

ADDENDUM NO. 2

**AMENDMENTS, CLARIFICATIONS AND
MODIFICATIONS TO THE INVITATION**

Invitation			
1.		The attention of the Participants is drawn to the updated Invitation which includes (in addition to the amendments referenced herein below), certain technical amendments.	General
2.	Q:	The Tender Committee was requested to provide details with respect to potential Participants or entities which may take part in the Pre-Qualification Process.	General
	A:	The Tender Committee does not provide details of the relevant entities expressing interest or participating in the Pre-Qualification Process. The relevant information will only be provided with respect to Eligible Participants in accordance with the provisions of Section 9.4.4 of the Invitation.	
3.	Q:	The Tender Committee was requested to clarify whether an entity engaged in an agreement with a Concessionaire under a concession agreement can be considered as a “Main Contractor”, and whether a Concessionaire will qualify as a “Main Contractor”.	Section 1.1 (Definitions) definition of "Main Contractor"
	A:	The Tender Committee rejects the request. Without derogating from the forgoing, the Tender Committee clarifies that a Concessionaire will not be deemed a Main Contractor just by it being a party to a concession agreement, and that the Concessionaire will not be deemed a Main Contractor unless it was directly responsible for the execution of a reference project and complied with the relevant provisions of the definition (including, inter alia, with respect to the management and administration and the engagement and coordination of all subcontractors). The attention of the Participants is drawn to the amendments to the definition of a “Main Contractor”.	
4.	Q:	The Tender Committee was requested to reduce the Contract Value referenced in the definition of an "Infrastructure Project".	Section 1.1 (Definitions) definition of "Infrastructure Project"
	A:	The attention of the Participants is drawn to the amendments introduced hereby to the definition. In addition, the attention of the Participants is drawn to the amendments introduced below to Section 4.5.	

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5.	<p>Q: The Tender Committee was requested to amend the definition of “Private Investment Fund” so as to:</p> <p>(a) reduce the percentage required to be held and invested by Institutional Investors (limb (i) and (ii) of the definition);</p> <p>(b) clarify the provisions of limb (ii) of the definitions and explain by whom the investments should have been made; and</p> <p>(c) clarify that management and raising of funds can be made by different General Partners or Fund Managers provided that the same entities control such funds.</p> <p>A: (a) the Tender Committee rejects the request.</p> <p>(b) the Tender Committee clarifies that the investments made by the Entity incorporated for the purpose of making financial investments were made available to it by Institutional Investors.</p> <p>(c) The attention of the Participants is drawn to the amendments introduced hereby to the definition.</p>		Section 1.1 (Definitions) definition of "Private Investment Fund"
6.	<p>Q: The Tender Committee was requested to clarify the definition of “Vehicle(s)”.</p> <p>A: The attention of the Participants is drawn to the amendments introduced hereby to the definition.</p>		Section 1.1 (Definitions) definition of "Vehicle(s)"
7.	<p>Q: The Tender Committee was requested to clarify whether the Experience Provider which demonstrated compliance with the Pre-Qualification Requirements specified in Section 4.8 (Maintenance Experience), will be required to have any specific responsibilities in the Project.</p> <p>A: The Tender Committee clarifies that the Experience Provider which demonstrated compliance with the Pre-Qualification Requirements specified in Section 4.8 (Maintenance Experience), will be required to assume specific responsibilities in the Project. The attention of the Participants is drawn to the amendments introduced hereby to Section 1.5.1.</p>		Section 1.5 (The Tender Process; and Expected Requirement)
8.	<p>Q: The Tender Committee was requested to clarify whether an Entity demonstrating compliance with a Pre-Qualification Requirement, shall be able to participate in the Project and demonstrate compliance with the requirements of Section 1.5 by holding the relevant percentage in the Entity which shall be the member of the EPC Contractor or the O&M Contractor (as applicable).</p>		Section 1.5 (The Tender Process; and Expected Requirement)

