

December 15, 2020

INVITATION FOR PRE-QUALIFICATION FOR THE PARTICIPATION IN A TENDER FOR THE LIGHT RAILWAY PROJECT BETWEEN HAIFA AND NAZARETH

Annex 2

Expected Requirements for the Tender Selection Stage

Without derogating from the requirements of the Invitation, the following are some further requirements which Eligible Participants shall be required to demonstrate and/or to fulfill and/or to commit during the Tender Selection Stage. This is not considered a binding or an exhaustive list of requirements, and the Tender Committee reserves its right to amend, extend, supplement or cancel the requirements described herein.

1. Expected Requirements for the Rolling Stock Experience Provider

The Experience Provider demonstrating compliance with the Pre-Qualification Requirements of Section 4.4 of the Invitation will be required to demonstrate, within the Bid to be submitted by the Eligible Participant, its compliance with its declaration in Pre-Qualification Form 9, by presenting Rolling Stock that meets all the Applicable EN Standards.

2. Expected Requirements for the Project Execution, Management and Organization Experience Providers

The Experience Provider who demonstrated compliance with the Pre-Qualification Requirements specified in Section 4.5 (Project Execution, Management and Organization Experience) of the Invitation shall be the EPC Contractor itself or a member of the EPC Contractor directly holding at least 20% of all Means of Control in the EPC Contractor.

"EPC Contractor" shall mean ~~a single Entity~~ an entity¹ responsible for the overall design, engineering, procurement of equipment and materials, construction, execution, management, coordination and organization of the HN LRT Project, as shall further be detailed in the Tender Selection Stage.

The main principles of the EPC Contract will be specified in the Tender Selection Stage.

¹ Addendum 9, Item 4.

3. Expected Requirements for Operation Experience Providers

The Experience Provider who demonstrated compliance with the Pre-Qualification Requirements specified in Section 4.7 (Operation Experience), shall be the O&M Contractor itself or a member of the O&M Contractor directly holding at least 50% of all Means of Control in the O&M Contractor, unless a Bus Operator is appointed in which case Section 4.2 below shall apply.

The remaining Means of Control in the O&M Contractor shall be held by one or more Participating Entities that were pre-qualified by the Tender Committee during the Pre-Qualification Process.

"**O&M Contractor**" shall mean a single Entity responsible for the operation and maintenance requirements of the HN LRT Project, as shall further be defined in the Tender Selection Stage.

The main principles of the O&M Contract will be specified in the Tender Selection Stage.

Without derogating from the general provisions of Section 8 hereunder, it is hereby clarified that the Operation Experience Provider and / or the O&M Contractor may be subject to restrictions in relation to their participation in other public transportation tenders.

4. Expected Requirements of Bus Operators

4.1. In accordance with Section 4.7.4.2 of the Invitation, the Experience Provider demonstrating compliance with the requirements of Section 4.7 (Operation Experience) of the Invitation may fulfill its obligations as Experience Provider by entering into a service agreement with a local Bus Operator (the "**Service Agreement**"). Under said service agreement and the Experience Provider would serve as services provider to the O&M Contractor.

4.2. In these circumstances, the Bus Operator shall be the O&M Contractor itself or a member of the O&M Contractor directly holding at least 50% of all Means of Control in the O&M Contractor. The remaining Means of Control in the O&M Contractor shall be held by one or more Participating Entities that were pre-qualified by the Tender Committee during the Pre-Qualification Process.

- 4.3. Specific obligations to be included in the services agreement may be stipulated in the Tender Selection Stage.
- 4.4. The Bus Operator shall be nominated, if applicable, within the Bids during the Tender Selection Stage.
- 4.5. A Bus Operator may participate in only one Bid. For the purpose of this restriction, a Bus Operator shall be deemed to include any of its Affiliated Entities.
- 4.6. The Bus Operator shall comply with all the requirements of Section 3.5 (Participation – General Requirements) of the Invitation, with the exception of the requirements of foreign companies.
- 4.7. The Bus Operator shall be an entity legally incorporated in the State of Israel and holding a valid permit for operation of bus service lines in accordance with any Law, including the Traffic Ordinance.
- 4.8. The Bus Operator shall be required to demonstrate professional experience threshold requirements as shall be detailed in the Tender Selection Stage.
- 4.9. The Bus Operator shall demonstrate that it is not under any voluntary or involuntary bankruptcy process (liquidation or reorganization), or receivership, or commencement of a similar insolvency proceedings, and its most recent Financial Statement, as of the date of the Bid Submission, does not include any Going Concern notice.
- 4.10. Without derogating from the general provisions of Section 8 hereunder, it is hereby clarified that the Bus Operator may be subject to restrictions in relation to its participation in other public transportation tenders.

