



October 27, 2020

**Request for Proposals ("RFP") no. 20/264**

**For the Removal of Sludge from Crude Oil Storage Tanks no. 44, 45**

**Clarifications**

The following is a response to clarification requests received with relation to the RFP. This document forms an integral part of the Tender Documents.

Requests by prospective Bidders for additional details or amendment of Tender conditions, that are not listed below, have been denied.

Capitalized terms shall have the meaning ascribed to them in the Tender Documents.

**Part 1 - Instruction for Bidders**

**1** Q- Section 1.7 - According to this section, the work must start in the beginning of December, and the Company may disqualify the Bidder that hasn't proved that it can meet such timetable. Please clarify how the Bidder should prove that it can meet the timetable.

A. The Bidder should provide details about where its equipment is now located and if currently being used - when it expects the current work to be completed and when the equipment will be ready for work on PEI's tanks no. 44 and 45. PEI may ask for clarifications if needed.

**2** Q- Section 5.2 - Since the work on the first Tank is required to start on the beginning of December, and due to the Corona plague that might prevent travelling to Israel and from Israel, please confirm that the Bidder must prove that all the Workers and Engineers that will be employed by the Bidder (and every sub-contractor), in connection with the work - are also located in Israel.

A- Request denied.

**3** Q- Section 5.2 - Since the location of the equipment does not prove that it can be used immediately by the Bidder, please





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confirm the Bidder must prove that he is the owner of the equipment and that the equipment is in his possession, and that it is free and ready to be used for the works included in the RFP.

A- See answer to question 1.

4. Q- Section 5.2 – please delete this preliminary condition and replace it with an undertaking by the Bidder that the equipment will arrive in Israel before the set date for commencement of the Works.

A – Request denied. The Works are urgent due to an order issued by the Ministry of Environmental Protection and must begin very shortly after the Contract is signed by the parties.

5. Q- Section 6.1 - As the work involves the transferring of the waste removed from the Tanks, and the transfer of waste requires a permit (רישיון מוביל) - Please confirm that the Bidder must show that he possesses a permit for the transfer of sludge (in the Bidder's name or one of its subcontractors).

A- Request denied. Such permit can be obtained by the winning Bidder.

6. Q - The following clarification requests were submitted regarding email submission of the bids:

- (a) According to the Tender Regulations, submitting a bid electronically is only possible if the electronic system is a system that is secure and includes an authentication – both for the bidder and for the workers that can access the system. According to regulation 19c(1)(1) an electronic Bid can be submitted by a Bidder only after an authentication process (a process defined in regulation 1 - connection to the system in a manner that ensure that a certain person connected to the system). In our opinion sending an e-mail does not seem to match this requirement.
- (b) Please confirm that the mail account mentioned in Section 12.5(b) stands in all the requirements set in the regulation, including the requirements included in section 19b and 19c of the regulations.





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- (c) Please explain how sending the e-mail to the account stands in the authentication requirements.
- (d) Also, please explain how does your system log all the actions and messages of the system.
- (e) According to regulation 19c(1)(2) accessing the Electronic Tender Account prior to the Deadline of the submission of Bids is not legal. The opening of the Electronic Tender Account is legal only after the Deadline of Submission of the Bids. The knowledge of the identification of the Bidders the submitting a Bid is valuable, and thus the Tender Box is not to be open prior to the Deadline. Please amend the above mentioned section, in a manner that it will be confirmed that the opening of the Electronic Tender Account will be allowed only after the Deadline of Submission of the Bids - as required by the Regulations.
- (f) In addition to the above - please confirm that the Designated Account will not be accessed by anyone, prior to the Deadline of Submission of the Bids - not even for sending a respond to the Bidders.

A – Section 19C of the Tender Regulations deals with an electronic tender, in which it is possible to conduct a bidding process online, and isn't applicable to email submissions of bids in a regular tender and therefore is irrelevant to this tender.

7. Q- Section 14 - According to this section the Company may ask for a clarification in writing or orally, and allow the bidder to amend its bid. Contacting the bidder orally (in conference call or any other way) for clarification is highly unusual. Please confirm that this will be done only in very unusual circumstances, and that the conversation with the bidder will be recorded.

A- There is no change to Section 14.

8. Q- Section 16.2.1 - Please confirm that any other method that the Candidate for Award may suggest is a method that comply with the Preliminary Tender Condition in Section 1.2 (Ex-Situ method) and Section 5.2 (requires that the equipment to be used is located in Israel as of the Deadline for Submission of Bids).

A. Confirmed.





9. Q- Section 16.6 - According to this section, the notification to the unsuccessful bidder is sent only after the execution of the contract with the winning bidder. Please confirm that the Company will notify the bidders of the selection of the Candidate for Award (section 16.1) and allow the bidders to request the information and documents of the decision and the Award bid, according to section 17.3.

A- Request denied, there is no change to section 16.6.

10. Q- Section 16.7 of the Instruction for Bidders, Part 1 of the RFP - According to this section, the Alternate Winner's Bid shall remain effective for an additional period of 12 months. Please confirm that the terms of the contract with the Alternate Winner will be negotiated, in order to take into consideration the time that passed and the partial work that has been done by the Winner.

