



THE STATE OF ISRAEL

MINISTRY OF FINANCE

MINISTRY OF ENERGY

THE WATER AUTHORITY

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

July 7th, 2020

The Pre-Qualification Participants

Re: Invitation for Pre-Qualification

The Desalination Facility at the Western Galilee

Addendum PQ no.4

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 herein as **Appendix "II"**.

Respectfully Yours,

A handwritten signature in blue ink, appearing to read 'Y. Marmelshtein', written over a light blue circular stamp or watermark.

Yitsik Marmelshtein

Chairman of the Tender Committee

CC: Members of the Tender Committee

APPENDIX "I"

ADDENDUM PQ NO.4 - July 7th, 2020

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

		Amendments, Clarifications and Modifications	Section
1.	Q:	The Tender Committee was requested to amend the provisions of Section 5.3 so that the O&M Expert will be required to demonstrate that it has operated and maintained the applicable facilities during a period of 24 months within the past 7 Years ending on the date of publication of the Invitation for Pre-Qualification.	5.3.1
	A:	Section 5.3.1 shall be amended as follows: "The Participant is required to demonstrate that either it, or one of its Members or one of its Major Subcontractors (the " O&M Expert "), has operated and maintained: a. during a period of twenty four (24) months within the <u>period commencing on 1st January 2013 and ending upon the Pre-Qualification Submission Date</u> past seven (7) Years - one or more desalination or other water or waste-water treatment facilities, with an accumulated production capacity of not less than 150,000 m ³ /day, of which at least one (1) facility is a sea-water desalination facility, based on the reverse osmosis process design, with production capacity of not less than 50,000 m ³ /day; or b. during a period of twenty four (24) months within the <u>period commencing on 1st January 2013 and ending upon the Pre-Qualification Submission Date</u> past seven (7) Years - one (1) sea-water desalination facility, based on the reverse osmosis process design, with production capacity of not less than 100,000 m ³ /day."	
2.	Q:	The Tender Committee was requested to amend the definition of the term "Year" so that it will relate to the twelve (12) months period immediately preceding the publication date of the Invitation for Pre-Qualification, rather than the Pre-Qualification Submission Date, in order to address a possible delay to the Pre-Qualification Submission Date.	5.1-5.3 Appendix A - "Year"

	<p>A: (a) With respect to Section 5.1.1 - please see Addendum PQ #3, Clarification #2.</p> <p>(b) With respect to Section 5.3.1 - please see Clarification #1 above.</p> <p>(c) With respect to Section 5.2.1 - this Section shall be amended as follows:</p> <p>"The Participant is required to demonstrate that either it, or one of its Members or one of its Major Subcontractors (the "EPC Expert"), has executed, as a Main Contractor:</p> <p>a. one (1) infrastructure project, with a total cost of not less than 50 million US Dollars; or</p> <p>b. several (up to three (3)) infrastructure projects, with an aggregate total cost of not less than 70 million US Dollars;</p> <p>Each such project has been completed within the <u>period commencing on 1st January 2013 and ending upon the Pre-Qualification Submission Date past seven (7) Years</u>; Each such project utilizing the combined services of all the following engineering disciplines: civil, mechanical, electrical and controls and instrumentation.</p> <p>The project cost shall be calculated based on the official exchange rates last published by the Federal Reserve prior to the contract execution date, and shall exclude VAT."</p>	
3.	<p>Q: The Tender Committee is requested to clarify what is the applicable exchange rate for the purpose of converting the Contract Value and the Project Value under the Pre-Qualification Forms.</p> <p>A: The Contract Value and Project Value under the PQ Forms shall be calculated based on the official exchange rates last published by the Federal Reserve prior to the contract execution date.</p>	5.4.10
4.	<p>Q: Due to the involvement of foreign entities in the Pre-Qualification Process (as, inter alia, Members and/or Major Subcontractors) and the upcoming Pre-Qualification Submission Date, the Tender Committee is requested to confirm that in the event of any additional amendment of the Pre-Qualification Forms, the Participant shall be entitled to submit the Pre-Qualification Forms applicable to such foreign entity, as published under Addendum no. 2 (published on 26 May 2020), provided that all additional changes shall be deemed as acceptable by the relevant Participating Entity.</p> <p>A: In light of the postponement of the Pre-Qualification Submission Date in Addendum PQ #3, the request is rejected (at this stage).</p>	2.12

5.	Q:	The Tender Committee is requested to clarify if a Major Subcontractor is requested to submit its Financial Statements for year 2019, for the purpose of demonstrating compliance with Section 5.4.7 of the Invitation	5.4.7
	A:	Confirmed. In the event that such Major Subcontractor does not have Financial Statements for year 2019, it shall submit a "going concern" statement in the format provided in Section 5.4.7.	
6.	Q:	The Tender Committee is requested to confirm that the Financial Statements may be submitted in only two copies (1 attached to the original Pre-Qualification Submission and 1 attached to one of the five copies submitted by the Participant).	5.4.9
	A:	Confirmed.	
7.	Q:	The Tender Committee is requested to confirm that the Participant is only required to sign any applicable designated signature block under the Pre-Qualification Forms. Otherwise (and as the Financial Statements are to be attached), the Tender Committee is requested to clarify that in the event a document or a set of documents consisting part of the Pre-Qualification Submission are set in binders, the Participant is only required to sign the first and last pages of each of the binders.	6.4
	A:	The Participant is required to sign the Pre-Qualifications Forms and each page of the Pre-Qualification Submission. If such pages are set in binders, the Participant may sign the first and last pages of each binder.	
8.	Q:	The Tender Committee is requested to clarify that an affidavit pursuant to the Public Entities Transactions Law is not required at the Pre-Qualification Process, and will be part of the Tender. If such affidavit is required, the Tender Committee is hereby requested to publish the applicable form.	PQ Form C - 11
	A:	Such affidavit is not required, but only the certificates confirming proper bookkeeping and proper reporting to the VAT Authorities.	

