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Request for Proposals (“RFP”) no. 18/082
For the Removal of Sludge from Crude Oil Storage Tanks

PART 1 - INSTRUCTIONS TO BIDDERS

1. General

- 1.1 Petroleum & Energy Infrastructures Ltd. (hereinafter the “**Company**”) seeks to receive bid proposals (“**Bids**”) for the removal of sludge from its crude oil storage tanks located in Kiryat Hayim (near the Haifa bay) (the “**Tanks**”) including oil recovery from the sludge, and cleaning the Tanks up to a "gas free" level, (hereinafter the “**Project**”, or the “**Works**”), all as specified in the Tender Documents (as hereinafter defined).
- 1.2 Information about the Company's Tanks is detailed in Appendix A, attached hereto. The Tanks shall be decommissioned in phases and handed over for the successful bidder to recover oil from the sludge and subsequently clean the Tank's internals for handing over to PEI in a condition where welding can be carried out ("Gas Free"), all as provided in Appendix A hereto, and within the timeframe specified in the Contract. **Only Ex-Situ ("no man entry") offered methods shall be considered. In-Situ method of cleaning shall not be acceptable.**
- 1.3 During the Mandatory Contractor's Tour, as detailed in Section 11 below, Bidders will receive a surveyor's report stipulating the quantity of sludge in each Tank, which shall form the basis for evaluation of the Bids (herein: the “**Known Sludge Quantity per Tank**”), as further detailed herein, and analyzing the sludge contained in each Tank. Bidders may also sample the sludge themselves or via a surveyor on their behalf, during the Tour. It is hereby clarified that the actual amounts of sludge in each Tank will be measured again by a surveyor prior to the commencement of the works, as specified in the Contract.

The cleaning method/s must receive prior approval of the Israeli Ministry of Environmental Protection (the “Ministry”). See also Section 16.2 below.

2. Scope of the Documents

The tender documents forming part of this RFP (hereinafter the “**Tender Documents**”) consist of the following parts, including their respective schedules, exhibits, Sections and addenda, and any clarifications or amendments thereto issued by the Company pursuant to the provisions of this Part 1:

Part 1 - Instructions to Bidders (this part)

Appendix A - Scope of Work (SOW)

Appendix B - Bidder's Representative and Surveyor

Appendix C – Timeline for the Bid Process

Part 2 - Bid Forms

Form 1 - General Bid Form

Form 2 - Corporate Structure

Form 3 - Financial Information

Form 4 - Method Statement

Form 5 - Organization Management Structure and Subcontractors

Form 6 - Experience

Form 7 - Environmental, Health and Safety Questionnaire

Form 8 - QA and QC Questionnaire

Form 9 - Remuneration

Part 3 – Contract

Appendix A – Scope of Work (SOW)

Appendix B – Bid Price Form

Appendix C – Certification Process for Contractor's Workers, Safety Regulations

Appendix D – Liquidated Damages and Partial Payment

Appendix E – Insurance

Appendix E'1 – Certificate of The Contractor's Insurance Covers

Appendix F - Contract Performance Guarantee

For receiving all of the Tender Documents, Potential Bidders are requested to contact Adv. Maya Ben-Dor (contact details are available at the end of this RFP).

3. Definitions

Unless defined separately, the following terms, whenever used in the Tender Documents shall have the following meaning:

“Authorized Signatory” means the individuals designated by either the Company or the Bidder who are legally authorized to bind their respective organizations by their signatures.

“Award” means selection of the winning Bid pursuant to Section 16.

“Bid Price” means the price per CBM requested by the Bidder in Form 9 (Part 2 of the Tender Documents).

“Bidder” means an entity submitting a Bid.

“Bid Forms” means the forms set forth in Part 2.

“Candidate for Award” has the meaning assigned in Section 15.

“Contract” means the agreement forming part of the Tender Documents and set forth in Part 3.

“Deadline for Submission of Bids” has the meaning assigned in Section 12.4.

