

Tender N° 16/2020
For Upstream Oil and Gas Auditing, Inspection, HSE and Subsurface Analysis and
Support consulting services

Tender N° 16/2020

"Upstream Oil and Gas Auditing, Inspection, HSE"

and

**"Subsurface Analysis and Support in Evaluation,
Appraisal and Development of Hydrocarbon
Resources and Reserves"**

consulting services in Israel

The Petroleum Unit
Natural Resources Administration

Date: April 2021

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The Ministry of Energy (hereinafter, the “**Ministry**”) by Petroleum Unit, Natural Resources Administration, hereby publishes the multi-basket Tender (hereinafter - the "Tender") containing two different baskets for:

- 1. Upstream Oil and Gas Auditing, Inspection and HSE** consulting services in Israel, and
- 2. Consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel**

all as specified in these Tender Documents and Tender Specifications marked as [Appendix A](#) for each basket.

The summary of Basket 1 consulting services for Upstream Oil and Gas Auditing, Inspection and HSE consulting services in Israel is:

- a. Monitoring and supervision of onshore and offshore oil and gas drilling and production activities by interest-holders, and their compliance with the applicable working program. This includes performing on-site inspections, and in the case of an accident, participates in the investigation and submitting the necessary reports, according to the work demanded.
- b. Auditing and supervision of the engineering aspects of development plans for onshore and offshore fields, especially for subsea equipment and well completion.
- c. Periodically auditing and supervision of the Health, Safety, and Environmental (hereinafter “HSE”) aspects of drilling activities, with emphasis on process safety.
- d. Semi-annual auditing and supervision of HSE aspects of production activities, with emphasis on process safety.
- e. Auditing of Safety and Environmental Management System Activity will take place at the corporate level of interest holders, and at specific sites (drilling/production). Auditing will be conducted based on relevant Israeli regulations, which incorporate international regulation, Israel laws, Ministry guidelines, and relevant Labor regulations.
- f. Training services for Ministry professional staff in supervision of HSE aspects of drilling and production activities, with emphasis on process safety.
- g. Consulting and advisory services in technical, regulatory and other matters relating to oil and gas drilling and production, in accordance with the requirements of Ministry Supervisor, as specified in the Tender documents.

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The summary of Basket 2 consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel is:

- a. Audit of any interest-holder's work programs, prospects documentation, plans for exploration, development and production including Data Acquisition programs; Seismic Surveys; Drilling, workover, wells tests proposals; Field Development Plans or any separate plans of the operations at any aspects including geophysical, regional geological analysis, petrophysical, geomechanical, integrated reservoirs characterization and geomodeling, reservoir engineering, drilling, completion, production, subsurface facility, economical evaluation, uncertainty, risk analysis etc.
- b. Reviewing geophysical operations including design and acquisition of 2D and 3D seismic surveys, and other geophysical measurements on the surface and in wells, reviewing standard and dedicated seismic processing flows, creation of seismic attributes and their interpretation, seismic inversion, DHI studies, reviewing and performing data analysis such as interpretation, gridding and mapping of seismic and other geophysical data and measurements, correlating seismic data to wells and creating of subsurface models.
- c. Providing geophysical, petrophysical processing and interpretation, rock physics analysis, geomechanics, wells test analysis, PVT analysis, geomodeling and dynamic modeling, production analysis, subsurface facility planning, economical evaluation, uncertainty, risk analysis and other kind of required investigation/analysis to characterize fields and their potentiality, effectiveness and efficiency of development and operations.
- d. Presentation of the results of calculations and analysis to the Ministry's staff and management and to third parties (interest-holder or other), if required. Submission of all results and analysis, including verification reports and CPR's in standard documentation and data formats as will be required by the ministry.
- e. All the analyses must be executed on Schlumberger software (Techlog, Petrel, Eclipse (run via Petrel, pre – and post- groups must be created in Petrel originally) for data interpretation and modeling and economics (Peep, Pipesim), Kappa Saphir (for well tests interpretation), Petroleum Expert MBal (for Material Balance).
- f. Auditing of submitted estimations of petroleum reserves and execution of independent reserve evaluations in accordance with PRMS-SPE standard.
- g. Consulting and advisory services in technical and other matters related to oil and gas exploration, appraisal, development and production including preparation or audit of Ministry standards or regulatory documentation.

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Any entity wishing to submit a bid for supply of Services under this Tender (“**Bidder**”), may submit a bid in accordance with the instructions and requirements set forth below (together, the “**Tender Documents**”) for each basket of services.

Summary of the Tender's dates and activities:

Activities	Date
Publication of Tender	29/04/2021
Deadline for submitting clarification requests	31/05/2021 (*)
Deadline for receiving Ministry's responses	15/06/2021
Deadline for Submission the Bid Bond draft	21/06/2021
Submission Deadline	30/06/2021 (*)

(*) No later than 14:00 Standard Israel time

List of Appendices:

Appendix A	Specifications
Appendix B	Agreement
Appendix C	Price Quote form
Appendix D	Absence of convictions regarding the Foreign Workers Law - 1991 or the Minimum Wage Law – 1987
Appendix E	Compliance with the Equal Rights for People with Disabilities Law - 1998
Appendix F	Attorney/CPA Confirmation of Identity of Authorized Signatories
Appendix G.1	Commitment to Refrain from Conflicts of Interests
Appendix G.2	Questionnaire Regarding the Absence of Conflicts of Interests
Appendix H.1	Confidentiality and Information Security Undertaking by Consultant
Appendix H.2	Confidentiality and Information Security Undertaking by Team Members
Appendix I	Details of Bidder
Appendix J	Confidential Parts of the Proposal
Appendix K	Performance Guarantee
Appendix L	Insurance Certificate
Appendix M	Bid Bond Form

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1. Preliminary Tender Conditions

The following are Prequalification Conditions for eligibility to Tender.

Any proposal that does not fulfill these conditions should be disqualified.

1.1 Administrative Prequalification Conditions:

- a. The Bidder is duly incorporated or registered in the jurisdiction(s) in which it principally operates.

As evidence of compliance with such Prequalification Condition, the Bidder should attach to its proposal an incorporation/registration certificate.

- b. For Israeli Bidders only: If the Bidder is incorporated in Israel, it holds a valid certificate of the keeping of account books and records and income reporting, in accordance with Section 2 of the Public Bodies Transaction Law - 1976.

As evidence of compliance with such Prequalification Condition, the Bidder should attach to its proposal a valid certificate.

- c. The Bidder has no criminal record under the Foreign Workers Law - 1991 and the Minimum Wage Law – 1987, or no more convictions than the maximum allowed under Section 2B of the Public Bodies Transaction Law - 1976.

*As evidence of compliance with such Prequalification Condition, the Bidder should attach to its proposal the **binding version of the affidavit regarding lack of criminal record, as aforesaid** – see [Appendix D](#) of this Tender. The affidavit shall be signed by the Bidder's authorized signatories.*

- d. The Bidder is in compliance with the Equal Rights for People with Disabilities Law - 1998, in accordance with Section 2B1 of the Public Bodies Transaction Law - 1976.

*As evidence of compliance with such Prequalification Condition, the Bidder should attach to its proposal the **binding version of the affidavit regarding compliance, as aforesaid** – see [Appendix E](#) of this Tender. The affidavit shall be signed by the Bidder's authorized signatories.*

- e. This is the "double-basket" tender. Each bidder may submit a bid for one basket or for more than one basket at its discretion. It should be noted that the threshold conditions as well as the criteria for examining the quality of the bids are not uniform between the various baskets and a bidder who submits his bid for more than one basket will be examined separately in each basket.

It is clarified that a single bidder may be able to be selected as the winner of one basket and also as a parallel winner of the 2nd basket.

1.2 Bid Bond

- 1.2.1 Each Bidder must include in its Bid an autonomous unconditional Bid Bond, in the form of Tender Form A (The Bid Bond), for the sum of Two Hundred

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Thousand New Israeli Shekel (NIS 200,000) for Basket 1, or/and One Hundred Thousand New Israeli Shekel (NIS 100,000) for Basket 2 services, respectively. The Bid Bond should be provided at the request of the Bidder, a Parent Company or a Member of the Bidder.

1.2.2 The Bid Bond may be provided by:

- a. a major Israeli bank or an Israeli insurance company, which is rated (long term issuer rating) at least AA- by Maalot Rating Services or Aa3 by Midroog or the equivalent rating by another reputable rating agency to be approved by the Tender Committee;

or

- b. a major overseas bank from a country having diplomatic relations with the State, which is rated (long term issuer rating) at least A- by Standard & Poor's Rating Services or A3 by Moody's or the equivalent rating by another reputable rating agency to be approved by the Tender Committee.

1.2.3 The Tender Committee reserves the right:

- a. to demand confirmation of the overseas bank by an Israeli bank; and
- b. to periodically confirm the rating of the Bid Bond provider; and in the event of a change in the rating of such Bid Bond provider - to demand that the Bidder replaces the Bid Bond in question by another Bid Bond, the provider of which will be approved by the Tender Committee, within no more than seven (7) days as of the receipt of the Tender Committee's demand.

1.2.4 The Bid Bond will be subject to Israeli Law.

1.2.5 The Bid Bond should be valid for a period as shall be determined by the Tender Committee and notified to all Bidders up to seven (7) days prior to the Bids Submission Date.

1.2.6 In the event that the validity of the Bids shall be extended, the validity of the Bid Bonds shall be extended accordingly, at the date of extension of the validity of the Bids.

1.2.7 The Bidder may submit up to four bonds amounting to the total sum of the Bid Bond, provided that each Bond will be issued in the form of Appendix M (The Bid Bond), except for the amount of the bond. For the removal of doubt, it is hereby clarified that the foregoing will not be construed or inferred as derogating from the State's or the Tender Committee's rights pursuant to the Tender Documents, or as affecting in any way, limiting or imposing any obligation whatsoever, on the ability to forfeit any or all of the Bonds issued herewith. In addition, such consent will not be deemed to obligate the State or the Tender Committee to forfeit such Bonds together, or pro-rata to their respective share of the amount of the applicable Bond

1.2.8 Without derogating from its rights and remedies under the Tender Documents or under any Law, the Tender Committee shall be entitled to forfeit the Bid Bond in the event of non-compliance with the requirements of the Tender Documents, including the submission of any false or misleading information to the Tender

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- Committee or refusal to comply with the requirements concerning the Successful Bidder.
- 1.2.9 Once the Successful Bidder furnishes the Performance Bond under the Concession Agreement, the Bid Bond submitted by the Successful Bidder shall be returned to it.
- 1.2.10 The procedure for returning the Bid Bonds of the unsuccessful Bidders, or following disqualification of a Bid or in the event of annulment of the Tender Process, will be determined by the Tender Committee in its internal procedures.
- 1.2.11 Only the following items are considered to be material conditions of the Bid Bond (“Material Conditions”):
- a. The amount of the Bid Bond or total amount of the Bid Bonds (if applicable);
 - b. The minimal duration of the Bid Bond;
 - c. That the Bid Bond is an independent, irrevocable, and autonomous guarantee;
 - d. That the Bid Bond is payable within no more than seven (7) days of receiving a written request from the Tender Committee. For the avoidance of doubt, the method by which the written request is to be communicated to the guarantor is not considered to be a Material Condition of the Bid Bond.
- 1.2.12 Without derogating in any way from the prerogatives of the Tender Committee regarding Deviations from any of the provisions of the Tender Documents, in the event that any of the Bidders submits a Bid Bond that deviates from the form attached hereto as Appendix M (The Bid Bond), the Tender Committee shall be entitled, at its sole discretion, to instruct the Bidder to correct its submitted Bid Bond, or to provisionally ignore all or part of the Deviation from the Appendix M (The Bid Bond) to the extent that such Deviation does not derogate from the Material Conditions of the Bid Bond.
- 1.2.13 Should the Tender Committee request a correction of a submitted Bid Bond, the Bidder will provide such corrected Bid Bond by the requested date and only upon receipt of such corrected Bid Bond by the Tender Committee will the Bidder be entitled to receive in return the originally submitted Bid Bond. For the avoidance of doubt, the Bidder will not be permitted to cancel or derogate in any way from the validity of the Bid Bond for which a correction has been requested until such time as the corrected Bid Bond has been submitted.
- 1.2.14 Notwithstanding any other provision above, the Tender Committee may provisionally ignore all or part of any of the Deviations in the Bid Bond even if they derogate from any Material Condition, in accordance with the prerogatives of the Tender Committee regarding Deviations as per the Tender Documents and without derogating therefrom. Without derogating from any of the prerogatives of the Tender Committee and the provisions of the Tender Documents, and for the avoidance of doubt, it is noted that not every deviation in the Bid Bond which derogates from a Material Condition, shall necessarily be considered as a material Deviation, and the Tender Committee retains its prerogative, amongst others, to provisionally ignore such Deviation.

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1.3 Voluntary Pre-Ruling of Bid Bond

- 1.3.1 Due to the increase in cases where bid bonds presented as part of tender documents are found inadequate and as a result disqualified, the Tender Committee encourages all Bidders to formulate the Bid Bond meticulously in accordance with the version set forth in Appendix M (The Bid Bond).
- 1.3.2 The Bidders acknowledge that any fault or defects in the Bid Bond, as in any other part of their Bid, may result in the disqualification of such Bid, notwithstanding the Prerogatives, authorities and rights of the Tender Committee as set forth in these Tender Documents.
- 1.3.3 In order to minimize the possibility of faults or defects in the Bid Bond the Tender Committee will enable the Bidders to provide the Tender Committee with a draft of the Bid Bond they intend to submit as part of the Bid, for the purposes of receiving the Tender Committee's Approval on the wording of the Bid Bond ("Voluntary Pre-Ruling of Bid Bond").
- 1.3.4 The Tender Committee will provide comments regarding the Bid Bond, where applicable, enabling the Bidder to amend the wording of the Bid Bond and submit an updated and correct version on the Bid Submission Date.
- 1.3.5 The Tender Committee's comments or Approval pursuant to the Voluntary Pre-Ruling of Bid Bond process are provided on an equal basis to all Bidders in accordance with the Bid Bond version set forth in Appendix M (The Bid Bond).
- 1.3.6 The Tender Committee's Approval or comments are in no way a substitute to the requirement and responsibility of the Bidder to act at its sole discretion and to provide a compliant Bid Bond as part of its Bid.
- 1.3.7 In any event all Bids must be submitted in accordance with all the stipulations set forth in the Tender Documents including, but not limited to, the times set for submitting the Bids.
- 1.3.8 Submitting the Bid Bond draft to the Tender Committee will not impose any obligation on the Tender Committee regarding the Bidder or any other Bidders and the Tender Committee may at its sole discretion provide its Approval or comments in writing to the Bidder.
- 1.3.9 In no way are the comments provided by the Tender Committee binding on any Bidder. All Tender Committee's recommendations are provided on a non-binding basis.
- 1.3.10 For the removal of doubt, the Voluntary Pre-Ruling of Bid Bond process is not a negotiation process between the Tender Committee and the Bidders. It is only an instrument of the Tender Committee, providing the Bidders with an opportunity to reduce the chance of disqualification due to non-compliant Bid Bonds.
- 1.3.11 All Bid Bonds to be observed by the Tender Committee as part of the Voluntary Pre-Ruling of Bid Bond process, must be presented to the Tender Committee after the last date for submission of questions to the Tender Documents and no later than nine (9) days prior to the Bid Submission Date, as may be amended by the Tender Committee through the Tender Process, in order for the Tender Committee to perform the Voluntary Pre-Ruling of Bid Bond process. The Tender Committee will provide its Approval or comments, subject to the aforesaid qualifications regarding the Tender Committee's comments as noted above, to the Bidders no later than five (5) days prior to the Bid Submission Date, as may be amended by the Tender Committee through the Tender Process.

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- 1.3.12 Submittal of a Bid Bond draft by a Bidder for the Tender Committee's Voluntary Pre-Ruling of Bid Bond will not impose any obligation on such Bidder to submit a Bid and the Tender Committee will not view such Bidder as submitting a Bid unless the Bidder submits a Bid in accordance with all the stipulations set forth in the Tender Documents.
- 1.3.13 Lack of utilization of the Voluntary Pre-Ruling of Bid Bond will not diminish the rights of any of the Bidders.

Basket 1 Documents:

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2. Professional Prequalification Conditions

In light of the engineering complexity (see Appendix A) expressed in the multibillion-dollar infrastructure, the direct impact of the availability of facilities on the security of gas supplies to Israel, safety and environmental issues, and the importance of professional supervision regarding drilling and production of natural gas and crude oil, the Ministry decided to require higher professional skills than those required by the Binding Tenders Law, 5742-1992. All these excess requirements apply to the Bidder and the proposed team on his behalf.

The Bidder must fulfill the following professional threshold prequalification requirements:

- a. The Bidder must be a company with at least 10 years of proven experience in upstream operations in the field of offshore integrity management, offshore inspection, and offshore certification.
- b. The Bidder must have at least 10 years of consulting, engineering and design experience covering drilling, production facilities, export infrastructure, gas utilization, product development and transportation for onshore and offshore hydrocarbon fields (“Petroleum Operations”)
- c. The Bidder has at least 10 years of proven experience in risk management, safety and environmental services.
- d. The Bidder has at least 10 years of proven experience in the field of training in supervision of (process) HSE aspects of Petroleum Operations.
- e. The Bidder must employ an Israeli Professional/Company with at least 10 years of proven experience in field of Petroleum Operations in order to assist audits in accordance with Israeli Regulations.
- f. The Bidder has to show that within the last 10 years it has performed consulting services for at least 10 projects (at least 100 million US\$ each project) with government Oil and Gas agencies or government companies, or for the largest international Oil and Gas companies, whose revenue exceeds USD 50 billion.
- g. The Bidder is required to submit in its bid a description of the professional team as specified below (a staff member can be an expert in several fields of expertise, or there could be several different experts, one for each field of expertise):

1) Project Manager

- The project manager must be an engineer registered in one of the professional international organizations like SPE (Society of Petroleum Engineering), AADE (American Association of Drilling Engineers) etc.
- The project manager shall have at least 10 years of experience in the management, supervision, or execution, of the operation or construction of

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Oil and Gas drilling projects, or production projects (hereinafter “Petroleum Projects”) with a total investment of more than USD \$1 billion.

- **Project Manager is responsible for:**
 - Management of the project team members to ensure completion of all deliverables and all projects within the scope, budget, and schedules and deadlines, as set forth in [Appendix A](#), and elsewhere in this Tender, and the project plan, as approved by the Ministry Representative.
 - Making periodic and final reports regarding all aspects of projects and deliverables before the Ministry;
 - communication with the Ministry and third parties, as required by the Ministry Representative.

2) Leading International Experts Team

- The leading international experts team must include at least 1 expert per required discipline, each shall have at least 10 years of experience in one of the following areas:
 - offshore drilling projects;
 - well design and completion, onshore and offshore;
 - design and evaluation of engineering development plans, including subsea construction, production platforms, interior connections and transfers, preliminary treatment;
 - gathering and storage, including underground storage and transportation;
 - safety and environmental aspects according to international regulations in field of Petroleum Operations;
 - working program performances in accordance with international regulations and standards: BSEE (the Bureau of Safety and Environmental Enforcement), Texas Railroad Commission (RRC), American Petroleum Institute (API) etc., EU directives, UK, North Sea Countries’ regulations, Canadian provincial regulations.
- Leading International Experts are responsible for team excellence, presentation and confirmation of methods and technologies, which will be applied for project execution with the Ministry’s experts and for integrated inter-disciplinary solutions.

3) Pool of Experts (Senior Expert and Junior expert):

- The Senior Expert and Junior experts team must include at least 1 expert per required discipline, each shall have at least 7 years of supervision experience in one of the following areas:
 - offshore drilling projects;
 - well design and completion, onshore and offshore, including deep wells;
 - design and evaluation of engineering development plans, including subsea construction, production platforms, interior connections and transfers, preliminary treatment;
 - gathering and storage, including underground storage and transportation;

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- safety and environmental aspects according to international regulations in field of Petroleum Operations;
 - working program performances in accordance with international regulations and standards: BSEE (the Bureau of Safety and Environmental Enforcement), Texas Railroad Commission (RRC), American Petroleum Institute (API) etc., EU directives, UK, North Sea Countries’ regulations, Canadian provincial regulations.
 - Senior Experts are responsible for executing the project deliverables per discipline.
 - Juniors Experts are responsible for activities per expert's tasks.
- 4) **An Israeli expert** who has at least 10 years of proven experience in the field of Petroleum Operations according to Israeli regulations.
- Israeli expert is responsible for assistance to the audit team to assess safety and environmental aspects in the field of Petroleum Operations according to Israeli regulations;
 - Day to day communications with MoE representatives, if needed.

With regard to the pool of experts, a person can be considered an expert in more than one field, as long as he meets the required threshold professional prequalification conditions in respect of each such field, as set forth in section (g.3)) above.

Each designated team member must be available for traveling to Israel in order to provide the Services, within 5 business days from the date of the Ministry representative’s request.

Failure to satisfy one or more of the Prequalification Conditions will result in the disqualification of the bid.

Evidence of compliance:

The Bidder shall demonstrate its compliance with the above Prequalification Conditions, by providing documents detailing its relevant experience, by years.

For each designated team member, the Bidder shall also attach the following documents:

- 1) A CV;
- 2) Certificates indicating education;
- 3) Relevant documentation indicating experience;
- 4) A table, in the format below, listing all previous jobs/projects and relevant experience of each of the designated team members, along with the job description, the date of its execution, list of references and contacts of clients for whom work was carried out together with details of how to contact them, as detailed below.

Subject/description of job	Duration/ year job was executed	Name of client	Scope of work	Name of contact	Phone + cell phone
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A similar table shall be provided in relation to previous jobs/projects of the Bidder itself.

The Ministry may refer to any contacts/clients from the provided list or any other clients based on any existing information, or information arising from the proposal or from its review, in order to assess the degree of customer satisfaction from the services provided by the Bidder and/or relevant designated team member.

If possible, and to facilitate demonstrating compliance of the designated team member with the Tender's requirements herein, please attach examples of relevant work carried out by the Bidder and designated team members.

The decision whether the Bidder or a designated team member fulfills the experience requirements, including the decision whether the demonstrated experience is relevant experience under the requirements, is subject to the discretion of the Tender Committee.

3. Conflict of Interest

- a. The Bidder and each of its designated team members shall declare and commit that they are not under any conflict of interest between the services they currently provide and Services required by the Ministry under this Tender. The Bidder and each designated team member will answer a questionnaire regarding conflict of interest.
- b. The Bidder and each of its designated team members will list all professional, business, economic and personal relationships during the past 5 years, which may create a conflict of interest with the provision of Services required by the Ministry within the framework of this Tender (in this regard, Bidder should also refer to its affiliates or any corporations associated with the Bidder).
- c. The Tender Committee may disqualify any proposal that it deems to have potential for a conflict of interest. The Committee may also reach an arrangement with the winning Bidder in order to prevent conflicts of interest, all according to its sole discretion.
- d. The Bidder and each of its designated team members shall have not performed, and will not undertake to perform, any similar Services required under this Tender to any client in the territory of Israel, other than the Ministry, during the 6 months' period prior to the proposal Submission Deadline, during the Term of the Agreement, and for a period of 1 year after the termination of the Agreement.

For a binding version of aforementioned commitment and questionnaire regarding the absence of conflicts of interests – see Appendices [G.1.](#) and [G.2.](#) of this Tender.

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4. General Conditions Pertaining to the Performance of the Services

- a. On behalf of the Ministry, the Head of the Engineering Enforcement Department of the Natural Resources Administration, or anyone appointed on its behalf, shall be the Ministry Representative responsible for ensuring performance of the Services subject to this Tender (hereinafter, the "**Supervisor**").
- b. Services will be provided by the winning Bidder and any service providers on its behalf, as approved by the Ministry, in accordance with the terms and conditions of the Tender, to the satisfaction of the Supervisor.
- c. The winning Bidder and anyone on its behalf shall undertake to provide the Services with expertise, professionalism and skill according to commonly accepted professional standards.
- d. The winning Bidder and anyone on its behalf will not be entitled to transfer or assign its rights according to this Tender, in whole or in part, to any third party, without receiving prior written consent of the Ministry.
- e. Only team members who were designated by the Bidder in its proposal under this Tender, or later approved by the Ministry, shall supply the Services. Replacement of any designated team member at the initiative of the winning Bidder, may be only by a substitute employee/s with equivalent or additional knowledge and experience, and is contingent upon obtaining prior written consent of the Supervisor.
- f. The winning Bidder may be asked to provide services, which may necessitate services to be provided by a subcontractor, approved in advance by the Ministry and contracted by the winning Bidder. For more information see Section 2.7 of the Agreement.
- g. The Supervisor may demand the replacement of any team member, and the winning Bidder will have to replace him with a different team member of equivalent or additional knowledge and experience, within 60 days of said request for exchange. Any substitute of a Project manager or Leading Experts must be approved in advance by the Tender Committee of the Ministry.
- h. The winning Bidder undertakes to maintain the confidentiality of any information to which it is exposed to due to the provision of the Services, both during the term of the Agreement as well as after its termination. The winning Bidder will also ascertain that all team members and additional service providers on its behalf under this Agreement, will not disclose any information regarding their activities for the Ministry, neither to parties that are not related to the winning Bidder nor to any party within the winning Bidder that is not directly involved in the provision of Services in connection with this Tender, and will ensure that each signs a confidentiality undertaking, as detailed in Section 12 of the Agreement.

For a binding version of aforementioned Confidentiality Undertaking – see Appendices [H.1](#) and [H.2](#).

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- i. All and any work products, at any stage, produced by the winning Bidder to any extent, shall belong exclusively to the Ministry. It is hereby clarified that the work of any type, and all its products and copyright, shall be the sole property of the Ministry, and the winning Bidder will not be entitled to make any use of them without express prior written consent from the Ministry. The right to publish any materials and products is given only to the Ministry, and the winning Bidder will not be entitled to make use of them without prior written consent from the Ministry.
- j. The winning Bidder must be ready to commence provision of Services immediately upon the signing of the Agreement by the Ministry.

5. Agreement

- a. An Agreement will be signed with the winning Bidder for performance of the Services, as attached hereto as Appendix B ("the **Agreement**"). The terms of the Agreement as set forth in Appendix B are an integral part of this Tender and its terms. The Bidder must submit an executed copy of the Agreement, including appendices, with its proposal.
- b. The term of the Agreement shall be for 12 months, and the Ministry shall have the sole option to extend the duration of the Agreement for additional periods up to a total of 6 years, by prior written notice by the Ministry (with the need for both parties to sign an addendum to the Agreement).
- c. Notwithstanding any other provision, the Ministry shall be entitled to terminate the Agreement, according to its sole discretion, by giving written notice to the winning Bidder 30 days in advance.
- d. For the avoidance of doubt, it is hereby emphasized that the Ministry is not obligated to any minimum volume of services.

6. Structure of the Proposal and the Manner of Submission

- a. The proposal shall be submitted in 1 paper copy + 1 copy on digital media in a searchable PDF format. All documents of the proposal must be provided in the English language only.
- b. The proposal must be submitted in accordance with all the Tender requirements and shall include:
 1. All documents and references required as evidence of compliance with the Prequalification Conditions, including a list of the designated team members (Project Manager and Experts) and the documentation and information detailed in all subsections of Sections 1.1 and 2 above (including **Appendices D and E**).
 2. Method of Approach as requested in Section A.3 of Appendix A.
 3. Lawyer\accountant confirmation to the identity of the authorized signatories on the Bidder's behalf and a sample of such a signature\s, in the form attached as Appendix E.

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4. An executed copy of the Agreement ([Appendix B](#) of the Tender): (a) initialed by the authorized signatories on each page, and (b) full signatures and the Bidder's stamp on signature page of Agreement.
5. An executed copy of the following appendices of the Tender (which all form a part of the Agreement): **Appendices G.1, G.2, H.1, H.2**: (a) initialed by the authorized signatories on each page, and (b) full signatures (and the Bidder's stamp where required).
6. Details of Bidder form attached as [Appendix I](#).
7. Confidential parts of Bidder's proposal in the form attached as [Appendix J](#).
8. The Bidder's Price Quote on [Appendix C](#).

Note that Appendices [K](#) and [L](#) (the Performance Guarantee and Insurance Certificate, as defined in Section 9 below) need not be submitted with the proposal.

