

July 19, 2020

**Invitation for Pre-Qualification for the Participation in a Tender for the Light Railway Project  
between Haifa and Nazareth**

**Clarification Letter No. 2**

The following comprises TRI's responses to Candidates' Requests For Clarification ("RFC"). TRI's responses herein are binding as of the date of this letter.

**1. RFC 014**

**The Tender Committee is hereby requested to clarify:**

- (a) the risk allocation of passenger demand and ticket income between TRI and the Successful Bidder.**
- (b) Is there any threshold income guarantee, grant payment or allowance from TRI to Successful Bidder?**
- (c) If the risk of passenger demand and ticket income is NOT allocated to the Successful Bidder, is there any guarantee or financial support documents from the relevant authorities to secure the investment of investors?**

**TRI's response:**

All issues relating to the financial model and risk allocation will be detailed in the Tender Selection Stage.

**2. RFC 015**

**(Supporting Entity)**

**The Tender Committee is requested to amend the definition of a Supporting Entity to additionally include a sister company or a parent company of the Experience Provider.**

**TRI's Response**

The request is rejected.

**3. RFC 016**

**(Section 6.2.2 Supporting Entity)**

**The Tender Committee is requested to clarify whether Clause 6.2.2 can be expanded to include the reliance on two separate Supporting Entities, one for design and the other for construction on two separate projects?**

**TRI's Response**

The request is rejected. The design experience and the installation experience are to be demonstrated in the same project.

**4. RFC 017**

**(Annex 2 Expected Requirements for Operational Experience Providers)**

**The Tender Committee is hereby requested to clarify whether the 'O&M Contractor' is to be formed as one Entity comprising the Operations Experience Provider and the Maintenance Experience Provider?**

**TRI Response**

The required composition of the O&M Contractor is detailed in Annex 2 Section 3 (Expected Requirements for Operation Experience Providers). The main principles of the O&M Contract will be specified in the Tender Selection Stage. The Maintenance Experience Provider is not required to be a member of the O&M Contractor

**5. RFC 018**

**(Annex 2 Expected Requirements of Bus Operators)**

**In the event that a Participant intends to fulfil the obligations of Section 4.7 by entering into a Service Agreement with a local Bus Operator, can TRI confirm the documentation that should be provided to attest to this agreement with the PQ Bidding Forms?**

**TRI Response**

The Participants' choice of Alternative 1 (the Experience Provider serving as the O&M Contractor) or Alternative 2 (the Experience Provider entering into a service agreement with a Bus Operator) is deferred to the Tender Selection Stage. This will be reflected in Addendum #2.

**6. RFC 019**

**(Annex 1 Ridership Prediction)**

**In relation to the operational characteristics in Section 4.1 regarding the ridership peak hour loads:**

- (a) Please elaborate on the calculation methodology, assumptions and the relevant data applied to predict the passenger demand.**
- (b) If the actual ridership is less than predicted, who will bear the risk of income loss in this scenario. Will the Tender Committee set up any risk allocation mechanism for project ridership, such as grant payment or allowance?**

**TRI Response**

The ridership prediction is provided as an estimate only and is not binding. In any event, all issues relating to the financial model and risk allocation will be detailed only in the Tender Selection Stage.

**7. RFC 020**

**(Annex 4 Currency Conversion)**

**The Tender Committee is requested to update the currency conversion table with HKD.**

**TRI Response**

Addendum #2 will include a currency conversion table for HKD.

**8. RFC 021**

**The Tender Committee is requested to advise whether there are any legal restrictions by law or regulation on foreign companies investing in local LRT projects, especially as a majority shareholder?**

**TRI Response**

The Tender Committee advises the Candidates to consult their legal advisers on issues of law and regulation.

**Sincerely,**

**Trans Israel Company Ltd.**