



Petroleum & Energy Infrastructures Ltd.  
Oil Products Pipeline Ltd.

**Finance Division - Procurement & Engagements Department**

**November 15, 2020**

To whom it may concern,

**Re: TENDER NO. 20/286 FOR THE RECEIPT OF SERVICES**  
**FOR THE STORAGE OF PRODUCTS**

Petroleum & Energy Infrastructure Ltd. and/or Oil Products Pipeline Ltd. ("**PEI**") wishes to offer capacity of one segregated tank of 53K cubic meters, for the storage of products as stated below and in Appendix B (collectively, the "**Tender**").

**PLEASE NOTE THAT BY SUBMITTING A BID, THE BIDDER AGREES TO ALL THE TERMS AND CONDITIONS OF THE TENDER AS SET FORTH HEREUNDER.**

**1. GENERAL INFORMATION**

- 1.1. PEI is a company fully owned by the government of Israel that provides infrastructure services including storage and transportation of distillates and other refined products.
- 1.2. Under this Tender, PEI wishes to provide storage services for certain products, as further set forth in Section 2 below (the "**Products**"), in accordance with the terms and conditions of this Tender and the Storage Services Agreement and its appendices set forth in Appendix A (the "**Agreement**").
- 1.3. The storage offered under this Tender is segregated storage, whereby one segregated tank of 53K cubic meters located in PEI's facility at Ashkelon South (near Ashkelon Port) (the "**Tank**") will be made available.
- 1.4. As a precondition for participating in the Tender:
  - 1.4.1. Israeli Bidders must hold a valid certificate in accordance with the Law of Transactions of Public Bodies, 1976.
  - 1.4.2. Israeli Bidders must hold a valid "Fuel Manufacturer" License, issued by the Israeli Customs and Excise Department.
  - 1.4.3. The condition expressed in Section 4.1 of this Tender must be satisfied, if and to the extent applicable.



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**2. TERMS OF BIDDING: PRODUCT; STORAGE REQUIREMENTS; STORAGE FEES**

This Tender contemplates the storage of the Products listed in Appendix B attached hereto ("**Approved Products List**"), meeting the specifications for petroleum products published by the Standards Institution of Israel (the "**Israeli Standards**"). If a participant in this Tender wishes to store a product that does not appear on the Approved Products List, it must submit in writing to PEI, a detailed analysis of such product, no later than two (2) working days prior to the Submission Deadline and PEI will notify the participant of its decision whether such product is eligible for storage or not, which decision shall be made in its sole discretion. In order to protect the participants' confidentiality interests, such notification will not be made public but will be filed as part of the Tender Documents, and participants will be granted access thereto following the selection of the winning bidder, in accordance with the provisions of Section 5.4 herein.

Bidders please note that additional terms and conditions may apply to products that do not conform to the Israeli Standards and products subsequently added. Additional conditions may be in respect of handling loss (see section 4.3 of the Agreement), minimum operational quantity (see section 4.5 of the Agreement), and/or any other condition arising from PEI's operational requirements. PEI will notify relevant bidders as soon as is reasonably practicable after the submission of bids of any such additional conditions and bidders will have the opportunity to withdraw their bids.

- 2.1. Each bidder must enter in its bid a description of the products(s) it wishes to store, as it appears on the Approved Products List, indicating whether the product conforms to the Israeli Standards.



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- 2.2. All bids are made on a “take or pay” basis, such that the Monthly Storage Fee (as defined in the Agreement) and the Minimum Monthly Operational Transfer Fee, set forth in Section 2.3 herein, are payable regardless of whether Products are actually stored or any operational transfer fees are actually due at any given time during the Storage Period (as defined below) by the winning bidder. For the purposes of this Tender, the term "**Monthly Operational Transfer Fees**" shall consist **only** of the following fees, during one month's period: (1) Fixed transfer cost, in consideration of transfer of the Product to or from the Tank(s), (2) Variable transfer cost, in consideration of transfer of the Product to or from the Tank(s), and (3) Handling loss fees related to transfer fees (for the avoidance of doubt, this item (3) has no relation to the *handling loss* stated in section 4.3 of the Agreement), all as more fully detailed in the Agreement. The Monthly Operational Transfer Fees shall not include fees payable in connection with charging or discharging the Product to or from a vessel and other operational fees payable in accordance with paragraph 1.3 of the Agreement (e.g., discharge/charge fees charged by the Europe Asia Pipeline Company Limited).
- 2.3. The bid must specify the bidder's proposed storage fee per tank per month, before VAT (the "**Price Per Tank**") and the bidder's proposed minimum Monthly Operational Transfer Fees (the "**Minimum Monthly Operational Transfer Fees**"). The bidder's proposed Minimum Monthly Operational Transfer Fee must be quoted in increments of USD 10,000 (or 34,000 NIS) (For example: USD 50,000 (or 171,000 NIS), USD 60,000 (or 205,000 NIS), USD 70,000 (or 239,000 NIS), etc.).