- c. The material must be inserted into a sealed envelope, upon which will be specified only the Tender number. Name of Bidder will not be specified on the envelope. Within this outer envelope will be 2 sealed inner envelopes:
 1. One will include all parts of the proposal, **except for** the Price Quote. This envelope will be titled: "Detailed Proposal without Price Quote".
 2. The second sealed and separate inner envelope will include the completed Price Quote form - [Appendix C](#). This envelope will be titled: "Price Quote".
- d. The deadline for submission of proposals is June 30, 2021, at 14:00, Standard Israel time (the "**Submission Deadline**"). An envelope containing the proposal documents must be placed in the Tender box located at the Ministry of Energy, 7 Bank Israel Street, Jerusalem, -(minus)1st Floor (in the corridor opposite the entrance door). The location of the Tender box may change, as the Ministry is due to move to new offices. Bidders must check for updates on the Ministry's website regarding the location of the Tender box, in close proximity to the Submission Deadline. **Proposals submitted after the Submission Deadline will be disqualified.**
- e. If the Bidder decides to submit its proposal by courier, including by mail, it should put the outer envelope into a second envelope with instructions to courier "*Please place in the Tender Box.*" The Bidder must be aware that the Ministry is in no way responsible for placing the proposal in the Tender box. Any proposal received at the Ministry prior to the final submission date, but for some reason not inserted into the Tender box, shall be disqualified as a proposal not submitted on time.

7. Price Quote

- a. The Price Quote shall be submitted on the form attached as [Appendix C](#) (to be submitted in a separate inner envelope within the proposal envelope, labeled "*Price Quote*", as detailed in Section 6c above).
- b. The Price Quote shall include all expenses that the Bidder might incur in connection with performance of the Services. No additional expenses will be added to the price set forth in the Price Quote, including any expenses for purchasing any material, information, international standards, surveys etc.

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- c. The Bidder will indicate the cost of work: the total tariff per one (1) working hour of a Leading International Expert in US Dollars.
- d. The working hour (WH) costs of the Project Manager, or an Expert, will be calculated according to the Leading International Expert's WH cost as follows:
 - i. 1 WH of a Project Manager = 1 WH of a Leading Expert X 125%
 - ii. 1 WH of a Senior Expert = 1 WH of a Leading Expert X 70%
 - iii. 1 WH of a Junior Expert = 1 WH of a Leading Expert X 45%
 - iv. 1 WH of an Israeli expert = 1 WH of a Leading Expert X 16.5%

For Example: should the bid per 1 WH of Leading International expert be 200\$, 1 WH of Project manager would be 250\$ (200\$ X 1.25), 1 WH of a Senior Expert would be 140\$ (200\$ X 0.7), and 1 WH of a Junior Expert would be 90\$ (200\$ X 0.45).

- e. The cost of 1 working hour of an Israeli expert: the hourly tariff for the work of an Israeli expert in Israel, will be in accordance with the Instructions of the Accountant General No.13.9.0.2.1 and its updates. Thus, the Bidder does not need to quote a price for Israeli experts.
- f. The Price Quote must be expressed as hourly consultancy tariffs. Payment shall be made only for hours actually worked. No payment shall be made for idle time due to travel time. For the avoidance of any doubt, the Price Quote shall be valid for the entire term of the Agreement, including contract extensions.

In any case, the Price Quote for 1 WH of a Leading Expert will not exceed 300 USD. A Price Quote that does not meet this condition will be disqualified.

- g. Traveling to Israel- the nature of Services may include traveling to Israel, and winning Bidder, and each one of its designated team members should be able to travel to Israel within 5 business days' from the Ministry Representative's request The frequency of the traveling may vary depending on the nature of the services, but is estimated at 4-7 visits per year.

The consideration for a visit to Israel will be at "fixed cost" that embodies all the costs involved in the visit, including idle time, and will vary according to the location of the winning Bidder's main office, as follows:

- i. Located in Europe – 3000 USD per visit
- ii. Located outside of Europe – 6000 USD per visit

Let it be noted that each visit to Israel will include at least 2 working days, 8 WH each, for which the Bidder will be paid for (in addition to the fixed cost above) according to the Bidder's Price Quote and type of team member.

The cost of additional visit days above the minimal 2 days' visit is 500 USD per day per person.

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8. Criteria and process of choosing the winner

Examination of the proposals will be based on the weighing of the quality and price components of the proposal.

Winner selection process will be conducted in 4 stages, as follows:

Stage 1 - Compliance with Prequalification Conditions

Proposals received by the Submission Deadline shall be opened (the inner envelopes containing the Price Quote shall remain sealed at this stage), and examined in order to verify whether the Bidder meets the Prequalification Conditions of the Tender as set forth in Sections 10 and 2.

A Bidder whose proposal does not meet the Prequalification Conditions shall be deemed ineligible and disqualified from the Tender.

Stage 2 – Examination of the Quality of the Proposal (70% of the final grade)

All proposals that have been found to meet the Prequalification Conditions will be examined and evaluated based upon their quality as set forth below, and without taking into consideration the Price Quote, which shall remain sealed at this stage. Score shall be given for each of the following quality parameters, up to the maximum number of points set forth in the column on the right (the “Quality Score”):

Quality Parameter	Maximum Number of Points
<p>The Bidder:</p> <ul style="list-style-type: none"> • Experience of Bidder in providing the required Services, as set forth in the Tender at locations with Oil and Gas facilities similar to those in Israel, as described in brief in Appendix A. The bidder shall present a description of technologies used and provide specific examples. <ul style="list-style-type: none"> ○ 20 Projects or more and summary budgets of 10M\$US* ○ 15 Projects and summary budgets of 5M\$US* ○ 10 Projects and summary budgets of 2M\$US* <p>*Any project must have budget 100K\$US at least</p>	<p>12(Max) 8 4</p>
<ul style="list-style-type: none"> • Experience in supplying the Services for Regulatory Authorities or companies and in presenting the result of executed projects in front of third parties or independent parties. <ul style="list-style-type: none"> ○ 6 different countries or more ○ 4 different countries ○ 2 different countries 	<p>6(Max) 4 2</p>
<ul style="list-style-type: none"> • Experience in projects located in the Mediterranean Sea 	<p>4</p>
<p>Project Manager:</p> <ul style="list-style-type: none"> • Scope and type of projects managed and successfully completed during the last 20 years: <ul style="list-style-type: none"> ○ 10 or more Projects and summary budgets of 7M\$US* ○ 7 Projects and summary budgets of 4M\$US* ○ 4 Projects summary budgets of 2M\$US at least* 	<p>12 (Max) 10 5</p>

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<ul style="list-style-type: none"> • Experience in the field of monitoring and supervision of onshore and offshore Oil and Gas drilling and production activities during the last 10 years: <ul style="list-style-type: none"> ○ 6 or more Projects with total investment of 3B\$US** ○ 4 Projects with total investment of 2B\$US** ○ 2 Projects with total investment of 1B\$US at least** <p>*Any project must have budget 100K\$US at least **Any project must have budget 100M\$US at least</p>	8 (Max) 5 2
<p>Leading International Experts*:</p> <ul style="list-style-type: none"> • Scope of Oil and Gas drilling and production projects actively participated (must fully ties to possible tasks of listed at Appendix A) during the last 10 years: <ul style="list-style-type: none"> ○ 9 or more Projects with total investment of 2B\$US* ○ 6 Projects with total investment of 1B\$US* ○ 3 Projects with total investment of 0.5B\$US at least • Experience in ultra-deep water projects Oil and Gas drilling and development during the last 10 years: <ul style="list-style-type: none"> ○ 6 or more Projects with total investment of 1B\$US* ○ 4 Projects with total investment of 0.5B\$US* ○ 2 Projects with total investment of 0.2B\$US at least* 	10(Max) 8 5 7 (Max) 5 3
<ul style="list-style-type: none"> • Experience in unconventional reservoirs: oil shale, tight fractured reservoir. <p>*Any project must have budget 50M\$US at least</p>	3
<p>Pool of Experts*:</p> <p>Senior Expert</p> <ul style="list-style-type: none"> • Experience of the different experts which will cover all fields of this Tender during the last 10 years [not including ultra-deep water projects which will be evaluated below]: <ul style="list-style-type: none"> ○ 8 or more Projects with total investment of 1B\$US* ○ 5 Projects with total investment of 0.5B\$US* 	9(Max) 7
<ul style="list-style-type: none"> • Experience in ultra-deep water projects during the last 10 years: <ul style="list-style-type: none"> ○ 5 or more Projects with total investment of 1B\$US* ○ 3 Projects with total investment of 0.5B\$US* 	6(Max) 4
<ul style="list-style-type: none"> • Experience in unconventional reservoir during the last 10 years: oil shale, tight fractured reservoir. 	2
<p>Junior Expert</p> <ul style="list-style-type: none"> • Experience of the different experts which will cover all fields of this Tender during the last 5 years [not including ultra-deep water projects which will be evaluated below]: <ul style="list-style-type: none"> ○ 3 Projects with total investment of 0.2B\$US or more* 	5
<ul style="list-style-type: none"> • Experience in ultra-deep water projects during the last 5 years: <ul style="list-style-type: none"> ○ 2 Projects with total investment of 0.2B\$US or more* 	3
<ul style="list-style-type: none"> • Experience in unconventional reservoir during the last 5 years: oil shale, tight fractured reservoir. <p>*Any project must have budget 50M\$US at least</p>	1
<p>Israeli expert in field of Petroleum Operations</p> <ul style="list-style-type: none"> • Experience in field of Oil and Gas, risk management, safety and environmental Israeli Regulations: <ul style="list-style-type: none"> ○ 20 years of Experience or more ○ 15 years of Experience ○ 10 years of Experience at least 	5(Max) 3 1

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• Project management skills (at least 1 project with total investment of 10M\$)	1
General Impression of the Bidder's Company	6
Total	100

Quality Parameters points will have based on analysis of all experts' expertise of all bidders. Best of Group Expert will get the maximum points and others will be scored compared him.

Only proposals that shall receive a Quality Score of at least 80 points (out of 100), "Minimum Quality Score") will advance to Stage 3 (Price Quote Scoring). Notwithstanding the foregoing, if after conducting Stage 2, only one bid receives the Minimum Quality Score, the Ministry may, at its own discretion, cancel the Tender.

The Ministry may take into consideration any previous experience it or any third party has had with the Bidders, to the extent that the Ministry is familiar with any such experience.

Without derogating from the generality of the foregoing, the Ministry may subtract points if a Bidder or a designated team member, for example, has worked in the past with the Ministry as a provider of services and did not meet the set timetable and/or the standards of the required service or if there is a written negative evaluation of work performed by such Bidder or designated team member. In such a case, the Ministry is entitled (but is not obligated), at its own discretion, to provide the Bidder with the right to clarify its position, verbally or in writing, with regard to this matter.

Despite the foregoing, the Ministry may combine Stages 1 and 2 above, such that the Preliminary Qualifications check and the quality scoring will be performed in parallel.

Stage 3 –Price Quote Scoring (30% of the final grade)

After the Tender Committee approves the Quality Scores from Stage 2 of the examination, it will review the Price Quotes of proposals that received the Minimum Quality Score. Envelopes with Price Quotes of proposals which did not meet the Minimum Quality Score will not be examined.

The Price Quote will be graded based only on the proposal for 1 WH of a Leading Expert (USD).

The lowest Price Quote received will score 100 points, while the rest of the other proposals will be scored relative to this proposal in descending order.

Establishing the Price Quote score will be as follows:

$$\text{Price Quote Score} = \frac{\text{Lowest Price Quote received} \times 100}{\text{Price Quote of proposal being scored}}$$

Stage 4– Selecting the Winning Bidder

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The final score of each proposal will be calculated as follows:

$$\text{Final Score} = \frac{(70 \times \text{Quality Score}) + (30 \times \text{Price Quote Score})}{100}$$

The Bidder with the highest Final Score shall be selected as the winning Bidder. The Ministry reserves the right to select the winning Bidder subject to certain conditions that it shall decide.

Notwithstanding the foregoing, the Ministry reserves the right to reject a Price Quote that it deems unreasonable for any reason, and reserves the right not to elect the Bidder with the highest Final Score, or any Bidder at all, including, *inter alia*, if the Bidder's economic and/or security examination results are not to the Ministry's satisfaction or if it finds the proposal to be unreasonable to a degree that raises concern as to the ability of the Bidder to fulfill its obligations.

9. Action Items Following Selection of the Winning Bidder

a. As a precondition to the winning Bidder's rights under the Agreement and to the Ministry's execution thereof, the winning Bidder shall provide the Ministry with the following:

1. The Performance Guarantee required by the Agreement (the "**Performance Guarantee**") within 15 days of receipt of the notification that its proposal has been selected. If the winning Bidder does not provide the Performance Guarantee within such time, the Ministry may cancel such Bidder's selection, and may select instead the Bidder with the next-highest score.

For a binding version of Performance Guarantee – see [Appendix K](#) of this Tender.

2. The insurer's certificate required by the Agreement (the "**Insurance Certificate**") within 15 days of receipt of the notification that its proposal has been selected.

For a binding version of Insurance Certificate – see [Appendix L](#) of this Tender.

3. The names and relevant experience of 10 consultants, who will be part of the designated team (in addition to the Project Manager and the Experts), each with one of the following minimum qualifications (each, a "**Consultant**") as describe in paragraph 1.2 of the Tender.

The winning Bidder shall submit, together with the names and documentation for each proposed Consultant, a commitment and questionnaire regarding the absence of conflicts of interests ([Appendices G.1. and G.2.](#) of this Tender) and a confidentiality undertaking ([Appendix H.2](#) of this Tender) signed by each of them. Each Consultant is subject to the Ministry's approval.

b. Upon receipt and approval by the Ministry of the documents and information detailed above, *the winning Bidder shall submit the signed Agreement.* After it, the Ministry will sign the Agreement and return one copy to the winning Bidder. The date of the Ministry's execution of the Agreement shall be the "Effective Date" of the Agreement,

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however the Ministry may inform the winning Bidder that the Services will begin at a later date.

- c. The winning Bidder will be required to commence work immediately after signature of the Agreement by the Ministry.

10. Clarifications

- a. A prospective Bidder requiring any clarifications regarding the Tender Documents may submit a written request for clarifications to the Ministry, addressed to Mrs. Ilana Tamsut at e-mail address itamsut@energy.gov.il. Requests should be submitted as MS-WORD documents only. Clarification requests must be received no later than May 31, 2021 (“**Clarification Deadline**”). The Ministry will not reply to queries that will arrive later than the Clarification Deadline. Verbal confirmation of receipt of such e-mail may be obtained at telephone number +972747681764.
- b. The following is the format for submission of clarifications requests:

Section in the Tender/Specification	Details of question / clarification

- c. The Ministry retains the right to refrain from replying to any clarification requests if it finds that such reply may be detrimental to the Tender process, or if the request is a request to alter the Tender conditions, and not a request for clarification. The Ministry’s response (including an explanation of the query but not identifying its source) will be published on the Ministry’s website at the following address: <http://www.energy.gov.il> not later than 14 days before Submission Deadline.
- d. Clarifications issued by the Ministry shall be deemed to form part of the Tender Documents. The Bidder may not rely on clarifications provided by the Ministry, unless such clarifications were issued by the Ministry in writing pursuant to the foregoing.

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11. Non-derogation, Amendment of Flaws, Discussion with Bidders

- a. The Bidder may not add to, derogate from, alter or qualify any condition of the Tender Documents.
- b. If a Bidder wishes to offer comments on specific paragraphs or conditions, including a request for an amendment to the Agreement, such comments/requests shall be conveyed to the Ministry as clarification requests according to Section 10 above, such that the Ministry may consider whether or not to amend the conditions of the Tender Documents. If the Ministry agrees to amend conditions, appropriate written notice regarding the amendment shall be posted on the Ministry's website. Requests for amendments that are not listed as accepted in such postings shall be deemed denied. Any alteration or qualification to the final Tender Documents made by the Bidder in its proposal, whether made by the Bidder to the Documents themselves or by any side letter or otherwise may lead to the Bidder's disqualification.
- c. If, despite the foregoing, a flaw is found in the Bidder's proposal, including any addition, derogation, change or qualification of the Tender Documents, the Ministry shall take action as it deems appropriate under the circumstances, at its sole discretion, and it may, inter alia, disqualify the Bidder or ignore such addition, derogation, change or qualification and regard them as never having been made, or accept the changes.
- d. Upon submission of its proposal, the Bidder agrees that the Ministry shall be entitled, but not required, to permit a Bidder whose proposal contains a qualification, is deficient or contains any other flaws, to amend or complete its proposal, or to allow the Bidder to leave the proposal unchanged, all at the Ministry's sole discretion, and in the manner and under the conditions the Ministry may determine.
- e. The Tender Committee will review the proposals and shall be entitled (but not obliged) at any time, at its discretion, to address all or any Bidders, or even any single Bidder, and request information, clarifications, additions, documents or anything else necessary in its opinion to review any specific proposal or all the proposals as a whole, whether due to a flaw in the proposal or not, either before or after the selection of the winning Bidder. Notwithstanding the above, the Committee is entitled to request an opinion from an independent body, regarding any information conveyed to the Ministry as part of the proposal. In addition, the Committee may address the Bidders or any of them, to determine its final position regarding each proposal. As part of its communication with the Bidders, the Ministry may set a timeframe for receiving additional information and the Ministry may determine that non-compliance with said timeframe may result in a decision without additional information, or even rejection of the proposal.
- f. For the avoidance of doubt it is hereby clarified that the above authority to request information, amend proposals and to negotiate with one or more Bidders, does not impose any obligation on the Ministry to negotiate with any Bidder, to allow a Bidder to qualify in any way any instruction or requirement of the Tender Documents, or to change any part of its proposal.

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- g. The Ministry may also negotiate with the winning Bidder, in order to improve its proposal.

12. Trade Secrets

- a. The Bidder is requested to clearly highlight any parts in its proposal, which it believes constitute trade secrets which should not be disclosed, in a form attached as [Appendix J](#) of the Tender. Please note that the Price Quote may not be included in this definition. The Bidder may not request the Tender Committee to provide details from other proposals that are parallel to any part in its own proposal, which it considers a trade secret not to be disclosed.
- b. Parts that are not marked as proprietary information will be considered information that may be disclosed if necessary, including for review by non-winning Bidders in the Tender. The final decision regarding which parts of the proposal may be open for review, is the sole discretion of the Tender Committee.

13. General

- a. The Ministry does not commit to selecting the proposal which receives the highest Final Score, or any proposal whatsoever.
- b. In the event that the winning Bidder does not procure the documents and information required of the winning Bidder as per Section 9 above, or the Ministry does not execute the Agreement with the winning Bidder for any reason whatsoever, all other proposals shall remain valid for 90 days after receiving notice of non-winning. In such circumstances the Ministry may, but is not obligated, at its discretion, to declare the proposal with the second highest Final Score, as the winner of the Tender.
- c. The Ministry reserves the right to make any changes or corrections to this Tender and its Appendices, at any time, including any of its conditions or its date of submission. Said change and / or amendment will be conducted in writing and will be posted on the Ministry's website at: www.energy.gov.il. The Bidders will be responsible for checking for such changes from time to time.
- d. The Ministry may, at any time prior to the Submission Deadline contact additional Bidders to submit their proposals, or cancel this Tender at any stage and if cancelled - post a new Tender instead of this Tender, as it sees fit at its sole discretion. In any case, the Bidders, and only they, will bear all expenses in connection with the Tender.
- e. The Ministry shall not be liable for any expense or damage that may be caused to a Bidder due to or in connection with this Tender, and in particular due to not being awarded the contract, the amendment of the Tender documents or the cancellation of the Tender process for whatever reason.
- f. The Ministry may, if it determines that there are special circumstances, accept a proposal even if it does not meet the some technical or formal requirements.

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- g. In special cases and under circumstances that shall be recorded, the Tender Committee reserves the right to conduct negotiations with the Bidders whose proposals fulfilled all threshold conditions.
- h. Any commitment on behalf of the Ministry towards the winning Bidder will become final only upon signing of the formal Agreement by the authorized signatories on behalf of the Ministry.
- i. Signing and maintaining the Agreement are subject to the existence of the necessary budget allocation, and to obtaining the necessary confirmations. The Ministry reserves the right to demand performance of the work in stages, according to budgetary limitations.
- j. General notices applicable to all Bidders shall be posted on the Ministry's website and Bidders are responsible for periodically checking for new notices. Notices applicable to a certain Bidder only will be sent by fax or email, to the contact person specified by the Bidder in its proposal. Notices sent by fax or email shall be deemed received upon automatically-generated confirmation of receipt. All communications shall be in English only.
- k. All Tender Documents are the exclusive property of the Ministry.

14. Jurisdiction

The Tender is governed by Israeli law, and any legal claim in connection with the Tender shall be filed only in the competent court in Jerusalem, Israel.

Sincerely,

The Tender Committee

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Appendix A

Specifications

A.1. General Background

The Ministry of Energy (hereinafter - the "**Ministry**") through the Natural Resources Administration, hereby publishes a Tender for Upstream Oil and Gas Auditing, Inspection and HSE consulting services in the oil and gas industry in Israel.

Until recent years' exploration efforts onshore and offshore Israel did not result in great success. Unlike other nations in the Middle East, that are amongst the richest petroleum provinces in the world, Israel was considered poor in hydrocarbon resources. However, in the last decade several dramatic changes took place, which transformed the status of the country as an energy producer and profoundly affected its entire economy .

Exploration efforts for oil and gas started in the area of Israel as early as the first half of the 20th century and continued throughout the time of the British Mandate over Palestine with no significant success. After the establishment of the State of Israel in 1948, the Petroleum Law (1952) was enacted and several petroleum exploration companies were founded, as well as governmental institutions, which provided technical and professional support, such as the Geophysical Institute and the Geological Survey of Israel.

Several offshore wells were drilled in the Mediterranean Sea during the 1970's to 1990's in relatively shallow water, 10 to 20 km of the Israeli coast. No commercial success was reached although significant light oil shows were discovered in the Yam-2, and Yam-yaffo-1 wells. In June 1999, the Tethys Sea Partnership announced the discovery of gas in Noa-1, drilled 40 km west of the coastal town of Ashkelon. The Noa field was the first, large natural gas reservoir found offshore Israel. In February 2000, another gas bearing reservoir was found in the Mari-B field, southeast of the Noa field, which at the time of discovery contained an estimated amount of 45 BCM of gas in place. In 2004, commercial gas production began at the Mari-B field. Almost all the amount of this gas was used by the Israel Electric Company to operate some of its power plants, which were converted from fuel oil to natural gas utilization.

Following Noa and Mari-B discoveries in the southeastern part of the Israeli Exclusive Economic Zone (EEZ), exploration efforts began to accelerate. These efforts included acquisition of new 2D and 3D seismic data throughout the offshore. In January 2009 the Noble Energy Partnership, Avner, Delek Drillings, Isramco and Dor announced the discovery of a thick section of gas bearing sands in the Tamar-1 well, located in 1600 m water depth, 90 km west of Haifa in the northern part of the EEZ. The Tamar structure was estimated to contain ~280 BCM of recoverable gas reserves, an amount sufficient for Israel's domestic consumption of gas for several decades. Later that year the same partnership discovered natural gas in the smaller Dalit field, southeast of Tamar, with an estimated amount of 8 BCM of gas.

In June 2010 a partnership headed by Noble Energy, Delek Drillings and Ratio announced the largest discovery made so far in Israeli economic waters. The giant, Leviathan structure located in deep water, 30 km west of Tamar, was found to contain the same gas bearing Tamar Sands. The Leviathan field is estimated to contain ~500 BCM of recoverable gas reserves, and is

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currently developed by Noble Energy, Delek Drillings and Ratio. Exploration activity continued through 2011 to 2013 with good results. More gas fields were discovered as the Karish & Tanin fields which held and currently developed by Energean Ltd. and, contain ~55 BCM of recoverable gas reserves, Dolphin, Tamar SW, Aphrodita-Ishai and Shimshon structures. At present the total amount of recoverable gas reserves found offshore Israel is estimated at 900 BCM.

In 2013, the Tamar gas field was connected to shore via a 150 km long tie-back pipe, amongst the longest in the world, and gas started to flow to the Tamar production platform and from there to the Israeli gas transportation system.

Energean Oil & Gas is using Stena Drilling to work on the deepwater Karish gas field project offshore Israel. The contractor deployed the *Stena DrillMax* drillship during Q1 and drilled development wells. Energean will confirm the scope following a FDP on Karish and the Tanin gas fields, which will be developed later. Karish's wells will produce through a newbuild FPSO, 90 km (56 mi) offshore Israel. Energean expects first gas in 2021.

Noble Energy started according to signed agreements to sell gas from the deep-water Leviathan and Tamar fields offshore Israel to Dolphinus Holdings for onward delivery to in Egypt. The 10-year agreements, one for each field, both provide for total contract quantities of 1.15 tcf, likely to supply industrial users and petrochemical facilities and future power generation schemes in Egypt. Sales volumes under the agreement associated with Leviathan will be at a probable firm rate of around 350 MMcf/d when production starts at the end of 2019. In Tamar's case, sales volumes are set to begin at an interruptible rate of up to 350 MMcf/d, depending on gas availability beyond existing client obligations in Israel and Jordan.

With the support and encouragement of the government and the Ministry of Energy, electric power plants and large industrial facilities are gradually converting their energy consumption to natural gas. The establishment of a nation-wide transmission and distribution system is underway. This system is designed to provide natural gas to every factory in Israel, and subsequently will reach the private sector as well.

During last years, the Ministry launched two offshore bid rounds that offered new offshore blocks for bidding. More information on Israeli oil and gas market and offshore bid rounds can be found at energy-sea.gov.il.

A.2. Description of Services

The required consulting services contemplated by this Tender include the provision of the following subjects:

- a. Monitoring and supervision of onshore and offshore oil and gas drilling and production activities by interest-holders, and their compliance with the applicable working program.

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This includes performing on-site inspections, and in the case of an accident, participates in the investigation and submitting the necessary reports, according to the work demanded.

- b. Auditing and supervision of the engineering aspects of development plans for onshore and offshore fields, especially for subsea equipment and well completion.
- c. Periodically auditing and supervision of the Health, Safety, and Environmental (hereinafter "HSE") aspects of drilling activities, with emphasis on process safety.
- d. Semi-annual auditing and supervision of HSE aspects of production activities, with emphasis on process safety.
- e. Auditing of Safety and Environmental Management System Activity will take place at the corporate level of interest holders, and at specific sites (drilling/production). Auditing will be conducted based on relevant Israeli regulations, which incorporate international regulation, Israel laws, Ministry guidelines, and relevant Labor regulations.
- f. Training services for Ministry professional staff in supervision of HSE aspects of drilling and production activities, with emphasis on process safety.
- g. Consulting and advisory services in technical, regulatory and other matters relating to oil and gas drilling and production, in accordance with the requirements of Ministry Supervisor, as specified in the Tender documents.

Note: In coordination with the Consultant, the Ministry may require services on other issues related to the field of oil and gas policy and regulation that are not included in this Section.

A.3. Method of Approach

The Consultant will provide a narrative response that describes its organization's overall method of approach for providing the required services as detailed in Section A.2. above. The methodology will be graded as part of the Bidder's proposal assessment.

A.4. Description of the work process of the performance of the Services:

1. At any time commencing with the Effective Date, the Ministry, through the Supervisor (as defined in Section 4 of the Tender), may issue written requests for a consulting task/project ("**Work Order**") related to the subjects specified in Section A.2.
2. The Work Order may include subjects that are not included in Section A.2. but which are within the scope of the services requested under this Tender.
3. The Project Manager shall respond in writing, within 7 working days, confirming the acceptance of the Work Order and describing a proposed proposal for the execution thereof that will specify the Consultant's approach, including the number of work hours to be invested in the execution of the project, estimated duration, timeline and final deliverables.
4. In the proposed plan, the Project Manager will assign the Experts that will carry out the consulting task.

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5. The Ministry through the Supervisor shall approve in writing the proposed plan and assigned Experts prior to commencing any work.
6. The Ministry may request to modify the proposed plan for the execution of the task.
7. The Ministry may request to conduct a kick-off meeting in Israel with the Project Manager and assigned Experts.
8. Apart from the procedure described above, the Ministry may request advice from the Consultant in respect of any aspect of the Services, by means of either telephone, e-mail correspondence, fax or video conference.
9. Unless otherwise decided, the Project Manager will be the single point of contact between the Ministry and the Consultant. The Project Manager will be responsible for coordinating the Consultant's work vis-à-vis the Supervisor, responsible for keeping the records, preparing and approving the professional reports. The Project Manager will participate in meetings with the Supervisor and will manage the Consultant's work in all aspects of the Services.

