

November 4, 2020

**Invitation for Pre-Qualification for the Participation in a Tender for the
Light Railway Project between Haifa and Nazareth**
Clarification Letter No. 7

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 069**

(1.3)

The Tender Committee is kindly requested to postpone the final date for submission of Requests for Clarification.

TRI's Response

The final date for submission of Requests for Clarifications (as well as Requests for Approvals and Notifications in respect of TRI Advisors) is hereby postponed to 15 November 2020.

2. **RFC 070**

(1.1)

According to the current wording, an Affiliated Entity is, in respect of a particular Entity ("Entity X"), an incorporated Entity which exercises Control over Entity X, or is under common corporate Control with Entity X, or is controlled by Entity X.

Please confirm that the interpretation is correct: "under common corporate Control with Entity X" considers all entities where Entity X has a Control together with other entities.

TRI's Response

This is not confirmed. The wording "under common corporate Control with Entity X" refers to Entity X and another Entity, which are both Controlled by the same Parent Company (i.e. a sister company of Entity X).

3. **RFC 071**

(1.1, 5.4)

The Tender Committee is requested to approve that a military base which, for the avoidance of doubt, includes construction of infrastructure, is a project that complies with the definition of "Infrastructure Project".

TRI's Response

Please refer to Clarification Letter 5, Item 23 (RFC 052).

Specific named projects (as mentioned in the original wording of the RFC) are not subject of pre-ruling during the Clarifications stage. The Experience Provider is to demonstrate that the military base complies with all elements of the definition of an "Infrastructure Project" and the terms of the PQ requirements, including the abovementioned RFC response.

4. **RFC 072**

(2.13.5)

In this section it is stipulated that each Participant shall submit, by no later than the deadline for submitting Requests for Clarification, Requests for Approval and Notifications.

Please confirm that it is sufficient to send these Notifications and Requests for Approval via e-mail.

TRI's Response:

The Tender Committee confirms that Notifications and Requests for Approval pursuant to Section 2.13.5 may be submitted via e-mail to LRT@transisrael.co.il in the form of an RFC.

5. **RFC 073**

(3.8)

The Tender Committee is requested to advise what precautions may be taken by two Entities, both interested in participating in the Tender Process, given that one such Entity is in the process of purchasing the second such Entity. The Tender Committee is requested to note, in this respect, that the final closing for completing said purchase will likely involve pre-conditions that are not expected to be completed as of the Pre-Qualification Submission Date.

TRI's Response

The Tender Committee clarifies that if such purchase is completed only after the Pre-Qualification Submission Date (but before the announcement of the Eligible Participants), and both Entities have participated in separate Pre-Qualification Submissions, the Tender Committee is to be notified as soon as is practicable of such change in circumstances. The notification shall include indication of which of the two Entities (which shall thereafter be deemed to comprise one Entity) is withdrawing from the Tender Process, and which alternative Entity is to be considered in its place within the applicable submission.

Upon such notification the Tender Committee will exercise its prerogative to issue further instructions as may be necessary.

6. **RFC 074**

(4.5)

The Tender Committee is requested to clarify whether an Infrastructure Project shall be considered "Completed," for the purpose of demonstrating compliance with this Professional Threshold Requirement, if its Operation according to its intended use

has already commenced, although it has only received a provisional Permit-to-Operate.

TRI's Response

The Tender Committee clarifies that "commencement of its operation in accordance with its intended use" within the definition of "Completion" does not refer to the type of PTO, and may accept a provisional PTO.

7. **RFC 075**

(5.4)

If none of the Members of the Participant can demonstrate compliance with the requirements for Securing Finance for an Infrastructure Project, may compliance with these requirements be demonstrated by a Member's Parent Company?

TRI's Response

The Tender Committee confirms that this is acceptable, subject to the conditions stipulated in the PQ Invitation. Refer to Addendum 7.

