



Wednesday, December 1, 2016

Re: **Request for Proposals For The Provision Of Consultation Services For Electricity Trading and Various Grid Aspects.**

On behalf of the Authority Electricity (Hereinafter: "**The Contracting Authority**" or "the PUA"), I hereby request bids for the provision of consultation services on electricity trade, and various grid aspects, as follows:

1. **Background**

Israel Electric Corporation (Hereinafter: "IEC") is a governmental owned, vertically integrated monopoly. Until early 2013, 98% of total energy consumed by electricity consumers, has been manufactured by IEC. Since early 2013 new large and small Independent Power Producers (Hereinafter: "IPPs") introduced to the electricity market, reducing IEC's market share in the production segment to 75%. This course is due to continue until IPP's will produce about 40% of the annual national energy required.

Each IPP can sell energy directly to the grid, or through a bilateral contract to large private consumers. Electricity and financial transactions are inspected and monitored by System Operator which is in charge of the electricity market. It should be noted that the System Operator is currently a unit within IEC and not an independent entity as it is the case in countries which went through the process of electricity market reform.

Currently Israel's total energy production is about 60TWH produced from Installed capacity of about 16,000 MW. Peak load demand reached a level of 12,800MW in 2015 summer. There are 2.5 million consumers and the growth demand rate is about 2.5% annually. Israeli grid is an "Electricity Island" meaning no back up, is available from surrounding countries.

Since the Israeli electricity market is not competitive yet, but rather in an early stage of opening to market competition via introduction of new IPP's, most of the costs of produced electricity (by IEC and IPP's) are defined by the PUA either ex ante or ex post.

For the purpose of examining the recognized variable costs for IEC, for purchasing energy from private producers (IPPs) under the "PPA's

P.O.Box 1296, Jerusalem,  
91012

972-2-6217122

info@pua.gov.il   
 Http://www.pua.gov.il

ת.ד 1296 ירושלים, 91012

6217111-2-972

commitments to buy electricity", as well as opening the Israeli electricity sector to trading, the contracting authority desires to contract with an international consultant expert on electricity trading and various grid aspects. The consultant should have strong professional and academic background on electricity trading which should assist PUA in establishing best available practices on topics mentioned above.

Market changes, with constrains as described above, introduce significant challenges to the regulator during electricity market reform. Transforming the market from physical production loading to economical loading require the use of various methods for organizing electricity trade which among others included but not limited to, determination of market rules for producers and suppliers, system marginal price calculations, implementation of a two-settlement method, setting the retail tariff for default suppliers in a restructured market, etc. In addition, Introduction of vast Renewable Energy Resource, and Distributed Generation of all kinds, is raising significant challenges in terms of grid variability and cost recovery of investments made by IEC to accommodate such energy resources. Hence, the Contracting Authority is seeking to engage with an expert who's actual experience and academic background is in the above mentioned fields and which is well familiarized and competent with various electricity trading methods used internationally.

Timeline

Activity	Date
Tender publication	Thursday, December 01, 2016
Last day of questions submission to PUA	Thursday, December 08, 2016
Last day of proposal submission	Sunday, December 25, 2016- until 12:00PM

**2. Details of the Requested Work**

The Consultant will be required to draft a professional report encompasses the following issues:

- A. Methodology for the calculation of the system marginal price in the Israeli electricity system including recommendations for an implementation of a two-settlement method for managing generation and demand deviations.

- B. Recommendations for a methodology of setting the retail tariff for default suppliers in a restructured market.
- C. Smart metering deployment – Pilot justification and overall deployment of smart metering in order to provide consumers and producers with better efficiency and trading options.
- D. Distribution Management System – Analyzing the existing system used by IEC and future plan to procure new system.
- E. Recommendations for fixed charge and energy charge in the transmission and distribution grid.
- F. Recommendations of investments incentives embedded in the transmission and distribution tariff.

(Hereinafter: "**The Report**" or "**The professional Report**"),

The professional report, shall be submitted by the winning bidder in 6 chapters, each of which shall be drafted based on a timetable provided by the PUA team. Each chapter of the report shall be drafted based on the consultant's professional experience, international Best Available Practices (BAP) and should rely on academic foundations, as needed, including any required references. Each drafted chapter shall include the following sections:

- A. An abstract.
- B. An Introduction
- C. Data Analysis and processes.
- D. Proposed regulatory interventions including expected impact of measures on competition, market trade and on the electricity grid.
- E. International References including samples of market failures or market crises related to the analyzed subject.
- F. Academic References supporting proposed intervention.
- G. Conclusions
- H. Roadmap if necessary.

The final drafted report shall include all the chapters mentioned above. The PUA professional team shall determine submission timetable for each chapter. On regular bases, each chapter of the report shall be given two months for completion. In special cases, and upon request from PUA team, a single chapter shall be submitted by the winning bidder, in no less than one month, for any chapter report.

For the avoidance of any doubt, the chapters will be submitted according to the PUA professional team guidelines and not necessarily in the order in which it is listed in paragraph 2 above. The sequence of the required drafted chapters will be provided by the PUA professional team. All of the aforesaid in the above paragraphs shall take into account the regulation of the energy market in Israel, and the fact that all of the costs of all players, including IEC and IPPs are controlled and determined by the regulator, on the basis of normative costs and tariffs.

#### 2.1 **Arrival to Israel**

The winning bidder undertakes to come to Israel, at the request of the PUA, once a year, for a period not exceeding five business days (Monday till Thursday), for the purpose of presenting the complete report or any section of it to the professional staff at the PUA, the member of the PUA board or other bodies in the State of Israel.

#### 3. **Manner of Performance of the Services and Timetables**

- A. The work shall be carried out by the successful Bidder, who shall be selected by the Contracting Authority to perform the services (hereinafter: "**The Successful Bidder**"), with the accompaniment and guidance of the PUA Director of Electricity and Regulation Division (hereinafter: "DERD") and/or a person appointed by him.
- B. The work plan, the contents of the work, the distribution of the work and the allocation of inputs, required from the Successful Bidder, as well as the timetables, shall be approved by the PUA DERD or by a person acting on his behalf, and shall be coordinated with the Successful Bidder.
- C. The work shall be carried out at the offices of the Successful Bidder. However, the Contracting Authority may invite the Successful Bidder to Israel to present specific works to the contracting authority staff as mentioned at the section 2.1 above.

#### 4. **Terms of the Provision of the Services by the Successful Bidder**

- A. The services shall be provided only by the Successful Bidder personally, as per the needs of the Contracting Authority and to its satisfaction. The Successful Bidder, may not transfer or assign their

rights under this bid, in whole or in part, to a third party, unless with the prior written consent of the Contracting Authority or of any person acting on its behalf.

