



The State of Israel

## **Notice of Publication of a Pre-Qualification Process for a tender for the execution of Sections 8 & 9A of the Cross Israel Highway**

The Government of Israel, acting through an Inter-Ministerial Tender Committee comprised of representatives of the Ministry of Finance, the Ministry of Transport, Inbal Insurance Company and Trans Israel Ltd. (all, the “**Tender Committee**”), hereby invites all local and foreign entities and joint ventures thereof, with the required experience and ability, to participate in the Pre-Qualification Process no. 08/2023 of a tender for the finance, design, construction, operation and maintenance of Sections 8 & 9A of the Cross Israel Highway (the “**Tender**” and the “**Project**” respectfully).

Capitalized terms used herein shall have the meanings ascribed thereto in the Invitation for Pre-Qualification.

### **1. The Selection Process**

The selection process for execution of the Project will be conducted in two phases as follows:

Stage 1 – a Pre-Qualification Process; and

Stage 2 – a Tender Process, in which the Participants announced as "Eligible Participants" in the Pre-Qualification Process will be invited to participate.

### **2. The Pre-Qualification Requirements**

The Pre-Qualification requirements include, *inter alia*, the following cumulative requirements (the detailed Pre-Qualification Requirements and the conditions and manner in which compliance should be demonstrated are fully detailed in the Invitation for Pre-Qualification):

#### **2.1. Professional Pre-Qualification Requirements**

##### **2.1.1. Experience in Construction**

Each Participant is required to demonstrate that an Experience Provider on its behalf has executed, as a Main Contractor, at least each of the following:

- 2.1.1.1. The Construction of a Land Transportation Project with a total Contract Value of not less than three hundred and fifty million New Israeli Shekels (NIS 350,000,000); **and**

2.1.1.2. The Construction of one (1) or more Transportation Project with an aggregate total Contract Value of not less than eight hundred million NIS (NIS 800,000,000); provided that: (i) the total Contract Value per each referenced project shall not be less than seventy million NIS (NIS 70,000,000); and (ii) at least one (1) referenced project, which is not the same referenced project used to demonstrate the experience required under Section 2.1.1.1, shall have a total Contract Value of not less than one hundred and twenty-five million NIS (NIS 125,000,000),

provided that each referenced project presented under this Section 2.1.1 2.1.1 was Completed during the ten (10) year period ending on the Pre-Qualification Submission Date.

The referenced project presented for demonstrating compliance with the provisions of Section 2.1.1.12.1.1.1 may be presented for demonstrating compliance with provisions of Section 2.1.1.22.1.1.2.

#### 2.1.2. Experience in Design and Construction (DB Scheme)

In addition, each Participant is also required to demonstrate that the same Experience Provider that demonstrated compliance with Section 2.1.1 above has also executed, as a Main Contractor, at least the following:

- (a) The Design and Construction of a Transportation Project under a DB Scheme with a total Contract Value of not less than two hundred and fifty million NIS (NIS 250,000,000);  
**or**
- (b) The Design and Construction of a Civil Engineering Project under a DB Scheme with a total Contract Value of not less than four hundred million NIS (NIS 400,000,000);

provided that each referenced project presented under this Section 2.1.2 was Completed during the ten (10) year period ending on the Pre-Qualification Submission Date.

The experience required under this Section **שגיאה! מקור ההפניה לא נמצא.** 2.1.2 may be demonstrated in the same referenced project used to demonstrate experience required under Section **שגיאה! מקור ההפניה לא נמצא.** 2.1.1 above, provided that the applicable referenced project satisfies all requirements under this Section **שגיאה! מקור ההפניה לא נמצא.** 2.1.2.

The Tender Committee will consider each such request on a case-by-case basis and may issue an Addendum as a result thereof.

**2.2. Financial Pre-Qualification Requirements applicable to Members which are not Financial Entities**

Each Member of the Participant who is not a Financial Entity, is required to demonstrate compliance with one of the following Financial Pre-Qualification Requirements' alternatives detailed below.

**2.2.1. Alternative A:**

2.2.1.1. **Average Operating Cash Flow:** Each Member of the Participant, which is not a Financial Entity and chooses to demonstrate its compliance with the Financial Pre-Qualification Requirements according to Alternative A, meets one of the following requirements:

2.2.1.1.1. Average Operating Cash Flow during the last three (3) years, based on its most recent three (3) Financial Statements, is not negative; **or**

2.2.1.1.2. The ratio between:

(A) The absolute value of the lesser of: (1) the Average Operation Cash Flow of the Member, for the last three (3) years, based on its most recent Financial Statements, and (2) the annual operating cash flow of the Member for the year for which the Member has published its most recent Financial Statements; **and**

(B) The equity of the Member, based on its most recent Financial Statements, deducted by the "Minimal Required Equity" (as defined in clause 2.2.1.2 below and in the Pre-Qualification Documents);

is less than twenty five percent (25%).