A.5. Consideration, Schedule and Milestones for Payment

1. The Services will be executed on a project basis and will consist of three phases: Initiation, Planning, Execution.
2. Each of the projects will be initiated by the Ministry, but may be proposed, also, by the Consultant. The Ministry will specify a description of initiated project which will be forwarded to the Consultant. At the start of the project planning process, the Consultant will provide the Ministry with its project proposal, which shall include: a technical description of the project/methods, scope of work, milestones, expected deliverables, forms of the reports, and budget. If the Ministry agrees with the proposal, it will issue an approval in writing. Following such approval, the Consultant may execute of the project. Execution, monitoring and completion shall be executed in accordance with the scope, budget, deliverables and reporting requirements described in the project proposal, as accepted by the Ministry.
3. The Ministry's approval of the scope of working hours detailed in the project plan does not in any way constitute any commitment by the Ministry to secure services from any of the team members for any minimal number of work hours. Furthermore, the Ministry shall be entitled to set the quota of hours required for each task at its own discretion.
4. The time dedicated to preparing and presenting the project proposal will **not** be compensated for by the Ministry.
5. For complex projects, the Ministry may require a preliminary report regarding project feasibility or the execution of a pilot project to determine applicability of methodology. Results will be utilized by the Ministry to determine moving forward on full project execution.
6. The Ministry may determine which of the team members will be assigned to each of the tasks defined by the Ministry.
7. Payments will be made upon attainment of the milestones described in each project plan, and subject to the scope (estimation of working hours for the project, for each type of team member) as approved by the Ministry, and following approval of the Ministry of the deliverables of such milestone.

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8. As detailed in Section 7 of the Tender, payment will be based on the number of man-hours invested and the Price Quote in the Tender, not to exceed the scope approved by the Ministry.
9. Upon request of the Ministry, the Consultant will submit a weekly status report each Monday which includes a list of major activities and any major deviation from the project proposal as approved by the Ministry.
10. The Consultant will submit on the last day of each month a "Monthly Work Report" detailing the activities performed within the planned scope of the projects as approved by the Ministry.
11. In case the Consultant will advise the Ministry in planning and execution of activities outside Israel, expenses borne by the Consultant and pre-approved by the Ministry, will be paid "back to back" to the Consultant upon receipt of an appropriate invoice.

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Appendix B

State of Israel
Ministry of Energy
Services Agreement
as part of Tender 16/2020

Which was entered into on the ____ day of _____ 2021 (the “**Effective Date**”)

BETWEEN

The Government of Israel on behalf of the State of Israel through the Ministry of Energy represented by the Director General of the Ministry of Energy together with the Financial Controller of the Ministry of Energy (hereinafter: “**the Ministry**”)

OF THE FIRST PART

AND:

(hereinafter: “**the Consultant**”)

OF THE SECOND PART

Each may be referred to herein as a "**Party**" and collectively, the "**Parties**".

WHEREAS, the Ministry wishes to obtain Upstream Oil and Gas Auditing, Inspection and HSE consulting services, as set forth in [Appendix A](#) (which is [Appendix A](#) of the Tender – the “**Services**”), subject to and in accordance with this Agreement and its Appendices;

WHEREAS, the Consultant represents and warrants that it possesses all the means, know-how and skill in order to provide the Services to the Ministry in such manner, at such times and under such terms and conditions as are specified in this Agreement and its Appendices; and

WHEREAS, the Consultant has submitted a bid pursuant to Tender no. 16/2020, along with such documents, clarifications and modifications issued or authorized by the Ministry, all as attached hereto as [Appendix B](#) (collectively, the “**Tender**”), and such bid, as approved by the Ministry and attached hereto as [Appendix B](#) (the “**Price Quote**”), was selected as the winning bid in the Tender;

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WHEREAS Parties agree that the Services will be performed for the Ministry not as part of the usual labor relationship between an employee and an employer, but as a Consultant acting as an independent contractor, and receiving payment for performing the Services according to a special tariff that is compatible with its status as a self-employed independent contractor; and

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

1. PREAMBLE, APPENDICES AND INTERPRETATION

- 1.1 The preamble to this Agreement constitutes an integral part of it. In any case of conflict between the contents of the Agreement and its Appendices, the provisions contained in the body of the Agreement shall take precedence.
- 1.2 The section title headings serve for convenience only and shall not be used to for purposes of interpretation of the Agreement.

2. PROVISION OF THE SERVICES

- 2.1 The Consultant undertakes to provide the Services to the Ministry in accordance with the timetables that shall be determined by the Ministry, and all as detailed and defined in this Agreement and its Appendices (above and hereinafter referred to as: the “**Services**”); The Services to be provided shall include any other action that may be required in order to provide the Services at the standard required under this Agreement, even if such action is not explicitly mentioned in this Agreement and its Appendices.
- 2.2 The Consultant shall ensure that, throughout the Term of Agreement (as defined in Section 4 below), the Project Manager and each Consultant's team member will devote all the time required for the proper and complete provision of the Services, all as set forth in the Tender and the bid.
- 2.3 The Consultant shall supply all the Services in accordance with the provisions of all applicable laws, regulations and best practice standards.
- 2.4 The Consultant shall comply with the Supervisor’s (as defined in Section 3 below) instructions as given from time to time in relation to any matter connected with the performance of the Services.
- 2.5 Any certification or approval to be issued or provided by the Ministry or the Supervisor pursuant to this Agreement, shall not be binding upon the Ministry or the Supervisor, as the case may be, unless it is in writing.
- 2.6 The Consultant shall not, and shall not attempt to, communicate or contact, directly or indirectly, any person and any private or public authority, organization, business or other entity in connection with the Services, except upon the Ministry’s prior written approval.
- 2.7 The Consultant may be asked to provide services, which may necessitate services to be provided by a subcontractor, contracted by the Consultant. The subcontractor must be approved by the Ministry prior to partaking in the services, and the hourly consideration will be agreed to by the Ministry, and not exceed the hourly consideration paid to Consultant.

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- 2.8 The Consultant will provide all its employees and service providers, administrative services and any additional services required to provide their services for the Ministry in connection with this Agreement.
- 2.9 The Consultant will comply with all and any instructions given by the Head of the Security Division of the Ministry from time to time on any matter relating to the Agreement, including with respect to classified information the Consultant may receive from the Ministry.

3. THE MINISTRY'S REPRESENTATIVE

- 3.1 The Consultant shall perform the services under the supervision and control of _____ (hereinafter: "**The Supervisor**"). The Ministry may replace the Supervisor at any time and this by notice in writing which shall be sent to the Consultant.
- 3.2 The Supervisor will be entitled to review any document and receive any document and any information connected with or entailed in providing the Services.

4. TERM OF AGREEMENT

- 4.1 The term of this Agreement shall commence on _____ (the Effective Date, which is the date of the Ministry's execution of the Agreement) and shall remain in effect for 12 months, until _____.
- 4.2 The Ministry maintains the sole option to extend the term of the Agreement from time to time, for additional periods, provided that the total term of the Agreement does not exceed 6 years (the initial term and any extensions shall be referred to as the "**Term of Agreement**"). Such extension shall be by written notice of the Ministry to Consultant (with the need for both parties to sign an addendum to the Agreement).

5. PERFORMANCE GUARANTEE

- 5.1 In order to assure the performance of its obligations under this Agreement, the Consultant will deliver to the Ministry, as a condition to the execution of this Agreement by the Ministry, an unconditional bank guarantee (hereinafter: the "**Performance Guarantee**"). The Performance Guarantee shall be issued by the bank at Consultant's request (its name shall appear in the request) for _____ **USD** (, and shall be valid for at least 60 days after expiration of the Term of Agreement. The Performance Guarantee shall be issued by an Israeli bank, or by a foreign bank that has an Israeli branch or Israeli representation and appears in the following list:
<http://www.boi.org.il/he/BankingSupervision/BanksAndBranchLocations/Documents/ForeignBanks.pdf>.
Delivery of the Performance Guarantee shall be a precondition to the entry into force of the Agreement.
- 5.2 The form of Performance Guarantee shall be in accordance with the attached [Appendix K](#) to the Tender. Expenses incurred by the issuing of the Performance Guarantee shall be borne solely by the Consultant.
- 5.3 The Consultant shall be responsible for extending the validity of the Performance Guarantee from time to time, in accordance with the extension of the Term of Agreement. Extension of the Performance Guarantee shall occur at least one month prior to expiration

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of its validity. If the Consultant has not extended the validity or increased the amount of the Performance Guarantee as required by the Ministry, the Ministry may invoke the Performance Guarantee without any prior warning even if the Consultant has fulfilled all its other obligations.

- 5.4 In any case in which in the opinion of the Ministry the Consultant has committed a breach of and/or has not performed one of the terms of this Agreement, and has not rectified such irregularity upon the Ministry's demand, and/or the Ministry has exercised its rights to offset the amounts owed by the Consultant under this Agreement, the Ministry will be entitled to realize the Performance Guarantee either wholly or in part.
- 5.5 The Performance Guarantee may also be realized by the Ministry for the purpose of collection of payment of compensation to the Ministry due to breach of the Agreement by the Consultant, or for the purpose of any other payment due to the Ministry from the Consultant.
- 5.6 The Ministry will realize the Performance Guarantee only after having given the Consultant a reasonable opportunity to make amends, under the circumstances.
- 5.7 The amount of the Performance Guarantee and/or its realization will in no way constitute any limitation to the Consultant's obligations, and will not prejudice the Ministry's other rights or remedies under this Agreement or applicable law.
- 5.8 Where the Ministry has realized the Performance Guarantee in whole or in part, and this Agreement has not been rescinded or terminated, it shall be the responsibility of the Consultant at his own expense to ensure the renewal of the Performance Guarantee for the full amount.

6. OBLIGATIONS AND DECLARATIONS OF THE CONSULTANT

The Consultant hereby declares and undertakes as follows:

- 6.1 The Consultant shall perform the Services using the Experts proposed in its proposal, the Consultants approved by the Ministry following declaration of the Consultant as the winning bidder, and other service providers as approved by the Ministry.
- 6.2 The Consultant and its designated team for the performance of the Services, have the technical and professional know-how, experience and expertise to fulfill the terms and conditions of this Agreement and no impediment exists either by any law, contract or otherwise, to the Consultant's contractual engagement in this Agreement.
- 6.3 The Consultant will rectify any breach of any of the individual terms and conditions of this Agreement within 7 days of the date of the giving of notice in writing by the Ministry of such breach.
- 6.4 The products of the service shall be delivered to the Ministry upon digital media and in any other manner that the Ministry shall require.
- 6.5 The Consultant undertakes to use genuine software only.
- 6.6 The Services and all deliverables hereunder, will be provided, performed with and be the product of the highest degree of professional skill and expertise.
- 6.7 The Consultant has (a) reviewed all the Tender Documents and this Agreement, and all their respective appendices, (b) had the opportunity to seek clarifications, and (c) obtained to its full satisfaction all clarifications as were requested.
- 6.8 The Consultant and each team member validly holds (and shall maintain at all times during the Term) all permits, authorizations, degrees, professional association memberships and

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certifications that are legally required or otherwise necessary or relevant for performing the Services in accordance with the terms of this Agreement and as stated in the bid. The Consultant shall provide a copy thereof to the Ministry at any time upon the Ministry's request, and shall notify the Ministry immediately and in writing in the event of any change in the validity or scope of the foregoing (including any ruling or order) which could affect the Consultant's or team member's ability to provide the Services in accordance with the terms of this Agreement. No member of the team is part of the civil service of the State of Israel.

- 6.9 The Services will be provided in accordance with the provisions of any law applicable to the Services subject to this Agreement.

7. CONSIDERATION AND PAYMENT

- 7.1 For providing the Services and fulfilling all its obligations under this Agreement, the Ministry shall pay to the Consultant amounts based on the Consultant's Monthly Work Report (as defined in Section 7.6 below) detailing working hours spent by each team member providing the Services, multiplied by the Price Quote in the Consultant's bid on [Appendix C](#), adjusted for each type of service provider as set forth in Section 7 of the Tender (and a fixed hourly rate for Israeli Experts working in Israel as described therein), plus VAT as applicable, provided that the services were performed and accepted to the complete satisfaction of the Supervisor (hereinafter, the "**Consideration**").
- 7.2 The hourly rate as proposed by Consultant in its Price Quote on Appendix C is final and absolute and shall not be subject to any price increases, indexes or Accountant General updates, for the entire Term of Agreement.
- 7.3 The Consultant shall not receive any other payment or benefit for the provision of the Services beyond such Consideration, including payments for telephone expenses, post, photocopies, printing, fax, board and lodging etc., with the exception of expenses traveling to Israel as detailed in Section 7 of the Tender, and Israeli VAT as applicable.
- 7.4 The Parties agree that partial work hours shall be paid according to a pro rata calculation of the actual time worked in relation to the hourly rate.
- 7.5 The annual Consideration for the Services shall not exceed the yearly budget of the Ministry dedicated to this Agreement, including VAT.
- 7.6 At the end of every calendar month, the Consultant shall submit deliverables and a monthly report for each project, in accordance with each project proposal agreed to by the Ministry (hereinafter: the "**Monthly Work Report**"). In the Monthly Work Report, if a milestone payment (according to the approved project plan) has been achieved that month, the Consultant will confirm the amount of hours actually provided by each team member, and will specify reimbursement requested for travel to Israel in such month. The Consultant will issue a *pro forma* tax invoice with its Monthly Work Report.
- 7.7 Upon receipt of every Monthly Work Report and related tax invoice, the Supervisor shall review the deliverables and number of hours specified to ensure that it is consistent with the scope and nature of the Services actually provided, and may request additional documents or information that may be relevant to confirm the proper provision of Services, whether a milestone payment has been achieved, and amounts due. If any discrepancy or inconsistency is detected, the Ministry shall notify the Consultant in writing and the Consultant shall be required to account for such discrepancy or inconsistency. Without derogating from the foregoing, the number of work hours may not exceed the scope

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detailed in the Consultant's project proposal, as approved by the Ministry. Payment shall be made only after the Supervisor's approval.

- 7.8 Payment will be transferred only after confirmation by the Supervisor that the work was executed to his satisfaction, and after submission of a tax invoice to the Ministry.
- 7.8.1 Provided that the Supervisor has approved payment, payments shall be made 45 days from the date on which an undisputed tax invoice was received by the Supervisor (subject to changes that the Accountant General may publish from time to time).
- 7.9 The Financial Controller of the Ministry may carry out an audit during any of the stages of this Agreement and withhold either full or partial payment until the conclusion of the audit. The audit may also be carried out through sources external to the Ministry including by hired accountants.
- 7.10 The Ministry may at any time withhold any payment if the Consultant is in breach of or is not fulfilling one or more of the terms and conditions of this Agreement and this without prejudice to the rights of the Ministry under Section **שגיאה! שגיאה! מקור ההפניה לא נמצא.** **מקור ההפניה לא נמצא.** above.

8. NO ADDITIONAL PAYMENTS

- 8.1 The Parties hereby agree that no other or additional payment apart from what is stated in Section 7 above shall be paid by the Ministry, neither in the course of providing the Services nor after expiration of the contractual arrangements under this Agreement, neither in relation to provision of the Services nor in connection with them and/or any matter arising from them, nor to the Consultant nor to any other person or body.
- 8.2 Should it be determined for any reason whatsoever, at any time after the commencement of this Agreement, that notwithstanding the intention of the Parties expressed in this Agreement, the engagement of the Consultant or anyone on his behalf is deemed to be an employer-employee relationship, and that the laws and conditions applicable to an employee are applicable to him and to his engagement, in that event it is hereby agreed and stipulated between the Parties that the Consultant's remuneration as an employee, in respect of his employment as a result of this Agreement, shall be calculated in accordance with what is normal in this regard in respect of civil servants in as near as possible similar positions and grades, all as shall be determined by the Civil Service Commissioner, and in the absence of any such identical or similar position, the remuneration shall be calculated in accordance with what is set forth in such a case in the Collective Labor Agreements that apply to employees of this category, and in the absence of such an Agreement, in accordance with most similar Collective Labor Agreement in the opinion of the Civil Service Commissioner. Calculation of such remuneration shall be made retroactively from the date of commencement of this Agreement and all the rights and obligations under this Agreement on the one hand, and the new aforementioned calculation on the other, shall be mutually set off.

9. RESCISSION OF THE AGREEMENT

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- 9.1 The Ministry may rescind the Agreement at its sole discretion for whatever reason, including for convenience, at any time prior to expiration of the Term of Agreement by prior written notice at least 30 days in advance. Following rescission of the Agreement by the Ministry, the Ministry will only pay the Consultant for the Services that have actually been provided until such time and subject to confirmation of the Supervisor of Services that have been provided.
- 9.2 The Ministry will not be liable to the Consultant for any compensation, consideration or other payment in connection with the rescission of the Agreement, beyond that explicitly stated above.
- 9.3 Without prejudice to the foregoing, the Ministry shall be entitled to terminate the Agreement by notifying the Consultant of such termination at least 10 days prior to the termination date, if:
- (a) the Consultant has committed a breach of this Agreement, which breach, if curable, is not cured within 7 days following the Ministry's written notice thereof;
 - (b) the Consultant has entered into liquidation proceedings, or a temporary or permanent liquidator, or a temporary or permanent receiver, or a temporary or permanent trustee has been appointed over the Consultant, or a charge has been placed on its assets or execution proceedings have been initiated against the Consultant and such proceedings were not withdrawn within 21 days after their institution; an application for receivership or liquidation was filed and was not cancelled within 30 days; or a resolution was passed for the liquidation of the Consultant.
- 9.4 In the event that the Agreement is rescinded pursuant to this Section, and should it be so required by the Supervisor, the Consultant will complete any work that he had commenced prior to the rescission and shall receive payment for it as provided in Section 7.
- 9.5 Any termination by the Ministry shall be without prejudice to its rights and remedies hereunder and under applicable law, including realization of the Performance Guarantee.
- 9.6 Confidentiality, IP, and liability provisions shall survive termination of this Agreement.

10. NON-DISCLOSURE

- 10.1 For purposes of this Agreement:
- "Information" - any information, know-how, knowledge, trade secret including technical, professional, financial and trade-related knowledge, document, clients, correspondence, program, data, model, work techniques, review, conclusion relating to the Ministry's activities directly or indirectly, and anything else that may be connected or related to the provision of the Services or received during this time, whether disclosed by the Ministry and/or any other entity and/or on its behalf, whether written or oral and/or in any manner or form, whether or not labeled as "confidential" However, Information does not include that which is in the public domain and/or became public knowledge without breach of a confidentiality obligation; information that the Consultant had in its possession before receiving it as part of the Services or developed independently by Consultant without dependency on the confidential Information; and/or provided to the Consultant and/or anyone on its behalf by a third party without breach of a confidentiality obligation.
- 10.2 As the Consultant is likely to be exposed to information that the State of Israel and/or Ministry wish to protect, it accordingly hereby undertakes to keep such Information completely confidential and only to make use of it for the purpose of performing the Services. For the removal of doubt, and without prejudice to the generality of the

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foregoing, the Consultant undertakes not to publish, transfer, notify, deliver or bring to the attention of any person the Information, and undertakes to protect such Information with at least the same degree of protection it affords its own confidential data, and no less than a reasonable degree of care.

- 10.3 The Consultant is aware that no disclosure may be made of Information that has been revealed to him as part of this Agreement nor may it be transferred, delivered or brought to the attention of any person without the prior approval of the Supervisor. The Consultant undertakes to keep secret any Information that reaches him as a result of performance of the Services whether before or after their commencement.
- 10.4 The Consultant undertakes to restrict access to the Information to its team members on a need-to-know basis, and only to those who are bound in writing to terms and conditions of confidentiality in respect of the Information, and to take all such necessary steps in order to ensure that his employees, agents and those engaged by him, shall maintain such confidentiality.
- 10.5 The Consultant shall comply with such instructions as the Ministry, the Supervisor or a duly authorized security officer may provide from time to time regarding confidentiality, security measures and disclosure restrictions.
- 10.6 Upon termination of this Agreement, the Consultant shall destroy and/or return to the Ministry all Information (and all files, documents, discs and other media containing such Information, including photographs, specifications of data, software program or other magnetic media) as instructed by the Ministry, and shall provide a certificate duly executed by an authorized officer of the Consultant confirming that such actions have been taken, provided however that the Consultant may retain one copy of the Information for archival purposes only.
- 10.7 The Consultant declares that he is aware that failure to fulfill his obligations under this section constitutes an offense under Chapter 7 (National Security, Foreign Relations and Official Secrets) of the Penal Code – 1977.
- 10.8 The Consultant and its team members shall execute the undertaking attached as Appendix [H.1](#) and Appendix [H.2](#), respectively.

11. INTELLECTUAL PROPERTY AND COPYRIGHT

- 11.1 All right, title and interest in and to the Services, the deliverables, all works of authorship created, authored or developed by Consultant for the Ministry pursuant to this Agreement, and all related intellectual property rights including copyright (collectively, the “**Work Product**”), shall be the Ministry’s sole and exclusive property, and the Ministry shall be entitled to publish, copy, distribute and generally to use the Work Product in connection with the Services or for any other purpose as it sees fit and at its sole discretion. Consultant hereby irrevocably and unconditionally transfers and assigns to the Ministry all right, title and interest Consultant may have or acquire in or to the Work Product, and agrees to execute and deliver such documents, certificates, assignments and other writings, and take such other actions, as may be necessary or desirable to vest in the Ministry the ownership rights granted to the Ministry hereunder.
- 11.2 The Consultant may not make any use of the Work Product other than for the purpose of providing the Services in accordance with the terms hereof. Consultant further agrees that the Work Product shall be deemed to be "works made for hire" and, as such, all rights

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therein including copyright shall belong solely and exclusively to the Ministry from the time of its creation. To the extent any Work Product may not be deemed to be a work made for hire, Consultant agrees to, and does hereby, irrevocably and unconditionally transfer and assign to Company all right, title and interest including copyright in and to such Work Product. Consultant hereby expressly confirms that the terms of consideration explicitly provided for in this Agreement fully encompass its rights to compensation with respect to all Work Products and exhaust any rights to compensation that may arise with respect to any Work Products under applicable law. Moreover, Consultant hereby waives any right to claim compensation with respect to any Work Products under applicable law throughout the world.

- 11.3 As part of performance of the Services under this Agreement, the Consultant shall not infringe any intellectual property rights, including copyright, of any person. In the event that such rights have been infringed, the Consultant shall bear exclusive liability for such infringement and shall indemnify the Ministry in respect of all such expenses and damages as may be caused to or incurred by it as a result of a claim or demand in respect of such infringement (including defense costs and reasonable attorneys' fees).
- 11.4 This Section shall remain in force after termination of the Term of this Agreement and shall continue to apply without any time limitation.

12. UNDERTAKING TO REFRAIN FROM CONFLICT OF INTEREST

- 12.1 The Consultant declares and commits that neither it nor anyone on its behalf involved in rendering the Services under this Agreement are in a situation of conflict of interest between the Services under this Agreement and their other activities or clients, and were not in such situation during the 6 months prior to the submission of its bid, and that the Consultant will refrain and shall ensure that its team members refrain, from being in any such situation during the Term of Agreement and for a period of 6 months thereafter. Furthermore, the Consultant and its team members will not provide services to parties wishing to participate in a bidding process published by the Ministry, for 12 months following the termination of the Agreement with the Ministry. In case of any potential conflict of interest, the Consultant shall address the Supervisor and act according to his instructions.
- 12.2 During the Term of Agreement, the Consultant will not participate in any way in preparation or presentation of any project submitted for Ministry financing, unless receiving prior and written authorization by the Supervisor.

13. QUALITY OF WORK PRODUCTS

- 13.1 All deliverables provided by the Consultant shall be expertly prepared, comprehensive and exhaustive with regard to the subject-matter they are intended to address, of high quality, clearly organized and drafted, merchantable and fit for the purpose for which they are intended. The Ministry may, upon review of the deliverables and at its reasonable discretion request that Consultant correct, revise, amend or update any deliverable, or may refuse to accept a deliverable if it does not satisfy the above standards. In such a case, the Consultant shall make the requisite changes within such period of time as the Ministry shall stipulate.

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13.2 The Consultant shall be responsible for any defect, inaccuracy, inconsistency, oversight, mention or omission in the deliverables, and the Ministry's acceptance thereof shall not relieve the Consultant of its responsibility or liability in that regard.

14. INSURANCE

14.1 The Consultant shall obtain and maintain the appropriate insurance coverage, indicated hereinafter, on his behalf and on behalf of The State of Israel - The Ministry of Energy, whereas the coverage shall be no less comprehensive than that set forth below.

14.2 The Consultant shall provide the Ministry with an Insurance Certificate evidencing such coverage, at least 14 days prior to the date of commencement of this agreement, in the form attached as [Appendix L](#).

A. Employers Liability Insurance (only in respect of the Consultant's activity in Israel)

1. The Consultant shall insure its legal liability towards its employees and anyone working on its behalf by Employers Liability Insurance throughout all the areas of the State of Israel, including its territorial waters, and any administered territories.
2. The limits of liability per employee per event shall not be less than 5,000,000 US dollars.
3. The insurance shall be extended to cover the Consultant's liability vis a vis contractors, sub-contractors and their employees in the event the Consultant shall be considered their employer.
4. The insurance shall be extended to indemnify the State of Israel - The Ministry of Energy, in the event of it being claimed in relation to the occurrence of a work accident/any professional disease, that they bear any employers liability vis a vis the Consultant's employees, contractors, sub-contractors and their employees employed by the Consultant.

B. Third Party Liability Insurance (only in respect of the Consultant's activity in Israel)

The Consultant shall insure its legal liability under the laws of the State of Israel in third party liability insurance for person and property throughout all areas of the State of Israel, including its territorial waters, and any administered territories.

1. The limit of liability shall not be less than USD 500,000 per event.
2. The insurance shall be extended to cover the Consultant's third party liability in regards to activities of contractors, sub-contractors and their employees.
3. A cross-liability clause shall be included in the policy.
4. The State of Israel property shall be considered a third party property.
5. The cover under the policy shall be extended to cover the State of Israel – The Ministry of Energy, in so far as they may be deemed to be liable for the acts and/or omissions of the Consultant and those working on its behalf.

C. Professional Liability Insurance

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1. The Consultant shall insure its professional liability by professional liability insurance.
2. The policy shall cover any damage due to a breach of professional duty on the part of the Consultant, its employees and all those working for him and which has occurred as the result of an act, negligence, including a failure, error or omission, misrepresentation, negligent declaration made in good faith, in all matters with accordance to the Tender and Agreement between the Consultant and The State of Israel - The Ministry of Energy for the Upstream Oil and Gas Auditing, Inspection and HSE consulting services relating to the oil and gas industry, including, inter alia, reviews, facilities' auditing, risk assessments, risk analysis, investigations' assistance, consulting, recommendations, documentation, preparation of regulatory framework, incorporation, adaptation and implementation of international codes and protocols relating Upstream Oil and Gas.
3. Limits of liability shall not be less than 1,000,000 US Dollars per event and in the aggregate per the period of the insurance (one year).
4. The cover under the policy shall be extended to contain the following extensions:
 - a. Dishonesty of employees;
 - b. Libel and/or slander;
 - c. Loss of documents, including the loss of use and/or delay as a result of an insurance event;
 - d. Cross-liability but coverage shall not apply in respect of the Consultant's claims against The State of Israel - The Ministry of Energy;
 - e. Extension of the period of discovery to at least six months;
5. The cover under the policy shall be extended to cover the State of Israel – The Ministry of Energy, in so far as they may be deemed to be liable for the acts and/or omissions of the Consultant and those working on its behalf.

D. Additional Insurances

Medical insurance - existence of health insurance for the Consultant's employees, contractors & sub-contractors throughout all the period of the activity in Israel to cover, at least, medical Expenses, including hospitalization and medical care outside of hospitals and when not hospitalized, Radiography, medicines, medical examination, surgeries, intensive care, Ambulatory treatments and Expenses of Returns body abroad (if die in Israel).

E. General

1. In every such insurance policy, the following conditions shall be included:
 - a. The State of Israel – the Ministry of Energy, shall be added to the insured's name as additional insureds, subject to the indemnity extensions as detailed above.
 - b. In any case of a reduction or cancellation of the insurance by one of the parties, such reduction or cancellation shall not be valid unless prior notice of such has been given at least 60 days by registered letter to the Financial Controller of the Ministry of Energy.

