have the right to update pre-commercial procurement documents.

¹ Where in concluding the agreement with the Implementing Agency it is confirmed that VAT expenses are ineligible expenses in pre-commercial procurement, the amount shall be specified without VAT. Tenderers who are required to pay VAT under legal acts shall indicate this tax separately and add it to the amount specified without VAT and shall indicate the amount in the tender or invoice with VAT.



Amendments to pre-commercial procurement documents shall be published in the same form and at the same place as the first version of the pre-commercial procurement documents and tenderers shall be respectively informed at the latest 5 (five) days before the time limit fixed for the receipt of tenders.

Updating of procurement documents on the initiative of tenderers

Tenderers shall have the right, at the latest 10 (ten) working days before the time limit fixed for the receipt of tenders, request from the Contracting Authority the clarification of pre-commercial procurement documents and the additional information about the pre-commercial procurement. The Procurement Commission, acting in accordance with the information procedure published in the pre-commercial procurement documents, must provide answers to the requests of tenderers at the latest within 5 (five) working days of receipt of written requests. The Contracting Authority shall publish the answers to the requests of tenderers, but shall not specify from whom in particular the request for clarification was received. Answers regarding the pre-commercial procurement documents and additional information shall be published in the same form and at the same place as the pre-commercial procurement documents.

Public consultation on pre-commercial procurement documents

The Contracting Authority, on its initiative, but no later than within 14 (fourteen) working days before the time limit fixed for the receipt of tenders, may organise a public consultation on pre-commercial procurement documents publishing the announcement about that in the same form and at the same place as the pre-commercial procurement documents. Where the Contracting Authority organises a meeting with tenderers, the Contracting Authority shall draw up the minutes of the meeting. The minutes shall record all questions about procurement documents asked during the meeting and answers to them. The minutes shall be published on the internet websites of the Contracting Authority (www.lb.lt) and the Coordinating Body (www.mita.lt).

Pre-commercial procurement communication procedure

With a view to ensuring the interest and involvement of FinTech companies in the testing of the platform being developed and informing other target groups and the public, the project communication plan will be worked out. The Contracting Authority, in order to inform the maximum number of potential candidates, shall plan the following communication actions: communications on the subject of the Blockchain-based technologies developed in Lithuania in the international internet media, participation in conferences on FinTech development, etc. The Public Institution ‘Invest Lithuania’ is going to contribute to the communication of information to FinTech companies in Lithuania. With this Public Institution, as one of the interested

parties, the project is being coordinated and it would indirectly use the value created by the project.

CHAPTER V REQUIREMENTS FOR THE PREPARATION AND SUBMISSION OF TENDERS

Time limit for the receipt of tenders

Stage I – **by 30 April 2018, 9 hr 00 min.** If the limit for the receipt of tenders is extended, the tenderers shall be notified by e-mail and additionally – via internet websites of the Contracting Authority (www.lb.lt) and the Coordinating Body (www.mita.lt).

At stages II and III, pre-commercial procurement tenders shall not be submitted. During evaluation of results of stages I and II, the tenderers shall be ranked in a descending order of evaluation scores. Those tenderers, who have reached the best evaluation results, shall be invited to the next stage, without exceeding the maximum number of tenderers fixed for that stage. Tenderers shall be informed about the evaluation results and invited suppliers by e-mail and additionally – via internet websites of the Contracting Authority (www.lb.lt) and the Coordinating Body (www.mita.lt).

Method of submission of tenders

At stage I, tenderers may submit their tenders signed with e-signature recognised in Lithuania² only by e-mail: lbchain@lb.lt. Tenders submitted in paper form or not by electronic means specified by the Contracting Authority shall be rejected as not complying with requirements of pre-commercial procurement documents.

Composition of the tenderer's tender

- 1) Completed form of the tender (Annex 2 to the Conditions);
- 2) documents supporting the tenderer's qualifications (i.e. qualification requirements established in the Conditions);
- 3) free form documents detailing the pre-commercial procurement object's compliance with conditions of the Technical Specification of the pre-commercial procurement object;
- 4) other documents to be submitted according to the Conditions (e.g., a joint activity (partnership) agreement when a tender is submitted by a group of economic entities).

Tender price

The price in the tenderers' tenders shall be indicated in euro. The price shall be expressed and calculated in the manner specified in Annex 2 to the Conditions. The price shall be calculated taking account of the total volume indicated in the pre-commercial procurement object's Technical Specification, price components, etc. The price shall be inclusive of all taxes and all costs of the tenderer. Where the proposed services are subject to the value

² E-signature in the Republic of Lithuania is regulated by the [Law on Electronic Signature](#) and the [Electronic Document Management Regulations](#), approved by Order No V-158 of the Chief Archivist of Lithuania of 29 December 2011.

added tax (VAT), the VAT shall be specifically indicated in the tender. Where the price of any stage indicated in the pre-commercial procurement tender exceeds the maximum fixed price for one tenderer specified in Chapter III, the Contracting Authority shall have the right to request to update the tender or reject it.

Language of the tender and contract

The language used for the submission of the tender and the results of stages of the project as well the correspondence shall be the Lithuania or English languages. Other official documents of the contract value shall be submitted by the parties in the Lithuanian language or in the Lithuanian and English languages.

The Contracting Authority may request the tenderer to translate the submitted documents into English. In the event of any discrepancies identified between the documents in the English and Lithuanian languages, the Lithuania version shall prevail. Where the relevant documents are issued in other language (not in the Lithuanian or English language), the tenderer shall be responsible for the presentation of the duly certified translation into the Lithuanian or English language. **Such translation must be approved by signature of the tenderer or his authorised person and by the seal of the translation bureau.**

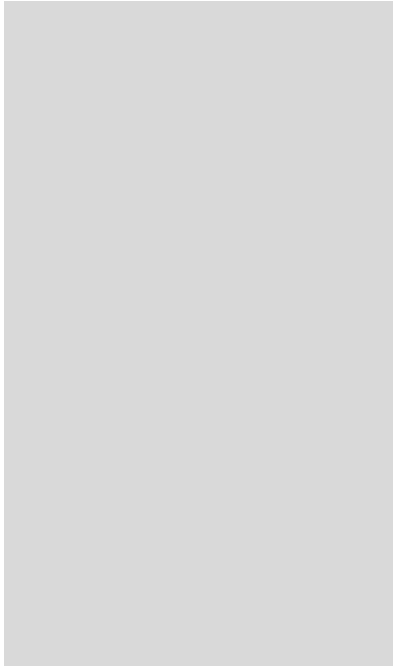
Other requirements

All documents of the tender (tender form, documents confirming compliance of tenderers' qualifications with the qualification requirements established in these Conditions, other documents included in the tender) must be **submitted in the folder of digital documents encrypted by electronic means** (the encrypted folder must be in ZIP format). The document encryption instruction is available on the website of the CPO³ (English version⁴). The submitted documents or their digital versions shall be accessible using non-discriminating and publicly available data file formats (e.g., pdf, doc, etc.), by providing the tender form signed by the manager of the supplier's company (Annex 2) 1) signed using the advanced electronic signature in compliance with requirements of legal acts of the Republic of Lithuania, or 2) as a scanned facsimile, and digital copies of other respective documents. Where the tender and/or other documents accompanying the tender are signed by the authorised person, the tenderer must submit a digital facsimile copy of the power of attorney or other document whereby the person was authorised to sign the tender and/or other documents. The Contracting Authority shall retain the right to sign the original documents.

The Tenderer who submits an encrypted folder of documents shall:
1) submit the tender with the encrypted folder of documents before the time limit fixed for the receipt of tenders by e-mail:

³ http://vpt.lrv.lt/uploads/vpt/documents/files/uzsifravimo_instrukcija.pdf.

⁴ [http://vpt.lrv.lt/uploads/vpt/documents/files/Naudotoju_taisykles_ir_sifravimas_EN\(1\).pdf](http://vpt.lrv.lt/uploads/vpt/documents/files/Naudotoju_taisykles_ir_sifravimas_EN(1).pdf).



lbchain@lb.lt;

2) after the time limit for the receipt of tenders, but no later than by the beginning of the tender envelopes' opening procedure (meeting) (**30 April 2018, 10 hr**), provide the password by e-mail: lbchain@lb.lt, using which the Contracting Authority will be able to decode the submitted document.

If, before the beginning of the tender envelopes' opening procedure (meeting), the tenderer, through his own fault, has failed to submit the password or submitted a wrong password using which the Contracting Authority could not decode the submitted information, the tenderer's tender shall be rejected as not complying with requirements specified in the procurement documents.

The Contracting Authority shall have the right to extend the time limit for the receipt of tenders notifying tenderers via the internet websites of the Contracting Authority (www.lb.lt) and of the Coordinating Body (www.mita.lt).

The Contracting Authority shall not reimburse the tenderer's costs incurred in preparing the tender.

Tender validity period

The tender validity period shall be specified in the tender. The tenderer's tender shall be valid for at least 90 (ninety) calendar days after its submission. The Contracting Authority may request tenderers to extend the tender validity period. Where the tender validity period is not indicated in the tenderer's tender, it shall be considered that the tender is valid for the period specified in the pre-commercial procurement documents.

Tender withdrawal and/or modification

The tenderer shall have the right to modify or withdraw his tender before the deadline for the receipt of the tenders. In order to withdraw or modify the tender, the tenderer shall send an e-mail message (signed by the authorised person) notifying of the withdrawal of the tender. In order to submit the withdrawn and modified tender again, the tenderer shall re-submit such tender.

Participation of economic entities in pre-commercial procurement

Where a group of economic entities participates in these pre-commercial procurement procedures, such a group alongside the tender and the results of the stage (if a partner changes or joins the pre-commercial procurement later) shall submit a digital copy of a joint activity (partnership) agreement. The joint activity (partnership) agreement shall state the obligations of each party to the agreement in performing the purchase contract planned to be concluded with the Contracting Authority and the percentage share of value of the obligations in the total value of the purchase contract. The joint activity (partnership) agreement shall specify the joint and several liability of all parties to the agreement for the default on obligations to the Contracting Authority. In addition, the joint activity (partnership) agreement shall specify the entity representing the group of economic entities (with whom the

Contracting Authority will communicate on the issues arising during the evaluation of the tender and/or results of the stage and provide information relating to the evaluation of the tender and/or results of the stage).

The Contracting Authority shall not require the group of economic entities to assume a specific legal form were the tender submitted by the group of economic entities is recognised to be the winning tender and the Contracting Authority proposes concluding the contract.

Participation of sub-suppliers in the pre-commercial procurement

In each stage, the tenderer may involve sub-suppliers; however, sub-suppliers of stage I must be indicated in the tender and in stages II and III – discussed with and approved by the Contracting Authority. This requirement shall not apply to small-scale technical services (translation of documents, etc.).

The tenderer, either individually or with the same group of economic entities, may submit several variants regarding the pre-commercial procurement object which meet the Technical Specification. Where the tenderer, either individually or with the same group of economic entities, submits more than one variant and more than one such variant is included in the list of financed tenders of stage I, the Contracting Authority shall select, on its discretion, one variant assessed as the best among the variants submitted by such tenderer and shall reject the remaining variants.

The Tenderer submitting an individual tender may not participate as a partner or a subcontractor in the group of tenderers which submits another tender. The tenderer may not participate as a member of more than one group of economic entities and submit this way several variants with different partners. If the tenderer submits 1) an individual tender and a variant together with one group of economic entities as a tenderer or a subcontractor, or 2) several variants with different partners as a tenderer or a subcontractor, all tenders in the submission of which such tenderer participates shall be rejected. The tenderer who participates in the pre-commercial procurement stage may not offer his capacities to another tenderer (another group of economic entities) as a subcontractor.

