**DESCRIPTION OF THE PROCEDURE FOR FIXING AND INDEXING FARES FOR THE CARRIAGE OF PASSENGERS ON REGULAR LOCAL TRANSPORT ROUTES**

1. The rates payable to the Carrier for public passenger transportation services (hereinafter in this Description “the Rates of Services”) shall be indexed in accordance with this Description of the Procedure for Determination and Indexation of the Rates for the Transportation of Passengers on Local Regular Transport Routes (hereinafter “the Description”).
2. Service fee components:
   1. The wage cost component means the total wage costs (direct and indirect, general and administrative) attributable to the provision of public passenger transportation services under the Contract;
   2. Fuel (electricity) cost component means the electricity costs of the vehicles used in the direct operation of the public passenger transportation services (under this Contract);
   3. Investment cost component means the costs related to the acquisition or lease of vehicles, the acquisition or lease of infrastructure and the financing of the acquisition or lease of these assets, which are attributable to the provision of public passenger transportation services under the Contract (excluding related interest);
   4. Miscellaneous costs component means miscellaneous costs attributable to the provision of services under the Contract which are not defined in paragraphs 2.1 to 2.3 of this Annex;
3. The fares payable to the Carrier are recalculated once per calendar quarter for:
   1. change in wages. It is based on data from the Indicators Database (https://osp.stat.gov.lt), published by the State Data Agency on the Official Statistics Portal: change in quarterly gross wages and salaries in the national economy with sole proprietorships, men and women, Vilnius municipality;
   2. changes in the price of fuel (electricity for charging vehicles (for passenger transportation)). The change in the average monthly Lithuanian market price of electricity published in the Nord Pool power exchange (<https://data.nordpoolgroup.com/auction/day-ahead/prices?deliveryDate=latest&deliveryAreas=LT,AT,PL&currency=EUR&aggregation=Monthly>Monthly, Areas LT, Currency EUR, Delivery date start last Month date, Delivery date end last Month date) in Eur/kWh excluding VAT is assessed (only data for published days of the month are used).
   3. change in miscellaneous costs. It is measured by data from the Indicators Database published by the State Data Agency on the Official Statistics Portal: change in the Consumer Price Index, monthly Classification of Individual Consumption Expenditures by Purpose (COICOP), consumer goods and services.
4. The service fee components laid down in Table 1 of this Annex shall be recalculated in accordance with the following formulae:
   1. The change in the wage cost component is calculated according to the following formula:

Up = U × (LUpb / LUpr),

where:

Up is the share of wage in the recalculated rate;

U is the wage component specified in the Carrier's tender for the procurement;

LUpb means end-of-period quarterly data on gross wages in the national economy with sole proprietorships (Vilnius city municipality), i.e. the latest data published on the 15th of the month preceding the calendar quarter to which the recalculation will apply (e.g., for the recalculation of Q1 2026 component, the latest published quarterly data of 15 December 2025 will be used, if the Q3 2025 data are not published on 15 December 2025, the published Q2 2025 data are used);

LUpr means thedata on gross wages in the national economy with sole proprietorships (Vilnius city municipality) for the calendar quarter of the starting period, , i.e. , as published on the last day of the deadline for submission of tenders for the procurement on the basis of which this Contract is concluded.

4.2 The change in the fuel/ electricity cost component shall be calculated according to the formula:

Ep = E × (LEpb / LEpr),

where:

Ep is the share of the recalculated rate attributable to electricity;

Eis the electricity component specified in the Carrier's tender for the procurement;

LEpb is the data of the last published average monthly electricity price on the Nord Pool Lithuania exchange for the ending period, i.e. the last data published on the 15th day of the month preceding the calendar quarter to which the recalculation will be applied, for the average of the electricity prices of the days of the calendar month prior to this day (if not all days of the calendar month have been published, the average of the published days is taken only) (e.g., for the recalculation of the Q1 2026 component, the data for November 2025, as known/published on 15 December 2025, will be used);

LEpr means the average monthly electricity price on the Nord Pool Exchange for the opening period, i.e. the average of the electricity prices for the days of the calendar month preceding the day of the deadline for submission of tender for the procurement on the basis of which this Contract is concluded as published on the Nord Pool Exchange on the last day of the tendering period (if not all days of the calendar month have been published, the average of the published days shall be taken only) (e.g., if the last day for the submission of tenders is 10 October 2024, the data for the month of September 2024, as known/published on 10 October 2024, will be used for the recalculation of the Q1 2026 component).

4.3. the change in the miscellaneous cost component shall be calculated according to the formula:

Ip = I × (LIpb / LIpr),

where:

Ip means the share of the recalculated rate attributable to miscellaneous costs;

“I” means miscellaneous cost component specified in the Carrier's tender;

LIpb means the end-of-period monthly consumer price index (CPI) data, i.e. the latest data published on the 15th of the month preceding the calendar quarter to which the recalculation will apply;

LIpr means monthly Consumer Price Index (CPI) data for the starting period , i.e. the data published on the last day of the deadline for the submission of tenders for the procurement on the basis of which this Contract is awarded;

4.4. the investment cost component (Inv) is not subject to indexation / recalculation.

