

**Ministry of Interior**  
**Population and Immigration Authority**

# **Public Tender with Two-Stage Process No. 10/2024 for the Supply of Inlays for Biometric Travel Documents**

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## **Instruction to Bidders**

### **1. Introduction**

The Population and Immigration Authority of the Israeli Ministry of Interior (hereinafter: the "**Authority**") hereby invites Bidders who fully comply with the requirements of this Tender to submit their Bids for the supply of Inlays to be incorporated into biometric travel documents issued by the State of Israel, as stipulated in the Tender documents.

### **2. Background**

- 2.1. The Authority is a unit in the Israeli Ministry of Interior and its areas of responsibility includes Population Administration, Service Administration for Employers and Foreign Workers, Enforcement and Foreigners Administration, and Border Crossing Administration. The Authority operates in accordance with the Israeli legislation, Israeli government policies and in accordance with the directives of the Israeli Minister of Interior. Within the scope of its authorities the Authority is responsible for all issues concerning registration and Travel Documents, citizenship, status, visas etc.
- 2.2. Israel's Biometric Identification Law, 5769 – 2009 (hereinafter - the "**Law**") regulates the integration of biometric data in Travel Documents (including passports and identity cards) to ensure the authenticity of these documents and prevent the use of forged documents or false identities.
- 2.3. Israeli Travel Documents are valid for a period of ten (10) years from issuance.
- 2.4. The data page of the Israeli Travel Documents is at this stage paper data page; the Inlay component will be incorporated into the cover of the passport, with the chip and antenna **in the back cover** of the passport (as consistent with the Hebrew language, which is written right-to-left, opposite of English). Please see the schematic diagram attached as appendix J to this Tender.
- 2.5. If during the Contract Period the Authority chooses to transition the data page of Israeli Travel Documents to a polycarbonate material, the Authority will have the option to procure the Inlay component from the Supplier, as stipulated in the Contract, for integration into the polycarbonate data page.

### **3. Definitions**

The following terms in this Tender shall bear the meanings ascribed thereto below:

- 3.1. **AQL** (Acceptable Quality Level – measure of reliability of the product) – the percentage of defective components in each production batch, based on standard sample sizes, the deviation from which will lead to the rejection of the entire production batch.
- 3.2. **Bidder** – Any single legal entity who submitted a Bid according to the terms and conditions of this Tender.
- 3.3. **Contract or Agreement** – The document of the Contract attached hereto as Appendix I and all annexes thereto that will be signed between the Authority and the Supplier.
- 3.4. **Control** – The ability to direct the activity of a corporation – whether alone or with others or through others, directly or indirectly – arising from holding the Means of Control in that corporation or in any other corporation; including capability that derives from the corporation's articles of association, from a written, oral or any other kind of agreement; or which derives from any other source, other than during the routine fulfillment of an employee's duties in the corporation;

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- 3.4.1. Without derogating from the generality of the above, one will be perceived as having substantial influence in a corporation if one holds fifty percent or more of any Means of Control in the corporation; or if one has the ability to prevent or impose the adoption of business decisions in the corporation, other than resolutions relating to the Means of Control in the corporation or decisions regarding the sale or liquidation of the majority of the corporation's business or the institution of material changes therein; The presumption is that one has control in a corporation if one holds the majority of Means of Control of any kind;
- 3.5. **Deviation** - Any unauthorized change, omission, reservation, condition and/or addition made by a Bidder to the Tender Documents, in any way, manner and/or scope.
- 3.6. **ICAO** – International Civil Aviation Organization.
- 3.7. **Inlay** or the **Product** - Hardware including a substrate with an antenna and containing (in any type of packaging) an e-Passport chip and a preloaded operating system.
- 3.8. **Laws** - All laws, ordinances, regulations, orders, including by-laws, procedures and permits, directives, specifications, safety requirements, and decisions of any Ministry of the Government of Israel or other competent authority of the State of Israel and all rules, applicable standards, and administrative orders in effect in the State of Israel, all as may be amended and updated from time to time.
- 3.9. **Means of Control** – in a corporation, any of the following:
  - 3.9.1. The right to vote at the general assembly of a company or at an equivalent meeting of another entity;
  - 3.9.2. The right to appoint a director or General Manager in an entity.
  - 3.9.3. The right to participate in the distribution of profits of the corporation.
  - 3.9.4. The right to participate in the surplus assets of an entity at liquidation after its liabilities are discharged.
- 3.10. **Middleware** – Dedicated software for embedding personal data in the chip (personalization), preparing the chip for use, and reading the chip, and / or an SDK (Software Development Kit) or an established method for integrating this middleware in the issuing infrastructure.
- 3.11. **Production Batch** – A quantity of individual Product units manufactured in a single run.
- 3.12. **Purchaser** or **Authority** – The Population and Immigration Authority of the Israeli Ministry of Interior.
- 3.13. **Supplier** – the Bidder that shall be awarded by the Tender Committee the supply of the Inlays in accordance with this Tender.
- 3.14. **Tender** – This tender process.
- 3.15. **Tender Committee** – Tender committee of the Authority.
- 3.16. **Travel Documents** – Passports or Travel Documents as defined by the (Israeli) Passport Law 5712 –1952.
- 3.17. **Tender Documents** – The documents in accordance with which the Bidder is required to submit its Bid, including this document and all the appendixes attached hereto.
- 3.18. In the Tender Documents, unless the context requires otherwise:
  - 3.18.1. Headings are for convenience only and do not affect interpretation.
  - 3.18.2. Words in the singular include the plural and vice versa.

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- 3.18.3. A reference to “includes” or “including” means “includes, without limitation” or “including, without limitation”, respectively.
- 3.18.4. A reference to a right or determination, to be made or act, decided or not, by the Authority means the sole and absolute discretion of the Authority.

#### 4. General Description of the Contract

- 4.1. The Contract shall serve as the contractual framework for any future Purchase Orders issued by the Authority to the Supplier for the supply of Inlays during the Contract Period subject to any amendments and/or additional instructions that shall be determined by the parties for the purpose of any such future Purchase Orders.
- 4.2. The Supplier will supply the State of Israel with Inlays containing an e-Passport chip and a preloaded operating system for its Travel Documents, as well as the required middleware.
- 4.3. The warranty period for the Inlays and all its components will be of at least ten years and will include the replacement of any faulty Inlay with a new one, in accordance with the Supplier's proposal to the Tender and as specified in the Tender Documents.
- 4.4. The Supplier will also provide the Purchaser with training and support as stipulated in the Contract.
- 4.5. The contract shall commence on its execution by the Authority and shall continue in full force and effect for four (4) years (hereinafter - **Original Contract Term**). The Authority shall have the option to extend the Original Contract Term by up to 2 additional periods, up to three years at a time (the "**Option**"), by issuing a written notice to the Supplier, at least 30 days before the termination of the Original Contract Term or the Option term, as applicable. The Original Contract Term and any Option implemented by the Authority shall be referred to as the "**Contract Period**". The Contract Period is the period in which the Authority may issue Purchase Orders to the Supplier. However, the Parties mutual rights and obligations under the Contract which by their nature are not limited to the Contract Period shall continue in full force and effect until their actual completion, even if the actual date of completion of any such rights and obligations deviates from the Contract Period, as stipulated in the Contract.
- 4.6. Quantities and Deliveries
- 4.6.1. Subject to the successful completion of the Travel Document Development Stage and the Trial Stage as provided in the Agreement Authority shall purchase at least three million (3,000,000) Inlay units during the Original Contractual Term.
- 4.6.2. Bidders please note: According to the contract terms, the Supplier (the winning Bidder) is required to supply the Authority with at least 100,000 units, sixty-five (65) days from the signing of the contract (subject to final approval of the product by Purchaser); and must also supply an additional two hundred thousand (200,000) units of the product no later than ninety (90) days from the signing of the Contract. Subsequently, Product deliveries will be in accordance with advance orders made by Purchaser as contemplated by the Contract.

The above does not derogate from the full scope of works and services according to the Contract.

#### 5. The Qualification Process of this Tender

The evaluation process in this Tender consisting of four main phases, as follows:

- 5.1. **First phase:** Bidders and their respective proposed products will be evaluated for compliance with all the Threshold Requirements stipulated in the Tender. Proposals that fall short of meeting any of the Threshold Requirements shall not progress to the next stage of the Tender.

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- 5.2. **Second phase:** Bidders that comply with the Threshold Requirements shall be further evaluated in accordance with the Quality Evaluation Criteria set forth in Clause 18 below.
- 5.3. **Third phase:** the Commercial Proposals of the Bidders that complies with the Threshold Requirements and Quality Evaluation Criteria shall be opened and graded in accordance with Clause 19 below.
- 5.4. **Fourth phase:** The Bidder that shall receive the highest Final Score shall be invited to submit to the Authority sample units of the proposed Inlays and ancillary items as described in Clause 20 below in order to allow the Authority or anyone in its behalf to evaluate the integration of the Product into the booklet, to perform durability tests and other tests required on the Product. Subject to all the Authority's powers and discretion as provided for herein and under the Laws, if the proposed Products pass the evaluation the Bidder be awarded the Tender. If the proposed Products doesn't pass such evaluation the Bidder will be disqualified and the Authority may pass to the next in line Bidder and the above shall apply, *mutatis mutandis*.

## 6. Time Schedule for the Tender Process

- 6.1. Without limiting Authority's discretion to extend all dates, the schedule of this Tender shall be as follows:

	Description	Deadline
a	Last date for submission of queries and requests for clarifications regarding the Tender	<b>May 6<sup>th</sup>, 2024</b>
b	Last date for registering to the Tender	<b>May 6<sup>th</sup>, 2024</b>
c	Last date for submission of Bids (" <b>Last Submission Date</b> ")	<b>No later than May 28<sup>th</sup>,2024 at 13:00 (Israel time)</b>

- 6.2. The Tender Committee may modify or adjust the dates stipulated in the Tender or derived from it and may also extend the Last Submission Date insofar as the submission date specified has not yet passed. Notice of such extensions shall be sent to all Bidders who have formally registered to the Tender by filling in and submitting the registration form as specified in section 7.2 below.

## 7. Reviewing Tender Documents

- 7.1. Tender Documents may be viewed on the Israeli Government Procurement Administration's website <https://mr.gov.il/ilgstorefront/en> under the Tenders tab (hereinafter: **the Website**). Until the Last Submission Date Bidders are required and recommended to enter the Website regularly and check for updates with respect to the Tender.
- 7.2. The Bidder must register for the Tender by completing and sending the registration form, Appendix L of the Tender, by electronic mail, to the Tender coordinator Mrs. Dganit Sami, at [michrazim@piba.gov.il](mailto:michrazim@piba.gov.il), **until the date provided in Clause 6 above**.
- 7.3. Bidder will be requested to submit its information on the registration form and will be asked to provide names of two contact persons, each of whom is authorized to represent Bidder during the Tender and to provide an official address for delivery of notices by mail, telephone numbers, fax, and an electronic mail address.
- 7.4. Note: the registration process does not impose any obligation on the Bidder, including a commitment to participate in the Tender.

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- 7.5. **Appendixes A & C to the Tender shall be sent by electronic mail only to the compatible entities that have registered to the Tender as provided above.**

8. **Clarifications**

- 8.1. Bidders are entitled to contact the Authority in writing and submit a request for clarifications regarding the Tender. Such requests for clarifications shall be directed by electronic mail, to the Tender coordinator Mrs. Dganit Sami, at [michrazim@piba.gov.il](mailto:michrazim@piba.gov.il), **until the date provided in Clause 6 above.**
- 8.2. The request for clarifications shall be made in English only using a Word file submitted in a table in the following manner:

Document Name	Chapter	Clause No.	Clarification Requested

- 8.3. The Bidder should specify his name, address and telephone contact number, an electronic mail address and an address for the response.
- 8.4. The Authority shall be entitled, at its sole discretion, to reply or not to reply to requests for clarification. The Authority's responses to the requests shall be furnished without disclosing the identity of the Bidder who submitted the request. No Authority response shall be binding unless it is issued by written addenda as part of the Tender process and published on the Website. The responsibility to be informed of responses to the requests for clarification lies with the Bidders themselves.
- 8.5. All Bidders shall confirm in writing the acceptance of all addenda. All such addenda and all other amendments and clarifications issued in writing by the Authority regarding the Tender shall be signed and submitted by the Bidders as part of their Bids shall be an integral part of the Tender Documents (even if were not signed by the Bidders).
- 8.6. The responses to the requests for clarification will serve as an integral part of the Tender documents.
- 8.7. The Authority may modify the terms and conditions of the Tender prior to the Last Submission Date. Notification of such a change will be published on the Website.

9. **Preparation of Bids**

- 9.1. Bidders are required to prepare their Bids in full conformity with this Tender ("**Compliant Bid**").
- 9.2. Bidders shall complete their Compliant Bids in an accurate and detailed manner, disclosing all the information requested, as well as any additional information required to clarify, substantiate, and support the Bid.
- 9.3. Bidders may not deviate in their Bids from the instructions of the Tender unless prior permission has been specifically granted in writing by the Authority. The Authority may, at its sole discretion, disqualify any Bid containing any such Deviation/s or demand that the Bidder amend its Bid, as set out below.

10. **Language of the Proposal**

- 10.1. The Bid must be submitted in English.
- 10.2. Documents that are not in English or Hebrew must be translated into these languages, and the original documents must be appended to the translations; in the event of a contradiction between an original document to its translation, the latter shall prevail.

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## 11. **Date & Place for Submission of Bids**

- 11.1. Bids should be submitted in a sealed envelope **no later than the Last Submission Date as provided in Clause 6 above**, at the tender box located at the **Population and Immigration Authority Office, at 6 Mesilat Yesharim Street, Jerusalem**.

Please verify that prior to the placement of the envelope in the Tender box that the envelope is stamped at the guard station with the date and time accepted.

- 11.2. The envelope should state **"Public Tender with Two-Stage Process No. 10/2024 for the Supply of Inlays for Biometric Travel Documents"**.
- 11.3. The submission of the proposal by the date indicated in section 6 above is in the sole responsibility of the Bidder. **A late submitted proposal will not be examined.**
- 11.4. Under no circumstances should the proposal be submitted by electronic mail or facsimile.
- 11.5. The submission of a signed proposal constitutes conclusive evidence that the Bidder has read all the provisions of the Tender Documents, understood them and has given its unconditional consent to them.

## 12. **Threshold Requirements**

In order to participate in the Tender Bidder must meet at the Last Submission Date all the following requirements (the "**Threshold Requirements**"):

### 12.1. **Form and Place of Incorporation of Bidder**

- 12.1.1. The Bidder must be an entity duly incorporated and validly existing under the laws of a country that maintains diplomatic relations with the State of Israel. Entities residing or incorporated in a country which has no diplomatic relations with the State of Israel, or the Control of which is held by a resident or corporation of such a country, are not entitled to participate in the Tender.

Note: The Israeli National Cyber Directorate shall be the sole determining authority in this regard and its decision in this regard shall be final.

- 12.1.2. The Bidder shall be one legal entity and shall not be either a Joint Venture or Consortium or an unregistered partnership. Joint proposals by several corporations together shall not be accepted, however the use of subcontractors is allowed, provided that they are in compliance with the terms stipulated in section 12.9 of the Tender.

Note: A Bidder may not attribute data from another entity to itself, except in cases where it has expressly been permitted in the Tender. A corporation with (100%) absolute and unrestricted Control over another corporation shall be deemed the same corporation, subject to submission by the Bidder, of documentation indicating the above, from the relevant registry.

- 12.1.3. The Bidder is not listed as an entity whose activity in Israel and the economic activity of Israeli entities with it are limited or prohibited by the Act for Fighting Iran's Nuclear Plan, 2011 or the Act for the Prevention of the Distribution and Financing of Weapons of Mass Destruction, 2018.

### 12.2. **Bidder's Experience in Inlay production**

Bidder have supplied at least three million (3,000,000) Inlays for e-Passport between the year 2017 until the Last Submission Date, provided that for each such Inlay delivered one or more of the following criteria has been fully met:

- 12.2.1. The Inlay contained a chip or operating system of Bidder's own manufacture.

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- 12.2.2. The Inlay was assembled by the Bidder into a finished product (including the integration of the chip, the operating system and the antenna into a complete Inlay).

12.3. **The Proposed Products by the Bidder**

- 12.3.1. The Bidder proposed in its Bid an Inlay which its various components, as well as the product in its entirety, will comply with all the technical requirements as detailed in Appendix A of the Tender (“**Technical requirements**”) except those titled specifically as "Non-Mandatory".
- 12.3.2. The Bidder has title to, or has rights to use and distribute, all the rights (including intellectual property rights) to the tools, methods, and components to be used in the execution of its proposal, so that the here within shall be always in effect:
- 12.3.2.1. No impediment or restriction of any kind whatsoever exists on Bidder, in respect to the use of the product and the accompanying components, in accordance with the terms of the Tender.
- 12.3.2.2. Bidder is able to meet all of Bidder's commitments pursuant to the contract and the proposal in their entirety, and in a timely manner.
- 12.3.2.3. Entering into a contract with Bidder (if awarded the tender) according to the terms of the contract (Appendix I) does not and will not harm or in any manner infringe on third party rights whatsoever including intellectual property of any kind (copyrights, patents, commercial secrets, models, trademarks or others).
- 12.3.2.4. No impediment or restriction exists on the transfer of title of the product, its components or companion components, to the Purchaser or its representatives or from the Purchaser to third parties.

12.4. **Reference Projects for the Proposed Inlay**

The Inlay proposed by the Bidder in this Tender have been previously integrated in at least three (3) e-Passport projects, with a total of at least two million (2,000,000) such Inlay units successfully been supplied since 2017 until the Last Submission Date.

Note: For the purpose of this section the following shall apply:

- 12.4.1. The proposed Inlay - means the substrate and the antenna, irrespective of the type of chip or operating system embedded in the chip, **provided that the same method of assembly as proposed by the Bidder was used.**
- 12.4.2. Projects involving the use of Inlays other than for e-Passports projects (for example transportation smartcards projects or national identity cards projects) will not be accepted as reference projects.

12.5. **Reference Projects for the Proposed Inlay Chip**

The Inlay chip proposed by the Bidder (or a preceding version of such Inlay chip), have been previously integrated in at least five (5) e-Passport projects, with a total quantity of at least ten million (10,000,000) such Inlay chip units successfully been supplied since 2017 until the Last Submission Date.

Note: For the purpose of this section the following shall apply:

- 12.5.1. Projects involving the use of the proposed Inlay chip other than for e-Passport projects (for example transportation smartcard projects or national identity card projects) will not be accepted as reference projects.

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12.5.2. Reference e-Passport projects in which the proposed Inlay chip had been integrated into an Inlay different from the proposed Inlay by the Bidder can be listed as reference projects.

12.6. **Reference Projects for the Proposed Inlay Operating System**

The operating system for the Inlay proposed by the Bidder (or a preceding major version of such operating system), have been previously integrated in at least five (5) e-Passport projects, with a total quantity of at least ten million (10,000,000) units, which successfully been operated since 2017 until the Last Submission Date.

Note: For the purpose of this section the following shall apply:

12.6.1. Projects involving the use of the proposed operating system other than for e-Passport projects (for example transportation smartcard projects or national identity card projects) will not be accepted as reference projects.

12.6.2. Reference e-Passport projects in which the proposed operating system had been integrated into an Inlay different from the proposed Inlay by the Bidder can be listed as reference projects.

12.7. **Maximum AQL of the Proposed Products**

The proposed integrated product meets an AQL of no more than 0.3%.

12.8. **Industrial cooperation undertaking**

Bidder which is not incorporated in Israel must commit for Industrial cooperation.

12.9. **Subcontractors**

Bidder's subcontractors (if any) must be in compliance with the requirements stipulated in sections 12.1 above.

**Only Bidders who comply with all the aforesaid Threshold Requirements shall be entitled to participate in the Tender process.**

13. **Structure of the Bid – Two Parts**

13.1. Each Bid envelope must contain two duly sealed envelopes, one envelope containing the technical specifications and marked "**Professional Proposal & Technical Specifications**" with the name of the Bidder (Envelope 1) and containing all the documents and submittals required in Section 14 below and an additional envelope containing the "**Price Quote**" (Envelope 2) with the name of the Bidder containing all the documents required in Section 15 below.

13.2. The documents in Envelope 1 must be submitted in five (5) identical copies (including the various attendant documents and appendices). The original copy will be marked "**Original Copy**". Every page in the original copy of the Bid forms must be stamped and signed by the Bidder. The first page of every copy must be stamped with an original stamp (not a photocopy) of the Bidder with an original signature (not a photocopy). In the event of a contradiction between the original copy to other copies submitted by Bidder, the original copy shall prevail.

13.3. The bidder will attach all the documents required by the proposal forms and by the provisions of this Tender to the proposal and will mark the section of the proposal form to which it pertains.

14. **Professional Proposal & Technical Specifications – Envelope 1**

In Envelope 1 the Bidder shall include the following, all of which are required to determine its confirmation with the requirements of this Tender.

14.1. Table of contents. A cover letter addressed to the Authority, signed by the Bidder, listing in an orderly numbered table of content of the documents comprising the Bid being submitted.

