



THE STATE OF ISRAEL

MINISTRY OF FINANCE

MINISTRY OF ENERGY

THE WATER AUTHORITY

**THROUGH THE SEA-WATER DESALINATION
INTER-MINISTERIAL TENDER COMMITTEE**

July 23rd, 2020

The Pre-Qualification Participants

Re: Invitation for Pre-Qualification

The Desalination Facility at the Western Galilee

Addendum PQ no.5

1. Pursuant to the Invitation for Pre-Qualification published January 2020, and in accordance with the provisions thereof, the attention of all the Participants is drawn to **Appendix "I"** attached herein.
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, by a written notice to the Tender Committee, in the format attached as **Appendix "II"**.

Respectfully Yours,

Yitsik Marmelshtein

Chairman of the Tender Committee

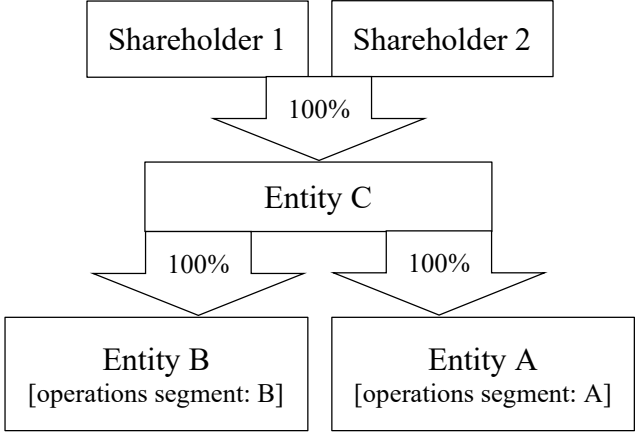
CC: Members of the Tender Committee

APPENDIX "I"

ADDENDUM PQ NO.5 - July 23rd, 2020

**AMENDMENTS, CLARIFICATIONS AND
MODIFICATIONS TO THE INVITATION FOR
PRE-QUALIFICATION**

		Amendments, Clarifications and Modifications	Section
1.	Q:	The Tender Committee was requested to confirm that the questions " <i>Does the Member have an Israeli subsidiary or affiliate company?</i> " (section 9 of PQ Form "C") and " <i>Does the company have an Israeli subsidiary or affiliate company?</i> " (Section 10 of PQ Form "E") are only applicable to Members and companies, respectively, that are non-Israeli Entities.	PQ Form "C" - 9, PQ Form "E" - 10
	A:	Confirmed.	
2.	Q:	<p>The Tender Committee was requested to allow satisfaction of the Average Turnover and Average Operating Cash Flow threshold requirements as follows:</p> <p>If, in a course of re-organization of a group, entity C was considered under applicable accounting principles as the "continuing entity" of entity A (under "As Pull" method), then notwithstanding the fact that entity C was incorporated less than 3 years prior to the PQ submission date (and therefore have Financial Statements for 2 years only), entity C may satisfy the Average Turnover and Average Operating Cash Flow threshold requirements if based on the Turnover and Operating Cash Flow as stated in its Financial Statements for the applicable period including the comparative figures for the previous year of entity A included in such Financial Statements.</p> <p>Example:</p> <p>Before re-organization:</p> <pre> graph TD S1[Shareholder 1] -- 100% --> EA[Entity A [operations segments: A&B]] S2[Shareholder 2] -- 100% --> EA </pre>	5.4.1, 5.4.2

	<p>After re-organization:</p>  <pre>graph TD; S1[Shareholder 1] -- 100% --> EC[Entity C]; S2[Shareholder 2] -- 100% --> EC; EC -- 100% --> EB["Entity B [operations segment: B]"]; EC -- 100% --> EA["Entity A [operations segment: A]"];</pre>	
<p>A:</p>	<p>Confirmed.</p> <p>The Bidder shall attach to its Bid a confirmation from the external auditor of entity C’s Financial Statements, confirming that under the applicable accounting principles, entity C is considered as the “continuing entity” of entity A (under the “As Pooling” method).</p>	

APPENDIX "II"

ACKNOWLEDGEMENT OF RECEIPT

Date: _____

To
Mr. Yitsik Marmelshtein
Chairman of the Tender Committee

Co./ Chen Vinitzky
Coordinator of the Tender Committee
E-mail: chenv@inbal.co.il

Re: Invitation for Bids

The Desalination Facility at the Western Galilee

Addendum PQ no.5

Pursuant to the Invitation and in accordance with the provisions thereof, we hereby acknowledge receipt of this Addendum.

(name of Participant and signature of the Authorized Representative)

Cc: Adv. Michal Schwartz, Lipa Meir & Co.
E-mail: Michals@lipameir.co.il