“Full-Time Consultant or Full-Time Employee” means a consultant or an employee, as the case may be, to be present at the Site during the “no-man entry” cleaning stage for at least 40 hours during every working-week.

“Insurance Certificate” has the meaning assigned in the Contract.

“Known Sludge Quantity per Tank” has the meaning assigned in Section 1.3.

“Performance Guarantee” has the meaning assigned in the Contract.

“Subcontractor” has the meaning assigned in the Contract.

4. Communications; Confidentiality of Tender Documents

- 4.1. Any communications between the Bidder and the Company must be made in writing. All correspondence including the Bid prepared by the Bidder and all other documents, and any printed materials furnished by the Bidder related to the Bid or exchanged by the Bidder and the Company shall be written in English. However, the Company may initiate a conference call with a Bidder to clarify any issues. If general issues are discussed having relevance to all Bidders, then soon after, the Company shall send to all prospective Bidders a written summary of the general issues clarified.
- 4.2. The Bidder (and any person or entity that received the Tender Documents, whether or not such person or entity submitted a Bid) shall keep confidential and cause its employees, subcontractors and agents to keep confidential, information concerning the business of the Company, its financial affairs, its relations with its employees, as well as other information provided by the Company in connection herewith, whether or not such information is specifically classified or designated as confidential. The information contained within the Tender Documents must also be kept confidential and must not be used for any purpose other than for replying to the RFP. Bidders must ensure that all safeguards and proper procedures are implemented to protect such information. The Bidders agree to comply with all instructions issued by the Company with respect to such information.
- 4.3. All Tender Documents shall remain at all times the exclusive property of the Company.

5. Preliminary Tender Conditions

The Bidder must fulfill the following criteria in order for its Bid to be considered:

5.1. The Bidder, or a Subcontractor of the Bidder proposed for the "no man entry" cleaning stage, or a Full-Time Employee or a Full Time Consultant of the Bidder, has, during the past 3 (three) years prior to the Deadline for Submission of Bids, successfully completed, as a primary contractor/subcontractor (if the Bidder fulfils this condition by itself or by its Subcontractor) or as the work/project manager (if the Bidder fulfils this condition by an Full Time Employee or a Full Time Consultant), the cleaning process of at least 3 floating-roof crude oil tanks (herein in this Section 5.1: the "**Cleaned Tank/s**") located in a petroleum refinery/crude oil terminal, such Cleaned Tanks either operational or non-operational, in compliance with all of the following specifications:

5.1.1. The Cleaned Tanks were of a minimum capacity of 10,000 CBM (Cubic Meters) **each**.

5.1.2. At least 600 CBM of sludge were removed from each Cleaned Tank within a maximum timeframe of 60 days.

5.1.3. A proven closed-system method ("no man entry") was used for cleaning the Cleaned Tanks.

In order to demonstrate the Bidder's compliance with these conditions, it will fill out Form #6 of Part 2 of the Tender Documents.

5.2. The average annual income of the Bidder, from tank cleaning process (ex-situ and/or in-situ), during each of the fiscal years 2015, 2016 and 2017 was at least Euro 0.3 million per year.

In order to demonstrate the Bidder's compliance with this condition it will fill out Form #3 of Part 2 of the Tender Documents.

5.3. Shareholders' equity of the Bidder in its 2017 audited financial reports was positive.

In order to demonstrate the Bidder's compliance with this condition it will fill out Form #3 of Part 2 of the Tender Documents.

5.4. The Bidder possesses a valid ISO 9001:2008 and ISO14001:2004 certificate.

In order to demonstrate the Bidder's compliance with this condition it will fill out Forms #7 & #8 of Part 2 of the Tender Documents.