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- 14.2. A duly signed copy of the Tender documents. A duly signed copy of all Tender documents, including an initially duly signed copy of the Contract in the form attached hereto **Appendix I**.
- 14.3. Technical Requirements. of the Tender in the form attached hereto as **Appendix A** duly signed by the Bidder.
- 14.4. Proposal Form. The Bidder shall fill out and duly sign the form attached hereto as **Appendix C**:
  - 14.4.1. Legal Structure. The Bidder shall attach to the Bid the required documents as provided in Section 3.5 of **Appendix C**.
  - 14.4.2. Manufacture chain. The Bidder shall attach a tree diagram describing the manufacture chain of the proposed Inlay and of the proposed middleware / SDK, to the level of:
    - 14.4.2.1. The Inlay packager.
    - 14.4.2.2. The Inlay chip manufacturer.
    - 14.4.2.3. The operating system manufacturer.
    - 14.4.2.4. The middleware / SDK manufacturer.
  - 14.4.3. Documentation regarding the Bidder's experience in Inlay Production as follows:
    - 14.4.3.1. A duly signed declaration by the Bidder's auditor indicating the scope of the total manufacture and supply of inlays for e-passport during the period specified in section 6 of **Appendix C**, broken down by years and by countries, shall be appended to the proposal form.
    - 14.4.3.2. If the Bidder or its subcontractors are unable to name some of the countries where the products were supplied or the annual quantities, due to non-disclosure agreements:
      - 14.4.3.2.1. The proposal form shall include a statement that the aforementioned non-disclosure agreements prevent disclosure of the name of the country or the annual quantities.
      - 14.4.3.2.2. If the annual quantities cannot be disclosed, the Bidder shall specify the accumulative quantities listed in the relevant threshold requirement regarding that country.
      - 14.4.3.2.3. The proposal form shall be accompanied by a certified copy of the said non-disclosure clause with any identifying data removed.
      - 14.4.3.2.4. The form shall be accompanied by a certificate from an accountant in one of the top ten accounting firms (as rated by ACT Top 100 Firms) regarding the accuracy of the enclosed data and the fact that the Bidder is bound by a non-disclosure agreement.
      - 14.4.3.2.5. This section 14.4.3 shall also apply to the sections 14.4.4 – 14.4.6 below.
    - 14.4.3.3. Any prior experience in producing Inlays for e-Passport, even if they differ from the Inlay offered as part of this Tender, can be noted in response to this section. However, please note that projects using inlays other than for e-Passport (such as transportation smart cards or national

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identity cards) will not be considered reference projects for the purposes of this section.

14.4.4. Documentation regarding Inlay Reference Projects

14.4.4.1. A certificate by the auditor of the Bidder or of the Subcontractor on its behalf shall accompany the proposal form, attesting to the quantities that have been produced and supplied, of the Inlay that is being offered for the e-Passport, during the period specified in **Appendix C**, and broken down by country.

Please note that Projects other than E-Passport projects that involve the use of the proposed chip (such as transportation smartcard projects or national identity card projects) cannot be listed as reference projects.

Reference e-Passport Projects in which the proposed chip was integrated into an Inlay different from the proposed inlay may be listed as reference projects.

14.4.5. Documentation Regarding Chip Reference Projects

14.4.5.1. The Bidder's Inlay chip reference projects shall be provided in the format attached hereto **Appendix C**.

14.4.5.2. A certificate by the auditor of the Bidder or of the Subcontractor on its behalf shall accompany the proposal form, attesting to the quantities that have been produced and supplied, of the Chip that is being offered for the e-Passport, during the period specified in **Appendix C**, and broken down by country.

14.4.6. Documentation regarding Operating System Reference Projects

14.4.6.1. The bidder's Operating System Reference Projects shall be provided in the format attached hereto **Appendix C**.

14.4.6.2. A certificate by the auditor of the Respondent or of the Subcontractor on its behalf shall accompany the proposal form, attesting to the quantities that have been produced and supplied, of the Operating System Licenses that are being offered for the e-Passport, during the period specified **Appendix C**, and broken down by country.

14.4.7. Test plan. Bidder shall append to the proposal form, **Appendix C** of the Tender, a proposed test plan, for testing during (a) production; and (b) at delivery, of the product.

14.4.7.1. it is hereby clarified that pursuant to the Contract, Appendix I of the Tender, the Inlay Supplier must conduct the tests listed in the proposed Test Plan, in addition to the tests stipulated by the Contract.

14.5. Technical specifications. The Bidder shall fill out and duly sign the form attached hereto as **Appendix D**, as well as the required documentation in the appendix, such as Test results and Device driver version.

14.6. Affidavit of warranty and undertaking. The bidder shall attach to the proposal form an affidavit certified by an attorney, in the format set forth in **Appendix E** of the Tender.

14.7. Affidavit regarding compliance with technical requirements, as detailed in **Appendix A**. Bidder shall attach to the proposal form Authorizations by the holders of the copyrights regarding the use of their rights in the framework of the proposal, attached to the filled out and duly signed **Appendix F** of the Tender.

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- 14.8. Affidavit regarding Bidder's Subcontractors (if any). Bidder shall attach to the proposal form the following:
- 14.8.1. An affidavit and/or evidence demonstrating that its Subcontractors are in compliance with section 12.9 of the Tender, as well as an affidavit certified by an attorney, in the format set forth in **Appendix F** of the tender.
  - 14.8.2. The subcontractor shall declare in an affidavit that it will deliver the services and goods for which it is responsible directly to Authority, if so requested, and shall declare that the agreement between Bidder and subcontractor does not contain any undertaking which would withhold or impair from the commitment of the subcontractor to deliver the services and goods directly to the Authority, should the agreement between Authority and Bidder be revoked for any reason.
- 14.9. Affidavit regarding No Conflict of interest. Bidder or his signatories shall attach to the proposal form an affidavit, in the format set forth in **Appendix G** of the Tender, regarding the lack of matters or issues that could place them in a position which might pose a conflict of interest in the delivery of the product discussed in the Tender.
- 14.10. Industrial Cooperation undertaking. A Bidder that isn't incorporated in the state of Israel must attach to the proposal form a commitment, in the format set forth in **Appendix H** of the Tender.
- 14.11. Schematic Diagram. The Bidder shall attach a duly signed copy of the schematic diagram in the form attached hereto **Appendix J**.
- 14.12. List of Consultants. The Bidder shall attach a duly signed copy of the list of consultants in the form attached hereto **Appendix K**.
- 14.13. Registration and Receipt of an I.D number. The Bidder shall complete and submit the registration form, appended as **Appendix L** of the Tender, solely by electronic mail, as stipulated by section 7.2, by the date provided in clause 6 of the Tender.
- 14.14. Diagram of the issuance system. The Bidder shall attach a duly signed copy of the diagram of the issuance system in the form attached hereto **Appendix M**.
- 14.15. Clarifications & Amendments. All clarifications & amendments, issued by the Authority during the Tender, duly signed by the Bidder.
- 14.16. Disk on Key containing a PDF scanned version of all the documents comprising Envelope 1. The Bidder must verify that the contents of the disc are identical to the printed proposal.

**Envelope 1 shall not contain any information or documents regarding the commercial proposal.**

15. **Price Quote – Envelope 2**

- 15.1. In Envelope 2 The Bidder will include the price offered by it for a single Inlay on the price offer form, Appendix C1 of the Tender, duly signed by the Bidder. The Bidder should quote its commercial proposal to all items in the designated places in the price offer form attached as Appendix C1. The quotation for an item shall not refer to any other item and shall not include any other Deviation.
- 15.2. The price of a single Inlay shall contain, in addition to the product itself, all of the services and components detailed below (at no additional cost):
- 15.2.1. Middleware including a license for installation in four locations (the main issuing center, the secondary issuing center and two integration sites);
  - 15.2.2. Maintenance of the middleware, ongoing maintenance for the use of the software and software updates;

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- 15.2.3. Professional support by electronic mail or by telephone (per the Authority's request) as well as professional training and support for fifty (50) workdays (up to twelve (12) on site service visits to the issuing or warehousing facility in Israel), as stipulated by the contract, Appendix I of the tender.
- 15.2.4. Warranty for the product for at least 10 years after delivery to the Authority, as provided in the Contract.
- 15.2.5. The proposed price will include all necessary costs (direct and indirect) to deliver the product contemplated by this Tender from Bidder's facilities to the issuing or storage centers in Israel (per the Purchaser's instructions), including all of the taxes and levies (import taxes, duty and purchase tax etc.), transport costs, storage (until Purchaser's facilities), release from the port, transport and storage in Israel (not at Purchaser's facilities), as well as related bonds and insurances.
- 15.3. Notwithstanding the above, the price quote will not include VAT.
- 15.4. To dispel any doubt, the proposed Inlay will be delivered as a finished product and will include the hardware and the operating system.
- 15.5. Bidders please note, according to the Contract, Appendix I to the Tender, the Authority will pay the Supplier if necessary:
  - 15.5.1. One thousand (1,000) Euros for every day of professional training (actual workdays) needed that exceeds the number of days in the price quote, as stipulated by the Contract, Appendix I of the Tender;
  - 15.5.2. One thousand (1,000) Euros for each visit to the Authority's facility, upon Authority's request, beyond the visits included in the quote as specified in the Contract, Appendix I to the Tender.
- 15.6. Bidder please note: Upon signing the Contract, the Supplier will notify the Authority if he desires to receive payments in Euros or wishes to convert its offer to New Israeli Shekels according to the representative exchange rate on the day the Contract is signed. Payment of the consideration due to the Supplier as well as payments owed by the supplier to the Authority will be executed according to the preference, as contemplated by the Contract, Appendix I of the Tender.

**16. Multiple Proposals**

A Bidder can submit more than one proposal, provided that each proposal is submitted as a complete and separate proposal as required in the Tender and offers a different finished Product.

**17. Validity of the Proposal**

- 17.1. The proposal will be valid for six (6) months from the Last Submission Date.
- 17.2. Without derogating from the foregoing, the Authority may request the Bidders (or any of them) to extend the validity of their Bid for one or more additional periods, at the Authority's discretion.
- 17.3. Notwithstanding the above, proposals that are not chosen will remain valid for at least 60 days after the conclusion of the Tender process if the winner of the Tender withdraws its proposal or breaches the Contract. In this circumstance the Authority may (but is not obligated to) declare the next Bidder in line as the winner of the Tender.
- 17.4. Should the contractual agreement between the Authority and the winner of the Tender end prematurely, for any reason at all (such as breach of the agreement or its revocation, revocation of the contract for any other reason etc.) the Authority may (but is not obligated to) choose the

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next Bidder in line, provided that at such time the Bidder has met the preconditions for participation in the Tender.

**18. Examination of Bids**

18.1. In the first stage the Authority shall examine the contents of Envelope 1 to determine if the Bid complies with the Threshold Requirements and general requirements.

18.2. In the second stage the Authority shall examine the contents of Envelope 1 of the Bidders which passed the first stage to evaluate the quality of the Bids. The Authority may commence the second stage of the examination of the Bids prior to the completion of the first stage. The Quality Score of the Bids (up to 20 points) shall be awarded by the Authority in accordance with the following criteria and scores:

The Quality Score shall be awarded in accordance with the following criteria and scores:

Main Category Criteria	Subcategory	Score	Maximum score
<b>1.Additional Reference Projects</b>	Inlays that comply with the requirements specified in section 12.4 of the Tender	Inlays integrated in projects with a total volume of over 2,000,000 units and up to 8,000,000 units – <b>1 point</b> .	<b>5</b>
		Inlays integrated in projects with a total volume of over 8,000,000 units and up to 15,000,000 units – <b>2 points</b> .	
		Inlays integrated in projects with a total volume of 15,000,000 units or more – <b>3 points</b> .	
		Inlays integrated in projects for clients in OECD countries with a total volume of 5,000,000 units or more - <b>additional 2 points</b> .	
	A proposed product that includes an Inlay chip that was integrated in projects as stipulated in section 12.5 of the Tender	An Inlay chip integrated in more than 10,000,000 units up to 40,000,000 units – <b>2 points</b> .	<b>5</b>
		An inlay chip integrated in projects of 40,000,000 units or more – <b>3 points</b> .	
Inlay chip integrated in projects for clients in OECD countries with a total volume of 8,000,000 units or more - <b>additional 2 points</b> .			
A proposes product that includes an operating system in compliance with the terms specified in section 12.6 of the Tender	Operating System integrated in projects of more than 20,000,000 units – <b>3 points</b> .	<b>4</b>	
	Operating System integrated in projects for clients in OECD countries with a total volume of 20,000,000 units or more - <b>additional 1 points</b> .		
<b>2.Standalone personalization software/script</b>	A Bidder proposing software based on open-source software	Solutions that are based on Python and are cross-platform (MS Windows and Debian-based Linux distributions such as Ubuntu) – <b>2 points</b> .	<b>2</b>
<b>3.Special procedure for the operational phase</b>	A Bidder proposing support reading an Elementary File from the Proposed Chip as provided in Clause 6.7.2 to the Annex A	Solutions that can support reading an EF from the chip during the operational phase and without any prior data on the chip (such as optical scanning) - <b>2 points</b> .	<b>2</b>

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Off-chip generation of chip a-symmetric key pairs	The solution provides Off-chip generation of chip a-symmetric key pairs.	Solutions that can support unique chip a-symmetric key pairs may be generated off-chip, for better performance and throughput. Such key pairs shall be EC keys using one of the NIST curves (P-256 or P-384) and which comply with the provisions included in Clause 8.4.3 to Annex A - <b>2 points</b> .	<b>2</b>
<b>Total</b>			<b>20</b>

18.3. After the second stage, a Bidder that shall be awarded a Quality Score in the "Additional Reference Projects" (Main Criteria Category 1) of less than 7 points in total (the "**Minimum Score**") shall not pass to the next stage and the Bidders whose Bids received Minimum Score or more shall pass to stage 3. Notwithstanding the foregoing, if less than 3 Bids received the Minimum Score, the Authority may, but is not obligated to, decrease the Minimum Score and the provisions of this clause shall apply *mutatis mutandis*.

**19. Rating the Price Proposal – Stage 3**

19.1. The Authority shall examine the contents of Envelop 2 of the Bidders that successfully passed Stage 2 to determine their Price Score.

19.2. Subject to the prerogatives of the Authority under this Tender and under the Laws, the lowest commercial proposal shall be awarded 80 points for Price Score. The Price Score for the other eligible Bidders shall be determined as follows:

$$\left( 80 * \frac{\text{the lowest commercial proposal}}{\text{the evaluated commercial proposal}} \right) = \text{Price Score}$$

19.3. The sum of the Quality Score and the Price Score for each eligible Bid shall be the Final Score of the Bid. The Bidder that his Bid was granted the highest Final Score shall be invited to compatibility test, as provided below.

**20. Compatibility Tests and Selection of the Successful Bidder – Stage 4**

20.1. The Bidder that received the highest Final Score shall be invited to submit to the Authority within 14 days of Authority's notice (or other term determined by the Authority), sample units of the proposed Inlays and ancillary items as described below to allow the Authority or anyone in its behalf to evaluate the integration of the proposed Product into the booklet, to perform durability tests and other tests required on the Product.

20.2. The sample units submitted by the above Bidder shall include the following:

20.2.1. At least 10 Inlays of the proposed product (including the proposed chip and the operating system), containing sample information according to a data set that the Authority will provide the Bidders upon confirmation of registration.

20.2.2. At least 500 units of Inlays containing an antenna and a substrate that are identical to the product offered, independent of the type of chip or operating system used, **provided that the same method of packaging is used**. These samples **will not** include a thinner area at the hinge, as detailed in the schematic drawing **appendix J**. These samples will allow the Purchaser to evaluate the integration of the product into the booklet, and to perform durability tests, with the only required parameter being the active state of the chip (response to SELECT/RESET - ATS/ ATR).

20.2.3. The Authority should be able to test the samples; hence the samples should be accompanied by the proper keys that are needed. Specifically, the testing

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environment must receive the CVCA public key in CVCERT format and the private key in PKCS#8 format, to be able to execute the entire test suite needed.

- 20.2.4. Device Driver. Bidder will attach to the proposal the version of the device driver that was used in the operating speed test, as stipulated in section 7.11 of the Technical Requirements, Appendix A of the Tender.
- 20.3. The samples units will undergo compatibility tests by the Authority or its consultants to ensure compliance with the Technical Specifications. The Authority reserves the right to employ professionals for inspection as it deems necessary, and the Bidder are obligated to assist and cooperate fully with the Authority and/or its representatives.
- 20.4. The Bidder will be considered to have passed this stage 4 only if his offered Products have been approved by the Authority in accordance with its discretion.
- 20.5. Subject to all the Authority's powers and discretion as provided for herein and under the Laws, if the proposed Products successfully pass the compatibility tests the above Bidder shall be awarded the Tender and declared as the successful Bidder of this Tender.
- 20.6. If the proposed Product fails to meet the compatibility tests, the Bidder will be disqualified from the Tender, and the Authority may then proceed to the next in line Bidder (i.e., the Bidder whose Bid received the second highest Final Score) to undergo compatibility tests. The same process will be repeated accordingly. This procedure shall apply, *mutatis mutandis*, until the selection of a successful Bidder in the Tender.
- 20.7. The bidder shall not be entitled to any reimbursement for expenses related to their participation in the Tender and in this stage, and hereby relinquishes any claims, demands, or rights against the Authority in connection with such expenses. Furthermore, without limiting the foregoing, the Bidder acknowledges and agrees that if it do not meet all the conditions and requirements of this stage to the satisfaction of the Authority, the Authority may disqualify their participation in the Tender and proceed to the next eligible Bidder. The Bidder acknowledges that they have no right to appeal, object, or be heard in this matter, and they waive any such rights of appeal, objection, or argument.
- 20.8. Without derogating the Authority's rights under the Tender and pursuant to any Laws, should a Successful Bidder fail to fulfill its undertakings according to the terms of the Tender or the Contract, the Authority may approach the next Bidder in Bid rankings and announce him as the successful Bidder. Should such announcement of a new successful Bidder be made later than 6 months as of the selection of the initial successful Bidder, the new successful Bidder may decline the award and should he do so, the Authority shall be entitled to approach the next Bidder ranked and so on.

**21. Execution of the Contract**

- 21.1. As a condition for executing the Contract by the Authority the successful Bidder must submit to the Authority with all the documentation, commitments and permits detailed in the Contract within 14 days from notification of the award.
- 21.2. Notwithstanding the generality of the above, the successful Bidder of the Tender must present the following documents to the Authority:
- 21.2.1. Non-disclosure declarations, in the forms specified in Appendixes (5) and (6) of the Contract.
- 21.2.2. A performance bond as stipulated in the Contract in the format stipulated in Schedule (2) of the Contract.
- 21.2.3. Documentation that includes instructions and guidelines for the optimum operation of the product.

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- 21.2.3.1. Notwithstanding the generality of the above, the successful Bidder of the Tender will supply the Authority with the following documentation:
- 21.2.3.1.1. Instructions and guidelines for the gluing of the inlay substrate to the specified cover material, including any pre-glue steps required;
  - 21.2.3.1.2. Documentation at the Application Protocol Data Unit (APDU) level for the operating system in the product;
  - 21.2.3.1.3. Complete documentation for the middleware and SDK;
  - 21.2.3.1.4. A list of processes required for the Purchaser to receive the product (such as: exchange of cryptographic keys through a key ceremony, special processing procedures, forms that the Purchaser has to complete etc.);
  - 21.2.3.1.5. Detailed instructions for the processing and storage of the product, its operation and maintenance.
- 21.2.3.2. The successful Bidder of the Tender may request that prior to delivery of the documentation that the Purchaser will sign a non-disclosure agreement (NDA), in the customary format, provided that the law governing the NDA is Israeli law and the jurisdictional authority belongs to the competent court in Jerusalem, Israel.

**22. Industrial Cooperation Undertaking**

- 22.1. The Bidder is aware that the Tender and any order to be issued pursuant to the Tender is being undertaken under the regulation and supervision of the Industrial Cooperation Authority (the "ICA"), in accordance with the Mandatory Tender Regulations (Preference for Israeli Products and Mandatory Business Cooperation) 5755-1995 (the "ICA Regulations") and it undertakes to comply with all the relevant conditions and ICA Regulations.
- 22.2. Without derogating of the authority and rights vested with the ICA under the ICA Regulations, the Authority and/or the ICA always has the right during the Contract Period, to request any information and explanations from the Supplier in order to verify that the Supplier is in compliance with the ICA Regulations. The Supplier will comply with any such requests from the ICA.
- 22.3. The Authority has all the rights and prerogatives in accordance with this Tender regarding a Bidder that does not comply with the requirements of the ICA and/or the ICA Regulations.
- 22.4. A Bidder will not be entitled to request the disqualification of another Bidder due to any matters regarding the ICA or the ICA Regulations.

**23. Cost for Participation in the Tender**

Bidders alone shall bear the expenses of their participation in the Tender process and shall not be entitled to any compensation from the Authority for these expenses.

**24. Independent Research and Inquiries**

Bidders shall carry out their own independent research and inquiries about all aspects of the Project, including (but not limited to) legal requirements under any applicable law of the State of Israel and all other relevant information relating to any aspect of the Project that may be necessary or useful for the preparation of the Bid. Other than with respect to written documents received from the Authority, any information which the Bidder acquires or receives in connection with the Project shall be at the Bidder's sole responsibility.