- B. The timetables shall be approved by the Contracting Authority, and they shall be coordinated with the Successful Bidder.
- C. The Successful Bidder shall provide the services with expertise, professionalism and skills, in accordance with the professional standards and the accepted rules of professional ethics.
- D. It is hereby clarified that any material and information collected by the Successful Bidder in the course of his work shall be placed at the disposal of the Contracting Authority, unconditionally.
- E. The Successful Bidder shall begin to provide the services on the date of the signing of the contractual agreement by the parties.
- F. The Successful Bidder is required to be available at any time during the time of the contract for questions, clarifications and requests by phone, mail and alike.
- G. **To bidder's attention:** The PUA is interested in receiving services as mentioned above. Without limiting the generality of the foregoing, and for the avoidance of any doubt, it is clarified that the PUA does not guarantee a minimum scope of the bidder services, reviews, reports, sections of the reports or opinions. The PUA, can at its sole discretion and according to actual needs, to require services for all or for part of the tender. In addition the Authority may terminate the agreement by giving 30 days notice in advance. The winning bidder will not be eligible to any demand or claim related to the scope of the tender services nor to any demand or claim to any interruption or termination made by the PUA to any part of the services at any time. The winning bidder will not be entitled to any payment and/or any compensation, beyond the payment for the provision of the services required by the PUA and provided in practice until the end of the contract.

## 5. Scope and Duration of the Contract

- A. The period of the contract is one year, starting from the date of the signing of the contract agreement by the parties (hereinafter: "**the Period of the Contract**").

---

P.O.Box 1296, Jerusalem,

91012

☎ 972-2-6217122 ☎



✉ info@pua.gov.il ✉

🌐 Http:// www.pua.gov.il



ת.ד 1296 ירושלים, 91012

☎ 6217111-2-972 ☎

**B. The Contracting Authority reserves the right to extend the contract for an additional period of up to 1 more year, in the same terms of this agreement.**

C. The Contracting Authority may terminate the contract 10 days after prior written notice, for any reason whatsoever, and as per its sole discretion. Should the PUA stop the agreement as mentioned above, PUA will pay to the successful bidder only for the services commissioned and accepted in practice, until the date of termination stated in the agreement. The winning bidder shall not have any claim or demand in relation to the provisions under this section.

**6. The Consideration of the Contract/ The bid**

A. **Bidders in this procedure shall submit a global and uniform price quotation in the currency of USD.** The price quotation shall be for the **professional report**. Such price quotation shall include all of the components of the provision of the services, Including all 6 chapters mentioned above, **and shall not exceed a global price of 60,000 USD.** The bid shall be submitted on the tender Annex A.

B. It should be clarified that with the exception of the payment of the consideration specified in the winning price quotation, the Successful Bidder shall not be entitled to any payment or other benefits for the services, including expenses such as telephone charges, mail, photocopies, printing, fax, board and lodging, flight expenses and the visit to Israel, including accommodation and any other expenses, as stated in section 2 above, etc.

C. **Price quotations shall be submitted, in a separate and closed envelope titled: "Envelope No. 2", with no identification mark, with the words" envelope No. 2 - Price quotation under the Request for Proposals for Provision of Consultation Services On Electricity Trading and Various Grid Aspects" written on the envelope.**

D. The consideration will be paid after submission of each written section of the report, as mentioned in section 2 and according to the labor requirements of this tender, to the full satisfaction of the DERD. The winning bidder undertakes to make corrections to the section of the report, as long as it is necessary until final approval by the DERD, at no additional cost.

## 7. Threshold Conditions

As a threshold condition for the submission of a bid, the Bidder must stand in all the following conditions:

- A. The bidder administers its accounting records in accordance with the law, or it is exempt from such administration, and that it customarily reports regarding its income and that it reports all taxable transactions in accordance with the State's tax laws.

*For proof of this threshold conditions, the bidder shall attach a certification of a licensed clerk, accountant or tax advisor, which attests the requested above.*

- B. Absence of convictions against the Bidder and the controlling party.

*For proof of this threshold condition, the bidder shall attach affidavit, signed before an attorney.*

- C. The Bidder nor any Interested Party therein are not residents or have nationality of Syria, Lebanon, Iran, Iraq and any other country which may be added to this list by the government of Israel from time to time ("Hostile State").

*For proof of this threshold condition, the bidder shall attach affidavit, signed before an attorney.*

- D. The Bidder's himself or the proposed expert on his behalf (hereinafter: "**The Bidder's proposed expert**" or "**consultant**"), has personal relevant extensive international experience of at least 5 years, which shall amount to total of at least 6,000 hours of consultation work, in no less than 2 countries, in the fields of electricity trading markets, and electricity regulation, relevant to the actual work requirements, during the past five years.

*For proof of this threshold condition, the bidder shall attach the following:*

- The bidder proposed expert must submit two professional reports, as an example, for work it carried out related to electricity market trading, market monitoring and grid cost recovery aspects. The report should be in a form as close*

*as possible to the structure mentioned in paragraph (2) above.*

2. *The Bidder proposed expert shall attach to its bid a list of relevant works it has carried out, Countries in which it carried out the work, the hours spent on the work ,the names of the clients for whom it carried out such works and the years in which they were carried out, the content of the works and any other detail that may assist in evaluating the relevant experience of the bidder.*

- E. The bidder proposed expert must hold at least a master's degree in the field of economics or engineering.

*For proof of this threshold condition, the bidder shall attach education diplomas from high education institution.*

- F. The Bidder's proposed expert must have personal academic experience on various regulatory aspects related to electricity trade and market monitoring, tariff structure, and cost recovery of electricity grid.

*For proof of such academic experience the bidder shall attach to its bid one short academic article published by the bidder in peer reviewed journal or a publication of professional book, proving such academic background.*

- G. The bidder submitted a full proposal as it is required by this tender document.

- H. The bidder has no conflict of interest as it is required in section 10 hereafter.

A bid submitted not in accordance with the provisions of this section shall be rejected outright. The Contracting Authority reserves the right to correct technical shortcomings in the bid, in order to adjust it to the requirements of the tender, or to request clarifications (but is not obligated to do so).

**8. Process of Selecting the Successful Bidder and Criteria in this Procedure:**

The applications shall be examined by the PUA, who may be assisted, for this purpose, by consultants and experts as it deems appropriate.

For the purpose of examining the applications, the PUA shall appoint a subcommittee on behalf of the tenders committee, for the opening of the bids and the analysis of the applications submitted under the framework of the request. The subcommittee shall examine the applications and the proof of the date attached to it, and shall recommend the scores of the applications to the tenders committee, in accordance with the criteria set out in this section.

The procedure of selecting the Successful Bidder pursuant to this request shall be carried out in the following procedure:

**8.1 At the first step** - all of the bids received by the last date for submission of offers shall be examined as to whether they meet the threshold conditions set out in section 7 below. Only an application that meets all of the required threshold conditions shall be examined at the second step.

**8.2 At the second step – 100% for quality mark** - The quality of the bids shall be examined, in accordance with the weights and requirements set out in section 8A below. Only applications that meet at least 75% out of 100% quality score, will be examined at the third step. A proposal that did not meet the 75% out of 100% quality score, shall be disqualified outright.

**8.3 At the third step – 60%** - Bids that past the second step will be reweighted. The bid that achieved the highest score in the second step shall be awarded a maximum of 60% score, and the other bids shall be awarded in a relative manner, in descending order.

**8.4 At the fourth step - 40%** - after the bids were scored, at the third step, the price quotation envelopes shall be opened, and the price quotations shall be examined, and the third and the fourth steps shall be weighted together. The lowest bid will get the maximum available points and all other bids shall be awarded in a relative manner, in descending order.

