



Petroleum & Energy Infrastructures Ltd.
Oil Products Pipeline Ltd.

Finance Division - Procurement & Engagements Department

Tender No. 050-19 (the “Tender”)

Petroleum & Energy Infrastructures Ltd. / Oil Products Pipeline Ltd. (hereinafter the “**Company**”) seeks to receive bids (“**Bids**”) from qualified potential bidders (“**Bidders**”) complying with the preliminary conditions stated in the tender documents available on the Company’s website at www.pei.co.il (the “**Tender Documents**”), for the purchase by the Company of steel pipe of certain technical details and manufactured by certain approved manufacturer(s), or at a production site located in an EU or OECD member country and by manufacturer(s) meeting certain parameters, all as specified in the Tender Documents (the “**Goods**”).

This notice is provided for the convenience of Bidders. It is not intended to express or be referred to in the interpretation of the binding terms and conditions of the Tender and/or the Contract, which terms and conditions shall be solely as expressed in the Tender Documents. Capitalized terms in this notice have the meaning ascribed to those terms in the Tender Documents.

The Goods are divided into two groups, as indicated in the Bill of Quantities. Bids for each of the two groups will be considered separately for purposes of bid comparison and award of contract. The Goods shall be supplied **CIF (Incoterms 2010) Ashdod**, to arrive at Ashdod port within a certain lead time period following award of contract, as may be indicated by the winning Bidder in its Bid (default lead time if no such period is indicated: 120 days). Alternatively, Bids may be to supply the Goods to the Company’s warehouse in Ashkelon (or other site as reasonably requested by Company after making an accounting for additional costs, the “**Destination**”), including the unloading of Goods at the Destination after prior coordination with the Company, with all associated cost, risk and logistics borne by the Supplier (such terms of supply, as defined in the Contract, the “**DDP Terms**”). Bids submitted to supply the Goods under the DDP Terms will be considered, for purposes of bid comparison only, as if their bid price were { ₪ 20 / \$ 5.75 / € 5.22 } per meter of pipe lower than as quoted, and as if their lead time were 10 days lower than as quoted, in order to reflect the Company’s estimate of its actual savings in cost and time under the DDP Terms (as opposed to CIF Ashdod). For further details regarding the DDP Terms and the method for comparing bids, Bidders are encouraged to carefully read the relevant sections of the Tender Documents.

1. The Tender Documents include the following requirements:
 - 1.1. The Goods must meet the requirements of the Technical Specifications in their entirety, to the Company’s satisfaction.
 - 1.2. The Goods must be manufactured (including coating) either (a) by an Approved Manufacturer (as listed in the Tender Documents); or (b) at a production site located in an EU or OECD member country, by a manufacturer which



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successfully manufactured and supplied, during the 5 years preceding to the Submission Deadline, pipe manufactured according to the API-5L standard in an aggregate value of not less than 1,500,000 Euro.

- 1.3. The Bidder's shareholders' equity as of 31 December 2018 must be positive.
- 1.4. The Bidder must either: (a) be or be an affiliate of an Approved Manufacturer; or (b) have successfully supplied pipe conforming to the API-5L standard during the five years preceding the Submission Deadline, of an aggregate minimum value of 1,300,000 Euro.
- 1.5. If the Bidder is an Israeli person or entity, it must possess valid approvals pursuant to the provisions of the Public Bodies Transactions Law, 5736-1976.
2. **Multiple Bids by the same Bidder are prohibited.** If more than one Bid is submitted by a single Bidder, or by multiple Bidders within the same *de facto* control group or syndicate, then all such Bids will be automatically disqualified. **Parallel Bids**, in which a manufacturer (of its affiliate) submits a Bid in parallel to another Bidder (other than the manufacture or its affiliate), are also prohibited. If Parallel Bids are received, the Bid submitted by the Bidder who is not a manufacture (or its affiliate) will be automatically disqualified, and the Company will be entitled to see the bidding manufacture (or affiliate) as bound directly by the lowest price quote of all other Parallel Bidders
3. Bidders must attach to their Bids all documents proving fulfillment of the above preliminary conditions, as specified in the Tender Documents.
4. Bids must be placed in the Company's tender box, at the Company's offices at 3 Hasadnaot Street, Herzeliya Industrial Zone 46120, ISRAEL, by no later than **24 December 2019** (the "**Submission Deadline**").
5. Bidders may submit separate proposed lead times for each of the two groups of Goods. For purposes of bid comparison, the two groups will be considered separately; however, the Company has discretion to split Bids amongst various items or groupings of items as it sees fit. Bidders may stipulate a surcharge to be applied in the case their Bid is split; if the Company elects to split bids, then the price after accounting for the surcharge will be the quote considered.
6. The award of contract will be determined by a formula described in detail in the Tender Documents, with 70% weight given to the competitiveness of the price quote as compared to the lowest price quote of a qualifying Bid for each of the two groups, and 30% weight given to a factor derived from the lead time stipulated for each group. Prices must be quoted inclusive of all tax and expenses.



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7. An estimate to evaluate the competitiveness of Bids will be made prior to their inspection. The Company reserves the right to disqualify any Bid whose price quote differs significantly from such estimate. Further conditions under which bids may be disqualified and/or requalified are detailed in the Tender Documents.
8. The Tender Documents are available on the Company's website (www.pei.co.il). Potential Bidders are advised to register at the Company's website in order to receive updates, announcements, clarifications etc. regarding the Tender. Registration is the Bidders' sole responsibility, and all notices, updates, amendments and/or clarifications made available to registered Bidders shall be deemed received by all Bidders upon such publication.
9. Bidders may not modify the Tender Document, or make any reservations in their bids. Any Bidder who finds ambiguities, discrepancies or inconsistencies in or between the various Tender Documents or provisions thereof, or any bidder who wishes to suggest an amendment to the Tender Documents, may address the Company with a written request submitted by email no later than 5 December 2019. The Company is not under obligation to respond to any such request or suggestion. The Company may publish responses and/or amendments by making them available to registered Bidders in the manner described above.
10. For inquiries: Mrs. Talmor Sela : purchasebid@pei.co.il +972-9-9528614