



**Israel Electric Corporation Ltd.**  
Organization, Logistics, Security & Emergency  
Supply & Stores Division  
Tender & Market Research Department  
New Office Building, 1 Nativ Haor St.  
P.O.B 10, Haifa 31000, Israel  
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**Proposal:101896390A**

**Date:** 06.04.2016

**Person to Contact:** BERNARD AMDUR

**Email:** amdor\_b@iec.co.il

**Subject:** F.A. (2 year) for Prepaid Meters

Dear Sirs,

The I.E.C. kindly requests your proposal for the following item/s detailed in Annexure "C" attached.

**Deadline for Submission of Proposal:** 22.05.2016 **Time:** 11:00

**Address for Submission:** ISRAEL ELECTRIC, MAIN OFFICE BUILDING, 1 NATIV HAOR ST., HAIFA, ISRAEL

**Method:** IN A CLOSED ENVELOPE TO BE INSERTED IN BID BOX NO.1, GROUND FLOOR, ROOM NO. 009.

Should any additional information be required, please do not hesitate to contact us.

Sincerely,

BERNARD AMDUR

**Purchasing process No.:** 101896390

**Subject:** Framework agreement (Two year) for supply of Static Single & Three Phase Prepayment METERING System with Wireless Communication

**Specification No.:** 316-03-21-15

**Tender Coordinator:** Bernard Amdur

## INVITATION TO SUBMIT PROPOSALS

rev. December 3rd , 2015

The Israel Electric Corporation Ltd. (hereinafter: "IEC") is interested in purchasing the goods/equipment, described below (hereinafter: the "Goods"). The purchase will be conducted and concluded in accordance with and subject to the terms, conditions and requirements, set forth in the tender/inquiry/request for proposals (hereinafter: the "RFP" or the "Purchasing Process") documents. You are hereby invited to submit a proposal for the supply of the Goods. Any inconsistency between the provisions detailed in this RFP and any publication in any newspapers or internet site, the provisions of this RFP shall prevail.

The information contained in this RFP (including any documents constituting any part thereof) is of a proprietary nature and Offerors in any RFP or Purchasing Process shall not copy or use the contents of this RFP for any purpose whatsoever unless used for purposes of submitting a Proposal and unless they have received the prior written consent of IEC.

### 1. DESCRIPTION OF GOODS

IEC intends to purchase the following Goods: Static Single & Three Phase Prepayment METERING System with Wireless Communication, for installation in IEC's network, as listed in Annexure "C", and as more fully described in the specifications (Annexure "B") attached herewith.

Where applicable the Scope of Work includes Design, Development, Factory Tests and Packing of goods before delivery, and also Services for Training, Supervision of Erection & Commissioning, and supply of Spare Parts and Special Tools.

### 2. CONDUCT OF THE PURCHASE

The Purchasing Process will be conducted in the form of (as marked with an X, below):

<input checked="" type="checkbox"/>	a public Tender
<input type="checkbox"/>	a limited tender (paragraph 17B below)
<input type="checkbox"/>	a closed/selective tender
<input type="checkbox"/>	an evolving on-line computerized tender (paragraph 3E below)
<input type="checkbox"/>	an additional competitive procedure (paragraph 3D below)
<input checked="" type="checkbox"/>	a negotiation procedure (paragraph 18B below)

Subject to the mandatory Tenders Regulations 5753-1993, - new Amended edition as of February 2009 (hereinafter: the Regulations).

☐ an inquiry (pursuant to an exemption from tendering under the Mandatory Tenders Regulations) 5753-1993.

In the event of any inquiry ("Inquiry") exempt from tendering, the process of purchasing shall NOT be subject to the Mandatory Tenders Law and Regulations and IEC shall be free to contract in accordance with the general law of contract.