**The bid with the highest final score shall win the first place.**

**A. The Second Stage – Examination of the Quality of the Bids – 100% before reweighting (60% after reweighting.)**

1. A bidder who meets the threshold conditions shall be examined with respect to the quality of its bid, its experience, skill, and quality, in a manner most advantageous to the holder of the request for proposals procedure.
2. The examination of the quality parameter shall be carried out in accordance with the following weights:

Quality Parameter	Weight
<p><b>International extensive experience as required in the threshold conditions Article 7D:</b>  International experience in the last 10 years, which includes a variety of consultation projects in electricity field to government bodies and associates of governmental bodies such as "Independent System Operator" and alike.  Quality parameter will take into consideration:  number of developed countries the consultant was involved in (10 out of 30 points),  size of electricity market in those countries (10 out of 30 points),  depth of market reform in those countries (10 out 30 points) .</p>	30%
<p><b>One professional report, as required in the threshold conditions Article 7D1:</b>  The structure of the report written by the consultant (5 out of 50 points),  exposition of the problem (5 out of 50 points), the scope and the depth of the report (5 out of 50 points),  the suggested measures presented by the consultant to solve the problem (10 out of 50 points),  usage of advanced mathematical and statistical models as part of the data analysis in the report (10 out of 50 points),  usage of international best known practices in the data analysis of the report (15 out of 50 points)</p>	50%
<p><b>Personal academic background as required in threshold conditions Article 7 F :</b>  The structure of the academic article written by the consultant and the exposition of the problem (5 out of 20 points),  scope and the depth of the analysis and usage of advanced data analysis models ( 5 out of 20 points),  the results of the analysis and the conclusions (5 out of 20 points)  and the recommendations of the article (5 out of 20 points)</p>	20%

For the purposes of this article, see Section 8.2 and 8.3 above.

- B. **The Fourth Stage – Price quotations – 40%**  
After the scoring of the bids at the second and third stages, the **price quotations shall be opened**, and the price quotations of the various bidders shall be examined.
- C. The most inexpensive weighted price quotation shall be awarded the maximum score, and the other price quotations shall be awarded in a relative manner, in descending order.
- D. For the removal of any doubt it should be clarified that the Contracting Authority reserves the right to contact an additional bidder (who is ranked in the second place), according to its ranking at the fourth stage as aforesaid, for the purpose of the provision of the services as aforesaid.

9. **Additional Details that the Bidder Must Attach to its Application**

- A. The structure of the bidder's organization, including the positions of the team members in the organization.
- B. A contractual agreement in the attached formulation, signed, in initials on each individual page, and signed by an authorized signatory on behalf of the bidder's organization with a full signature and a stamp, placed in the designated space at the end of the agreement.
- C. Bank confirmation of the details of the account to which the payments shall be transferred.
- D. The furnishing of certificates, valid as of the date of the submission of bids in this procedure: a licensed dealer certificate **or** the appropriate certificates of registration as a corporation, as the case may be. If the bidder is a corporation, its participation in this procedure is conditioned on the furnishing of certificate of its registration as a corporation under the law of the state, and of an attorney-certified affidavit listing its authorized signatories and stating their names and their authority to bind the corporation by their signature. In this section "corporation" means a juristic person competent in respect of obligation, rights and legal acts.

- E. All of the certifications and documents required as proof of meeting the aforesaid threshold conditions.

**10. Conflicts of Interests/Confidentiality/Proprietorship**

- A. The Successful Bidder shall declare and undertake that to the best of its knowledge, it does not have, as of the date of the contract between the parties, and shall not have, during the period of the contract between the parties and for 12 months from the end of the period of the contract, any conflict of interests, of any kind whatsoever. Without derogating from the generality of the above, during the period of the contract, the Successful Bidder shall not represent any person for whom the Successful Bidder's work with the Contracting Authority may be relevant, and shall not act on behalf of such person.
- B. The Successful Bidder will be required to sign an undertaking absence of conflict of interest, as set out in the agreement is an integral part of the tender documents.
- C. The bidders proposed expert declares that he, his directors, his workers or anyone who provide services on his behalf, is not in a conflict of interests for 12 months prior to submission of the bid, on any of the services requested in this tender, and that they did not provide any services to utilities regulated by the PUA including Israel Electric Company, IPP's etc. The bidder's proposed expert, or any service providers working on it's behalf are committed to immediately report any data or a case where they may be in a situation of conflict of interest, immediately after encountering it, under and / or the above situation, and that they undertake to notify the PUA immediately of any conflict of interests.  
Without limiting the foregoing, PUA may require bidders, anytime at its sole discretion list of clients as well as additional information as may be necessary.  
In any case, the PUA will have the power to decide whether the existence of a direct and / or indirect link to any bidder and / or his representative, has any conflict of interest.
- D. The Successful Bidder shall be required to sign an unqualified undertaking of confidentiality protection, and to undertake that all of the discussions in which it will take part, as well as all of the findings and data concerning the service provided by it, including the products of its work, shall be kept confidential throughout the period of the contract and thereafter, unless it has received the Contracting

Authority's prior written approval for the disclosure of the such findings or data.

- E. Any document prepared by the bidder as part of the provision of the services shall be solely the property of the State, and the bidder or any person acting on its behalf shall have no claim or suit regarding this matter. Further, the Successful Bidder or any person acting on its behalf shall not use information that has come to their knowledge as part of the services.
- F. The Successful Bidder shall not use any information that has come to him during the period of the contract, except for the purpose of fulfilling its duties.
- G. The Successful Bidder shall undertake that it shall not present to any person, other than a representative of the Contracting Authority, the results of the said work, during the period of the contract and thereafter, including any document prepared by it as part of the provision of the services, unless he has received the Contracting Authority's prior written approval for such presentation.

## **11. Expenses of Participation in the Procedure**

The bidder shall solely bear the expenses of its participation in the procedure, and it shall not be entitled to any reimbursement from the PUA of such expenses.

## **12. General Terms**

- A. The Contracting Authority may, at its sole discretion, select more than one bid, and it may also split the winning bid between two bidders, at the selection time of the winner or later, or at any other time, as needed, and request additional bids.
- B. The Contracting Authority may, at any time during the Period of the Contract, contact the bidder ranked next after the Successful Bidder/s, and offer it the opportunity of providing the services for the remaining period of the contract under this request or the amount of the remaining hours of work pursuant to this request, in circumstance in which it has become evident that the Successful Bidder/s in this tender is not/are not meeting the requirements specified in this request.
- C. The Contracting Authority may contact all or any of the bidders in order to obtain clarification of or supplements to their bids.

- D. The Contracting Authority may at any time by notice published on the website of the PUA, bring forward or defer the last date for the submission of bids and may also change the dates and other conditions relating to this request for proposals, at its absolute discretion.
- E. The Contracting Authority does not undertake to choose any bid, including the cheapest bid, and it may contact additional bidders at any time that it deems appropriate, or decide not to contract at all, for budgetary or other reasons.
- F. It should be clarified that the required work under this RFP must be carried out only by the team member that was offered by the bidder, and stated in threshold in paragraph 7 above. Third party involvement will not be accepted unless prior approval is made by the Contracting Authority.
- G. For the avoidance of doubt it is clarified that nothing in a notification of a Successful Bidder in this request shall terminate the selection process or create a contractual relationship between the Contracting Authority and the Successful Bidder and that pending the signature of authorized signatories on behalf of the Contracting Authority, of a contract between the parties, the Contracting Authority may revoke or vary its decision at its exclusive and absolute discretion.
- H. Nothing in the foregoing shall derogate from the rights of the Contracting Authority and/or of the tenders committee under the Mandatory Tenders Law, or the regulations made pursuant thereto.