## 25. Interpretation

- 25.1. Words and expressions that are not defined in section 3, shall be ascribed their meanings as found in the law, in the Interpretation Ordinance or the Interpretation Law, 5741 – 1981, unless another interpretation is mandated from the context or text.
- 25.2. A revocation or a determination regarding the revocation of terms of the Tender shall not invalidate the tender or any other term therein.
- 25.3. The Contract attached to the Tender, with all of its appendices constitutes an integral part of the tender documents. The tender and the contract attached to it (with all of its appendices) are deemed one document with complementing parts.
  - 25.3.1. In the event of a contradiction between the language of the Tender and the language in the Contract, an effort shall be made to resolve the contradiction.
  - 25.3.2. In circumstances where it is not possible to resolve the difference between the language of the Tender and the language of the Contract the language of the Contract shall prevail.
  - 25.3.3. All references made in the plural – shall include the singular and vice versa.
  - 25.3.4. The headings of the sections in the tender and the appendices are provided for convenience's sake only and shall not be used in the interpretation thereof.

## 26. Index and Currency

- 26.1. A sum of money or value of an asset quoted by Bidder, shall be quoted in Euros, and written both in its numerical and written form.
  - 26.1.1. In the event of a contradiction between the sum stated in numerical form and the sum as written the latter shall prevail.
  - 26.1.2. If the type of currency is not specified, the presumption will be that the currency is proposed in Euro.

## 27. Website

- 27.1. All information and components relating to the Tender and all notifications regarding the tender will be published on the Website.
- 27.2. It is the responsibility of the Bidders to continuously update themselves with regard to the progress of the tender from this site.
- 27.3. Inasmuch as possible and without taking responsibility for doing so, the Tender Committee will send notifications of new information on the site by electronic mail. **Bidders should take the proper actions to include the mail address [michrazim@piba.gov.il](mailto:michrazim@piba.gov.il) in their "safe senders" list.**

## 28. Proprietary Rights to Documents

The Tender Documents belong to the Authority and may not be used for any other purpose other than for the submission of proposals to the Tender.

## 29. Authority's Consultants

- 29.1. Parties that serve as consultants to the Authority or the Tender Committee for the State of Israel travel documents project, including the parties detailed in Appendix K of the Tender, are disqualified from participating in or consulting in the preparation of a proposal for the Tender, or advising a Bidder on any other issue, whether individually or through an affiliated body, unless prior written permission to do so is obtained from the Tender Committee.

29.2. The Tender Committee has the discretion to disqualify a proposal prepared in violation of this section.

**30. General Prerogatives of the Authority**

- 30.1. Notwithstanding any other provision herein, the Authority may at its sole discretion: (i) Unconditionally reject any or all of the bids at any time and any stage, including (without limitation) any time after the Last Submission Date, for any reason, without thereby incurring any liability to the affected Bidders; (ii) Accept bids that are not fully compliant due to a default or lack of information, in which case the Authority may, but is not required to, ask a Bidder to amend such default in its bid and/or resubmit the Bid including (without limitation) in the framework of negotiations held with the Bidders and even after the Last Submission Date; (iii) Request additional information, including (without limitation) documents and/or clarifications from any of the Bidders, whether orally or in writing.
- 30.2. The Authority may, but in no way is it obligated to, request an interview and/or a general presentation from the Bidders regarding their bids or any part thereof. The Authority may invite Bidders to undergo such interview or give such a presentation at the time determined by the Authority after the bids were submitted. A presentation, if required, shall be made in the English language and may be followed by questions in the English language from the Authority and/or the Evaluation team and/or anyone on their behalf. The Authority at its sole discretion may use information divulged in the presentation or interview or any part of thereof. The Authority at its sole discretion, in consequence to an interview or a presentation may (i) demand that the Bidder amend any defaults in its Bid; and/or (ii) disqualify the bid; and/or (iii) apply any other measures it sees fit.
- 30.3. As an integral part of the evaluation of the Bid, including but not limited to the Threshold Requirements and to the evaluation criterion, the Authority may at its sole discretion at any time after the submission of Bids, conduct a site visit to the facilities of the Bidder and/or any of its subcontractors (if relevant). In the event the Authority chooses to do so, it shall provide such Bidder with advance notice. The Authority may, at its sole discretion, consider such a site visit when grading the information submitted by the Bidders in their Bid. The Authority at its sole discretion may use information revealed in the site visit or any part of it. The Authority at its sole discretion, in consequence to the site visit may (i) demand that the Bidder amend any defaults in its facilities and/or Bid; and/or (ii) disqualify the Bid; and/or (iii) apply any other measures it sees fit.
- 30.4. The Authority may also allow and/or require the submission of documents and information after the Last Submission Date in order to verify the compliance of any Bidder with the Threshold Requirements and/or to better evaluate its Bid. For the avoidance of doubt, it is hereby clarified that the Authority's Tender Committee reserves the right to amend or waive, even after the Last Submission Date, any technical provision or formality of the Tender Documents, provided, however, that such waiver or amendment does not in any way contradict or derogate from the principles of applicable Law governing the Tender.
- 30.5. The Authority may, at its sole discretion, provisionally pass any Bidder with respect to the requirements set forth above or grant a provisional passing score to any Bidder for any of the evaluation criteria set forth above, subject to the receipt of all required documentation from such Bidder prior to award of the Contract to such Bidder.
- 30.6. The Authority may, at its sole discretion, add additional stages to the Bid evaluation process, including, without limitation, to request additional information and data, add a stage in which Bidders may amend any part of their Bid, submit added information and data or resubmit Technical Specification envelop, or part thereof as a result of any amendment to the Tender Documents by the Authority or for any reason.

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- 30.7. The Authority may, at its sole discretion, cancel the invitation to submit Bids pursuant to these Instructions to Bidders, at any time, including without limitation, any time after the Last Submission Date, for any reason, including any case that the Authority at its sole discretion may initiate such cancellation.
- 30.8. As part of the evaluation process and without derogating from any other prerogative of the Authority pursuant to these Tender Documents, the Authority may, at its sole discretion, conduct an independent inquiry or investigation regarding any matter connected with the Tender Process, the Threshold Requirements and evaluation criteria thereof and the Bids, including, without limitation, regarding the financial strength, technical expertise and experience of any Bidder. As part of such inquiry, the Authority may request further information and clarifications from any Bidder or any person or entity the Authority may see fit, whether orally or in writing.
- 30.9. Provided that the Authority first affords the affected Bidder an opportunity to present arguments in support of its Bid, the Authority may reject any Bid with respect to which the Authority concludes, at its sole discretion, that (i) the information supplied in the Bid, including, without limitation, information regarding the financial strength and/or technical capabilities of the Bidder, does not accurately reflect the actual ability of the Bidder to execute the Contract for any reason whatsoever, irrespective of whether the information supplied in the Bid prima facie supports a different conclusion; or (ii) a unit rate quoted by the Bidder is not realistic in the business judgment of the Authority and, in the business judgment of the Authority, the Bidder will not be able to execute the Contract at such rate.
- 30.10. The Bidders shall not have the right to claim any damages, expenses, or other relief in connection with the exercise by the Authority of any of its above-mentioned rights.

**31. Prerogatives of the Authority regarding Deviations**

Without derogating from the provisions above where a Bidder submits or presents any Deviation, in any stage of the Tender Process, the Authority may act as it deems appropriate, including without limitation, in any one or more of the following ways:

- 31.1. The Authority may disqualify the Bid.
- 31.2. The Authority may provisionally ignore all or part of a Deviation and, notwithstanding anything stated to the contrary in the Bid, evaluate such Bid without considering such Deviation, and as a condition to the awarding of the Contract require the Bidder to conform to all the requirements of the Tender Documents as amended.
- 31.3. The Authority may view all or part of a Deviation as technical errors which do not conflict with the principle of equality.
- 31.4. The Authority may require the Bidder to correct all or part of the Deviations.
- 31.5. The Authority may conduct negotiations with a Bidder and amend the Tender Documents, in which case the amendment will apply equally to all of the Bidders, and they will all be given the opportunity to resubmit their Bids or any part thereof, all in accordance with the written instructions of the Authority.

The Authority may decide, at its sole discretion, whether to act or refrain from acting in any one or more of the alternatives listed above. The Authority shall have the sole discretion to apply the abovementioned alternatives in whole or in part, or in stages, and to treat differently different Deviations in the same Bid or in different Bids. A Bidder shall not have the right to claim that there is any binding preferential order which applies to the alternatives, or which restricts the Authority from exercising its full discretion. If the Authority chooses to proceed in any of the alternatives above, and the Bidder refrains from implementing the Authority's decision, the Authority may, without derogating

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from any of its other rights (including the right to conduct negotiations), disqualify the Bid, regardless of whether the Bidder's was chosen as an Approved Contractor.

The provisions of this Section shall not derogate from any other right granted to the Authority pursuant to the Tender Documents or pursuant to any applicable law, including, without limitation, with respect to its right to conduct negotiations, accept Deviations, amend the Tender Documents, and allow the resubmission of Bids.

### 32. **Disqualification of Bid**

Without derogating from the Authority's rights and authorities under the Tender and under law, the following conditions and events may lead to disqualification of a Bidder, at the Authority's sole discretion, at any stage during the Tender or after, during the Contract Period. The disqualifying conditions and events apply both to the Bidders, their shareholders and to parent entities (hereinafter in this Clause jointly referred to as "**Bidder**").

- 32.1. The commencement of bankruptcy, receivership, liquidation or reorganization, reconstruction or composition of creditors proceedings against the Bidder or a similar situation, unless such proceedings are discharged within a reasonable period of time, as determined by the Authority, at its sole discretion, or if an interim or permanent receiver, liquidator, administrator or examiner or similar officer is appointed over the Bidder and/or the assets thereof, or if the Bidder has become insolvent.
- 32.2. The commencement of any voluntary action for the liquidation of the Bidder except for the purposes of merger or reconstruction on terms approved by the Authority in writing.
- 32.3. Commencement of any legal proceedings, which allegedly relate to an offence, which in the Authority's opinion, affects the integrity of the Bidder.
- 32.4. Commitment of a grave error by any Bidder in the performance of its profession.
- 32.5. Employment of or engagement with a consultant or an expert, who was/is employed by the Authority and/or any other relevant authority in relation to the Authority without the prior written approval of the Authority.
- 32.6. Participation of a Bidder or an interested party therein, that is suspected of being involved in criminal activity or of being hostile to the State of Israel and/or that is a resident of a country which does not have diplomatic relations with the State of Israel.
- 32.7. The existence of a material conflict of interest in a Bidder or any interested party therein.
- 32.8. Any event or change in circumstances in the Bidder may adversely affect the Bidder's capacity to be approved as a Bidder.
- 32.9. Any material breach of the provisions of the Tender, including the submission of any false or incomplete information.
- 32.10. Any other event or circumstances which the Authority shall consider, at its sole discretion, as justifying disqualification of any Bidder.

If any of the above conditions or events occurs, the Authority reserves the right to impose upon a Bidder any instructions as a condition for its participation in the Tender.

### 33. **Request for Additional Information and Clarifications**

- 33.1. The Tender Committee may (but is not obligated to) request written or oral clarifications of any Bidder regarding its proposal, in whole or in part. Such a request shall not be construed as permission for a Bidder to change its proposal or to grant such Bidder an unfair advantage over the other Bidders. The clarifications will serve as an integral part of the proposal.

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- 33.2. The Tender Committee has the discretion to request that a Bidder provide missing information and/or recommendations and/or certifications that relate to the requirements stipulated in the tender, in order to evaluate the Bidder's compliance with the preconditions of the tender. The Committee may, for reasons to be listed, invite a Bidder to appear before it in order to verify details of the proposal or for other details that it requires in order to make a decision.
- 33.3. The Tender Committee may perform any act that is necessary to evaluate the proposal, including visiting the Bidder's facilities or the facilities of a proposed subcontractor.

34. **Nonresponsive Proposal**

- 34.1. The Tender Committee may, for reasons that must be listed, instruct that a defect in a proposal on the tender be rectified, if it finds that this will not harm the equality of the Bidders or if it finds that this decision benefits the public welfare and the goal of the tender.
- 34.2. The Tender Committee may, inter alia, disqualify a proposal that is partial, lacking, conditional, defective, incorrect or based on an incorrect understanding of the order, unless the Tender Committee decides otherwise.

35. **A Tactical or Loss Based Proposal**

A Tactical proposal or a proposal submitted with a lack of good faith or a proposal that under analysis proves to be a proposal at a loss or a proposal that is not based on a clear and solid economic foundation will be disqualified.

36. **A Conditional or Limited Proposal**

- 36.1. A Bidder may not limit his proposal or condition it in a manner that is not consistent with the requirements of the tender.
- 36.2. A Bidder who believes that the requirements of the Tender should be conditioned or modified may raise such comments or reservations as part of the clarification process only; the Authority will consider the request and respond in accordance with the provisions of the Tender.

37. **Viewing the Tender Documents and the Winning Proposal**

- 37.1. If requested the Authority shall enable a Bidder who has not been awarded the Tender to review the minutes of the Tender Committee and the documents comprising the proposal of the successful Bidders subject to the Laws.
- 37.2. A Bidder who believes that sections of its proposal contain trade or business secrets (hereinafter – "**Classified Sections**"), and should not be open for viewing by the other Bidders following the completion of the Tender, should explicitly make note of the Classified Sections by submitting with its proposal one copy of the proposal which includes marked sections that, in Bidder opinion, should not be open for perusal, and mark this as a "copy for competitor review".
- 37.3. A Bidder failing to mark sections on the proposal form as classified or failing to submit a copy for competitor review, will be deemed as having consented to delivery of the entire proposal to be read by other Bidders should said Bidder be awarded the tender.
- 37.4. The designation of certain sections of the proposal as classified or their deletion from the copy for competitor review will be considered an admission that these classified sections in the proposal are also classified in the proposals of other Bidders, and therefore Bidder waives in advance all rights to view these sections in the competitors proposals as well.
- 37.5. Please note that the Authority is not obliged to accept Bidder's position with respect to the Classified Section and the sole discretion with regard to the right of review of the Bidders lies with the Tender Committee alone, who will act in this matter in accordance with its discretion under the Laws.

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37.6. Without derogating from the above, be advised that Bidder's name and address, experience, customers, and the proposed price does not constitute trade or business secrets. A Bidder who chooses to participate in this Tender thus consents to the terms of this section.

**38. Governing Law and Jurisdiction**

38.1. This Tender process is subject to the laws of the State of Israel solely, as they shall be formulated from time to time.

38.2. Any matter related to this Tender, the Contract and any Purchase Order shall be adjudicated only in the authorized courts of the city of Jerusalem, Israel.

**In Witness Whereof we have signed this Tender:**

Name of Bidder	Bidder's authorized representative	Signature & Stamp
	By:  Title:  Date:	
	By:  Title:  Date:	

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## **Appendix A: Technical Requirements**

Technical requirements for the e-passport inlay

*Shall be provided by e-mail to Bidder's registered to the Tender in accordance with  
Clause 7 of the Tender*

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## **Appendix B: Cancelled**

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**Appendix C: Proposal Form**

*Shall be provided by e-mail to Bidder's registered to the Tender in accordance with  
Clause 7 of the Tender*

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### Appendix C -1 – Price Proposal Form

**The Price Proposal Form must be submitted in a separate sealed envelope, marked “Price Quote” (section 15 of the Tender).**

1. **Bidder's details**

1.1. Name of Bidder: \_\_\_\_\_.

2. **Price quote**

2.1. The price for an individual unit of Inlay is as provided below:

	Number of Units per Calendar Year	Quantity (For Tender Evaluation Purposes Only) (Q)	Unit Price (€) (P)	Total Price (Q X P) (€)
1	Up to 800,000	800,000		
2	Between 800,001 and 1,100,000	300,000		
3	Between 1,100,001 and 1,400,000	300,000		
4	Between 1,400,001 and 1,700,000	300,000		
5	Between 1,700,001 and 2,000,000	300,000		
6	2,000,001 or more	500,000		
<b>Total Price:</b>				

- Please fill all the required quotes and summarize accordingly.
- The price proposed for each of the quotes above **shall not** exceed the price quoted for the preceding one. For example, if the price quoted for line 1 (Up to 800,000) is 1€ then the price quoted in line 2 shall not exceed 1€.
- The quantities stated above are for the purpose of evaluating the Bids only and the Authority does not oblige you to any minimum/maximum quantities, except as provided in the Contract. The provision of the Product or any of them is subject to a written order issued by the Authority.

2.2. The price of an individual unit of Inlay includes, in addition to the product itself, all of the services and components set forth in section 15.2 of the Tender.

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We, the undersigned, undertake that if we shall be selected as the winning Bidder in the Tender, we shall perform all of our obligations pursuant to the Contract for the prices as set in this Appendix C-1.

**Bidder / Corporation:** \_\_\_\_\_

**Authorized Signatories:** \_\_\_\_\_

**Signature and stamp:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Appendix D: Technical Specifications

Name of Bidder: \_\_\_\_\_

Bidder registration number: \_\_\_\_\_

### 1. General

- 1.1. The form must be filled completely and legibly and submitted as part of the proposal to the tender.
- 1.2. Every section containing a blank space for insertion of the proposal indicates the extent of the detail expected from Bidder. However, one can exceed the space allocated in order to provide the Authority with a more complete picture inasmuch as deemed necessary by Bidder, of the product offered.
- 1.3. The sections listed below refer to the technical data appendix, Appendix A of the tender, unless stated otherwise.
- 1.4. Bidders may add additional tables or rows.
- 1.5. Deleted.
- 1.6. The requirements for the attachment of documents that appear in this appendix are provided solely for the convenience of the Bidders; the list of mandatory requirements is set forth in the tender itself.

### 2. The Inlay

- 2.1. The components included in the Inlay (section 5.2.1):  
\_\_\_\_\_  
\_\_\_\_\_

- 2.2. The method of packaging the Inlay (section 5.2.1):  
\_\_\_\_\_  
\_\_\_\_\_

- 2.3. Configuration (section 5.2.2):  
\_\_\_\_\_  
\_\_\_\_\_

- 2.4. Dimensions (section 5.2.3):  
\_\_\_\_\_  
\_\_\_\_\_

- 2.5. Material of the proposed Inlay substrate (section 5.3):  
\_\_\_\_\_  
\_\_\_\_\_

- 2.5.1. Advantages of the substrate material:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 2.5.2. Disadvantages of the substrate material:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 2.6. Commitment for lifespan of the proposed product (section 5.4): at least \_\_\_\_\_ years.

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2.7. Durability of the proposed Inlay (section 5.5):

2.7.1. Structure of the booklet that was tested:

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2.7.2. The test was conducted by (Bidder / Bidder customer / non-affiliated laboratory):

\_\_\_\_\_

2.7.2.1. Name and details of test conductor, if relevant:

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2.7.3. Mark ✓ if the test results are included:

2.7.4. **Durability** – Bidder declares that the proposed Inlay can withstand all the customary manufacturing stages in the preparation of e-Passport, including the stages enumerated in section 5.6

2.7.4.1. Signature of Bidder: \_\_\_\_\_

2.7.5. **Safety Requirements** – Is the proposed product in compliance with European Community 2002/95/EC directive (Restrictions on the use of Hazardous Substances ROHS) (section 5.8, answer yes / no)? \_\_\_\_\_.

2.7.5.1. Toxicity and safety data for the product during the manufacturing process:

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2.7.5.2. Toxicity and safety data for the product during use:

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2.7.5.3. Toxicity and safety data for the product during the shredding / destruction process:

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2.7.5.4. Please specify if there is a recycling (or other treatment) mechanism for handling defective components, that would protect the environment against exposure to toxic materials:

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3. **Chip**

3.1. Is the proposed chip the most recent version (yes / no) (section 6.1.1): \_\_\_\_\_

3.1.1. List the revision history of the chip:

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3.1.2. Future product road map (section 6.1.2.2):

3.1.2.1. The long term plan of the manufacturer of the proposed chip model:

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3.1.2.2. The differences between the various generations of the chip:

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3.1.2.3. Effects of the future plan, as set forth above, on the Purchaser (in respect to security, cost, availability, electrical applications, physical performance, physical data, use etc.):

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3.2. Non-volatile memory capacity (EEPROM) (section 6.2): \_\_\_\_\_

3.3. The Standard and type regulating the operation of the chip (section 6.3):  
\_\_\_\_\_

3.4. Communication speed supported by the chip (section 6.4): \_\_\_\_\_

3.5. ESD protection of the chip (section 6.5): \_\_\_\_\_

3.6. Does the chip have dedicated hardware for generation of random numbers (true random number generator) (section 6.6) (yes / no): \_\_\_\_\_

3.7. Unique identification (section 6.7):

3.7.1. Is there a unique serial number for each chip (yes / no)? \_\_\_\_\_

3.8. Security mechanisms – at what stages during the lifecycle of the chip and under what limitations and / or authentication mechanisms can the serial number of the chip be read?

