



August 9, 2017

[All Participants]

Re: Invitation for Pre-Qualification in relation to the Participation in a Tender
For the Jerusalem "J-Net"
Addendum No. 3

1. Pursuant to the Invitation issued on April 9th, 2017, and in accordance with the provisions thereof, the attention of all Participants is drawn to the following clarifications and answers to questions regarding the Invitation.
2. In accordance with the provisions of the Invitation, you are kindly requested to acknowledge receipt of this Addendum, no later than 2 days following receipt thereof via email reply.

Respectfully Yours,

Nechemya Kind
Deputy Accountant General
Chairman of the Tender Committee

CC: Members of the Tender Committee



**ADDENDUM NO. 3
AMENDMENTS, CLARIFICATIONS AND
MODIFICATIONS TO THE INVITATION**

Invitation			
1.		The attention of the Participants is drawn to the updated Invitation and Pre-Qualification Forms which includes the amendments referenced herein below.	
2.	Q:	The Tender Committee was requested to amend the definition of Institutional Investor so it will refer to paragraphs (1)-(4) of Schedule 1 to the Securities Law (instead of (1)-(3)).	Section 1.1 (Definitions) definition of "Institutional Investors"
	A:	The Tender Committee accepts the request. The attention of the Participants is drawn to the amendments introduced thereby with respect to the relevant definitions and Sections.	
3.	Q:	The Tender Committee was requested to amend the definition of "Private Investment Fund" so as to: (a) reduce the percentage required to be held and invested by Institutional Investors from 60% to 55%. (b) amend the definition of "General Partner" or "Fund Manager" so that different entities which are ultimately fully owned by the same entities (including individuals) at substantially the same percentage of holdings (and at the same proportions) can be counted together for the purpose of limb (iii) of the definition.	Section 1.1 (Definitions) definition of "Private Investment Fund"
	A:	(a) The Tender Committee rejects the request. (b) The Tender Committee accepts the request. The attention of the Participants is drawn to the definition of "General Partner" or "Fund Manager" which was added to Section 1.1.	
4.	Q:	The Tender Committee was requested to confirm that Members of the Participant may refer to Entities committed to hold Anticipated Holdings in the Participant directly or indirectly , i.e. that a Member (Entity ₁) may hold Anticipated Holdings in the Participant through an intermediary Entity (owned by the designated Member) (Entity ₂).	Section 1.1 (Definitions) definition of "Anticipated Holdings" and



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Invitation		
	<p>A: The Tender Committee clarifies that: (i) the Entity which shall directly hold the Anticipated Holdings in the Participant (i.e. Entity₂) shall be deemed the Member and shall comply with all requirements of Section 3.5 (Participation – General Requirements); (ii) Entity₂ shall be incorporated prior to the submission of the bids; (iii) Entity₁ shall be deemed a Guarantor; and (iv) the new structure shall be approved by the Tender Committee in accordance with the provisions of Section 9.5.5.1, at the discretion of the Tender Committee.</p> <p>The Participants are advised that it is expected that the Tender Documents will include additional requirements and restrictions, <i>inter alia</i>, with respect to a change of Control in Entity₂, and other requirements which will be included in the Members Undertaking to be executed by the Guarantor, the Member and any additional Entity holding shares or other interests in Entity₂.</p>	Section 3.2 (Members of the Participant)
5.	<p>Q: The Tender Committee was requested to clarify that the Entity which serves as the Experience Provider and the Entity which takes part in the Project as the Member of the future project company, the EPC Contractor and/or the O&M Contractor are not required to be the same, provided that they are directly or indirectly controlled by the same ultimate parent company.</p> <p>A: The Tender Committee rejects the request. However, the attention of the Participants is drawn to the provisions of Section 1.5, which clarify the relevant further requirements the Experience Provider will be required to comply with (including with respect to its holdings in the EPC Contractor and/or O&M Contractor).</p> <p>In addition, with respect to the Anticipated Holdings in the Successful Bidder, the attention of the Participants is drawn to the Tender Committee's response to question 4 above.</p>	Section 1.5 (The Tender Process; and Expected Requirements)
6.	<p>Q: The Tender Committee was requested to amend the provisions of Section 1.5.2, so that the required percentage of holdings in the EPC Contractor may be held by the Experience Provider which demonstrated compliance with the Pre-Qualification Requirements specified in Section 4.5 (Project Execution, Management and Organization Experience) and a Related Entity thereof, together.</p> <p>A: The Tender Committee rejects the request.</p>	Section 1.5.2 (The Tender Process; and Expected Requirements)