5. Information Security

The Tender Committee reserves the right to impose, inter alia, additional or new conditions, limitations, prohibitions, or restrictions, with respect to the participation of an Eligible Participant in the Tender Selection Stage or the HN LRT Project, or any part thereof, which relate to security considerations, including considerations of national security.

In this respect, it is expected that some permits, consents or approvals from relevant authorities may impose similar restrictions.

For example, the Israel National Cyber Bureau is expected to impose limitations and restrictions in respect of certain communication systems for the HN LRT Project. Such restrictions may include a requirement that certain systems shall be exclusively purchased and/or installed by suppliers with the necessary security clearance and/or local Israeli suppliers and/or suppliers with certain certification and / or suppliers to be approved by the Israel National Cyber Bureau.

6. Industrial Cooperation

The documents to be published during the Tender Selection Stage will include additional requirements with respect to the Participants' and the Successful Bidder's obligations pursuant to the Mandatory Tender Regulations (Mandatory Industrial Cooperation) 5767-2007, as will be determined by the Industrial Cooperation Authority.

7. Registry of Contractors

The documents to be published during the Tender Selection Stage will include additional requirements with respect to the presentation of valid registration and certifications pursuant to the Registration of Contractors for Construction Engineering Works Law, 1969, and other applicable Laws, including Approval of a Recognized Contractor for Governmental Works, or of applicable exemptions therefrom.

8. Promotion of Competition and Reduction of Concentration Law

8.1. Participants are hereby informed that limitations in relation to the participation in this process may be imposed during the Tender Selection Stage due to the Promotion of Competition and Reduction of Concentration Law, 5774-2013 (the "**Competition Law**"), and the Tender Committee may instruct, restrict or condition the future participation of any of the Participating Entities in the Tender Selection Stage.

8.2. In light of the foregoing, Eligible Participants shall be entitled to provide the Tender Committee, by no later than the date referenced in Section [1.3 \(Anticipated Schedule\)](#) of the Invitation, with a notice containing the ~~שגיאה! מקור הדפניה לא נמצא.~~²

² [Addendum 7. Item 6.](#)

names of its Members, Experience Providers and/or Guarantors (to the extent applicable) (the "**Preliminary Information Notice**"). In any event, the Tender Committee shall be entitled to require certain or all Eligible Participants, at its discretion, to submit Preliminary Information Notices during the Tender Selection Stage, even if such were previously submitted during the Pre-Qualification Process.

- 8.3. Following receipt thereof, the Tender Committee will present the Preliminary Information Notices and consult the applicable committee pursuant to the Competition Law (the "**Consultation**").
- 8.4. Following the Consultation, instructions, restrictions or conditions may be imposed with respect to the future participation of any of the Eligible Participants in the Tender Selection Stage. If such instructions, restrictions or conditions are imposed, the Tender Committee shall inform the relevant Eligible Participant(s) of such. The Tender Committee may issue an Addendum to all Eligible Participants, pursuant to the results of any Consultations, and may issue instructions, restrictions or conditions to specific Eligible Participants without issuing an Addendum.
- 8.5. Each Eligible Participant will be required to submit its Bid in compliance with any instructions, restrictions or conditions issued to it following the Consultation.
- 8.6. The submission of a Preliminary Information Notice is not mandatory. However, if a Preliminary Information Notice is not submitted by an Eligible Participant and the relevant Eligible Participant is subsequently announced as the Successful Bidder, the Tender Committee will then be required to consult the applicable committee pursuant to the Competition Law, and such Eligible Participant bears the risk that it shall be required to comply with any instructions, restrictions or conditions imposed thereon following such consultation.
- 8.7. Participants are advised that instructions, restrictions or conditions of the applicable committee pursuant to the Competition Law are made available to the general public on its designated website; however the published information does not include information which is not to be disclosed in accordance with the provisions of Section 9(a) of the Freedom of Information Law, 1998; and the committee may decide not to publish information which it is entitled not to disclose in accordance with the provisions of Section 9(b) of the Freedom of Information Law, 1998.

8.7.