8. **RFC 076**

(5.4)

The Tender Committee is requested to clarify that for the purpose of demonstrating compliance with the Financial Pre-Qualification Requirement in Section 5.4 of the Invitation, one of the projects demonstrated by the Member may be a project in which the Member was party to External Financing agreements which were executed no earlier than 1 January 2010, but the External Financing for the project was not drawn (utilized).

TRI's Response

The request is rejected.

9. **RFC 077**

(6.1.1.(i))

Please allow, for the purpose of Section 6.1.1(i), to calculate Means of Control, in the event the SPV which executed the referenced project was an unincorporated JV, by dividing the amount received by the Experience Provider in the referenced project by the total amount paid to the SPV in the reference project.

TRI's Response

The request is rejected.

10. **RFC 078**

(6.1.13, 6.1.1.4)

The Tender Committee is hereby kindly requested to confirm that the holding structure of a Supporting Entity, where the Experience Provider indirectly holds 100% of the effective holdings in the Supporting Entity through several second, third and fourth tier entities (each with partial effective holdings in the Supporting Entity), is compliant with the provisions of Section 6.1.1.3 and/or of Section 6.1.1.4 of the PQ Invitation.

TRI's Response

The request is rejected.

11. **RFC 079**

(Annex 1, clause 3.1)

The Tender Committee is kindly requested to clarify the intended commercial speed. Our calculation is as follows: The line is approximately 40.5 km long. If the end-to-end journey time is to be ~50 minutes, this would imply a commercial speed of 48.6 km/h, including dwells and junctions. This seems high, even with a high interurban speed over long distances, when one considers that the commercial speed in a typical urban environment is in the range of 20-24 km/h.

TRI's Response

The request is rejected. Please also refer to Addendum 6, Item 2, as related to the Light Railway Vehicles.

12. **RFC 080**

(Annex 2, clause 2)

Section 2 stipulates that the “EPC Contractor” has to be a single Entity responsible for the overall design, engineering, procurement of equipment and materials, construction, execution, management, coordination and organization of the HN LRT Project, whereby an Entity means a corporation, company or partnership, incorporated in accordance with the law of its domicile, excluding individuals.

Since there is no obvious reason to limit the definition only to incorporated entities we hereby request to extend the definition to unintegrated cooperation, i.e. to several companies working together on a joint and several liability without being integrated (in a multi-party agreement mechanism).

If only a single Entity is allowed to be the EPC Contractor, please confirm that it is sufficient to establish such an Entity after being declared as a Successful Bidder.

TRI's Response

The EPC Contractor is required to be incorporated as a single Entity. Further requirements, such as when it is to be incorporated, will be included in the Tender Documents.

13. **RFC 081**

(Annex 2, clause 5)

The Tender Committee is requested to confirm that any future requirements or limitations which may be imposed by the Israel National Cyber Bureau, shall relate only to communication systems, and not to Signaling Systems or to the LRVs.

TRI's Response

The Tender Committee can neither confirm nor deny the above, as such future requirements shall be determined by the Israel National Cyber Bureau which is a completely separate entity from TRI.

14. **RFC 082**

(Annex 2, clause 8.2)

The Tender Committee is requested to amend the reference error in the second line of the clause.

TRI's Response

See item 6, Addendum 7.

15. **RFC 083**

(3.5.6; PQ Form 4, Annex D)

The Tender Committee is requested to confirm that this section only applies to Entities incorporated in the State of Israel or to Foreign Companies registered in the State of Israel, such that a Foreign Company not registered with the State of Israel's tax authorities is not obligated to submit anything under this Section.

TRI's Response

The Tender Committee confirms such. The PQ Form will be amended accordingly in a future addendum.

16. **RFC 084**

(3.5.4; PQ Form 5, Section 5.4)

Please amend Section 5.4 of Pre-Qualification Form 5 so that (a) it corresponds with the requirements as stated in Section 3.5.4 of the Invitation and (b) please provide a list of states with which the State of Israel does not have full trade relations

TRI's Response

- (a) The PQ Form will be amended accordingly in a future addendum.
- (b) The request is rejected.