- 5.5. The Bidder, or its assigned representative, participated in the mandatory Contractors' Tour, as specified in Section 11 below.
- 5.6. If the Bidder is incorporated in Israel, it must hold a valid license certificate in accordance with the Law of Transactions of Public Bodies, 1976.
- 5.7. A Bid may be submitted by a joint venture, in which case the preliminary tender conditions specified in Sections 5.1-5.5 above must be met by at least one of the partners to the joint venture that holds a stake no less than 50% in the joint venture, and the condition specified in Section 5.6 must be met by the Israeli partners. Additional provisions relating to submissions by joint ventures are set forth in Section 12.1.7.

6. Subcontractors

- 6.1. In the event that the winning Bidder would like to subcontract part of the Works, the Subcontractor(s) proposed must be pre-approved in writing by the Company, as a condition to the Contract between the winning Bidder and the Company becoming effective. The Company reserves the right to reject any proposed Subcontractor, at its sole discretion. If at the time of submission of its Bid, the Bidder knows the identity of its proposed Subcontractor(s), it shall state so in its Bid, and if declared the Winning Bidder shall retain the services of such Subcontractor unless a replacement thereof is authorized by the Company in accordance with the terms of the Contract.
- 6.2. No later than 15 days following receipt of notification of Award (see Section 16 below), the winning Bidder must submit to the Company for approval, the names of the proposed Subcontractors he wishes to employ, along with documentation evidencing their compliance with the conditions detailed in Section 6.1 above, if applicable. It is clarified, that if more than one Subcontractor is proposed for performance of the same tasks, the Bid Price of the Bidder will apply regardless of which Subcontractor is appointed, and no adjustment of the price will be permitted.

- 6.3. Notwithstanding Sections 6.1-6.2 above, in case the Bidder fulfils the condition stated in Section 5.1 by a Subcontractor proposed for the "no man entry" cleaning stage, or a Full-Time Employee or a Full Time Consultant of the Bidder, then such Subcontractor's/Employee's/Consultant's name and details regarding its previous experience necessary to prove compliance with the preliminary conditions of Section 5.1 shall be submitted a part of the Bid, as more fully detailed in the Bid Forms.
- 6.4. In any event, the Company will enter into the Contract and will subsequently deal with the Bidder only, who shall be responsible for the whole of the Works. The Company will not be involved in any subcontracting arrangements that the winning Bidder may undertake for the implementation of the Works.

7. The Tender Documents

- 7.1. The contents of the Tender Documents must be read in conjunction with any addenda issued and in conjunction with one another.
- 7.2. For the avoidance of doubt it is hereby clarified that the **Contract** including any written amendments distributed by the Company prior to the Deadline for Submission of Bids **must be signed by the Bidder upon submission of its Bid**. Pertinent information from the Bidder's Bid as accepted by the Company shall be added to the relevant Sections of the Contract by the Company. The Bidder is required to carefully review the Contract. In submitting its Bid, the Bidder accepts the provisions and conditions of the Contract and acknowledges that it shall not have any claim against the Company regarding its provisions.
- 7.3. Bidders are expected to examine all instructions, forms, terms, specifications, and other information in the Tender Documents.
- 7.4. Failure to furnish all the information required by the Tender Documents or to submit a Bid not substantially responsive to the Tender Documents, may result in the rejection of the Bid, at the discretion of the Company.
- 7.5. Where an ambiguity or a discrepancy occurs between or within parts or sections of the Tender Documents, the ambiguity shall be resolved in the manner that broadens the obligations of the Bidder and the rights of the Company.

8. Clarification of Tender Documents

- 8.1. A prospective Bidder seeking any clarification of the Tender Documents, or requesting any change thereto, may send a request to that effect to the Company in writing, whether by fax or email, to the Company's address as set forth in Section 21 below. Telephone inquiries shall not be accepted.
- 8.2. Such requests must be submitted no later than thirty (30) days prior to the Deadline for Submission of Bids. Copies of the Company's response (including an explanation of the query but not identifying its source) will be sent to all prospective Bidders that requested a copy of the Tender Documents from the Company, no later than fifteen (15) days prior to the Deadline for Submission of Bids.
- 8.3. The Bidder shall study the Tender Documents to its satisfaction, appraise the circumstances, problems and difficulties entailed in executing the Works and, if necessary in its opinion, revisit the site. A Bidder submitting a Bid to the Company shall be deemed to have fully examined, scrutinized and studied the Tender Documents and have had the opportunity to request clarifications. Following submission of its Bid, the Bidder shall be precluded from making any claim regarding the extent of his understanding, appraisals, examinations and the like in anything pertaining to the Tender Documents, and specifically to the Works, their nature and scope.

