



Petroleum & Energy Infrastructures Ltd.
Oil Products Pipeline Ltd.

Finance Division - Procurement & Engagements Department

May 13, 2019

Ref.: 216272

To: All Tender Participants

Dear Sir / Madam,

Re: Public Tender No. 023-19 (the "Tender") – Clarifications and Updates #2

This notice includes certain clarifications and updates regarding the Tender. Any term herein which is defined in the Tender Documents has the meaning ascribed to such term therein, unless and to the extent otherwise defined herein.

Modifications to the Tender

After consideration of circumstances including feedback received from some bidders, **the Company has approved the following modifications to the Tender**. Please note that these modifications include the full details regarding the new submission deadline as well as the revised form of Bank Guarantee.

1. **Extension of submission deadline**. As previously publicized, the Company has decided to extend the submission deadline to Tuesday, May 21st 2019 (the "**Extended Deadline**"). Accordingly, the Company will henceforth regard references to the Submission Deadline in: Sections 3.1, 16.3, 16.7, 16.8, 16.9, and 16.12 of the Invitation to submit bids; Section 7 of Annex A; Section 8 of Annex B; and Section 10.3 of Annex H; as if each such reference referred to the Extended Deadline aforementioned. This means, *inter alia*:
 - 1.1. Bids received in the tender box at the Company's offices at HaSadna'ot 3, Herzliya 4672830, ISRAEL, **by no later than May 21, 2019** will be considered as bids submitted before the Submission Deadline; and
 - 1.2. All bids will remain valid and irrevocable for **90 days** following the **Extended Deadline** (i.e. until and including the entire day of **August 19, 2019**). Accordingly, bids may be withdrawn at any time on or after August 20, 2019, without further penalty.
2. **Revised form of Bank Guarantee**. As previously publicized, the form required for the Bank Guarantee is modified, as follows:
 - 2.1. Section 4 of the Invitation to submit bids shall be considered by the Company as if amended to include an additional Section 4.1.10, as follows:





Petroleum & Energy Infrastructures Ltd.
Oil Products Pipeline Ltd.

Finance Division - Procurement & Engagements Department

4.1.10 *the guarantee may allow for the issuing banking corporation to provide that its actual payment can be made at any time within fifteen (15) days of receiving the Company's written demand for payment.*

- 2.2. Accordingly, Exhibit C to Annex H [at end of small letter (a)], and Annex K [second paragraph, after the word "Contract"] shall be considered as with the following phrase inserted therein: *"provided that our actual payment to You may be made at any time within fifteen (15) days of our receipt of Your written demand for payment."*
- 2.3. Pursuant to the above, we have attached for your convenience revised versions of Exhibit C to Annex H and Annex K (respectively, the **"Revised Versions"**). The Company will consider bank guarantees conforming in all material respects to the suggested form of the Revised Versions to be of a complying form for purposes of the (respective) requirements of Section 4.1 of the Invitation to submit bids and Section 10.2 of Annex H.
- 2.4. As per the terms of the Tender, we do not require a specific form for the Bank Guarantee, *provided that* our tender committee is satisfied that ***all*** requirements of Section 4.1 (as amended above) have been met. The Revised Version of a form of bank guarantee which may be submitted with a bid (Annex K) is provided for the convenience of the bidders.
- 2.5. Bidders are reminded that the Bank Guarantee must be an autonomous bank guarantee issued by a banking corporation regulated and licensed under Israeli law, or by the banking authority of the bidder's home jurisdiction.
- 2.6. Please see further clarification regarding the Bank Guarantee in the Company's answers to Question Nos. 5 and 7 below, incorporated by reference herein.
3. Waiver of certain documentation for Israeli bidders. Concerning Israeli bidders, the requirement to submit documentation as provided in Section 4.5 of the Invitation to submit bids is waived. Notwithstanding the above, the Company reserves the right to require Israeli bidders to demonstrate their compliance with all relevant Israeli laws and/or regulations, upon Company's first request. It is clarified that the documentation requirements for Israeli bidders described in Section 4.2 (approval pursuant to the Public Bodies Transactions Law) and Section 4.7.4 (Annex J, completed and executed), remain as before.

Clarifications

The Company has received certain requests for clarification regarding the Tender, in accordance with Section 5.1 thereof, provided below (the **"Questions"**). Next to each Question is the Company's answer, which shall be considered by the Company to as authoritative.





Petroleum & Energy Infrastructures Ltd.
Oil Products Pipeline Ltd.