### 3. ORDER OF THE PURCHASE

A. The Purchasing Process will be conducted in (as marked with an X, below):

<input type="checkbox"/>	a single stage
<input checked="" type="checkbox"/>	two stages

**B. When the purchase is conducted in two stages, the process shall be conducted in the following manner:**

- (i) In stage 1 (the "prequalification" stage), Offerors are required to submit their technical and Commercial Proposals, excluding prices, along with all the documents, records, Annexures, questionnaires and other things, required in the Specification, or elsewhere in the Purchasing Process documents.  
The term "Offeror" shall mean all entities, submitting their proposals under the Purchasing Process. Where required, the documents must be filled in and/or signed.
- (ii) IEC will examine the technical/commercial proposal and may request clarifications from Offerors in respect of any item contained therein, including possible modifications thereto and, in doing so, reserves to itself the right to issue amendments to the tender/inquiry documents. Such amendments may contain requirements more or less stringent than those originally requested. In case amendments are effected, Offerors will be required to update and submit their revised technical/commercial proposals (without prices) to IEC. Such proposals shall comply with the revised tender/inquiry documents, without exceptions, as far as possible, so that they may be better evaluated on a common basis. Where prices have been included in any stage 1 proposal, IEC shall disregard such prices.
- (iii) IEC shall have a right to disqualify a proposal, at its discretion, on technical and/or commercial grounds. An Offeror, whose proposal is disqualified in the course of stage 1, will not be permitted to partake in stage 2.
- (iv) In stage 2, Offerors, whose technical/commercial proposals have been approved by IEC during stage 1, will be invited to submit their price proposals, subject to such terms and conditions as will be set forth in the invitation to submit prices.  
In stage 2, Offerors shall only submit their prices. Offerors shall not be permitted to submit any technical or commercial information (other than where specifically requested to provide further technical clarification) and shall not include any further technical, commercial or legal exceptions. In the event such exceptions are submitted, IEC shall be entitled to disqualify the proposal.
- (v) IEC shall have a right to modify, amend or complement any term, requirement or condition, including quantities, delivery schedule and payment terms set forth in the tender/inquiry documents, at any time prior to the deadline for submission of price proposals.
- (vi) The invitation of an Offeror to participate in stage 2 shall not deprive the IEC of the right to disqualify such Offeror's proposal in the course of stage 2, if IEC discovers, that the proposal should have been disqualified for technical, or other reasons, during the conduct of stage 1.

- C. When the purchase is conducted in a single stage, Offerors are required to submit their technical and commercial proposals, along with their price proposal and all the documents, records, Annexures, questionnaires and other things, which are required in the specification or elsewhere in the tender/inquiry documents, duly filled in and/or signed (as required).

**D. ADDITIONAL COMPETITIVE PROCEDURE IN ACCORDANCE WITH MANDATORY TENDER REGULATION NUMBER 17E**

1. If IEC decides that the tender shall contain an additional competitive stage, it will be explicitly stated in the title of the tender procedure.

An additional competitive stage will be held, and IEC will notify the Offerors whose proposals comply with all the conditions of the tender that they are entitled to submit, at a date to be determined by IEC, a final price proposal which will include conditions more beneficial to IEC than those contained in the original proposal; provided that the lowest qualified price proposal submitted for the tender will not be lower than IEC's own estimate by more than 10%, and IEC has come to realize that no mistake was made in the estimate and also if one or more of the following conditions exists:

- a. There is a difference of up to 5% between the weighted mark of the lowest price proposal and the weighted mark of the next lowest price proposal.

- b There are no more than three Offerors who have complied with all the tender conditions.
2. In the event an Offeror does not submit an additional price proposal or a proposal containing conditions more beneficial to IEC, then the original proposal will be considered the final proposal.
3. For the avoidance of doubt, regardless whether the Offeror submits an additional price proposal or not, the validity of the proposals shall remain 180 days from the date of the last deadline for submission of the new price proposal in the additional competitive procedure.
4. Where an Offeror has attached an accountant's approval for preference for local Israeli Manufactured goods to the original proposal submission and there is an additional competitive procedure, a new accountant's approval must be attached to the final proposal, should it still be relevant.

**E. EVOLVING COMPUTERIZED ON-LINE TENDER IN ACCORDANCE WITH MANDATORY TENDER REGULATION NUMBER 19D**

N / A.

**4. PLACE FOR SUBMISSION OF PROPOSALS**

- A. Proposals must be submitted in pen, not pencil, in a sealed envelope, in three (3) printed hardcopies + Magnetic media copy on 2 CD's, at the carrying the Tender/Inquiry number, at the following address;

THE ISRAEL ELECTRIC CORP. LTD.  
GROUND FLOOR, ROOM 009, NEW HEAD OFFICE BLDG, 1 NETIV HA'OR ST.  
SOUTHERN ENTRANCE OF HAIFA, ISRAEL  
BOX NO. 1

- B. Only the actual placement of the envelope, containing the proposal in the box, specified above, will be considered as a submission of the proposal.  
**PLEASE NOTE THE BOX NUMBER DESIGNATED ABOVE. PLACEMENT OF THE PROPOSAL IN THE WRONG BOX MAY DISQUALIFY YOUR PROPOSAL.**
- C. In the event that attachments to the technical/commercial proposal cannot be inserted into the box, due to the size and volume of its contents, the Offeror may deliver such attachments, by hand, in a separate, sealed envelope/box, properly marked with the tender/inquiry number and Offerors name to room 417, 4th floor, at the above-captioned address.