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3.8.1. Additional data regarding the unique identification of the chip:

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3.9. **Certification** (section 6.8):

3.9.1. Has the chip been certified under the Common Criteria standards at a certification level of EAL5+, and if yes what was the protection profile used? (BSI PP0002 or similar)

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3.10. Type of antenna (section 6.9): \_\_\_\_\_

4. **Operating System**

4.1. Type of operating system (section 7.1): \_\_\_\_\_

4.2. Is the operating system in the proposed version or in an earlier version certified under the Common Criteria standards (yes / no) (section 7.2): \_\_\_\_\_

4.2.1. Level of certification: \_\_\_\_\_

4.2.2. Protection profile: \_\_\_\_\_

4.2.3. Version of the Protection profile: \_\_\_\_\_

4.3. Is the version of the operating system the most recent version (section 7.3) (yes / no): \_\_\_\_\_

4.3.1. List of the revision history of the proposed operating system (including details of other hardware and operating system platforms on which it is based):

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4.3.2. List the roadmap for future versions and the changes planned in them:

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4.3.2.1. Effects of the future plan, as set forth above, on the Purchaser:

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4.4. Support of hardware platforms (section 7.4)

4.4.1. The proposed operating system was ported to the following chips:

No.	Type of chip	Chip manufacturer	Did the version receive certification as detailed in section 5.2 of the tender Appendix A
1			
2			
3			

4.5. Is the operating system compliant with ISO14443 chapters 1-4 (including anti-collision support) (section 7.5)? (yes / no) \_\_\_\_\_

4.5.1. Does the operating system contain anti-collision support? \_\_\_\_\_

4.6. Can the operating system be delivered with transport key protection, which prevents the use of the chip during shipment from the manufacturer's facility to the Purchaser (section 7.6)? \_\_\_\_\_

4.6.1. List of the initialization process required by Purchaser:

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4.6.2. Specify the implementation process and exchange of keys (key ceremony) between the Purchaser and the manufacturer (as detailed and accurately as possible):

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4.6.3. Specify the protection process during shipment:

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4.6.4. Particulars of the individuals that are involved in the key ceremony process:

No.	Name	Position	Additional comments
1			
2			
3			
4			

4.7. Does the operating system of the chip support all the required files according to LDS version 1.7? (yes / no) \_\_\_\_\_

4.7.1. Bidder states that neither the operating system nor the middleware will interfere with the incorporation of the files specified in sections 7.7.1.1-7.7.1.9 into the Inlay.

4.7.1.1. Bidder signature: \_\_\_\_\_

4.8. Bidder states that the information written to the chip is protected by a BAC process for the reading of each of the files specified in sections 7.7.1.1-7.7.1.9 (except the DG3 file) as defined in the ICAO standard.

4.8.1. Bidder signature: \_\_\_\_\_

4.8.2. Bidder states that the reading of the DG3 file is protected by BAC together with an EAC process as set forth in section 4.9.

4.8.2.1. Bidder signature: \_\_\_\_\_

4.9. Bidder must list the capabilities of the operating system for each of the algorithms that it supports:

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Algorithm supported	Exact definition of the algorithm	Key size	Execution time for each size of the supported keys

4.10. Bidder states that the proposed product (including the proposed operating system) is capable of performing the requirements of section 7.10.

4.10.1. Bidder signature: \_\_\_\_\_

4.11. The time needed to complete data entry (section 7.11.1): \_\_\_\_\_

4.12. Speed that a set of data is read as detailed in section 7.11.2: \_\_\_\_\_

4.12.1. Software used in the speed test conducted by Bidder: \_\_\_\_\_

4.12.2. The speed was tested by Bidder using: \_\_\_\_\_

4.12.2.1. Reader: \_\_\_\_\_

4.12.2.2. Device driver version: \_\_\_\_\_

4.12.2.3. Interface: \_\_\_\_\_

4.12.3. Attach device driver version (mark ✓ if attached):

4.13. Communication speed of the operating system (section 7.11.3): \_\_\_\_\_

4.14. Does the operating system support a random UID (section 7.12)? (yes / no) \_\_\_\_\_

**5. Personalization Software**

5.1. Details of the interface (section 8.2 and section 18.7 of the tender):

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5.1.1. General description of the interface:

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5.1.2. Is the interface based on web service (yes / no)? \_\_\_\_\_

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5.1.2.1. If yes, describe how the interface enables automation and easy integration of the web service in the purchaser's IT systems (such as SOAP):

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5.2. Are the SDK / middleware compliant with the conditions of section 9.2 regarding the ability to process raw data?

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5.3. Bidder states that the information set forth in sections 9.1 and 9.2 is understood and acceptable and does not inhibit the use of the proposed product.

**In Witness Whereof we have signed this document:**

Name of Bidder	Bidder's authorized representative	Signature & Stamp
	By:  Title:  Date:	

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## Appendix E: Bidder Warranty and Undertaking

(Affidavit pursuant to Section 14.6 of the Tender)

I \_\_\_\_\_ the undersigned, bearer of identity number \_\_\_\_\_, am making this affidavit in respect to the Tender for the supply of inlays for biometric travel documents (the **Tender**).

All capitalized terms not defined herein shall have the meaning attributed to them in the Instructions to Bidders in the Tender.

1. I am submitting this affidavit on behalf of \_\_\_\_\_ corporation, whose identifying number is \_\_\_\_\_ (hereinafter – the **Bidder**). The Bidder was incorporated in \_\_\_\_\_.
2. I am an employee of Bidder in the position of \_\_\_\_\_.
3. I am an authorized signatory for the Bidder and my signature when given binds the Bidder.
4. Additional authorized signatories in the Bidder are (name, identity number):
  - 4.1. \_\_\_\_\_.
  - 4.2. \_\_\_\_\_.
  - 4.3. \_\_\_\_\_.
5. I have read the Tender Documents, understood them and unconditionally accept the terms of the Tender.
6. As of the submission of this proposal I am not aware of any impediment, such as a conflict of interest, which would prevent Bidder from being awarded the Tender or satisfying any of its undertakings pursuant to the proposal or the Tender or the appended contract or by law.
7. I declare that the Bidder only uses original licensed software.
8. I declare that all of the data set forth in the proposal was checked by me and is true and accurate.

This is my name, my signature, and the content of this affidavit is true.

\_\_\_\_\_  
Signature

### Certification

I hereby certify that on the date of \_\_\_\_\_, Mr./Ms. \_\_\_\_\_ bearer of identity number \_\_\_\_\_, appeared before me \_\_\_\_\_, Advocate, and after having been cautioned to state the truth or otherwise be subject to penalties prescribed by law if he/she fails to do so, affirmed the accuracy of his/her affidavit above and signed upon it in my presence.

\_\_\_\_\_  
\_\_\_\_\_, Advocate

Public Tender with Two-Stage Process No. 10/2024 for the Supply of Inlays for Biometric Travel Documents

## Appendix F: Declaration with Respect to Bidder Rights in the Product

(Affidavit pursuant to Section 14.7 of the Tender)

I \_\_\_\_\_ the undersigned, bearer of identity number \_\_\_\_\_, am making this affidavit in respect to the Tender for the supply of the inlay component for biometric travel documents (the **Tender**).

All capitalized terms not defined herein shall have the meaning attributed to them in the Instructions to Bidders in the Tender.

1. I am submitting this affidavit on behalf of \_\_\_\_\_ corporation, whose identifying number is \_\_\_\_\_ (hereinafter – the **Bidder**). The Bidder was incorporated in \_\_\_\_\_.
2. I am an employee of the Bidder in the position of \_\_\_\_\_.
3. I am an authorized signatory for the Bidder and my signature when given binds the Bidder.
4. The Bidder is the owner or licensed to use and distribute, all the rights (including intellectual property rights) to the tools, methods and components that will be used to execute this Tender (if the Bidder is awarded the Tender), in such manner that the following shall apply at all times:
  - 4.1. There is no impediment or restriction, of any kind, on the Bidder from using the Product or the accompanying components in accordance with the Tender Documents;
  - 4.2. Bidder can satisfy all of its obligations under the Agreement and the Bid, in full and in a timely manner;
  - 4.3. Bidder may enter into an agreement (if awarded the Tender) pursuant to the terms of the Contract (Appendix I of the tender) without harming or infringing in any manner on the rights of any third party, including intellectual property rights of any kind (copyrights, patents, trade secrets, designs, trademarks etc.);
  - 4.4. No impediment or restriction exists on the transfer of title in the Product, its components or attendant parts (excluding proprietary rights which concern tools and methods), to the Purchaser or its representative or from Purchaser to third parties.
5. Below are the components of the proposed product (including all of the components required under the terms of the agreement) the rights to which belong to a third party:
  - 5.1. \_\_\_\_\_.
  - 5.2. \_\_\_\_\_.
  - 5.3. \_\_\_\_\_.
  - 5.4. \_\_\_\_\_.
  - 5.5. \_\_\_\_\_.
6. Attached to this declaration are certifications from the owners of the rights to the aforementioned components, permitting Bidder to offer said components as part of its Bid.

This is my name, my signature and the content of my affidavit is true.

\_\_\_\_\_  
Signature

Public Tender with Two-Stage Process No. 10/2024 for the Supply of Inlays for Biometric Travel Documents

**Certification**

I hereby certify that on the date of \_\_\_\_\_ Mr./Ms. \_\_\_\_\_ bearer of identity number \_\_\_\_\_, appeared before me \_\_\_\_\_, Advocate, and after having been cautioned to state the truth or otherwise be subject to penalties prescribed by law if he/she fails to do so, affirmed the accuracy of his/her affidavit above and signed upon it in my presence.

\_\_\_\_\_

\_\_\_\_\_, Advocate

Public Tender with Two-Stage Process No. 10/2024 for the Supply of Inlays for Biometric Travel Documents

## Appendix G: Conflict of Interest

(Affidavit pursuant Section 14.9 of the Tender)

I \_\_\_\_\_ the undersigned, bearer of identity number \_\_\_\_\_, am making this affidavit in respect to the tender for the supply of the inlays for biometric travel documents (the Tender).

All capitalized terms not defined herein shall have the meaning attributed to them in the Instructions to Bidders in the Tender.

1. I am submitting this affidavit on behalf of \_\_\_\_\_ corporation, whose identifying number is \_\_\_\_\_ (hereinafter – the **Bidder**). The corporation was incorporated in \_\_\_\_\_.
2. I am an employee of the Bidder in the position of \_\_\_\_\_.
3. I am an authorized signatory for the Bidder and my signature when given binds the Bidder.
4. Additional authorized signatories in the Bidder are (name, identity number):
  - 4.1. \_\_\_\_\_ .
  - 4.2. \_\_\_\_\_ .
  - 4.3. \_\_\_\_\_ .
5. I hereby declare that I am not aware of any held positions or matters (such as providing counsel to certain entities, membership on boards, ownership of assets and businesses etc.), of the Bidder or its authorized signatories, that might place them in a situation of a possible conflict of interest while providing the Product, its accompanying components or the services contemplated by this Tender.

This is my name, my signature and the content of my declaration is true.

\_\_\_\_\_  
Signature

### Certification

I hereby certify that on the date of \_\_\_\_\_ Mr./Ms. \_\_\_\_\_ bearer of identity number \_\_\_\_\_, appeared before me \_\_\_\_\_, Advocate, and after having been cautioned to state the truth or otherwise be subject to penalties prescribed by law if he/she fails to do so, affirmed the accuracy of his/her affidavit above and signed upon it in my presence.

\_\_\_\_\_  
\_\_\_\_\_, Advocate

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## Appendix H: Industrial Cooperation Undertaking

**Note:** In this Appendix the Bidder shall be referred to as the "Supplier".

### BINDING UNDERTAKINGS BY FOREIGN SUPPLIER

This Binding Undertakings Instrument ("**Undertaking**") is made as of [\_\_\_\_\_] [Date], by [\_\_\_\_\_] [Name] a corporation duly incorporated and existing under the laws of [\_\_\_\_\_] [Place of incorporation], company number [\_\_\_\_\_] with address at \_\_\_\_\_ ("**Supplier**").

**Whereas**, according to the Israeli Mandatory Bidding Regulations (Mandatory Industrial Cooperation) of 2007 a Foreign Supplier who participates in a procurement process conducted by Buyer (as such term is defined below), or otherwise engages Buyer, for the purpose of acquisition by Buyer of goods, equipment, services or work, at a value as defined under the Regulations, is required to engage in industrial cooperation activity in Israel; and -

**Whereas**, the Supplier, is a Foreign Supplier (as such term is defined below) and participates in a procurement process number **10/2024** issued by **The Population and Immigration Authority of the Israeli Ministry of Interior** (the "**Buyer**") for the **supply of Inlays to be incorporated into biometric travel documents** (the "**Tender**") or otherwise wishes to engage with Buyer for the supply of goods, equipment, services or work; and -

**Whereas**, Supplier hereby undertakes that, should it be awarded in the framework of the Tender (or otherwise contract with Buyer), Supplier shall conduct such industrial cooperation in such nature and scope as set forth in this binding Undertaking, including appendices thereof.

**THEREFORE**, in consideration of these premises, I, the undersigned Supplier, hereby declare, warrant and undertake towards the State of Israel (represented for the purposes hereof by the ICA (as such term is defined below)), as follows:

#### 1. PREAMBLE, INTERPRETATION AND DEFINITIONS

- 1.1 The preamble and Schedules to this Undertaking and the Appendices attached hereto constitute integral parts hereof.
- 1.2 Section headings have been included in this Undertaking for convenience of reference only and shall not be used for the interpretation thereof and in no way alter, modify, amend, limit, or restrict any contractual obligations of the Supplier hereunder.
- 1.3 This binding Undertaking is provided in accordance with Israeli Statute and Regulations (as such terms are defined below) and the ICA Guidelines as presented in the official website of the ICA.
- 1.4 Terms used herein and not otherwise defined shall have the same meaning as ascribed thereto in Statute or Regulations.

Without derogating from the above, in this Undertaking, the following terms shall have the meaning ascribed thereto below:

"**Buyer**" as defined in the preamble to this Undertaking above.

"**Contract**" shall mean the procurement contract between the Buyer and the Supplier which shall be entered into between Buyer and Supplier should the Supplier be awarded in the framework of the Tender, or otherwise, for the purpose of acquisition by Buyer from Supplier of goods, equipment, services or work.

"**Contract Value**" – the total considerations to be paid to Supplier in the framework of the Contract or in relation thereto, including taxes, levies, fees, insurance and transportation costs, and - in respect of

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imported goods - their CIF price in an Israeli port, including taxes, levies, fees, insurance and transportation costs, all - without giving effect to any deductions, set-offs or fines. Contract Value includes, without limitation – (1) any payment which, under the Contract, the Buyer is required to pay to Supplier and Supplier is required to transfer to another; (2) any payments which any third party is required to pay to Supplier, by virtue of the Contract; (3) any payments, including payments as stated in paragraphs (1) or (2) above included in any option of Buyer under the Contract; (4) any continuation contract in excess of USD 500,000 that is made within a period of 5 years from the date of the Contract; and (5) any acquisition of spare parts, training activities, maintenance, technical assistance, guarantees etc. procured in the framework of the Contract or in relation thereto.

**"Foreign supplier"** – a manufacturer, supplier or importer of imported goods or a supplier of work that is not performed in Israel, whether himself or by means of others. For the purpose of this undertaking and subject to its terms and conditions, importer of imported goods and their manufacturer are considered jointly and severally a Foreign Supplier.

For the removal of doubt, the Foreign Supplier's Subsidiaries or affiliates shall be considered as Foreign Supplier, For the purpose of this undertaking.

**"Subsidiary"** - a company in which the Foreign Supplier holds fifty percent or more of the nominal value of its issued share capital or of the voting power therein or is entitled to appoint fifty percent or more of its directors.

**"Affiliate"** – a company in which another company - which is not a parent company thereof - holds twenty-five percent or more of the nominal value of its issued share capital or of the voting power therein or is entitled to appoint twenty-five percent or more of its directors;

**"Israeli made Goods"** - goods made in Israel or in the Area (as such term is defined under the Statute) by a producer who is an Israeli citizen, or a permanent resident of Israel, or a body corporate registered in Israel, on condition that the price of their Israel content constitutes at least 35% of the proposed price, all – as defined under the Regulations. Goods manufactured outside of the State of Israel may only be recognized as Israeli-Made Goods at the prior written approval of ICA and under the terms and conditions as defined under the Regulations.

**"ICA"** shall mean The Foreign Investments and Industrial Cooperation Authority operating in the Ministry of Economy and Industry.

**"Industrial Cooperation"** shall mean the business activities in Israel as set forth in section 4 of the Regulation.

**"Local Subcontracting"** shall mean the execution of contract/s to purchase Israeli Made Goods (as such term is defined under the Regulations), or to procure Works or services in Israel (as such term is defined under the Regulations), all - for the purpose of performing the Supplier's undertakings under the Contract.

**"Regulations"** shall mean the Mandatory Bidding Regulations (Mandatory Industrial Cooperation) of 2007, a curtesy translation to English thereof are presented in the official website of the ICA.

For the removal of doubt, in any case of contradiction between the provisions of the Regulations and the English translation thereof, the provisions of the Regulations shall govern.

**"Statute"** shall mean the Mandatory Bidding Law of 1992.

**"Work or Services in Israel"** - work or services executed in Israel or in the Area by an Israel citizen or by a permanent resident in Israel, or by a body corporate registered in Israel.

## 2. GENERAL

2.1 The Supplier hereby declares, warrants and undertakes towards the State of Israel (represented for the purposes hereof by the ICA), that subject to the signing of the Contract, it shall perform and put

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into practice Industrial Cooperation in Israel at a scope, nature and timetables as set forth in this Undertaking and the Implementation Plan (as such term is defined below) and shall fully comply with all of its undertakings hereunder.

- 2.2 This Binding Undertaking may further include special terms and conditions as set forth in **Appendix "A"** hereof.

### 3. EXTENT OF THE INDUSTRIAL COOPERATION

The scope of Industrial Cooperation that shall be carried out by the Supplier shall be at an amount of at least \_\_\_\_% of the Contract Value, \_\_\_\_\_ US\$ [Contract Value]. i.e. a total amount of US\$ \_\_\_\_\_ [The scope of Industrial Cooperation].

The Contract Value for the purposes of calculating the scope of Industrial Cooperation hereunder shall be adjusted, as required, in any case of a change in the Contract Value.

### 4. NATURE OF INDUSTRIAL COOPERATION

- 4.1 Industrial Cooperation may be conducted by means of Local Subcontracting, investments, research and development, transfer of know-how or purchase of Israeli-Made Goods (as such term is defined above), or Works or services in Israel (as such term is defined above).

Supplier undertakes to perform Local Subcontracting at a value of no less than 20% of the Contract Value.

- 4.2 Industrial Cooperation shall not include:

- 4.2.1 Expenses, including agent's commission, incurred to promote the sales of the Supplier in Israel;
- 4.2.2 The purchase of shares of companies that are subject to the Israeli Securities Law, 5728 - 1968 ("**Securities Law**"), at a rate at which the purchaser does not become an interested party as defined in the Securities Law; and -
- 4.2.3 Investments, acquisition and funding of research and development work that shall be deemed Industrial Cooperation, shall not include grants given by the Government of Israel as part of an investment program or funding.

### 5. PERIOD AND TIMETABLE

- 5.1 The Supplier's Industrial Cooperation undertakings hereunder shall be fully executed within the period of the Contract ("**Industrial Cooperation Period**"). Without derogating from the above, or from any right or remedy of the ICA hereunder or at law, in any case this Undertaking shall not be terminated until full Industrial Cooperation obligations hereunder are fully complied with by Supplier.
- 5.2 The Supplier's undertakings for Industrial Cooperation hereunder shall be fulfilled at a fixed amount every year on a linear basis, unless otherwise approved by the ICA and included in the Implementation Plan.

### 6. IMPLEMENTATION PLAN

- 6.1 A comprehensive detailed implementation plan for the fulfilment of Supplier's Industrial Cooperation obligations hereunder is Attached as **Appendix "B"** ("**Implementation Plan**"). Any change or adjustment of the Implementation Plan may only be done by the prior written approval of the ICA.

The Implementation Plan shall apply to the whole period of the Contract.

- 6.2 Supplier hereby warrants and represents that the Implementation Plan reflects its good faith estimation of the business opportunities for performance of its Industrial Cooperation undertakings hereunder in scope and in timetable as defined hereunder. Such Implementation Plan was established by Supplier after thorough review and examination and in-depth survey for potential real investments or other Industrial Cooperation activities in Israel.

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- 6.3 Supplier hereby undertakes that it will continue to invest efforts, using customary reasonable measures, for exploring and establishing Industrial Cooperation in Israel in accordance with its undertakings hereunder, including the use of consultation services, conducting a professional survey in Israel, visiting business entities in Israel, participating in Israeli industry conferences, etc., and shall pursue full implementation of the Industrial Cooperation as described in the Implementation Plan.
- 6.4 ICA may, at any time, require Supplier to submit clarifications, additions or modifications to the Implementation Plan, inter alia in order to reflect actual changes in Supplier's Industrial Cooperation, or in the case of a default or a potential default by Supplier (and without prejudicing from any right or remedy of ICA) – in order for Supplier to cure any such default and fully comply with its undertakings hereunder. Supplier hereby undertakes to comply with all such requirements by ICA.
- 6.5 Any industrial cooperation activity to be carried out by the Supplier which is not part of an approved Implementation Plan will be subject to ICA's prior written approval in order for it to be credited as Industrial Cooperation.