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- c. The insurer waives any right of subrogation, claim, and contribution or refund vis-a-vis the State of Israel – the Ministry of Energy, provided that such waiver shall not apply for the benefit of a person that has caused willful damage.
 - d. The Consultant alone is liable to the insurer for payment of the premiums in respect of the policies and for fulfillment of all the obligations imposed on the insured under the terms and conditions of the policies.
 - e. The policy excess specified in each policy shall apply exclusively to the Consultant.
 - f. Any section in the insurance policies that obviates or reduces the insurer's liability in any way when other insurance exists shall not operate vis-a-vis the State of Israel and that the insurance is being effected in terms of primary insurance which confers the full rights under the insurance policies.
2. Copies of the insurance policies, duly certified by the insurer, or the Insurance Certificate signed by the insurer as to the aforesaid policies having been put into effect in respect of the Consultant, on the form attached as [Appendix L](#) to the Tender, shall be furnished to the Ministry as a condition to the execution of the Agreement by the Ministry.
3. The Consultant undertakes that throughout the period of the contractual engagement with the Ministry, and as long as it has liability by law or contract, it will keep the insurance policies in force and effect. The Consultant undertakes that the Insurance policies will be renewed annually for as long as the contract with the State of Israel – the Ministry of Energy is in force.
The Consultant undertakes to produce copies of the renewed policies to the Ministry, duly certified and signed by the insurers, or a certificate duly signed by the insurers as to their renewal, by no later than two weeks prior to the expiration of the period of insurance.
4. For avoidance of doubt, it is hereby declared and agreed that the insurances' coverage required, as well as the limits of liabilities and coverage terms and conditions are considered a minimal requirement imposed on the Consultant and in no way constitute an assessment of the Ministry, or anyone working on its behalf, to the scope and extent of the risks to be insured. The Consultant must examine its exposure to property, casualty and liability risks and accordingly determine the necessary insurances' coverage including their extent and limits of liabilities.
5. Without derogating from the Consultant's liability, the Ministry may, at its sole discretion, approve leniency with respect to the above required coverages and/or the language of the Insurance Certificate.
6. None of the above details and requirements shall be construed as exempting the Consultant from liability imposed on it by any law or under this Agreement, and shall not be construed as a waiver by the State of Israel– the Ministry of Energy of any right or remedy conferred to it by any law and under this Agreement.

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15. DAMAGES

- 15.1 The Consultant hereby declares that it acknowledges that it is providing the Services to the Ministry as a self-employed independent contractor, and not as part of the Civil Service with all that this implies and without creating an employer-employee relationship between the Consultant and its employees and the Ministry, and that the Ministry will not be liable in any way for damage that may be caused to it due to the provision of the Services pursuant to this Agreement.
- 15.2 The Consultant shall bear sole liability for any injury, loss, discrepancy or damage that might be caused for any reason, to its person or property or to that of anyone acting on its behalf or to the person or property of its employees or of those working on its behalf, or to the property of the Ministry or to the person or property of any other person as a direct or indirect consequence of the implementation of this Agreement, and that in any such cases the Ministry shall not be liable for any payment, expense or damage whatsoever.
- 15.3 The Consultant undertakes to indemnify the Ministry for any damage, payment or expense that may be caused or incurred to it for any reason stemming from the acts or omissions of the Consultant or anyone on its behalf, immediately upon receipt of notice thereof from the Ministry.

16. CONSULTANT'S EMPLOYEES

- 16.1 Anyone employed by the Consultant in any position shall be employed at the Consultant's own expense and the Consultant alone shall be liable for any claims arising from its relationships with them.
- 16.2 Persons employed by the Consultant shall be deemed in all respects to be employees or agents of the Consultant alone. The Consultant shall bear the obligation to pay their salaries, insurance premiums, National Insurance payments, recuperation payments, overtime hours, parallel tax, payments to a compensation or insurance fund, payments for sickness or in respect of childbirth and all such other payments for which the employer is responsible under any law or agreement or in accordance with the requirements of the employee's organization to which those employed by the employer belong.
- 16.3 The Consultant undertakes to ensure safety conditions and to ensure conditions for safeguarding the health of its employees as required under any law, and in the absence of any legal requirement - as shall be required by a Labor Inspector within the meaning thereof in the Labor Inspection (Organization) Law, 5714-1954.
- 16.4 Replacement of any team member (whether or not employed directly by Consultant) at the initiative of the Consultant, may be only by a substitute team member with equivalent or additional knowledge and experience, and is contingent upon obtaining prior written consent of the Supervisor.
- 16.5 The Supervisor may demand the replacement of any team member (whether or not employed directly by Consultant), and the Consultant will have to replace him with a different team member of equivalent or additional knowledge and experience, within 60 days of said request for exchange. Any substitute of Project manager or Leading Experts must be approved in advance by the Tender Committee of the Ministry.
- 16.6 All eligibility criteria, requirements and obligations set forth in the Tender and this Agreement with regard to the Consultant's team members, shall apply to new team

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members, Replacement of a team member shall not alter the hourly rate paid for such team member's work, even if the replacement's credentials are higher.

- 16.7 The Consultant shall ensure that all team members coming to Israel for the purpose of the Services, have obtained all requisite permits and authorizations prior to their arrival in Israel. The Consultant shall promptly provide a copy of such documents if requested by the Ministry.
- 16.8 In the event that a claim or demand is filed against the Ministry by an employee of the Consultant, the demand or claim shall be forwarded to the Consultant, and the Consultant shall handle it at its expense and assume any payment, compensation or cost to which the plaintiff may be entitled. The Consultant shall pay any damages or compensation that may be due to its workers, agents, or to anyone acting on behalf of the Consultant for any damage caused to them and incurred in connection with the Services, except damage caused by the willful misconduct of the Ministry.
- 16.9 In any instance in which the Ministry is obligated to pay such compensation or expense, the Consultant shall indemnify or compensate the Ministry for any amount that it is charged, including legal expenses and attorney fees.
- 16.10 Without derogating from the foregoing, where an obligation or expense which generally falls on an employer for its employees is imposed on the Ministry in relation to the Consultant or any of its employees, the Consultant shall indemnify the Ministry for any such expense or obligation, immediately upon the Ministry's first demand. Where feasible, the Ministry shall document such obligation or expense and provide a copy thereof upon written request of the Consultant.

17. ASSIGNMENT OF RIGHTS

The Consultant may not transfer or assign any rights or obligations under this Agreement, either in whole or in part, to anyone else unless having received prior, written approval of the Supervisor.

18. GENERAL

- 18.1 The Consultant is not an agent, emissary or representative of the Ministry unless specifically designated as such for any particular matter.
- 18.2 This Agreement and any orders issued pursuant to it shall not constitute nor shall they be interpreted as a Power of Attorney or as any authorization to the Consultant or to anyone on his behalf to present himself as being empowered to undertake any legal, financial or other obligations on behalf of the Ministry and in no case and under no circumstances shall the Consultant assume responsibility for such commitments on behalf of the Ministry or purport to be authorized to do so.
- 18.3 The Consultant shall bear the exclusive liability for any damage to the Ministry or to any third party arising from any such representation in contravention contrary to what is stated in this Section above. Representation of the Ministry for any purpose whatsoever shall be contingent upon explicit agreement thereto by the Ministry, in advance and in writing.
- 18.4 If in a particular instance or instances one of the parties does not exercise its rights under this Agreement, this shall not be deemed a waiver by such party of such rights either in respect of the particular instance or in respect of future instances.

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- 18.5 The Consultant hereby declares that he is aware that nothing in any of the provisions of this Agreement or in any provision made pursuant to it shall be construed as releasing him from any obligation or from the need under any law to obtain any license, permit or consent, or from the need to give any notification.
- 18.6 Any change and/or addition to this Agreement shall be valid only if made in writing and signed by both parties to the Agreement.
- 18.7 The Ministry will be entitled to set off any amount due to the Ministry from the Consultant, from any amount due to the Consultant under this Agreement.
- 18.8 Any notice from one Party of the Agreement to the other Party shall be sent by registered mail, fax or email, as follows, or delivered by hand:

The Ministry of Energy – 7 Bank Israel St., Generi Building #2, POB 36148, Jerusalem 9136002, Israel, Fax: 074-7681764; Email: itamsut@energy.gov.il.

The Consultant - _____;

Email: _____@_____.

- Any notice that has been sent to the aforementioned addresses by registered mail, shall be deemed to have been received by the addressee within 5 business days from the date of dispatch for as long as the contrary has not been proved; if delivered by hand, notice shall be deemed received on the first business day after its delivery; if sent by fax notice shall be deemed received only upon transmission and electronic confirmation of receipt (and if not a business day – then on the first business day thereafter); if sent by email notice shall be deemed received only upon receiving telephone confirmation or written confirmation by non-automatic reply email, from the receiving party (and if not a business day – then on the first business day thereafter). Any change of address, telephone number, or email shall be binding on the other Party only if said Party is advised in writing of the change in the aforementioned details as aforesaid.
- 18.9 This Agreement shall be construed in accordance with the laws of the State of Israel only, without regard to its conflicts of law rules.
- 18.10 The competent courts in Jerusalem only shall have exclusive jurisdiction over any dispute in relation to this Agreement.
- 18.11 This expense shall be financed from Budget Item: [_____]
- 18.12 In this tender a month or year shall mean a month or year of the Gregorian Calendar.

AND IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT WITH EFFECT AS OF THE DATE SPECIFIED AT THE HEAD OF THIS AGREEMENT

_____ General Director – The Ministry of Energy	_____ Financial Controller – The Ministry of Energy	_____ Signature of Consultant and Rubber Stamp Seal
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Attorney Confirmation of Consultant's Signature:

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I the undersigned _____ Advocate, hereby certify that the above named signatories, _____ Identity Card/Passport No. _____, and _____ Identity Card / Passport No. _____ are known to me personally/were identified by me from their Identity Cards, have signed this Agreement in my presence on behalf of _____ (the “Consultant”) and I confirm that he/she is duly authorized to do so and to bind the Consultant by his/her signatures.

Date: _____ License number: _____

Full name: _____ Signature and seal: _____

Appendix A of the Agreement: the Services ([Appendix A](#) of the Tender)

Appendix B of the Agreement: the Consultant’s bid ([Appendix C](#) of the Tender)

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Appendix C

To: The Tender Committee, the Ministry of Energy

Re: Price Quote for Public Tender No. 16/2020 for Upstream Oil and Gas Auditing, Inspection and HSE Consulting services in Israel

Reminder: The “Price Quote” must be submitted as one original hard copy and one digital copy saved as a PDF file, and must be placed in a **separate envelope** within the main envelope containing the other proposal documents (see Section 6 of the Tender).

All prices proposed herein must take into account and include all taxes, charges, levies, withholding amounts and other items, all of which shall be borne solely by the Bidder, with the exception of Israeli Value Added Tax (“VAT”) which shall be borne by the Ministry if applicable and required by law.

All prices must be quoted in United States Dollars only.

Total Price:

The price includes all the costs and expenses the Bidder may incur in fulfilling its obligations under the Agreement to provide the Services (other than visits to Israel, which are priced separately – see below):

Hourly rate for 1 working hour of a Leading Expert:	(In words:) _____ USD	(In figures:) _____ USD
--	--------------------------	----------------------------

(If there is a discrepancy between words and figures, the amount in words will prevail)

In any case, the Price Quote for 1 WH of a Leading Expert will not exceed 300 USD. A Price Quote that does not meet this condition will be disqualified.

As detailed in Section 70 of the Tender, hourly rates for the Project Manager and Experts are derived from the hourly rate of Leading Expert as quoted above.

The above rates are **all-inclusive**, for work hours performed. The Consultant will **not** be entitled to any other payment in respect of travel, idle time during travel, food, lodging, computer, internet, office space, telephone, fax, and other expenses, except for a fixed sum to be paid for travel to Israel as detailed in Section 7 of the Tender.

Signature of the Bidder and Rubber Stamp Seal of the Company _____

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Appendix D

Absence of convictions regarding the Foreign Workers Law - 1991 or
the Minimum Wage Law – 1987

Affidavit

I _____ the undersigned, Identity Card No. / Passport No. _____ after being cautioned to tell the truth and that I can expect to incur the penalties prescribed by law should I not do so, hereby make the following declaration:

I give this affidavit in the name of _____ which is the Bidder (the "**Bidder**") who wishes to come in contract with the publisher of Tender No. 16/2020 for Upstream Oil and Gas Auditing, Inspection and HSE consulting services relating to the oil and gas industry in Israel.

I certify that I am authorized to give this affidavit on behalf of the Bidder.

In this affidavit, the meaning of the term "affiliated" is as defined in Section 2B of the Public Bodies Transactions Law – 1976. I confirm that this meaning was explained to me and I understand it.

(Mark X in the appropriate box)

- The Bidder and those affiliated with it have never been convicted under the Foreign Workers Law and the Minimum Wage Law.
- The Bidder and those affiliated with it have not been convicted more than twice under the Foreign Workers Law and the Minimum Wage Law prior to the proposal Submission Deadline.
- The Bidder and those affiliated with it have been convicted more than twice under the Foreign Workers Law and the Minimum Wage Law and at least one year has passed between the last conviction and the Submission Deadline.
- The Bidder and those affiliated with it have been convicted more than twice under the Foreign Workers Law and the Minimum Wage Law and one year has not yet passed between the last conviction and the Submission Deadline.

Attached herein my name, followed by my signature and the contents of my affidavit are true.

Date: _____

Full Name: _____

Signature and seal of
Bidder: _____

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Attorney Certification

I the undersigned Attorney, confirm that on the date of _____, Mr./Ms. _____ who proved his/her identity with Identity Card number / Passport number _____ / with whom I am personally acquainted, came to my office on _____ Street, in the city\settlement of _____, and after being warned by myself that he/she must tell the truth and that he/she could expect to incur the penalties prescribed by law should he/she not do so, signed the above affidavit in my presence.

Date: _____ License number: _____
Full name: _____ Signature and seal: _____

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Appendix E

Compliance with the
Equal Rights for People with Disabilities Law - 1998

Affidavit

I _____ the undersigned, Identity Card No. / Passport No. _____ after being cautioned to tell the truth and that I can expect to incur the penalties prescribed by law should I not do so, hereby make the following declaration:

I give this affidavit in the name of _____ which is the Bidder (the "**Bidder**") who wishes to come in contract with the publisher of tender No. 16/2020 for Upstream Oil and Gas Auditing, Inspection and HSE consulting services relating to the oil and gas industry in Israel.

I certify that I am authorized to give this affidavit on behalf of the Bidder.

(Mark X in the appropriate box):

- The Bidder employs no more than 25 employees, so the provisions of Section 9 of the Equal Rights for People with Disabilities Law - 1998 **do not apply to the Bidder.**
- The provisions of Section 9 of the Equal Rights for Persons with Disabilities Law - 1998 **apply to the Bidder and it complies with them.**

(In the event that the provisions of section 9 apply to the Bidder, an X must be marked in the appropriate box):

- The Bidder employs less than 100 employees.
- The Bidder employs 100 or more employees.

(In the event that the Bidder employs 100 or more employees, an X must be marked in the appropriate box):

- The Bidder undertakes that if it wins the Tender, it will apply to the Director-General of the Ministry of Labor, Social Affairs and Social Services for the purpose of examining the implementation of its obligations under Section 9 of the Equal Rights for People with Disabilities Law - 1998, and if necessary - receive guidelines for their implementation.
- In the past, the Bidder contacted the Director-General of the Ministry of Labor, Social Affairs and Social Services in order to examine the implementation of its obligations under section 9 of the Equal Rights for Persons with Disabilities Law - 1998, and if it received guidelines for the implementation of its obligations, it acted to implement them.

In the event that the provisions of Section 9 of the Equal Rights for Persons with Disabilities Law - 1998 apply to the Bidder, the Bidder undertakes to transfer a copy of this affidavit to the

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Director General of the Ministry of Labor, Welfare and Social Services, within 30 days of the Effective Date of contract pursuant to this Tender.

Attached herein my name, followed by my signature and the contents of my affidavit are true.

Date: _____
Full Name: _____ Signature + seal of Bidder: _____

Attorney Certification

I the undersigned Attorney, confirm that on the date of _____, Mr./Ms. _____ who proved his/her identity with Identity Card number / Passport number _____ / with whom I am personally acquainted, came to my office on _____ Street, in the city\settlement of _____, and after being warned by myself that he/she must tell the truth and that he/she could expect to incur the penalties prescribed by law should he/she not do so, signed the above affidavit in my presence.

Date: _____ License number: _____
Full name: _____ Signature and seal: _____

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Appendix F

Attorney/CPA Confirmation of Identity of Authorized Signatories

To:

The Israeli Government on behalf of the State of Israel through the Ministry of Energy

Re: Tender No. 16/2020 for Upstream Oil and Gas Auditing, Inspection and HSE consulting services in Israel (henceforth – "the Tender")

I _____, the undersigned Attorney/CPA (delete as appropriate), acknowledge that those persons listed below may commit and sign on behalf of _____ (the Bidder).

_____	_____	_____
Name	ID	Signature sample
_____	_____	_____
Name	ID	Signature sample

Sincerely yours,

_____	_____	_____
Name of Attorney/CPA	Address	Phone
_____	_____	_____
Date	License Number	Signature and seal

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Appendix G.1

Commitment to Refrain from Conflicts of Interests

(to be completed by Consultant and each designated team member)

Made and signed in _____ (place) on _____ (month) _____ (day) _____ (year)

By _____

Identity Card No. /Passport no. _____

Address _____

Whereas The Ministry of Energy is receiving my services under Tender No. 16/2020 for Upstream Oil and Gas Auditing, Inspection and HSE consulting services in Israel (the “Services”); or

Whereas I am employed/contracted in connection with the Services; and

Whereas I may be in a situation of conflict of interests during the provision of Services and afterwards;

Therefore, I pledge to the State of Israel the following:

1. I hereby declare and pledge that I have not for the past 6 months and will not, during the time I participate in providing the Services, and 6 months after the termination of the Agreement with the Ministry, have a conflict of interest of any kind whatsoever with stakeholders in the area.
2. I hereby declare and pledge that I will not act on behalf of or represent any party in the field of services that are the subject of the Services, except for the Ministry, during the provision of Services between the parties and for 6 months thereafter, unless I have received the prior written approval of the Ministry. Furthermore, I pledge that I will not provide services to parties wishing to participate in a bidding process published by the Ministry, for 12 months following the termination of the Agreement with the Ministry.
3. I undertake to notify the Ministry immediately of any data or situation in which I may be in of conflict of interest, immediately upon becoming aware of such a situation, and act in accordance with its instructions.
4. I hereby declare and undertake to inform the Ministry in advance of any intention by me to make contact with any party stated in sections 1-2 above, and to act in accordance with the Ministry's provisions on the matter. The Ministry may refuse to grant me permission to contract with said party or grant permission subject to terms and conditions that will ensure the avoidance of conflict of interest, and I pledge that I will act in accordance with these instructions, in this regard.

Date: _____

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Full Name: _____ Signature (and seal): _____

Attorney Certification

I, the undersigned Attorney of Law, confirm that on the date of _____ Mr.\Ms. _____ who proved his/her identity with I.D. card number / Passport number _____ / with whom I am personally acquainted, came to my office on _____ Street, in the city\settlement _____, and after being warned by me to tell the truth and that he\she could expect to incur the penalties prescribed by law should he/she not do so, signed the above affidavit in my presence.

Date: _____ License number: _____

Full name: _____ Signature and seal: _____

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Appendix G.2

Questionnaire Regarding the Absence of Conflicts of Interests

(to be completed by Bidder and each designated team member)

Bidder's Name: _____

Name and position of Declarant's: _____

In order to examine a possible conflict of interest, please detail any past (5 years), present or future, contacts and/or associations where the Declarant and/or any of its employees, has a role and/or ownership that are associated with the services required by the Ministry (if necessary attach a list).

- No such contacts exist
- Below is a list of contacts

Name of Entity	Entity's field of Activity	Area in which the service was provided	Period of work with the entity

I the undersigned _____ Passport No. _____ declare that:

1. All information and details submitted by me in this questionnaire are full, accurate and true.
2. I hereby undertake to update the Ministry of Energy of any change in the details and the information submitted herein;
3. I undertake to refrain from dealing with any matter that might constitute a conflict of interests between the provision of services to the Ministry and my other occupations until instructed otherwise by the Ministry.

Date

Signature (and Seal)

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Appendix H.1

Confidentiality and Information Security Undertaking by Consultant

Date: _____

To: The Ministry of Energy

Whereas: The company _____ (hereinafter: "the **Consultant**") has proposed to provide the Ministry of Energy with certain professional services (hereinafter: "the **Services**") as described in the Agreement between the parties; and

Whereas: The Consultant and/or its employees and/or anyone working on its behalf may be exposed to information as described below:

Accordingly, the Consultant undertakes towards the Ministry as follows:

1. The Consultant is aware that the Information as defined below is sensitive information. In addition, the Consultant is aware that the databases and documents of the Ministry include among other things, personal information and sensitive data that are protected under the laws of privacy and that the delivery of said Information to Consultant is based on the Consultant's declarations and obligations as set forth in this statement.
2. The Consultant declares that it is familiar with the provisions regarding confidentiality set out below and that its obligations under section 27 of the Penal Code (State Security, Foreign Relations and Official Secrets, 5717 - 1957,) are clear to the Consultant and it is bound to uphold the obligations toward the State of Israel and/or the Ministry of Energy.
3. The Consultant is aware that misuse of Information disclosed to its employees and/or anyone working on its behalf, is against the law and may result in civil and criminal claims against the Consultant and/or its employees and/or anyone working on its behalf. Furthermore, the Consultant is aware that failing to fulfill its obligations according to this statement constitutes a violation of the Penal Law 5737 - 1977.
4. The Consultant shall at all times, keep in strict confidence, and not publish in any form, not remove from its possession, or transfer directly and/or indirectly, any Information and any trade secret of any kind that comes to its attention and/or its disposal by any means.

The meaning of Information in this statement is: "any information, know-how, knowledge, trade secret including technical, professional, financial and trade-related knowledge, document, clients, correspondence, program, data, model, work techniques, review, conclusion relating to the Ministry's activities directly or indirectly, and anything else that may be connected or related to the provision of the Services or received during this time, whether disclosed by the Ministry and/or any other entity and/or on its behalf, whether written or oral and/or in any manner or form, whether or not labeled as "confidential".

For the avoidance of doubt it is clarified that the Information does not include that which is in the public domain and/or became public knowledge without breach of a confidentiality obligation; information that the Consultant had in its possession before receiving it as part of the Services or developed independently by Consultant without dependency on the

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confidential Information; and/or provided to the Consultant and/or anyone on its behalf by a third party without breach of a confidentiality obligation.

5. The Consultant shall take all necessary measures to prevent the transfer of Information and/or its disclosure to people and/or other entities.
6. The Consultant shall not use the Information at any time, in any manner, except for the purpose of providing services to the Ministry only.
7. The Consultant shall not remove Information from the Ministry premises without the explicit approval from an authorized representative of the Ministry.
8. The Consultant shall not connect its computers, electronic components and/or any type of portable digital media (such as PDAs, Disk On Key, mobile phone) nor those of any employee and/or anyone working on its behalf, to the Ministry's network unless receiving explicit approval from an authorized representative of the Ministry.
9. The Consultant shall not operate, install or copy to the Ministry's computers any software program or file that was not provided to the Consultant by the Ministry or not explicitly approved by an authorized representative of the Ministry.
10. The Consultant shall take strict precautions, and perform all necessary actions to maintain all aspects of Information security.
11. Without derogating from generality the Consultant is bound to the Ministry as follows:
 - a. To strictly store all Information or any other information requiring safeguarding, in a safe and/or a locked room.
 - b. In case of provision of services on the premises of the Ministry - to keep confidential the authorization password (in the event this is given to the Consultant's employees), lock screens and workstations whenever the employee leaves the workstation and turn off computers at the end of the work day.
 - c. Shred any information that is no longer required for the provision of services by the Consultant to the Ministry.
12. The Consultant shall immediately report to the Ministry any case where there is a concern that a contractual obligation, including an obligation in this undertaking, has been breached.
13. The Consultant shall maintain the integrity of the platform/document/system on which Information will be provided from time to time as part of the Services. On request the Consultant shall transfer and/or return to the Ministry the complete platform/document/system transferred to the Consultant and any product of processing performed based on the Information, and in any case shall not copy and save it in any form or manner after receiving the said request.
14. The Consultant shall disclose the Information only to those employees and/or representatives acting on its behalf that require it to perform the services (“need-to-know basis”).
15. The Consultant shall ensure that its employees and/or service providers and/or its representatives and/or anyone providing part of the Services to the Ministry on the Consultant’s behalf, to execute the undertaking – attached as [Appendix H.2](#) of the Tender.

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In any case, it will be the Consultant's responsibility to the Ministry to assure that the recipients of such information adhere to information security as required by the provisions of this undertaking.

16. The Consultant is aware that it is absolutely forbidden to remove any type of information (including media, hardware and software) from the premises and domain of the Ministry and it is committed not to do so without the Ministry's explicit consent in writing and in advance.
17. The Consultant is aware that the entrance of any privately owned software and/or hardware to the Ministry premises is absolutely forbidden.
18. The Consultant shall be liable for any tort, breach of contract and otherwise in accordance with the law, for any damage or harm caused to the Ministry and/or its customers or to any third party due to a breach of its obligations pursuant to this undertaking.
19. The Consultant's liabilities according to this undertaking are not limited in time, and continue to apply after the termination of the Agreement between the Consultant and the Ministry, and are towards the Ministry, its branches and agencies.
20. The undertakings hereunder are in addition to, and do not derogate, from provisions of the Agreement

Signature and
Company Seal

By: 1. _____ 2. _____

Attorney Certification

I, the undersigned Attorney of Law, confirm that on the date of _____ Mr./Ms. _____ who proved his/her identity with I.D. card number/ Passport number _____ / with whom I am personally acquainted, came to my office on _____ Street, in the city/settlement _____, and after being warned by me to tell the truth and that he/she could expect to incur the penalties prescribed by law should he/she not do so, signed the above affidavit in my presence.

Date: _____ License number: _____
Full name: _____ Signature and seal: _____

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Appendix H.2

Confidentiality and Information Security Undertaking

(to be completed by each designated team member and any other person/entity participating
in the provision of the Services)

Agreed upon and signed in _____ (place) on _____ (month) ____ (day) ____ (year)

By:

Name

I.D. /
passport
No.

Address

Whereas The Ministry of Energy in the name of the State of Israel is receiving services from _____ (the “**Consultant**”) under Tender No. 16/2020 for Upstream Oil and Gas Auditing, Inspection and HSE consulting services in Israel (the “**Services**”);

Whereas I am employed by, or am a service provider of, the Consultant and will be taking part in the Services to the Israeli Ministry of Energy; and

Whereas I may be exposed to trade secrets which the State of Israel is interested in protecting;

Accordingly, I undertake towards the State of Israel as follows:

Definitions

In this undertaking the following term shall have the meaning ascribed to it:

Information Any information, know-how, knowledge, trade secret including technical, professional, financial and trade-related knowledge, document, clients, correspondence, program, data, model, work techniques, review, conclusion relating to the Ministry’s activities directly or indirectly, and anything else that may be connected or related to the provision of the Services, whether disclosed by the Ministry and/or any other entity and/or on its behalf, whether written or oral and/or in any manner or form, whether or not labeled as “confidential”.

The term “Information” does not include that which is in the public domain and/or became public knowledge without breach of a confidentiality obligation; information that I had in my possession before receiving it as part of the Services or developed independently by me without dependency on the confidential

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Information; and/or provided to me and/or anyone on my behalf
by a third party without breach of a confidentiality obligation.

I undertake:

1. Not to show or transfer, whether for the duration of the Agreement with the government or afterwards to any person or entity any Information of the Israeli Government including any Information relating to the Government in general or regarding the existence of or the provisions of the Agreement with the government or my role in providing the Services
2. Not to make use of the abovementioned Information, including duplicating, copying etc. for any other purpose than implementation of the Services;
3. I am aware that failing to fulfill my obligations to the Government according to this statement constitutes a violation of the Penal Law 5737 - 1977.
4. I am aware that the transfer of Information to anyone, without permission in writing from the Government, may cause the government significant economic damage.

This commitment will continue to apply even after the expiration of the said Agreement.