**5. DEADLINE FOR SUBMISSION OF PROPOSALS**

- A. The deadline for submission of proposals is as stated below

**DATE: May 22, 2016.**

**TIME: 11:00 AM (Israeli time)**

IEC reserves the right to disqualify any proposals that have not been submitted by this date.

PLEASE NOTE:

The offices of IEC are open to the public for purposes of submission of proposals on the following days:

Sundays through Thursdays: from 07:00 until 18:00 hours (Israeli time).  
Fridays and on the days preceding Israeli Public holidays and during intermittent days of the religious holidays of Passover and Succot: from 07:00 until 14:00 hours (Israeli time).

**NO PROPOSALS MAY BE SUBMITTED ON SATURDAYS OR ISRAELI PUBLIC HOLIDAYS.**

- B. When the purchase is conducted in a single stage, said deadline applies to the submission of the technical/commercial proposals, as well as the price proposal.  
When the purchase is conducted in two stages, said deadline applies to the Submission of the technical/commercial proposals, while the deadline for submission of the price proposal will be notified at a later stage.
- C. IEC may, at its discretion, postpone the deadline for submission of the proposals, at anytime prior to the opening of the tender/inquiry envelopes. However, IEC shall be under no obligation to postpone the deadline due to the requests of any participants in the tender or inquiry.
- D. The above requirements are not applicable to On-line purchasing procedures as specified in Clause 3.E. above.
- F. IEC hereby announces that until Thursday, the nearest day to the deadline that was scheduled for submission of proposals, at 12:00am, changes may occur in the tender documents.

It is the purchasers' responsibility to ascertain whether such changes have occurred in the tender documents as well as to view on IEC's website, the documents on the said date.

It is hereby clarified that the above does not in any way derogate from IEC's right, after the final deadline for the submission of proposals, to implement changes in the tender documents. In such instance, the tender participants will be notified by way of a notice.

- G. Please note that the entrance to IEC's premises is subject to the Offeror undergoing a routine security check which may delay his entrance to IEC's premises and thereby delay the submission of the proposal. IEC will not accept claims that due to the security check, the proposals were not submitted on time. Due to the abovementioned, IEC recommends its Offerors to submit their proposals in advance and not wait until the final date for submission.

## **6. THE MANNER IN WHICH PROPOSALS MUST BE SUBMITTED**

Unless specifically stated otherwise, the Offeror shall be entitled to elect whether to submit his proposal to all or part of the sections listed, as well as submit alternatives to the different items proposed.

Should the Tender/Inquiry documents state that the Offeror is requested to submit a proposal to all sections listed and the Offeror shall omit to submit a proposal to one of the sections approved during the technical stage, IEC shall, when comparing the price proposals submitted by the offerors, list the highest price proposal submitted by the other offerors to that specific section. However, should such Offeror be awarded the Order/Contract, IEC shall pay the Offeror the lowest price submitted for that item.

Should the Offeror awarded the Order/Contract omit to submit a price proposal to an item and/or an option, that was specifically regarded as an item/option which will not be taken into consideration when comparing prices, the price to be paid by IEC for such item shall be the lowest price submitted by other offerors.

In the event the Offeror is requested to submit prices for: (i) a single item; and (ii) the total amount of units of that specific item (the price submitted for a single item multiplied by the amount of units) and a discrepancy is found between the following: the price submitted by the Offeror for a single item and the price found for a single item after dividing the price proposed by the Offeror for the total amount of units of that specific item, by the total amount of units of that specific item. The price to be determined for the purposes of comparison, (and for the order, should the Offeror be awarded the Order/Contract) shall be the unit price.

## **7. FEE FOR PARTICIPATION**

The Offeror is requested to pay a participation fee in the amount of 300 NIS (inclusive of VAT) (hereinafter referred to as the: "Participation Fee").

In a single stage Purchasing Process, the Participation Fee must be paid together with submission of the proposal. In a two stage Purchasing Process, the Participation Fee is required only for the first stage.