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	<p>A: The Tender Committee hereby clarifies that an Experience Provider demonstrating compliance with any of the Pre-Qualification Requirements specified in Sections 4.1 (Experience in the Design and Construction of Systems) through 4.8 (Maintenance Experience) (“Eligible Experience Provider”), may comply with the requirements of the applicable provision of Section 1.5.1, 1.5.2, 1.5.4.1 and 1.5.4.2 through a Subsidiary, provided, that such Eligible Experience Provider shall remain responsible for the project function and performance of the applicable part of the work for which it was prequalified.</p> <p>The Tender Document will include additional provisions with respect to the obligations to be assumed directly by the Eligible Experience Provider.</p> <p>Without derogating from the foregoing, the attention of the Participants is drawn to the amendments made to the referenced Sections and to the new definition of "Subsidiary".</p>	
9.	<p>Q: The Tender Committee was requested to waive the requirement for specific holdings by the relevant Experience Provider in the future EPC Contractor, or alternatively, to reduce such requirement.</p> <p>A: The Tender Committee rejects the request.</p>	Section 1.5.2 (The Tender Process; and Expected Requirement)
10.	<p>Q: The Tender Committee was requested to confirm that the EPC Contractor may be a partnership comprised of several Entities, and that under such circumstances, the reference to 50% or more of the shares shall be to the relevant interests in the partnership.</p> <p>A: The Tender Committee so confirms.</p>	Section 1.5.2 (The Tender Process; and Expected Requirement)
11.	<p>Q: The Tender Committee was requested to confirm that the O&M Contractor may be a partnership comprised of several Entities, and that under such circumstances, the reference to 50% (or 70% as applicable) or more of the shares shall be to the relevant interests in the partnership.</p> <p>A: The Tender Committee so confirms.</p>	Section 1.5.4 (The Tender Process; and Expected Requirement)
12.	<p>Q: The Tender Committee was requested to reduce the requirement for specific holdings by the Operator in the future O&M Contractor.</p> <p>A: The Tender Committee rejects the request.</p>	Section 1.5.4.1 (The Tender Process; and Expected Requirement)
13.	<p>Q: The Tender Committee was requested to reduce the requirement for specific holdings by the Additional Operator in the future O&M Contractor.</p>	Section 1.5.4.2(i)(B) (The Tender Process; and

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	A:	The Tender Committee accepts the request. The attention of the Participants is drawn to the amendments introduced hereby to Section 1.5.4.2(i).	Expected Requirement)
14.	Q:	The Tender Committee was requested to clarify that the Additional Operator shall be directly responsible for the overall management and coordination of all O&M functions of the Project only if it serves as the O&M Contractor itself.	Section 1.5.4.2(i) (The Tender Process; and Expected Requirement)
	A:	The Tender Committee rejects the request. The Tender Committee clarifies that the Additional Operator shall be directly responsible as required pursuant to the provisions of this Section either as the O&M Contractor itself or as a member of the O&M Contractor. Please note that Section 1.5.4.1 shall also be amended to include reference to direct responsibility.	
15.	Q:	The Tender Committee was requested to shorten the anticipated term of the service agreement.	Section 1.5.4.3 (The Tender Process; and Expected Requirement)
	A:	The attention of the Participants is drawn to the amendments introduced hereby to Section 1.5.4.3.	
16.	Q:	The Tender Committee was requested to postpone Pre-Qualification Submission Date.	Section 1.7 (Anticipated Schedule)
	A:	The attention of the Participants is drawn to the amendments introduced hereby to Section 1.7.	
17.	Q:	The Tender Committee was requested to provide certain clarifications with respect to the method of payment of the Participation Fee.	Section 2.6 (Access to Documents and Registration)
	A:	The attention of all Participants is referred to the provisions of Section 2.6.2 and 2.6.3 of the Invitation.	
18.	Q:	The Tender Committee was requested to remove LRTC from the list of advisors referenced in " <u>Annex</u> " " <u>2</u> ".	Section 2.14 (Advisors to the Tender Committee)
	A:	The Tender Committee rejects the request.	
19.	Q:	The Tender Committee was requested to confirm that the following shall be classified as Part B Advisor (instead of Part A Advisors): (מ.ת.ן (17); איטקין בלום (27); אלתן (31); גרושקו (37)	Section 2.14 (Advisors to the Tender Committee)
	A:	The Tender Committee rejects the request.	
20.	Q:	The Tender Committee was requested to confirm that a Participant may be comprised out of several Entities and that under such circumstances, such Entities shall be deemed as the Members of the Participant.	Section 3.1.1 (The Participant)