9. Non-derogation and Amendment of Flaws

- 9.1. The Bidder may not add to, derogate from, alter or qualify any condition mentioned in the Tender Documents and the addenda thereto.
- 9.2. If the Bidder wishes to offer comments on specific paragraphs or conditions, including a request for an amendment to the Contract, such comments/requests shall be conveyed to the Company prior to the deadline for submitting clarification requests and in the same manner provided for in Section 8 above, such that the Company shall consider whether or not to amend the conditions of the Tender Documents. If the Company agrees to amend conditions, appropriate written notice regarding the amendment shall be sent to all prospective Bidders who

have requested a copy of the Tender Documents, as detailed in Section 10 below. Requests for amendments that are not listed as accepted in such notice distributed by the Company shall be deemed denied. Any alteration or qualification to the final Tender Documents made by the Bidder in its Bid, may lead to the Bid's disqualification.

- 9.3. If, despite the foregoing, a flaw is found in the Bidder's Bid, including any addition, derogation, change or qualification of the Tender Documents, the Company shall take action as it deems appropriate under the circumstances, at its sole discretion, and it may, inter alia, disqualify the Bid or ignore such addition, derogation, change or qualification and regard them as never having been made, or accept the changes.
- 9.4. Upon submission of its Bid, the Bidder agrees that the Company shall be entitled, but not required, to permit a Bidder whose Bid contains a qualification, is deficient or contains any other flaws, to amend or complete its Bid, or to allow the Bidder to leave the Bid unchanged, all at the Company's sole discretion, and in the manner and under the conditions the Company may determine.

10. Amendment of Tender Documents

- 10.1. No later than fifteen (15) days prior to the Deadline for Submission of Bids, the Company may amend the Tender Documents on its own initiative or in response to a clarification or amendment requested by a prospective Bidder. Subsequent amendments on the same subject modify or replace earlier ones.
- 10.2. In order to afford prospective Bidders reasonable time in which to take the amendment into account in preparing their Bids, the Company may, at its discretion, extend the Deadline for the Submission of Bids; in which case the Company will notify all prospective Bidders who have requested a copy of the Tender Documents, in writing, of the extended deadline.
- 10.3. Amendments will be sent in writing to all prospective Bidders who have requested a copy of the Tender Documents. Such amendments will be binding on all the Bidders and will be deemed to have been taken into account by the Bidder in its Bid.

Only written clarifications, amendments or changes in the Tender Documents, signed by the Company, will bind the Company. Such clarifications, amendment or changes, as the case may be, will be deemed to form part of the Tender Documents.

11. Mandatory Contractors' Tour

11.1 The Company shall coordinate with Bidders who have requested a copy of the Tender Documents, a date for a contractors' tour at the Work site. and the Bidders shall have the opportunity to inspect the Tanks and sample the sludge therein by themselves or via a surveyor on their behalf, subject to prior coordination with the Company. During the Tour, Bidders will receive a surveyor's report stipulating the Known Sludge Quantity per Tank, which shall form the basis for evaluation of the Bids as further detailed in the Bidding Documents, and analyzing the sludge contained in each Tank. During the Tour, Bidders shall have the opportunity to inspect the Tanks and sample the sludge therein by themselves or via a surveyor on their behalf, subject to prior coordination with the Company. It is hereby clarified that the actual amounts of sludge in each Tank will be measured again by a surveyor prior to the commencement of the works, as specified in the Contract.

11.2 The Company may hold one or more tours, at its discretion. The tours are intended to be held between **03-07/06/2018** and prospective Bidders that requested the Tender Documents shall be provided with additional details and information.