### 13. Manner of Submission of the Bids

- A. The last date for submission of bids is on Sunday the 25<sup>th</sup>, 2016 at 12:00 (Israel time).  
A bid that arrives after the last date and time of submission of the bids shall not be considered and shall be disqualified outright.
- B. Bids are to be submitted by placing them in the tender box at the offices of the PUA, at **1 Hasoreg St., Jerusalem**, in closed and sealed envelopes with no identification mark of the bidder **Or** sent to **the following dedicated PUA email: rfp@pua.gov.il**. The words "**Bid for the Provision of Consultation Services on Electricity Trading and Various Grid Aspects**" shall be written on the envelope or on the mail header.

- C. The price quotation shall be submitted as specified in sub paragraph 6 (in a separate Envelope or to the e-mail in a separate file).
- D. The bids shall be submitted in two copies, together with all of the relevant documents attached thereto.
- E. The bidder shall attach to its bid any document required under the documents of the request for proposals.
- F. For the avoidance of doubt, it should be clarified that the contents of this request are confidential, and that the receiver of this request undertakes not to publish, copy or use the information included in this request, in whole or in part, for any purpose other than responding to the said request.

**14. Credits on services and Intellectual property**

- A. All rights on services including intellectual property rights according to the law, which the winning bidder shall perform for the PUA, including but not limited to, the final report sections and the full report, prepared for the PUA and the accompanying documents relating to the provision of the service, whether created by the PUA, generated by "the winning bidder during the execution of the service, or generated by any other third party, shall be at anytime the sole property of the PUA. The full intellectual property rights and copyright in them shall also be at anytime the sole property of the PUA, and the Authority may use them at any time for any purpose it sees fit, without paying any extra charge to the winning bidder beyond the consideration paid in accordance with the tender, even in the case the PUA terminates the work of the winning bidder. The winning bidder and/or its representative shall not have any rights on the final report or any section of it and documents, including any moral rights and/or any other right.
- B. The winner will not use any information or materials which will be transferred to him by the PUA as part of his work, unless he received prior written permission from the DRED.
- C. The winning bidder will have to provide the service subject of the tender, in accordance with PUA requirements, as would be submitted periodically in order to promote and carry out the services listed above



**15. Proposition of proposal**

Every proposal submitted will remain in force including all its details, its components, its annexes and its attachments for 90-days from the deadline of proposals submission. The PUA holds the right to announce extension of the



---


P.O.Box 1296, Jerusalem,

91012

 972-2-6217122 





 info@pua.gov.il 

 [Http:// www.pua.gov.il](http://www.pua.gov.il)



ת.ד 1296 ירושלים, 91012

 6217111-2-972 

validity of bids by additional 30 days. Bidder is not entitled to withdraw its proposal during this period.

**16. Trade Secrets/Professional Secrets**

In accordance with "The Mandatory Tender Regulation No. 5753– 1993" (The "**Mandatory Tenders Regulations**") non-winning bidders are allowed to ask to review the winning bid against payment of a total amount of 75 Shekel, to cover treatment costs. Tenders Committee may, according to its discretion, present to non-winning bidders, any professional document which it believes does not constitute a commercial or professional secret and which is required to comply with the obligations in Mandatory Tenders Regulations.

Bidder claiming that certain clauses in its bid constitutes a trade secret and is opposing to allow non-winning bidders to review its proposal, if it will be declared the winning bid, may specify in advance in the proposal, which confidential clauses in its bid should not be reviewed by the other bidders (Hereinafter "**Trade Secret**"). Bidder who will mark parts of the proposal as **Trade Secret** forbidden to be reviewed by other bidders, may not review those parts in the winning bid. Notwithstanding the above, the Tender Committee according to its sole discretion, can present to the non-winning bidders, any document, which it believes is not a professional or a commercial secret and which is required to comply with the obligation of The Mandatory Tenders Regulations. In regards to this section, it should be emphasized that the price bid is not constituted a commercial or a professional secret

**17. Tender Clarifications**

Questions and/or requests for clarifications may be directed in writing only and in a Word File Format, to [Sharon@pua.gov.il](mailto:Sharon@pua.gov.il), until Thursday, December 08, 2016. The bidder is responsible to ensure the arrival of the file by a phone call to 972- (0)2-6217104. Applications arrived after the above date will not be accepted. Clarifications and questions should include the name of the bidder, the bidder representative name, fax number and a phone number of the representative of the bidder.

Clarifications and answers to the inquiries will be published by the PUA on the PUA website at [www.pua.gov.il](http://www.pua.gov.il), without specifying the identity of the inquirer. The PUA does not undertake to answer all the questions. Only questions the PUA answered to, are binding.

The bidder bears sole responsibility to keep track on questions and answers posted on the website.

Answers and questions are part of the tender documents and are applied to all participants in the tender.

The bidder shall attach to the bid a signed document which includes clarifications and answers provided by the PUA. It is clarified that the answers given by the PUA are an integral part of the tender documents.

**18. Relations between the parties**

The consultancy services shall be provided by the winning bidder as an independent contractor, and there will not be any employee-employer relations of any kind, for any purpose, between and/or among any service provider on its behalf, including the team leader and the team members, and the PUA. The winning bidder shall not acquire any employee-employer rights by law, and/or practice and/or a collective agreement and it shall not be entitled to any payment, compensation or other benefits in relation with the execution of this agreement or instruction given according to it or in relation with the cancellation or termination of the agreement or cease of providing the services.

**19. Jurisdiction**

Exclusive jurisdiction with subjects and matters arising out of or relating to this tender will be only in an authorized court based in Jerusalem, Israel.

**Sincerely,**

Bidder Name: \_\_\_\_\_

Bidder address: \_\_\_\_\_

Phone number: \_\_\_\_\_

Fax number: \_\_\_\_\_

Mobile phone number: \_\_\_\_\_

Date:

Bidder's authorized signature + Stamp

\_\_\_\_\_

\_\_\_\_\_

Appendix A - Bid / Price Offer

An integral part of tender/agreement No.24/2016

This document will be entered into a separate envelope - envelope #2

Attached our bid detailed in accordance with the provisions of the tender.

- A. Fixed Price Quote for the final full professional report, as required in the tender documents in general and in particular in sections \_\_\_\_\_

\_\_\_\_\_ **\$ for the final full report including V.A.T**

**The bid shall not exceed \$ 60,000.**

**Bid exceeding this amount will be disqualified outright.**

- B. It should be clarified that scoring bid is 50%, as specified in Section 8, At the Fourth Stage, of the tender document.
- C. I am aware that the bid will not be indexed to any price index, except as provided in the contract.
- D. I am aware that the bid is complete to its full and I will not get any compensation beyond that specified in my proposal, including expenses of all kinds such as economy, (food, drinks and accommodation), fax, email, and flight as specified in section 2 of the tender and stated in detail in the agreement constitutes in Appendix tender.