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	A:	The Tender Committee so confirms, provided that such Entities comply with the additional requirements of the Invitation. The attention of the Bidders is drawn to the provisions of Section 3.1 (The Participant) and the provisions of Section 3.2 (Members of the Participant).	
21.	Q:	The Tender Committee was requested to differentiate between the Participant and the special purpose company (SPC) which shall be incorporated by the Participant for purposes of the Project.	Section 3.1 (The Participant)
	A:	The Tender Committee rejects the request.	
22.	Q:	The Tender Committee was requested to confirm that Members may take part of the EPC Contractor or the O&M Contractor without having any holdings in the SPC (incorporated by the Participant).	Section 3.1 (The Participant)
	A:	The Tender Committee clarifies that Entities (which demonstrate compliance with the requirements of Section 4.5 (Project Execution, Management and Organization Experience), Section 4.6 (Operating Experience) and Section 4.7 (Bus Operating Experience)), are entitled to participate as the EPC Contractor and/or the O&M Contractor in accordance with the provisions of the Invitation, without holding interests in the SPC (the Participant incorporated at a later stage), and, under such circumstances such Entities shall not be deemed as Members. The attention of the Participants is drawn to the provisions of Sections 3.2 (Members of the Participant) and Section 3.3 (Experience Provider) including the last sentence of Section 3.3.1.	
23.	Q:	The Tender Committee was requested to clarify that if two different Entities which intend to demonstrate compliance as Members are related entities, such will be considered as one Member for the purposes of the limitation on the number of Members referenced in Section 3.2.	Section 3.2 (The Participant)
	A:	The Tender Committee rejects the request.	
24.	Q:	The Tender Committee was requested to amend the provisions of Section 3.4.1 so that an Entity may serve as a Guarantor for a Member if such is a Related Party of such Member (and not only if such Entity Controls the said Member).	Section 3.4.1 (The Guarantor)
	A:	The Tender Committee rejects the request.	
25.	Q:	The Tender Committee was requested to clarify the language of Section 3.5.3 and explain to which actions the phrase "There are no actions or proceedings pending" refers.	Section 3.5.3 (Participation – General Requirements)
	A:	The attention of the Participants is drawn to the amendments introduced hereby to Section 3.5.3.	

Invitation			
26.	Q:	The Tender Committee was requested to confirm that only Entities required to issue VAT reports under Law need provide confirmation regarding VAT reporting.	Section 3.5.7 (Participation – General Requirements)
	A:	The Tender Committee so confirms. Please refer to the amendments introduced hereby to Section 3.5.7.	
27.	Q:	In light of a possible merger between two major rolling stock manufacturers (and thus possible Members or Experience Providers), the Tender Committee was requested to clarify the relevant arrangements which will apply pursuant to the Invitation under circumstances where both rolling stock manufactures are participating in the Pre-Qualification Process (and/or the Tender Process), within different groups and the aforementioned merger comes into effect.	Section 3.8 (Members of the Participant)
	A:	The Tender Committee clarifies that should the matter not be resolved by the date of issuance of the Tender Documents, the Tender Committee shall issue the relevant instructions with respect to this matter. Please be advised that any change to the structure of the group participating in the Tender Process (i.e. changes in the relevant Members, Experience Providers etc.), shall require the approval of the Tender Committee. Without derogating from the foregoing, the attention of all Participants is referred to the provisions of Section 9.5.5 of the Invitation, and in particular to the provisions of Section 9.5.5.1.	
28.	Q:	The Tender Committee was requested to provide information with respect to the type of information which should be provided as part of the Preliminary Information Notice.	Section 3.10 (Promotion of Competition and Reduction of Concentration Law, 2013)
	A:	The information that should be provided as part of the Preliminary Information Notice is information with respect to the identity of the Members, Experience Providers and/or Guarantors intending to cooperate and form a Participant for the purposes of the Pre-qualification Submission. The Participants may include information with respect to the percentage of holdings each Entity will have in each of the Participant, EPC Contractor or Operator, as the case may be.	
29.	Q:	The Tender Committee was requested to confirm that, in case of a bidding consortium consisting of several Members, it is sufficient that the Experience Provider has done the project "on behalf" of only one Member.	Section 4 (Technical Pre-Qualification Requirements)
	A:	The question is not clear. For the avoidance of doubt it is clarified that it is sufficient that one Experience Provider shall demonstrate compliance with one Pre-qualification Requirement. It is further clarified, that an Experience Provider does not have to be related in any way to the different Members (all or any of them).	