## 7. REPORTS

- 7.1 The Supplier shall submit to the ICA an annual report regarding the fulfilment of the undertakings for Industrial Cooperation stated in this Undertaking (the "**Progress Report**").
- 7.2 The Progress Report for each calendar year shall be submitted no later than March 31<sup>st</sup> of the following calendar year. ICA may, at any time, require the submission of additional Progress Reports, including in case of a default or a potential default of the Implementation Plan.
- 7.3 The Progress Report shall include the following details:
  - 7.3.1 Performance against anticipated Industrial Cooperation under the Implementation Plan.
  - 7.3.2 A summary of all the claims for Industrial Cooperation credits in a form attached as **Appendix "C"** hereof approved by the Supplier's independent auditor. For each one of the credit claims the Supplier shall submit a confirmation of the Israeli supplier signed by an authorized signatory, at the form included in **Appendix "C1"**.
  - 7.3.3 Any additional information, which may be required by the ICA, regarding the activities carried out toward the fulfilment of the Supplier's undertakings.
- 7.4 A final report regarding the scope of the Industrial Cooperation and Local Subcontracting as actually implemented and the nature thereof shall be submitted by the Supplier, along with the approval of Supplier's auditor to such report, no later than 30 days after the end of the Industrial Cooperation Period.

## 8. BREACH BY SUPPLIER

- 8.1 Breach by Supplier of the provisions of Sections 2.1, 3, 4.2, 5.1, 6.2, 6.3, 7.1 or 7.4 of this Undertaking shall be considered as fundamental breach of this Undertaking.
- 8.2 Any other breach by Supplier of this Undertaking, which is not cured within 30 days of ICA's written demand (or an extended cure term as defined by the ICA, at its sole discretion) shall become a fundamental breach.

## 9. LIQUIDATED DAMAGES

- 9.1 During the Industrial Cooperation Period, the ICA will determine the following parameters, as at the end of each calendar year ("**Evaluation Date**"):
  - 9.1.1 The Supplier's accumulated obligations for Industrial Cooperation under this Undertaking from the commencement of the Industrial Cooperation Period until the Evaluation Date.
  - 9.1.2 The Supplier's accumulated volume of Industrial Cooperation performed by Supplier and approved by ICA, from commencement of the Industrial Cooperation Period and until the Evaluation Date.

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- 9.2 In any case that the balance between section 9.1.1 minus section 9.1.2 above is positive (“**Unfulfilled Obligation**”), i.e., at the relevant Evaluation Date, the Supplier has not fully complied with its Industrial Cooperation undertakings hereunder, Supplier agrees and undertakes to pay the State of Israel liquidated damages, at an amount equal to 2% of the Unfulfilled Obligation.

Supplier hereby warrants and confirms that the above liquidated damages constitutes reasonably estimated damages which will be caused to the State of Israel in any case of breach of its undertakings hereunder.

- 9.3 The provisions of this Section 9 above shall not prejudice or derogate from any right or remedy of ICA hereunder or at law.

## 10. INDUSTRIAL COOPERATION COORDINATOR

- 10.1 Supplier shall appoint one person in Israel which will serve as Supplier's liaison person vis-à-vis ICA. As at the date of signing the Contract, the Industrial Cooperation Coordinator is:

\_\_\_\_\_ [Name] \_\_\_\_\_  
\_\_\_\_\_ [Address] \_\_\_\_\_  
\_\_\_\_\_ [Telephone] \_\_\_\_\_  
\_\_\_\_\_ [Fax] \_\_\_\_\_  
\_\_\_\_\_ [Email] \_\_\_\_\_

- 10.2 The Industrial Cooperation Coordinator will represent the Supplier for all purposes hereunder and will serve as the Supplier liaison person also vis-à-vis Israeli industry and other business entities.
- 10.3 In case the Industrial Cooperation Coordinator is replaced at any time in the future, the Supplier is committed to notify the ICA of the identity of the new Industrial Cooperation Coordinator within 7 days from the time the replacement took place.

## 11. LAW AND JURISDICTION

- 11.1 This Undertaking shall be exclusively governed by and construed in accordance with the substantive laws of the State of Israel without giving effect to any choice of law or conflict of law provision or rule.
- 11.2 The competent courts of the State of Israel shall have exclusive jurisdiction over any and all disputed arising from or related to this Undertaking, to exclude the jurisdiction of any other competent court of any other jurisdiction.

## 12. MISCELLANEOUS

- 12.1 The records of ICA pertaining to the execution of the Supplier undertakings hereunder shall serve as prima facie evidence to the contents thereof.
- 12.2 Any activity of the Supplier with the Israeli industry carried out prior to being awarded with the Contract shall not be eligible for crediting purposes.
- 12.3 This binding Undertaking shall constitute an integral and inseparable part of the Contract and is hereby signed for the benefit of the State of Israel.
- 12.4 This Undertaking and Appendices thereof constitute the entire understandings and undertakings by the Supplier towards the State of Israel and replaces and supersedes any and all previous, agreements or understandings, all of which shall be null and void.
- 12.5 Any amendment and/or supplement to this Undertaking shall be in writing, signed by Supplier and approved by ICA.

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**IN WITNESS WHEREOF**, this Undertaking has been executed by the Supplier, as of the day and year first hereinabove written.

Signature of an authorized officer on behalf of the foreign supplier (Not the Importer):

**Foreign Supplier** [Company name]:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

If the Tender proposal is submitted (and/or the Contract is signed) by an importer, this undertaking should also be signed by an authorized officer on behalf of the importer:

**Importer** [Company name]:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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## Appendix B

### Implementation Plan

Related to Tender/RFP No. ....

Issued by ..... Dated .....

Pursuant to clause 6 of the a.m. document, we [full company name] ....., hereby submit our detailed Fulfilment Program, aimed at the satisfaction of our a.m. undertaking, as follows:

1. Our fulfilment activities will be in the fields of one or more of the following Industrial Cooperation Categories: (\*)

- Local Subcontracting
- Acquisition of Israeli Products, Work or Services
- R&D Orders
- Investments
- Know-How transfer
- Other .....

2. Anticipated / Approximate dates of the following mile stones implementation:

- a. Conducting an Israeli industry survey .....
- b. Projects and partners selection .....
- c. Starting date of IC activities implementation .....
- d. Full program accomplishment .....



Signature of an authorized officer on behalf of the foreign supplier (Not the Importer):

Name (Supplier): ..... Title: .....

Signature (Supplier): ..... Date: .....

Name (Importer): \*..... Title:\* .....

Signature (Importer): \*..... Date:\* .....

\* If the Tender proposal is submitted (and/or the Contract is signed) by an importer, this undertaking should also be signed by an authorized officer on behalf of the importer.

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### ICA Appendix (Mandatory Industrial Cooperation)

1. A Foreign Supplier is required to fulfill industrial cooperation as defined in the Israeli Mandatory Bidding Regulations (Mandatory Industrial Cooperation), 5767-2007 (hereinafter: "**the Regulations**") to the extent of 20 or 35 or 50 percent<sup>1</sup> of the contract value (as applicable) where at least 20% of the contract value must be performed in a way of local subcontracting (for the purpose of performing the Supplier's undertakings under the Contract).

For the avoidance of doubt:

- 1.1 "**Foreign Supplier**" - for the purpose of mandatory industrial cooperation - manufacturer, supplier, importer of imported goods or a supplier of work that is not being performed in Israel, whether by himself or by means of others.

The location of incorporation, the official address or business center of the Foreign Supplier or its shareholders is immaterial in this regard

- 1.2 "**Israeli made goods**" - goods manufactured in Israel or in the Area or another place approved by the ICA and in which the price of the Israeli content therein constitutes at least 35 percent of the bid price (including taxes, levies, statutory fees, insurance and transportation expenses).

- 1.3 "**Israeli content Price**" - as such is defined in the Mandatory Tenders Regulations (Preference of Israeli Made Goods), 5755-1995.

- 1.4 "**Imported Goods**" - goods that are not manufactured in Israel.

2. A threshold condition for the participation of a Foreign Supplier in the tender is that he shall submit, together with his bid price a Binding Undertaking for industrial cooperation (hereinafter: "**Undertaking**") including an implementation plan complying with its undertaking to carry out industrial corporation (hereinafter: "**Implementation Plan**") via form C of the ICA Guidelines for Israeli Buyers, both having been duly completed, signed and certified as required in these Forms.

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<sup>1</sup>The extent of the Industrial Cooperation shall be an amount equal to at least **35%** of the value of the transaction or the value of the contract.

If the purpose of the transaction or the contract is to purchase security equipment of the Ministry of Defense, including a reference unit within its meaning in the Mandatory Tenders Regulations (Defense Establishment Contracts), 5753 - 1993, the extent of the Industrial Cooperation required shall be at least **50%** of the value of the transaction or the contract.

In respect of tenders relating to civil procurements to which the GPA Agreement applies, the extent of required industrial cooperation from Foreign Suppliers from the signatory countries shall only amount to **20%** of the value of the transaction or the contract.

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**Attached is the Undertaking that should be submitted together with the bid price.**

In the case of a Foreign Supplier who is an importer, signature will be required from both the manufacturer of the goods and the importer.

In so far as it concerns a Foreign Supplier who is under Umbrella Agreement for Industrial Cooperation with the Industrial Cooperation Authority (hereinafter: The "ICA") the Foreign Supplier shall submit, together with his bid price a "**Supplier's Binding Undertaking under UICA**" including "**Updated Implementation Plan**" via Form H of the ICA's Guidelines for Israeli Buyers.

The Foreign Supplier is aware that the mere fact of submission of the aforementioned duly completed documents (Form C and Appendix B or Forms H and H1) does not mean that these documents are approved by the ICA. The substance of these documents require examination and approval by the ICA, this being a condition for receiving the ICA's approval for Contract engagement between the Buyer and the successful Foreign Supplier. It may be that the Foreign Supplier will be required to amend these documents in accordance with the requirements of the ICA and as a condition for signing the contract between him and the Buyer, in the event of having him won the tender.

3. The Foreign Supplier is aware that signature of the contract between him and the Buyer is contingent upon the approval of the ICA, upon the provisions of the ICA Regulations and its Guidelines having been fully complied with, including approval of the Implementation Plan submitted by him.
4. The Foreign Supplier is aware that in the event of him being defined by the ICA as a Foreign Supplier under monitoring, the ICA may require, in addition to the Undertaking and the Implementation Plan, that he submit an Instrument of Guarantee for the implementation of his Binding Undertaking to fulfill industrial cooperation, as a condition for the ICA approval of signature of the contract between him and the Buyer, and this in the binding form D.

The amount of the Guarantee will be equivalent to the aggregate amount of the annual agreed liquidated damages under the Undertaking or the UICA.

A Foreign Supplier under monitoring, who is required to submit a Letter of Guarantee as aforesaid, will be entitled to demand a change or update of the amount of the Guarantee depending upon the pace of his annual implementation, provided that he has met the targets of the Implementation Plan (if not otherwise stated in the Implementation Plan, the minimum annual pace is linear).

5. The potential Foreign Suppliers are invited to arrange meetings with the representatives of the ICA in order to obtain assistance in the planning and structuring of an optimum Implementation Plan to be submitted together with the tender bids.

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6. Guidelines, forms and contact details of the ICA can be obtained on the internet website: [www.ica.gov.il](http://www.ica.gov.il)

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### Appendix I: Agreement

Entered into in Jerusalem, Israel, on the \_\_\_\_ of \_\_\_\_\_, 2023

- Between -

**Government of Israel, by the Population and Immigration Authority, through its authorized signatories, Director General of Population and Immigration Authority and Accountant of the Ministry of Interior;**

(Hereinafter: "Government")

Of the first part;

-And-

\_\_\_\_\_  
Whose address is \_\_\_\_\_

Registered in the \_\_\_\_\_ Register

Corporate no. \_\_\_\_\_

By the authorized signatories \_\_\_\_\_

(Hereinafter: "Supplier")

Of the other part;

**Whereas:** The State of Israel has decided to issue biometric travel documents, through the Population and Immigration Authority (the "Authority"); and

**Whereas:** The Authority published a tender for the supply of inlays for the biometric travel documents, specifying the criteria to be satisfied by the Supplier and by the inlays proposed by Supplier; and

**Whereas:** Supplier was awarded the tender to supply said inlays; and

**Whereas:** Supplier agrees to supply the inlays to the State of Israel, and is qualified to enter into this agreement by all relevant law or contract;

**Therefore it is declared stipulated and agreed between the parties as follows:**

1. **Preamble**

- 1.1. The preamble and schedules to this agreement constitute an integral part thereof.
- 1.2. This agreement and the schedules appended hereto constitute the complete and exclusive agreement between the parties, regarding the matters stipulated therein.
- 1.3. The schedules to this agreement are as follows:

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- 1.3.1. Schedule (1) – Time schedule;
- 1.3.2. Schedule (2) – Performance bond;
- 1.3.3. Schedule (3) - Order form;
- 1.3.4. Schedule (4) - Request for personal security clearance;
- 1.3.5. Schedule (5) - Supplier's confidentiality undertakings;
- 1.3.6. Schedule (6) - Supplier's Representative's confidentiality undertakings;
- 1.3.7. Schedule (7) – Supplier's price proposal to the Tender.

## 2. Definitions

In this agreement the following terms are ascribed the meanings assigned to them:

- 2.1. **“AQL”** (Acceptable Quality Level – measure of reliability of the product) – the percentage of defective components in each production batch, on the basis of standard sample sizes, the deviation from which will lead to the rejection of the entire production batch.
- 2.2. **Approved Financial Entity** means any of the following:
  - 2.2.1. An Israeli bank or Israeli insurance company, certified to issue guarantees under the Laws; or
  - 2.2.2. A foreign bank or foreign Insurance company, located in a country having diplomatic relations with the State of Israel, rated with at least a -A (A minus) rating, with a positive or stable outlook, according to an international rating by the S&P or Fitch rating company, or with a minimum credit rating of A3 with a positive or stable outlook, according to an international rating by the MOODY'S rating company.
- 2.3. **“Batch”** – A quantity of Inlay units, designated for one shipment;
- 2.4. **“Booklet Supplier”** – The Government Printing House, or any other body, chosen by the Government of Israel, to supply the Passport booklet for the e-Passport.
- 2.5. **“COC” (Certificate of Compliance)** – A certificate signed by the highest ranking officer of the organization responsible for quality assurance, attesting to the compliance of the product with the required functionality and quality control standards.
- 2.6. **“Control”** – The ability to direct the activity of a corporation – whether alone or with others or through others, directly or indirectly – arising from holding the Means of Control in that corporation or in any other corporation; including capability that derives from the corporation's articles of association, from a written, oral or any other kind of agreement; or which derives from any other source, other than during the routine fulfillment of an employee's duties in the corporation;
  - 2.6.1. Without derogating from the generality of the above, one will be perceived as having substantial influence in a corporation if one holds fifty percent or more of any Means of Control in the

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corporation; or if one has the ability to prevent the adoption of business decisions in the corporation, other than resolutions relating to the Means of Control in the corporation or decisions regarding the sale or liquidation of the majority of the corporation's business or the institution of material changes therein; The presumption is that one has control in a corporation if one holds the majority of Means of Control of any kind;

- 2.7. **“COT” (Certificate of Test)** - A certificate signed by the highest ranking officer of the organization responsible for quality assurance, attesting that the product is in compliance with the tests stipulated for the product.
- 2.8. **“Days”** – Calendar days, unless clearly stated otherwise.
- 2.9. **“Defective Product”**- One of the following:
  - 2.9.1. A product that fails to meet Purchaser compliance tests, if said tests were in fact conducted;
  - 2.9.2. A product found to be defective during the travel document issuing process or up to ten (10) years subsequent thereto, for reasons unrelated to the production, issuance or use of the booklets.
- 2.10. **“Delivery Facility”** – The government compound in Jerusalem as specified in the order.
- 2.11. **ICAO** - International Civil Aviation Organization.
- 2.12. **“Inlay”** or the **“Product”** – The product offered by the Supplier in its proposal and was approved by the Purchaser according to section 9.2. For the avoidance of doubt, the product will include a substrate with an antenna and will contain (in any type of packaging, as proposed by the Supplier) an e-Passport chip and a preloaded operating system;
- 2.13. **Means of Control”** – in a corporation, any of the following:
  - 2.13.1. The right to vote at the general assembly of a company or at an equivalent meeting of another entity;
  - 2.13.2. The right to appoint a director or general manager in an entity;
  - 2.13.3. The right to participate in the distribution of profits of the corporation;
  - 2.13.4. The right to participate in the surplus assets of an entity at liquidation after its liabilities are discharged;
- 2.14. **“Middleware”** - The software program proposed by Supplier in its proposal. For the avoidance of doubt, reference is made to a dedicated software for embedding personal data in the chip (personalization), preparing the chip for use and reading the chip, and / or an SDK (Software Development Kit) or an established method for integrating this middleware in the issuing infrastructure;
- 2.15. **“Purchaser”** or **“Authority”** – Population and Immigration Authority in the Ministry of Interior;
- 2.16. **Party (ies)** means Authority and/or Supplier.

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- 2.17. **“Purchaser’s Representative”** – Mr. \_\_\_\_\_, Projects Director in the Authority, or any individual appointed by the Director General of the Authority to oversee the performance of this agreement.
  - 2.18. **“Purchase Order”** – As provided in section 11 of the contract means printed order issued by the Authority by SAP or any other method used by the Authority for the specific purchase of Inlays which shall be subject to the Contract and will be accompanied by a detailed letter of quantities and emphases.
  - 2.19. **“Proposal”** or **“Bid”** - The proposal submitted by the Bidder who was awarded the Tender.
  - 2.20. **“Production Batch”** – A quantity of product units manufactured during one production run;
  - 2.21. **“Serial Defect”**- Each of the following:
    - 2.21.1. The percentage of defective products in a single production batch (which has been delivered to Purchaser) exceeds one percent (1%) of the total number of products manufactured in the same production batch, irrespective of the discovery date of the defect;
    - 2.21.2. The percentage of defective products out of all the products supplied during the preceding twelve (12) months exceeds one percent (1%), irrespective of the discovery date of the defect;
    - 2.21.3. The percentage of defective products discovered over a period of twelve (12) consecutive months exceeds one percent (1%) of the annual mean number of travel documents issued in Israel during the preceding thirty six (36) months.
  - 2.22. **“Supply”** or **“To Supply”** – includes the manufacture, processing or acquisition, packaging, storage, transportation and delivery, or any other related action;
  - 2.23. **“Tender”** - Public Tender with Two-Stage Process No. 10/2024 for the Supply of Inlays for Biometric Travel Documents;
  - 2.24. **“Travel Documents”** – A Passport or Travel Document as defined by the Passports Law 5712 – 1952;
  - 2.25. **“Working days”** – Sunday to Thursday, excluding Jewish holidays.
3. **Term of Agreement**
- 3.1. The contract shall commence on its execution by the Authority and shall continue in full force and effect for four (4) years (hereinafter: the **“Original Contract Term”**).
  - 3.2. The Authority shall have the option to extend the Original Contract Term by up to 2 additional periods, up to three years at a time (the **“Option”**), by issuing a written notice to the Supplier, at least 30 days before the termination of the Original Contract Term or the Option term as applicable. The Original Contract Term and any Option implemented by the Authority shall be referred to as the **“Contract Period”**.
  - 3.3. The Contract Period is the period in which the Authority may issue Purchase Orders to the Supplier. However, the Parties mutual rights and obligations under the Contract which by their nature are not limited to the Contract Period

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shall continue in full force and effect until their actual completion, even if the actual date of completion of any such rights and obligations deviates from the Contract Period; without derogating from the generality of the above, it is agreed that the undertakings stipulated by sections 18, 19, 23 and 27 below constitute such commitments.

#### 4. **Representations of Supplier**

Supplier represents:

- 4.1. Supplier hereby warrants that it is authorized to enter into this Contract and that there is no contractual, legal or other hindrance to perform or fulfill its commitments, obligations and undertakings hereunder, including the delivery of the product stipulated by the tender as well as all the necessary components as stipulated by this agreement.
- 4.2. That Supplier possesses the professional knowledge, experience, expertise, and skills required to supply the product; that Supplier has all the necessary tools at its disposal, and that it possesses the relevant ability and skill to fully and in a timely manner, fulfill its commitments under this agreement;
- 4.3. Supplier represents and warrants that it understands the needs and requirements of the Authority with regard to this agreement, and that all of these needs and requirements can be achieved through the proposal submitted by Supplier;
- 4.4. Supplier represents and warrants that it has signed this agreement after carefully reviewing the text of the tender with all of its appendices and clarifications, that it has understood them, has received all of the explanations and instructions required in order to prepare its proposal and its undertakings pursuant to this agreement, and that it has no claim against the Authority with regard to incomplete or insufficient disclosure, error or defect with regard to the data or the tasks required in supplying the product;
- 4.5. Supplier represents and warrants that it is aware that Authority has contracted with it on the basis of its proposal and on the basis of the representations and undertakings made and asserted in the proposal and in this agreement, above and herein.