Bidder's Name: \_\_\_\_\_

Bidder's authorized signature: \_\_\_\_\_

Date: \_\_\_\_\_ Bidder's authorized signature + Stamp

\_\_\_\_\_

P.O.Box 1296, Jerusalem,  
91012

☎ 972-2-6217122 ☎

📧 info@pua.gov.il 📧  
🌐 Http:// www.pua.gov.il  
🖨

ת.ד 1296 ירושלים, 91012

☎6217111-2-972☎

Appendix B  
Agreement

Made and signed in Jerusalem on the \_\_\_ day of \_\_\_, 2016

Between:

**The Public Utilities Authority – Electricity (PUA)**

Of 1 Hasoreg St., Jerusalem 91012

Tel: 02-6217111; fax: 02-6217122

Represented by the Chairperson of the PUA and Comptroller of the PUA  
(hereinafter: “**the Contracting Authority**” or “**PUA**”)

of the first part

And:



\_\_\_\_\_  
(Name of the company + address + I.D. No. (licensed dealer/corporation reg.  
number, as the case may be)  
(hereinafter: “**the Consultant**”)

of the second part


- WHEREAS** the Contracting Authority is interested in consultation services on electricity trade, and various grid aspects, and all as described below in this agreement (hereinafter: – “**the Services**”);
- WHEREAS** The Contracting Authority issued in order to receive services, the Public Tender No. 24/2016 (the “Tender”);
- WHEREAS** The Tender Committee of the Contracting Authority at its meeting on \_\_\_\_\_ chose the consultant as the winner of the tender on the basis of his tender offer;
- WHEREAS** the Consultant declares that it has the skills, experience and available resources and personnel necessary for the performance of the services required in the agreement;

---

P.O.Box 1296, Jerusalem,  
91012



 972-2-6217122 

  
✉ info@pua.gov.il ✉

 Http:// www.pua.gov.il



ת.ד 1296 ירושלים, 91012

 6217111-2-972 

**IT IS THEREFORE AGREED AND STIPULATED BETWEEN THE PARTIES  
AS FOLLOWS:**

**1. Interpretation and Appendices**

The preamble to this agreement and its appendices constitute an inseparable part of the same.

- 1.1. This contract shall replace any prior agreements, arrangements and practices that existed between the Employer and the Employee.
- 1.2. Terms appearing in this agreement and in the Consultant's bid shall be interpreted within the meaning assigned to such terms in this agreement, and in the event of any conflict having appeared between the Consultant's bid and this agreement, the provisions of this agreement shall apply.
- 1.3. This agreement shall be interpreted in a manner most fully observant of the express and implied requirements of the required services.
- 1.4. The section headings of this agreement are used solely for the sake of convenience, and are not to be used for the interpretation of the terms of the agreement.
- 1.5. This agreement documents constituting an integral part of it are:  
Appendix A: the tender No. 24/2016  
Appendix B: Tender Offer by consultant  
Appendix C: the service/ scope of work  
Appendix D: Undertaking to Maintain Confidentiality  
Appendix E: Undertaking Concerning Absence of Conflicts of Interests

**2. Definitions**

2.1 In this agreement, the following terms shall have the meaning appearing opposite them:

2.2

“**Consultant**” - Onley Sir / Ms. \_\_\_\_\_, As proposed at the Tender Offer.

“**Information**” - any information, know-how, knowledge, document, correspondence, plan, data, model, opinion, conclusion and any other such thing related to and/or concerning the provision of the services, whether written or oral and/or in any other form or manner of

preserving knowledge electrically and/or electronically and/or optically and/or magnetically and/or otherwise, related to or concerning the provision of the services, which is not in the public domain.

**"Professional Secrets"** - any Information which shall have come to the possession of the Consultant or the Employee, in connection with the provision of the services, whether it was received during the provision of the services or thereafter, including, without derogating from the aforesaid: Information provided by the Contracting Authority and/or any other person and/or any person acting on its behalf.

**"The Services"/ "report"/"work"** - the Requested Work mentioned in the Scope of Work which is attached hereto as **Appendix C**.

### 3. **Provision of the Services**

- 3.1 This agreement is for the provision of the Services for the Contracting Authority for a total period of 12 months (after the signing of this agreement by the parties) to be scheduled in a reasonable time after the submission of the final report to the Contracting Authority- hereinafter: "the Contract Period").
- 3.2 The PUA shall be entitled to extend the agreement for up to 1 year, in the terms of this agreement.
- 3.3 The Contracting Authority may, by 10 days written notice, and at its sole discretion, terminate the contract with the Consultant, at any stage during the Contract Period. PUA stopped the agreement as mentioned, PUA will pay only for the services commissioned and accepted practice, until the date of termination of the agreement stated. The consultant will not be any claim or demand in relation to the provisions under this section

### 4. **The Consultant's Declarations and Undertakings**

The Consultant hereby declares that:

- 4.1 The consultant himself will provide the services

---

P.O.Box 1296, Jerusalem,

91012

☎ 972-2-6217122 ☎



✉ info@pua.gov.il ✉

🌐 Http:// www.pua.gov.il



ת.ד 1296 ירושלים, 91012

☎ 6217111-2-972 ☎

- 4.2 Consultant undertakes to participate in every meeting or discussion Available through telephone, internet or any other technological means necessary
- 4.3 It shall provide the services to the satisfaction of the Contracting Authority, in accordance with the stipulations of the contract documents, that it is aware that the Services require a high standard of skill and professionalism, and it is solely responsible for the standard and content of the services.
- 4.4 It has experience in providing the services and it is capable of meeting its obligations under this agreement.
- 4.5 It has read all of the terms and requirements of the contract, understood them, and it undertakes to provide the services and any part thereof in accordance with the terms and requirements set out in the contract documents, accurately, efficiently, expertly and skillfully, to the satisfaction of the Contracting Authority and by the dates required by the Contracting Authority, all of which subject to the provisions of this agreement.
- 4.6 It has at its disposal, at any time, all of the equipment and means required for the provision of the services under this agreement.
- 4.7 It shall cooperate with the Contracting Authority in all matters concerning the fulfillment of its obligations under the provisions of this agreement, and it shall place itself at the disposal of the Contracting Authority regularly and with a high level of availability, according to the needs of the Contracting Authority, as required by the Contracting Authority or any person on its behalf.
- 4.8 It shall notify the Contracting Authority, in writing, immediately orally and by fax, and within 48 hours at the latest, of any change in its legal status and/or of any event in which it is incapable of providing the services and/or of any likely possibility of its not being able to meet its obligations under this agreement, in whole or in part, for any reason whatsoever, and/or any other matter which may affect the provision of the services.
- 4.9 It undertakes to report the progress of its work and every stage of the provision of the services to the Contracting Authority. Further, it shall not progress to any of the stages of the provision of the services without the Contracting Authority's prior written approval.
- 4.10 No instruction in respect to the provision of the services, or expense made under this agreement, shall be valid for the purpose of this agreement unless it
- 4.11 Check in Israel The consultant undertakes to come to Israel, at the request of the PUA, once a year, for a period not exceeding five business days (Monday till Thursday), for the purpose of presenting the complete services, included the report or any section of it to the professional staff at the PUA, the member of the PUA board or other bodies in the State of Israel.
- 4.12 For the avoidance of doubt, no further consideration will be paid adviser, beyond the provisions of section 15 below. This service include in the consideration.
- 4.13 Schedule The consultant provide the services according to the PUA timetable. the PUA

professional team determine the timetable for submission of each chapter of the service, As specified in Annex C, and in urgent case, it will be not less than one month for each chapter report. Usually, each chapter, as specified in Annex C will be given in schedule of two month.