Finance Division - Procurement & Engagements Department

	<u>Question</u>	<u>Answer</u>
1	Item #1 – please clarify if manual or with electric actuator	Item #1 – P/N 24038 –this item is slab gate valve, equipped with rotork actuator
2	Item #7 – Globe valve – please send details of work pressure and flow rate	Valve diameter is 4", flow rate 250-330 m ³ /h, (at 50% open flow rate 250 m ³ /h, pressure up stream 63 bar, pressure down stream 44 bar, at 100% open flow rate 300 m ³ /h, pressure up stream 75 bar, pressure down stream 66 bar
3	The method of delivery is expressed as DDP only. We would appreciate approval of EX-WORKS supply terms.	This Tender is under DDP supply terms only.
4	We would appreciate an approval of an extension for the submission of bids and clarifications.	The submission deadline has been extended, as described in paragraph 1 of the Modifications above.
5	<p>The guarantee required by the tender names both Petroleum and Energy Infrastructures Ltd. and Oil Products Pipeline Ltd. Since the bank in the Czech Republic which will be issuing the guarantee is not able to issue a guarantee for two separate companies, even with an "and/or" connector, we request your approval for one of the following options:</p> <p>1. a form of guarantee for the entire sum to the benefit of one company only (for example, PEI).</p> <p>2. two partial guarantees (50%-50% or any other division) such that each document is for the benefit of one company only, with the [aggregate] amount equivalent to the amount required under the tender.</p>	<p>The Bank Guarantee may be submitted either (1) for the benefit of both Petroleum and Energy Infrastructures Ltd. and Oil Products Pipeline Ltd., or (2) for the benefit of Petroleum and Energy Infrastructures Ltd. alone.</p> <p>Accordingly, a Bank Guarantee in the form of the Revised Version of <u>Annex K</u> (and/or an amendment in the form of the Revised Version of <u>Exhibit C</u> to <u>Annex H</u>, as the case may be) will be accepted if issued to the benefit of Petroleum and Energy Infrastructures Ltd. alone.</p> <p>Please see also paragraph 2 of the Modifications above, and the answer to Question No. 9 below.</p>
6	Please correct paragraph 8 of <u>Annex A</u> .	<p>Due to a technical error, certain references in the Tender Documents returned error messages in Hebrew. The correct references are as follows:</p> <p>a) Section 16.8 of the <u>Invitation</u> refers to Section 11 of <u>Annex H</u>;</p>





Petroleum & Energy Infrastructures Ltd.
Oil Products Pipeline Ltd.

Finance Division - Procurement & Engagements Department

		b) Paragraph 8 of <u>Annex A</u> refers to Section 10.2 of <u>Annex H</u> ; and c) Section 9.2 of <u>Annex H</u> refers to Section 16.5 of the <u>Invitation</u> .
7	Please clarify why there are two forms of bank guarantee in <u>Annex H</u> and <u>Annex K</u> .	Only one Bank Guarantee must be provided together with the bid, and that guarantee may be submitted in the form of <u>Annex K</u> (see Revised Version attached). The form of <u>Exhibit C</u> to <u>Annex H</u> (Revised Version) may be used by a <i>winning bidder</i> when <i>extending</i> the validity of its Bank Guarantee, as provided in Section 10.2 of the Contract.
8	Please clarify if the quantities which may be ordered in the Option Period could be in the amount of one unit.	The items and/or quantities which may be ordered in exercise of the Option are not known at this stage. However, the Company currently contemplates that the quantities specified in the Bill of Quantities will be sufficient to fulfill its forecasted need for orders of Goods within the Option Period.

Thank you for your continued interest in the Tender; we look forward to receiving your bids.

Sincerely,

Talmor Sela

Procurement and Engagements Department

Attached: (1) Exhibit C to Annex H, **Revised Version**;
(2) Annex K, **Revised Version**.





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Oil Products Pipeline Ltd.

Finance Division - Procurement & Engagements Department

Forms of Bank Guarantees: Revised Versions

Annex H: the Contract; Exhibit C: Form of Amendment of Bank Guarantee

[Date]

To: 1. Petroleum and Energy Infrastructures Ltd.