#### 5. **The Product**

- 5.1. Supplier undertakes to supply inlays that were authorized by Purchaser as set forth in section 9.2 below.
  - 5.1.1. Authority may, at its sole discretion, allow the Supplier to supply a different Inlay or Middleware / SDK than offered in Supplier's proposal to the tender, as long as:
    - 5.1.1.1. The technology that inlay / middleware / SDK Supplier wishes to deliver is based on, is more advanced than the technology the inlay offered in Supplier's proposal is based on;
    - 5.1.1.2. all Supplier's undertakings, including those stipulated in sections 17, 18, 19 of this agreement shall not be changed;

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- 5.1.1.3. The price per inlay unit shall not be increased; Supplier will pay for any and all other costs incurred due to any such changes.
  - 5.2. The preinstalled operating system in the chip must be protected by a transport key to prevent unauthorized use of the chip during shipment from the production facility to Purchaser's facility.
  - 5.3. Supplier undertakes to deliver the product using the most recent version for its operating system.
  - 5.4. Supplier that has proposed a product with a chip containing an operating system that may be upgraded by patches undertakes to supply Purchaser with each new patch of the operating system when so released, including all associated documentation.
    - 5.4.1. If patches can be applied only at Supplier's (or its subcontractor's) site, or if the Purchaser has decided to apply the patches at the Supplier's (or its subcontractor's) site:
      - 5.4.1.1. Supplier will pay for all costs associated with shipment and upgrade, including all relevant customs and taxes costs.
      - 5.4.1.2. If a patch is required to fix a security bug/issue, the Supplier undertakes to deliver fifty thousand (50,000) upgraded inlays within four (4) weeks and to apply the patch to the entire existing stock within three (3) months.
  - 5.5. Supplier will, if necessary, revise the documentation given to Purchaser prior to the signing of the contract, in the event that the operating system is upgraded, and will specify any ramifications of the update on the operation, performance and compatibility of the product.
  - 5.6. Supplier may not modify the configuration of the inlays supplied by it in any way, without prior written permission from Purchaser.
  - 5.7. Without derogating from the aforesaid, Supplier will provide Purchaser with revised documentation for any modification made to a component in the product, including operating instructions and directions for achieving the best operating results from the product.
6. **Middleware Software**
- 6.1. Supplier commits to supply Purchaser with Middleware Software as detailed in its proposal, including licenses for installation in four sites (main issuing facility, a secondary issuing facility and two integration and development sites), as well as complete technical and operational documentation for the software, in English.
  - 6.2. Middleware will be installed on Purchaser's servers, during the development stage of the travel documents, as set forth in section 9.8 below.
  - 6.3. Supplier undertakes to update Purchaser whenever it executes any such upgrade.

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- 6.4. Supplier undertakes to provide the Purchaser with upgrades of the Middleware Software (including all documentation thereof), so that it is compatible with the chip and its operating system in the product supplied by it, as well as future upgrades which will be compliant with future upgrades of the Operating System that will be implemented by Purchaser.
  - 6.5. Supplier will also provide technical support for the Middleware, as part of the professional guidance and training as set forth in section 20, without derogating from the provisions of section 9.9 below.
- 7. Contract Milestones**
- 7.1. The Contract is divided into two key phases:
    - 7.1.1. The (initial) setup phase;
    - 7.1.2. The ongoing supply phase.
  - 7.2. The setup phase will commence upon the signing of this agreement.
  - 7.3. The setup phase will terminate following the delivery of three hundred thousand (300,000) inlays, but no later than ninety (90) days after the execution of this agreement, except upon prior written notice by the Purchaser.
  - 7.4. Notwithstanding the above, transition from the setup phase to the ongoing supply phase is contingent upon written confirmation by Purchaser that the setup phase has terminated. Such confirmation shall not be unreasonably withheld.
- 8. Stages of the Setup Phase**
- 8.1. The Setup Phase will be split into two main stages:
    - 8.1.1. The Travel Document Development Stage – detailed in section 9.
    - 8.1.2. The Trial Stage – detailed in section 10.
  - 8.2. The Travel Document Development Stage commences with the onset of the Setup Phase (7.2 above) and expires upon commencement of the Trial Stage, thirty (30) days following the execution of the agreement, except upon prior written notice from the Purchaser.
  - 8.3. Notwithstanding the above, a prerequisite to the transition from the Travel Document Development Stage to the Trial Stage is receipt of written notification from the Purchaser that the Travel Document Development Stage has been completed. Such notification shall not be unreasonably withheld.
- 9. Travel Document Development Stage**
- 9.1. During the Travel Document Development Stage the parties will act to adapt the product to the other components of the travel document so that the inlay will be integrated as best as possible into the travel document.
  - 9.2. At the start of this stage, Purchaser will send Supplier its comments, if any, about the proposed product; Supplier undertakes to repair or take any action necessary during this phase, so that the product is integrated as best as possible into the travel document.
  - 9.3. The repair of the product and its compliance with the instructions given by Purchaser is a fundamental term of the agreement; the product will be deemed

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in compliance with Purchaser's requirements only upon written approval by the Purchaser, as set forth in section 8.3 above.

- 9.4. Supplier will submit within fourteen (14) days of the commencement of the Travel Document Development stage, its detailed proposed plan for transporting the product to Purchaser, unless otherwise governed by sections 15.1 and 5.2 of the agreement.
- 9.5. Supplier will send for approval of Purchaser, within fourteen (14) days of the start of the Travel Document Development stage, its packing specifications for the product, including the number of units in each package and the method for marking the package, unless otherwise specified in section 14 of the agreement; the specifications approved in writing by the Purchaser will be called hereinafter – the **Packing Specifications**.
- 9.6. Supplier will send for approval of Purchaser within fourteen (14) days of the start of the Travel Document Development stage, a proposed reporting format that will be attached by Supplier to each batch delivered (and will also be sent for each batch via electronic means), as stipulated in section 14.4; the reporting format approved in writing by the Purchaser will hereinafter be called – the **Reporting Format**.
- 9.7. Supplier will send for approval of Purchaser within fourteen (14) days of the start of the Travel Document Development stage, specifications for storing the product; these specifications, once approved in writing by the Purchaser, shall hereinafter be called – the **Storage Specifications**.

Supplier undertakes, at its own expense, to examine the storage area, facilities and conditions and to approve suitability of these to the storage specifications, prior to shipping products.

- 9.8. Supplier undertakes to install the Middleware on the Purchaser's servers at the issuing facilities. For this purpose, Purchaser will post its technical/professional employee on site, as specified in section 9.9.1.2.
- 9.9. Supplier undertakes to provide the Purchaser with professional guidance, training and support (including recommendations and advice prior to the Travel Document Development stage) to the extent and at the times requested by Authority during the Setup Phase.

9.9.1. Without derogating from the generality of the above, the professional guidance during the Setup Phase shall include:

- 9.9.1.1. Support throughout the travel document production process, including the production of the Blank Passport and support during the integration of the inlay into the booklet (at the booklet supplier site). Supplier undertakes to send an engineer to Israel, at its expense, who specializes in the integration of inlays into passports, for the aforementioned support at Purchaser's facility, for a period not to exceed five (5) consecutive days in Israel (at a time to be determined by Purchaser).

9.9.1.1.1. Travel days will not be counted as work days.

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9.9.1.2. Support and guidance in the establishment of the Personalization process, including the installation of the middleware. Supplier undertakes to send a systems programmer to Israel who specializes in personalization as well as in the specific middleware proposed by the Supplier and approved by the Purchaser, to provide the aforementioned support at the Purchaser's facility, for a period not to exceed five (5) consecutive days in Israel (at a time to be determined by Purchaser).

9.9.1.2.1. Travel days will not be counted as work days.

9.9.2. The professional guidance set forth in section 9.9.1 shall not be counted as onsite support visits set forth in section 20.3 and will not be counted as support days (excluded from the "pool" of support days); Authority may utilize the support days and onsite visit days set forth in section 20.3 during the setup phase as well.

9.9.3. The professional guidance set forth in section 9.9.1 above will be offered at no additional cost.

9.9.4. The provisions of sections 20.5 - 20.8 shall apply, mutatis mutandis, in respect to the professional guidance detailed in section 9.9.1.

**10. Trial Stage**

10.1. Three hundred thousand (300,000) inlays, must be delivered to the Authority in up to three (3) batches, prior to the completion of the Trial Stage (as contemplated in sections 7.3 and 7.4) subject to the provisions of section 10.2 below.

10.2. Supplier undertakes to supply the first batch of the above Trial Stage batches, within sixty-five (65) days from the signing of the agreement; or at a later date, if given a forty five (45) day prior written notice by Purchaser; the first batch shall not contain less than one hundred thousand (100,000) units.

10.3. The provisions of section 12.2.1 will apply mutatis mutandis to the supply of products during the Trial Stage.

**11. Ongoing Delivery Phase – Ordering the Product**

11.1. Orders placed during the Ongoing Delivery Phase for the product will be placed at least 90 days prior to required delivery date, by way of the Purchase Order form, Schedule (3) of the contract, or on any other duly signed form, on which Purchaser has sent prior written notice to Supplier.

11.2. Orders will be placed by Purchaser's authorized representative in writing, specifying the quantity requested in the batch ordered, the location and date for delivery.

11.3. Supplier must notify Purchaser as early as possible of the production dates for its order, so that Purchaser can arrange a visit to the production facility as set forth in section 16.2.

11.4. An order during the Ongoing Delivery Phase may not be made for less than three hundred thousand (300,000) units.

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## **12. Delivery of the Product during the Ongoing Delivery Phase**

- 12.1. Delivery of the product during the Ongoing Delivery phase shall be made only after the Supplier receives an actual order from the Purchaser.
- 12.2. Supplier undertakes to deliver the product in the quantities, on the dates and to the location specified in the order.
  - 12.2.1. Supplier may deliver the product earlier than the date specified in the order only upon prior written approval from the Purchaser.
- 12.3. Supplier will deliver the product to the Delivery Facility noted in the order.
- 12.4. Confirmation of receipt of the product by the Booklet Supplier on behalf of the Purchaser will be sent upon receiving the product. This notification constitutes proof of acceptance of the product only and shall not be deemed evidence of Supplier's compliance with the quality of the product sent.
- 12.5. Without derogating from Supplier's undertaking pursuant to section 12.2, Supplier undertakes to notify Purchaser of any delay in the delivery of the products, as early as practically possible; In such instance, Purchaser may, at its sole discretion, allow Supplier to deliver the products at a later date than the date specified in the order, and the new date shall then be designated as the order date.
- 12.6. Without derogating from the provisions of sections 12.2 and 12.5 or from any other relief available to Purchaser, it is agreed that in the event of a delay Supplier will compensate Purchaser, with no additional need to prove damages, as follows:
  - 12.6.1. For a delay not exceeding fourteen (14) days from the date specified in the order Supplier will pay Purchaser a monetary compensation equivalent to ten percent (10%) of the value of the order, not including VAT;
  - 12.6.2. For a delay of fifteen (15) days to thirty (30) days from the date specified in the order, Supplier will pay Purchaser a monetary compensation equivalent to thirty percent (30%) of the value of the order not including VAT;
  - 12.6.3. For a delay of more than thirty (30) days from the date specified in the order, Supplier will pay Purchaser a monetary compensation equivalent to fifty percent (50%) of the value of the order not including VAT;
- 12.7. The liquidated damages set forth in section 12.6 above may be offset in accordance with section 36 below.
- 12.8. A delay exceeding forty-five days from the date specified in the order constitutes a fundamental breach of the agreement.

## **13. Tests conducted by Supplier**

- 13.1. Supplier undertakes to carry out tests on the product during the production process and prior to delivery, as follows:
  - 13.1.1. Testing the operability of the chip – response to ATR / ATS.
  - 13.1.2. Verifying the correct lifecycle state of the chip.

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- 13.1.3. Other standard tests performed by Supplier as specified in its proposal to the tender.
  - 13.2. Supplier will conduct the above tests on every product delivered.
  - 13.3. Each batch sent by Supplier will be accompanied by a COC certificate signed and certified by Supplier's quality control manager, with the final test results including COT, demonstrating that the shipped products have successfully passed the tests specified in section 13.1.
  - 13.4. Supplier undertakes not to ship any production batch that failed the tests.
  - 13.5. Purchaser or its representative may supervise the tests conducted by Supplier, at Supplier's facility, or at any subcontractor, upon providing prior written notice to Supplier.
    - 13.5.1. It is understood that Purchaser's supervision does not detract from the liability of Supplier or its undertakings pursuant to this agreement.
14. **Product Packaging and Product Information**
  - 14.1. Supplier undertakes to ship the products in shipments divided into inner packages containing 500 units each, with the production batch number printed on each inner package.
  - 14.2. Supplier undertakes to ship the products in sealed, tamper evident packages.
  - 14.3. Supplier undertakes to ship the products consistent with the packaging specifications.
  - 14.4. The product details and production batch number will be sent by a digital file in CSV format, in accordance with the reporting format.
15. **Transportation and Storage**
  - 15.1. Supplier shall pay for and be responsible for the shipment of the product from Supplier's facility to the facilities of the Booklet Supplier or other delivery Facility determined by the Authority. The Supplier shall provide the Authority with all documentation required under this Contract and, without limitation, all documentation to enable custom clearance, payment, receiving and use of the Products by the Authority.
  - 15.2. Purchaser will store the products according to the storage specifications and will monitor humidity and temperature in the storage area. The temperatures and humidity logs will be provided to Supplier upon written request.
    - 15.2.1. Improper storage that does not conform to the storage specifications shall not constitute a breach of contract, however the warranty provided by Supplier and the provisions of section 18 shall not apply to products provided that the defect in the product was caused by Purchaser's improper storage conditions.
16. **Inspections by Purchaser**
  - 16.1. Purchaser is permitted to inspect the delivered products by itself or by others on its behalf.

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- 16.2. Purchaser is permitted, upon providing prior written notice, to visit Supplier's or the subcontractor's facility during production, to ascertain that Supplier is in compliance with the agreement.
- 16.3. Any inspection or monitoring conducted by Purchaser shall not derogate from Supplier's liability or its undertakings under this agreement.
17. **AQL Acceptable Quality Level**
- 17.1. A production batch that deviates from an AQL of up to 0.3% will be rejected in its entirety (hereinafter – **Disqualified Batch**) and shall not be shipped to Purchaser.
- 17.2. Purchaser is entitled to destroy a Disqualified Batch that was shipped to it, at Supplier's expense.
- 17.2.1. Purchaser will send fifteen (15) days prior written notice to Supplier, of its intent to destroy a disqualified batch and will append to such notice the results of the test that led to the aforementioned decision to reject the batch; Supplier is entitled to respond to said notice, nonetheless, Purchaser retains the right to make the final decision regarding the rejection of the batch.
- 17.2.2. Supplier may send a representative at its own expense to Israel, in coordination with Purchaser to witness the destruction of the Disqualified Batch. To dispel any doubt, the arrival of such representative shall not be considered as one of the visits included in the price of the agreement, as set forth in section 20.
- 17.2.3. Supplier will reimburse Purchaser for the monies paid for the Disqualified Batch that was delivered to Purchaser.
- 17.2.4. Purchaser may demand that Supplier replace no more than fifty thousand (50,000) of the units which were destroyed as a Disqualified Batch within twenty one (21) days (at Purchaser's premises), whereby the rest of the inlays of the Disqualified Batch will be replaced by Supplier within sixty five (65) days (at Purchaser's premises); the provisions of section 12.2.1 shall apply, mutatis mutandis.
- 17.2.5. If a production batch is so disqualified by Purchaser, Supplier will conduct a detailed investigation into the defect and its occurrence, and will send Purchaser the results within twenty one (21) days.
- 17.2.6. The production of two Disqualified Batches or more in less than twelve (12) consecutive months shall constitute a fundamental breach of the agreement.
- 17.2.7. The cost of destroying the batch may be offset in accordance with section 36 of the agreement.
- 17.3. The disqualification of a batch shall not derogate from the responsibility of Supplier to deliver the products at the same quality, quantity, and by the date stipulated in the terms of the order or from the measures available to Purchaser for breach of the obligations of the Supplier.
18. **Defective Products**

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- 18.1. A Defective Product or a travel document containing a Defective Product shall be rejected and sent back to Supplier at its expense (either individually (one-by-one) or collectively, at Purchaser's discretion).
- 18.2. Purchaser will be credited for Defective Products according to the terms of the warranty specified below.
- 18.3. Should more than five hundred (500) Defective Products be found within a six (6) month period, Supplier will conduct a detailed investigation into the defect and its occurrence, and will send Purchaser the results within twenty one (21) days.
  - 18.3.1. The provisions of section 18.4 below shall apply in the event that the investigation reveals a high likelihood of a serial defect; Purchaser retains the right to make the final decision regarding the probability of occurrence of a serial defect.
- 18.4. The following provisions shall enter into effect upon the discovery of a Serial Defect, at Purchaser's sole discretion:
  - 18.4.1. Supplier will conduct a detailed investigation into the defect and its occurrence, and will send Purchaser the results within twenty one (21) days.
  - 18.4.2. A recall of all the defective products manufactured in the batch or in the production year (as warranted) will be instituted at Supplier's expense, and Supplier will pay Purchaser 150 New Israeli Shekels for each recalled travel document or product (as the case warrants).
    - 18.4.2.1. To avoid any doubt, the compensation set in section 18.4.2 constitutes a reasonable estimate of the projected damage to Authority should a recall be conducted; this compensation will not derogate from any other measures available to Purchaser, including executing of the performance bond (as contemplated in section 32) in the event that said damages exceed the value of the compensation.

## 19. Warranty

- 19.1. The warranty period for the Products and any other item supplied to the Authority by the Supplier shall extend for 10 years after the date of actual delivery of the Products to the delivery destination specified in the Purchase Order (the "**Warranty Period**").
- 19.2. If any of the Products do not comply with the provisions of the Contract or are found defective or if any defect or fault originating in connection with the design, materials or workmanship, of any of the Products arise at any time within the Warranty Period, Supplier shall at his own cost promptly make such alterations, repairs and/or replacement, including packing, transportation, and retesting, as are necessary so that said Product conforms to the provisions of the Contract; Supplier shall in addition reimburse the Authority for the following costs and expenses incurred in completing the necessary remedial and repair: i) seeking and finding of Defective Products; ii) transportation of defective Products and replacement Products; iii) purchase and installation of replacement Products; iv) testing of replacement Products.

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- 19.3. If the fault or failure to function properly cannot be corrected or is not promptly corrected as set forth above, the incompatible Products shall be removed at the expense of Supplier and Supplier shall without cost to the Authority promptly deliver a satisfactory Products which completely fulfils the provisions of the Contract. Where such faulty Products are no longer in the condition in which they were delivered due to use or acts by Authority prior to discovery of the incompatibility of the Products, and unless such use or acts are inconsistent with the nature of the Products, then Supplier shall accept the rejected Products in such condition and shall replace such Products in accordance with the terms hereof.
- 19.4. In the event of any alteration, repair, or replacement as aforesaid, Supplier Warranty Period shall extend to such altered, repaired or replaced Products for a new period of same duration as initially stipulated, from the date of acceptance of same by Authority.
- 19.5. The above warranty shall apply only in as much as the Products have been used and maintained in compliance with Supplier's instructions for use and with the standard conditions of use.
- 19.6. The warranty shall not apply to: i) consumable and extendible items (such as batteries and fuses); ii) defects arising from or connected with Authority's failure to use, operate or maintain the Products in accordance with standard practices of product operations; iii) defects arising from any combination of the Products or any embedded software with materials, systems or software not approved by Supplier; iv) defects arising from any modification of the Products or any embedded software in a way prohibited by Supplier; v) defects arising from accident, vandalism or negligence causing damage to the Products; vi) or normal wear and tear (v) or defective installation, maintenance or storage (vi) defects arising from technical maintenance or interventions on the Products not authorized by Supplier.
- 19.7. To dispel any doubt, Supplier's undertakings pursuant to section 18 shall remain in effect even after the warranty period, unless explicitly stated otherwise in section 18.
- 20. Training and Professional Guidance**
- 20.1. Supplier will provide Purchaser with professional guidance, support and professional training as needed.
- 20.2. Without derogating from the generality of the above, Supplier will provide guidance and training by e-mail or telephone, as per Purchaser's request, for no additional cost.
- 20.3. Additionally, it is agreed that the foregoing training set forth in section 20.1, of up to forty (40) work days and up to ten (10) visits to Israel, to provide support or training in the issuing or storage facilities, will be provided at Suppliers expense.
- 20.3.1. The support contemplated by section 9.9.1 shall not be counted as part of the workdays and visits to Israel as set forth above.
- 20.3.1.1. Travel days will not be counted as working days.