It is hereby clarified that the Minimum Monthly Operational Transfer Fee constitutes a minimum monthly payment, calculated quarterly, to be paid by the winning bidder in respect of the fees defined therein, yet the actual Monthly Operational Transfer Fees payable for any particular month shall be the higher of the Minimum Monthly Operational Transfer Fee and the actual Monthly Operational Transfer Fee due for such Product transfers performed during one month by the winning bidder, all as set forth in the Agreement. As aforesaid, other operational costs such as charging/discharging fees shall be payable separately under the same invoice.



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- 2.4. Bidders may submit their proposed Price Per Tank and Minimum Monthly Operational Transfer Fee in either US Dollars or NIS. For the purpose of comparing bids, all bids submitted in NIS will be converted to US Dollars using the representative exchange rate published by the Bank of Israel on the eve of the Submission Deadline. Note however that the Monthly Storage Fee and Minimum Monthly Operational Transfer Fee actually payable by the winning bidder under the Agreement, shall be paid in the currency selected by the winning bidder.
- 2.5. For the purpose of selecting the winning bid, PEI shall compare each eligible bid's "**Weighted Bid Value**", calculated as the sum (before VAT) of (a) the proposed Price Per Tank and (b) the proposed Minimum Monthly Operational Transfer Fee. In all cases, selection of a bidder, as the case may be, shall be subject to operational, feasibility and practical limitations and restrictions that may apply. For the removal of doubt, however, the Weighted Bid Value shall be used only for the purpose of comparing bids and selecting a winning bid; the actual amounts payable by the winning bidder shall be as set forth in the Agreement.
- 2.6. PEI intends to prepare an estimate of the Weighted Bid Value before VAT (the "**Estimate**") prior to the Submission Deadline. However, in order to increase the competition between bidders, the Estimate shall not be disclosed before or after the submission of bids, and it shall be placed in a sealed envelope in PEI's tender box prior to the Submission Deadline, as set forth in Section 7.1 below, prior to viewing any bids submitted.
- 2.7. PEI will not award the Tender to a bidder whose Weighted Bid Value is less than the Estimate; *provided, however*, that if no bidder offers a Weighted Bid Value equal to or greater than the Estimate, then PEI reserves the right to conduct negotiations with some or all of the bidders, as the case may be and in accordance with the Israeli tender regulations, in order to improve their bids.
- 2.8. In the event that two or more different bidders submit identical Weighted Bid Value which qualify under section 2.7, then PEI shall conduct a further stage or stages of bidding, in a procedure to be determined by PEI at its sole discretion. As part of such procedure, PEI reserves the right to disclose to the participants thereto, the Weighted Bid Value that was proposed by two or more bidders.

3. **PERIOD OF STORAGE AND CONSIDERATION**



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- 3.1. The period of storage shall commence on 01.01.2021 and terminate on 31.12.2021 (the “**Storage Period**”).
- 3.2. The actual amounts payable by the winning bidder in respect of the Storage Fee and operational fees shall be as set forth in Section 6 of the Agreement. In the case of operational fees, the actual tariff in force at the time of each operation shall apply. VAT shall be charged to all payments under the Agreement, even if it has not been mentioned explicitly in relation to a particular payment.

**4. ADDITIONAL CONDITIONS**

- 4.1. The bidder must fully settle all prior payments, debts, etc. due to PEI by the bidder in respect of storage services provided by PEI under other tenders, prior to, or at the time of, submission of its bid. If a bidder fails to pay any amount owing prior to submission of its bid, then PEI's Tender Committee may, at its discretion, disqualify such bid.
- 4.2. PEI is not bound to choose any bid whatsoever. PEI shall have no legal, financial or other commitment towards any bidder.
- 4.3. PEI will not, under any circumstances, be liable for the payment of any sum in connection with the preparation and submission of bids for this Tender. All costs in connection therewith shall be borne by the bidder solely.
- 4.4. It is clarified that the bidder may not modify, add to, omit from or make any reservations or conditions (“**Reservations**”) to this Tender and/or the other documents attached hereto (collectively, the “**Tender Documents**”) in any way. PEI emphasizes that in any case in which the bidder believes that any clarification is required with respect to the terms and conditions of the Tender, it must timely contact PEI in accordance with the provisions of Section 6.1 herein.
- 4.5. If, the provisions of Section 4.4 above notwithstanding, the bidder modifies, adds to, omits from, makes any Reservations to the Tender Documents in any way, then PEI may, at its sole discretion, act in accordance with any one of the following possibilities:
  - 4.5.1. Ignore the Reservation and require the bidder to meet its bid as if it was submitted without the reservation.



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- 4.5.2. Disqualify the bid, in whole or in part.
- 4.5.3. Make any other decision that shall be required under the circumstances.