Invitation			
30.	Q:	The Tender Committee was requested to modify the Technical Pre-qualification Requirements specified in Section 4.2 with respect to the number of LRT or Metro Lines.	Section 4.2 (Experience in the Construction of Track-Way)
	A:	The attention of the Participants is drawn to the amendments introduced hereby to Section 4.2.1 and to the Technical Pre-qualification Requirements therein.	
31.	Q:	The Tender Committee was requested to reduce the required value of Infrastructure Projects to be presented.	Section 4.5 (Project Execution, Management and Organization Experience)
	A:	The attention of the Participants is drawn to the amendments introduced hereby to Section 4.5 and to the definition of Infrastructure Project.	
32.	Q:	The Tender Committee was requested to accept (only) experience in the operation of Metro or LRT lines.	Section 4.6 (Operating Experience)
	A:	The Tender Committee rejects the request. Without derogating from the foregoing, the attention of the Participants is drawn to the amendments introduced hereby to Section 4.6.2.	
33.	Q:	The Tender Committee was requested to reduce the requirements specified in Section 4.6 (Operating Experience) with respect to the number of kilometers and the number of stops and common Routes.	Section 4.6 (Operating Experience)
	A:	The Tender Committee rejects the request.	
34.	Q:	The Tender Committee was requested to amend the provisions of Section 4.7 (Bus Operating Experience) with respect, inter alia, to the operation of a Network.	Section 4.7 (Bus Operating Experience)
	A:	The attention of the Participants is drawn to the amendments introduced hereby to the provisions of Sections 4.7.	
35.	Q:	The Tender Committee was requested to allow reliance on different projects for the purpose of demonstrating compliance with the requirements specified in the Section.	Section 4.8 (Maintenance Experience)
	A:	The attention of the Participants is drawn to the amendments introduced hereby to Section 4.8 and to the amended Technical Pre-qualification Requirements therein.	
36.	Q:	The Tender Committee was requested to clarify that the word "sum" in the Section means the result of the multiplication and not the arithmetical operation of addition.	Section 5.1.3 (Minimal Turnover Required)
	A:	The Tender Committee so clarifies.	