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- 20.4. In case extra support is required by Purchaser, beyond the support contemplated by sections 20.2 and 20.3, the Authority will pay Supplier:
- 20.4.1. One thousand (1,000) Euros for each day (actual working days) required beyond the forty (40) days included in the proposal;
- 20.4.2. One thousand (1,000) Euros, as a lump sum for each visit to Israel for support at Purchaser's facility (including hotels, flights, per diem and all travel expenses), for visits beyond the first ten (10) visits which are included in the proposal.
- 20.5. Purchaser will send ten (10) days prior written notice to Supplier of the requested on-site visit dates; a visit by Supplier without a request from Purchaser or without prior and written approval from Purchaser will not be deemed a visit under the provisions of section 20.3 nor will any payment be made pursuant to section 20.4, as the case warrants.
- 20.6. Supplier undertakes to provide support and guidance at the Purchaser's facilities on the dates fixed by Purchaser.
- 20.7. Supplier is responsible for coordinating a visit pursuant to notice given by Purchaser in accordance with section 20.5 (including flights, accommodations, and security requirements specified in section 21).
- 20.8. To dispel any doubt, a visit by Supplier personnel for the purpose of sales, repairs covered by warranty, checking compliance with AQL etc., will not be counted in the number of visits or working days contemplated by section 20.3 and will not entitle Supplier to any payments pursuant to section 20.4.

## 21. Security Clearance

- 21.1. Supplier represents that it is aware that some of the facilities involved in the issuance of travel documents, including the booklet production facility and the Issuing Site, are classified sites, and Supplier agrees that access for its staff and its subcontractor's staff (in this section - **Service Staff**) must be authorized in advance by the Authority's security officer.
- 21.2. Supplier undertakes to submit the form appended as Schedule (4) of the agreement, to Purchaser, for each of its staff, at least 10 working days prior to their arrival at Purchaser's facility.
- 21.3. Prior to each such visit to Purchaser's facilities, Supplier undertakes to check the security requirements at the site and to send details of the service staff visiting to the security officer for appropriate security clearance.
- 21.4. Purchaser may, for security reasons, reject any service staff, without explanation or reason, and such decision shall be final.
- 21.5. The Authority's security officer retains sole discretion with respect to security related guidelines, including dates for receiving the names and personal details, and duration and procedures of the visit/inspection.

## 22. Supplier Representative

- 22.1. Supplier undertakes to appoint an officer from among its employees, managers or proprietors as the individual responsible for all interaction with the Authority regarding all matters relating to and inherent in the execution of this agreement (hereinafter: the **Representative**)

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22.2. Upon the signing of the agreement, Supplier will notify Authority of the name of the representative and will inform Authority of his replacement or termination of his service immediately, upon any change in status.

### 23. **Confidentiality**

23.1. Supplier undertakes to keep confidential and not transmit, or bring to the attention of any individual or to any third party, any information or document that it obtains as a result of or in relation to the execution of this agreement or during, prior or subsequent thereto, all in accordance with the confidentiality undertaking appended as **Schedule (5)** of this agreement.

23.2. Supplier's signature, the Supplier Representative's signature (as set forth in section 22) or the subcontractor's signatures on the undertakings of confidentiality appended as **Schedules (5) and (6)** of this agreement is a precondition to the validity of this agreement.

### 24. **Information and Copyrights**

24.1. Any information collected, generated or collated by Supplier in relation to this agreement in respect to the Israeli travel documents (hereinafter the "**Information**") belongs solely to Purchaser and is held in trust by Supplier for Purchaser; Purchaser can make use of the information as it so desires, within the limitations of the law or a non-disclosure agreement between the Supplier and the Purchaser.

24.2. Supplier shall not possess any proprietary right, copyright, commercial or economic development rights or any other rights to Information generated or collected by Supplier during the course of the execution of or resulting from the agreement, and the Information may not be used for any purpose other than in the performance of its undertakings pursuant to the agreement, except with prior written permission from Purchaser's representative.

24.3. Upon expiration of the contractual relationship or pursuant to a direct written request of Purchaser, Supplier will transfer any Information in its possession to Purchaser, or to whom Purchaser explicitly instructs in writing to do so, and Supplier shall not retain a copy, backup or sections of the Information generated or collected during the contractual period, other than upon prior written authorization from Purchaser's representative to do so.

24.3.1. Upon completing the aforementioned transfer of Information, Supplier will deliver a signed affidavit to Purchaser, by which it declares that all the Information in its possession or in the possession of its employees or subcontractors was delivered to Purchaser and that no Information, as defined in section 24.1, has been retained by Supplier, Supplier's employees or subcontractors.

24.4. Supplier must store the Information in a secure manner, and must refrain from transmitting it to any party not involved in the execution of this contract, except upon prior, express written authorization from Purchaser.

24.5. Supplier shall notify Purchaser immediately and in writing, of any compromise of the security of the information.

### 25. **Conflicts of Interest**

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Supplier undertakes to refrain from any conflict of interest while providing the services according to this agreement, and undertakes to immediately inform Authority of any matter that may place it, a controlling shareholder or its authorized signatories, in a conflict of interest situation.

**26. Renewing Certifications and Licenses and Regulations Compliance**

26.1. Supplier must maintain and renew all certifications or licenses, upon which the awarding of the tender was contingent or which constituted a basis for the evaluation of its proposal, so that they remain in effect for the entire term of the agreement. Failure to maintain or renew a certification or license constitutes a fundamental breach of the agreement.

26.2. Supplier undertakes to comply with all laws and regulations that were prerequisites for being awarded the tender or which constituted the basis for the evaluation of its proposal. Failure to comply with said regulations constitutes a fundamental breach of the agreement.

26.2.1. Supplier will comply with any modifications made to said regulations or law and will notify Purchaser in writing, of any such change and its implications.

**27. Proprietary Rights of Supplier**

27.1. Supplier represents that it is the owner, or licensed user and distributor, of all the rights (including intellectual property rights) to the tools, methods, and components that are used in the performance of this contract.

27.2. Deleted.

27.3. Supplier undertakes not to infringe upon copyrights, patents, or trade secrets during the satisfaction of its obligations under this agreement.

27.4. Under no circumstances shall the Purchaser bear any costs for a breach of the foregoing.

27.5. Supplier undertakes to agree to become a third party in any litigation initiated against Purchaser for infringement of copyright, and commits to reimburse Purchaser for any sums it is charged for said breach.

**28. Liability**

28.1. The Supplier shall be solely liable for, and shall fully indemnify and hold harmless the Authority or any of its officers, directors and employees against any liability, loss, damage, expense or proceeding whatsoever in connection with this Agreement, including, without limitation, in respect to:

28.1.1. Personal injury to or the death of any person;

28.1.2. Any loss or damage to property or otherwise;

28.2. The Supplier shall indemnify Authority for any damage or loss occasioned to it as provided above, as a result of any claim in respect of an act or omission as aforesaid, and in the event that Authority is obliged to pay compensation or any other payment in connection with such a claim, the Supplier undertakes to pay such sum to Authority itself, upon its first demand, including all the expenses incurred by Authority in connection with such civil or criminal claim, and because of the need to defend itself against the claim.

**29. Insurance**

- 29.1. The Supplier undertakes to arrange and maintain suitable insurances related to the Products and Services supplied by him for the State of Israel State of Israel – Ministry of Interior – Population and Immigration Authority (hereinafter: "**the Client**"), to the extent that is acceptable in the field of his activity; (with reasonable limits of liability in accordance with the nature and scope of the services/ products supplied by him.
- 29.2. As long as subcontractors are employed by the Supplier, he must ensure that his insurances include coverage for his liability with regard to their activities as well as demand, them to arrange insurances covering their direct liability as required under this section or, alternatively, shall include coverage for their direct liability and activities in his insurances. For avoidance of any doubt, the Supplier 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 .
- 29.3. The Supplier is liable to claim his insurance policies on any loss occurrence as well as to collaborate the matter with the Client.
- 29.4. The supplier shall ensure that all his insurances relating to the Agreement, the Products and the Services shall include the Client as additional insureds subject to an indemnity extension as accepted in each insurance type.
- 29.5. The Supplier shall ensure that all his insurances relating to the Agreement, the Products and Services, shall include a waiver of subrogation clause in favor of the Client and Its employees (this waiver of subrogation shall not apply for the benefit of a person that has caused willful damage).
- 29.6. The Client reserves itself the right to receive from the Supplier a certificate of insurance or copies of the insurance policies, from time to time, by demand.
- 29.7. Law, Jurisdiction, and Territorial Limits in all the Supplier's insurances shall include the state of Israel.
- 29.8. Failure to comply with this chapter constitutes a breach of this Agreement.

**30. Assignment**

- 30.1. Supplier may not endorse, encumber or mortgage its rights or duties pursuant to this agreement to a third party unless it receives prior written permission from Authority to do so.
- 30.2. An endorsement, encumbrance or mortgage, if made without authorization, shall not be binding, and will constitute a fundamental breach of the agreement, and the Authority will not honor said assignments nor make any payments for products provided in this manner.

**31. Subcontractors**

- 31.1. Supplier may, in order to meet its commitments pursuant to the terms of this agreement, contract with the subcontractors listed in its proposal notwithstanding the provisions set forth in section 30; Nonetheless, Supplier may not contract with subcontractors who are not listed in its proposal without permission from Authority as stated in section 30.

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- 31.2. Supplier gives its consent to Authority or any other body acting on its behalf, to contract directly with the subcontractor, in case of ongoing inability of the Supplier to fulfill any of the undertakings stipulated in this contract, after thirty (30) days written notice.
- 31.3. Supplier hereby represents that there are no provisions in the agreements between Supplier and the subcontractors, directly or indirectly, that would prevent or hinder their undertaking to supply the goods and services directly to Authority or to another body acting on its behalf.
- 31.4. The use of subcontractors does not derogate from the obligations of Supplier or its exclusive responsibility to Authority; failure of a subcontractor to meet its obligations shall not absolve Supplier from its obligations under this agreement.

## 32. Performance Bond

- 32.1. To secure all of its obligations pursuant to this agreement, Supplier undertakes to submit to the Authority, prior to the signing of this agreement by the Authority, an unconditional bank/insurance bond, issued by an Approved Financial Entity, in favor of Authority in the amount of EUR 100,000, which shall be valid from the day it is provided until three months after the termination of the contract (“**Initial Performance Bond**”).
- 32.2. Upon termination of the Contract Period, Supplier undertakes to replace the Initial Performance Bond with an unconditional bank/insurance bond, in the sum of EUR 10,000 [10% of the Initial Performance Bond], valid from the day it is provided until five (5) years after the termination of the Contract (“**Second Performance Bond**”). The Initial Performance Bond will be returned to Supplier upon delivery of the second performance bond.
  - 32.2.1. Failure by Supplier to provide the Second Performance Bond constitutes a fundamental breach of the agreement, creating grounds for forfeiture of the initial performance bond.
- 32.3. The text of both the Initial Performance Bond and the Second Performance Bond shall be as set forth in **Schedule (2)** of the agreement.
- 32.4. The contract shall not enter into effect until delivery of the Initial Performance Bond to the Authority.
- 32.5. An extension of the contractual period, beyond the Original Contractual Period, shall be contingent upon the extension of the Initial Performance Bond so that it covers the additional period. Failure to extend the Initial Performance Bond for the additional term shall constitute a fundamental breach of the agreement creating grounds for forfeiture of the bond.
- 32.6. Without derogating from any penalty, which may have accrued or remedy to which the Authority is entitled to under the respective provisions of the Contract or at Law, Authority will be entitled to forfeit the Initial or Second Performance Bond (as warranted), in whole or in part, as agreed compensation, if Supplier breaches any of the terms of the agreement.
- 32.7. The amount of the Initial Performance Bond constitutes adequate and predetermined minimal compensation for reasonable, foreseeable damages

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the Authority may incur should it be required to terminate the Contract with Supplier as a result of said breach.

- 32.8. The forfeiture of the bond shall not prevent Authority from filing a lawsuit against Supplier for the full cost of its damages in the event that said damages exceed the value of the forfeited bond.
- 32.9. Upon partial or complete forfeiture of the bond, Supplier will deposit a new bond with Purchaser, in the form set forth in **Schedule (2)** of the agreement, to supplement the amount of the bond so that it will equal the amount of the initial or second bond, as the case warrants.
- 32.10. To dispel any doubt, the forfeiture of the bond shall not release Supplier from full satisfaction of its commitments pursuant to the agreement, and in accordance with its proposal.

**33. Undertakings of the Authority**

- 33.1. Authority will pay Supplier the consideration for the product as contemplated by section 34.
- 33.2. Subject to the full and accurate performance of Supplier's obligations under this Contract Authority will order at least three million (3,000,000) products during the Original Contract Term.

**34. Consideration**

- 34.1. Consideration to be paid by the Authority for the performance of the Contract is as specified in Supplier's proposal to the Tender, Schedule (7) to this agreement.
  - 34.1.1. Section 34.1 will constitute a fundamental section of this agreement. To derogate any doubt, a reasonable delay in payments shall not constitute a fundamental breach.
- 34.2. Upon the signing of the agreement Supplier will send written notice to Purchaser stating whether it chooses to receive the consideration in **Euros** or wishes to convert its proposal to **new Israelis shekels (NIS)** according to the representative rate of NIS on the day of signing of the contract (hereinafter - **contract currency**). The decision will bind Supplier throughout the duration of the agreement.
  - 34.2.1. The contract currency will serve for payments due to Supplier as well as payments owed by Supplier to Purchaser.
- 34.3. The foregoing prices are final and reflect all of the various factors set forth in the agreement, in addition to the product supplied, unless specifically stated otherwise in this agreement. Notwithstanding the generality of the foregoing, the price of the product includes:
  - 34.3.1. The middleware including maintenance of the software, regular support and all updates/upgrades;
  - 34.3.2. Product warranty as set forth in section 19;
  - 34.3.3. Professional guidance during the organization phase as set forth in section 9.9.1.

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- 34.3.4. Professional guidance by e-mail or telephone (as per the request of the Purchaser) as well as professional guidance for forty (40) working days (including up to ten onsite visits to the issuing or storage facilities in Israel), as set forth in section 20.
- 34.3.5. All costs (direct and indirect) incurred in the shipping of the product from Supplier's facility to the place of delivery, including all taxes and levies (import taxes, duties, purchase tax etc.), shipping costs, storage (until delivery at Purchaser's facility) and release from the port, shipping and storage in Israel (not by Purchaser), bonds and various insurance policies.
- 34.4. The price does not include VAT.
- 34.5. It is understood that neither Supplier nor its representatives are entitled, under any circumstances, to receive any compensation or benefit directly or indirectly from any third party with regard to the performance of the services contemplated by this agreement. A benefit that is received as aforesaid shall constitute a fundamental breach of this agreement.
- 34.6. To dispel any doubt, payments shall not be made for currency linkage differentials or for cost of living adjustments.
- 34.7. Consideration shall be remitted each month to Supplier in accordance with the number of product units delivered by it in the previous month; payments will be made within 24 – 45 days of receipt of an invoice in the Ministry of Interior ("**Ministry**"), subject to approval by Purchaser's representative that the product was delivered according to the order details; was fully operational; and a detailed invoice was received.
- 34.8. A detailed statement of the Batches supplied by Supplier containing the dates of delivery must be attached to the invoice. The statement must be certified by the Authority representative.
- 34.9. Supplier will not increase the extent of the work nor institute any other modifications to the provisions written in the agreement and its appendices, unless it obtains prior written authorization to do so from the authorized signatory of the Government, inclusive of the Accountant of the Ministry. A modification that has not been authorized as set forth above by the Ministry's signatories, is in the sole responsibility of the Supplier and shall not entitle Supplier to any further additional payment.
  - 34.9.1. Supplier represents that it has verified the identities of the authorized signatories for purposes of the execution of the agreement and that it is aware that Government will bear no responsibility for any deviation or addition or modification that did not receive their explicit prior written authorization.
- 34.10. Payments for work performed shall be remitted in the manner as is customary in the Israel government ministries, in accordance with the guidelines of the Accountant General in respect to the acquisition of goods and services in effect from time to time, and subject to the Budget Law and its regulations.
- 34.11. Supplier shall not be entitled to any other compensation other than the monetary compensation explicitly detailed in this agreement.

**35. Absence of Employment Relationship**

- 35.1. The parties stipulate that the relationship between them is that of a purchaser and an independent contractor, and under no circumstance shall this agreement be construed as creating an employer – employee relationship between Authority and Supplier, Supplier’s employees or any representative thereof. Supplier will compensate Authority for any monetary payment, charge or other liability held against Authority, if so held, due to the filing of an employment lawsuit against Authority by any of Supplier’s employees or any representative thereof, immediately upon Authority’s demand to do so and upon the presentation of the binding judgment.
- 35.2. Supplier represents that it has sole responsibility for its employees, and that it alone bears all liability, duty or obligation that an employer has towards its employees, including wages, employers insurance or any type of social benefits.
- 35.3. Any change in the employment agreement between Supplier and its employees does not concern the Authority and shall not serve as grounds to modify the agreement, unless express prior written approval for such modification is given by Authority.

**36. Deductions**

- 36.1. Supplier stipulates that Authority may withhold any sum owed to it pursuant to the terms of the agreement, from the compensation due the Supplier pursuant to this agreement, or to any other contract or law.
- 36.2. Notice of the amounts withheld by Authority as stated will be sent to Supplier at the time of withholding.
- 36.3. Supplier may protest such withholding or claim monies allegedly owed to it to the Authority representative.
- 36.4. The foregoing protest must be submitted no later than 90 days from receipt of the payment from which monies were withheld or from the date notice of the withholding is received, as the case warrants.
- 36.5. Failure to protest within the period stated above shall be deemed acquiescence on the part of the Supplier to the deduction.

**37. Lien**

- 37.1. Neither Supplier nor its agents shall have a right of lien in respect to Purchaser or its representatives, including the goods, documents or other assets associated with Supplier’s services or which belong to Purchaser or a representative thereof.
- 37.2. The Supplier undertakes to insert a clause into every contract between it and a subcontractor, by which said subcontractor shall not have a right of lien.

**38. Breach of Contract by Supplier**

- 38.1. The sections enumerated below constitute fundamental sections of the agreement, whereas a breach of any of them entitles Authority to revoke the agreement, terminate the contractual relationship or suspend the agreement, or demand reimbursement of monies unlawfully paid to Supplier, at Authority’s

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sole discretion, or to sue Supplier for any right or remedy available to Authority for the breach in accordance with the agreement and relevant law.

- 38.2. The following sections constitute fundamental sections of the contract: 5, 6, 9.2, 9.3, 9.8, 9.9, 10, 12.2, 12.3, 12.8, 13.1 - 13.3, 17.2.6, 18, 20, 23, 24.2, 25, 26, 27.1, 29, 30, 32.1, 32.2, 32.5, 32.9 and 34.1.
- 38.3. Without derogating from the above, upon a breach of the agreement by Supplier, Authority may exercise the Initial and/or Second Performance Bond, in whole or in part, in accordance with the provisions enumerated in this agreement.
- 38.4. Authority may demand that Supplier rectify any breach within a reasonable time period.
- 38.5. Failure by Supplier to rectify the breach within the designated time period, and in the absence of any designated time period – 14 days from when Supplier is given notice of the breach – shall cause the breach of the agreement to become a fundamental breach, thereby entitling Authority to all of the remedies detailed above.

### 39. **Termination of Contract**

- 39.1. Authority may terminate its agreement with Supplier prior to the expiration thereof, upon thirty day prior written notice to Supplier, in each of the following instances:
  - 39.1.1. Supplier commits a fundamental breach of the agreement;
  - 39.1.2. Supplier commits a breach of the agreement and fails to rectify said breach within a period of 14 days or within another time period designated by the Purchaser representative;
  - 39.1.3. Supplier is in a situation where it cannot continue to operate orderly;
  - 39.1.4. A motion to appoint a trustee, interim liquidator, or receiver is filed against Supplier and it has not been repealed within 90 days of its submission;
  - 39.1.5. A liquidation order or receivership order is issued against Supplier or an interim liquidator has been appointed for Supplier;
  - 39.1.6. A lien has been placed on Supplier's assets or its rights pursuant to this agreement, in whole or in part, and the lien is not removed within 90 days of its imposition;
  - 39.1.7. Purchaser discovers that Supplier, its controlling shareholder, its subcontractor or the subcontractor's controlling shareholder is a resident of or is incorporated in a country that does not maintain diplomatic relations with the State of Israel or has become one of the above during the course of the Contract Period, due to a change in ownership, or due to a change in the definition of a country that does not maintain diplomatic relations with Israel or for any other reason.
- 39.2. Supplier, upon completion of the agreement, shall transfer all items constituting property of the Authority to Authority and will reimburse Authority for any goods or services not provided.

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**40. General**

- 40.1. Without derogating from the provisions of this agreement, any undertaking in Supplier's proposal shall be deemed part of this agreement, and shall bind Supplier as if written expressly in the agreement.
- 40.2. Any deviation by Supplier from the provisions of its proposal shall be deemed a breach of the agreement, except upon prior written approval by Authority.
- 40.3. A renouncement of a right conferred upon any party pursuant to this agreement or by law shall not be effective unless made in writing and signed by the authorized signatory of said party.
- 40.4. The laws of the State of Israel shall govern this agreement.
- 40.5. The terms of this agreement constitute complete and full expression of the rights of the parties, and revoke any agreement, representation, promise or custom that preceded the signing thereof.