2. Oil Products Pipeline Ltd. (hereinafter: “You”)

Re: Amendment of Guarantee Ref No. _____ (the “Guarantee”)

Dear Sirs,

We are instructed by __[name of Supplier]__ having registered office at __[Supplier's address]__, __[Supplier's jurisdiction]__ (“Applicant”), that said Applicant has entered with You a contract for the supply of certain goods as described therein known as Contract No. 023-19 (the “Contract”), pursuant to a winning bid submitted in Your tender known as Public Tender No. 023-19 (the “Tender”), to which bid submission our Guarantee was attached. The Applicant informs us that according to the terms of the Contract, the Applicant must cause the Guarantee to be amended as described therein.

That being stated, we hereby amend the Guarantee to include the following paragraph:

Notwithstanding anything to the contrary, this Guarantee shall not expire before the later of (a) the date of actual supply of all Goods and (b) the date of confirmation of payment in full by either Petroleum and Energy Infrastructures Ltd. or Oil Products Pipeline Ltd. (the “Company”) for all Goods, each as evidenced by documentation issued by the Company for the purpose of demonstrating the occurrence of such events.

Consequently, the Guarantee shall under all circumstances remain valid until we received documents issued by you evidencing that both of the events described above have occurred.

Without derogating from any other provisions of the original Guarantee, we reiterate the following:

- (a) We irrevocably undertake to pay to You any sum or sums up to the maximum amount of [select one: { 100,000 New Israeli Shekels }/{ 25,000 Euro }/{ 27,000 U.S. Dollars }], upon receipt of Your first demand stating merely that the amount claimed is due to You from the Applicant by reason of the Applicant's obligation arising from or in connection with the Tender or the Contract, *provided that* our actual payment to You may be made at any time within fifteen (15) days of our receipt of Your written demand for payment.
- (b) A complying presentation will require no additional documentation, and may be submitted in hard copy to [address for presentation or] our address provided above.
- (c) The Guarantee is governed by and subject to the Uniform Rules for Demand Guarantee (URDG), 2010 Revision, ICC Publication No. 758 (the “URDG”). The supporting statement under Article 15(a) of the URDG is excluded.

Yours faithfully,

[printed name, stamp and signature of bank]





Petroleum & Energy Infrastructures Ltd.
Oil Products Pipeline Ltd.

Finance Division - Procurement & Engagements Department

Annex K: Form of Bank Guarantee

[Date]

To: 1. Petroleum and Energy Infrastructures Ltd.
2. Oil Products Pipeline Ltd. (hereinafter: “You”)

Re: Guarantee Ref No. _____ (this “Guarantee”)

Dear Sirs,

We are instructed by __[name of bidder]__ having registered office at __[bidder's address]__, __[bidder's jurisdiction]__ (“**Applicant**”), that said Applicant is interested in participating as a bidder in Your tender known as Public Tender No.023-19, for the supply of certain goods as described therein (the “**Tender**”), including certain terms of contract for the supply of such goods by the winning bidder, which shall obligate the Applicant if and to the extent its bid is chosen, known as Contract No. 023-19 (the “**Contract**”). The Applicant informs us that according to the terms of the Tender, a qualifying bid must be accompanied by a guarantee which meets certain conditions, and which shall apply to the underlying relationship described in the Tender and the Contract.

That being stated, we, __[name of bank and branch]__, a bank registered with and supervised by __[name of banking authority]__ with offices at __[address]__, __[jurisdiction]__, hereby irrevocably undertake to pay to You any sum or sums up to the maximum amount of [select one: {100,000 New Israeli Shekels}/{25,000 Euro}/{27,000 U.S. Dollars}] upon receipt of Your first demand stating merely that the amount claimed is due to You from the Applicant by reason of the Applicant's obligation arising from or in connection with the Tender or the Contract, *provided that* our actual payment to You may be made at any time within fifteen (15) days of our receipt of Your written demand for payment. A complying presentation will require no additional documentation, and may be submitted in hard copy to [address for presentation or] our address provided above.

We affirm that we are a banking corporation regulated by the banking authority of __[bidder's jurisdiction]__, and possess the authorizations and licenses necessary to operate as a bank in such jurisdiction.

This Guarantee shall be valid until September 30, 2019 (the “**Expiry Date**”), and shall automatically expire and be of no further effect if Your written demand for payment is not received at the address aforementioned on or before the Expiry Date.

This Guarantee is governed by and subject to the Uniform Rules for Demand Guarantee (URDG), 2010 Revision, ICC Publication No. 758 (the “**URDG**”). The supporting statement under Article 15(a) of the URDG is excluded.

Yours faithfully,

[printed name, stamp and signature of bank]