Date: _____ Signature: _____

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Appendix I

Details of Bidder

To:

Iilana Tamsut, Senior Contracts Coordinator in the Ministry of Energy

Dear Madam,

Attached are details regarding our company and contact information for our contact person for the purpose of this Tender:

Company Details	
Company Name	
Company tax or ID number	
Address	
Telephone	
Fax	
E-mail	
Website	

Contact Person Details	
Role in the Organization	
Full name	
Division\Department\Unit	
Address	
Telephone	
Mobile Phone	
Fax	
E-mail	

Date: _____

Full Name: _____ Signature and seal: _____

Appendix J

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Confidential Parts of the Proposal

I hereby request that right of review of my proposal will not be applied to following sections of my proposal, as they constitute professional trade secrets:

Page ____, in the matter of _____.
Reason: _____.

Page ____, in the matter of _____.
Reason: _____.

Page ____, in the matter of _____.
Reason: _____.

Page ____, in the matter of _____.
Reason: _____.

And also from page ____, in the matter of _____, until
page ____, in the matter of _____.

Reason: _____.

I agree that whether or not the Ministry accepts my request, the same sections will be deemed confidential in all other proposals submitted under this Tender, and I shall not be allowed to review them.

I understand that the above requests for confidential treatment shall not be accepted if reasoning isn't provided.

Bidder's Signature:

Bidder's Name

Date

Signature and Seal

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Appendix K - Performance Guarantee

To:

The Israeli government on behalf of the State of Israel through the Ministry of Energy

Name of Bank:	
Telephone Number:	
Fax Number:	

Letter of Guarantee

Dear Sirs,

Re: Guarantee No. *** For sum of _____ US Dollars**

As requested by _____ (the “Company”), we guarantee upon request to settle any amount up to the total of _____ US dollars (in words: four hundred thousand US dollars) under the conditions specified below that you may demand from the Company in relation to the provision of Upstream Oil and Gas Auditing, Inspection and HSE consulting services relating to the oil and gas industry, pursuant to Tender 16/2020. We undertake to pay you this amount within 7 days after receipt of your first request in writing, without imposing upon you to establish or justify your demand and without the right of the Company to dispute or question such demand.

You may exercise this guarantee in parts from time to time, provided that the aggregate sum to be paid shall not exceed the above-mentioned limit.

We hereby agree that any part of the Agreement may be amended, renewed, extended, modified, compromised, released, or discharged by mutual agreement between you and the Company, without notice to us and without the necessity for any additional endorsement, consent, or guarantee by us, except where the guarantee amount is to be changed.

This guarantee will remain in effect until the date _______ inclusive, and any request must reach us in writing [*for non-Israeli banks insert: at our Israeli branch on _____*] by this date. Any demand that arrives after the above date will not be granted.

This engagement is governed by the Israeli Law, and the place of jurisdiction is Jerusalem, Israel.

This guarantee is nontransferable.

Date: _____ Branch: _____
Full Name: _____ Signature and seal: _____

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Appendix L

To:

The State of Israel – The Ministry of Energy

Address: 7 Bank Israel St., Generi Building #2, POB 36148, Jerusalem 9136002, Israel

Dear Sir/Madam,

Re: **Insurance Certificate**

We hereby confirm that we have issued on behalf of our insured _____ (hereinafter: the " **Consultant** "), for the period of insurance from _____ to _____, in connection with the provision of Upstream Oil and Gas Auditing, Inspection and HSE consulting services relating to the oil and gas industry in Israel, in accordance to the Tender and Services Agreement with the State of Israel – the Ministry of Energy, the insurance policies detailed below:

1. Employers Liability Insurance (only in respect of the Consultant's activity in Israel)

- 1.1 The Consultant's legal liability towards its employees and anyone working on his behalf under an employer's liability insurance policy, throughout all the areas of the State of Israel and the occupied territories and its territorial waters.
- 1.2 The limit of liability for any one employee per event shall be no less than 5,000,000 US dollars.
- 1.3 The insurance is extended to cover the Consultant's liability vis a vis contractors, sub-contractors and their employees in the event the Consultant shall be considered their employer.
- 1.4 The insurance is extended to indemnify the State of Israel – the Ministry of Energy, in the event it is contended, in regard to the occurrence of a work accident or any professional disease, that they are liable in any way as employers towards any of the Consultant's employees, contractors, sub-contractors and their employees employed by the Consultant.

2. Third Party Liability Insurance (only in respect of the Consultant's activity in Israel)

- 2.1 The Consultant's legal liability under the laws of the State of Israel in respect of bodily injury and property damage under a third party liability insurance policy, throughout all areas of the State of Israel and the occupied territories and Its territorial waters.
- 2.2 The limit of liability shall not be less than USD 500,000 per event.
- 2.3 The insurance is extended to cover the Consultant's third party liability in regards to activities of contractors, sub-contractors and their employees.

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- 2.4 A cross-liability clause shall be included in the policy.
- 2.5 The State of Israel property shall be considered as third party property.
- 2.6 The cover under the policy is extended to cover the State of Israel – The Ministry of Energy, in so far as they may be deemed to be liable for the acts and/or omissions of The Consultant and those working on his behalf.

3. Professional Liability Insurance

- 3.1 The Consultant shall insure his professional liability by professional liability insurance.
- 3.2 The policy shall cover any damage due to a breach of professional duty on the part of the Consultant, his employees and all those working for him and which has occurred as the result of an act, negligence, including a failure, error or omission, misrepresentation, negligent declaration made in good faith, in all matters with accordance to the tender and Services Agreement between the Consultant and The State of Israel - The Ministry of Energy for the provision of Upstream Oil and Gas Auditing, Inspection and HSE consulting services relating to the oil and gas industry, including, inter alia, reviews, facilities' auditing, risk assessments, risk analysis, investigations' assistance, consulting, recommendations, documentation, preparation of regulatory framework, incorporation, adaptation and implementation of international codes and protocols relating Upstream Oil and Gas.
- 3.3 Limits of liability shall not be less than 1,000,000 US Dollars per event and in the aggregate per the period of the insurance (one year).
- 3.4 The cover under the policy shall be extended to contain the following extensions:
- Dishonesty of employees;
 - Libel and/or slander;
 - Loss of documents, including the loss of use and/or delay as a result of an insurance event;
 - Cross-liability but coverage shall not apply in respect of the Consultant's claims against The State of Israel - The Ministry of Energy;
 - Extension of the period of discovery to at least six months;
- 3.5 The cover under the policy shall be extended to cover the State of Israel – The Ministry of Energy, in so far as they may be deemed to be liable for the acts and/or omissions of the Consultant and those working on his behalf.

4. General

All the above insurance policies shall include the following conditions:

- 4.1 **The State of Israel – the Ministry of Energy**, shall be added to the insured's name as additional insureds, subject to the indemnity extensions as detailed above.

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- 4.2 No limitation or cancellation of the insurance by either of the parties shall be valid, unless notice thereof is given at least 60 days in advance by registered letter to the Ministry of Energy Financial Comptroller.
- 4.3 The Insurer waives any right of subrogation, claim, and contribution or refund against the State of Israel – the Ministry of Energy, provided the waiver does not apply in favor of a person who caused damages with malicious intent.
- 4.4 The Consultant alone shall be responsible towards the insurer for payment of the premiums on the policies and for the fulfillment of all the obligations imposed on the insured by the terms and conditions of the policies.
- 4.5 The deductible specified in any policy shall be borne by the Consultant alone.
- 4.6 Any clause in the insurance policies that in any way voids or limits the insurer's liability in case of the existence of other insurance, shall not be activated against the State of Israel, and the insurance shall be deemed as primary insurance entitling to full rights under the insurance policies.

Subject to the original Policies terms & conditions in as much as not altered specifically by the aforementioned.

Sincerely yours,

Date

Signature of insurer's authorized signatory + insurer's stamp

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Appendix M – Format of a BID BOND

THE BID BOND

Date: _____

(Name of guaranteeing bank or Israeli Insurance Company to be completed)

To:

The Israeli government on behalf of the State of Israel through the Ministry of Energy

Re: Bid Bond

Invitation to Bid the Tender - **Upstream Oil and Gas Auditing, Inspection, HSE consulting services in Israel**

At the request of _____ *[name of Bidder, Member or Parent Company to be inserted]* whose registered address is _____, (hereinafter "**Applicant**"), we hereby guarantee to pay to you any sum up to _____ New Israeli Shekels (_____ NIS) (the "**Amount of the Guarantee**").

We undertake to pay you, upon your first written demand, any sum specified in such demand up to the Amount of the Guarantee, immediately and no later than seven (7) days from the date of receipt of your demand.

Your demand for payment of the Amount of the Guarantee may be affected in stages, and payments will be executed in accordance with your demand, provided that the overall total of the payments does not exceed the Amount of the Guarantee.

Each demand for payment under this guarantee must be received by us in writing at our address as follows:

[Address to be completed]

Demand sent to us / received by us via facsimile or email shall not be considered as a demand in writing according to this guarantee.

Our undertaking pursuant to this guarantee is autonomous and unconditional and you will not be obligated to explain, reason or prove your demand or first demand payment from the Applicant.

This guarantee will not be assigned or transferred by you without our consent.

This guarantee shall remain valid until 30/09/2021¹, and shall automatically be extended for two successive additional periods of six (6) months duration each, unless approval is granted by you not to extend it.

This guarantee will be subject to the Israeli law.

Stamp and Authorized Signature(s) of Bank / Israeli Insurance Company

¹ a period that, if changed, shall be determined by the Tender Committee and notified to all Bidders up to seven (7) days prior to the Bids Submission Date

Basket 2 Documents:

Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves

2. Professional Prequalification Conditions

In light of importance of professional exploration and development of natural gas and oil resources in Israel (see Appendix A) the Ministry decided to require higher professional skills than those required by the Binding Tenders Law, 5742-1992. All these excess requirements apply to the Bidder and the proposed team on his behalf.

The Bidder must fulfill the following professional threshold prequalification requirements:

- a. The Bidder must prove the excellence and at least 10 years of proven experience in petroconsulting service and evaluation of hydrocarbon resources and reserves in PRMS categories at any kind of reservoirs like heterogeneous clastic formations; locally fractured tight carbonate formations; 2-3 phases of rocks saturating fluid; oil shale; shale oil etc; green and brown fields that required application of EOR; onshore and offshore (deep marine); overpressure and underpressure reservoirs.
- b. The Bidder must have at least 10 years of experience in consulting for optimization of exploration, development and production process on Oil and Gas fields by analysis of initial FDP, proposal for the wells, workovers, wells test, data acquisition program etc and analysis of the result/monitoring of the operations.
- c. The bidder has to have at least 10 years' experience in the presentation of their results and opinion at any professional auditory in written and verbal forms and in the preparation or verification of regulatory documentations and to know best industry standards.
- d. The Bidder has to show that within the last 10 years it has performed petroconsulting services in all the subjects described in sections a. to c. above, in at least 10 projects, for governments or oil and gas agencies; and for National or International Oil and Gas Companies, whose annual revenue exceeds USD 5 billion; and the total cost of these projects will be at least USD 10 million.
- e. The Bidder is required to submit in its bid a description of the professional team as specified below (a staff member can be an expert in several fields of expertise, or there could be several different experts, one for each field of expertise):

1) Project Manager

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- The project manager must be a geoscientist or reservoir engineer with proven expertise and experience in petroleum engineering and full understanding of the responsibilities and functions of regulators, shares holders, operators and be registered in one of the professional international organizations like SPE (Society of Petroleum Engineering), AADE (American Association of Drilling Engineers) AAPG (American Association of Petroleum Geologists) etc.
- The project manager shall have at least 10 years of experience in management, supervision, or execution, of integrated subsurface projects in the areas of exploration, development and production of oil and gas (hereinafter “**Petroleum Projects**”) with a total investment of more than USD \$ 500 million.
- **The Project Manager is responsible for:**
 - Management of the project team members to ensure completion of all deliverables and all projects within the scope, budget, and schedules and deadlines, as set forth in [Appendix A](#), and elsewhere in this Tender, and the project plan, as approved by the Ministry Representative.
 - Preparation of periodic and final reports regarding all aspects of projects and deliverables before the Ministry;
 - Communication with the Ministry and third parties, as required by the Ministry Representative.

2) Senior Experts Team

- Senior international experts team must include at least 5 experts, one (1) expert for each required discipline, with at least 10 years of experience, in one of the following disciplines:
 1. Petroleum Geology;
 2. Petrophysics;
 3. Geophysics;
 4. Geologist with experience in geomodeling;
 5. Reservoir Engineering;
 6. Production engineering
 7. Drilling Engineering;
 8. Economist.
- Senior Experts are responsible for team excellence, planning and presentation of methods and technologies which will be applied for projects execution and for integrated inter-disciplinary solutions.
- A Senior Expert can be considered an expert in more than one field, as long as he meets the required threshold professional prequalification conditions in respect of each such field, as set forth above.

3) Junior Experts Team:

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- The Junior Expert Team must include at least 3 experts, one (1) expert for each required area above with at least 5 years of experience.
 - Junior Experts are responsible for activities per expert's tasks.
 - A Junior Expert can be considered an expert in more than one field, as long as he meets the required threshold professional prequalification conditions in respect of each such field, as set forth above.
- f. The Project Manager and each of the Senior Experts must be available for traveling to Israel in order to provide the Services, within 5 business days from the date of the Ministry Representative's request.

Failure to satisfy one or more of the Prequalification Conditions will result in the disqualification of the bid.

Evidence of compliance:

The Bidder shall demonstrate its compliance with the above Prequalification Conditions, by providing documents detailing its relevant experience, summarized in the following table.

Subject/description of Project	Years job was executed	Name of client	Scope of work	Budget	Name of contact	Email/Phone of contact

For the Project Manager and each of the designated Senior team members, the Bidder shall also attach the following documents:

- 1) A CV;
- 2) Certificates indicating education;
- 3) Relevant documentation indicating experience;
- 4) A table in the format below, summarizing its previous experience, as detailed below.

Subject/description of job	Years job was executed	Name of client	Scope of work	Name of contact	Email/Phone of contact

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For the each of the designated Junior team members, the Bidder shall also attach the following documents:

- 1) A CV;
- 2) Certificates indicating education;

The Ministry may refer to any contacts/clients from the provided list or any other clients based on any existing information, or information arising from the proposal or from its review, in order to assess the degree of customer satisfaction from the services provided by the Bidder and/or relevant designated team member.

The decision whether the Bidder or a designated team member fulfills the experience requirements, including the decision whether the demonstrated experience is relevant experience under the requirements, is subject to the discretion of the Tender Committee.

3. Conflict of Interest

- a. The Bidder and each of its designated team members shall declare and commit that they are not under any conflict of interest between the services they currently provide and Services required by the Ministry under this Tender. The Bidder and each designated team member will answer a questionnaire regarding conflict of interest.
- b. The Bidder and each of its designated team members will list all professional, business, economic and personal relationships during the past 5 years, which may create a conflict of interest with the provision of Services required by the Ministry within the framework of this Tender (in this regard, Bidder should also refer to its affiliates or any corporations associated with the Bidder).
- c. The Tender Committee may disqualify any proposal that it deems to have potential for a conflict of interest. The Committee may also reach an arrangement with the winning Bidder in order to prevent conflicts of interest, all according to its sole discretion.
- d. The Bidder and each of its designated team members shall have not performed, and will not undertake to perform, any similar Services required under this Tender to any client in the territory of Israel, other than the Ministry, during the 6 months' period prior to the proposal Submission Deadline, during the Term of the Agreement, and for a period of 1 year after the termination of the Agreement.

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For a binding version of aforementioned commitment and questionnaire regarding the absence of conflicts of interests – see Appendices [G.1.](#) and [G.2.](#) of this Tender.

4. General Conditions Pertaining to the Performance of the Services

- a. On behalf of the Ministry, the Head of the Geology, Geophysics and Information Department of the Natural Resources Administration, or anyone appointed on its behalf, shall be the Ministry Representative responsible for ensuring performance of the Services subject to this Tender (hereinafter, the "**Supervisor**").
- b. Services will be provided by the winning Bidder and any service providers on its behalf, as approved by the Ministry, in accordance with the terms and conditions of the Tender, to the satisfaction of the Supervisor.
- c. The winning Bidder and anyone on its behalf shall undertake to provide the Services with expertise, professionalism and skill according to commonly accepted professional standards.
- d. The winning Bidder and anyone on its behalf will not be entitled to transfer or assign its rights according to this Tender, in whole or in part, to any third party, without receiving prior written consent of the Ministry.
- e. Only team members who were designated by the Bidder in its proposal under this Tender, or later approved by the Ministry, shall supply the Services. Replacement of any designated team member at the initiative of the winning Bidder, may be only by a substitute employee/s with equivalent or additional knowledge and experience, and is contingent upon obtaining prior written consent of the Supervisor.
- f. The winning Bidder may be asked to provide services, which may necessitate services to be provided by a subcontractor, approved in advance by the Ministry and contracted by the winning Bidder. For more information see Section 2.7 of the Agreement.
- g. The Supervisor may demand the replacement of any team member, and the winning Bidder will have to replace him with a different team member of equivalent or additional knowledge and experience, within 60 days of said request for exchange. Any substitute of Project manager or Leading Experts must be approved in advance by the Tender Committee of the Ministry.
- h. The winning Bidder undertakes to maintain the confidentiality of any information to which it is exposed to due to the provision of the Services, both during the term of the Agreement as well as after its termination. The winning

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Bidder will also ascertain that all team members and additional service providers on its behalf under this Agreement, will not disclose any information regarding their activities for the Ministry, neither to parties that are not related to the winning Bidder nor to any party within the winning Bidder that is not directly involved in the provision of Services in connection with this Tender, and will ensure that each signs a confidentiality undertaking, as detailed in Section 12 of the Agreement.

For a binding version of aforementioned Confidentiality Undertaking – see Appendices [H.1](#) and [H.2](#).

- i. Any and all work products, at any stage, produced by the winning Bidder to any extent, shall belong exclusively to the Ministry. It is hereby clarified that the work of any type, and all its products and copyright, shall be the sole property of the Ministry, and the winning Bidder will not be entitled to make any use of them without express prior written consent from the Ministry. The right to publish any materials and products is given only to the Ministry, and the winning Bidder will not be entitled to make use of them without prior written consent from the Ministry.
- j. The winning Bidder must be ready to commence provision of Services immediately upon the signing of the Agreement by the Ministry.

5. Agreement

- a. An Agreement will be signed with the winning Bidder for performance of the Services, as attached hereto as [Appendix B](#) ("the **Agreement**"). The terms of the Agreement as set forth in [Appendix B](#) are an integral part of this Tender and its terms. The Bidder must submit an executed copy of the Agreement, including appendices, with its proposal.
- b. The term of the Agreement shall be for 12 months, and the Ministry shall have the sole option to extend the duration of the Agreement for additional periods up to a total of 6 years, by prior written notice by the Ministry (with the need for both parties to sign an addendum to the Agreement).
- c. Notwithstanding any other provision, the Ministry shall be entitled to terminate the Agreement, according to its sole discretion, by giving written notice to the winning Bidder 30 days in advance.
- d. For the avoidance of doubt, it is hereby emphasized that the Ministry is not obligated to any minimum volume of services.

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6. Structure of the Proposal and the Manner of Submission

- a. The proposal shall be submitted in 1 paper copy + 1 copy on digital media in a searchable PDF format. All documents of the proposal must be provided in the English language only.
- b. The proposal must be submitted in accordance with all the Tender requirements and shall include:
 1. All documents and references required as evidence of compliance with the Prequalification Conditions, including a list of the designated team members (Project Manager and Experts) and the documentation and information detailed in all subsections of Sections 1.1 and 2 above (including [Appendix D](#) and [Appendix E](#)).
 2. Method of Approach as requested in [Section A.3](#) of Appendix A.
 3. Lawyer\accountant confirmation to the identity of the authorized signatories on the Bidder's behalf and a sample of such a signature\s, in the form attached as [Appendix F](#).
 4. An executed copy of the Agreement ([Appendix B](#) of the Tender): (a) initialed by the authorized signatories on each page, and (b) full signatures and the Bidder's stamp on signature page of Agreement.
 5. An executed copy of the following appendices of the Tender (which all form a part of the Agreement): **Appendices G.1, G.2, H.1, H.2**: (a) initialed by the authorized signatories on each page, and (b) full signatures (and the Bidder's stamp where required).
 6. Details of Bidder form attached as [Appendix I](#).
 7. Confidential parts of Bidder's proposal in the form attached as [Appendix J](#).
 8. The Bidder's Price Quote on [Appendix C](#).

Note that Appendices K and L (the Performance Guarantee and Insurance Certificate, as defined in Section 9 below) need not be submitted with the proposal.

- c. The material must be inserted into a sealed envelope, upon which will be specified only the Tender number. Name of Bidder will not be specified on the envelope. Within this outer envelope will be 2 sealed inner envelopes:
 3. One will include all parts of the proposal, **except for** the Price Quote. This envelope will be titled: "Detailed Proposal without Price Quote".
 4. The second sealed and separate inner envelope will include the completed Price Quote form - [Appendix C](#). This envelope will be titled: "Price Quote".
- d. The deadline for submission of proposals is June 30, 2021, at 14:00, Standard Israel time (the "**Submission Deadline**"). An envelope containing the proposal documents must be placed in the Tender box located at the Ministry of Energy, 7 Bank Israel ST, Generi Building # 2, floor -1 (in the corridor opposite the entrance door). Bidders must check for updates on the Ministry's website regarding the

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location of the Tender box, in close proximity to the Submission Deadline.

Proposals submitted after the Submission Deadline will be disqualified.

- e. If the Bidder decides to submit its proposal by courier, including by mail, it should put the outer envelope into a second envelope with instructions to courier "*Please place in the Tender Box.*" The Bidder must be aware that the Ministry is in no way responsible for placing the proposal in the Tender box. Any proposal received at the Ministry prior to the final submission date, but for some reason not inserted into the Tender box, shall be disqualified as a proposal not submitted on time.

7. Price Quote

- a. The Price Quote shall be submitted on the form attached as [Appendix C](#) (to be submitted in a separate inner envelope within the proposal envelope, labeled "*Price Quote*", as detailed in Section 0c above).
- b. The Price Quote shall include all expenses that the Bidder might incur in connection with performance of the Services. No additional expenses will be added to the price set forth in the Price Quote, including any expenses for purchasing any material, information, international standards, surveys etc.
- c. The Bidder will indicate the cost of work: the total tariff per one (1) working hour (WH) in US Dollars for each type of team members as follows:
- i. 1 WH of a Project Manager = 1 WH of a Senior Expert X 125%
 - ii. 1 WH of a Senior Expert = 1 WH of a Senior Expert
 - iii. 1 WH of a Junior Expert = 1 WH of a Senior Expert X 75%
- d. The Price Quote must be expressed as hourly consultancy tariffs. Payment shall be made only for hours actually worked. No payment shall be made for idle time due to travel time. For the avoidance of any doubt, the Price Quote shall be valid for the entire term of the Agreement, including contract extensions.

The Price Quote for 1 WH of a Senior Expert will not exceed 300 USD. A Price Quote that does not meet this condition will be disqualified.

- e. Traveling to Israel- the nature of Services may include traveling to Israel, and the winning Bidder, and each one of its designated Senior Expert team members and Project Manager should be able to travel to Israel within 5 business days' from the Ministry Representative's request. The frequency of traveling may vary depending on the nature of the services, but is estimated at 4-7 visits per year.

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The consideration for a visit to Israel will be at "fixed cost" that embodies all the costs involved in the visit, including idle time, and will vary according to the location of the winning Bidder's main office, as follows:

- i. Located in Europe – 3000 USD per 2 days' visit per person
- ii. Located outside of Europe – 6000 USD per 2 days' visit per person

Let it be noted that each visit to Israel will include at least 2 working days, 8 WH each, for which the Bidder will be paid for (in addition to the fixed cost above) according to the Bidder's Price Quote and type of team member.

Visits to other locations than Israel will be considered as visits outside of Europe

The cost of additional visit days above the minimal 2 days' visit is 500 USD per day per person.

8. Criteria and process of choosing the winner

Examination of the proposals will be based on the weighing of the quality and price components of the proposal.

Winner selection process will be conducted in 4 stages, as follows:

Stage 1 - Compliance with Prequalification Conditions

Proposals received by the Submission Deadline shall be opened (the inner envelopes containing the Price Quote shall remain sealed at this stage), and examined in order to verify whether the Bidder meets the Prequalification Conditions of the Tender as set forth in Sections 10 and 2.

A Bidder whose proposal does not meet the Prequalification Conditions shall be deemed ineligible and disqualified from the Tender.

Stage 2 – Examination of the Quality of the Proposal (70% of the final grade)

All proposals that have been found to meet the Prequalification Conditions will be examined and evaluated based upon their quality as set forth below, and without taking into consideration the Price Quote, which shall remain sealed at this stage. Score shall be given for each of the following quality parameters, up to the maximum number of points set forth in the column on the right (the “**Quality Score**”):

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Quality Parameter	Maximum Number of Points
<p>The Bidder:</p> <ul style="list-style-type: none"> Experience of Bidder in providing the required services, as set forth in the Tender and described in brief in Appendix A. <u>10 years of experience= 10 Points</u> <u>11-15 years of experience= 15 Points</u> <u>More than 15 years of experience= 20 Points</u> 	20
<ul style="list-style-type: none"> Number of consulting projects in the past 10 years the bidder performed in supplying the services for governments, regulatory authorities and oil and gas companies. 10 projects = 9 Points 11-15 projects= 12 Points More than 15 projects= 15 Points 	15
<ul style="list-style-type: none"> Cost of consulting projects in the past 10 years the bidder performed in supplying the services for governments, regulatory authorities and oil and gas companies. USD 10 million = 9 Points USD 11-15 million = 12 Points More than USD 20 million = 15 Points 	15
<p>Project Manager:</p> <ul style="list-style-type: none"> Experience in the field of petroconsulting service and evaluation of hydrocarbon resources and reserves in PRMS categories at any kind of reservoirs, onshore and offshore Petroleum Projects as required by this Tender <u>1-5 projects = 6 Points</u> <u>6-10 projects= 8 Points</u> <u>More than 10 projects = 10 Points</u> 	10
<ul style="list-style-type: none"> Experience in the management, supervision, or execution, of Petroleum Projects <u>With Total investment of USD 500 Million= 6 Points</u> <u>With Total investment of USD 800 Million= 8 Points</u> <u>With Total investment of USD 1200 Million= 10 Points</u> 	10
<p>Senior Experts:</p> <ul style="list-style-type: none"> Leading experts role with at least 10 years of experience in petroconsulting service and evaluation of hydrocarbon resources and reserves in PRMS categories at any kind of reservoirs (must fully ties to possible tasks of listed at Appendix A). <p>1 expert in each of the 8 disciplines= 7 points More than 1 expert in each of the disciplines= 10 points</p>	10

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Junior Experts: <ul style="list-style-type: none">Junior Experts each with at least 5 years of experience in Petroleum Projects (must fully ties to possible tasks of listed at Appendix A). 1 expert in each of the 3 disciplines= 7 points More than 1 expert in each of the disciplines= 10 points	10
General Impression of the Bidder and its Method of Approach	10
Total	100

Only proposals that shall receive a Quality Score of at least 80 points (out of 100), “**Minimum Quality Score**”) will advance to Stage 3 (Price Quote Scoring). Notwithstanding the foregoing, if after conducting Stage 2, only one bid receives the Minimum Quality Score, the Ministry may, at its own discretion, cancel the Tender.

The Ministry may take into consideration any previous experience it or any third party has had with the Bidders, to the extent that the Ministry is familiar with any such experience.

Without derogating from the generality of the foregoing, the Ministry may subtract points if a Bidder or a designated team member has worked in the past with the Ministry as a provider of services and did not meet the set timetable and/or the standards of the required service or if there is a written negative evaluation of work performed by such Bidder or designated team member. In such a case, the Ministry is entitled (but is not obligated), at its own discretion, to provide the Bidder with the right to clarify its position, verbally or in writing, with regard to this matter.

Despite the foregoing, the Ministry may combine Stages 1 and 2 above, such that the Preliminary Qualifications check and the quality scoring will be performed in parallel.

Stage 3 –Price Quote Scoring (30% of the final grade)

After the Tender Committee approves the Quality Scores from Stage 2 of the examination, it will review the Price Quotes of proposals that received the Minimum Quality Score. Envelopes with Price Quotes of proposals which did not meet the Minimum Quality Score will not be examined.