Invitation			
7.	<p>Q: The Tender Committee was requested to clarify that pursuant to the provisions of Section 1.5.2, the required percentage of holdings in the EPC Contractor may be held by a partnership set up by the Experience Provider which demonstrated compliance with the Pre-Qualification Requirements specified in Section 4.5 (Project Execution, Management and Organization Experience) and a Related Entity thereof.</p> <p>A: The Tender Committee so confirms, provided that the Experience Provider which demonstrated compliance with the Pre-Qualification Requirements specified in Section 4.5 (Project Execution, Management and Organization Experience) shall hold more than 50% of the partnership interests and all other Means of Control.</p> <p>The attention of all Participants is drawn to the amendments to the provisions of the Section introduced thereby.</p>		Section 1.5.2 (The Tender Process; and Expected Requirements)
8.	<p>Q: The Tender Committee was requested to approve the continued engagement of Caspi & Co. (Listed as Part A Advisors) (the Firm), as legal advisors to an Entity interested in participating in the Pre-Qualification Process, in matters not connected to the Pre-Qualification Process, the Tender Process or the Project.</p> <p>A: Based on the specific facts described in the request, the Tender Committee accepts the request so that the Firm may continue its engagement with the Entity in matters not connected to the Pre-Qualification Process, the Tender Process or the Project. Please note that any further requests in this regard shall be subject to the approval of the Tender Committee.</p>		Section 2.14 (Advisors to the Tender Committee)
9.	<p>Q: The Tender Committee was requested to allow two or more related Entities which intend to demonstrate compliance as Members, to be counted as one Member for the purpose of the number of Members referenced in Section 3.2, in order to facilitate the participation of Institutional Investors (which customarily make their investments through more than one (1) fund or subsidiary).</p> <p>A: The Tender Committee rejects the request.</p>		Section 3.2 (Members of the Participant)
10.	<p>Q: The Tender Committee was requested to clarify that in order to meet the requirement of Section 4.7.2, the requirement for managing a fleet of 300 Buses will be demonstrated with respect to specific dates.</p>		Section 4.7 (Public Transportation)



Invitation			
	A:	The Tender Committee clarifies that the requirement stipulated in Section 4.7.2, will be demonstrated with respect to the following dates: (A) 7 days prior to the Pre-Qualifications Submission Date; (B) 1 year and 7 days prior to the Pre-Qualifications Submission Date; (C) 2 years and 7 days prior to the Pre-Qualifications Submission Date. The attention of the Participants is drawn to the amendments made to Pre-Qualification Form 11B.	Operating Experience)
11.	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 one (1) LRT Line.	Section 4.7 (Bus Operating Experience)
	A:	The Tender Committee accepts the request. The attention of the Participants is drawn to the amendments made to Section 4.7.	
12.		<p>Even though the Tender Committee accepted the request presented in Section 11 above with respect to Alternative C of Section 4.7, the Tender Committee favors the structure stipulated in Section 1.5.4.1 and considers the structure stipulated in Section 1.5.4.2 to be less advantageous (by comparison). Therefore, Participants are advised that the Tender Committee intends to grade the method of performance by the Operator and the Additional Operator (including the method of engagement thereof) as part of the Tender Process, and, as such, it is expected that:</p> <ul style="list-style-type: none"> (i) the highest score for this criterion will be awarded if the Operator shall be responsible for the overall management and coordination of all O&M functions of the Project, as stipulated in Section 1.5.4.1; (ii) a lower score for this criterion will be awarded if the Additional Operator which demonstrated compliance with the requirements specified in Alternative A or Alternative B of Section 4.7 shall be responsible for the overall management and coordination of all O&M functions of the Project, as stipulated in Section 1.5.4.2; (iii) the lowest score for this criterion will be awarded if the Additional Operator which demonstrated compliance with the requirements specified in Alternative C of Section 4.7 shall be responsible for the overall management and coordination of all O&M functions of the Project, as stipulated in Section 1.5.4.2. 	
13.	Q:	The Tender Committee was requested to amend the provisions of Section 5.4 (Securing Financing for an Infrastructure Project), so that a Participant will be able to demonstrate compliance with the requirements specified therein by relying on more than one Member, in the aggregate.	Section 5.4 (Securing Financing for an Infrastructure Project)