CHAPTER VI REQUIREMENTS FOR TENDERERS

The tenderer (each member of group of economic entities, if the tender is submitted by a group of economic entities), also all sub-suppliers known at the time of submission of a tender shall meet the qualification requirements specified in paragraphs 1, 2, 3 and 4. The requirements laid down in paragraphs 5, 6 and 7 shall be met by the tenderer (at least one member of a group of economic entities) or at least one of sub-supplier known at the time of submission of a tender. The capacities of the tenderer and the sub-supplier can be summed up to meet the requirements specified in paragraphs 5, 6 and 7. The tenderer (each member of a group of economic entities, if the tender is submitted by a group of economic entities), also all sub-suppliers known at the time of submission of a tender shall also submit a completed declaration (Annex 5) and provide respective information. Documents supporting compliance with the requirements shall be submitted no later than within 10

(ten) working days of the announcement of the evaluation results only by tenderers selected to stage I of the pre-commercial procurement.

| Qualification requirement | Documents supporting compliance with the requirement |
|---|---|
| 1. The tenderer has not acquired the status of an entity which is bankrupt or in bankruptcy, under restructuring or is being wound-up. | <p>A document issued by the court, the SE Centre of Registers or other competent authority. As a proof of the specified circumstances (compliance with the qualification requirements) the tenderer may submit a document issued by the SE Centre of Registers in accordance with the procedure established by the Government of the Republic of Lithuania confirming the data jointly processed by competent authorities. The documents must be issued no earlier than 60 days before the end for submission of tenders. If the document was issued earlier but its term of validity is longer than the time limit for the submission of tenders, such document is acceptable during its validity period.</p> <p>The Contracting Authority may not require those documents and information, which can be accessed by the Contracting Authority free of charge according to the Law of the Republic of Lithuania on Management of State Information Resources in the registers of the Republic of Lithuania, state information systems and other information systems. If the tenderer cannot present the aforementioned documents because they are not issued in a respective country, the tenderer must explain the reasons for which he cannot present the documents supporting such circumstances and submit the tenderer's declaration of a free form.</p> <p>The tender shall specify the current version of the proposed basic platform and planned nearest new version stages and dates: alpha, beta release), release candidate, public preview) or public release, the manner of organisation and the resources on which the development of the basic platform is based,</p> |
| 2. The tenderer's manager who has the right to conclude a transaction on behalf of a legal person, or the accountant (accountants) or any other person (persons) authorised to draw up and sign the accounting documents of the tenderer, has no record of conviction (or conviction has expired or has been cleared); during past 5 (five) years the tenderer (legal person) has not been the subject of a conviction by final judgment for crimes against property, property rights and property interests, intellectual or industrial property, the economy or business order, financial system, civil service and public interests. | |
| 3. The tenderer has fulfilled the obligations relating to the payment of taxes, including social security contributions, according to requirements of the country where he is registered or of the country of the Contracting Authority; the tenderer shall be considered to have fulfilled the obligations relating to the payment of taxes, including social security contributions, where the amount of his outstanding obligations is smaller than EUR 50 (fifty euro). | |
| 4. During the last one year, the tenderer (legal person) has not been the subject of a conviction by final judgment for crimes specified in Article 292 ¹ (1) of the Criminal Code of the Republic of Lithuania. | |
| 5. The current version of the basic Blockchain technology based platform proposed by the tenderer should be generally available (or in a public release stage). | |

| | |
|--|--|
| | as well as the envisaged essential events, such as fork, etc. |
| 6. The ecosystem of partners of the basic Blockchain technology based platform proposed by the tenderer consisting of at least 10 (ten) active partners developing applications for the FinTech industry, on the basis of the proposed basic platform should be available. An active partner should be a company which has developed at least one FinTech use case or created or tested an application, or implemented a solution operating on its basis and/or supplying a service in the market. | The tender shall contain: 1) the list of active platform partners with the names and websites of the companies; 2) the forename and surname, e-mail and phone number of each ecosystem partner's contact person; 3) the use case(s) tested by the ecosystem partner or developed applications operating on the basis of the basic platform (e.g., dapps) and links to the information supporting the fact of their existence (testing). |
| 7. The tenderer must have employment contracts with at least 10 (ten) qualified specialists directly associated with the Blockchain technology experienced in the implementation and/or support of the Blockchain-based platforms. | The tender shall specify the employees' forenames and surnames, positions (team role), e-mail, phone, experience of work with the Blockchain technology (implemented projects of approval/testing, implementation of concepts, etc.), identifying the particular employees for work in the project team if the tenderer's tender is selected. |

If the tenderer submits inaccurate or incomplete data about compliance with the aforementioned qualification requirements, the Pre-commercial Procurement Commission, acting with due regard to the Pre-commercial Procurement Principles, must ask the tenderer to update, supplement or explain such data within the reasonable time fixed by the Pre-commercial Procurement Commission. If the tenderer refuses or fails to submit the updates, supplements or explanations, the Contracting Authority shall have the right to reject the tenderer's tender.

CHAPTER VII

EVALUATION OF TENDERS AND DEVELOPMENT OF THE LIST OF TENDERERS

Familiarisation with tenders

Familiarisation with the received tenders of tenderers shall take place during the meeting of the Pre-commercial Procurement Commission to be held at the Contracting Authority's place (at the address Gedimino pr. 6, Vilnius), on 30 April 2018, 10 hr 00 min). All tenderers who submitted tenders shall be notified of the received tenders (the name of the tenderer submitting the tender and the price) by electronic means. Procedures of examination and evaluation of tenders shall be carried out by the Pre-commercial Procurement Commission, without participation of the tenderers or their authorised representatives.

Procedure for the evaluation of tenders and results of stages

The procedure for the evaluation of the tenderers' tenders and of the results of stages is provided for in Annex 3 'Procedure for the evaluation of tenders and results of stages' to the Conditions.

Rejection of tenders

The tender shall be rejected in the following cases:

1) the tender does not comply with the requirements specified in the pre-commercial procurement documents (the tender is not signed in the manner specified in the pre-commercial procurement documents, the tenderer does not meet the qualification requirements, the tender does not meet the conditions and requirements for the supply of services being procured established in the Technical Specification, etc.);

2) the tenderer fails to update or supplement the submitted inaccurate or incomplete data about his qualifications on request of the Pre-commercial Procurement Commission within the fixed time limit;

3) the tenderer provides false information about compliance with the established requirements and the Pre-commercial Procurement Commission proves by any lawful means that the information is false;

4) the tenderer submits the tender for the procurement object both individually and as a participant of a group or of several groups of economic entities, i.e. submits more than one tender, participates in submitting several tenders for the procurement object;

5) the tender is submitted after expiry of the time limit for the receipt of the tenders disregarding the specified principles of ensuring the security (confidentiality) which must be observed until the opening of the tenders.

Development of the list of pre-commercial procurement tenderers

The Pre-commercial Procurement Commission shall evaluate the received tenderers' tenders or results of stages, develop the list of tenderers for the respective stage of the pre-commercial procurement according to the number of evaluation scores and, no later than within 3 (three) working days of its development, send the list to all tenderers participating in the pre-commercial procurement (who have submitted the tenders and were admitted to the next stage on the basis of the results). The list shall also be published on the internet websites of the Contracting Authority (www.lb.lt) and of the Coordinating Body (www.mita.lt).

Determining the winners of the pre-commercial procurement

The winners who will implement the relevant stage of the pre-commercial procurement shall be the tenderers, whose tenders or results of stages according to the ranking established on the basis of the evaluation scores are included in the maximum number of the financed tenderers specified in the Conditions, except where on the basis of evaluations of the tender or results of the stage the Contracting Authority decides that it is not satisfied with the tender or results of the stage and further participation of the supplier in the

pre-commercial procurement is inexpedient, even if the supplier is included in the maximum number of the financed tenderers.

CHAPTER VIII IMPLEMENTATION OF THE PRE-COMMERCIAL PROCUREMENT

Maximum number of financed tenderers

Stage I – 4 tenderers;
Stage II – 3 tenderers;
Stage III – 2 tenderers.

Pre-commercial procurement stages

The pre-commercial procurement shall consist of 3 (three) stages. The implementation of the pre-commercial procurement stage shall begin with the conclusion of a contract with the tenderer. At the end of each stage, the results of tenderers shall be evaluated according to the procedure specified in the Conditions (Annex 3). On the basis of evaluations of the results of the stage, the Pre-commercial Procurement Commission shall develop the ranking of the evaluations and decide on the tenderers selected for participation in the next stage of the pre-commercial procurement and on the payment of costs incurred by them in this stage.

End of the pre-commercial procurement

The pre-commercial procurement shall end when:

- 1) the objective specified in the pre-commercial procurement documents is achieved and the obligations established in the contracts for the implementation of stage III with its participants are fulfilled;
- 2) the pre-commercial procurement procedures are terminated by decision of the Contracting Authority or for other reasons that do not depend on the Contracting Authority;
- 3) the time limit of the Contracting Authority's proposal to conclude pre-commercial procurement contracts for the implementation of stage II or stage III expires and the pre-commercial procurement contract for the implementation of the stage is not concluded with any of the tenderers for reasons that do not depend on the Contracting Authority;
- 4) all tenderers withdraw their tenders before conclusion of the pre-commercial procurement contract for the implementation of stage I or refuse concluding the pre-commercial procurement contract for the implementation of stage I;
- 5) no tenders are received until the end of the time limit fixed for the submission of the tenderers' tenders for stage I.

Subject to the Coordinating Body's approval the Contracting Authority shall have the right to terminate the pre-commercial procurement in stage I or stage II with none of the tenderers reaching the result specified in the pre-commercial procurement

contract, if, in the opinion of the Contracting Authority, it is inexpedient to continue the pre-commercial procurement.

Subject to the Coordinating Body's written approval the Contracting Authority may terminate the pre-commercial procurement procedure at any time, where any circumstances due to which the financing of the pre-commercial procurement will not be guaranteed, emerge, or it transpires that there are circumstances for which the pre-commercial procurement does not comply with the pre-commercial procurement principles established in paragraph 4 of the Description of the Implementation of the Pre-commercial Procurement approved by Resolution No 709 of the Government of the Republic of Lithuania of 1 July 2015.

CHAPTER IX PRE-COMMERCIAL PROCUREMENT CONTRACTS

Invitation to conclude contracts

No later than within 14 (fourteen) calendar days after publication of the list of tenderers developed on the basis of the number of evaluation scores, the Contracting Authority shall submit a written proposal (by e-mail) to the invited tenderers to conclude the pre-commercial procurement contract for the implementation of the respective stage.

The fixed price not exceeding the established maximum fixed price for one tenderer in the respective stage shall be fixed for each tenderer of the respective stage of the pre-commercial procurement.

Pre-commercial procurement contract

The draft pre-commercial procurement contract is provided in Annex 4 of the Conditions.

Refusal of the tenderer to conclude the contract

If the tenderer, who was offered to conclude the pre-commercial procurement contract, refuses in writing to conclude it, fails to sign the pre-commercial procurement contract by the time limit specified by the Contracting Authority or refuses to conclude the pre-commercial procurement contract under the conditions specified in the procurement documents, it shall be considered that the tenderer has refused concluding the pre-commercial procurement contract. In that case, the Contracting Authority shall offer to sign the pre-commercial procurement contract to the tenderer the evaluation of whose tender or of the results of the stage according to the established ranking is the first after the tender of the tenderer who has refused concluding the pre-commercial procurement contract.