The Price Quote will be graded based only on the proposal for 1 WH of a Senior Expert (USD).

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The lowest Price Quote received will score 100 points, while the rest of the other proposals will be scored relative to this proposal in descending order.

Establishing the Price Quote score will be as follows:

$$\text{Price Quote Score} = \frac{\text{Lowest Price Quote received} \times 100}{\text{Price Quote of proposal being scored}}$$

Stage 4– Selecting the Winning Bidder

The final score of each proposal will be calculated as follows:

$$\text{Final Score} = \frac{(70 \times \text{Quality Score}) + (30 \times \text{Price Quote Score})}{100}$$

The Bidder with the highest Final Score shall be selected as the winning Bidder. The Ministry reserves the right to select the winning Bidder subject to certain conditions that it shall decide.

Notwithstanding the foregoing, the Ministry reserves the right to reject a Price Quote that it deems unreasonable for any reason, and reserves the right not to elect the Bidder with the highest Final Score, or any Bidder at all, including, *inter alia*, if the Bidder's economic and/or security examination results are not to the Ministry's satisfaction or if it finds the proposal to be unreasonable to a degree that raises concern as to the ability of the Bidder to fulfill its obligations.

9. Action Items Following Selection of the Winning Bidder

- a. As a precondition to the winning Bidder's rights under the Agreement and to the Ministry's execution thereof, the winning Bidder shall provide the Ministry with the following:
 1. The Performance Guarantee required by the Agreement (the "**Performance Guarantee**") within 15 days of receipt of the notification that its proposal has been selected. If the winning Bidder does not provide the Performance Guarantee within such time, the Ministry may cancel such Bidder's selection, and may select instead the Bidder with the next-highest score.
For a binding version of Performance Guarantee – see [Appendix K](#) of this Tender.
 2. The insurer's certificate required by the Agreement (the "**Insurance Certificate**") within 15 days of receipt of the notification that its proposal has been selected.
For a binding version of Insurance Certificate – see [Appendix L](#) of this Tender.

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3. The names and relevant experience of at least 8 Senior and Junior Experts, who will be part of the designated team (in addition to the Project Manager), each with one of the following minimum qualifications (each, a “Consultant”) as describe in paragraph 1.2 of the Tender.

The winning Bidder shall submit, together with the names and documentation for each proposed Consultant, a commitment and questionnaire regarding the absence of conflicts of interests (Appendices [G.1.](#) and [G.2.](#) of this Tender) and a confidentiality undertaking ([Appendix H.2](#) of this Tender) signed by each of them. Each Consultant is subject to the Ministry’s approval.

- b. Upon receipt and approval by the Ministry of the documents and information detailed above, the winning Bidder shall submit the signed Agreement. After it, the Ministry will sign the Agreement and return one copy to the winning Bidder. The date of the Ministry’s execution of the Agreement shall be the “Effective Date” of the Agreement, however the Ministry may inform the winning Bidder that the Services will begin at a later date
- c. The winning Bidder will be required to commence work immediately after signature of the Agreement by the Ministry.

10. Clarifications

- a. A prospective Bidder requiring any clarifications regarding the Tender Documents may submit a written request for clarifications to the Ministry, addressed to Mrs. Ilana Tamsut at e-mail address itamsut@energy.gov.il. Requests should be submitted as MS-WORD documents only. Clarification requests must be received no later than May 31, 2021 (“**Clarification Deadline**”). The Ministry will not reply to queries that will arrive later than the Clarification Deadline. Verbal confirmation of receipt of such e-mail may be obtained at telephone number +972747681764.
- b. The following is the format for submission of clarifications requests:

Section in the Tender/Specification	Details of question / clarification

- c. The Ministry retains the right to refrain from replying to any clarification requests if it finds that such reply may be detrimental to the Tender process, or

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if the request is a request to alter the Tender conditions, and not a request for clarification. The Ministry's response (including an explanation of the query but not identifying its source) will be published on the Ministry's website at the following address: <http://www.energy.gov.il> not later than 14 days before Submission Deadline.

- d. Clarifications issued by the Ministry shall be deemed to form part of the Tender Documents. The Bidder may not rely on clarifications provided by the Ministry, unless such clarifications were issued by the Ministry in writing pursuant to the foregoing.

11. Non-derogation, Amendment of Flaws, Discussion with Bidders

- a. The Bidder may not add to, derogate from, alter or qualify any condition of the Tender Documents.
- b. If a Bidder wishes to offer comments on specific paragraphs or conditions, including a request for an amendment to the Agreement, such comments/requests shall be conveyed to the Ministry as clarification requests according to Section 10 above, such that the Ministry may consider whether or not to amend the conditions of the Tender Documents. If the Ministry agrees to amend conditions, appropriate written notice regarding the amendment shall be posted on the Ministry's website. Requests for amendments that are not listed as accepted in such postings shall be deemed denied. Any alteration or qualification to the final Tender Documents made by the Bidder in its proposal, whether made by the Bidder to the Documents themselves or by any side letter or otherwise may lead to the Bidder's disqualification.
- c. If, despite the foregoing, a flaw is found in the Bidder's proposal, including any addition, derogation, change or qualification of the Tender Documents, the Ministry shall take action as it deems appropriate under the circumstances, at its sole discretion, and it may, inter alia, disqualify the Bidder or ignore such addition, derogation, change or qualification and regard them as never having been made, or accept the changes.
- d. Upon submission of its proposal, the Bidder agrees that the Ministry shall be entitled, but not required, to permit a Bidder whose proposal contains a qualification, is deficient or contains any other flaws, to amend or complete its proposal, or to allow the Bidder to leave the proposal unchanged, all at the Ministry's sole discretion, and in the manner and under the conditions the Ministry may determine.
- e. The Tender Committee will review the proposals and shall be entitled (but not obliged) at any time, at its discretion, to address all or any Bidders, or even any single Bidder, and request information, clarifications, additions, documents or anything else necessary in its opinion to review any specific proposal or all the

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proposals as a whole, whether due to a flaw in the proposal or not, either before or after the selection of the winning Bidder. Notwithstanding the above, the Committee is entitled to request an opinion from an independent body, regarding any information conveyed to the Ministry as part of the proposal. In addition, the Committee may address the Bidders or any of them, to determine its final position regarding each proposal. As part of its communication with the Bidders, the Ministry may set a timeframe for receiving additional information and the Ministry may determine that non-compliance with said timeframe may result in a decision without additional information, or even rejection of the proposal.

- f. For the avoidance of doubt it is hereby clarified that the above authority to request information, amend proposals and to negotiate with one or more Bidders, does not impose any obligation on the Ministry to negotiate with any Bidder, to allow a Bidder to qualify in any way any instruction or requirement of the Tender Documents, or to change any part of its proposal.
- g. The Ministry may also negotiate with the winning Bidder, in order to improve its proposal.

12. Trade Secrets

- a. Bidder is requested to clearly highlight any parts in its proposal, which it believes constitute trade secrets which should not be disclosed, in a form attached as [Appendix J](#) of the Tender. Please note that the Price Quote may not be included in this definition. The Bidder may not request the Tender Committee to provide details from other proposals that are parallel to any part in its own proposal, which it considers a trade secret not to be disclosed.
- b. Parts that are not marked as proprietary information will be considered information that may be disclosed if necessary, including for review by non-winning Bidders in the Tender. The final decision regarding which parts of the proposal may be open for review, is the sole discretion of the Tender Committee.

13. General

- a. The Ministry does not commit to selecting the proposal which receives the highest Final Score, or any proposal whatsoever.
- b. In the event that the winning Bidder does not procure the documents and information required of the winning Bidder as per Section 9 above, or the Ministry does not execute the Agreement with the winning Bidder for any reason whatsoever, all other proposals shall remain valid for 90 days after receiving notice of non-winning. In such circumstances the Ministry may, but is not obligated, at its discretion, to declare the proposal with the second highest Final Score, as the winner of the Tender.

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- c. The Ministry reserves the right to make any changes or corrections to this Tender and its Appendices, at any time, including any of its conditions or its date of submission. Said change and / or amendment will be conducted in writing and will be posted on the Ministry's website at: www.energy.gov.il. The Bidders will be responsible for checking for such changes from time to time.
- d. The Ministry may, at any time prior to the Submission Deadline contact additional Bidders to submit their proposals, or cancel this Tender at any stage and if cancelled - post a new Tender instead of this Tender, as it sees fit at its sole discretion. In any case, the Bidders, and only they, will bear all expenses in connection with the Tender.
- e. The Ministry shall not be liable for any expense or damage that may be caused to a Bidder due to or in connection with this Tender, and in particular due to not being awarded the contract, the amendment of the Tender documents or the cancellation of the Tender process for whatever reason.
- f. The Ministry may, if it determines that there are special circumstances, accept a proposal even if it does not meet some technical or formal requirements.
- g. In special cases and under circumstances that shall be recorded, the Tender Committee reserves the right to conduct negotiations with the Bidders whose proposals fulfilled all threshold conditions.
- h. Any commitment on behalf of the Ministry towards the winning Bidder will become final only upon signing of the formal Agreement by the authorized signatories on behalf of the Ministry.
- i. Signing and maintaining the Agreement are subject to the existence of the necessary budget allocation, and to obtaining the necessary confirmations. The Ministry reserves the right to demand performance of the work in stages, according to budgetary limitations.
- j. General notices applicable to all Bidders shall be posted on the Ministry's website and Bidders are responsible for periodically checking for new notices. Notices applicable to a certain Bidder only will be sent by fax or email, to the contact person specified by the Bidder in its proposal. Notices sent by fax or email shall be deemed received upon automatically-generated confirmation of receipt. All communications shall be in English only.
- k. All Tender Documents are the exclusive property of the Ministry.

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14. Jurisdiction

The Tender is governed by Israeli law, and any legal claim in connection with the Tender shall be filed only in the competent court in Jerusalem, Israel.

Sincerely,

The Tender Committee

Appendix A

Specifications

A.1. General Background

The Ministry of Energy (hereinafter - the "**Ministry**") through the Natural Resources Administration, hereby publishes a Tender for the provision of consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel.

In the last two decades' large quantities of natural gas were discovered offshore Israel, which have transformed the status of the country into an energy producer and profoundly affected its economy .

In June 1999, the Tethys Sea Partnership announced the discovery of gas in Noa-1, drilled 40 km west of the coastal town of Ashkelon. The Noa field was the first, large natural gas reservoir found offshore Israel. In February 2000, another gas bearing reservoir was found in the Mari-B field, southeast of the Noa field, which at the time of discovery contained an estimated amount of 45 BCM of gas in place. In 2004, commercial gas production began from the Mari-B field. Almost all the amount of this gas was used by the Israel Electric Company to operate some of its power plants, which were converted from fuel oil to natural gas utilization.

Following Noa and Mari-B discoveries in the southeastern part of the Israeli Exclusive Economic Zone (EEZ), exploration efforts began to accelerate. These efforts included acquisition of new 2D and 3D seismic data throughout the offshore. In January 2009 a Partnership headed by Noble Energy as an Operator with Avner, Delek Drillings, Isramco and Dor announced the discovery of thick section of gas bearing sands in the Tamar-1 well, located in 1600 m water depth, 90 km west of Haifa in the northern part of the EEZ. The Tamar structure was estimated to contain ~280 BCM of recoverable gas reserves, an amount sufficient for Israel's domestic consumption of gas for several decades. Later that year the same partnership announced the discovery of natural gas in the smaller Dalit field, southeast of Tamar, with an estimated amount of 8 BCM of gas. In 2013 the Tamar gas field was connected to shore via a 150 km long tie-back pipe, amongst the longest in the world, and gas started to flow to the Tamar production platform and from there to the Israeli gas transportation system.

In June 2010 a partnership headed by Noble Energy as an Operator, with Delek Drillings and Ratio Oil Exploration announced the largest discovery made so far in the Israel's EEZ. The giant, Leviathan structure located in deep water, 30 km west of Tamar, was found to contain the same gas bearing Tamar Sands. The Leviathan field is estimated to contain ~500 BCM of recoverable gas reserves, and is currently developed by Noble Energy, Delek Drillings and Ratio. Leviathan started to produce first gas at the end of 2019.

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Exploration and appraisal activity in the Northern part of the EEZ continued through 2011 to 2019 with good results. More gas was discovered in the Karish & Tanin fields which are held and currently being developed by Energean Ltd. and, contain ~55 BCM of recoverable gas reserves Other discoveries include Dolphin, Tamar SW, Aphrodita-Ishai and Shimshon structures. At present the total amount of recoverable gas reserves found offshore Israel is estimated at about 900 BCM.

In relation to onshore activity a significant discovery of oil was made in the mid 1990's in the central part of Israel east of Tel Aviv. The Meged field discovered by Givot Olam contain very light oil in deeply buried (~4500) fractured limestone. The field produced from a single well nearly 800,000 BBL and is estimated to have very significant reserves/resources that are still in an appraisal and delineation stage.

With the support and encouragement of the government and the Ministry of Energy, electric power plants and large industrial facilities are gradually converting their energy consumption to natural gas. The establishment of a nation-wide transmission and distribution system is underway. This system is designed to provide natural gas to every factory in Israel, and subsequently will reach households as well. The Ministry considers the development of the petroleum industry in general and the natural gas sector in particular, as cornerstones of its energy policy and continues to promote exploration and investment activity in all its aspects.

A.2. Description of Services

The required consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves contemplated by this Tender include the provision of documentations and data interpretation and modeling, reviews, audit, assessments, monitoring and supervision, recommendations & advises and documentation in connection with the issues described below. The following lists and descriptions are given for illustrative purposes, and should not be construed as definitive or exhaustive of the scope of work that may actually be required by the Ministry.

Services may include, without limitation, the following subjects:

- a. Audit of any interest-holder's work programs, prospects documentation, plans for exploration, development and production including Data Acquisition programs; Seismic Surveys; Drilling, Workover, wells tests proposals; Field Development Plans or any separate plans of the operations at any aspects including geophysical, regional geological analysis, petrophysical, geomechanical, integrated reservoirs characterization and geomodeling, reservoirs engineering, drilling, completion, production, subsurface facility, economical evaluation, uncertainty, risk analysis etc.

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- b. Reviewing geophysical operations including design and acquisition of 2D and 3D seismic surveys, and other geophysical measurements on the surface and in wells, reviewing standard and dedicated seismic processing flows, creation of seismic attributes and their interpretation, seismic inversion, DHI studies, reviewing and performing data analysis such as interpretation, gridding and mapping of seismic and other geophysical data and measurements, correlating seismic data to wells and creating of subsurface models.
- c. Providing geophysical, petrophysical processing and interpretation, rock physics analysis, geomechanics, wells test analysis, PVT analysis, geomodeling and dynamic modeling, production analysis, drilling and subsurface facility planning, economical evaluation, uncertainty, risk analysis and other kind of required investigation/analysis to characterize fields and their potentiality, effectiveness and efficiency of development and operations.
- d. Presentation of the results of calculations and analysis to the Ministry's staff and management and to third parties (interest-holder or other), if required.
Submission of all results and analysis, including verification reports and CPR's in standard documentation and data formats as will be required by the ministry.
- e. All the analysis must be executed on Schlumberger software (Techlog, Petrel, Eclipse (run via Petrel, pre – and post- groups must be created in Petrel originally) for data interpretation and modeling and economics (Peep and Pipesim), Kappa Saphir (for wells tests interpretation), Petroleum expert Mbal (for material balance).
- f. Auditing of submitted estimation of petroleum reserves and execution own reserves evaluation in accordance with PRMS-SPE standard.
- g. Consulting and advisory services in technical and other matters related to oil and gas exploration, appraisal, development and production including preparation or audit of Ministry standards or regulatory documentation.

A.3. Method of Approach

The Consultant will provide a narrative response that describes its organization's overall method of approach for providing the required services as detailed in Section A.2. above. The methodology will be graded as part of the Bidder's proposal assessment.

A.4. Description of the work process of the performance of the Services:

1. At any time commencing with the Effective Date, the Ministry, through the Supervisor or anyone in his behalf (as defined in Section 4 of the Tender), may issue written requests for a consulting task/project ("**Work Order**") related to the subjects specified in Section A.2.
2. The Work Order may include subjects that are not included in Section A.2. but which are within the scope of the services requested under this Tender.

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3. The Project Manager shall respond in writing, within 1 working days, confirming the acceptance of the Work Order and within 3 working days with completed proposal that includes methods, weekly project plan for each of separate task of the project, estimated duration, the date of project completion and final deliverables (format of the deliverables), budget, expected risks and delay.
4. In the proposed plan, the Project Manager will assign the Experts and other team members that will carry out the consulting task. The Ministry has right to deny any member of the team and request to replace him (her).
5. The Ministry through the Supervisor or anyone in his behalf shall approve in writing the proposed plan and assigned Experts prior to commencing any work.
6. The Ministry may request to modify the proposed plan for the execution of the task.
7. The Ministry may request to conduct a kick-off meeting with the Project Manager and assigned Experts in the consultants' office, Israel or any other location and means.
8. Apart from the procedure described above, the Ministry may request advice from the Consultant in respect of any aspect of the Services, by means of either telephone, e-mail correspondence, fax or video conference.
9. The Project Manager will be responsible for coordinating the Consultant's work with the Supervisor, and will be responsible for keeping the records, preparing and approving the professional reports. The Project Manager will participate in meetings with the Supervisor and will manage the Consultant's work in all aspects of the Services.
10. The Consultant should monitor project activity monthly. If the Consultant expect exceeding of budget or duration of the project, the Consultant must inform the Ministry together with updated project's schedule and budget to get approval of project continuation.
11. The Consultant should submit monthly "Total project performance Report" as described below. Total project performance Report shall include all executing (completed, future) projects within current year with broke down by activities per task of the project, spent and planned hours, actual and planned budget and milestones.

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A.5. Consideration, Schedule and Milestones for Payment

1. The Services will be executed on a project basis and will consist of three phases: Initiation, Planning, Execution.

	Stage	Goal and Result	Notes
1.	Initialization and planning	Project proposal, as accepted by the Ministry according to approval letter	
2.	Execution		
2.1.	Auditing of data	Goal: Define project feasibility and methods. Deliverables: Report regarding project feasibility or the execution of a Pilot project to determine applicability of methodology. Updated project's plans/schedules/budget if required. At this case the Ministry to issue update of approval letter.	Defined separately for each Project. The stage might be skipped if the Consultant is acquainted with the data. But Methodology of the project must be described and agreed with the Ministry
2.2.	Execution of project stages in accordance with Project proposal, as approved by the Ministry's technical experts.	Intermediate deliverables (digital result of the part of the study, not only slides), weekly, monthly reports and discussions	The project will not progress if MOE disagree with intermediate deliverables
3.	Completion		
3.1.	Demonstration of project results by the Consultant	Final deliverables in required formats (digital format), [presentations, documents].	The project will not be finalized if MOE disagree final deliverables.
3.2.	Final Reports	Report in PDF/WORD	

2. Each of the projects will be initiated by the Ministry, but may be proposed, also, by the Consultant. The Ministry will specify a description of initiated project which will be forwarded to the Consultant. At the start of the project

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planning process, the Consultant will provide the Ministry with its project proposal, which shall include: a technical description of the project/methods, scope of work, milestones, expected deliverables, forms of the reports, and budget. If the Ministry agrees with the proposal, it will issue an approval in writing. Following such approval, the Consultant may execute of the project. Execution, monitoring and completion shall be executed in accordance with the scope, budget, deliverables and reporting requirements described in the project proposal, as accepted by the Ministry by approval letter.

3. The Ministry's approval of the scope of working hours detailed in the project plan does not in any way constitute any commitment by the Ministry to secure services from any of the team members for any minimal number of work hours. Furthermore, the Ministry shall be entitled to set the quota of hours required for each task at its own discretion. Ministry has right to break of the project if further project's implementation does not have sense. Ministry has to pay over the tasks that were executed in high quality and in time in accordance with accepted proposal.
4. The time dedicated to preparing and presenting the project proposal will **not** be compensated for by the Ministry.
5. For complex projects, the Ministry may require a preliminary study and report regarding project feasibility or the execution of a pilot project to determine applicability of methodology, see table above. Results will be utilized by the Ministry to determine moving forward on full project execution.
6. The Ministry may determine which of the team members will be assigned to each of the tasks defined by the Ministry.
7. Payments for the work will be made on monthly base in accordance with scope, budget and deliverables of each of the project, as approved by the Ministry in its Approval Letter of Project proposal.
8. As detailed in Section 7 of the Tender, payment will be based on the number of man-hours invested and the Price Quote in the Tender, not to exceed the scope approved by the Ministry.
9. Upon request of the Ministry, the Consultant will submit a weekly status report each Monday which includes a list of major activities and any major deviation from the project proposal as approved by the Ministry.
10. The Consultant will submit on the last day of each month a "Monthly Project Performance Report" detailing the activities performed and time spent within the planned scope of the projects as approved by the Ministry. The consultant is responsible to update scope of work/project plan/budget till the end of the project if any changes will be required. The Ministry shall approve the above updates. If the Ministry does not approve such changes, the Consultant must execute the project according to the approved Project proposal.

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Appendix B

State of Israel
Ministry of Energy

Services Agreement

as part of Tender 16/2020

Which was entered into on the ____ day of _____ 2020 (the “**Effective Date**”)

BETWEEN

The Government of Israel on behalf of the State of Israel through the Ministry of Energy represented by the Director General of the Ministry of Energy together with the Financial Controller of the Ministry of Energy (hereinafter: “**the Ministry**”)

OF THE FIRST PART

AND:

(hereinafter: “**the Consultant**”)

OF THE SECOND PART

Each may be referred to herein as a "**Party**" and collectively, the "**Parties**".

WHEREAS, the Ministry wishes to obtain consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel , as set forth in [Appendix A](#) (which is Appendix A of the Tender) (the “**Services**”), subject to and in accordance with this Agreement and its Appendices;

WHEREAS, the Consultant represents and warrants that it possesses all the means, know-how and skill in order to provide the Services to the Ministry in such manner, at such times and under such terms and conditions as are specified in this Agreement and its Appendices; and

WHEREAS, the Consultant has submitted a bid pursuant to Tender no. 16/2020, along with such documents, clarifications and modifications issued or authorized by the Ministry, all as attached hereto as [Appendix B](#) (collectively, the “**Tender**”), and such bid, as approved by the Ministry and attached hereto as [Appendix B](#) (the “**Price Quote**” in [Appendix C](#) of the Tender), was selected as the winning bid in the Tender;

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WHEREAS Parties agree that the Services will be performed for the Ministry not as part of the usual labor relationship between an employee and an employer, but as a Consultant acting as an independent contractor, and receiving payment for performing the Services according to a special tariff that is compatible with its status as a self-employed independent contractor; and

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

1. PREAMBLE, APPENDICES AND INTERPRETATION

- 1.1 The preamble to this Agreement constitutes an integral part of it. In any case of conflict between the contents of the Agreement and its Appendices, the provisions contained in the body of the Agreement shall take precedence.
- 1.2 The section title headings serve for convenience only and shall not be used for purposes of interpretation of the Agreement.

2. PROVISION OF THE SERVICES

- 2.1 The Consultant undertakes to provide the Services to the Ministry in accordance with the timetables that shall be determined by the Ministry, and all as detailed and defined in this Agreement and its Appendices (above and hereinafter referred to as: the “**Services**”); The Services to be provided shall include any other action that may be required in order to provide the Services at the standard required under this Agreement, even if such action is not explicitly mentioned in this Agreement and its Appendices.
- 2.2 The Consultant shall ensure that, throughout the Term of Agreement (as defined in Section 4 below), the Project Manager and each Consultant's team member will devote all the time required for the proper and complete provision of the Services, all as set forth in the Tender and the bid.
- 2.3 The Consultant shall supply all the Services in accordance with the provisions of all applicable laws, regulations and best practice standards.
- 2.4 The Consultant shall comply with the Supervisor's (as defined in Section 3 below) instructions as given from time to time in relation to any matter connected with the performance of the Services.
- 2.5 Any certification or approval to be issued or provided by the Ministry or the Supervisor pursuant to this Agreement, shall not be binding upon the Ministry or the Supervisor, as the case may be, unless it is in writing.
- 2.6 The Consultant shall not, and shall not attempt to, communicate or contact, directly or indirectly, any person and any private or public authority, organization, business or other entity in connection with the Services, except upon the Ministry's prior written approval.
- 2.7 The Consultant may be asked to provide services, which may necessitate services to be provided by a subcontractor, contracted by the Consultant. The subcontractor must be approved by the Ministry prior to partaking in the services, and the hourly consideration will be agreed to by the Ministry, and not exceed the hourly consideration paid to Consultant.

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- 2.8 The Consultant will provide all its employees and service providers, administrative services and any additional services required to provide their services for the Ministry in connection with this Agreement.
- 2.9 The Consultant will comply with all and any instructions given by the Head of the Security Division of the Ministry from time to time on any matter relating to the Agreement, including with respect to classified information the Consultant may receive from the Ministry.

3. THE MINISTRY'S REPRESENTATIVE

- 3.1 The Consultant shall perform the services under the supervision and control of Dr. Michael Gardosh (hereinafter: "**The Supervisor**"). The Ministry may replace the Supervisor at any time and this by notice in writing which shall be sent to the Consultant.
- 3.2 The Supervisor will be entitled to review any document and receive any document and any information connected with or entailed in providing the Services.

4. TERM OF AGREEMENT

- 4.1 The term of this Agreement shall commence on _____ (the Effective Date, which is the date of the Ministry's execution of the Agreement) and shall remain in effect for 12 months, until _____.
- 4.2 The Ministry maintains the sole option to extend the term of the Agreement from time to time, for additional periods, provided that the total term of the Agreement does not exceed 6 years (the initial term and any extensions shall be referred to as the "**Term of Agreement**"). Such extension shall be by written notice of the Ministry to Consultant (with the need for both parties to sign an addendum to the Agreement).

5. PERFORMANCE GUARANTEE

- 5.1 In order to assure the performance of its obligations under this Agreement, the Consultant will deliver to the Ministry, as a condition to the execution of this Agreement by the Ministry, an unconditional bank guarantee (hereinafter: the "**Performance Guarantee**"). The Performance Guarantee shall be issued by the bank at Consultant's request (its name shall appear in the request) for _____ **USD**, and shall be valid for at least 60 days after expiration of the Term of Agreement. The Performance Guarantee shall be issued by an Israeli bank, or by a foreign bank that has an Israeli branch or Israeli representation and appears in the following list:

<http://www.boi.org.il/he/BankingSupervision/BanksAndBranchLocations/Documents/ForeignBanks.pdf>.

Delivery of the Performance Guarantee shall be a precondition to the entry into force of the Agreement.

- 5.2 The form of Performance Guarantee shall be in accordance with the attached [Appendix K](#) to the Tender. Expenses incurred by the issuing of the Performance Guarantee shall be borne solely by the Consultant.
- 5.3 The Consultant shall be responsible for extending the validity of the Performance Guarantee from time to time, in accordance with the extension of the Term of Agreement. Extension of the Performance Guarantee shall occur at least one month prior to expiration of its validity. If the Consultant has not extended the validity or increased the amount of

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the Performance Guarantee as required by the Ministry, the Ministry may invoke the Performance Guarantee without any prior warning even if the Consultant has fulfilled all its other obligations.

- 5.4 In any case in which in the opinion of the Ministry the Consultant has committed a breach of and/or has not performed one of the terms of this Agreement, and has not rectified such irregularity upon the Ministry's demand, and/or the Ministry has exercised its rights to offset the amounts owed by the Consultant under this Agreement, the Ministry will be entitled to realize the Performance Guarantee either wholly or in part.
- 5.5 The Performance Guarantee may also be realized by the Ministry for the purpose of collection of payment of compensation to the Ministry due to breach of the Agreement by the Consultant, or for the purpose of any other payment due to the Ministry from the Consultant.
- 5.6 The Ministry will realize the Performance Guarantee only after having given the Consultant a reasonable opportunity to make amends, under the circumstances.
- 5.7 The amount of the Performance Guarantee and/or its realization will in no way constitute any limitation to the Consultant's obligations, and will not prejudice the Ministry's other rights or remedies under this Agreement or applicable law.
- 5.8 Where the Ministry has realized the Performance Guarantee in whole or in part, and this Agreement has not been rescinded or terminated, it shall be the responsibility of the Consultant at his own expense to ensure the renewal of the Performance Guarantee for the full amount.