Please note that the Participation Fee will not be refunded.

IEC will permit an Offeror to finalize payment of the Participation Fee within a time period to be determined by IEC.

The RFP documents shall be published on IEC's website.

Where RFP documents are NOT published on IEC's website, the sum of 50 NIS shall be charged for the receipt of such documents. In the event a participant has paid for the receipt of documents not published on IEC's website, the Participation Fee shall be reduced to 250 NIS.

The Participation Fee must be deposited to IEC's account number 5314543, at a Post Office Bank, situated in Israel. Payment may be effected at any local Israeli Post Office Branch.

However, should the Offeror elect to pay the equivalent Participation Fee in any of the foreign currencies listed below, deposit must be made to IEC's account as follows:

Bank name: Israel Discount Bank

BIC code: IDBLILITXXX

Account name: Israel Electric Company LTD.

- IBN No for USD: IL85 0110 1000 0001 4092 265  
Through any bank in the USA and: CHASUS33, BOFAUS3N, BKTRUS33
- IBN No for EURO: IL67 0110 1000 0000 1092 261  
Through any European bank and: CHASDEFX, COBADEFF, DEUTDEFF
- IBN No for GBP: IL83 0110 1000 0001 9092 263  
Preferred banks: BARCGB22, MIDLGB22, NWBKGB22
- IBN No for JPY: IL69 0110 1000 0002 1092 267  
Preferred banks: SMBCJPJT

Please see the equivalent Participation Fee in the following currencies:

- 67 USD
- 59 Euro
- 48 STG
- 7,454 JPY

## 8. TENDER/INQUIRY DOCUMENTS

The following documents (as marked with an X below) are attached herewith and shall constitute the tender/inquiry documents:

- |                      |   |
|----------------------|---|
| <u>      X      </u> | This "Invitation to Submit Proposals", including: <ul style="list-style-type: none"><li>- RFP- Offeror Data Sheet</li><li>- Attachment 1- Declaration Regarding the Adherence to Anti Trust Laws</li><li>- Attachment 2- Supplier's banking details</li></ul> |
| <u>      .      </u> | Form of Agreement/Order;  |
| <u>      X      </u> | Annexure "A": General conditions, rev. March 15, 2015.  |
| <u>      X      </u> | Annexure "B": Specification 316-03-21-15, edit. 12/2015.  |
| <u>      X      </u> | Annexure "BB"- Threshold Conditions.  |
| <u>      X      </u> | Annexure "C": including: Summary of Prices, which, when completed by the Offeror (at the second stage), will constitute a part of its Price proposal, includig: <ul style="list-style-type: none"><li>- Supplement to ANNEXURE "C" - SHIPPING DATA.</li></ul> |
| <u>      X      </u> | Annexure "D": Special Conditions (application of Annexure "Z").   |
| <u>      X      </u> | Annexure "E1": Form of irrevocable letter of credit for performance.  |
| <u>      X      </u> | Annexure "E2": Performance Bond (from Israeli Banks or Israeli insurance companies).  |
| <u>      X      </u> | Annexure "H": Price Adjustment (for Proposals in excess of NIS 500,000 and where prices are not firm prices).   |
| <u>      X      </u> | Annexure "L": Insurance   |
| <u>      .      </u> | Annexure "P": Preference for Israeli Manufactured Products.   |
| <u>      .      </u> | Annexure "R": Delivery Shipping and Handling.   |
| <u>      X      </u> | Annexure "S": (Short Version) General Conditions for Safety at Work at IEC's Premises   |
| <u>      X      </u> | Annexure "U": Mandatory Commercial Cooperation Undertaking.   |
| <u>      .      </u> | Annexure "X": Finance (for contracts above 5 million \$).   |
| <u>      X      </u> | Annexure "Y" : Potential Banks for Guarantees.  |
| <u>      X      </u> | Annexure "Z" : Flexible frame contracts/orders Conditions.  |
| <u>      .      </u> | Other attachments/annexures.  |

## 9. PRELIMINARY/THRESHOLD CONDITIONS:

As a prerequisite to Offeror's participation in the Tender, the Offeror is requested to furnish, together with his proposal (when the purchase is conducted in two stages with his first stage proposal), samples and/or documents attesting to the fulfillment of the Preliminary/Threshold conditions, set out in Annexure BB hereto.