Pre-commercial procurement contract performance security

Where for the implementation of stage III a contract is concluded with 1 tenderer, the Contracting Authority may request that performance of the pre-commercial procurement contract is secured by a bank guarantee or by a surety of an insurance undertaking. In

that case, the Contracting Authority shall notify the tenderer before concluding the contract and:

1) the tenderer, no later than within 5 (five) working days after concluding the contract, must provide the Contracting Authority with a duly executed irrevocable guarantee (surety) of a bank or an insurance undertaking securing the implementation of terms and conditions of the purchase contract in the amount of 10 % of the contract value in compliance with requirements of legal acts of the Republic of Lithuania in the form acceptable to the beneficiary of services, and all (original) documents accompanying such guarantee (surety);

2) if the Contracting Authority uses the contract performance guarantee, in order to continue fulfilling the contractual obligations the tenderer must, no later than within 5 (five) working days, provide the Contracting Authority with a new guarantee (surety) of securing the implementation of terms and conditions of the contract the value of which may not be smaller than the amount indicated in point 1 above;

3) the term of validity of the guarantee (surety) – until discharge of all contractual obligations;

4) the subject matter of the guarantee (surety): any breach, partial or full default on or improper performance of the tenderer's obligations and/or liabilities under the contract and its annexes;

5) conditions and procedure of payment of the guarantee (surety) amount: within 10 (ten) working days after the first written notification of the Contracting Authority to the guarantor (surety provider) about the partial or full non-fulfilment or improper fulfilment of the contractual obligations. The guarantor (surety provider) shall have no right to request the Contracting Authority to justify its demand. The Contracting Authority shall indicate in the notification to the guarantor (surety provider) that the guarantee (surety) amount is due to the Contracting Authority because of the tenderer's partial or full non-fulfilment of the terms and conditions of the purchase contract or other breach thereof.

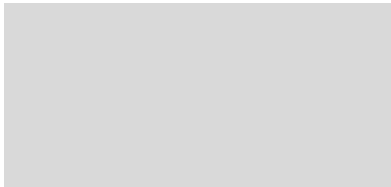
If the tenderer refuses to provide a guarantee, the Contracting Authority shall have the right not to conclude with the tenderer the contract for the implementation of stage III.

CHAPTER X

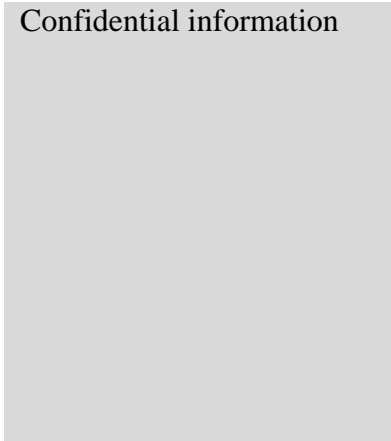
INTELLECTUAL PROPERTY AND PROTECTION OF CONFIDENTIAL INFORMATION

Intellectual property rights

Intellectual property objects that are developed or appear when the tenderer participates in the pre-commercial procurement and/or supplies R&D services or that are created before that and are used by the tenderer in the pre-commercial procurement and/or in the supply of R&D services shall be the ownership of the tenderer. The tenderer who owns the intellectual property objects created in the pre-commercial procurement shall grant to the Contracting



Authority an unlimited right to use free of charge the intellectual property objects created by the tenderer in the pre-commercial procurement for its own needs and to modify them, and to third parties – a nonexclusive right (e.g., a license under market conditions).



The Coordinating Body and the Contracting Authority must not:

- 1) without a prior written consent of the tenderer with whom a pre-commercial procurement contract is not concluded, disclose to third parties the confidential information received from such tenderer in the pre-commercial procurement for at least 4 (four) years after the day of submission of the tender of such tenderer;
- 2) without a prior written consent of the tenderer with whom a pre-commercial procurement contract is concluded, disclose to third parties the confidential information received from such tenderer in the pre-commercial procurement for at least 4 (four) years after the communication of results of the last stage of the pre-commercial procurement contract implemented by the tenderer.

CHAPTER XI SUBMISSION AND HANDLING OF COMPLAINTS

The tenderers who disagree with the Contracting Authority’s decisions or acts (omissions) relating to the pre-commercial procurement shall have the right, within 10 (ten) working days after receiving the Contracting Authority a written notification of the decision taken thereby or after becoming aware of the acts (omissions), to file a written claim with the Coordinating Body. The bringing of the claim shall be the optional procedure of the out-of-court settlement of disputes.

Further to the receipt of the tenderer’s claim, the Coordinating Body shall, within 3 (three) working days, request the Contracting Authority to present, no later than within 5 (five) working days, the reasoned explanations regarding the filed claim. Considering the filed claim, explanations and other evidence, the Coordinating Body shall, no later than within 15 (fifteen) working days after the receipt of the claim, take a reasoned decision to satisfy or reject the claim and communicate the decision to the tenderer and the Contracting Authority.

CHAPTER XII ANNEXES

| | |
|---------|---|
| Annex 1 | Technical Specification |
| Annex 2 | Tender Form |
| Annex 3 | Procedure for the Evaluation of Tenders and Results of Stages |
| Annex 4 | Draft Contract |
| Annex 5 | Form of the Supplier’s Declaration |



**TECHNICAL SPECIFICATION
OF THE PRE-COMMERCIAL PROCUREMENT
FOR CREATION OF THE ‘LBChain’ PLATFORM–SERVICE’**

I. GENERAL

The Bank of Lithuania, as a financial market supervisory authority, is primarily responsible for the regulation and supervision of market participants in accordance with applicable legal acts and requirements. Meanwhile, the Bank of Lithuania, acting as a central bank, together with other institutions such as the Seimas of the Republic of Lithuania, Invest Lithuania, the Ministry of Finance of the Republic of Lithuania, the Ministry of the Economy Republic of Lithuania, through balanced and attractive regulation promoting financial innovations can contribute to the development of new growth opportunities for the financial technology (fintech) market participants thus substantially both advancing the national financial sector and improving the investment attractiveness of Lithuania for new market participants.

The Bank of Lithuania seeks to implement a project of developing an innovative platform-service for fintech companies and promote foreign direct investments (FDI) in Lithuania. The platform-service project codenamed LBChain is expected to attract new fintech market players and established institutions through both exceptional and flexible blockchain platform adaptable to their needs, and related service intended for combining technologies and market regulation know-how required to use it. It is expected that these investments in fintech sector would contribute to structural developments of the national economy towards a higher added value, creation of high-paying jobs and ensure return on investments in LBChain. The project funding shall combine public funds from “Ikiprekybiniai pirkimai LT” national program for pre-commercial procurement and own funding of the Bank of Lithuania.

The Bank of Lithuania expects that all suppliers bidding to provide research and development (R&D) services for the implementation of the LBChain platform-service development project (or a particular Phase) should already have created their own core blockchain platform with relevant partner ecosystem tools, or using it based on agreement with third-party partner(s) provisioning the core blockchain platform elements. The platform-service is what the supplier is expected to create within the project on top of the available core blockchain platform and what the Bank of Lithuania together with other stakeholders such as national investment agency Invest Lithuania, would offer to fintech companies as target user group.

The maximum price for R&D services rendered by suppliers at each Phase payable to each participating supplier shall be fixed, and all extra costs shall be borne by participants at their own risk. Duration of the Phase shall also be fixed and can be extended only for a limited period, and only in exceptional cases.

During the project, the Bank of Lithuania is not planning to acquire any additional equipment or standard software licenses. Where justified and necessary for the project, such licenses and equipment should be sourced by the supplier using the price for the services within the project, or own expense and at his own risk. The goal of the project is the LBChain platform-service concepting, prototype development and testing services, while the terms and conditions, support model and resources required for further operation of LBChain should become clear by the end of the project.

The Procurement Commission shall be formed for the purpose of management and supervision of the pre-commercial procurement process. The Commission shall approve the pre-commercial procurement documents, determine the criteria for assessment of supplier results, assess the supplier proposals and actual deliverables/results, establish the ranking order and select participants who will participate in the next procurement Phase based on their criteria scoring, and perform other functions defined in legal acts of the Republic of Lithuania regulating pre-commercial procurement⁵. The Commission may involve external experts at its own discretion to clarify specific aspects and provide other technical support services as needed.

II. GOALS

By the pre-commercial procurement of creation of the platform-service LBChain Bank of Lithuania aims to:

- promote the development, testing and application of demand-driven innovations by:

1) addressing the Lithuanian public sector goal: to be among the countries that quickly and flexibly adapt to technological change, in this case the blockchain, leading to significant disruptive developments and advancement in the activities of financial institutions; respectively introducing changes and initiating necessary amendments to legal framework in order to create clear and friendly regulation to innovations and better conditions for fintech business development in Lithuania;

2) creating conditions for the Lithuanian and international companies to acquire and create new knowledge, conduct applied research and experimental development, facilitate validation of experimental (test) applications and solutions, and their further use by financial institutions in providing services to customers on the global and Lithuanian markets; stimulate demand for innovations and introduction of new products to the market, while enabling their creators and users to essentially improve (change) products created or used by them and exploit development trends of disruptive technologies, prepare for technological and market changes and increase competitiveness, thus creating added value for business, public sector and society.

- attract more FDI to fintech sector and addressing the socio-economic problem of businesses and society at large using leadership of the public sector as policy-maker. It is the challenge of refocusing the economy long-term from predominantly low and medium to medium and high added

⁵ In accordance with the [DESCRIPTION OF THE PROCEDURE FOR CONDUCTING PRE-COMMERCIAL PROCUREMENT](#) approved by Resolution No 709 of the Government of the Republic of Lithuania of 1 July 2015.

value sectors by accelerating the creation of jobs in high-tech and knowledge-intensive sectors (including finance and IT) thus positively impacting the average wage and tax revenues; hence raising awareness of Lithuania as emerging fintech hub and the country offering favourable sandbox environment for field tests of new fintech solutions, as well as and R&D, raising talents and businesses in finance and technology; thus also strengthening Lithuania's position in the international innovation scoreboards.

These goals shall be achieved by:

- developing the sandbox type platform-service in line with the known and anticipated requirements of fintech companies for blockchain infrastructure functionality, safety, speed, growth, etc., covering the technical solution validation, consulting and support on technical as well as legal, regulatory and investment issues;

- concurrently testing selected various use cases with different platform and blockchain application suppliers in order to (1) adequately assess the existing regulatory risks, functional, security, performance and other requirements through blockchain-based solution tests in different activities of financial institutions, user feedback, experimentation and search for optimal blockchain platform solutions, and (2) determine the level of regulation necessary for the risk management;

- preparing, together with Invest Lithuania and other public sector institutions and business as key stakeholders, for introduction of the platform-service, i.e. presentation of LBChain to foreign fintech companies and Lithuanian financial market participants, and, potentially, also to other public sector institutions that seek to assess and test how the blockchain technology meets their needs.

The developed LBChain platform-service shall support fintech companies interested in the possibility of testing their solution on the blockchain platform with a central bank in a sandbox mode, including obtaining consultations on the applicable legal regulation and technical assistance during testing. Furthermore, the Bank of Lithuania shall use the opportunity together with Invest Lithuania to encourage the fintech companies to invest in R&D activities in Lithuania.