Invitation			
	A:	The Tender Committee rejects the request.	
14.	Q:	The Tender Committee was requested to clarify the provisions of Section 5.4 (Securing Financing for an Infrastructure Project), so that the requirements thereof can be satisfied by presenting the experience of Members which are Related Entities, which jointly executed Infrastructure Projects.	Section 5.4 (Securing Financing for an Infrastructure Project)
	A:	The attention of all Participants is referred to the provisions of Section 5.7 (Reliance on a Guarantor). For purposes of Section 5.4 the Guarantor (as the Controlling Entity of the relevant Related Entities), can present the relevant experience with respect to securing finance for the required Infrastructure Projects. Please refer also to the provisions of Section 6.1 (Presentation of a Referenced Project Executed as Part of a Joint Venture). The foregoing however, does not derogate from other relevant requirements, including the additional requirements specified under Section 5.7 (Reliance on a Guarantor).	
15.	Q:	The Tender Committee was requested to clarify that the calculation of Assets Under Management (or managed assets with respect to Entities demonstrating compliance with Section 5.6.2), shall take into account assets under the management of Entities which are under common control, i.e, assets managed by a general partner or a fund manager whose Means of Control are held by the same group of [individuals/entities].	Section 5.5 (Private Investment Fund) and Section 5.6.2 (Banking Corporation or Institutional Investors)
	A:	The Tender Committee accepts the request. The attention of the Participants is drawn to: (i) the amendments made to Section 5.5; (ii) the amendments made to the definition of "Assets Under Management"; and (iii) the definition of "General Partner" or "Fund Manager" which was added to Section 1.1.	
16.	Q:	In separate requests the Tender Committee was requested to reduce the requirement for specific holdings referenced in Section 6.1.1. to 15% and to 20%, or, alternatively, to connect the required percentage of holding, (at least to a certain extent), to the Contract Value of the referenced Infrastructure Project.	Section 6.1 (Presentation of a Referenced Project Executed as Part of a Joint Venture)
	A:	The Tender Committee rejects the requests.	
17.	Q:	In view of the fact that the provisions of the Section require the holding of 24%, the Tender Committee was requested to amend the provisions of Section 6.1.1, such that instead of "Control", reference will be made to "holdings".	Section 6.1 (Presentation of a Referenced Project Executed as Part of a Joint Venture)
	A:	The attention of all Participants is drawn to the amendments to the provisions of the Section introduced thereby.	



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הוועדה לתחרות

Invitation			
18.	<p>Q: The Tender Committee was requested to amend the provisions of Section 6.1.1, with reference to demonstrating the experience of securing finance for an Infrastructure Project (Section 5.4), so that the Member or Guarantor (as the case may be) may rely on referenced projects in which it indirectly held the required percentage (24%), in the Entity which executed the project.</p> <p>A: The attention of all Participants is drawn to the amendments to the provisions of the Section introduced thereby.</p>		Section 6.1 (Presentation of a Referenced Project Executed as Part of a Joint Venture)
19.	<p>Q: The Tender Committee was requested to clarify whether an attorney, referenced in Section 8.6, can also be a company's legal counsel (even if not enrolled in an official list of lawyers) or whether he must be registered in an official registry. If a lawyer must be so registered, the Tender Committee was asked whether non-Israeli registration is sufficient.</p> <p>A: The Tender Committee clarifies that, for purpose of Section 8.6, an "attorney" means any person who is legally qualified – by law within his/her domicile – to confirm that the signatory on behalf of any Entity, is authorized to sign and submit the required information on behalf of such Entity, and to commit such Entity in relation to the document on which the signatory's signature appears.</p>		Section 8.6 (Authorization of Signatures by an Attorney)
20.		The Participants are advised that Mr. Nadav Meroz, the former CEO of JTMT has taken a position with Super NG (the " Company "), a company owned by an Entity which may participate in the Pre-Qualification Process. Mr. Meroz will commence his work at the Company in September. The Participants are further advised that Mr. Meroz ceased his involvement in connection with the Project (including the Pre-Qualification Process), as of late March, 2017. In addition, Mr. Meroz has undertaken towards the Tender Committee that he does not intend to be involved in any way in the Project.	Annex 2 (list of advisors to the Tender Committee)
21.	<p>Q: The Tender Committee was requested to clarify the meaning of the term "Position Holder" referenced in the Pre-Qualification Forms.</p> <p>A: The Tender Committee clarifies that the term "Position Holder" refers to the following positions: (i) CEO, (ii) CFO and (iii) CTO or COO (as applicable)</p>		Pre-Qualification Form "2" (The Participant), "3" (The Members of the Participant) and "5" (The Experience Provider of the Participant)
22.	<p>Q: The Tender Committee was requested to clarify the meaning of the term "Member's undertaking" referenced in the Pre-Qualification Form.</p>		Pre-Qualification Form "16" (Letter



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Invitation

	<p>A: The Tender Committee clarifies that the term refers to an undertaking which will be required to be provided by Members, in their capacity as shareholders of the Successful Bidder, as shall be specified under the Tender Documents.</p>	of Guarantee)
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