11.3 All prospective Bidders who wish to submit a Bid must participate in a tour. A Bidder may participate via a representative provided that it has given such representative a proxy to participate on its behalf. A Bid submitted by a Bidder that did not participate in a tour shall be disqualified. It is hereby clarified that a certain representative will not be allowed to represent more than one Bidder, however a certain surveyor may be hired by more than one Bidder to sample the sludge. Before the tour, each participating Bidder must submit to the Company the certificate attached as **Appendix B** of this Part 1 of the Tender Documents, certifying who is its representative and surveyor.

12. Submission of Bids

12.1. The Bidder should include in his Bid all the information required of him, as detailed in the Tender Documents. The Bid must be submitted in English (with the exception of official Hebrew documents), any official document in foreign language will be translated to English and approved by a notary (with the exception of financial statements - only the auditor's opinion of the 2017 financial statements and the Bidder's Shareholder's Equity for 2017 must be translated, notarized and submitted with the Bid. However, the Company reserves the right to request a translation of additional documents or parts thereof at a later time). Without derogation from the generality of the foregoing, the Bidder must submit the following:

12.1.1. A copy of all the Tender Documents (Parts 1, 2 and 3), including amendments and clarifications issued by the Company, signed on the first and last page of each Part and each Form/ Section/ Appendix, by the Authorized Signatory of the Bidder. These documents need only be submitted with the original copy of the Bid, it is not necessary to submit them with the 2 additional copies or on the CDR (see Section 12.2 below).

12.1.2. A set of duly signed completed Bid Forms (Part 2 of the Tender Documents).

12.1.3. With respect to previous experience necessary to prove compliance with the preliminary conditions of Section 5, Bidder must supply information related to previous projects including the details of a contact person at each client, a copy of its financial statements and a letter from its accountant certifying that it complies with the financial preliminary conditions of Section 5.

12.1.4. Attorney certification regarding the Authorized Signatories of the Bidder.

12.1.5. Bidders incorporated in Israel are also required to attach the following to their Bid:

A. Certificate in accordance with the Law of Transactions of Public Bodies 1976, in respect of books of account in accordance with the Income Tax Ordinance and the VAT Law; and

B. Certification of being a registered contractor in the Contractors' Register with respect to the class of works required by the Tender Documents.

- 12.1.6. Bidders who are a joint venture must attach to their Bid the executed joint venture agreement between the partners.

Bidders should note that in case of the Award of the Contract to a Bidder that is a joint venture, (i) the Company reserves the right to require that the Contractor's representative who shall be in contact with the Company, shall be an employee of the partner that fulfills the preliminary condition of Section 5.1, and (ii) the joint venture and all its partners shall be jointly and severally liable towards the Company.

- 12.1.7. The Bidder is encouraged to further submit any other documents it deems appropriate to describe the profile of the Bidder and evidencing that the Bidder fulfills all the preliminary conditions and that such Bidder has the technical, and production capability necessary to perform the Works and the Contract and has a successful performance history. The Bidders shall ensure that their submission corresponds exactly with the numbers used in the Tender Documents, and are requested to make use of dividers to sectionalize their Bid in such a way as to allow quick reference to individual parts of the submission.

- 12.2. The Bidder shall prepare an original and **2 copies**/sets of the Bid, clearly marking each one as "ORIGINAL BID", "COPY NO. 1", "COPY NO. 2", as appropriate. All Bid Forms shall also be submitted on a CDR (containing Adobe Acrobat PDF (PDF) searchable format files). In the event of any discrepancy between the copies, the original paper copy shall prevail. All parts and copies of the Bid shall be placed in one envelope.

