

July 21, 2016

Tender No. 027/16 (the "Tender")
Pre-Qualification Stage + Invitation to Submit Bids
for the purchase of 63 Kilometers of 12" pipes

Clarification #2

The following is a response to clarification requests received until July 20th 2017 with relation of the Tender. This document forms an integral part of the Tender Documents.

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

The Deadline for submission of clarification questions in the Pre-Qualification stage is extended to 4.8.16. The Deadline for submission of Applications is extended respectively, to 21.8.16. No further change in the Tender deadlines shall apply.

1. **Pre-Qualification Stage + Invitation to Submit Bids Document:**

1.1 **Section 1.5:**

Q: Please clarify what commercial activities may be considered as complying with the terms of the Mandatory Tender Regulations (Mandatory Industrial Commercial Cooperation) 2007.

A: A clarification PEI received from the ICA indicates that only Local Subcontracting at the rate of 20% of the transaction value (or Bid Price) shall be considered as complying with the requirement of commercial cooperation.

The term "Local Subcontracting" is defined as "*the execution of contract/s to purchase Israeli Made Goods (as such term is defined under the Regulations), or to procure Work in Israel (as such term is defined under the Regulations), for the purpose of fulfilling, in whole or in part, the primary Contract, which is the subject matter of the Tender*" i.e, only Local Subcontracting that is linked directly to the subject matter of the Tender shall be considered applicable by the ICA.

Q: Is a "Foreign Supplier" required to engaged in Local Subcontracting regardless of its Bid Price?

A: No, only Bidders that their Bids exceed \$5,000,000 are required to engage in Local Subcontracting at the rate of 20% of the Bid Price, should they be declared winning Bidder. Appendixes H and I should be submitted in any case as part of the Application.



1.2 **Section 6.1.3:**

Q: Please clarify whether an Applicant that supplied pipes complying with the terms of this Pre-Condition to suppliers/contractors and not to end-users will be considered as complying with this Pre-Condition.

A: Yes, subject to evidence regarding compliance with this Section 6.1.3, i.e – that the pipes were actually supplied by such suppliers/contractors to the applicable end-user industries (oil and/or gas and/or petrochemical). Such Applicants shall fill out form 6.1.3 of Appendix B following their inquiry regarding the end users to which the pipes were actually supplied.

1.3 **Section 6.2.2.1:**

Q: Is the payment of NIS 20,000 or \$5,000 or €4,000 considered an advance payment?

A: No, this is participation fee for participating in the Tender. The participation fee shall not be returned to Applicants.

1.4 **Section 7.2.2:**

Q: Could the Bank Guarantee be issued by a foreign bank?

A: Yes, as long as it strictly complies with the terms of Section 7.2.2 in their entirety.

2. Q: What are the required terms of supply? DAP/DDP/CIF?

A: DDP. The Bid Price shall include transportation and unloading of the Goods in the Company's site, as clearly stated in Section 4.6 of the Pre-Qualification Stage + Invitation to Submit Bids Document and Section 5 of the Agreement.

3. Q: should the Pipe be of a 12 3/4 " diameter as stated in a single place in the Technical Specifications document, or a 12" diameter, as stated throughout the Tender Documents?

A: A 12" diameter is required.

4. **Appendix C - Technical Specifications:**

The Company received several general clarification questions/remarks regarding the Technical Specifications.

The Company clarifies that no changes shall be made to the Technical Specifications on the basis of the clarification questions received. Compliance with the Technical Specifications in their entirety constitutes a Preliminary Condition for participation in the Pre-Qualification stage, as clearly stated in Section 6.1.1 of the Preliminary Conditions.

Should a potential Applicant require a specific change in the Technical Specifications, such potential Applicant is urged to submit such request and include the suggested change in detail, and the Company will consider such requested change and notify all potential Applicants of its decision.

5. **Appendix G - Insurance:**

5.1 Section D "Marine Insurance"

Q: Please as the following wording: "Coverage shall be extended to include storage intermediate in Israel until final delivery (including unloading) to the Company and the Company shall be named as a loss payee"

A: Accepted.

5.2 Section 4

Q: Please add the following wording: "The Supplier exempts the Company and any party acting on behalf of the Company from liability for any loss or damage to the Supplier's property"

A: Accepted

6. **Appendix G1 – Certificate of Insurance:**

6.1 Section E Marine Insurance:

Q: Please add the word "intermediate" so that the section will be read: "... shall be extended to include intermediate storage in Israel..."

A: Accepted

6.2 Section 6 General Terms:

Q: Please add the following wording at the end of the Section: "... stated above, But for Cargo cover, Institute Cargo Clauses".

A: Accepted

Requests by prospective Applicants for additional details or amendment of Tender conditions, that are not listed above, are rejected.

Prospective Applicants are reminded that additional requests for clarifications and/or amendments may be submitted to the Company by August 4th, 2016.

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

Regards,

Talmor Sela
Purchasing Department