



Petroleum & Energy Infrastructures Ltd.  
Oil Products Pipeline Ltd.

Finance Division - Procurement & Engagements Department

May 5, 2019

Ref.: #216408-v1

To: All Tender Participants

Dear Sir / Madam,

**Re: Public Tender No. 020-19 (the "Tender") – Clarifications and Updates #2**

Following the clarifications and updates regarding the Tender entitled "Clarifications and Updates #1" bearing Ref. no. 215982 ("**Update #1**"), and in light of feedback received from some bidders, **the Company has made a clarification regarding the Bank Guarantee, and has approved the following modifications to 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**

1. Due to amendment to the Bill of Quantities as described in Update #1, the submission deadline has been extended to Sunday, May 12<sup>th</sup>, 10 o'clock am Israel time (the "**Extended Deadline**"). Accordingly, the Company will henceforth regard references to the Submission Deadline in: Sections 3.1, 16.3 (as revised by Update #1), 16.7, 16.8, 16.9, and 16.12 of the Invitation to submit bids; Section 7 of Annex A (as revised by Update #1); 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 12, 2019 at 10:00 am Israel time** will be considered as bids submitted before the Submission Deadline; and
2. All bids will remain valid and irrevocable for **30 days** following the **Extended Deadline** (i.e. until and including the entire day of **June 11, 2019**). Accordingly, bids may be withdrawn at any time on or after June 12, 2019, without further penalty.
3. 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:

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.*
4. Accordingly, Annex H Exhibit C [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.*"





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5. Pursuant to paragraphs 2 and 3 above, we have attached for your convenience revised versions of Annex H Exhibit C 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.

### Clarification

**Question:** Why are there two forms of guarantee?

**Answer:** Each bidder must submit together with its bid an autonomous bank guarantee conforming to the requirements of Section 4.1 of the Invitation to submit bids (the “**Bank Guarantee**”). **Bidders are advised of the importance of submitting a guarantee which complies with all of the requirements described in Section 4.1 as aforementioned.**

We do not require a specific form for the Bank Guarantee, so long as our tender committee is satisfied that **all** requirements of Section 4.1 have been met. For convenience of the bidders, the Tender Documents include Annex K as a sample form of the Bank Guarantee. Bidders are advised that the requirements of the Bank Guarantee and the form of Annex K have been modified by Modification Nos. 4 and 5 above; **a Revised Version of Annex K is attached hereto.**

The Bank Guarantee applies to the terms of the Tender as well as the Contract (for a winning bidder). It must be valid at least until September 30, 2019.

In addition, a winning bidder (a “**Supplier**”) is required to cause the bank issuing the Bank Guarantee to extend the Bank Guarantee’s validity as described in Section 10.2 of Annex H (the Contract). Here again, we do not require a specific form, so long as our tender committee is satisfied that the amended Bank Guarantee shall not expire before the later of (a) the date of actual delivery of the Goods as described in Section 8 of the Contract; and (b) the date of confirmation of the payment for the Goods in full by the Company; each of the above as evidenced by documents issued by the Company. For convenience of the bidders, the Contract includes Exhibit C of Annex H (“**Exhibit C**”) as a sample amendment to extend the validity of the Bank Guarantee. Bidders are advised that the requirements of Section 10.2 of the Contract and the form of Exhibit C have been modified by Modifications Nos. 4 and 5 above; **a Revised Version of Exhibit C is attached hereto.**

This means that each bidder’s initial Bank Guarantee is and will remain in force regarding all terms of the Tender and the Contract, but may expire by September 30, 2019; a winning bidder will become a Supplier and will be required, under the Contract, to amend the





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validity of its Bank Guarantee by extending its validity in the manner described by Exhibit C.

In practice, once the Company is satisfied that the Goods have been delivered as per the Contract's terms and payment has been made in full, the Company will provide the Supplier with the appropriate documentation. The Supplier may then provide such documentation to its bank, in order to demonstrate that the Bank Guarantee has expired.

**Concluding Remarks**

*For sake of further clarity, the Bank Guarantee to be submitted with your bid should be in the form of Annex K (Revised Version) **attached hereto**, or under other substantially similar terms as described in Section 4.1 of the Invitation. The Revised Version of Exhibit C is **not** an additional form of guarantee, but is rather a form which may be used by a winning bidder to **amend** the expiry date of its original Bank Guarantee, as required in the Contract.*

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 of Annex H, **Revised Version**;  
(2) Annex K, **Revised Version**.





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## 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. 020-19 (the “Contract”), pursuant to a winning bid submitted in Your tender known as Public Tender No. 020-19 (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 the Goods and (b) the date of confirmation of payment for the Goods in full by either Petroleum and Energy Infrastructures Ltd. or Oil Products Pipeline Ltd. (the “Company”), each as evidenced by documents issued by the Company.*

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]





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### 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.020-19, 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. 020-19 (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]