2.2.1.2. **Equity:** Each Member, which is not a Financial Entity and chooses to demonstrate its compliance with the Financial Pre-Qualification Requirements according to Alternative A, is required (in addition to demonstrating the required Operating Cash Flow in accordance with Section 2.2.1.1 above) to demonstrate equity of not less than three million New Israeli Shekels (NIS 3,000,000) for each one percent (1%) of Anticipated Holdings in

the Participant, based on its most recent Financial Statements ("**Minimal Required Equity**").

2.2.2. **Alternative B:**

**Increased Required Equity:** Each Member, which is not a Financial Entity and chooses to demonstrate its compliance with the Financial Pre-Qualification Requirements according to Alternative B, is required to demonstrate equity of not less than nine million New Israeli Shekels (9,000,000 NIS) for each one percent (1%) of Anticipated Holdings in the Participant, based on its most recent Financial Statements.

2.3. **Financial Pre-Qualification Requirements applicable to Financial Entities**

2.3.1. **Private Investment Fund:** Any Member which is a Private Investment Fund is required to demonstrate that as of the date commencing fourteen (14) days prior to the Pre-Qualification Submission Date, the amount of Unutilized Commitments under its management is not less than nine million New Israeli Shekels (9,000,000 NIS), for each one percent (1%) of Anticipated Holdings in the Participant, based on the Member's most recent Financial Statements.

2.3.2. **Banking Corporations or Institutional Investors:** Any Member, which is a Banking Corporation or an Institutional Investor, is required to demonstrate one of the following requirements:

2.3.2.1. Its equity is not less than three million New Israeli Shekels (3,000,000 NIS) for each one percent (1%) of Anticipated Holdings in the Participant, based on the Member's most recent annual Financial Statements; **or**

2.3.2.2. It manages assets with a net worth of not less than seventy-five million New Israeli Shekels (NIS 75,000,000) for each one percent (1%) of Anticipated Holdings in the Participant, based on the Member's most recent annual Financial Statements.

2.3.3. **Investment Entity:** Each Member which is an Investment Entity is required to demonstrate equity of not less than three million New Israeli Shekels (NIS 3,000,000), for each one percent (1%) of Anticipated Holdings in the Participant, based on its most recent annual Financial Statements.

3. Copies of the Invitation for Pre-Qualification may be downloaded at <https://mr.gov.il/ilgstorefront/he/search/?s=TENDER>, as of August 1<sup>st</sup>, 2023, for no charge.

4. Participants may raise questions and requests for clarifications or interpretations to the Pre-Qualification Documents ("**Request(s) for Clarification(s)**"), by no later than October 30<sup>th</sup>, 2023. Such Requests for Clarifications shall be addressed in writing only to Ms. Oshrat David Dakar, Chairwoman of the Tender Committee, via Ms. Liron Levy, Coordination Manager of the Tender Committee, at: [ppp.somech-beithaemek@inbal.co.il](mailto:ppp.somech-beithaemek@inbal.co.il).
5. As a pre-condition for submission of Requests for Clarification and/or for submission of the Pre-Qualification Submission, the Participant shall pay a participation fee in an amount of twenty thousand New Israeli Shekels (NIS 20,000) (VAT included) or the equivalent thereof in USD or Euro. Methods of payment and the applicable exchange rate for USD or Euro are detailed in the Invitation for Pre-Qualification.
6. Participants will submit their Pre-Qualification Submissions on **December 31<sup>st</sup>, 2023, by no later than 14:00 (2 P.M)**, local Israel time, to the Tender Committee's tender box, at the following address:  
  
The Tender Committee  
Division of Public Private Partnership Projects  
Inbal Insurance Company Ltd.  
Inbal House  
3 Arava St., Airport City  
P.O.B 282, Ben Gurion Airport, Israel
7. This notice contains general and preliminary information only. Further conditions and requirements with respect to the Pre-Qualification Process are as detailed in the Invitation for Pre-Qualification.
8. In case of contradiction between this notice and the Invitation for Pre-Qualification, the Invitation for Pre-Qualification shall prevail.