In addition, in the event information provided by the Offeror in previous procurement procedure/s and/or tenders is found unreliable, IEC shall consider not to allow the Offeror to participate, in future procurement procedures/tenders.

## 10. SELECTION AND ACCEPTANCE OF PROPOSAL/S AND CANCELLATION OF AWARD

[see also Annexure "BB"]

### A. Evaluation method

In order to determine which proposal/s is/are most advantageous to it, the IEC intends to use the "Expert Choice method", where the First stage proposal shall be graded according to the non-monetary, non-quantifiable parameters detailed in Score Matrix in clause 8 of the Technical Specification, Tables 8.1 and 8.2, giving an "expert choice grade/ score", weighted as 40% of the overall score. In the Second stage, the monetary value of the price proposal shall be considered in the overall techno-economic evaluation of the proposals, weighted as 60% of the overall grade/score.

### B. Criteria

Over and above the a/m method of evaluation, the IEC shall be free to determine, at its sole discretion, which proposal/s is/are most advantageous to it. In doing so Purchaser shall weigh all, or part, of the following:

- (i) The cost to IEC;
- (ii) The quality of the Goods, equipment or services;
- (iii) The fitness of the Goods, equipment, or services to IEC's purposes, and/or facilities, and/or systems and/or training and/or existing inventories;
- (iv) The reliability, expertise, training and experience of the supplier/manufacturer/Offeror;
- (v) IEC's past experience with the goods, equipment and/or the supplier/manufacturer/Offeror;
- (vi) IEC's interest in developing alternate sources of supply;
- (vii) The supplier/manufacturer/Offerors production and service capabilities, as well as its ability to meet the required schedule of delivery;
- (viii) The supplier/manufacturer/Offerors financial condition and its ability to fulfill a long term warranty.
- (ix) The inclusion in the proposal of any exceptions, qualifications, modifications or additions to the terms and conditions set forth in the RFP documents (without restricting IEC's right to disqualify the proposal altogether).
- (x) Where relevant under Israeli Law, compliance with labor law stipulations regarding employees rights, including a report or a audit in this regard to the effect that Offeror has not acted contrary to labor law, issued by a government office or government body which has had contractual dealings with the Offeror during three years preceding the final submission date for the proposal.
- (xi) Any other factor, concerning, among others, the Goods, the supplier or the manufacturer or the Offeror, which constitutes or may constitute an advantage or a disadvantage to IEC, or its interests.

C. IEC shall not be bound to accept the lowest proposal, or any proposal.

D. (a) IEC reserves the right to cancel the acceptance of any proposal without any cost to IEC or compensation to any Offeror and reserves the right to either: award of any Order/Contract to any Supplier and shall award the Order/contract (in whole or in part) to the Offeror who has submitted the next most suitable proposal; or issue a new procedure for purchase of the Goods in the following circumstances:

- (i) Where the Offeror awarded the Order/Contract has withdrawn or amended his proposal after

- the award by IEC;
  - (ii) the Offeror has refused or failed to sign the Order/contract;
  - (iii) the Offeror fails to comply with the provisions of the Order/Contract including inter alia;
    - where the Supplier is required to supply IEC with a sample or prototype of the goods and has failed to do so or where the said sample or prototype is unacceptable to IEC.
    - IEC has reasonable doubt that the Supplier is unable to comply with the time Schedules specified in the Contract/Order.
  - (iv) IEC has received information pertaining to the Offeror or the proposal which would otherwise have led to IEC's disqualification of the proposal had such information been known to IEC at the time of making the award.
  - (v) IEC, in its discretion has elected to cancel the award due to erroneous evaluation of the proposal by IEC or for any other reason within the interests of IEC.
  - (b) For purposes of clarification, in the event an Offeror has received a notification that its proposal has not been accepted, such notification shall not affect IEC's right to award the Order/Contract to the Offeror who has submitted the next most suitable proposal.
  - (c) In the case of those circumstances detailed in Subparagraphs C.(a) (i),(ii) and (iii) above, IEC shall have the right to either:
    - Claim liquidated damages from the Offeror in an amount of 5% (5 percent) of the sum of the Offeror's proposal (including any options); or
    - Claim damages for costs and expenses incurred to IEC.
- D. According to Article 2B of the Mandatory Tenders Law, 5752-1992 (hereinafter referred to as "Article 2B"), in the event it is found, after weighing the results of proposals submitted by the offerors, that two or more of the proposals, received an identical weighted result, a result that received the highest score overall, and one of the proposals was submitted by a company under the control of a woman, IEC shall award the tender to such offeror, provided that at the time of submission, the following documents were attached to it: (i) an affidavit by the abovementioned woman; (ii) an approval from an accountant, all in accordance with the definitions and requirements set forth in Article 2B.
- F. The authorized body making any decisions or awards in any tender/inquiry is the relevant tender committee(s) of IEC.