6. OBLIGATIONS AND DECLARATIONS OF THE CONSULTANT

The Consultant hereby declares and undertakes as follows:

- 6.1 The Consultant shall perform the Services using the Experts proposed in its proposal, the Consultants approved by the Ministry following declaration of the Consultant as the winning bidder, and other service providers as approved by the Ministry.
- 6.2 The Consultant and its designated team for the performance of the Services, have the technical and professional know-how, experience and expertise to fulfill the terms and conditions of this Agreement and no impediment exists either by any law, contract or otherwise, to the Consultant's contractual engagement in this Agreement.
- 6.3 The Consultant will rectify any breach of any of the individual terms and conditions of this Agreement within 7 days of the date of the giving of notice in writing by the Ministry of such breach.
- 6.4 The products of the service shall be delivered to the Ministry upon digital media and in any other manner that the Ministry shall require.
- 6.5 The Consultant undertakes to use genuine software only.
- 6.6 The Services and all deliverables hereunder, will be provided, performed with and be the product of the highest degree of professional skill and expertise.
- 6.7 The Consultant has (a) reviewed all the Tender Documents and this Agreement, and all their respective appendices, (b) had the opportunity to seek clarifications, and (c) obtained to its full satisfaction all clarifications as were requested.
- 6.8 The Consultant and each team member validly holds (and shall maintain at all times during the Term) all permits, authorizations, degrees, professional association memberships and certifications that are legally required or otherwise necessary or relevant for performing the Services in accordance with the terms of this Agreement and as stated in the bid. The

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Consultant shall provide a copy thereof to the Ministry at any time upon the Ministry's request, and shall notify the Ministry immediately and in writing in the event of any change in the validity or scope of the foregoing (including any ruling or order) which could affect the Consultant's or team member's ability to provide the Services in accordance with the terms of this Agreement. No member of the team is part of the civil service of the State of Israel.

- 6.9 The Services will be provided in accordance with the provisions of any law applicable to the Services subject to this Agreement.

7. CONSIDERATION AND PAYMENT

- 7.1 For providing the Services and fulfilling all its obligations under this Agreement, the Ministry shall pay to the Consultant amounts based on the Consultant's Monthly Work Report (as defined in Section 7.6 below) detailing working hours spent by each team member providing the Services, multiplied by the Price Quote in the Consultant's bid on [Appendix C](#), adjusted for each type of service provider as set forth in Section 7 of the Tender (and a fixed hourly rate for Israeli Experts working in Israel as described therein), plus VAT as applicable, provided that the services were performed and accepted to the complete satisfaction of the Supervisor (hereinafter, the "**Consideration**").
- 7.2 The hourly rate as proposed by Consultant in its Price Quote on [Appendix C](#) is final and absolute and shall not be subject to any price increases, indexes or Accountant General updates, for the entire Term of Agreement.
- 7.3 The Consultant shall not receive any other payment or benefit for the provision of the Services beyond such Consideration, including payments for telephone expenses, post, photocopies, printing, fax, board and lodging etc., with the exception of expenses traveling to Israel as detailed in Section 7 of the Tender, and Israeli VAT as applicable.
- 7.4 The Parties agree that partial work hours shall be paid according to a pro rata calculation of the actual time worked in relation to the hourly rate.
- 7.5 The annual Consideration for the Services shall not exceed the yearly budget of the Ministry dedicated to this Agreement, including VAT.
- 7.6 At the end of every calendar month, the Consultant shall submit deliverables and a monthly report for each project, in accordance with each project proposal agreed to by the Ministry (hereinafter: the "**Monthly Work Report**"). In the Monthly Work Report, if a milestone payment (according to the approved project plan) has been achieved that month, the Consultant will confirm the amount of hours actually provided by each team member, and will specify reimbursement requested for travel to Israel in such month. The Consultant will issue a *pro forma* tax invoice with its Monthly Work Report.
- 7.7 Upon receipt of every Monthly Work Report and related tax invoice, the Supervisor shall review the deliverables and number of hours specified to ensure that it is consistent with the scope and nature of the Services actually provided, and may request additional documents or information that may be relevant to confirm the proper provision of Services, whether a milestone payment has been achieved, and amounts due. If any discrepancy or inconsistency is detected, the Ministry shall notify the Consultant in writing and the Consultant shall be required to account for such discrepancy or inconsistency. Without derogating from the foregoing, the number of work hours may not exceed the scope detailed in the Consultant's project proposal, as approved by the Ministry. Payment shall be made only after the Supervisor's approval.

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- 7.8 Payment will be transferred only after confirmation by the Supervisor that the work was executed to his satisfaction, and after submission of a tax invoice to the Ministry.
- 7.9 Provided that the Supervisor has approved payment, payments shall be made as stated below (subject to changes that the Accountant General may publish from time to time). The "date of submission of the invoice to the Ministry" is the date on which an undisputed tax invoice was received by the Supervisor:
- 7.9.1 An invoice that is submitted to the Ministry during the first half of any month (from the 1st to the 15th) shall be paid between the 15th – 24th (inclusive), of the following month.
 - 7.9.2 An invoice that is submitted to the Ministry between the 16th – 24th of any month (inclusive) shall be paid between the 16th – 24th of the following month.
 - 7.9.3 An invoice that is submitted to the Ministry between the 25th – 31st of any month (inclusive) shall be paid on the 24th of the following month.
- 7.10 The Financial Controller of the Ministry may carry out an audit during any of the stages of this Agreement and withhold either full or partial payment until the conclusion of the audit. The audit may also be carried out through sources external to the Ministry including by hired accountants.
- 7.11 The Ministry may at any time withhold any payment if the Consultant is in breach of or is not fulfilling one or more of the terms and conditions of this Agreement and this without prejudice to the rights of the Ministry under Section 5 above.

8. NO ADDITIONAL PAYMENTS

- 8.1 The Parties hereby agree that no other or additional payment apart from what is stated in Section 7 above shall be paid by the Ministry, neither in the course of providing the Services nor after expiration of the contractual arrangements under this Agreement, neither in relation to provision of the Services nor in connection with them and/or any matter arising from them, nor to the Consultant nor to any other person or body.
- 8.2 Should it be determined for any reason whatsoever, at any time after the commencement of this Agreement, that notwithstanding the intention of the Parties expressed in this Agreement, the engagement of the Consultant or anyone on his behalf is deemed to be an employer-employee relationship, and that the laws and conditions applicable to an employee are applicable to him and to his engagement, in that event it is hereby agreed and stipulated between the Parties that the Consultant's remuneration as an employee, in respect of his employment as a result of this Agreement, shall be calculated in accordance with what is normal in this regard in respect of civil servants in as near as possible similar positions and grades, all as shall be determined by the Civil Service Commissioner, and in the absence of any such identical or similar position, the remuneration shall be calculated in accordance with what is set forth in such a case in the Collective Labor Agreements that apply to employees of this category, and in the absence of such an Agreement, in accordance with most similar Collective Labor Agreement in the opinion of the Civil Service Commissioner. Calculation of such remuneration shall be made retroactively from the date of commencement of this Agreement and all the rights and obligations under this Agreement on the one hand, and the new aforementioned calculation on the other, shall be mutually set off.

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9. RESCISSION OF THE AGREEMENT

- 9.1 The Ministry may rescind the Agreement at its sole discretion for whatever reason, including for convenience, at any time prior to expiration of the Term of Agreement by prior written notice at least 30 days in advance. Following rescission of the Agreement by the Ministry, the Ministry will only pay the Consultant for the Services that have actually been provided until such time and subject to confirmation of the Supervisor of Services that have been provided.
- 9.2 The Ministry will not be liable to the Consultant for any compensation, consideration or other payment in connection with the rescission of the Agreement, beyond that explicitly stated above.
- 9.3 Without prejudice to the foregoing, the Ministry shall be entitled to terminate the Agreement by notifying the Consultant of such termination at least 10 days prior to the termination date, if:
- (c) the Consultant has committed a breach of this Agreement, which breach, if curable, is not cured within 7 days following the Ministry's written notice thereof;
 - (d) the Consultant has entered into liquidation proceedings, or a temporary or permanent liquidator, or a temporary or permanent receiver, or a temporary or permanent trustee has been appointed over the Consultant, or a charge has been placed on its assets or execution proceedings have been initiated against the Consultant and such proceedings were not withdrawn within 21 days after their institution; an application for receivership or liquidation was filed and was not cancelled within 30 days; or a resolution was passed for the liquidation of the Consultant.
- 9.4 In the event that the Agreement is rescinded pursuant to this Section, and should it be so required by the Supervisor, the Consultant will complete any work that he had commenced prior to the rescission and shall receive payment for it as provided in Section 7.
- 9.5 Any termination by the Ministry shall be without prejudice to its rights and remedies hereunder and under applicable law, including realization of the Performance Guarantee.
- 9.6 Confidentiality, IP, and liability provisions shall survive termination of this Agreement.

10. NON-DISCLOSURE

- 10.1 For purposes of this Agreement:

"Information" - any information, know-how, knowledge, trade secret including technical, professional, financial and trade-related knowledge, document, clients, correspondence, program, data, model, work techniques, review, conclusion relating to the Ministry's activities directly or indirectly, and anything else that may be connected or related to the provision of the Services or received during this time, whether disclosed by the Ministry and/or any other entity and/or on its behalf, whether written or oral and/or in any manner or form, whether or not labeled as "confidential" However, Information does not include that which is in the public domain and/or became public knowledge without breach of a confidentiality obligation; information that the Consultant had in its possession before receiving it as part of the Services or developed independently by Consultant without dependency on the confidential Information; and/or provided to the Consultant and/or anyone on its behalf by a third party without breach of a confidentiality obligation.

- 10.2 As the Consultant is likely to be exposed to information that the State of Israel and/or Ministry wish to protect, it accordingly hereby undertakes to keep such Information

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completely confidential and only to make use of it for the purpose of performing the Services. For the removal of doubt, and without prejudice to the generality of the foregoing, the Consultant undertakes not to publish, transfer, notify, deliver or bring to the attention of any person the Information, and undertakes to protect such Information with at least the same degree of protection it affords its own confidential data, and no less than a reasonable degree of care.

- 10.3 The Consultant is aware that no disclosure may be made of Information that has been revealed to him as part of this Agreement nor may it be transferred, delivered or brought to the attention of any person without the prior approval of the Supervisor. The Consultant undertakes to keep secret any Information that reaches him as a result of performance of the Services whether before or after their commencement.
- 10.4 The Consultant undertakes to restrict access to the Information to its team members on a need-to-know basis, and only to those who are bound in writing to terms and conditions of confidentiality in respect of the Information, and to take all such necessary steps in order to ensure that his employees, agents and those engaged by him, shall maintain such confidentiality.
- 10.5 The Consultant shall comply with such instructions as the Ministry, the Supervisor or a duly authorized security officer may provide from time to time regarding confidentiality, security measures and disclosure restrictions.
- 10.6 Upon termination of this Agreement, the Consultant shall destroy and/or return to the Ministry all Information (and all files, documents, discs and other media containing such Information, including photographs, specifications of data, software program or other magnetic media) as instructed by the Ministry, and shall provide a certificate duly executed by an authorized officer of the Consultant confirming that such actions have been taken, provided however that the Consultant may retain one copy of the Information for archival purposes only.
- 10.7 The Consultant declares that he is aware that failure to fulfill his obligations under this section constitutes an offense under Chapter 7 (National Security, Foreign Relations and Official Secrets) of the Penal Code – 1977.
- 10.8 The Consultant and its team members shall execute the undertaking attached as Appendix [H.1](#) and Appendix [H.2](#), respectively.

11. INTELLECTUAL PROPERTY AND COPYRIGHT

- 11.1 All right, title and interest in and to the Services, the deliverables, all works of authorship created, authored or developed by Consultant for the Ministry pursuant to this Agreement, and all related intellectual property rights including copyright (collectively, the “**Work Product**”), shall be the Ministry’s sole and exclusive property, and the Ministry shall be entitled to publish, copy, distribute and generally to use the Work Product in connection with the Services or for any other purpose as it sees fit and at its sole discretion. Consultant hereby irrevocably and unconditionally transfers and assigns to the Ministry all right, title and interest Consultant may have or acquire in or to the Work Product, and agrees to execute and deliver such documents, certificates, assignments and other writings, and take such other actions, as may be necessary or desirable to vest in the Ministry the ownership rights granted to the Ministry hereunder.
- 11.2 The Consultant may not make any use of the Work Product other than for the purpose of providing the Services in accordance with the terms hereof. Consultant further agrees that

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the Work Product shall be deemed to be "works made for hire" and, as such, all rights therein including copyright shall belong solely and exclusively to the Ministry from the time of its creation. To the extent any Work Product may not be deemed to be a work made for hire, Consultant agrees to, and does hereby, irrevocably and unconditionally transfer and assign to Company all right, title and interest including copyright in and to such Work Product. Consultant hereby expressly confirms that the terms of consideration explicitly provided for in this Agreement fully encompass its rights to compensation with respect to all Work Products and exhaust any rights to compensation that may arise with respect to any Work Products under applicable law. Moreover, Consultant hereby waives any right to claim compensation with respect to any Work Products under applicable law throughout the world.

- 11.3 As part of performance of the Services under this Agreement, the Consultant shall not infringe any intellectual property rights, including copyright, of any person. In the event that such rights have been infringed, the Consultant shall bear exclusive liability for such infringement and shall indemnify the Ministry in respect of all such expenses and damages as may be caused to or incurred by it as a result of a claim or demand in respect of such infringement (including defense costs and reasonable attorneys' fees).
- 11.4 This Section shall remain in force after termination of the Term of this Agreement and shall continue to apply without any time limitation.

12. UNDERTAKING TO REFRAIN FROM CONFLICT OF INTEREST

- 12.1 The Consultant declares and commits that neither it nor anyone on its behalf involved in rendering the Services under this Agreement are in a situation of conflict of interest between the Services under this Agreement and their other activities or clients, and were not in such situation during the 6 months prior to the submission of its bid, and that the Consultant will refrain and shall ensure that its team members refrain, from being in any such situation during the Term of Agreement and for a period of 6 months thereafter. Furthermore, the Consultant and its team members will not provide services to parties wishing to participate in a bidding process published by the Ministry, for 12 months following the termination of the Agreement with the Ministry. In case of any potential conflict of interest, the Consultant shall address the Supervisor and act according to his instructions.
- 12.2 During the Term of Agreement, the Consultant will not participate in any way in preparation or presentation of any project submitted for Ministry financing, unless receiving prior and written authorization by the Supervisor.

13. QUALITY OF WORK PRODUCTS

- 13.1 All deliverables provided by the Consultant shall be expertly prepared, comprehensive and exhaustive with regard to the subject-matter they are intended to address, of high quality, clearly organized and drafted, merchantable and fit for the purpose for which they are intended. The Ministry may, upon review of the deliverables and at its reasonable discretion request that Consultant correct, revise, amend or update any deliverable, or may refuse to accept a deliverable if it does not satisfy the above standards. In such a case, the Consultant shall make the requisite changes within such period of time as the Ministry shall stipulate.

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13.2 The Consultant shall be responsible for any defect, inaccuracy, inconsistency, oversight, mention or omission in the deliverables, and the Ministry's acceptance thereof shall not relieve the Consultant of its responsibility or liability in that regard.

14. INSURANCE

14.1 The Consultant shall obtain and maintain the appropriate insurance coverage, indicated hereinafter, on his behalf and on behalf of The State of Israel - The Ministry of Energy, whereas the coverage shall be no less comprehensive than that set forth below.

14.2 The Consultant shall provide the Ministry with an Insurance Certificate evidencing such coverage, at least 14 days prior to the date of commencement of this agreement, in the form attached as [Appendix L](#).

A. Employers Liability Insurance (only in respect of the Consultant's activity in Israel)

1. The Consultant shall insure its legal liability towards its employees and anyone working on its behalf by Employers Liability Insurance throughout all the areas of the State of Israel and the occupied territories and its territorial waters.
2. The limits of liability per employee per event shall not be less than 5,000,000 US dollars.
3. The insurance shall be extended to cover the Consultant's liability vis a vis contractors, sub-contractors and their employees in the event the Consultant shall be considered their employer.
4. The insurance shall be extended to indemnify the State of Israel - The Ministry of Energy, in the event of it being claimed in relation to the occurrence of a work accident/any professional disease, that they bear any employers liability vis a vis the Consultant's employees, contractors, sub-contractors and their employees employed by the Consultant.

B. Third Party Liability Insurance (only in respect of the Consultant's activity in Israel)

The Consultant shall insure its legal liability under the laws of the State of Israel in third party liability insurance for person and property throughout all areas of the State of Israel and the occupied territories and its territorial waters.

1. The limit of liability shall not be less than USD 500,000 per event.
2. The insurance shall be extended to cover the Consultant's third party liability in regards to activities of contractors, sub-contractors and their employees.
3. A cross-liability clause shall be included in the policy.
4. The State of Israel property shall be considered a third party property.
5. The cover under the policy shall be extended to cover the State of Israel – The Ministry of Energy, in so far as they may be deemed to be liable for the acts and/or omissions of the Consultant and those working on its behalf.

C. Professional Liability Insurance

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1. The Consultant shall insure its professional liability by professional liability insurance.
2. The policy shall cover any damage due to a breach of professional duty on the part of the Consultant, its employees and all those working for him and which has occurred as the result of an act, negligence, including a failure, error or omission, misrepresentation, negligent declaration made in good faith, in all matters with accordance to the Tender and Agreement between the Consultant and The State of Israel - The Ministry of Energy for the provision of consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel, including, inter alia, reviews, facilities' auditing, risk assessments, risk analysis, investigations' assistance, consulting, recommendations, documentation, preparation of regulatory framework, incorporation, adaptation and implementation of international codes and protocols relating to Upstream Oil and Gas.
3. Limits of liability shall not be less than 1,000,000 US Dollars per event and in the aggregate per the period of the insurance (one year).
4. The cover under the policy shall be extended to contain the following extensions:
 - a. Dishonesty of employees;
 - b. Libel and/or slander;
 - c. Loss of documents, including the loss of use and/or delay as a result of an insurance event;
 - d. Cross-liability but coverage shall not apply in respect of the Consultant's claims against The State of Israel - The Ministry of Energy;
 - e. Extension of the period of discovery to at least six months;
5. The cover under the policy shall be extended to cover the State of Israel – The Ministry of Energy, in so far as they may be deemed to be liable for the acts and/or omissions of the Consultant and those working on its behalf.

D. Additional Insurances

Medical insurance - existence of health insurance for the Consultant's employees, contractors & sub-contractors throughout all the period of the activity in Israel to cover, at least, medical Expenses, including hospitalization and medical care outside of hospitals and when not hospitalized, Radiography, medicines, medical examination, surgeries, intensive care, Ambulatory treatments and Expenses of Returns body abroad (if die in Israel).

E. General

1. In every such insurance policy, the following conditions shall be included:
 - a. The State of Israel – the Ministry of Energy, shall be added to the insured's name as additional insureds, subject to the indemnity extensions as detailed above.
 - b. In any case of a reduction or cancellation of the insurance by one of the parties, such reduction or cancellation shall not be valid unless prior notice of such has been given at least 60 days by registered letter to the Financial Controller of the Ministry of Energy.
 - c. The insurer waives any right of subrogation, claim, and contribution or refund vis-a-vis the State of Israel – the Ministry of Energy, provided that such waiver shall not apply for the benefit of a person that has caused willful damage.

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- d. The Consultant alone is liable to the insurer for payment of the premiums in respect of the policies and for fulfillment of all the obligations imposed on the insured under the terms and conditions of the policies.
 - e. The policy excess specified in each policy shall apply exclusively to the Consultant.
 - f. Any section in the insurance policies that obviates or reduces the insurer's liability in any way when other insurance exists shall not operate vis-a-vis the State of Israel and that the insurance is being effected in terms of primary insurance which confers the full rights under the insurance policies.
2. Copies of the insurance policies, duly certified by the insurer, or the Insurance Certificate signed by the insurer as to the aforesaid policies having been put into effect in respect of the Consultant, on the form attached as [Appendix L](#) to the Tender, shall be furnished to the Ministry as a condition to the execution of the Agreement by the Ministry.
 3. The Consultant undertakes that throughout the period of the contractual engagement with the Ministry, and as long as it has liability by law or contract, it will keep the insurance policies in force and effect. The Consultant undertakes that the Insurance policies will be renewed annually for as long as the contract with the State of Israel – the Ministry of Energy is in force.
The Consultant undertakes to produce copies of the renewed policies to the Ministry, duly certified and signed by the insurers, or a certificate duly signed by the insurers as to their renewal, by no later than two weeks prior to the expiration of the period of insurance.
 4. For avoidance of doubt, it is hereby declared and agreed that the insurances' coverage required, as well as the limits of liabilities and coverage terms and conditions are considered a minimal requirement imposed on the Consultant and in no way constitute an assessment of the Ministry, or anyone working on its behalf, to the scope and extent of the risks to be insured. The Consultant must examine its exposure to property, casualty and liability risks and accordingly determine the necessary insurances' coverage including their extent and limits of liabilities.
 5. Without derogating from the Consultant's liability, the Ministry may, at its sole discretion, approve leniency with respect to the above required coverages and/or the language of the Insurance Certificate.
 6. None of the above details and requirements shall be construed as exempting the Consultant from liability imposed on it by any law or under this Agreement, and shall not be construed as a waiver by the State of Israel– the Ministry of Energy of any right or remedy conferred to it by any law and under this Agreement.

15. DAMAGES

- 15.1 The Consultant hereby declares that it acknowledges that it is providing the Services to the Ministry as a self-employed independent contractor, and not as part of the Civil Service with all that this implies and without creating an employer-employee relationship between the Consultant and its employees and the Ministry, and that the Ministry will not be liable in any way for damage that may be caused to it due to the provision of the Services pursuant to this Agreement.

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- 15.2 The Consultant shall bear sole liability for any injury, loss, discrepancy or damage that might be caused for any reason, to its person or property or to that of anyone acting on its behalf or to the person or property of its employees or of those working on its behalf, or to the property of the Ministry or to the person or property of any other person as a direct or indirect consequence of the implementation of this Agreement, and that in any such cases the Ministry shall not be liable for any payment, expense or damage whatsoever.
- 15.3 The Consultant undertakes to indemnify the Ministry for any damage, payment or expense that may be caused or incurred to it for any reason stemming from the acts or omissions of the Consultant or anyone on its behalf, immediately upon receipt of notice thereof from the Ministry.

16. CONSULTANT'S EMPLOYEES

- 16.1 Anyone employed by the Consultant in any position shall be employed at the Consultant's own expense and the Consultant alone shall be liable for any claims arising from its relationships with them.
- 16.2 Persons employed by the Consultant shall be deemed in all respects to be employees or agents of the Consultant alone. The Consultant shall bear the obligation to pay their salaries, insurance premiums, National Insurance payments, recuperation payments, overtime hours, parallel tax, payments to a compensation or insurance fund, payments for sickness or in respect of childbirth and all such other payments for which the employer is responsible under any law or agreement or in accordance with the requirements of the employee's organization to which those employed by the employer belong.
- 16.3 The Consultant undertakes to ensure safety conditions and to ensure conditions for safeguarding the health of its employees as required under any law, and in the absence of any legal requirement - as shall be required by a Labor Inspector within the meaning thereof in the Labor Inspection (Organization) Law, 5714-1954.
- 16.4 Replacement of any team member (whether or not employed directly by Consultant) at the initiative of the Consultant, may be only by a substitute team member with equivalent or additional knowledge and experience, and is contingent upon obtaining prior written consent of the Supervisor.
- 16.5 The Supervisor may demand the replacement of any team member (whether or not employed directly by Consultant), and the Consultant will have to replace him with a different team member of equivalent or additional knowledge and experience, within 60 days of said request for exchange. Any substitute of Project manager or Leading Experts must be approved in advance by the Tender Committee of the Ministry.
- 16.6 All eligibility criteria, requirements and obligations set forth in the Tender and this Agreement with regard to the Consultant's team members, shall apply to new team members, Replacement of a team member shall not alter the hourly rate paid for such team member's work, even if the replacement's credentials are higher.
- 16.7 The Consultant shall ensure that all team members coming to Israel for the purpose of the Services, have obtained all requisite permits and authorizations prior to their arrival in Israel. The Consultant shall promptly provide a copy of such documents if requested by the Ministry.
- 16.8 In the event that a claim or demand is filed against the Ministry by an employee of the Consultant, the demand or claim shall be forwarded to the Consultant, and the Consultant shall handle it at its expense and assume any payment, compensation or cost to which the plaintiff may be entitled. The Consultant shall pay any damages or compensation that may

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be due to its workers, agents, or to anyone acting on behalf of the Consultant for any damage caused to them and incurred in connection with the Services, except damage caused by the willful misconduct of the Ministry.

- 16.9 In any instance in which the Ministry is obligated to pay such compensation or expense, the Consultant shall indemnify or compensate the Ministry for any amount that it is charged, including legal expenses and attorney fees.
- 16.10 Without derogating from the foregoing, where an obligation or expense which generally falls on an employer for its employees is imposed on the Ministry in relation to the Consultant or any of its employees, the Consultant shall indemnify the Ministry for any such expense or obligation, immediately upon the Ministry's first demand. Where feasible, the Ministry shall document such obligation or expense and provide a copy thereof upon written request of the Consultant.

17. ASSIGNMENT OF RIGHTS

The Consultant may not transfer or assign any rights or obligations under this Agreement, either in whole or in part, to anyone else unless having received prior, written approval of the Supervisor.

18. GENERAL

- 18.1 The Consultant is not an agent, emissary or representative of the Ministry unless specifically designated as such for any particular matter.
- 18.2 This Agreement and any orders issued pursuant to it shall not constitute nor shall they be interpreted as a Power of Attorney or as any authorization to the Consultant or to anyone on his behalf to present himself as being empowered to undertake any legal, financial or other obligations on behalf of the Ministry and in no case and under no circumstances shall the Consultant assume responsibility for such commitments on behalf of the Ministry or purport to be authorized to do so.
- 18.3 The Consultant shall bear the exclusive liability for any damage to the Ministry or to any third party arising from any such representation in contravention contrary to what is stated in this Section above. Representation of the Ministry for any purpose whatsoever shall be contingent upon explicit agreement thereto by the Ministry, in advance and in writing.
- 18.4 If in a particular instance or instances one of the parties does not exercise its rights under this Agreement, this shall not be deemed a waiver by such party of such rights either in respect of the particular instance or in respect of future instances.
- 18.5 The Consultant hereby declares that he is aware that nothing in any of the provisions of this Agreement or in any provision made pursuant to it shall be construed as releasing him from any obligation or from the need under any law to obtain any license, permit or consent, or from the need to give any notification.
- 18.6 Any change and/or addition to this Agreement shall be valid only if made in writing and signed by both parties to the Agreement.
- 18.7 The Ministry will be entitled to set off any amount due to the Ministry from the Consultant, from any amount due to the Consultant under this Agreement.
- 18.8 Any notice from one Party of the Agreement to the other Party shall be sent by registered mail, fax or email, as follows, or delivered by hand:

Tender N° 16/2020

For Upstream Oil and Gas Subsurface Analysis and Support consulting services

The Ministry of Energy – 7 Bank Israel St., Generic Building #2, POB 36148, Jerusalem 9136002, Israel, Fax: 074-7681764; Email: itamsut@energy.gov.il.

The Consultant - _____;

Email: _____@_____.

Any notice that has been sent to the aforementioned addresses by registered mail, shall be deemed to have been received by the addressee within 5 business days from the date of dispatch for as long as the contrary has not been proved; if delivered by hand, notice shall be deemed received on the first business day after its delivery; if sent by fax notice shall be deemed received only upon transmission and electronic confirmation of receipt (and if not a business day – then on the first business day thereafter); if sent by email notice shall be deemed received only upon receiving telephone confirmation or written confirmation by non-automatic reply email, from the receiving party (and if not a business day – then on the first business day thereafter). Any change of address, telephone number, or email shall be binding on the other Party only if said Party is advised in writing of the change in the aforementioned details as aforesaid.

- 18.9 This Agreement shall be construed in accordance with the laws of the State of Israel only, without regard to its conflicts of law rules.
- 18.10 The competent courts in Jerusalem only shall have exclusive jurisdiction over any dispute in relation to this Agreement.
- 18.11 This expense shall be financed from Budget Item: [_____]
- 18.12 In this tender a month or year shall mean a month or year of the Gregorian Calendar.