- 12.3. The Bid Price may be quoted in USD, Euros or New Israeli Shekels (NIS). The Bidder must clearly state in what currency it is quoting its Bid Price; otherwise the Bid shall be treated as a Bid in NIS. Payment shall be made to winning Bidder in the same currency quoted by the Bidder. However, for purposes of comparing the Bids, all Bids shall be converted to New Israeli Shekels (NIS) according to the representative exchange rate published by the Bank of Israel on the Deadline for the Submission of Bid Price. If there is a discrepancy between words and figures, the amount in words will prevail.
- 12.4. The Bid shall be delivered in a sealed envelope with only the tender number and submission date indicated, so that the identity of the Bidder is not disclosed, and placed in the tender box at the Company's office, 3 Hasadnaot Street, Herzeliya 46728, no later than 17:00 (Israel Standard Time) **10.07.2018** (hereinafter the "**Deadline for Submission of Bids**"). The Company is entitled to change, at any time, the Deadline for Submission of Bids, and shall notify all prospective Bidders who have requested a copy of the Tender Documents of such change, in writing. **A Bid not timely submitted, shall be disqualified.**
- 12.5. The Bid shall be valid for 150 days from the Deadline for Submission of Bids. During this period the Bidder's Bid shall be irrevocable and the Bidder shall not be entitled to withdraw, cancel or change its Bid.
- Should the Company request that Bidders extend the period of validity of their Bid, such request shall be made in writing and the Bidder must extend its Bid on the same terms and conditions for up to an additional 30 days.
- 12.6. Submission of a Bid for only a part of the Works is not permitted.
- 12.7. The Bidder shall bear all costs associated with the preparation and submission of its Bid, and the Company will in no case be responsible or liable for those costs, even if the Company amends the Tender Documents or cancels the tender for any reason.
- 12.8. Bidders shall submit their Bid in accordance with the requirements of the Tender Documents.

- 12.9. Each Bidder, and any entity in which it holds 50% or more, or which holds 50% or more in the Bidder, may submit one Bid only.

13. Bid Opening

The Company will open all Bids after the Deadline for Submission of Bids, and all Bids that satisfy the Preliminary Tender Conditions will be evaluated in accordance with the criteria set forth in Section 15 below.

14. Discussions with the Bidders and Amendment of Bids

- 14.1. Bidders are urged to detail their Bids as extensively as possible. During all stages of the Bid examination and/or evaluation, the Company may, at its discretion, ask a Bidder for a clarification of its Bid. The request for clarification and the response may be in writing, The Company may, at its sole discretion, ask, in writing or orally, those Bidders whose Bids have been found suitable for this purpose, to amend their Bids or any part thereof, whether in one stage or more, whether due to a flaw in the Bid or not, before or after the selection of the successful Bidder to whom the Contract shall be awarded. The Company shall notify the Bidders, or some of them, as the case may be, of the deadline for the submission of amended Bids, if the Company has decided to implement such a process. For the avoidance of doubt it is hereby clarified that the above authority to amend Bids and to negotiate with one or more Bidders, does not impose any obligation on the Company to negotiate with any Bidder, to allow a Bidder to qualify in any way any instruction or requirement of the Tender Documents, or to change any part of its Bid.
- 14.2. The Company may also negotiate with the Bidder who has been selected to be awarded the Contract, in order to improve its Bid.

15. Criteria for selecting winning Bid

The sole criteria for awarding the Contract shall be the Overall Bid Price (100%), as defined in Form 9 (Remuneration) of Part 2 of the Tender Documents, to be calculated on the basis of the Known Sludge Quantity per Tank, following adjustment due to light crude oil use. Out of the Bidders that submitted Bids satisfying the preliminary tender conditions, the Bidder whose Overall Bid Price is the lowest, shall be selected as the Candidate for Award.

For comparison purposes only, the Bid Price per Tank of Bidders whose cleaning method involves the usage of light crude oil (to be provided by the Company at its expense, as specified in Section 55 of Appendix A, up to a maximum of 2,000 CBM of light crude oil for every 1,000 CBM of sludge), will be increased by 10% for every 100 CBM **above** 1,000 CBM, of light crude oil needed for the cleaning 1,000 CBM of sludge, up to 100%. For example, if for a certain tank the Bid Price per Tank is USD 100,000 and the Bidder required in its Bid a quantity of 1,200 CBM of light crude oil for each 1000 CBM of sludge for the cleaning of that Tank, the price for that Tank, **for comparison purposes only**, will increase by 20% and thus be USD 120,000.