## **11. PARTIAL AND ALTERNATIVE PROPOSALS**

### **A. Partial Proposals**

Offers submitted are to include proposal for all items and the full Scope of Work/ Supply as detailed in Ann. C - Summary of Prices.

Proposals not including full Scope of Work / Supply shall not be accepted.

Award of the contract shall not be divided between several Bidders.

### **B. Alternative Proposals**

The Offeror shall have the right to submit alternative proposals in any tender/inquiry provide that such proposals comply with the requirements of the tender/inquiry.

## **12. EXCEPTIONS, QUALIFICATIONS AND ADDITIONS**

A. IEC strongly urges Offerors not to submit or include in their proposals any qualifications, modifications, deletion, additions or substitutions (hereinafter jointly referred to as: "exceptions") to the terms, conditions and requirements, set forth in the tender/inquiry documents.

B. In the event , however , that any exceptions are included in a proposal, the IEC, at its sole discretion, may:

- (i) Disqualify the proposal; or
- (ii) Weigh and/or accept the proposal as is, taking the exception/s into account in the overall



- evaluation, while, at its discretion, attaching a certain cost to the exception/s, which may be arbitrary, in instances where it/they cannot be reasonably quantified.
- (iii) condition the consideration and/or acceptance of any offer and/or the execution of any contract, on a full waiver of any exception made by the Offeror.

### **13. IEC'S DISCRETION TO DISQUALIFY**

In addition to IEC's right to disqualify proposals under paragraph 11 above, IEC may disqualify any proposal on one or more of the following grounds:

- (i) The supplier/manufacturer/Offeror of the Goods lacks relevant experience, production capability or financial backing, so as to raise a reasonable doubt, concerning the delivery of the Goods, in accordance with the strict requirements of the RFP documents.
- (ii) The proposal fails, or there is a reasonable likelihood that the proposed supplier/manufacturer/Offeror, may fail to meet any of IEC's technical requirements, standards or required delivery schedule; or
- (iii) The quality and/or reliability of the Goods has/have not been sufficiently tested or proven to IEC, in order to be safely or reliably incorporated into IEC's network or system; or
- (iv) The Goods do/does not fit, or is/are not compatible with, IEC's existing facilities, systems, inventories, equipment, standards or training; or
- (v) The Goods and/or its/their design and/or construction is/are based on outdated, inferior or untested design or technology.

### **14. DIVISION OF THE CONTRACT / ORDER**

In the event the IEC decides to divide the award/contract among several Offerors, IEC may, in its discretion, demand that an Offeror, whose proposal is inferior, improve its proposal as a condition to being awarded any portion of the order/contract.

### **15. UNREASONABLE OFFERS**

IEC shall have a right not to accept any price proposal, unreasonably higher or lower than IEC's price estimate and/or the price, which appears to IEC as a reasonable and fair price, under the circumstances.

#### **15.A SINGLE OFFERS**

- a. If, in the event of any inquiry (exemption from tender), a single proposal has been received by IEC or results from disqualification or rejection of all other proposals in the inquiry ("Single Proposal"), IEC shall not be obliged to accept such Single Proposal but shall be entitled to approach other Offerors (as well as the Offeror who has submitted the Single Proposal) in an additional process for receiving proposals.
- b. Where a Single Proposal has been received in any public tender, IEC shall have the right to decide whether to accept such Single Proposal or to cancel the tender and issue a new tender or to issue an inquiry (exemption from tender) should IEC be of the opinion that a new tender would not be beneficial to IEC.
- c. Where a Single Proposal has been received in any closed or selective tender, IEC shall not accept such Single Proposal and shall issue a new tender unless if IEC is of the opinion that a new tender would not be beneficial to IEC.

### **16. TIME OF EVALUATION OF PRICE PROPOSALS**

IEC will conduct the evaluation of the price proposals close to the date of the decision of its authorized tender committee. The evaluation will be based upon the relevant parameters, currency exchange rates, relevant capitalization rates, indices known and published on the date of conducting the evaluation. IEC reserves the right, during the evaluation of the price proposals, to take into consideration the following additional expenses: import, customs, delivery expenses etc.