The bidder represents that it is aware that PEI may make any one of the foregoing decisions, both with respect to its bid and with respect to other bids, and it hereby waives any claim or demand against PEI in this regard.

- 4.6. This Tender, as well as the Bid Form and the Agreement, are governed by the laws of Israel (without regard to its conflict of laws principles), and any dispute in connection with or arising from any of the above shall be referred to the exclusive jurisdiction of the courts of Israel (Tel Aviv District)

## 5. **IRREVOCABLE BID; NOTIFICATION**

- 5.1. The bid shall remain valid and irrevocable until **31/12/2020**.
- 5.2. PEI will notify each bidder regarding whether or not its bid has been selected as a winning bid, and will issue to the winning bidder the Agreement as modified by PEI to reflect the terms of the winning bid.
- 5.3. The Agreement shall be effective immediately upon its signature by PEI.
- 5.4. A bidder whose bid has not been selected as a winning bid may, by written request to the Secretary of the Tenders Committee sent to the address set forth in Section 6 below, be granted access to those Tender Documents deemed relevant, pursuant to the Mandatory Tenders Regulations 5753-1993, subject to the payment of a non-refundable fee of NIS 1,000.

## 6. **QUESTIONS**

- 6.1. Any questions regarding this Tender must be addressed to the Tenders Committee, by email to ([proposals@pei.co.il](mailto:proposals@pei.co.il)) by no later than **19/11/2020** at 12:00 local time.

## 7. **SUBMISSION OF BIDS**



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7.1. The bidder shall submit its bid by filling out a bid form attached as Appendix C hereto (the "**Bid Form**"), and delivering it to PEI as below. All bids must be received at PEI **by no later than 24/11/2020** at 23:59 local time ("**Submission Deadline**"). Delivery shall be either by:

(1) e-mailing the completed Bid Form to the following e-mail address:

tender20-286@pei.co.il; **or**

(2) placing the completed Bid Form in a sealed envelope and delivering it by hand to the special-purpose tender-mailbox, on the first floor of the Company's offices, at the following address:

3 Hasadnaot St. Herzliya, 46728  
P.O.B. 2121, Herzliya 46120 Israel

Sincerely yours,

Maya Ben Dor, Adv  
*Purchasing & Contracts division*



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**Appendix A**  
**STORAGE SERVICES AGREEMENT**



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**Appendix B**  
**APPROVED PRODUCTS LIST**

**Products that meet the Israeli Standards:**

1. Gasoline-Si 90
2. Jet fuel-Def. Sta. 91-91
3. ULSD 10 ppm-Si 107 part 1



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**Appendix C**

**BID FORM**

**BIDDER INFORMATION:**

**Name:** \_\_\_\_\_

**Tel.:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Fax:** \_\_\_\_\_

**Contact person(s):** \_\_\_\_\_

**Email:** \_\_\_\_\_

**STORAGE CAPACITY REQUESTED:**

Minimum tanks requested: \_\_\_\_\_

Maximum tanks requested: \_\_\_\_\_

**TYPE OF PRODUCT TO BE STORED:**

Tank no.1: \_\_\_\_\_

**PRICE:**

Monthly Storage Fee:

Price Per Tank per month (not including VAT):

For Tank no.1: \_\_\_\_\_

Minimum Operational Fee

Minimum Operational Fee per month (not including VAT):

For Tank no.1: \_\_\_\_\_

(Note: This must be quoted as increments of USD 10,000 or NIS 34,220).

***All prices must be stated in US Dollars or NIS.***

**For the removal of doubt, the Monthly Storage Fee and Minimum Monthly Operational Transfer Fee shall apply even if the winning bidder uses less than the maximum available storage capacity or performs transfers in and out of the Tank priced at less than the Minimum Monthly Operational Transfer Fee (“take or pay”). In addition, if the fees in respect of winning bidder’s actual transferring in/out of the Tank during one month are higher than the Minimum Monthly Operational Transfer Fee, calculated quarterly (all as more fully detailed in the Agreement), then such actual higher fee shall apply.**



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**BIDDER DECLARATION:**

I, the undersigned, \_\_\_\_\_ [*name of bidder's authorized signatory*], in my capacity as \_\_\_\_\_ [*title or position of authorized signatory*] of \_\_\_\_\_ [*name of bidder*] (the "**Bidder**"), do hereby declare as follows:

1. The Bidder is a corporation duly incorporated, validly existing, and in good standing under the laws of its jurisdiction of incorporation, and is authorized to submit this bid, enter into the Agreement and perform its obligation thereunder;
2. The Bidder has carefully read the **Tender for the Receipt of Services for the Storage of Products 20/286 (the "Tender")**; and
3. The Bidder undertakes to comply with all the terms and conditions of the Tender, the Storage Services Agreement and this Bid Form.

Bidder's Signature

Date:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

[*Bidder's authorized signatory*]

Title: \_\_\_\_\_