16. Requirements of Candidate for Award and Notification of Award

- 16.1. The Company will notify the Bidder who has been selected as the Candidate for Award.
- 16.2. As a precondition to the declaration of the Candidate for Award as the winning Bidder, the Candidate for Award must:
 - 16.2.1. Present its Ex-Situ Method Statement(s) to the Israeli Ministry of Environmental Protection, and receive its approval. If the Ministry rejects the work methods, the Candidate for Award may suggest other methods even if not detailed in its Bid (however it is clarified that in no event will its Bid Price be increased as a result, however the Company may demand a decrease if the new method proposed is less costly). It is hereby clarified that in declaring a Bidder as a Candidate for Award, the Company makes no statement regarding the probability of that Bidder's Method Statement being approved, and the Candidate for Award shall

have no claim whatsoever towards the Company on the grounds of the Ministry's rejection of its Method.

- 16.2.2. Submit to the Company the Performance Guarantee and Insurance Certificate as required in Sections 23 and 24 of the Contract, within seven (7) days of the obtainment of the Ministry approval above.

If approval as per Section 16.2.1 above is not obtained within reasonable time, but not more than 60 days, as decided by the Company at its sole discretion, or if the Candidate for Award doesn't comply with Section 16.2.2, the Company may declare the next-lowest qualified Bid as the new Candidate for Award, or may call for new Bids.

Following the failure of the Candidate for Award to comply with Section 16.2.2, the Company may also file a claim against the Bidder for damages incurred to the Company, without prejudice to and without derogating from the Company's rights under the Contract and by law.

- 16.3. The Company shall have the right, at its sole discretion, to negotiate with the Candidate for Award, all matters pertaining to its Bid's terms and prices, and to declare it the winning Bidder only if all terms between said Bidder and the Company have been concluded to the Company's satisfaction.
- 16.4. Once the conditions above have been met, the Company shall notify the Candidate for Award that it is the winning Bidder. The notification shall be in writing by registered letter, or by electronic means with subsequent confirmation in writing by registered letter. Only a written notification shall bind the Company.
- 16.5. As soon as practicable following receipt of the notification of Award, the Company shall add its signature to the signature of the Bidder on the Contract. The Company's notification of Award shall not form a binding agreement between the Bidder and the Company. The affixing of the Company's signature to the Contract, and this alone, shall constitute a notice of acceptance and a binding engagement on the part of the Company.
- 16.6. Following the execution of the Contract with the winning Bidder, the Company will notify each unsuccessful Bidder that its Bid has been rejected. If so requested

by the Company, non-successful Bidders must return the Tender Documents, together with all information issued in connection therewith, to the Company.

- 16.7. The Company may, at its discretion, choose the Bidder whose Bid was ranked second in terms of price, as the alternate winner (the "**Alternate Winner**"). The Alternate Winner's bid shall then remain effective for an additional 12 months. In the event that for any reason, the Contract with the winning Bidder is terminated within 12 months from the date on which it became effective and binding, the Company shall have the right to enter into a binding engagement with the Alternate Winner, in accordance with its Bid and under the terms and conditions of the Contract.
- 16.8. Notwithstanding anything else to the contrary stated herein, the Company does not undertake to accept any Bid and reserves the right to reject any Bid, including the least costly Bid, or all the Bids, *inter alia*, if the acceptance thereof could result in a deviation from the Company's budget or its assessment of the cost of the Works, or if the Bidder's economic and/or security examination results are not to the Company's satisfaction. The Company may engage in negotiations with the lowest Bidder(s) at its sole discretion, in the event the all valid Bids are higher than the estimate of the Company.