## 17. CANCELLATION OF THE PURCHASING PROCESS

IEC shall have a right to abort or cancel the Purchasing Process, at any time, when, inter alia:

- A. All the proposals are unsatisfactory to IEC and IEC has reason to believe that issuance of a new Purchasing Process may solicit proposal/s, which is/are more advantageous to IEC.
- B. There are reasonable grounds to believe that the administration of the Purchasing Process has been improperly or defectively conducted, as to all or part of the participants.
- C. IEC discovers an error or an omission in the Purchasing Process documents and/or in any data, which is relevant to the procurement of the Goods.
- D. IEC finds it necessary or beneficial to update or modify the specification or any other material requirement in the Purchasing Process documents.
- E. There is a change of circumstances, including a change in fiscal or budgetary circumstances, or a change in IEC's needs or priorities, which warrants, in IEC's opinion, the cancellation of the procurement.
- F. There are grounds to suspect that some or all of the offers have been coordinated, or that some of the Offerors have joint interests or have, otherwise, acted illegally or improperly.
- G. It is IEC's professional opinion that none of the qualifying offers is reasonably priced.
- H. The Successful Offeror (the "Successful Offeror shall mean the Offeror, whose Offer has been chosen by IEC's Tender Committee as the most beneficial to it under the Purchasing Process) has failed to comply, within reasonable time, with any of the relevant requirements set out in the Purchasing Process documents.
- I. The Successful Offeror has failed to countersign, within the time, prescribed by IEC or, in the absence thereof, within a reasonable time, the Order/s and/or the contract issued by IEC.
- J. IEC tender committee has received information concerning the Offeror, the offer or its content, or any part thereof, that would have prevented the award being given to the Offer, had such information been known to the Tender committee, earlier.
- K. There is reasonable doubt, as to whether the Successful Offeror is in a position to fulfill its obligations towards IEC, in a satisfying manner.
- L. Any other reason, justifying in law the cancellation of the award.

In the abovementioned circumstances and any other circumstances in terms of which IEC is entitled to cancel the Purchasing Process according to the law, IEC shall not be liable to pay any compensation whatsoever to any Offeror, in connection with the cancellation of the Purchasing Process.

## 18. IEC'S RIGHTS TO NEGOTIATE

- A. Unless prohibited by law, the IEC shall have a right to conduct negotiations with all or part of the offerors, whose proposals are most advantageous to it.
- B. MANDATORY NEGOTIATIONS IN TENDER PROCEDURES IN ACCORDANCE WITH TENDERS REGULATION NUMBER 7 (WHERE APPLICABLE)

1. IEC will negotiate with all Offerors within the Final Group of Offerors. The Final Group of Offerors shall include all those Offerors complying with the conditions of the tender, including the threshold conditions/pre-conditions and who have been evaluated with a minimal threshold mark (where such grade has been required).

2. At the completion of the negotiations on such date determined by IEC, each Offeror will be entitled to submit

a final proposal into the Tender Box. In the event a Offeror fails to submit a final additional proposal, the first proposal will be considered the final one.

3. After submission of the final proposals, IEC will cease all negotiations with all Offerors. IEC will examine all the proposals submitted (including the first proposals where no additional final proposals were submitted) and will reach a decision.

4. Despite the above, IEC will be entitled to decide not to negotiate with the Offerors in the event any one of these conditions exists:

- If no negotiations have begun with any of the Offerors.
- If all the Offerors agree to waive the negotiating process.

In addition, IEC will be entitled to decide not to accept any additional proposals after negotiating with all the Offerors, in the event all the Offerors agree to waive the submission of the aforesaid proposal.

5. In the event only one Offeror remains in the group of final Offerors, IEC will be entitled to:

- negotiate with such Offeror.
- decide that such Offeror does not have to submit an additional proposal to the Tender Box, but may submit a written proposal by means of a different method to be determined.
- decide not to negotiate at all.

#### C. IEC's RIGHT TO NEGOTIATE IN INQUIRIES EXEMPTED FROM TENDERS

IEC shall have a right to conduct negotiations with all or part of the Offerors, whose proposals are most advantageous to it.