III. REQUIREMENTS

Suppliers offering R&D services shall analyse the business and technology environment for fintech companies as target group, and their needs, identify uncertainties and how they possibly could be solved, assess the alternative solutions for blockchain platform-service, choose, test and validate the solutions with fintech companies, including:

- how added value can be created for the financial market participants with the help of the new LBChain platform-service, what functionality of the platform and related services would contribute most to successful testing of their blockchain applications by fintech companies and facilitate their decision to open their R&D unit in Lithuania;
- how LBChain platform-service could consistently reach the target group (fintech companies) and simplify the decision-making, testing and validation processes compared with the existing best practices;
- what is needed and what are the prerequisites for the LBChain solution to be successfully implemented in technical and organisational terms, and facilitate addressing of the identified public sector and society issues, create maximum added value for all interested parties after

- putting it into operation;
- offering the alternative platform development scenarios that would facilitate convenient and effective testing and validation of blockchain-based solutions;
- analysing and offering the technological platform core and implementation of fundamental principles /elements for further LBChain operations (e.g., smart contracts);
- assessing the particular aspects and parameters of the platform, their appropriateness and adaptability of the platform to fintech companies' needs, e.g., whether LBChain should be private or public, what consensus mechanism should be used, what is the optimal block size and amount of stored data, whether cryptocurrency is necessary, scalability, level of security and measures to ensure it, performance, administration and maintenance, business model, service level and pricing of the core blockchain platform and maintenance services, etc.;
- assessing the process and possibilities of platform access (functionality, rights, etc.) for different interested parties, assessment of the needs for special functions and graphical design representing the platform-service of the Bank of Lithuania, specific user and external system interfaces;
- assessing technological organisational, reputational, etc. (e.g., data disclosure) risks in relation to known fintech blockchain core platform and use case implementations, analysing and presenting regulation already applied in legal frameworks of other countries, in particular relating to the supervision of financial system stability and role of central banks, assessment whether creation and use of the platform is in line with the Lithuanian and EU legislation;
- assessing and defining what additional human and financial resources, their qualifications, processes and other means could be required from the Bank of Lithuania, potential users and third parties, to further support and use the platform;
- suggesting relevant Key Performance Indicators (KPI) in order to measure and evaluate the level of specific project deliverables and outcomes/projections related to project goals.

Project goals and uncertainties can be addressed using well-known methods that are common for R&D: expert assessment (cognitive walk-through, heuristic evaluation, contextual inquiries, user experience evaluation), multi-criteria optimisation, comparative, correlative, or regression analysis, etc.

Once the project is completed, financial market start-ups and IT companies will be able to test the blockchain possibilities in controlled LBChain environment thus demonstrating and validating their solutions. To ensure platform is flexible and fit for purpose, suppliers will have to demonstrate independently and in a manner agreed with the Bank of Lithuania the particular use cases for their platform developed by the end of the project (within Phases II-III). Also they are expected to demonstrate how successfully the platform supports use cases for the fintech companies selected by the Bank of Lithuania. It is planned that at least one fintech company will be selected and will test their solutions and provide feedback on the platform-service according to the form agreed with the Bank of Lithuania, in Phase II, and three companies representing target group segments will do it in Phase III. Also, the Bank of Lithuania can offer fintech companies some of the use cases relevant to the Bank of Lithuania and Lithuanian private financial institutions as needed.

One of the project aims is associated with risk assessment (including technological, organisational, etc. risks relevant to Bank of Lithuania) related to use of blockchain platform, testing and use of blockchain-based services/applications. An important element of the project,

therefore, is the transfer of technological know-how and skills to the staff of the Bank of Lithuania. It is envisaged that the Bank of Lithuania will evaluate the applications of the target user group, i.e. fintech companies to use LBChain platform-service in order to validate their applications, consult them on the applicable regulation, access to data, etc., and manage access to LBChain.

To ensure effective communication of the project and support for LBChain after the project, suppliers are encouraged to have the supplier's employees from local office and/or partner IT companies operating in Lithuania as part of the project team. This should be done as early as possible, ideally before submitting the tender for Phase I; however, in any case, no later than by the end of implementation of Phase I. It is expected that the staff residing and operating in Lithuania, including IT professionals, will participate in the project implementation, share their know-how and experience and will provide platform support services and technical assistance to the target group (consultations, preparation of the platform according to the testing needs of the particular fintech company, etc.) after the project.

The project will use two languages: Lithuanian and English. It is envisaged that all project deliverables (documents, presentations etc.) will have to be provided in Lithuanian, and the menus and related documentation of the platform itself will be in English.

Selection of suppliers for Phase I will take place after the Bank of Lithuania and the Coordinating institution (national Science, innovation and technology agency, MITA) publish an open Call for tenders on their internet websites. Suppliers bidding for R&D services in Phase I will have to submit a tender describing how they are planning to implement the overall goals and requirements provided for in this Technical Specification. Realisation of goals and requirements for Phase I must be described in greater detail, with required resources, proposed timetable for Phase I and key milestones, identifying related assumptions and scientific and technological uncertainties as needed, and the approaches planned to address them. Also, suppliers are required to provide a description of the core blockchain platform (or its alternatives, where several alternatives are offered), specifying the key aspects of the platform (e.g. whether the suggested base platform is public or private, and motivation why; if the offered core platform is public - how granting access solely to the participants approved by the Bank of Lithuania and confidentiality of data is ensured, if the core platform is private – how non-repudiation of data is ensured; what consensus mechanism is used; performance-related solutions, e.g. the supplier has to define assumptions on performance-related aspects for the specific applications, indicating the expected speed of transaction approval and inclusion of a block into the chain, and the prerequisites to achieve it. It has to be explained in detail how security aspects including availability, confidentiality and integrity are ensured, e.g., whether the solution needs a new cryptocurrency, whether it is related to operations in the existing fiat currency, if yes – what safeguards exist or could be used to prevent the currency from “spreading” outside the system, etc.). The supplier has to provide information defining flexibility of the core blockchain platform, e.g., whether it is possible to use the public network instead of the private network, whether the core platform and/or its elements could be replaced etc. Information regarding core platform roadmap and data describing the Application Programming Interface(s) (API(s)) of the core blockchain platform should be provided. It shall be specified where the platform could possibly be located, whether it is the environment (data centre) controlled by the Bank of Lithuania, or the private/public cloud, and what is the delivery and charging model of the

core blockchain platform – e.g. is it licensed and paid for as perpetual licence, installed on premise, or cloud infrastructure using the “Blockchain as a Service” (BaaS) model and a monthly fee, etc.

The supplier is required to provide information about the platform, their own experience and platform-related blockchain references. Particularly, suppliers are expected to disclose the core platform owners/developers, and/or involvement of the supplier in the process of core platform development; the size of the particular platform ecosystem, principles, processes and responsibilities of the platform partners creating their own applications within the ecosystem, etc., e.g., who provides support services and what services, under what conditions are provided to the platform partners; identify partners/ customers who already test/use solutions built on the core platform, describe the use cases in brief; specify the proposed project team and provide descriptions of the team member’s experience; provide, at their own discretion, other information demonstrating the supplier’s experience and progress in developing and introducing blockchain platforms. The offered base blockchain platform is expected to support popular programming languages; therefore, suppliers have to specify the languages used in creating the platform and its applications.

The supplier is required to describe aspects relating to the management of the project intellectual property (IP), particularly, define background owned by the supplier and third parties and foreground developed within the LBChain project.

Suppliers also have to identify and explain what (human, etc.) resources would be required from the Bank of Lithuania, or third parties (the supplier’s subcontractors, other stakeholders) for implementing Phase I of the project and how the supplier proposes to ensure their availability.

It is planned to select up to 4 participants for Phase I. The selection criteria for Phase I will be determined by the Procurement Commission. In the opinion of the Bank of Lithuania, the possible preliminary criteria to be considered are: the core platform maturity/current Phase (e.g., internal alpha/beta release, limited use/public release, first version available since (date); platform ecosystem size (the more fintech and finance industry companies using the platform for application development/ proof of concept or use case field tests/ providing blockchain based services to the market, the higher is the rating for the criterion); supplier human resources (the bigger the blockchain development and implementation team, the higher is the rating); and experience (the bigger number of developed and tested/ implemented proof of concepts/use cases for fintech and finance industry companies, the higher is the rating of the criterion).

Objectives and scope of Phase I: R&D services acquired in pre-commercial procurement at this Phase are focused at developing and confirming the concept of the LBChain platform-service, detailing the technological solution and other aspects in terms of feasibility. This Phase covers R&D of Technical Readiness (TRL) levels 2 and 3⁶. The tasks of this Phase shall be to formulate the concept at the theoretical level supported by applied scientific research and results of empirical tests, identifying uncertainties and assumptions that should be confirmed by the supplier in subsequent Phases, including those elements of the concept for which no specific evidence

⁶ According to the Description of the classification of research and development Phases approved by Resolution No 650 of the Government of the Republic of Lithuania of 6 June 2012 on approval of the recommended description of the classification of research and development stages

supporting their feasibility is available at present. During this Phase, the essential elements and parameters for creation of the LBChain platform-service should be determined, implementation feasibility of the concept and separate elements of the platform should be evaluated, substantiated and detailed, and plan of the Phase II provided.

To that end, suppliers will have to clarify the goals and objectives set by the Bank of Lithuania, assess accumulated knowledge and experience; make a more detailed analysis of the target group (fintech companies) needs; create and specify in detail the concept of LBChain on the basis of initial concept presented in this specification, with description of essential elements matching the target group needs; assess whether the base blockchain platform concept offered by them matches those needs, to what degree and how; identify the main risks (i.e. ones of the highest probability and greatest impact) faced by the Bank of Lithuania as a regulatory authority and future provider of the LBChain platform-service, also fintech companies deploying their applications on the platform. A supplier will have to draw up the guidelines of the service provisioning process to fintech companies and define most likely requirements for the platform-service LBChain in quantitative and qualitative terms, to be adjusted in subsequent Phases. Suppliers will have to describe in detail and substantiate the main functional and non-functional requirements for the platform-service, indicate how they will be implemented, including possible alternatives, justify the best solution and operational model of the LBChain platform-service, considering limited resources of the Bank of Lithuania to be allocated for support, and indicate key competences that would have to be created/transferred to enable the Bank of Lithuania to successfully provide the platform-service to fintech companies and to support the platform with own and/or third party resources.

Deliverables and outcomes of Phase I: documented concept of the platform, including detailed specification of the main functional and non-functional requirements; documented platform design covering such aspects as system architecture, data model, user interface design and key parameters, list of supported use cases. With regard to the project goals, platform-service provisioning, deployment and operational model should be prepared, including the guidelines for fintech solution testing process to be implemented and initial service level requirements for providing the sandbox type platform LBChain as a service to the target group (fintech companies) as well as roles and responsibilities, and risk management. Suppliers should demonstrate in a manner agreed with the Bank of Lithuania that the core blockchain platform ensures and meets the essential requirements, fulfils the main functions and non-functional requirements. The platform and/or separate elements of the product may be demonstrated and verified according to the basic testing scenarios which could be an advantage. In any case, suppliers should ensure that the level of the platform LBChain created at the end of Phase I is not lower than proof of concept (TRL3)⁷.

Selection of suppliers for Phase II. It is planned to select up to 3 suppliers for Phase II. The selection criteria for Phase II will be determined by the Procurement Commission and approved during Phase I. In the opinion of the Bank of Lithuania, the possible preliminary criteria to be considered are: Total Cost of Ownership (TCO), optimal combination of platform security, speed,

⁷ Same as (6)

stored data record size and record storage parameters balanced with acceptable platform service level. Possible ranking in a descending order of priority could be Total Cost of Ownership (TCO) or annual operational cost, security, speed, record size.