17. Disclosure of Information

- 17.1. Bidders must submit accurate information within their Bid, and must immediately notify the Company of changes to this information during the tender process. The winning Bidder shall continue to be so obligated until the completion of the Works.
- 17.2. The Company shall be entitled to request from any Bidder to disclose comprehensive and accurate details about itself, its business, its capital structure, its beneficial holders (and information thereof), and any other information that in the Company's opinion should be disclosed. The Company may refuse to consider the Bid of a Bidder that refuses to provide such information or submits misleading or erroneous information. If, following the Notification of Award, it becomes known to the Company that the Bidder did not

submit correct information and/or submitted only partial information, the Company may annul its Award without the Bidder having any right to compensation or reimbursement of costs.

- 17.3. If following the notification of Award, a Bidder requests, in writing, to view documents relating to the RFP process and the winning Bidder's Bid, the Company shall give such Bidder a copy of such documents, after deleting such parts that in the Company's opinion may prejudice the commercial or professional secrets or the privacy of a Bidder or the Company, or prejudice the State's security, its foreign relations, its economy or its public's safety. Such disclosure shall be made following a payment of NIS 1,100 or 250 Euros, that will be wire transferred to the Company's bank account (see Section 12.1.4 for details), to cover the Company's costs.
- 17.4. The Company may determine specific confidentiality procedures, in general or in relation to specific issues, if a Bidder shall so request, but it shall be under no obligation to do so.

18. Liability

The Company shall not be liable for any expense or damage that may be caused to a Bidder due to or in connection with this RFP, and in particular due to not being awarded the Contract, the amendment of the Tender Documents or the cancellation of the tender process for whatever reason.

19. Notices

All Bidders shall indicate on Form 1 of Part 2 of the Tender Documents, their contact person for this RFP, including address, telephone number and email, for the purpose of receiving notices in connection with the RFP. Notices shall be sent by registered mail, fax or email (with PDF attachments only). Notice sent by registered mail shall be deemed received 5 business days after mailing. Notices sent by fax shall be deemed received only upon receiving telephone confirmation. Notices sent by email shall be deemed received only upon receiving telephone confirmation or written confirmation by non-automatic reply email, from the receiving party.

20. Governing Law and Venue

This RFP shall be governed by the laws of the State of Israel and the competent courts of the District of Tel-Aviv-Jaffo shall have sole jurisdiction over all matters and disputes arising hereunder.

21. Company's Address and Contact Details

Petroleum and Energy Infrastructures Ltd.

Attention: Mrs. Maya Ben Dor, Adv.

P.O.B. 2121, Herzeliya 46120 Israel

Fax: 972-73-2018353; Tel: 972-9-9528553; Email: maya_b@pei.co.il

Appendix A – SOW

Appendix B - Bidder's Representative and Surveyor

Messrs.

Petroleum and Energy Infrastructures Ltd.

P.O.B. 2121

Herzeliya 46120

Dear Sirs,

I _____, ID/passport No. _____, in my capacity as _____ [title or position of Bidder's Authorized Signatory] of _____ [Bidder's name] ("Bidder"), being an Authorized Signatory thereof, certify in accordance with Section 11 of Part 1 of the Tender Documents, that the following persons have been appointed by the Bidder:

1. _____ - has been appointed to represent the Bidder in the Mandatory Contractors' Tour.
2. _____ - is a surveyor who has been appointed by the Bidder to take samples of the sludge during the Mandatory Contractors' Tour.

Sincerely yours,

Bidder's name and stamp

Signatory's signature

Date

Signatory's name

Signatory's position

Appendix C – Timeline for the Bid Process

<u>Deadline for requesting the Tender Documents</u>	<u>30/05/2018</u>
<u>Contractors' Tour(s)</u>	<u>03-07/06/2018</u>
<u>Deadline for submission of clarification requests from prospective bidders</u>	<u>20/06/2018</u>
<u>Deadline for amendment of the Tender Documents by the Company</u>	<u>28/06/2018</u>
<u>Deadline for Submission of Bids</u>	<u>10/07/2018</u>