AND IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT
WITH EFFECT AS OF THE DATE SPECIFIED AT THE HEAD OF THIS
AGREEMENT

**General Director – The
Ministry of Energy**

**Financial Controller –
The Ministry of Energy**

**Signature of Consultant
and Rubber Stamp Seal**

Attorney Confirmation:

I the undersigned _____ Advocate, hereby certify that the above named signatories, _____ Identity Card/Passport No. _____, and _____ Identity Card / Passport No. _____ are known to me personally/were identified by me from their Identity Cards, have signed this Agreement in my presence on behalf of _____ (the “Consultant”) and I confirm that they are duly authorized to do so and to bind the Consultant by their signatures.

Date: _____ License number: _____

Full name: _____ Signature and seal: _____

Appendix A of the Agreement: the Services ([Appendix A](#) of the Tender)

Appendix B of the Agreement: the Consultant’s bid ([Appendix C](#) of the Tender)

Tender N° 16/2020
For Upstream Oil and Gas Subsurface Analysis and Support consulting services

Appendix C

To: The Tender Committee, the Ministry of Energy

Re: Price Quote for Public Tender No. 16/2020 for consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel Reminder: The “Price Quote” must be submitted as one original hard copy and one digital copy saved as a PDF file, and must be placed in a **separate envelope** within the main envelope containing the other proposal documents (see Section 6 of the Tender).

All prices proposed herein must take into account and include all taxes, charges, levies, withholding amounts and other items, all of which shall be borne solely by the Bidder, with the exception of Israeli Value Added Tax (“VAT”) which shall be borne by the Ministry if applicable and required by law.

All prices must be quoted in United States Dollars only.

Total Price:

The price includes all the costs and expenses the Bidder may incur in fulfilling its obligations under the Agreement to provide the Services (other than visits to Israel, which are priced separately – see below):

Hourly rate for 1 working hour of a Senior Expert:	(In words:) _____USD	(In figures:) _____USD
---	-----------------------------	-------------------------------

(If there is a discrepancy between words and figures, the amount in words will prevail)

The Price Quote for 1 WH of a Senior Expert will not exceed 300 USD. A Price Quote that does not meet this condition will be disqualified.

The above rates are **all-inclusive**, for work hours performed. The Consultant will **not** be entitled to any other payment in respect of travel, idle time during travel, food, lodging, computer, internet, office space, telephone, fax, and other expenses, except for a fixed sum to be paid for travel to Israel as detailed in Section 7 of the Tender.

Signature of the Bidder and Rubber Stamp Seal of the Company _____

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For Upstream Oil and Gas Subsurface Analysis and Support consulting services

Appendix D

**Absence of convictions regarding the Foreign Workers Law - 1991 or
the Minimum Wage Law – 1987**

Affidavit

I _____ the undersigned, Identity Card No. / Passport No. _____ after being cautioned to tell the truth and that I can expect to incur the penalties prescribed by law should I not do so, hereby make the following declaration:

I give this affidavit in the name of _____ which is the Bidder (the "**Bidder**") who wishes to come in contract with the publisher of tender No. xx/2020 for consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel.

I certify that I am authorized to give this affidavit on behalf of the Bidder.

In this affidavit, the meaning of the term "affiliated" is as defined in Section 2B of the Public Bodies Transactions Law – 1976. I confirm that this meaning was explained to me and I understand it.

(Mark X in the appropriate box)

- The Bidder and those affiliated with it have never been convicted under the Foreign Workers Law and the Minimum Wage Law.
- The Bidder and those affiliated with it have not been convicted more than twice under the Foreign Workers Law and the Minimum Wage Law prior to the proposal Submission Deadline.
- The Bidder and those affiliated with it have been convicted more than twice under the Foreign Workers Law and the Minimum Wage Law and at least one year has passed between the last conviction and the Submission Deadline.
- The Bidder and those affiliated with it have been convicted more than twice under the Foreign Workers Law and the Minimum Wage Law and one year has not yet passed between the last conviction and the Submission Deadline.

Attached herein my name, followed by my signature and the contents of my affidavit are true.

Date: _____

Full Name: _____

Signature and seal of
Bidder: _____

Attorney Certification

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I the undersigned Attorney, confirm that on the date of _____, Mr./Ms. _____ who proved his/her identity with Identity Card number / Passport number _____ / with whom I am personally acquainted, came to my office on _____ Street, in the city\settlement of _____, and after being warned by myself that he/she must tell the truth and that he/she could expect to incur the penalties prescribed by law should he/she not do so, signed the above affidavit in my presence.

Date: _____ License number: _____
Full name: _____ Signature and seal: _____

Tender N° 16/2020
For Upstream Oil and Gas Subsurface Analysis and Support consulting services

Appendix E

Compliance with the
Equal Rights for People with Disabilities Law - 1998

Affidavit

I _____ the undersigned, Identity Card No. / Passport No. _____ after being cautioned to tell the truth and that I can expect to incur the penalties prescribed by law should I not do so, hereby make the following declaration:

I give this affidavit in the name of _____ which is the Bidder (the "**Bidder**") who wishes to come in contract with the publisher of tender No. XX/2020 for consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel.

I certify that I am authorized to give this affidavit on behalf of the Bidder.

(Mark X in the appropriate box):

- The Bidder employs no more than 25 employees, so the provisions of Section 9 of the Equal Rights for People with Disabilities Law - 1998 **do not apply to the Bidder**.
- The provisions of Section 9 of the Equal Rights for Persons with Disabilities Law - 1998 **apply to the Bidder and it complies with them**.

(In the event that the provisions of section 9 apply to the Bidder, an X must be marked in the appropriate box):

- The Bidder employs less than 100 employees.
- The Bidder employs 100 or more employees.

(In the event that the Bidder employs 100 or more employees, an X must be marked in the appropriate box):

- The Bidder undertakes that if it wins the Tender, it will apply to the Director-General of the Ministry of Labor, Social Affairs and Social Services for the purpose of examining the implementation of its obligations under Section 9 of the Equal Rights for People with Disabilities Law - 1998, and if necessary - receive guidelines for their implementation.
- In the past, the Bidder contacted the Director-General of the Ministry of Labor, Social Affairs and Social Services in order to examine the implementation of its obligations under section 9 of the Equal Rights for Persons with Disabilities Law - 1998, and if it received guidelines for the implementation of its obligations, it acted to implement them.

In the event that the provisions of Section 9 of the Equal Rights for Persons with Disabilities Law - 1998 apply to the Bidder, the Bidder undertakes to transfer a copy of this affidavit to the

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For Upstream Oil and Gas Subsurface Analysis and Support consulting services

Director General of the Ministry of Labor, Welfare and Social Services, within 30 days of the Effective Date of contract pursuant to this Tender.

Attached herein my name, followed by my signature and the contents of my affidavit are true.

Date: _____
Full Name: _____ Signature + seal of Bidder: _____

Attorney Certification

I the undersigned Attorney, confirm that on the date of _____, Mr./Ms. _____ who proved his/her identity with Identity Card number / Passport number _____/ with whom I am personally acquainted, came to my office on _____ Street, in the city\settlement of _____, and after being warned by myself that he/she must tell the truth and that he/she could expect to incur the penalties prescribed by law should he/she not do so, signed the above affidavit in my presence.

Date: _____ License number: _____
Full name: _____ Signature and seal: _____

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For Upstream Oil and Gas Subsurface Analysis and Support consulting services

Appendix F

Attorney/CPA Confirmation of Identity of Authorized Signatories

To:

The Israeli Government on behalf of the State of Israel through the Ministry of Energy

Re: Tender No. 16/2020 for consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel (henceforth – "the Tender")

I _____, the undersigned Attorney/CPA (delete as appropriate), acknowledge that those persons listed below may commit and sign on behalf of _____ (the Bidder).

_____ Name	_____ ID	_____ Signature sample
---------------	-------------	------------------------------

_____ Name	_____ ID	_____ Signature sample
---------------	-------------	------------------------------

Sincerely yours,

_____ Name of Attorney/CPA	_____ Address	_____ Phone
-------------------------------	------------------	----------------

_____ Date	_____ License Number	_____ Signature and seal
---------------	----------------------------	--------------------------------

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For Upstream Oil and Gas Subsurface Analysis and Support consulting services

Appendix G.1

Commitment to Refrain from Conflicts of Interests

(to be completed by Consultant and each designated team member)

Made and signed in _____ (place) on ____ (month) ____ (day) ____ (year)

By _____

Identity Card No. /Passport no. _____

Address _____

Whereas The Ministry of Energy is receiving my services under Tender No. XX/2020 for consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel (the “Services”); or

Whereas I am employed/contracted in connection with the Services; and

Whereas I may be in a situation of conflict of interests during the provision of Services and afterwards;

Therefore, I pledge to the State of Israel the following:

4. I hereby declare and pledge that I have not for the past 6 months and will not, during the time I participate in providing the Services, and 6 months after the termination of the Agreement with the Ministry, have a conflict of interest of any kind whatsoever with stakeholders in the area.
5. I hereby declare and pledge that I will not act on behalf of or represent any party in the field of services that are the subject of the Services, except for the Ministry, during the provision of Services between the parties and for 6 months thereafter, unless I have received the prior written approval of the Ministry. Furthermore, I pledge that I will not provide services to parties wishing to participate in a bidding process published by the Ministry, for 12 months following the termination of the Agreement with the Ministry.
6. I undertake to notify the Ministry immediately of any data or situation in which I may be in of conflict of interest, immediately upon becoming aware of such a situation, and act in accordance with its instructions.
7. I hereby declare and undertake to inform the Ministry in advance of any intention by me to make contact with any party stated in sections 1-2 above, and to act in accordance with the Ministry's provisions on the matter. The Ministry may refuse to grant me permission to contract with said party or grant permission subject to terms and conditions that will ensure the avoidance of conflict of interest, and I pledge that I will act in accordance with these instructions, in this regard.

Date: _____

Full Name: _____ Signature (and seal): _____

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Attorney Certification

I, the undersigned Attorney of Law, confirm that on the date of _____ Mr.\Ms. _____ who proved his/her identity with I.D. card number / Passport number _____ / with whom I am personally acquainted, came to my office on _____ Street, in the city\settlement _____, and after being warned by me to tell the truth and that he\she could expect to incur the penalties prescribed by law should he/she not do so, signed the above affidavit in my presence.

Date: _____ License number: _____
Full name: _____ Signature and seal: _____

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Appendix G.2

Questionnaire Regarding the Absence of Conflicts of Interests

(to be completed by Bidder and each designated team member)

Bidder's Name: _____

Name and position of Declarant\s: _____

In order to examine a possible conflict of interest, please detail any past (5 years), present or future, contacts and/or associations where the Declarant and/or any of its employees, has a role and/or ownership that are associated with the services required by the Ministry (if necessary attach a list).

- No such contacts exist
- Below is a list of contacts

Name of Entity	Entity's field of Activity	Area in which the service was provided	Period of work with the entity

I the undersigned _____ Passport No. _____ declare that:

8. All information and details submitted by me in this questionnaire are full, accurate and true.
9. I hereby undertake to update the Ministry of Energy of any change in the details and the information submitted herein;
10. I undertake to refrain from dealing with any matter that might constitute a conflict of interests between the provision of services to the Ministry and my other occupations until instructed otherwise by the Ministry.

Date

Signature (and Seal)

Appendix H.1

Confidentiality and Information Security Undertaking by Consultant

Date: _____

To: The Ministry of Energy

Whereas: The company _____ (hereinafter: "the **Consultant**") has proposed to provide the Ministry of Energy with certain professional services (hereinafter: "the **Services**") as described in the Agreement between the parties; and

Whereas: The Consultant and/or its employees and/or anyone working on its behalf may be exposed to information as described below:

Accordingly, the Consultant undertakes towards the Ministry as follows:

1. The Consultant is aware that the Information as defined below is sensitive information. In addition, the Consultant is aware that the databases and documents of the Ministry include among other things, personal information and sensitive data that are protected under the laws of privacy and that the delivery of said Information to Consultant is based on the Consultant's declarations and obligations as set forth in this statement.
21. The Consultant declares that it is familiar with the provisions regarding confidentiality set out below and that its obligations under section 27 of the Penal Code (State Security, Foreign Relations and Official Secrets, 5717 - 1957,) are clear to the Consultant and it is bound to uphold the obligations toward the State of Israel and/or the Ministry of Energy.
22. The Consultant is aware that misuse of Information disclosed to its employees and/or anyone working on its behalf, is against the law and may result in civil and criminal claims against the Consultant and/or its employees and/or anyone working on its behalf. Furthermore, the Consultant is aware that failing to fulfill its obligations according to this statement constitutes a violation of the Penal Law 5737 - 1977.
23. The Consultant shall at all times, keep in strict confidence, and not publish in any form, not remove from its possession, or transfer directly and/or indirectly, any Information and any trade secret of any kind that comes to its attention and/or its disposal by any means.

The meaning of Information in this statement is: "any information, know-how, knowledge, trade secret including technical, professional, financial and trade-related knowledge, document, clients, correspondence, program, data, model, work techniques, review, conclusion relating to the Ministry's activities directly or indirectly, and anything else that may be connected or related to the provision of the Services or received during this time, whether disclosed by the Ministry and/or any other entity and/or on its behalf, whether written or oral and/or in any manner or form, whether or not labeled as "confidential".

For the avoidance of doubt it is clarified that the Information does not include that which is in the public domain and/or became public knowledge without breach of a confidentiality obligation; information that the Consultant had in its possession before receiving it as part of the Services or developed independently by Consultant without dependency on the

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confidential Information; and/or provided to the Consultant and/or anyone on its behalf by a third party without breach of a confidentiality obligation.

24. The Consultant shall take all necessary measures to prevent the transfer of Information and/or its disclosure to people and/or other entities.
25. The Consultant shall not use the Information at any time, in any manner, except for the purpose of providing services to the Ministry only.
26. The Consultant shall not remove Information from the Ministry premises without the explicit approval from an authorized representative of the Ministry.
27. The Consultant shall not connect its computers, electronic components and/or any type of portable digital media (such as PDAs, Disk On Key, mobile phone) nor those of any employee and/or anyone working on its behalf, to the Ministry's network unless receiving explicit approval from an authorized representative of the Ministry.
28. The Consultant shall not operate, install or copy to the Ministry's computers any software program or file that was not provided to the Consultant by the Ministry or not explicitly approved by an authorized representative of the Ministry.
29. The Consultant shall take strict precautions, and perform all necessary actions to maintain all aspects of Information security.
30. Without derogating from generality the Consultant is bound to the Ministry as follows:
 - d. To strictly store all Information or any other information requiring safeguarding, in a safe and/or a locked room.
 - e. In case of provision of services on the premises of the Ministry - to keep confidential the authorization password (in the event this is given to the Consultant's employees), lock screens and workstations whenever the employee leaves the workstation and turn off computers at the end of the work day.
 - f. Shred any information that is no longer required for the provision of services by the Consultant to the Ministry.
31. The Consultant shall immediately report to the Ministry any case where there is a concern that a contractual obligation, including an obligation in this undertaking, has been breached.
32. The Consultant shall maintain the integrity of the platform\document\system on which Information will be provided from time to time as part of the Services. On request the Consultant shall transfer and/or return to the Ministry the complete platform\document\system transferred to the Consultant and any product of processing performed based on the Information, and in any case shall not copy and save it in any form or manner after receiving the said request.
33. The Consultant shall disclose the Information only to those employees and/or representatives acting on its behalf that require it to perform the services (“need-to-know basis”).
34. The Consultant shall ensure that its employees and/or service providers and/or its representatives and/or anyone providing part of the Services to the Ministry on the Consultant's behalf, to execute the undertaking – attached as [Appendix H.2](#) of the Tender. In any case, it will be the Consultant's responsibility to the Ministry to assure that the

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recipients of such information adhere to information security as required by the provisions of this undertaking.

- 35. The Consultant is aware that it is absolutely forbidden to remove any type of information (including media, hardware and software) from the premises and domain of the Ministry and it is committed not to do so without the Ministry's explicit consent in writing and in advance.
- 36. The Consultant is aware that the entrance of any privately owned software and/or hardware to the Ministry premises is absolutely forbidden.
- 37. The Consultant shall be liable for any tort, breach of contract and otherwise in accordance with the law, for any damage or harm caused to the Ministry and/or its customers or to any third party due to a breach of its obligations pursuant to this undertaking.
- 38. The Consultant's liabilities according to this undertaking are not limited in time, and continue to apply after the termination of the Agreement between the Consultant and the Ministry, and are towards the Ministry, its branches and agencies.
- 39. The undertakings hereunder are in addition to, and do not derogate, from provisions of the Agreement

Signature and
Company Seal

By: 1. _____ 2. _____

Attorney Certification

I, the undersigned Attorney of Law, confirm that on the date of _____ Mr./Ms. _____ who proved his/her identity with I.D. card number/ Passport number _____ / with whom I am personally acquainted, came to my office on _____ Street, in the city/settlement _____, and after being warned by me to tell the truth and that he/she could expect to incur the penalties prescribed by law should he/she not do so, signed the above affidavit in my presence.

Date: _____ License number: _____
Full name: _____ Signature and seal: _____

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Appendix H.2

Confidentiality and Information Security Undertaking

(to be completed by each designated team member and any other person/entity participating
in the provision of the Services)

Agreed upon and signed in _____ (place) on ____ (month) ____ (day) ____ (year)

By:

Name

I.D. /
passport
No.

Address

Whereas The Ministry of Energy in the name of the State of Israel is receiving services from _____ (the “**Consultant**”) under Tender No. XX/2020 for consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel (the “**Services**”);

Whereas I am employed by, or am a service provider of, the Consultant and will be taking part in the Services to the Israeli Ministry of Energy; and

Whereas I may be exposed to trade secrets which the State of Israel is interested in protecting;

Accordingly, I undertake towards the State of Israel as follows:

Definitions

In this undertaking the following term shall have the meaning ascribed to it:

Information Any information, know-how, knowledge, trade secret including technical, professional, financial and trade-related knowledge, document, clients, correspondence, program, data, model, work techniques, review, conclusion relating to the Ministry’s activities directly or indirectly, and anything else that may be connected or related to the provision of the Services, whether disclosed by the Ministry and/or any other entity and/or on its behalf, whether written or oral and/or in any manner or form, whether or not labeled as “confidential”.

The term “Information” does not include that which is in the public domain and/or became public knowledge without breach of a confidentiality obligation; information that I had in my possession before receiving it as part of the Services or developed independently by me without dependency on the confidential

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Information; and/or provided to me and/or anyone on my behalf
by a third party without breach of a confidentiality obligation.

I undertake:

5. Not to show or transfer, whether for the duration of the Agreement with the government or afterwards to any person or entity any Information of the Israeli Government including any Information relating to the Government in general or regarding the existence of or the provisions of the Agreement with the government or my role in providing the Services
6. Not to make use of the abovementioned Information, including duplicating, copying etc. for any other purpose than implementation of the Services;
7. I am aware that failing to fulfill my obligations to the Government according to this statement constitutes a violation of the Penal Law 5737 - 1977.
8. I am aware that the transfer of Information to anyone, without permission in writing from the Government, may cause the government significant economic damage.

This commitment will continue to apply even after the expiration of the said Agreement.

Date: _____ Signature: _____

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Appendix I

Details of Bidder

To:

Iilana Tamsut, Senior Contracts Coordinator in the Ministry of Energy

Dear Madam,

Attached are details regarding our company and contact information for our contact person for the purpose of this Tender:

Company Details	
Company Name	
Company tax or ID number	
Address	
Telephone	
Fax	
E-mail	
Website	

Contact Person Details	
Role in the Organization	
Full name	
Division\Department\Unit	
Address	
Telephone	
Mobile Phone	
Fax	
E-mail	

Date: _____

Full Name: _____ Signature and seal: _____

Appendix J

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Confidential Parts of the Proposal

I hereby request that right of review of my proposal will not be applied to following sections of my proposal, as they constitute professional trade secrets:

Page _____, in the matter of _____.
Reason: _____.

Page _____, in the matter of _____.
Reason: _____.

Page _____, in the matter of _____.
Reason: _____.

Page _____, in the matter of _____.
Reason: _____.

And also from page _____, in the matter of _____, until
page _____, in the matter of _____.
Reason: _____.

I agree that whether or not the Ministry accepts my request, the same sections will be deemed confidential in all other proposals submitted under this Tender, and I shall not be allowed to review them.

I understand that the above requests for confidential treatment shall not be accepted if reasoning isn't provided.

Bidder's Signature:

Bidder's Name

Date

Signature and Seal

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Appendix K - Performance Guarantee

To:

The Israeli government on behalf of the State of Israel through the Ministry of Energy

Name of Bank:	
Telephone Number:	
Fax Number:	

Letter of Guarantee

Dear Sirs,

Re: Guarantee No. *** For sum of _____ US Dollars**

As requested by _____ (the “Company”), we guarantee upon request to settle any amount up to the total of _____ US dollars (in words: two hundred thousand US dollars) under the conditions specified below that you may demand from the Company in relation to the provision of consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel, pursuant to Tender XX/2020. We undertake to pay you this amount within 7 days after receipt of your first request in writing, without imposing upon you to establish or justify your demand and without the right of the Company to dispute or question such demand.

You may exercise this guarantee in parts from time to time, provided that the aggregate sum to be paid shall not exceed the above-mentioned limit.

We hereby agree that any part of the Agreement may be amended, renewed, extended, modified, compromised, released, or discharged by mutual agreement between you and the Company, without notice to us and without the necessity for any additional endorsement, consent, or guarantee by us, except where the guarantee amount is to be changed.

This guarantee will remain in effect until the date ______ inclusive, and any request must reach us in writing [*for non-Israeli banks insert: at our Israeli branch on _____*] by this date. Any demand that arrives after the above date will not be granted.

This engagement is governed by the Israeli Law, and the place of jurisdiction is Jerusalem, Israel.

This guarantee is nontransferable.

Date: _____ Branch: _____
Full Name: _____ Signature and seal: _____

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For Upstream Oil and Gas Subsurface Analysis and Support consulting services

Appendix L

To:

The State of Israel – The Ministry of Energy

Address: 7 Bank Israel St., Generic Building #2, POB 36148, Jerusalem 9136002, Israel

Dear Sir/Madam,

Re: **Insurance Certificate**

We hereby confirm that we have issued on behalf of our insured _____ (hereinafter: the " **Consultant** "), for the period of insurance from _____ to _____, in connection with the provision of consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel, in accordance to the Tender and Services Agreement with the State of Israel – the Ministry of Energy, the insurance policies detailed below:

1. Employers Liability Insurance (only in respect of the Consultant's activity in Israel)

- 1.1 The Consultant's legal liability towards its employees and anyone working on his behalf under an employer's liability insurance policy, throughout all the areas of the State of Israel and the occupied territories and its territorial waters.
- 1.2 The limit of liability for any one employee per event shall be no less than 5,000,000 US dollars.
- 1.3 The insurance is extended to cover the Consultant's liability vis a vis contractors, sub-contractors and their employees in the event the Consultant shall be considered their employer.
- 1.4 The insurance is extended to indemnify the State of Israel – the Ministry of Energy, in the event it is contended, in regard to the occurrence of a work accident or any professional disease, that they are liable in any way as employers towards any of the Consultant's employees, contractors, sub-contractors and their employees employed by the Consultant.

2. Third Party Liability Insurance (only in respect of the Consultant's activity in Israel)

- 2.1 The Consultant's legal liability under the laws of the State of Israel in respect of bodily injury and property damage under a third party liability insurance policy, throughout all areas of the State of Israel and the occupied territories and Its territorial waters.
- 2.2 The limit of liability shall not be less than USD 500,000 per event.
- 2.3 The insurance is extended to cover the Consultant's third party liability in regards to activities of contractors, sub-contractors and their employees.

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- 2.4 A cross-liability clause shall be included in the policy.
- 2.5 The State of Israel property shall be considered as third party property.
- 2.6 The cover under the policy is extended to cover the State of Israel – The Ministry of Energy, in so far as they may be deemed to be liable for the acts and/or omissions of The Consultant and those working on his behalf.

3. Professional Liability Insurance

- 3.1 The Consultant shall insure his professional liability by professional liability insurance.
- 3.2 The policy shall cover any damage due to a breach of professional duty on the part of the Consultant, his employees and all those working for him and which has occurred as the result of an act, negligence, including a failure, error or omission, misrepresentation, negligent declaration made in good faith, in all matters with accordance to the tender and Services Agreement between the Consultant and The State of Israel - The Ministry of Energy for the provision of consulting services for Subsurface Analysis and Support in Evaluation, Appraisal and Development of Hydrocarbon Resources and Reserves in Israel_ relating to the oil and gas industry, including, inter alia, reviews, facilities' auditing, risk assessments, risk analysis, investigations' assistance, consulting, recommendations, documentation, preparation of regulatory framework, incorporation, adaptation and implementation of international codes and protocols relating Upstream Oil and Gas.
- 3.3 Limits of liability shall not be less than 1,000,000 US Dollars per event and in the aggregate per the period of the insurance (one year).
- 3.4 The cover under the policy shall be extended to contain the following extensions:
- Dishonesty of employees;
 - Libel and/or slander;
 - Loss of documents, including the loss of use and/or delay as a result of an insurance event;
 - Cross-liability but coverage shall not apply in respect of the Consultant's claims against The State of Israel - The Ministry of Energy;
 - Extension of the period of discovery to at least six months;
- 3.5 The cover under the policy shall be extended to cover the State of Israel – The Ministry of Energy, in so far as they may be deemed to be liable for the acts and/or omissions of the Consultant and those working on his behalf.

4. General

All the above insurance policies shall include the following conditions:

- 4.1 **The State of Israel – the Ministry of Energy**, shall be added to the insured's name as additional insureds, subject to the indemnity extensions as detailed above.

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- 4.2 No limitation or cancellation of the insurance by either of the parties shall be valid, unless notice thereof is given at least 60 days in advance by registered letter to the Ministry of Energy Financial Comptroller.
- 4.3 The Insurer waives any right of subrogation, claim, and contribution or refund against the State of Israel – the Ministry of Energy, provided the waiver does not apply in favor of a person who caused damages with malicious intent.
- 4.4 The Consultant alone shall be responsible towards the insurer for payment of the premiums on the policies and for the fulfillment of all the obligations imposed on the insured by the terms and conditions of the policies.
- 4.5 The deductible specified in any policy shall be borne by the Consultant alone.
- 4.6 Any clause in the insurance policies that in any way voids or limits the insurer's liability in case of the existence of other insurance, shall not be activated against the State of Israel, and the insurance shall be deemed as primary insurance entitling to full rights under the insurance policies.

Subject to the original Policies terms & conditions in as much as not altered specifically by the aforementioned.

Sincerely yours,

Date

Signature of insurer's authorized signatory + insurer's stamp

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Appendix M – Format of a BID BOND

THE BID BOND

Date: _____

(Name of guaranteeing bank or Israeli Insurance Company to be completed)

To:

The Israeli government on behalf of the State of Israel through the Ministry of Energy

Re: Bid Bond

Invitation to Bid the Tender - **Subsurface Analysis and Support consulting services in Israel**

At the request of _____ *[name of Bidder, Member or Parent Company to be inserted]* whose registered address is _____, (hereinafter "**Applicant**"), we hereby guarantee to pay to you any sum up to _____ New Israeli Shekels (_____ NIS) (the "**Amount of the Guarantee**").

We undertake to pay you, upon your first written demand, any sum specified in such demand up to the Amount of the Guarantee, immediately and no later than seven (7) days from the date of receipt of your demand.

Your demand for payment of the Amount of the Guarantee may be affected in stages, and payments will be executed in accordance with your demand, provided that the overall total of the payments does not exceed the Amount of the Guarantee.

Each demand for payment under this guarantee must be received by us in writing at our address as follows:

[Address to be completed]

Demand sent to us / received by us via facsimile or email shall not be considered as a demand in writing according to this guarantee.

Our undertaking pursuant to this guarantee is autonomous and unconditional and you will not be obligated to explain, reason or prove your demand or first demand payment from the Applicant.

This guarantee will not be assigned or transferred by you without our consent.

This guarantee shall remain valid until 30/09/2021², and shall automatically be extended for two successive additional periods of six (6) months duration each, unless approval is granted by you not to extend it.

This guarantee will be subject to the Israeli law.

Stamp and Authorized Signature(s) of Bank / Israeli Insurance Company

² a period that, if changed, shall be determined by the Tender Committee and notified to all Bidders up to seven (7) days prior to the Bids Submission Date