Phase II – at this Phase of the R&D project a platform model (prototype) shall be worked out according to the concept developed in Phase I in order to assess the hypotheses of technology research carried out in the project (i.e. assumptions corresponding to uncertainties) and define optimal solutions. Activities shall cover the integration of different essential elements of the future platform for the purpose of validating system performance under conditions close to real environment. Iterative development of the prototype with initial testing and optimisation of parameters is planned.

It is envisaged to create the prototype and to carry out the experimental development (testing and optimisation of platform parameters) on the supplier's test platform (virtual environment) where staff of the Bank of Lithuania could be allocated relevant roles and permissions, simulate platform administration actions and monitor the platform and fintech application testing processes. The most appropriate measures and procedures required in the LBChain target group user and service management process to be carried out by the Bank of Lithuania will be determined, such as access control, management, ensuring non-repudiation of data, etc. The functionality of the platform, rights and responsibilities provided for testing of fintech applications will be defined, as well as preferred hosting and delivery model.

The process of service provisioning to fintech companies shall be elaborated and tested, and participants' (fintech company testing a use case for their application) feedback shall be obtained. Each supplier shall prepare the platform and test it with the particular use cases relevant for the finance industry. The platform shall be tested with at least one fintech company providing its use case for testing to the Bank of Lithuania. A supplier, on own discretion, can involve more companies that seek sandbox mode testing of their blockchain solutions on the platform in Phase II.

With reference to the results of tests at this Phase, the process of service provisioning to fintech companies shall be detailed and adjusted; optimal service level requirements, as well as IT service management processes with the specifically identified and justified service level shall be determined, e.g., incident, problem, change and release/update management, conditions, most likely system security and other risks, measures of their prevention and control (e.g., audit, recovery).

Suppliers will be provided a non-exhaustive list of use cases relevant for the finance industry. They will be encouraged to select and demonstrate as many successful tests of use cases as possible.

Deliverables and outcomes of Phase II: platform prototype developed and demonstrated in the supplier's test environment; detailed process of LBChain platform-service provisioning to fintech companies developed; tests of platform prototype (technological platform) and the process of service provision to the target group successfully passed (is essentially functioning) with a blockchain application being developed or already developed for the market by at least one company. Development and initial testing of the platform can take place in several iterations, test scenarios shall be approved by the Bank of Lithuania. Suppliers shall demonstrate use cases that operate on the platform by selecting as many as possible use cases from the list provided by the

Bank of Lithuania, or offer other relevant use cases at their own discretion. Requirements for services necessary for platform support and related management processes shall be defined. Suppliers have to ensure that level of the LBChain platform-service at the end of Phase II is not lower than TRL6 (system prototype demonstration in relevant environment).

Selection of suppliers for Phase III. It is planned to select up to 2 participants for Phase III. The selection criteria for Phase III will be determined by the Procurement Commission. In the opinion of the Bank of Lithuania, the possible preliminary criteria (to be considered) could be: the number of use cases successfully demonstrated in platform prototype tests in relevant testing environment, according to test scenarios; the level of the prototype compliance with the blockchain principles and key aspects (decentralisation, security, non-repudiation, etc.); feedback of the platform users (fintech companies) who have been participating in their application use case testing (whether it is convenient to use the platform, whether the service provisioning process is simple, intuitive and customised, what is the level of support and consultations provided), etc.

Phase III – if the test version of the prototype in Phase II meets the expectations, Phase III of the R&D project shall cover development and limited scope testing of the platform-service in real conditions. The platform-service shall be improved on the basis of test results and conclusions of Phase II and provided with required configuration, functions, security and service quality requirements, etc.

After developing the improved platform version, the tests of security, speed, functionality, including user experience (UX) tests of the platform-service LBChain shall be planned and carried out. At this Phase, functionality of the LBChain platform created by the supplier should be validated by positive test results with at least 3 market participants representing each segment of target group (fintech startup, fintech established players, and mature private financial institution). If any essential weaknesses are identified when assessing test results and participants' feedback, tests shall be repeated until the weaknesses are eliminated. The testing participants' feedback shall be used for improving the platform until the end of this Phase.

A supplier shall implement the developed platform using the preferred hosting and delivery model selected in Phase II (e.g., "Blockchain as a Service", data centre of the Bank of Lithuania, or external cloud computing infrastructure). The processes of provisioning users with LBChain platform-service and its' maintenance shall be validated and tested. Supplier shall evaluate and justify the envisaged service parameters and estimate average service supply costs (per test case, per period). Optimal scenario of further provision of the service is defined, and service levels, roles and responsibilities relating to the service support shall be provided.

The customised "starter pack" type documentation (process description, technical test guide, etc.) in the form that is convenient for the parties testing solutions and complies with the established requirements (e.g., as a downloaded file, online access, graphical representation, wizard, etc.) shall be prepared for the potential fintech market participants who seek to test their solutions on LBChain platform. Suppliers shall familiarise the staff of the Bank of Lithuania with the basic principles of administration and maintenance, however the Supplier's staff are responsible for carrying out the maintenance of the platform and the consulting of participants throughout Phase III.

Deliverables and outcomes of Phase III: LBChain platform operating in real environment, the LBChain platform-service prepared for provision of the service to potential users (fintech companies); includes the rights to use and modify the LBChain platform as the foreground after the project, and use the core blockchain platform according to established terms and conditions. Service provisioning and platform support processes, service levels, conditions and pricing necessary for the functioning of the platform shall be documented and successfully tested. A supplier shall ensure that the level of the platform LBChain created at the end of Phase III is not lower than TRL8.

IV. OTHER

Project risk management plan:

| Item | Risk description | Probability (low/medium/high) | Impact (low/medium/high) | Mitigation |
|------|---|-------------------------------|--------------------------|--|
| 1. | Results. No supplier is able to demonstrate and validate blockchain use cases using the LBChain platform. This may cause cancellation of the project due to dead-end situation or formal legal issues preventing a major reshape of the pre-commercial procurement requirements. | medium | high | Pre-commercial procurement requirements should clearly describe acceptance criteria, i.e. what is considered a successful test, and name the key requirements and properties (e.g. priority order). If a significant probability exists that expected results still could be achieved with deadline extension, deadline of a specific Phase may be postponed. If a compelling evidence is presented that requirements are technically not possible to implement, or (in case of minor requirements) prove not to be essential to the target group, R&D/experimentation could be cancelled or adjusted. (subject to approval of Procurement Commission) |

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| 2. | <p>Target group. Interest of fintech businesses in the platform proves to be low, the Bank of Lithuania is not able to find applicants for testing of blockchain solutions. This may cause a delay in completing validation/starting operations, or in case of very clear failure require cancellation of the project.</p> | low | high | <p>After launching the project and upon achievement of intermediate results, the Bank of Lithuania plans some publicity in the local and blockchain-focused internet media, presentations at fintech conferences etc.), thus building up a broader pipeline of candidates. Fintech businesses-candidates would also be informed by Invest Lithuania as one of the key stakeholders.</p> <p>Possible other mitigations: delegate the task of recruiting the applicants to the suppliers; engage IT companies in Lithuania developing solutions for finance industry and university researchers/students.</p> |
| 3. | <p>Target group. Fintech companies are eager to test their solution with one blockchain platform but not adapt and test with others.</p> | medium | low | <p>The Bank of Lithuania inquires and makes sure before pre-commercial procurement, or in the course of the Phase I what is acceptable to the fintech players and adjusts the testing scope as needed. Expected number of Fintech companies willing to test their solutions shall be double the minimum planned number of tests. If part or all of Fintech companies are eager to test their solution with one blockchain platform/ supplier, the Bank of Lithuania may decide to test with only one platform/ supplier using a balanced and integral testing plan and methods of interpreting test results in order to have comparable values for test criteria.</p> |

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| 4. | <p>Suppliers, Target group. Tested solutions of Fintech companies are optimized for one platform/ supplier, perform significantly better on one platform, or fintech company has a partner /binding relationship with platform/ supplier making comparison of platforms subjective.</p> | medium | medium | <p>Methodology to interpret test results including aspects evaluated and qualitative/ quantitative criteria, etc. issues shall be formulated in advance and to maximum extent possible take equally into account all platforms/ suppliers. Number of Fintech companies testing their solutions shall be higher than the minimum planned number of tests. If preliminary checks or testing confirms that a specific solution could not be tested on a specific platform, it is not operable due to validated technical restrictions, or a fintech company resource are limited to properly prepare for testing, the Bank of Lithuania invites a different fintech company.</p> |
|----|--|--------|--------|---|

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|----|--|--------|--------|---|
| 5. | <p>Requirements. Platform conforms to requirements put forward in the Technical Specification, however it becomes obvious and fintech companies or the Bank of Lithuania need to elicit additional requirements in the course of the project to ensure that goals of the project are reached. If this incurs significant extra costs to the suppliers, this may cause reluctance of the suppliers to continue with the project, or a formal approach to implementation.</p> | medium | medium | <p>The Bank of Lithuania is eligible to justify and request additional funding up to 10 % of the total project volume according to the “Ikiprekybiniai pikimai LT” pre-commercial procurement funding scheme, and/or provide own funding to accommodate extra requirements.</p> |
| 6. | <p>Resources. The Bank of Lithuania will not be able to provide human resources of adequate qualification to implement and/or support LBChain technical platform. This could impact the project quality, and efficient use of results after the project is completed.</p> | low | medium | <p>Decision of the Bank of Lithuania to sign a project contract with Implementing Body (Lithuanian Business Support Agency, LVPA) will enable planning and allocation of required resources. In the course of the project there will be opportunities provided by the suppliers to involve the IT personnel of the Bank of Lithuania and raise the qualifications to the required level. Also, recruiting new personnel both during the project and after, and using external suppliers to provide platform support services.</p> |

This plan shall be discussed with suppliers and updated in the beginning of each Phase, as a minimum requirement.

Preliminary list of use cases for Phase II:

1. Smart Identity
2. Investments: Proxy Voting
3. Payments
4. Deposits and Lending: Trade Finance
5. Capital Rising: Contingent Convertible (“CoCo”) Bonds
6. Investments: Automated Compliance
7. Insurance: Commercial property and casualty (P&C) insurance
8. Market Provisioning: Asset Rehypothecation
9. Market Provisioning: Equity Post-Trade
10. KYC and anti-money laundering
11. Asset registries
12. Prediction and stock markets
13. Fraud prevention)
14. Deposits and Lending: Syndicated Loans
15. Loyalty/reward point platform

The above is open and non-exhaustive list of use cases and it may have additions or corrections at any time. It is provided for supplier reference with aim to list use cases possibly relevant to the finance sector according to the Bank of Lithuania. The list could possibly be used to develop the suggested core platform in a way it could support as many use cases for fintech as possible, since it is possible that some of them may be tested after LBChain platform is implemented. The supplier may suggest other use cases relevant for fintech businesses, subject to the Bank of Lithuania approval.

Note: this is a translation of the original Technical Specifications document drafted in Lithuanian. In case of any discrepancies the original document text shall be deemed accurate and correct.