A- If the Alternate Winner will be required to complete partial work on a tank performed by previous winner, the payment and schedule terms will be determined by PEI but subject to the consent of the Alternate Bidder.

## Part 2 - Bid Forms

11. Form 9 -

- 11.1 Q- According to this form, the bidder must state its estimation of how much crude oil (in CBM) it will need during the cleaning process for every 1000 CBM of sludge in the Tank. According to section 15 of Part 1 of the RFP, the Bid Price will be increased by 10% for every 100 CBM above 1,000 CBM of crude oil needed for the cleaning. Please confirm that if the winning bidder does not use all the crude oil stated in his bid - he will be entitled to receive from the company the excess as diesel oil for the final cleaning process.

A- Request denied.

- 11.2 Q- The form allows the Bidder to specify **different prices** for the 44 Tank and for the 45 Tank. As the nominal capacity of the Tanks is similar (according to page 9 of the SOW the nominal capacity of the Tanks is the same; there is a little difference according to the table in Form 9) and as the volume





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of sludge in both Tank (44 and 45) is roughly estimated by the Company at 1,500 CBM - Why should there be different prices to each Tank? Alternatively, Please clarify that the difference in the prices between the different Tanks must not exceed 10%.

A- The Tanks differ in the way the roof is connected. It is the Bidder's discretion if to price differently, however the alternative request is accepted - the difference between the bid price for each of the two Tanks may not be more than 10%. Bids with a greater difference between the bid price of the two Tanks will be disqualified.

The Contract (Part 3 of the RFP)

- 12.** Q - Section 24 - Performance Guarantee. Since the Bidder is required to comply with the preliminary requirements, such as experience and equipment in Israel, please lower the amount of the contract performance guarantee so that it doesn't exceed 500,000 NIS.

A – Request accepted. The sum of the contract performance guarantee shall be in the amount of USD 150,000 or EURO 125,000 or NIS 500,000.

- 13.** Q- Appendix E of the Contract - Insurance - Since the insurance company is Israeli, please publish a Hebrew version of Appendix E and Appendix E'1.

A- The winning Bidder may submit a Hebrew version of the appendix so long as it is fully compatible with the English version.

- 14.** .Q- Section 3(b) Appendix D of the Contract - As far as we know, the Company transfers the recovered crude oil to a tank which is used as a waste tank. Thus, there is no difference if the recovered crude oil's BS&W is 5%, 6% or higher. Even if the recovered crude oil is transferred to the another tank, which containing crude oil, the recovered crude oil is diluted. Please delete section 3(b) so that there will not be any penalty if the recovered crude oil contains more than 5% BS&W.

Alternatively - Please confirm that there will be no penalty if the BS&W test result for recovered crude oil is more than half of the BS&W test result of the sample taken before the start of the cleaning





process. For example, if the BS&W test result for initial Sludge was 15%, then will be no penalty if the recovered oil BS&W test shows 7.5% or less.

A- Both requests are denied.

15. Q- Section 12.4 of the Contract - According to this section, the period for completion the work on each Tank shall not exceed 40 days.
- a. Please increase the time period or at least clarify that the period is 40 **working** days.
  - b. Please clarify that the completion period does not include Stage cleaning to "gas free" status, including cleaning of pontoons, roof legs and roof exterior using manual cleaning).
  - c. Please clarify that Coronavirus Isolation Days will not be included in 2 (Final the completion period.
  - d. Also, please confirm that in case that the Work of the second Tank does start before February 2021 - The work commencement order will be coordinated with the Contractor.

A – All requests are denied.

### Scope of Work (SOW)

16. Q- Since the BS&W of the Sludge in the Tank is unknown, as the Tank is currently in use (the samples used for Appendix 2 are diluted, as the Tank is in use, and the Company takes no responsibility with relation with Appendix 2), please confirm that prior to issuing a Tank's Works Commencement Order in accordance with and as defined in Section 12.1, the Company and the Contractor shall take a sample of the Tank's Sludge to be tested for BS&W, on the Company's expense, and the crude oil amount that will be given to the Winning Bidder will be adjusted according to the results of the Sludge BS&W test: If the BS&W result is greater than 12%, the Winning Bidder will be entitled to receive more crude oil then in his Bid, up to 2,000 CBM for every 1000 CBM of sludge in the Tank.







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A- Request denied. Bidders should note that currently neither tanks are operational.

17. Q- Section 6 of the "General" part in page 2 of the SOW - According to this section, the waste will be stored in sealed containers in a unique site in the south of Israel. Please confirm the site entrance fee and/or dumping fee (היטל הטמנה) will be paid by The Company.

A- Confirmed, the Company will reimburse the Contractor for the site entrance fee and/or dumping fee (היטל הטמנה) that he paid.

18. Q- Section 7 of the "General" part in page 2 of the SOW - According to this section, the Company and the Contractor will weigh the recovered oil, the drainage water, the sludge cakes or any other residual. Please clarify how this would be performed for each of the material.

A- The Section is amended so that only the sludge cakes will be weighed.

Bidders must submit a signed copy of this document together with the copies of the Tender Documents submitted with the Bid.

Best regards,

Adv, Maya Ben Dor

Purchasing Dpt