**41. Interpretation**

- 41.1. The division of the agreement and its appendices into sections is done for convenience and orientation sake only and shall not be ascribed any interpretative meaning whatsoever.
- 41.2. The headings of the sections in this agreement are provided for convenience only and shall not be used in the interpretation thereof.
- 41.3. Reference made in the singular shall include the plural and vice versa; Reference made in the masculine gender, shall include the feminine gender as well and vice versa.
- 41.4. The Hierarchy of the tender and the Agreement –
  - 41.4.1. The tender and the agreement appended thereof constitute one document with complementary parts.
  - 41.4.2. An effort will be made to resolve any contradiction between the text of the tender and the text of the agreement.
  - 41.4.3. If the contradiction cannot be resolved, the text of the agreement shall prevail.
- 41.5. The text of the agreement shall prevail in any instance of a contradiction between the agreement and its appendices.

**42. Governing Law and Jurisdiction**

- 42.1. The construction, validity and performance of the Contract and any related document shall be governed by and construed in accordance with the laws of the State of Israel without regard to conflict of laws principles.
- 42.2. All matters related to the Contract and any Purchase Order, including all future Purchase Orders, shall be adjudicated in the authorized courts of the city of Jerusalem, Israel, and the competent Israeli courts shall have exclusive jurisdiction in all matters arising therefrom.

**43. Foreign Supplier Industrial Cooperation Undertaking**

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The Supplier's obligations regarding Foreign Supplier Industrial Cooperation Undertaking per the Mandatory Tender Regulations, as detailed in the Tender shall apply and Supplier shall fulfil all of his obligations in accordance with the Tender and the Laws.

**44. Notices**

44.1. Notice sent by one party to the other pursuant to this agreement or relevant law shall be sent by registered mail, or by fax with confirmation of receipt, or by electronic mail with confirmation of its acceptance, to the addresses of the parties appearing at the end of the agreement. A registered letter shall be deemed as having arrived at its destination following 72 hours from its dispatch by post; a fax or electronic mail shall be deemed as received upon receipt of confirmation of delivery.

44.2. The addresses of the parties for the purposes of this agreement:

44.2.1. Authority: Ministry of Interior - Population and Immigration Authority, 6 Mesilat Yescharim, Jerusalem, 94584.

44.2.2. Supplier: \_\_\_\_\_  
 Address for service of documents: \_\_\_\_\_  
 Tel. \_\_\_\_\_ Fax. \_\_\_\_\_  
 Email \_\_\_\_\_

44.3. The parties' representatives concerning the execution of this agreement are:

44.3.1. On behalf of Authority: \_\_\_\_\_ Tel. \_\_\_\_\_;

44.3.2. On behalf of Supplier: \_\_\_\_\_ Tel. \_\_\_\_\_.

44.4. Parties may replace their representatives upon notice of such to the other party.

**In witness thereof the parties set their hands:**

\_\_\_\_\_  
**Director General of  
 Population and  
 Immigration Authority**

\_\_\_\_\_  
**Accountant, Ministry of  
 Interior**

\_\_\_\_\_  
**Representative of  
 Supplier**

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### **Schedule (1) – Time Schedule**

1. The Agreement shall prevail in any contradiction between the text of this Schedule and the Agreement. Purchaser may modify these dates upon prior written notice.
2. In this Schedule, “Effective Date” – is the date of the signing of the agreement as contemplated by section 3.1 of the agreement.

Date	
Effective Date	The date the agreement is signed; the start of the Setup Phase (Travel Documents Development Stage).
Fourteen (14) days following Effective Date	The transfer of data regarding the shipment of the product (section 9.4 of the agreement), the method of packaging of the product (section 9.5 of the agreement), the reporting format, (section 9.6 of the agreement) and storage specifications (section 9.7 of the agreement).
Thirty (30) days following Effective Date	Completion of the Travel Document Development stage and the beginning of the trial phase.
Sixty five (65) days following Effective Date	Delivery of the first batch, as stipulated in section 10.2 of the contract.
Ninety (90) days following Effective Date	Final date for completion of the delivery required in the trial stage; conclusion of the trial period and setup phase and start of the ongoing supply phase.

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**Schedule (2) – Performance Bond**

Name of Bank/Insurance Company \_\_\_\_\_

Tel. no. \_\_\_\_\_

Fax no. \_\_\_\_\_

To: Government of Israel

By the Population and Immigration Authority

**Re: our guarantee no. \_\_\_\_\_ for \_\_\_\_\_**

We hereby guarantee to cover any sum up to the amount of \_\_\_\_\_

(as written \_\_\_\_\_) that you might demand from: \_\_\_\_\_ (hereinafter the “**Debtor**”) in all matters regarding the agreement for the supply of Inlays to be incorporated into biometric travel documents.

We will remit the aforesaid payment within 15 days from the date of your first demand sent to us by registered mail or by courier, without the need to any explanations for your demand and without raising any claims against you available to the Debtor regarding the outstanding sum or first demanding defrayal of the aforesaid sum from the Debtor.

This guarantee shall remain in effect from the date of \_\_\_\_\_ to the date of \_\_\_\_\_.

A demand pursuant to this bond must be referred to bank branch / insurance company whose address is \_\_\_\_\_

Name of bank/insurance company

\_\_\_\_\_

\_\_\_\_\_

Bank and branch number

Address of bank /insurance company

This guarantee is non-transferable.

\_\_\_\_\_

Date

\_\_\_\_\_

Full name

\_\_\_\_\_

Stamp and signature

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**Schedule (3): Product Order Form**

**Purchase order number**

To: [Particulars of Supplier and Supplier representative]	Date of Order: _____  From: _____ Contact details:
Purchaser's supplier code:	Telephone: _____ Fax: _____ Email: _____

1. In accordance with the agreement executed on the date of \_\_\_\_\_ between the Government of Israel by the Population and Immigration Authority (the “**Purchaser**”) and the Supplier (the “**Agreement**”), the Purchaser hereby orders the following goods from Supplier:

Serial No.	Catalogue No.	Item description	Quantity	Price per unit (Currency)	Total (Currency)
1.					
2.					
				<b>Total Due:</b>	

2. The goods listed in this order will be delivered to the Purchaser on the date of \_\_\_\_\_ / until the date of \_\_\_\_\_ / within \_\_\_\_\_ days of the signing of this order by the Purchaser.
3. The goods will be delivered by Supplier to the Purchaser's facility or to the specific locations listed below: \_\_\_\_\_, attn. \_\_\_\_\_.
4. The terms of payment are as specified in the Agreement.
5. Special instructions / provisions / points: \_\_\_\_\_.
6. To prevent any misunderstanding, it is understood that all of the terms stipulated in the agreement and its schedules shall apply to this order and the delivery of goods ordered.

\_\_\_\_\_  
Purchaser Signature

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**Schedule (4) : Request for Personal Security Clearance**

**Request for Personal Security Clearance (PSC)**

Please provide a PSC or Security Assurance for the person listed below:

First Name	Middle Name	Last Name	ID No.
Nationality	Passport No.	Place of Issue	Date of Issue
Place of Birth	Date of Birth	Home Address	
Father's Name		Job Title	

Employed by:

Company's Name		Company's Address	
Country	city	Telephone No.	

This request is made from the following reasons:


Requesting Security Authority / NSA:

Name	Job Title
Date	Signature & Stamp

## **Schedule (5) : Supplier's confidentiality undertakings**

### **1. Definitions**

- 1.1. "Confidential Information" - any information relating to or associated with, directly or indirectly, the Population and Immigration Authority, its operations or contacts, including information or details related to the Agreement, the nature of the Israeli travel documents and the unique features of the product supplied by the Supplier.

### **2. Confidentiality undertakings**

By its signature below, Supplier represents and undertakes:

- 2.1. Not to disclose, show, distribute, disseminate or transmit, during the contractual period or subsequent thereto, to any person or body, in any way or form, any Confidential Information.
- 2.2. To perform all reasonable actions and take all reasonable measures in order to prevent any leak of Confidential Information to non-authorized parties. The aforesaid actions and measures will be no less than the actions and measures the Supplier takes to avoid unauthorized disclosure of Supplier's own confidential information.
- 2.3. To use the aforementioned information for the sole purpose of the agreement between Supplier and Purchaser.
- 2.4. At the request of Purchaser, to sign every employee, subcontractor or our representatives on a non-disclosure agreement to be provided to the Supplier by the Purchaser.

### **3. Exceptions**

- 3.1. Notwithstanding the provisions set forth in section 2, the Supplier may disclose confidential Information to its employees, who have a reasonable need to know such Confidential Information and who are under binding obligation to keep such information confidential. Such binding obligation shall provide at least the same level of confidentiality as is required by this agreement.
- 3.2. Supplier's obligations as per section 2 shall not apply to any information which the Supplier can prove is:
  - 3.2.1. publicly known at the time of disclosure;
    - 3.2.1.1. Confidential Information shall not be deemed to be public merely because any part of the Confidential Information is embodied in general disclosures or because individual features, components or combinations thereof are now or become known to the public;
  - 3.2.2. subsequently becomes publicly known through no fault of the Supplier;
  - 3.2.3. discovered or created by the Supplier before disclosure by Authority;

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- 3.2.4. is independently developed by the Supplier without the benefit of any of the Confidential Information as evidenced by written documentation;
  - 3.2.5. learned by the Supplier through legitimate means other than from the Authority or its representatives;
  - 3.2.6. disclosed by Supplier with Purchaser's prior written approval.
  - 3.2.7. required to be disclosed in order to comply with legal mandatory regulations, a judicial or official order or decree, provided that written advance notice of such judicial action was timely given to the Authority.
4. The duty to hold Confidential Information in confidence shall remain in effect until the Authority will send the Supplier a written notice releasing Supplier from its undertaking set forth in section 2.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Supplier

## **Schedule (6) : Supplier's Representative's confidentiality undertakings**

### **1. Definitions**

- 1.1. "Confidential Information" - any information relating to or associated with, directly or indirectly, the Population and Immigration Authority, its operations or contacts, including information or details related to the Agreement, the nature of the Israeli travel documents and the unique features of the product supplied by the Supplier.

### **2. Confidentiality undertakings**

By its signature below, Supplier's representative represents and undertakes:

- 2.1. Not to disclose, show, distribute, disseminate or transmit, during the contractual period or subsequent thereto, to any person or body, in any way or form, any Confidential Information.
- 2.2. To perform all reasonable actions and take all reasonable measures in order to prevent any leak of Confidential Information to non-authorized parties. The aforesaid actions and measures will be no less than the actions and measures the Supplier takes to avoid unauthorized disclosure of Supplier's own confidential information.
- 2.3. To use the aforementioned information for the sole purpose of the agreement between Supplier and Purchaser.

### **3. Exceptions**

- 3.1. Notwithstanding the provisions set forth in section 2, the Supplier's representative may disclose confidential Information to Supplier's employees, who have a reasonable need to know such Confidential Information and who are under binding obligation to keep such information confidential. Such binding obligation shall provide at least the same level of confidentiality as is required by this agreement.
- 3.2. Supplier's representative's obligations as per section 2 shall not apply to any information which the representative can prove is:
  - 3.2.1. publicly known at the time of disclosure;
    - 3.2.1.1. Confidential Information shall not be deemed to be public merely because any part of the Confidential Information is embodied in general disclosures or because individual features, components or combinations thereof are now or become known to the public;
  - 3.2.2. subsequently becomes publicly known through no fault of the Supplier or the Supplier's representative;
  - 3.2.3. discovered or created by the Supplier before disclosure by Authority;
  - 3.2.4. is independently developed by the Supplier without the benefit of any of the Confidential Information as evidenced by written documentation;

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- 3.2.5. learned by the Supplier through legitimate means other than from the Authority or its representatives;
  - 3.2.6. disclosed by Supplier with Purchaser's prior written approval.
  - 3.2.7. required to be disclosed in order to comply with legal mandatory regulations, a judicial or official order or decree, provided that written advance notice of such judicial action was timely given to the Authority.
4. Supplier's representative represent that his undertaking pursuant to the provisions of section 2 above shall remain in effect without limitation, even after the termination of its work with the Supplier.

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Date

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Signature of Supplier Representative

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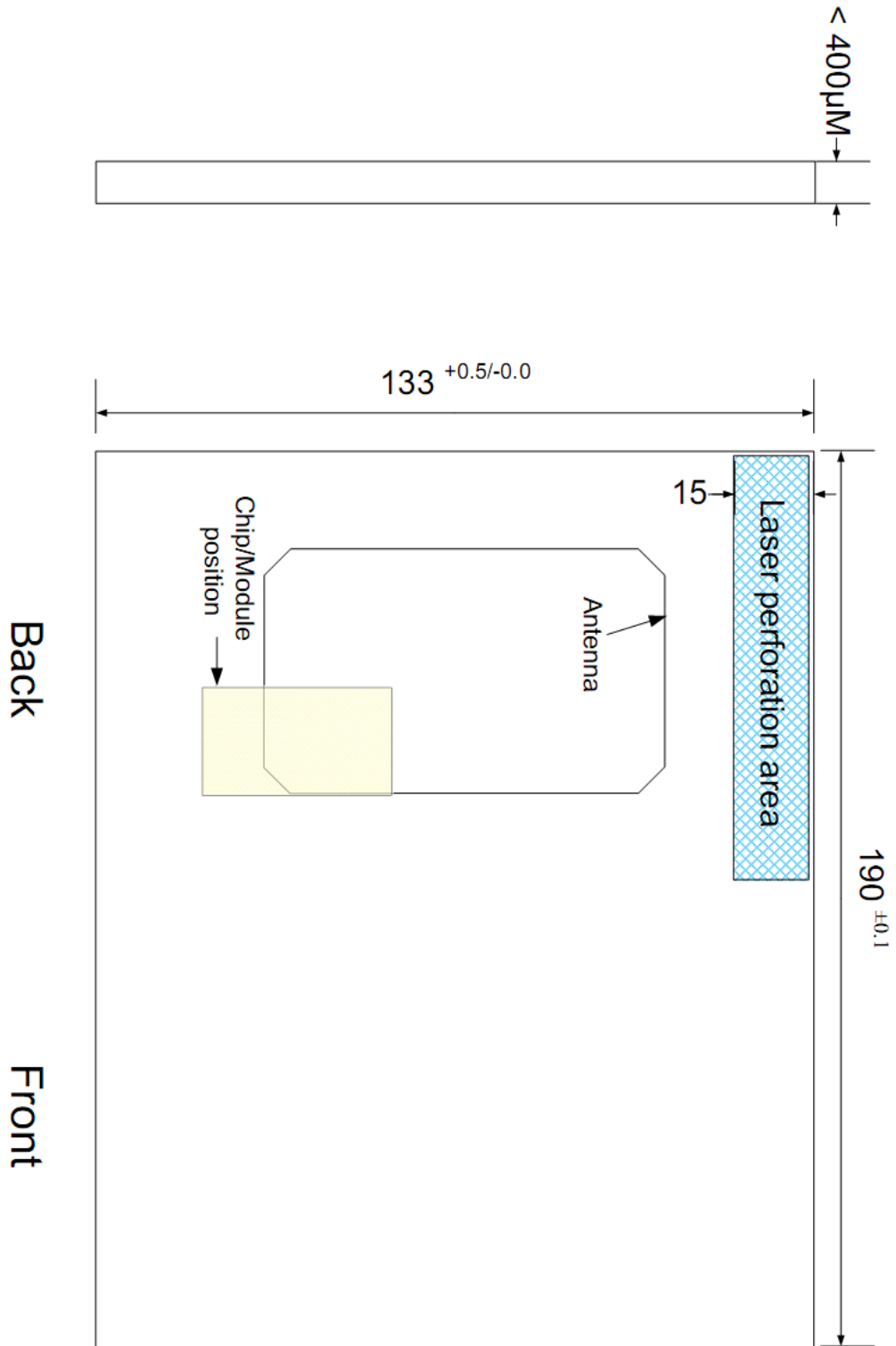
**Schedule (7): Supplier's Price Proposal to the Tender**

*To be attached*

*Appendix c-1 as proposes by the Supplier to the Tender*

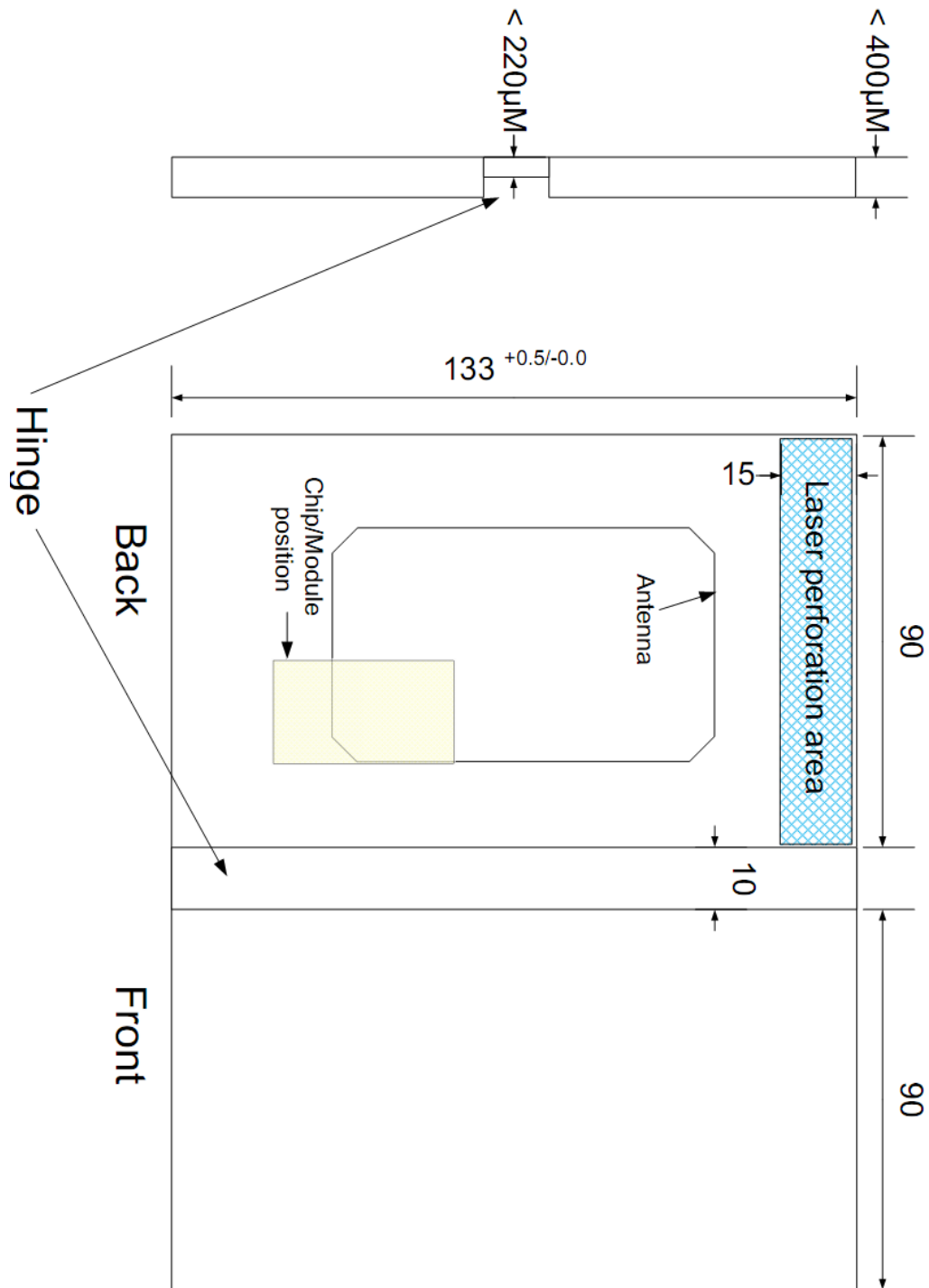
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**Appendix J: Dimensions**



**Inlay without a hinge**

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**Inlay with a hinge**

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### **Appendix K: List of Consultants**

1. S. Friedman, Abramson & Co. – Legal Advisors.
2. Yoram Oren – Yoram Oren Design & Consulting.
3. Lior Kamil - Innovaton Technologies Ltd.
4. Yehuda Malul, Accountant.



מדינת ישראל  
State of Israel

Ministry of Interior  
Population and Immigration Authority

**Appendix L: Registration Form for the Tender**

**Tender for the supply of inlays for biometric travel documents**

1. Name of company registering for the Tender: \_\_\_\_\_;
2. Country of incorporation of company: \_\_\_\_\_;
3. Contact persons, authorized to represent the company for the Tender:
  - 3.1. \_\_\_\_\_;
  - 3.2. \_\_\_\_\_;
4. Mailing address: \_\_\_\_\_
5. Telephone number: \_\_\_\_\_
6. Fax number: \_\_\_\_\_
7. E-mail: \_\_\_\_\_
8. **The role of the registrant:** Inlay manufacturer / chip manufacturer / operating system manufacturer.
9. I acknowledge that giving my contact information does not exempt me from the responsibility to update myself with regard to notices and clarifications by the Purchaser posted on the Tender's website.
10. We acknowledge that Appendixes A & C to the Tender shall be sent to the above designated E-MAIL only to companies which had been registered to the Tender and which are duly incorporated and validly existing under the laws of a country that maintains diplomatic relations with the State of Israel.

Signature of authorized signatory and corporate stamp

\_\_\_\_\_

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### **Appendix M: Diagram of the issuance system**

(As provided in Clause 3 to Appendix A)