4.5. The total recalculated service rate (S)shall be calculated according to the following formula:

S = (Up + Ep + Ip+ Inv);

1. The first indexation of service rates is performed before the commencement of the service provision. The authorized institution recalculates service rates and provides information (recalculated service rates) to interested Parties 3 working days in advance of the expected commencement of the service provision (according to Clause 3.10.2 of the Contract) The recalculated service rates are applied from the commencement of the service provision. End-of-period data other than those provided for in Clause 4 of the Description evaluated for the first indexation (recalculation):
   1. the data of the change in salary of the end-of-period are considered to be the data of the quarterly gross salaries in the domestic economy with individual enterprises (Vilnius City Municipality), i.e. the last data that was published 10 (ten) days before the expected commencement of service provision (e.g., if the service is expected to be provided on 03 August 2026, then the last data published on 22 July 2026 is used, and the recalculated rates are applied from 03 August 2026).
   2. the data of the electricity price of the end-of-period shall be considered to be the data of the average electricity price of the last month published on the Nord Pool exchange, i.e. the last data on the average of electricity prices for the days of the calendar month preceding the day of the expected commencement of service provision that was published 10 (ten) days before the expected commencement of service provision (if not all days of this calendar month are published, only the average of the prices of the published days is taken). (e.g. if the provision of the service is expected on 03 August 2026, then the average electricity price of June 2026 is used, and the recalculated prices are applied from 03 August 2026).
   3. the last data published 10 (ten) days before the expected commencement of the service provision (e.g., if the service provision is expected on 03 August 2026, then the last data published on 22 July 2026 are used as data of the monthly consumer price index (CPI) as the end-of-period data, and the recalculated rates are applied from 03 August 2026).
   4. For the calculation, the index values shall be taken to four decimal places. The calculated change (Ip, Ep, Up) shall be used for further calculations rounded to four decimal places and the calculated rate (S) shall be rounded to two decimal places;

6. The Authorized Body shall recalculate the service rates and provide the information (the recalculated service fees) to the Parties concerned 7 days before each calendar quarter, the beginning of the calendar quarter to which the recalculation will apply. It shall also include information on the index value applicable to the relevant service rate component at the beginning of the period and the date of its determination, the index value at the end of the period and the date of its determination, the change in each service rate component, and the recalculated value of the Initial Contract. The Party concerned shall have 3 (three) working days from the date of dispatch of the notification to approve the revised Service Rates or to comment on the revised Service Rates. If the Interested Party does not approve the revised Service Rates in writing within three (3) working days or does not submit reasoned comments in writing, the revised Service Rates shall be deemed to have been approved. After the Interested Party submits reasoned comments, the Authorized Body corrects and provides in writing the updated information specified in this point about the changed service rates to the Interested Parties. In this case, the Authorized Body shall inform the Parties concerned in writing of the revised service rates. The notification letter on the revised service rates shall be considered an integral part of the Contract. In the event that the Authorized Institution does not provide the Parties with the recalculated service rates within the set deadline, the Carrier has the right to do so himself. In such case, the Carrier recalculates the service rates and provides information (recalculated service rates) to the Parties at least 3 working days before the beginning of the respective calendar quarter to which the recalculation will be applied. It also contains information about the value of the index applied to the respective service rate component at the beginning of the period and the date of its determination, the value of the index at the end of the period and the date of its determination, the change in the rate component of each service, and the recalculated value of the Initial Contract. The interested party must approve the revised Service rates or submit comments on the changed Service rates within 2 (two) working days from the day the notice is sent. If the Interested party does not approve the recalculated Service rates in writing or does not submit reasoned comments in writing within the stipulated period, the recalculated Service rates are considered approved. After the Interested party submits reasoned comments, the Carrier immediately corrects and provides the updated information regarding the recalculated service rates, specified in this clause, to the interested parties in writing. In this case, the Carrier notifies the interested parties about the recalculated service rates in writing. The notice of revised service rates is considered an integral part of the Contract.

1. The revised rates shall apply to services provided from the beginning of the calendar quarter for which the recalculations are made *(e.g., from 1 April (beginning of Q2), the revised rates shall apply, which are recalculated in March).*

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Annex 13 (Description of the procedure for fixing and indexing fares for the transportation of passengers by regular local transport services)

Annex

**Table 1.** **Components of the rates for the provision of services for the transportation of passengers on regular local transportation routes** :

|  |  |  |
| --- | --- | --- |
|  | | |
| (Separately for each type of vehicle applicable to the relevant part of the procurement) | | |
| **Component of service rate** | **Rate component, Eur excluding VAT/km** | **Rate component, percent** |
| **1. Wages** |  |  |
| **2. Fuel (electricity consumption)** |  |  |
| **3. Investments** |  |  |
| **4. Miscellaneous costs** |  |  |
| **Total:** |  | **100%** |
|  | | |