Invitation			
37.	Q:	The Tender Committee was requested to amend the requirement of the referenced Sections so that only 2 years of financial statements will be required.	Section 5.1 (Turnover) and Section 5.2 (Operating Cash Flow)
	A:	The Tender Committee rejects the request.	
38.	Q:	The Tender Committee was requested to clarify that in calculating the Assets Under Management and/or the net worth of its managed assets, an Entity may calculate the Assets Under Management (and/or managed assets as applicable), of an Entity which is managed by the general partners under common control (i.e. at least 50% of the means of control are held by the same entities).	Section 5.5 (Private Investment Fund) and Section 5.6.2 (Banking Corporation or Institutional Investors)
	A:	The Tender Committee rejects the request. To the extent any further clarification is required, the Participant is requested to rephrase and resubmit the Request for Clarification.	
39.	Q:	The Tender Committee was requested to amend the provisions of Sections 4.1 through 4.8 so that the Entity presented as an Experience Provider in the Pre-Qualification Submission, shall be able to demonstrate its relevant experience by relying on the relevant experience of several Related Entities. In addition, the Tender Committee was requested to reduce the required percentage of holding referenced in Section 6.1.1.	Section 6.1 (Presentation of a Referenced Project Executed as Part of a Joint Venture)
	A:	The attention of the Participants is drawn to the amendments introduced hereby to Section 6.1 (Presentation of a Referenced Project Executed as Part of a Joint Venture).	
40.	Q:	The Tender Committee was requested to clarify that in order to demonstrate relevant experience in a referenced project, an Experience Provider may present a reference project which was executed by it: (a) As part of a partnership; and (b) that the reference to 25% may also refer to the execution of 25% of the scope of the relevant works.	Section 6.1 (Presentation of a Referenced Project Executed as Part of a Joint Venture)
	A:	(a) The Tender Committee so confirms that an Experience Provider may present a reference project which was executed by it as part of a partnership; (b) The Tender Committee rejects the request that the experience could be demonstrated by demonstrating that the Entity performed a percentage of the scope of the works and clarifies that, without derogating from the additional requirements of Section 6.1, the relevant percentage refers to the holding of the relevant Entity in the shares or in the partnership's interests.	

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41.	Q:	The Tender Committee was requested to clarify the ability of the Participants to change the structure of the group (i.e. the identity of the Members, the Experience Providers and/or the Guarantors) presented pursuant to the Pre-Qualification Submission, at a later stage during the Tender Process.	Section 9.5 (Rejection of the Pre-Qualification Submissions)
	A:	Any change to the structure approved as part of the Pre-Qualifications Submission, shall be subject to the approval of the Tender Committee. Without derogating from the foregoing, the attention of the Participants is drawn to the provisions of Section 3.10.7 and Section 9.5.5.1.	
42.	Q:	The Tender Committee was requested to amend the requirement of Section 9.9.1 so that the incorporation of a Participant as an SPC shall only be required following the announcement of such Participant as the Successful Bidder in the Tender Process.	Section 9.9.1 (Formation of a Single Purpose Company)
	A:	The Tender Committee rejects the request.	
43.	Q:	The Tender Committee was requested to provide general information regarding the financial structure of the Project such as: the term of the agreement, details with respect of any grants provided, payment methodology, preliminary risk allocation matrix, compensation terms in case of termination of the agreement etc.	Annex 1
	A:	At this stage, the description of the Project is only preliminary and subject to further amendments and updates which shall be provided until the issuance of the Tender Documents.	
44.	Q:	The Tender Committee was requested to make sure that should Citypass be awarded the construction of the Red Line Extensions, certain measures will be taken in order to insure a fair competition in the Tender Process.	Annex 1
	A:	The Tender Committee clarifies that the negotiations between the GoI and CityPass with respect to the construction of the Red Line Extensions did not materialize into an agreement and that the Red Line Extensions shall be constructed as part of the Project.	
45.	Q:	The Tender Committee was requested to provide, as part of the Tender Process documentation, specifications and all other technical information about the systems interfaces and the names of suppliers of the different technologies with respect to the Red Line.	Annex 1
	A:	The Tender Committee clarifies that information with respect of the foregoing, will be provided during the Tender Process.	
46.	Q:	The Tender Committee was requested to clarify that the Tender Documents will include a firm & fix offer from the vehicle supplier of the Red Line vehicles for spare parts for the duration of the concession.	Annex 1

Invitation			
	A:	The Tender Committee clarifies that information with respect of the foregoing will be provided as part of the Tender Process.	
47.		The attention of the Bidders is drawn to the updated Annex 2 to the Invitation attached as Annex A to this Addendum.	Annex 2
48.		The attention of the Bidders is drawn to the updated Annex 3 to the Invitation attached as Annex B to this Addendum.	Annex 3