- 4.14 For the avoidance of doubt, the chapters will be submitted according to the PUA professional team' guidelines and Rather than the order in which they appear in Annex C above.
- 4.15 The work shall be carried out by the consultant, with the accompaniment and guidance of the PUA Director of Electricity and Regulation Division (hereinafter: "DERD") and/or a person appointed by him.
- 4.16 The work plan, the contents of the work, the distribution of the work and the allocation of inputs, required from the consultant, as well as the timetables, shall be approved by the PUA DERD or by a person acting on his behalf, and shall be coordinated with the consultant.
- 4.17 The work shall be carried out at the offices of the consultant. However, the Contracting Authority may invite the consultant to Israel to present specific works to the contracting authority staff as mentioned at the section 4.11 above.

## 5. **Confidentiality**

- 5.1 The Consultant hereby declares that it is aware that the Information received during the provision of the services by it, by any person acting on its behalf, is of special sensitivity, and it shall not be disclosed to any person who is not a Member of the professional Team providing the services on its behalf, or one the representatives of the Contracting Authority. The Consultant declares that it is aware that the disclosure of such Information may cause substantial damage to the Contracting Authority, on various levels.
- 5.2 The Consultant declares that it is aware that any Information received by it during the provision of the services is considered Professional Secrets.
- 5.3 The Consultant undertakes to keep the Information and/or the Professional Secrets absolutely confidential, and not to use them in any way. For the avoidance of doubt, and without derogating from the generality of the above, the Consultant undertakes not to publish, disclose, inform of, deliver or bring to the knowledge of any person the Information and/or the Professional Secrets.
- 5.4 The Consultant shall not, during the Period of the Contract or thereafter, disclose to any person to whom it is related of with whom it is associated for the purpose of the provision of the services, any Information whatsoever concerning the services, unless it received the Contracting Authority's prior written approval for such disclosure, and on conditions stipulated by it.
- 5.5 The Consultant undertakes to sign an undertaking to maintain confidentiality, in the format attached to this agreement. this signature is a condition for the provision of the services through the consultant. The said undertaking to maintain

- confidentiality is attached and marked Appendix D to this agreement, and constitutes an inseparable part thereof.
- 5.6 The Consultant declares that it is aware that failure to fulfill its obligations under this sections is an offense under chapter G (National Security, Foreign Relations and Official Secrets) of the Penal Law, 5737-1977.
- 5.7 The provisions of this section shall not apply to Information:
- 5.7.1 Which is independently known to the consultant, otherwise than through any illegal act committed by it;
- 5.7.2 Has been exposed pursuant to the lawful requirement of an authority under law or the disclosure of which is mandatory under law.
- 6 **Conflicts of Interests**
- 6.1 The Consultant declares and undertakes that to the best of its knowledge it does not, as of the date of the contract, and shall not, during the Period of the Contract between the parties, have any conflict of interests of any kind, and/or business or other relationships in connection with the provision of the services.
- 6.2 Without derogating from the generality of the above, the Consultant shall inform the Contracting Authority or a representative on its behalf, in advance, of any intent on its part or on the part of any of its Employees, to contract with any person as stipulated in this section, and to act in accordance with its instructions in respect to this matter. The Contracting Authority may refrain from granting approval for such contract to the Consultant, or give other instruction to ensure the absence of conflicts of interests, and the consultant shall act in accordance with such instructions.
- 6.3 the Consultant undertakes to sign an undertaking to ensure the absence of conflicts of interests that attached and marked Appendix E to this agreement, and constitutes an inseparable part thereof.
- 6.4 The Consultant shall immediately inform the Contracting Authority or a representative on its behalf of any circumstance or situation due to which it, and/or any person acting on its behalf, may be in a situation of conflict of interests, immediately upon its becoming aware of such circumstance or situation.
- 6.5 If, in the opinion of the Contracting Authority, any person on behalf of the Consultant is in a situation involving or that may involve a conflict of interests on its part, the Contracting Authority may instruct that the Consultant's work be ceased and the contact with it be terminated, solely for this reason.
7. **Proprietorship**
- 7.1 The Contracting Authority is the sole proprietor of the Information, and it has all the rights in the information and the elements of the provision of Services, including intellectual property rights
- 7.2 At the conclusion of the provision of the services, the Consultant shall deliver to the Contracting Authority all of the Information in its possession.

8. **Indemnification**

8.1 The Consultant undertakes to pay any amount that the Contracting Authority shall be obliged to pay in connection with the provision of the services.

8.2 The Consultant undertakes to indemnify the Contracting Authority for any amount paid by the Contracting Authority or that it may pay, deriving from acts and/or omissions of the Consultant, relating to this agreement, including interest and other expenses involved in the foregoing.

8.3 The Consultant undertakes to indemnify the Contracting Authority for any amount that the Contracting Authority shall be required to pay if it is determined, notwithstanding the provisions of this agreement that an employer-employee relationship exists between the Contracting Authority and any of the Consultant's Employees.

9. **Offsetting and Lien**

The

Contracting Authority may offset and/or retain payments due to the Consultant or any part thereof, against amounts due to the Contracting Authority from the Consultant or in any event of damage caused to the Contracting Authority by the Consultant and/or any of its Employees.

10. **Remedies**

10.1 If the Consultant failed to meet any of its obligations under this agreement, for any reason, the Contracting Authority may, at its sole and absolute discretion, immediately terminate the provision of the services and perform the services itself and/or through others, all of which at the expense of the Consultant and without derogating from the right of the Contracting Authority to compensation and indemnification, and other rights available to the Contracting Authority under this agreement and under law.

10.2 In addition, the Contracting Authority shall be entitled to remedies in any event in which the Consultant fails to meet its obligations under this agreement or under the Request document, for any reason whatsoever, and it shall be entitled to any relief and legal remedy under the Contract Law (Remedies for Breach of Contract), 5731-1970, and under law.

10.3 Without derogating from the generality of the above, it is agreed between the parties that the right to remedies includes:

10.3.1 The right to deduct from the consideration due to the Consultant an amount equivalent to the damage caused as a consequence of the services.

10.3.2 The right of the Contracting Authority to cancel this agreement, to immediately terminate the provision of the services by the Consultant and to perform the services itself and/or through others.

10.3.3 The remedies granted to the Contracting Authority are aggregate remedies, and nothing in this agreement shall deny the right of the Contracting Authority to offset, compensation, indemnification or any other additional relief by virtue of law and agreement.

## 11. **Liability**

11.1 The Consultant shall be liable for any damage and/or loss caused due to the provision of the services to the Contracting Authority and/or property and/or any third party, including damage and loss caused by the Consultant or authorized by it, all of which due to an act or omission of the Consultant or any person acting on its behalf, involving any one of the following:

- 11.1.1 Breach of a statutory duty, specifically concerning confidentiality obligations, or a violation of instructions given to the Consultant or any person on its behalf and/or any of the Team Members and/or any of its Employees by the Contracting Authority or any of its employees;
- 11.1.2 An act performed otherwise than in good faith and in the accepted manner;
- 11.1.3 An act performed negligently.

11.2 The Consultant shall be liable for any tort claim made on behalf of Team Members, its Employees and/or any person acting on their behalf.