Annex 2
to the Conditions of the Pre-commercial
Procurement ‘Development of the ‘LBChain’
Platform–Service’ of the Bank of Lithuania

PRE-COMMERCIAL PROCUREMENT
‘DEVELOPMENT OF THE ‘LBChain’ PLATFORM–SERVICE’
(Tender form)

(Tenderer’s name)

(Legal person’s legal form, head office address, contact details, name of the register in which data about the supplier are collected and stored, corporate code, VAT payer’s code, if applicable)

To: Bank of Lithuania

TENDER
FOR THE PRE-COMMERCIAL PROCUREMENT
‘DEVELOPMENT OF THE ‘LBChain’ PLATFORM–SERVICE’

.... .. 20..
(Date)

| | |
|---|--|
| Tenderer’S name <i>//Where a group of economic entities participates, names of all economic entities shall be specified/</i> | |
| Tenderer’s address <i>//Where a group of economic entities participates, all addresses of economic entities shall be specified/</i> | |
| Full name and position of the person responsible for the tender | |
| Phone number | |
| E-mail address | |

We are submitting the tender in compliance with the requirements specified in the pre-commercial procurement documents. The tender is submitted [jointly with partners */to provide the list /* without partners].

Brief description of the concept of the proposed innovative product *[a more detailed description may be included in annexes to the tender]*

| |
|--|
| |
|--|

Compliance of the tender with conditions of the Technical Specification of the pre-commercial procurement object⁸

1. Functionality
2. Compliance with non-functional requirements
3. Management of implementation of the project solutions and risks
4. Application possibilities

We will perform the contract with the involvement of the following sub-suppliers (sub-providers)

| Names of sub-suppliers (sub-providers) | Designation and extent of services to be provided with the involvement of the following sub-suppliers (sub-providers) | Percentage share of services to be transferred to the sub-supplier (sub-provider) | Stage(s) |
|--|---|---|----------|
| | | | |
| | | | |

This tender also contains confidential information

| |
|--|
| <i>To specify what information and/or parts of the tender are confidential</i> |
| |

⁸ NB. Before submission of tenders, the Pre-commercial Procurement Commission may change the tender evaluation criteria by a reasoned decision.

Tender price (to be filled in for all stages)

| Stage | Tender price, EUR | Tender price, in words |
|-------|-------------------|------------------------|
| I | | |
| II | | |
| III | | |

Documents accompanying the tender

| Title of submitted documents | Number of document pages |
|---|--------------------------|
| <i>[Title of the document issued by the court, the SE Centre of Registers or other competent authority and other documents supporting compliance with qualification requirements]</i> | |
| <i>[Description of the proposed innovative product, preliminary plan of implementation of the stage(s), risk management plan, other documents supporting compliance with the tender quality requirements]</i> | |
| | |

The tender is valid until _____ (to specify the tender validity deadline).

By submitting this tender, we acknowledge our agreement with all conditions of the Pre-commercial Procurement ‘Development of the ‘LBChain’ Platform–Service’.

The tender is signed by:

- e-signature and is submitted as a signed electronic document
- ordinary signature and is submitted as a scanned facsimile document

[Forename, surname, date]

PROCEDURE FOR THE EVALUATION OF TENDERS AND RESULTS OF STAGES

GENERAL INFORMATION

1. The tenders submitted for the pre-commercial procurement and the results of stages shall be examined and evaluated by the Pre-commercial Procurement Commission and/or by the engaged experts. The tenders of suppliers shall be evaluated within 30 (thirty) calendar days after the last day of the submission of tenders.
2. The tender shall be evaluated in two stages:
 - 2.1. The administrative evaluation – the examination of compliance of the submitted documents and of the tenderers’ qualifications specified in them with the requirements of the procurement conditions.
 - 2.2. The evaluation of benefits and quality –the evaluation of the technical part of the tender by assigning the scores on the basis of non-financial evaluation criteria.
3. The evaluation criteria shall apply in all stages; however they may differ to a certain extent given the specifics and expected outcomes of the particular stages. By decision of the Contracting Authority, the criteria for the next stage may be adjusted before the beginning of the stage notifying the suppliers in writing.
4. After the administrative evaluation, those tenders that are not rejected by the Contracting Authority shall be evaluated on the basis of the quality and price evaluation criteria (by summing up the scores). The minimum mandatory score of the evaluation of the tender or of the stage results shall be 50.
5. Where at least one evaluation of a separate criterion is below the minimum score, the Contracting Authority shall have the right to reject such tender or not to approve (fully or partially) such results of the stage.

CRITERIA FOR THE EVALUATION OF TENDERS AND RESULTS OF STAGES

| Evaluation criteria | Tenders for stage I | | Results of stage I | | Results of stage II | |
|--|---------------------|---------------|--------------------|---------------|---------------------|---------------|
| | Maximum score | Minimum score | Maximum score | Minimum score | Maximum score | Minimum score |
| 1. Functionality | 25 | 10 | 15 | 10 | 15 | 10 |
| 2. Compliance with non-functional requirements | 35 | 20 | 30 | 15 | 30 | 15 |
| 3. Management of implementation of the project | 20 | 10 | 15 | 5 | 15 | 10 |

| | | | | | | |
|--|-----|----|-----|----|-----|----|
| solutions and risks | | | | | | |
| 4. Application possibilities | 20 | 10 | 30 | 15 | 20 | 10 |
| 5. General R&D and operating expenses | - | - | 10 | 5 | 5 | 0 |
| 6. Number of successfully demonstrated use cases | - | - | - | - | 15 | 5 |
| | 100 | 50 | 100 | 50 | 100 | 50 |

DESCRIPTION OF THE EVALUATION CRITERIA

| Criterion | Explanation of the criterion |
|--|---|
| 1. Functionality | Scores shall be assigned for the compliance with the functionality provided for in the Technical Specification. The tender or results of the stage shall contain the full explanation (to the extent possible in that stage) how the envisaged functionality will be realised. |
| 2. Compliance with non-functional requirements | Evaluation of the degree of technical possibilities of the proposed solution with non-functional requirements provided for in the Technical Specification and the identification and a more detailed justification of the main technical restrictions and risks (e.g., quality, efficiency/development possibilities, security, etc. of the technology). Evaluation of results of stages I and II shall cover two aspects: <ul style="list-style-type: none"> ▪ Speed. Associated characteristics – record size, consensus mechanism, block generation/encryption (entry of transactions into the block and block hashing). ▪ ‘LBChain’ Platform–Service security level (availability /service level, confidentiality, integrity). |
| 3. Management of implementation of the project solutions and risks | Evaluation of two aspects described in the tender or of the results of the stage: <ul style="list-style-type: none"> ▪ Project planning quality – management of the implementation of solutions provided for in the stage(s), including the timetable, management of the project changes, human and material resources, including technical and other capacities. ▪ Risk management quality – the identification of the main risks and their management plan. |
| 4. Application possibilities | Evaluation of the quality of the plan for making available the platform–service to its users (FinTech companies) and for attracting and retaining them taking account of such elements of application as the segmentation and identification of the target market, specific needs, compliance of the proposed solution with the requirements; resources and processes necessary for operation; a plan of engagement of the target group, planned quantitative indicators. |

| | |
|--|--|
| 5. General R&D and operational expenditure | Evaluation of two aspects: <ul style="list-style-type: none"> ▪ Validity of R&D expenditure of the proposed solution. ▪ Validity of testing and operational expenditure (licence, fixed and variable testing and maintenance costs). |
| 6. Number of successfully demonstrated use cases | Evaluation of the number of use cases successfully demonstrated in the prototype environment according to the testing scenarios approved by the Bank of Lithuania. |

SCORE VALUES

The evaluation score of the criterion shall be calculated by multiplying its evaluation by the weight coefficient the respective stage.

| Criterion | Criterion evaluation values, weight | |
|------------------|--|---|
| | Maximum score: 10 | Explanation of the evaluation |
| 1. Functionality | <p>In evaluating the criterion for calculating the score for the selection to stage I, the weight coefficient 2.5 shall be applied.</p> <p>In evaluating the criterion for calculating of the score for the evaluation of results of stage I, the weight coefficient 1.5 shall be applied.</p> <p>In evaluating the criterion for calculating of the score for the evaluation of results of stage II, the weight coefficient 1.5 shall be applied.</p> | |
| | 1 | The number of the essential functional requirements fulfilled by the tender or by the results of the stage is too small and the result would not be suitable for use; |
| | 2 | The tender or results of the stage fulfil less than a half of the essential functional requirements and the result may be suitable for use only in certain cases; |
| | 4 | The essential functional requirements fulfilled by the tender or by the results of the stage account for a half or less than or half of the essential functional requirements, however, for a significant part thereof, and the result may be suitable for a limited use; |
| | 6 | The tender or results of the stage fulfil more than a half of the essential functional requirements and the result is essentially suitable for use; |
| | 8 | The tender or results of the stage fulfil the major part of the essential functional requirements; |

| | | |
|--|---|---|
| | | |
| | 10 | The tender or results of the stage fulfil all functional requirements or are better than required. |
| 2. Compliance with non-functional requirements | 1 | No information is provided in the tender or in the results of the stage; |
| | 2 | Description of the compliance with non-functional requirements in the tender or in the results of the stage is insufficient or essentially does not meet the requirements; |
| | 4 | Description of the compliance with non-functional requirements in the tender or in the results of the stage is almost not related with the specified requirements of the solution and/or with the proposed solution as such, or proposed solutions are inappropriate for addressing the arising challenges; |
| | 6 | Compliance with non-functional requirements is described in the tender or in the results of the stage, but the appropriateness of some proposed solutions for addressing the arising challenges and/or the validity of the effects of such solutions are questionable; |
| | 8 | Compliance with non-functional requirements is described in the tender or in the results of the stage and proposed solutions are appropriate for addressing the arising challenges; |
| | 10 | Compliance with non-functional requirements is very well described in the tender or in the results of the stage and arises no doubts regarding the appropriateness for addressing the arising challenges. |
| 3. Management of implementation of the project solutions and risks | <p>In calculating the score of the criterion, the scores of sub-criteria 3.1 and 3.2 shall be summed up.</p> <p>In evaluating the criterion for calculating of the score for the selection to stage I, the weight coefficient 1.0 shall be applied.</p> <p>In evaluating the criterion for calculating of the score for the evaluation of results of stage I, the weight coefficient 0.75 shall be applied.</p> <p>In evaluating the criterion for calculating of the score for the evaluation of results of stage II the weight coefficient 0.75 shall be applied.</p> | |
| 3.1. Management of implementation of the project solutions and risks | 1 | The development plan of the proposed solution is not provided in the tender or in the results of the stage; |
| | 2 | The development plan of the proposed solution provided in the tender or in the results of the stage is very weak; |
| | 4 | The development plan of the proposed solution provided in the tender or in the results of the stage is described concisely; |
| | 6 | The development plan of the proposed solution |

| | | |
|--|--|---|
| | | provided in the tender or in the results of the stage is detailed, but not clear enough; |
| | 8 | The development plan of the proposed solution provided in the tender or in the results of the stage is clear enough; |
| | 10 | The development plan of the proposed solution provided in the tender or in the results of the stage is very clear. |
| 3.2. Risk management quality | 1 | The risks or their management are not provided for in the tender or in the results of the stage; |
| | 2 | The risks are improperly described in the tender or in the results of the stage; |
| | 4 | The risks or their management are identified insufficiently or can be hardly linked with the tender; |
| | 6 | The risks are clearly and properly identified in the tender or in the results of the stage, but their management is appropriate not in all cases; |
| | 8 | The risks are clearly and appropriately described in the tender or in the results of the stage and their proper management does not arise any doubts; |
| | 10 | The understanding of potential risks in the tender or in the results of the stage is very good and their full management will be guaranteed. |
| 4. Application possibilities | <p>In calculating the score of the criterion, the scores of sub-criteria 3.1 and 3.2 shall be summed up.</p> <p>In evaluating the criterion for calculating of the score for the selection to stage I, the weight coefficient 2.0 shall be applied.</p> <p>In evaluating the criterion for calculating of the score for the evaluation of results of stage I, the weight coefficient 3.0 shall be applied.</p> <p>In evaluating the criterion for calculating of the score for the evaluation of results of stage II, the weight coefficient 2.0 shall be applied.</p> | |
| | 1 | Indications of the application possibilities are missing in tender or in the results of the stage; |
| | 2 | There are very little indications of application possibilities in tender or in the results of the stage; |
| | 4 | There are little indications of application possibilities in tender or in the results of the stage; |
| | 6 | The tender or results of the stage contain sufficient indications of application possibilities; |
| | 8 | The tender or results of the stage contain clear indications of application possibilities; |
| | 10 | The tender or results of the stage contain very clear indications of application possibilities. |
| 5. General R&D and operational expenditure | <p>In calculating the score of the criterion, the scores of sub-criteria 5.1 and 5.2 shall be summed up.</p> <p>In evaluating the criterion for calculating of the score for the evaluation of results of stage I, the weight coefficient 1.0 shall be applied.</p> | |