9.	Q:	<p>Under Section 5.4.5 to the Invitation, any Member who is a Private Investment Fund is required to demonstrate that as of the date commencing 14 days prior the Pre-Qualification Submission Date, the amount of Unutilized Commitments under its management is not less than NIS 6,000,000, for each one percent (1%) of its Anticipated Holdings, and therefore is not required to comply with the requirements specified under Sections 5.4.2 and 5.4.3.</p> <p>In light of the above, the Tender Committee is kindly requested to clarify that, in addition, a Participant who is a Financial Entity shall not be required to comply with the requirements specified under Section 5.4.1 to the Invitation, since such requirement is irrelevant with regards to Private Investment Funds.</p>	5.4.1
	A:	Confirmed.	
10.	Q:	<p>Section 5.4.5 to the Invitation specifies the requirements which any Member who is a Private Investment Fund needs to comply with; while Section 5.4.6A to the Invitation specifies the requirements which any Member who is an Investment Entity needs to comply with.</p> <p>The Tender Committee is hereby requested to clarify that in the event that a Member is both a Private Investment Fund and an Investment Entity, such Member may comply with only one of the above requirements (either the requirements specified under Section 5.4.5 or the requirements specified under Section 5.4.6A).</p>	5.4.5, 5.4.6A
	A:	Such a Member complying with the definition "Investment Entity" pursuant to the Invitation, namely reporting under IFRS10, shall comply with the requirements in Section 5.4.6A. Otherwise, such a Member shall comply with the requirements in Section 5.4.5.	
11.	Q:	The Tender Committee is requested to clarify that if a Member which is a Private Investment Fund is also an Investment Entity, then such Member may demonstrate the Financial Pre-Qualification Requirements set out in Section 5.4.6A rather than those set out in Section 5.4.5.	5.4.5, 5.4.6A
	A:	Please see Clarification #10 above.	

<p>12.</p>	<p>Q: Under Section 5.4.5 to the Invitation, any Member who is a Private Investment Fund is required to demonstrate that as of the date commencing 14 days prior the Pre-Qualification Submission Date, the amount of Unutilized Commitments under its management is not less than NIS 6,000,000, for each one percent (1%) of its Anticipated Holdings.</p> <p>Private Investments funds are not required to present equity or data that may be substantiated by reference to financial statements under Sections 5.4.2 and 5.4.3.</p> <p>In case the Private Investment Fund was established and started operation during 2019, and therefore does not have financial statements for the years 2018 and 2017 -</p> <p>The Tender Committee is kindly requested to clarify that a Member who is a Private Investment Fund is not required to comply with the requirement under Section 5.4.9 of the Invitation to submit its Financial Statements for the years 2019, 2018 and 2017.</p> <p>Alternatively, and to the extent that the Tender Committee finds any relevancy for Financial Statements of Private Investments Funds, the Tender Committee is kindly requested to limit the requirement to submit such Financial Statements only to 2019 Statements.</p>	<p>5.4.9</p>
	<p>A: Private Investment Funds are also required to submit Financial Statements for the years 2017, 2108 and 2019.</p> <p>Nevertheless, the above does not derogate from the provisions of Section 5.4.9(a) of the Invitation.</p>	
<p>13.</p>	<p>Q: The Tender Committee is kindly requested to amend a clerical error in Section 5.4.9(b) in a manner that the words: "<i>which are different than those specified in Sections ((i))-((iii)) above</i>" shall be replace with "<i>which are different than those specified in Sections ((i))-((vii)) above</i>."</p>	<p>5.4.9</p>
	<p>A: Confirmed.</p>	

14.	<p>Q: Unutilized Commitments signify a firm and irrevocable commitment on behalf of the limited partners of a Private Investment Fund (triple A institutional investors) to inject capital to such Private Investment Fund up to their respective commitment. For that reason, Unutilized Commitments represent the strongest and most reliable indicator for financial robustness; as opposed to equity of a limited liability company or an Investment Entity, which may already be invested in other assets and accordingly is not a reliable indicator for the financial robustness required for this Project. Given the firm and irrevocable nature of Unutilized Commitments, it is unclear why the Financial Pre-Qualification Requirements of a Private Investment Fund refer to a NIS 6 million threshold for each 1% of Anticipated Holdings whereas the Financial Pre-Qualification Requirements of an Investment Entity refer to a NIS 3 million threshold for each 1% of Anticipated Holdings; and not vice versa.</p> <p>In light of the foregoing, the Tender Committee is requested to decrease the amount of Unutilized Commitments from NIS 6 million to NIS 3 million.</p>	5.4.5
	<p>A: Rejected.</p>	
15.	<p>Q: Please note that the term "equity" is not the applicable term to an Investment Entity which is a partnership. Therefore, the Tender Committee is requested to replace the word "equity" in the second paragraph of PQ Form J₃ with the words "equity/partners equity".</p>	Form J ₃
	<p>A: Confirmed.</p>	
16.	<p>In Section 7.5, a new Sub-section (i) shall be added: <u>"As a result of any national security or foreign affair considerations, as to be determined by the Tender Committee at its sole discretion."</u></p>	7.5
17.	<p>In PQ Form J₁ a new Sub-section (c) shall be added: <u>"I hereby confirm that at least _____% [at least 50%] of the Commitments (at any given time) of the <input type="checkbox"/> Member / <input type="checkbox"/> Guarantor [check the applicable] are made by Institutional Investors (as such term is defined in the Invitation)."</u></p>	PQ Form J ₁

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.4

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