11.3 The Contracting Authority, its employees and any person acting on its behalf shall not be liable for any payment, expense, loss or damage of any kind caused to the Consultant and/or its Team Members and/or Employees and/or any person acting on its behalf.

## 12. **Observance of the Provisions of Law**

12.1 The Consultant undertakes to observe the provisions of any law applying in connection with performance of the agreement and the provision of the services pursuant thereto.

12.2 The Consultant declares that the exclusive and absolute liability for any claim and/or demand in respect to any lack of observance of laws on its part applies solely to it, and it hereby releases the Contracting Authority from any such claim and/or demand, whether the violation of a provision of law was committed by it or by and Employee or other person acting on its behalf.

## 13. **Prohibition on Assignment and/or Transfer of the Provision of the Services to another Person**

The Consultant may not assign this agreement, in whole or in part, or transfer or assign any right or obligation deriving from this agreement to another person, unless it has received the Contracting Authority' prior written consent for the foregoing. When the Contracting Authority's consent has been given as aforesaid, nothing in such consent shall release the Consultant from any obligation, liability or duty under law and agreement.

## 14. **Waiver**

P.O.Box 1296, Jerusalem,  
91012

☎ 972-2-6217122 ☎



✉ info@pua.gov.il ✉

🌐 Http:// www.pua.gov.il



ת.ד 1296 ירושלים, 91012

☎ 6217111-2-972 ☎

No waiver, indulgence, abstention from an act or extension of the Contracting Authority shall be deemed as a waiver by the Contracting Authority under this agreement or serve to prevent any claim on its part, unless such waiver was made explicitly and in writing.

## 15. **Consideration**

15.1 The Consultant shall be entitled to receive from the Contracting Authority, in accordance with the consideration specified in the Consultant's bid, which shall be the full, final and established consideration due to the Consultant

15.2 It should be clarified that the total Consideration shall not exceed \_\_\_\_\_ \$ (Excluding VAT) (heretofore and hereinafter: "the Consideration").

The consideration shall be paid in 6 payments:

15.2.1 Payment of 15% from the consideration (\_\_\_\_\_ \$) shall be paid upon completion of chapter A, As specified in Article 1 Annex C.

15.2.2 Payment of 15% from the consideration (\_\_\_\_\_ \$) shall be paid upon completion of chapter B, As specified in Article 1 Annex C.

15.2.3 Payment of 20% from the consideration (\_\_\_\_\_ \$) shall be paid upon completion of chapter C, As specified Article 1 in Annex C.

15.2.4 Payment of 15% from the consideration (\_\_\_\_\_ \$) shall be paid upon completion chapter D, As specified in Article 1 Annex C.

15.2.5 Payment of 15% from the consideration (\_\_\_\_\_ \$) shall be paid upon completion of chapter E, As specified in Article 1 Annex C.

15.2.6 Payment of 20% from the consideration (\_\_\_\_\_ \$) shall be paid upon completion of chapter F, As specified Article 1 in Annex C.

PUA payments shall be made after completion of each chapter from the report and any necessary work as specified in the agreement in general and in Section 1 Appendix C in particular. Each chapter shall only be deemed to have been duly completed after obtaining the Authority's approval as required by Appendix C, and compliance with PUA Schedule;

15.3 It should be clarified that with the exception of the payment of the Consideration, the Consultant shall not be entitled to any additional payment or other benefit for the provision of the services, including expenses such as telephone charges, mail, photocopies, printing, fax, board and lodging, flight expenses, travel expenses etc.

15.4 No Consideration shall be paid to the Consultant unless the services were actually provided, to the full satisfaction of the Contracting Authority.

15.5 The Consultant shall not be entitled to any Consideration for services provided not by him.

- 15.6 The Consideration shall be paid to the Consultant on the "government payment dates", within 24-45 days from the receipt of a lawful tax invoice from the Consultant, subject to the confirmation of the representative of the Contracting Authority that the that the services have been provided to the full satisfaction of the representative of the Contracting Authority. The number of credit days shall be determined according to the date of the submission of the invoice by the Successful Bidder in each month, as follows:
- 15.6.1 Invoices submitted to the Contracting Authority during the first half of each month (on the 1-15 of the month): shall be paid at the beginning of the ""government payment dates" of the following month, that is, on the first business day following the 15<sup>th</sup> of the following month. In such case, the number of credit days shall be 30-45 days from the date of the submission of the invoice to the Contracting Authority.
- 15.6.2 Invoices submitted to the Contracting Authority between the 16<sup>th</sup> and 24<sup>th</sup> of each month (including the first and last days): shall be paid between the 16<sup>th</sup> and 24<sup>th</sup> of the following month. In such case, the number of credit days shall be exactly 30 days from the date of the submission of the invoice to the Contracting Authority.
- 15.6.3 Invoices submitted to the Contracting Authority between the 25<sup>th</sup> and 31<sup>st</sup> of each month (including the first and last days): shall be paid on the 24<sup>th</sup> of the following month. In such case, the number of credit days shall be approximately 24-29 credit days.
- 15.7 In order to avoid delays in the approval of the invoice, and in consequence thereof, in the payment, the Consultant shall ensure that each invoice submitted to the Contracting Authority shall be printed and shall include all of the required details and data as shall be agreed with the representative of the Contracting Authority.
- 15.8 The Consultant shall have no demands or claims against the Contracting Authority due to delays in the payment deriving from its omissions, such as: lack of details in the invoice, incorrect details, a deficiency in the documents, the late submission of accounts, invoices and documents, etc.
- 15.9 The stipulations in regard to the payment of the consideration as set out above are subject to the directives of the Accountant General in the Ministry of Finance, as published from time to time.

16. **Miscellaneous**

- 16.1 This agreement nullifies and cancels previous contracts, agreements, relationships and negotiations that had existed between the Contracting Authority on the one hand and the Consultant or any of its Employees on the other hand.

- 16.2 The Contracting Authority undertakes to meet all of the requirements of the security officer of the office or offices at which any work shall be carried out, under the provision of the services.
- 16.3 Sections 3, 4, 5, 7, 8, 11, 12, and 16 shall remain in effect after the end of the Period of the Contract.
- 16.4 No change in the terms of this agreement shall have any effect unless made with the agreement of the parties and in writing.
- 16.5 The exclusive jurisdiction in all matters concerning this agreement is accorded to the court of jurisdiction in Jerusalem.
- 16.6 The addresses of the parties are as specified in the preamble to this agreement.
- 16.7 Any notice sent by one party to the other shall be deemed received within 72 hours from the date of posting by mail.
- 16.8 The representatives of the government signing this contract hereby declare that the expenses and authorizations to enter into binding commitments entailed in the performance of this contract will be budgeted for in the Annual Budget Law for the budget year.