| | | |
|--|--|---|
| | In evaluating the criterion for calculating of the score for the evaluation of results of stage II, the weight coefficient 0.5 shall be applied. | |
| 5.1. Validity of R&D expenditure of the proposed solution | 1 | Information justifying further R&D expenditure of the proposed solution is not provided in the results of the stage; |
| | 2 | Justification of further R&D expenditure of the proposed solution provided in the results of the stage is very limited; |
| | 4 | Justification of R&D expenditure of the proposed solution provided in the results of the stage is almost not related with the proposed solution or is inconsistent with it; |
| | 6 | Justification of R&D expenditure is provided in the results of the stage; however, the validity of some expenditure is questionable; |
| | 8 | Justification of R&D expenditure provided in the results of the stage is clear enough and appropriate; |
| | 10 | Justification of R&D expenditure provided in the results of the stage is described very well and in sufficient detail. |
| 5.2. Validity of testing and operational expenditure (licence, fixed and variable testing and maintenance costs) | 1 | Information justifying further testing and operational expenditure of the proposed solution is not provided in the results of the stage; |
| | 2 | Justification of further testing and operational expenditure of the proposed solution provided in the results of the stage is very limited; |
| | 4 | Justification of testing and operational expenditure of the proposed solution provided in the results of the stage is almost not related with the proposed solution or is inconsistent with it; |
| | 6 | Justification of testing and operational expenditure is provided in the results of the stage; however, the but validity of some expenditure is questionable; |
| | 8 | Justification of testing and operational expenditure provided in the results of the stage is clear enough and appropriate; |
| | 10 | Justification of testing and operational expenditure provided in the results of the stage is described very well and in sufficient detail. |
| 6. Number of successfully demonstrated use cases | In evaluating the criterion for calculating of the score for the evaluation of results of stage II, the weight coefficient 1.5 shall be applied. | |
| | 1 | There is no attempt to demonstrate the cases of use of financial technologies in the results of the stage; |
| | 2 | There is an attempt to demonstrate the cases of use of financial technologies in the results of the stage, but it is unsuccessful; |
| | 4 | There is an attempt to demonstrate the cases of use |

| | | |
|--|----|---|
| | | of financial technologies in the results of the stage, but it is successful only to a certain extent; |
| | 6 | There is 1 (one) successful attempt to demonstrate the cases of use of financial technologies in the results of the stage; |
| | 8 | There are 2 (two) successful attempts to demonstrate different cases of use of financial technologies in the results of the stage; |
| | 10 | There are 3 (three) and more successful attempts to demonstrate different cases of use of financial technologies in the results of the stage; |

DRAFT CONTRACT

CONTRACT NO _____
FOR THE PRE-COMMERCIAL PROCUREMENT
‘DEVELOPMENT OF THE ‘LBChain’ PLATFORM–SERVICE’
[to specify the pre-commercial procurement stage]

[...] [...] 20[...]
Vilnius

[**Name of the Contracting Authority**], corporate code [...], registered office address [...], data about the entity are collected and stored in the Register of Legal Entities, represented by [position, forename and surname of the person signing the contract], acting on the basis of [to specify the document whereby the signing person is authorised to sign the contract] (hereinafter – the **CA**),
and

[**Name of the Tenderer**], corporate code [...], registered office address [...], data about the entity are collected and stored in the Register of Legal Entities, represented by [position, forename and surname of the person signing the contract], acting on the basis of [to specify the document whereby the signing person is authorised to sign the contract] (hereinafter – the **Tenderer**) (hereinafter collectively – the **Parties**, and individually – the **Party**),

have concluded this contract on pre-commercial procurement of [to specify the pre-commercial procurement object name] [to specify the pre-commercial procurement stage] (hereinafter – the **Contract**) and agreed on the below listed terms and conditions.

1. Subject matter of the Contract

1.1. By virtue of the Contract, the Tenderer undertakes, in accordance with the procedure and terms and conditions established in the Contract [please select the object of the pre-commercial procurement stage: to develop and prove the concept of the pre-commercial procurement of [name of the pre-commercial procurement object] / to create the prototype of the pre-commercial procurement of [designation of the pre-commercial procurement object] / to create the innovative product test batch of the pre-commercial procurement of [designation of the pre-commercial procurement object] including / excluding non-commercial innovative product purchase (hereinafter – the **Pre-commercial Procurement Result**) under the Project ‘Development of ‘LBChain’ Platform–Service’ co-financed with funds of the Measure ‘Pre-commercial Procurement LT’ by the Lithuanian Business Support Agency (hereinafter – the Implementing Agency).

1.2. By virtue of the Contract, the CA undertakes, acting in accordance with the procedure and terms and conditions established in the Contract, to pay to the Tenderer for the properly and timely created Pre-commercial Procurement Result.

1.3. The Pre-commercial Procurement Result and its development requirements are provided for in Annex 1 'Technical Specification' to the Pre-commercial Procurement Conditions which constitutes an inseparable part to the Contract.

2. Contract price (pricing rules) and terms of payment

2.1. The CA shall pay to the Tenderer for the properly and timely created Pre-commercial Procurement Result in accordance with the procedure established in the Contract [to specify the value in euro in figures and words] (hereinafter generally – the **Price**).

2.2. The Price shall be maximum and fixed.

2.3. Where the CA establishes that the Pre-commercial Procurement Result or its technical, functional, quantitative and qualitative criteria do not meet the requirements set forth in the Contract and in the pre-commercial procurement documents, the Price payable to the Tenderer shall be reduced proportionately to the achieved results.

2.4. The Price shall be reduced by a common written agreement of the Parties. Such agreement between the Parties must be reached no later than within 15 (fifteen) working days after the written notification of the Price reduction communicated by the CA to the Tenderer. If the Parties fail to agree on the proportionate reduction of the Price, the CA must apply in writing to the Coordinating Body of the pre-commercial procurement requesting to determine, with the engagement of experts, by what proportion the Price should be reduced.

2.5. Where the pre-commercial procurement object or its technical, functional, qualitative and quantitative criteria essentially do not meet the requirements of the Contract and of the pre-commercial procurement documents through the fault of the Tenderer and during the evaluation do not reach the minimum score specified in Annex 3 to the Pre-commercial Procurement Conditions, the Price shall not be paid to the Tenderer.

2.6. The CA shall pay to the Tenderer an advance of [xx % (it may differ depending on the stage)] from the amount of the Price within [xx] days of the day of signing the Contract and of the receipt of the pro-forma VAT invoice by transferring the advance to the Tenderer's bank account specified in the Contract.

2.7. The CA shall accept the result of the Contract from the Tenderer against signature. When accepting the result of the Contract the CA must satisfy itself that the pre-commercial procurement object, its technical, functional, qualitative and quantitative criteria meet the requirements of the pre-commercial procurement contract and of the pre-commercial procurement documents and that other terms and conditions set forth in the Contract are not breached. The CA shall pay to the Tenderer for the produced appropriate Pre-commercial Procurement Result, which complies with the terms and conditions of the Contract Conditions, no later than within 60 (sixty) calendar days of the day of receiving the invoice and of signing the Deed of Acceptance–Transfer of the Pre-commercial Procurement Result (Annex 2 'Form of the Deed of Acceptance–Transfer of the Pre-commercial Procurement Result' to the Contract) after the receipt of the payment from the Implementing Agency.

3. Rights and obligations of the Parties

3.1. The Tenderer undertakes to develop the Pre-commercial Procurement Result in a professional, diligent and careful manner, acting in accordance with provisions of the Contract and requirements of legal acts, and to ensure the compliance of the Pre-commercial Procurement Result with requirements of Annex 1 'Technical Specification' to the Contract, and to fulfil all duties arising from the Contract in accordance with the procedure established in the Contract, to act in good faith and to cooperate with the CA in fulfilling his contractual obligations.

3.2. The Tenderer undertakes to enable the CA and other competent authorities respectively authorised by laws or other legal acts to check the performance of the Contract.

3.3. For the purpose of performing the Contract the Tenderer shall have the right to involve the sub-supplier(s), provided that the Tenderer has indicated the intention to involve the sub-supplier(s) in his tender. Where the need to involve the sub-supplier(s) arises during performance of the Contract, the sub-supplier must be coordinated with and approved by the CA.

3.4. The CA undertakes to pay the Price specified in the Contract in accordance with the procedure and time limits established in the Contract and to fulfil all its duties arising from the Contract in accordance with the procedure established in the Contract and to act in good faith, in compliance with requirements of the Contract and legal acts and to cooperate with the Tenderer in performing the Contract. Where the CA fails to provide to the Tenderer the necessary information or to carry out other actions due to which the Tenderer is unable to continue fulfilling his contractual obligations, the Tenderer must notify the CA as soon as possible.

3.5. The CA and the Tenderer, within 5 (five) working days of signing the Contract, shall appoint their authorised representatives and notify the other Party of their appointment for all matters relating to the implementation of the Contract, except for the amendments to the Contract.

3.6. The CA or the authorised representative appointed thereby shall have the right to receive from the Tenderer all necessary information pertaining to the development of the Pre-commercial Procurement Result, get familiarised with the documents or information relating to the Pre-commercial Procurement Result and performance of the Contract, and monitor the performance of the Contract and on-site checks.

4. Acknowledgements and guarantees

4.1. Each of the Parties hereby represents and guarantees to the other Party that:

4.1.1. the Party has all rights, powers and approvals necessary for the conclusion and performance of the Contract;

4.1.2. the Party has carried out all required legal actions for the Contract to be properly concluded and valid, and holds all permits and licenses provided for by legal acts and has the employees required for supplying or receiving the services;

4.1.3. the conclusion and performance of the Contract does not violate i) the respective Party's articles of association, business documents; ii) laws and other legal acts applicable to it; iii) decisions, acts or other documents of the court or other public authorities that are binding on the respective Party; iv) agreements concluded by the respective Party or unilateral obligations assumed in respect of third parties; v) rights of creditors of the respective Party.

5. Liability

5.1. Where the Tenderer delays, through his fault, the development of the Pre-commercial Procurement Result during the period fixed in the Contract, the CA may, without a written notice and without losing the right to other remedies, demand under the Contract late payment interest of 0.02 % from the amount of the Price per each delayed day calculated from the end of the Pre-commercial Procurement Result development period specified in the Contract until the day of the actual development and transfer of the delayed Pre-commercial Procurement Result. Late payment interest may be withheld from the Price payable to the Tenderer.

5.2. In the event of the failure to make the payment within the fixed time limits, the CA must pay, on the Tenderer's request, late payment interest of 0.02 % from the delayed amount of the Price per each delayed day.

5.3. The payment of late payment interest shall not relieve the Parties from the duty to discharge the obligations assumed under the Contract.