**AND IN WITNESS WHEREOF THE PARTIES HAVE SIGNED**

---

The Contracting Authority

---

The Consultant

---

P.O.Box 1296, Jerusalem,  
91012

☎ 972-2-6217122 ☎

✉ info@pua.gov.il ✉  
⌨ Http: // www.pua.gov.il  
⌨

ת.ד 1296 ירושלים, 91012

☎6217111-2-972☎

## Appendix C to the Agreement

### 3. Scope of Work / Provision of the service

The Consultant shall be liable for all the Services specified in the agreement and in this Appendix

#### 1. Details of the Requested Work

The Consultant will be required to draft a professional report encompasses the following issues:

- A. Chapter A  
Methodology for the calculation of the system marginal price in the Israeli electricity system including recommendations for an implementation of a two-settlement method for managing generation and demand deviations.
- B. Chapter B  
Recommendations for a methodology of setting the retail tariff for default suppliers in a restructured market.
- C. Chapter c  
Smart metering deployment – Pilot justification and overall deployment of smart metering in order to provide consumers and producers with better efficiency and trading options.
- D. Chapter D  
Distribution Management System – Analyzing the existing system used by IEC and future plan to procure new system.
- E. Chapter E  
Recommendations for fixed charge and energy charge in the transmission and distribution grid.
- F. Chapter F  
Recommendations of investments incentives embedded in the transmission and distribution tariff.

(Hereinafter: "**The Report**" or "**The professional Report**"),

2. The professional report, shall be submitted by the consultant in 6 sections, each of which shall be drafted based on a timetable provided by the PUA team. Each section of the report shall be drafted based on the consultant's professional experience, international Best Available Practices (BAP) and should relay on academic foundations, as needed, including any required references. Each drafted section shall include:
  - I. An abstract.
  - J. An Introduction
  - K. Data Analysis and processes.
  - L. Proposed regulatory interventions including expected impact of measures on competition, market trade and on the electricity grid.
  - M. International References including samples of market failures or market crises related to the analyzed subject.
  - N. Academic References supporting proposed intervention.
  - O. Conclusions
  - P. Roadmap if necessary.

The final drafted report shall include all the sections mentioned above. The PUA professional team determine the timetable for submission of each chapter, and in urgent case, it will be not less than one month for each chapter report.

Usually, each chapter will be given in schedule of two month. For the avoidance of doubt, the chapters will be submitted according to the PUA professional team' guidelines and Rather than the order in which they appear in paragraph 2 above. The sequence of the required drafted sections will be provided by the PUA professional team. All of the aforesaid in the above paragraphs shall take into account the regulation of the energy market in Israel, and the fact that all of the costs of all players, including IEC and IPPs are controlled and determined by the regulator, on the basis of normative costs and tariffs.

3. The Consultant undertakes to submit the draft work required for this task in a detailed report for the approval of the PUA. The Consultant undertakes to write each chapter in the report according to the PUA guidelines and undertakes to amend and update the report, as much as it takes, until the approval of the PUA and to its complete satisfaction.
4. Each chapter in the report shall only be deemed to have been duly completed after obtaining the Authority's approval as stated above, and compliance with Schedule as mentioned at the section 4.11 in the agreement.

## Appendix D to the Agreement

### Undertaking to Maintain Confidentiality

Made and signed on \_\_ \_\_. 20 \_\_

By

\_\_\_\_\_  
I.D. No \_\_\_\_\_  
Of \_\_\_\_\_ St.

**WHEREAS** the Public Utilities Authority ("The Contracting Authority") receives the services as defined herein;

**WHEREAS** I am employed in connection with the provision of the services;

**WHEREAS** I may be exposed to professional secrets which the State of Israel wishes to safeguard.

**Therefore, I hereby undertake to the State of Israel as follows:**

#### 1. **Definitions**

In this undertaking, the following terms shall have the meaning appearing opposite them:

**"The Services" or "Consultation Services"** - consultation services for Consulting Services, under the stipulations of the Request published in tender No 24/2016 by the Contracting Authority.

**"Information"** - any information, know-how, knowledge, document, correspondence, plan, data, model, opinion, conclusion and any other such thing related to and/or concerning the provision of the services, whether written or oral and/or in any other form or manner of preserving knowledge electrically and/or electronically and/or optically and/or magnetically and/or otherwise, related to or concerning the provision of the services, which is not in the public domain.

**"Professional Secrets"** - any Information which shall have come to the possession of the Consultant or the Employee, in connection with the provision of the services, whether it was received during the provision of the services or thereafter, including, without derogating from the aforesaid: Information provided by the Contracting Authority and/or any other person and/or any person acting on its behalf.

## 2. **Maintaining Confidentiality**

I hereby undertake to keep the Information and/or Professional Secrets absolutely confidential and to use them solely for the purpose of the provision of services. For the avoidance of doubt, and without derogating from the generality of the above, I hereby undertake not to publish, deliver, inform, disclose or bring to the knowledge of any person the Information and/or the Professional Secrets. I hereby declare that I am aware that failure to fulfill its obligations constitutes an offense under chapter G (National Security, Foreign Relations and Official Secrets) of the Penal Law, 5737-1977.

**And in witness whereof I have signed:**

\_\_\_\_\_

## Appendix E to the Agreement

### **Undertaking Concerning Absence of Conflicts of Interests**

**Made and signed on \_\_ \_\_. 20\_\_**

**By**

I.D. No \_\_\_\_\_

Of \_\_\_\_\_ St.

**WHEREAS** the Public Utilities Authority ("The Contracting Authority") receives the services as defined herein;

**WHEREAS** I am employed in connection with the provision of the services;

**WHEREAS** I may be in a situation of conflict of interests in the provision of the services and thereafter;

**Therefore, I hereby undertake to the State of Israel as follows:**

#### **1. Definitions**

In this undertaking, the following terms shall have the meaning appearing opposite them:

**"The Services" or**



**"Consultation Services"** - consultation services, under the stipulations of the Request published by the Contracting Authority (tender No 24/2016).

1. I declare and undertake that I do not have and shall not have, during the period of the provision of the services, any conflict of interests, of any kind whatsoever, and/or business or other relationships in connection to the provision of the services.
2. Not to engage in and or contract with, during the Period of the Contract and for a period of 12 month after the termination of the validity of this agreement, directly or indirectly, whether through the Provider of the services and/or through others, including through a corporation controlled by the provider of the services, a business and/or work and/or any other relationship with the IEC and/or private ventures in the field of the Israeli electricity sector, and/or with other licensees and/or applicants for licenses and/or any "Other Interest" due to which the provider of the services may be in a situation of a conflict of interests, without



---


P.O.Box 1296, Jerusalem,

91012

 972-2-6217122 





 info@pua.gov.il 

 Http: // www.pua.gov.il



ת.ד 1296 ירושלים, 91012

 6217111-2-972 

- receiving the prior written consent of the Chairperson of the Public Utilities Authority (PUA) for the foregoing. "Other Interest" shall include my interest, the interest of a member of my family or of a body of which I or a member of my family is a member, manager or senior employee, or a body in which I or a member of my family hold any shares, rights to share in profits, right to appoint a director or voting rights, as well as the interest of a client who I or my employer/partner/employee who works with me or under my supervision represent/consult/ audit (hereinafter: "Other Interest").
3. The foregoing shall includes a declaration that I am aware of no existing conflict of interests, or a conflict of interests that I may be in, between the fulfillment of my duties or work in which I am engaged under the provision of the services to the PUA and any Other Interest or an interest of a member of my family or of a body of which I or a member of my family are members.
  4. I hereby declare that I am aware that use of information not in accordance with this letter of undertaking, including its disclosure to another person, constitutes an offense under the Penal Law, 5737-1977, and under the Protection of Privacy Law, 5741, 1981.
  5. This undertaking shall not be construed as creating a personal relationship of any kind whatsoever between the contracting authority and me.

**And in witness whereof I have signed:**

\_\_\_\_\_