5.4. Where the Tenderer is unable to fulfil in a timely and/or proper manner the obligations provided for in the Contract through the fault of the CA and/or due to circumstances depending on the CA, and/or due to any other circumstances beyond control of the Tenderer, and the Tenderer has properly notified the CA about that and such circumstances had an essential impact on the discharge of his obligations, the Tenderer shall be exempted from the liability under this part of the Contract and shall not be charged late payment interest.

5.5. The Party which fails to fulfil or improperly fulfils its obligations under the Contract must indemnify to the other Party all resulting direct losses.

5.6. In all instances, the Party to the Contract shall indemnify only direct losses according to this Contract, and the amount of the indemnified losses may not exceed the Price. This limitation of liability shall not apply when losses arise from deliberate acts or gross negligence of the Party to the Contract.

5.7. Where the Tenderer breaches the obligations provided for in the Contract (excluding the case provided for under paragraph 2.4 of the Contract), the CA shall have the right to notify in writing the Tenderer and eliminate the breaches within the reasonably fixed time limit. Where the Tenderer fails to eliminate the breaches within the time limit fixed by the CA, the latter shall have the right to unilaterally terminate the Contract and claim compensation for losses incurred as a result of the breach.

5.8. The Tenderer must retain the documents supporting expenditure incurred in conducting the pre-commercial procurement for 10 (ten) years and, on receipt of a request from the CA, submit those documents within 5 (five) working days in the case of a dispute, audit, etc.

6. Contract validity, amendment, expiry and termination

6.1. The Contract shall enter into force on the day of its signing. The Contract shall be valid until the proper fulfilment of all obligations, but no longer than by [...] [...] 20[...].

6.2. During validity of the Contract, its terms and conditions may not be amended, except for those terms and conditions of the Contract the amendment of which would not be in breach of the pre-commercial procurement principles. Amendments to the Contract shall be documented in the form of an additional agreement signed by both Parties to the Contract.

6.3. Risks relating to other taxes and expenditure shall be borne by the Tenderer. If taxation environment changes and other taxes or expenditure are applied, or in the event of change in the general price level and changes in prices of the groups of services, the Price shall not be recalculated.

6.4. In addition to the cases of termination of the Contract specified therein, the Contract may be terminated in accordance with the procedure and in the cases specified in the Civil Code of the Republic of Lithuania and/or other legal acts.

7. Force majeure

7.1. The Party shall not be held liable for the non-fulfilment or improper fulfilment of any obligations under the Contract, if the Party proves that the reason for that was the circumstances which the Party could not control and reasonably foresee, avoid or remove by any means, e.g., decisions of the Government and other acts affecting the Party's business, political unrest, strikes, declared and undeclared wars, other armed conflicts, fires, tides, other natural disasters (hereinafter – **force majeure circumstances**). Under force majeure circumstances, the Parties shall be exempted from liability for the non-fulfilment or improper fulfilment of the obligations provided for in the Contract in accordance with the procedure set forth by legal acts of the Republic of Lithuania, and the time limit for the fulfilment of the obligations shall be extended.

7.2. The Party seeking exemption from liability must notify the other Party in writing of force majeure circumstances immediately, but no later than within 3 (three) working days of the occurrence or of becoming aware of such circumstances by providing the proof demonstrating that it has taken all reasonable precautions and has made all efforts to reduce expenses or adverse consequences, and also notify of the expected time limit of the fulfilment of obligations. The notification shall also be required when the grounds for the non-fulfilment of the obligations cease to exist.

7.3. The grounds for exemption of the Party from liability shall appear from the moment of occurrence of force majeure circumstances or, where the notification has not been submitted in a timely manner – from the moment of the receipt of the notification. The Party communicating the notification with delay or failing to notify must indemnify to the other Party the damage incurred thereby due to the late notification or due to the failure to notify.

7.4. Where force majeure circumstances persist for more than 30 (thirty) calendar days, either Party shall have the right to terminate the Contract notifying the other Party no later than 10 (ten) calendar days before the Contract termination day.

8. Exercise of intellectual property rights

8.1. Intellectual property objects that are created or appear during or before the participation of the Tenderer in the pre-commercial procurement and/or supply of scientific research and experimental development (hereinafter – **R&D**) services, if they are used by the Tenderer in the pre-commercial procurement and/or in the supply of the R&D services, shall belong to the Tenderer.

8.2. The Tenderer must grant to the CA the right of unlimited and free of charge use of the intellectual property objects developed in the pre-commercial procurement and the right to modify them, and to third parties – a non-exclusive right (e.g., a licence under market conditions).

9. Use of physical property developed in the pre-commercial procurement

9.1. Where the Pre-commercial Procurement Results developed by the Tenderer in the pre-commercial procurement are inextricably connected to physical property (the created prototype of the innovative product or the innovative product test batch), the Tenderer must transfer this property to the CA.

9.2. The transfer of physical property shall be recorded in the Deed of Acceptance–Transfer of the Pre-commercial Procurement Result (Annex 2 ‘Form of the Deed of Acceptance–Transfer of the Pre-commercial Procurement Result’ to the Contract).

10. Miscellaneous

10.1. The Parties acknowledge that by concluding this Contract they express their willingness to be bound by the Contract.

10.2. The Contract is concluded and must be performed and construed according to laws of the Republic of Lithuania and shall be governed by law of the Republic of Lithuania.

10.3. Any provision of the Contract which becomes or is declared fully or partially invalid shall not affect the validity of the remaining provisions of the Contract.

10.4. Where for the performance of the Contract the Tenderer involves the sub-supplier(s) who improperly fulfils (fulfil) the obligations to the Tenderer and also when the sub-supplier(s) is (are) incapable of fulfilling the obligations to the Tenderer because of the instituted bankruptcy proceedings and/or a similar situation, the Tenderer may replace the sub-supplier(s) notifying the CA in writing in accordance with the procedure set forth in the Contract stating the reasons for the replacement of the sub-supplier(s). In the event of the replacement of the sub-supplier(s) the Parties shall conclude an agreement on the replacement of the sub-supplier(s). This clause of the Contract

shall apply where the Tenderer has indicated the intention to involve the sub-supplier(s) in his tender.

10.5. Each Party undertakes, without a prior written consent of the other Party, not to disclose to any third parties the confidential information received in the pre-commercial procurement for at least 4 (four) years after the last transfer of the pre-commercial procurement contract performance results.

10.6. Disputes shall be settled by way of negotiations, and in the event of the failure to settle the dispute within 30 (thirty) calendar days of the starting day of the dispute (the starting day of the dispute shall be the day on which one Party to the Contract receives a claim from the other Party filed in accordance with the procedure set forth in the Contract); the dispute shall be settled before a competent court in accordance with the procedure set forth by laws.

10.7. The Parties agree that all correspondence concerning the Contract between the Parties shall take place in the Lithuanian language or in the Lithuanian and English languages. All notifications and other correspondence which may be submitted by one Party to the other Party under the Contract shall be considered to be valid and duly delivered when the acknowledgement of the receipt is received or when they are sent by a registered mail or by e-mail to the addresses of the Parties specified in the Contract, other addresses or fax numbers indicated by one Party when communicating the notification.

10.8. In the event of change of the Party's address and/or other contact or payment details, the Party must notify the other Party of the envisaged change of such details no later than before 3 (three) working days. If the Party defaults on the duty to notify, it shall be considered that the other Party has properly fulfilled its duties where it has fulfilled them using the last contact and/or payment details available to it.

10.9. The Contract shall be concluded in two copies of equal legal value in the Lithuanian language delivering one copy to each Party.

10.10. Annex 1 'Technical Specification' to the Pre-commercial Procurement Conditions, Annex 2 'Form of the Deed of Acceptance–Transfer of the Pre-commercial Procurement Result' and the Tender for the Pre-commercial Procurement submitted by the Tenderer constitute an inseparable part to the Contract.

CONTRACTING AUTHORITY

[name]
Corporate code: [...]
Address: [...]
E-mail: [...]
Phone: [...]
Fax: [...]
[...] bank, code [...], Account: [...]

[position]
[forename and surname]

Place of seal

TENDERER

[name]
Corporate code: [...]
Address: [...]
E-mail: [...]
Phone: [...]
Fax: [...]
[...] bank, code [...], Account: [...]
VAT payer ID: [...]

[position]
[forename and surname]

Place of seal

‘Form of Pre-commercial Procurement Result Acceptance–Transfer Deed’

to the Contract No _____
of Pre-commercial Procurement ‘Development of the ‘LBChain’ Platform–Service’
[to specify the pre-commercial procurement stage]

**DEED OF ACCEPTANCE–TRANSFER
OF THE RESULT OF THE PRE-COMMERCIAL PROCUREMENT
‘DEVELOPMENT OF THE ‘LBChain’ PLATFORM–SERVICE’ [to specify the stage]
[...] [...] 201[...]
Vilnius**

[**Name of the Contracting Authority**], corporate code [...], registered office address [...], data about the entity are collected and stored in the Register of Legal Entities, represented by [position, forename and surname], acting on the basis of the [regulations / articles of association] of the entity, hereby **accepts**

and

[**Name of the Tenderer**], corporate code [...], registered office address [...], data about the entity are collected and stored in the Register of Legal Entities, represented by [position, forename and surname], acting on the basis of the [regulations / articles of association/ power of attorney] of the entity, hereby **transfers**

the Pre-commercial procurement [title] result(s) [to specify], as provided for in the contract No [...] of [...] [...] 201[...] of the pre-commercial procurement [to specify the designation of the pre-commercial procurement object] [to specify the pre-commercial procurement stage] (hereinafter – the **Contract**).

By this Deed the Parties to the Contract hereby confirm that they have no claims to each other regarding the fulfilment of the obligations provided for in the Contract. This confirmation shall not apply to the cases when the pre-commercial procurement result(s) is (are) with defects which cannot be noticed during the acceptance–transfer of the results.

The Deed has been drawn up in two copies – one copy to each Party to the Contract.

CONTRACTING AUTHORITY

[name]
Corporate code: [...]
Address: [...]
E-mail: [...]
Phone: [...]
Fax: [...]
[...] bank, code [...], account: [...]

TENDERER

[name]
Corporate code: [...]
[Address]
E-mail: [...]
Phone: [...]
Fax: [...]
[...] bank, code [...], account: [...]
VAT payer ID: [...]

[position]
[forename and surname]

Place of seal

[position]
[forename and surname]

Annex 5
to Conditions of the Pre-commercial
Procurement ‘Development of the ‘LBChain’
Platform–Service’ of the Bank of Lithuania

FORM OF DECLARATION OF THE SUPPLIER

TO: BANK OF LITHUANIA

DECLARATION ON THE COMPLIANCE WITH QUALIFICATION REQUIREMENTS

_____ No _____
(date)

(venue)

I,
(*position name, forename and surname of the supplier’s manager or authorised person*)

hereby **confirm**, that _____ managed (represented) by me
(*supplier’s name*)

who participates in the Pre-commercial Procurement ‘Development of the ‘**LBChain’ Platform–Service**’ conducted by the Bank of Lithuania, meets all qualification requirements specified in the Pre-commercial Procurement Conditions.

If according to the evaluation results the tender will be selected to the pre-commercial procurement stage, I will submit the documents supporting the compliance with qualification requirements indicated by the Contracting Authority.

I have been informed that if the Contracting Authority determines that the data provided are wrong, the submitted tender will not be examined and will be rejected, and in the event of the failure to submit the supporting documents in due time the Contracting Authority may refuse concluding the contract.

Position

Signature

Forename and surname