### **19. IEC'S RIGHT TO VERIFY PROPOSAL, TO REQUEST CLARIFICATIONS AND TO OBTAIN SUPPLEMENTARY DOCUMENTATION**

IEC shall have the right to verify the Offeror's proposal by receipt of any information regarding the Offeror or the Goods and by conducting visits to the Offeror's offices and facilities or those of its subcontractors or affiliates (such visits shall be co-ordinated between IEC and the Offeror). IEC shall have a right to request and receive clarifications when such clarifications are necessary in order to properly evaluate any proposal, or request, and obtain any document, record or thing, which have not been submitted with the Offeror's proposal. In the event the Supplier fails to co-operate with IEC in verification and clarification of the Offeror's proposal, IEC shall be entitled to disqualify the proposal.

Where the terms of the specification require the Offeror to submit together with the proposal a sample of the goods, and an identical product to that proposed in the proposal has previously been supplied to IEC, IEC reserves the right, not to request the submittal of the sample required, all in accordance with IEC's discretion.

### **20. IECS RIGHT TO WAIVE REQUIREMENTS**

IEC may, at any time, waive any requirement, term or condition in the tender/inquiry documents, which in IECs discretion, is not essential or substantially material to IEC. In weighing such a waiver, IEC may consider the overall advantages of each proposal (in terms of overall costs and otherwise) vis a vis the lack of compliance of such proposal with the relevant requirement, term and condition.

### **21. GOVERNMENTAL APPROVALS**

The award of any order/contract to any Offeror and/or the notification of award/acceptance of proposal, are subject to the issuance any and all necessary governmental approvals, including import licenses. IEC shall have a right to

cancel any notice, award or order/contract, if necessary governmental approvals are denied or delayed, in a manner, which interferes, or may interfere, with IECs time tables.

## **22. CONTRACT FORMALIZATION**

The Order/Contract shall be binding only upon issuance of a notice to the Offeror awarding it the Order/Contract.

## **23. PREFERENCE TO ISRAELI MANUFACTURED GOODS**

Offerors of Israeli manufactured goods/products may be entitled to preference in the evaluation of any tender. Such preference may be given in two main instances:

- (a) When the value of the goods/products is less than 355,000 SDR (approximately \$541,375); or
- (b) When the goods/products consist of cables (H.S. 8544), transformers (H.S. 8504), disconnectors and switchers (H.S. 8535-8537), or electric motors (H.S. 8501), irrespective of the value of the supplies. Offerors, who desire to obtain a preference, must carefully review and consult the "ANNEXURE "P": PREFERENCE TO ISRAELI MANUFACTURED PRODUCTS ", which, if not attached herewith, may be received from IEC, upon request. All claims for a preference are subject to the terms and provisions, set forth in said annexure and in any applicable laws, regulations or international treaties. As used herein, the words "Israeli manufactured goods/products" shall mean goods or products, manufactured in Israel or in zone, by a manufacturer, who is an Israeli citizen, or a permanent resident of Israel, or a corporate entity, registered in Israel, provided that the Israeli contents in such goods/products equals or exceeds 35% of the price of the proposal.

## **24. MANDATORY COMMERCIAL COOPERATION**

- (a) For purposes of this paragraph, the words "Foreign Supplier" shall mean a Supplier of goods/products, which are not "Israeli manufactured goods or products", as defined in the Mandatory Tender Regulations (Preference to Israeli Manufactured Goods and Duty of Commercial Cooperation) of 1995.
- (b) A "Foreign Supplier", who is awarded a Contract for the supply of goods, equipment, services, or work of a value, which exceeds \$ 5,000,000, or a repeat/additional contract (following a contractual award of \$ 5,000,000 or more), valued at more than \$ 541,375 or more is required to engage in a "Commercial Cooperation" activity in Israel and to submit a proper undertaking, in writing, to do so, all in accordance with the Purchaser's "Annexure U: Mandatory Commercial Cooperation" and the applicable regulations.
- (c) It is the Supplier's duty to obtain from the Purchaser the most recent edition of the "Annexure U: Mandatory Commercial Cooperation" and of the form of the "Foreign Supplier's undertaking of Commercial Cooperation".
- (d) The Contractual provisions, set forth in said documents are hereby incorporated by reference, as though set forth in full herein and shall be an integral part of these general conditions. Irrespective of anything to the contrary herein, the provisions, terms and conditions, set forth in said Annexures P and U shall prevail.

## **25. JOINT PROPOSAL**

The submission of an offer by multiple parties is conditioned upon the fulfillment of the following requirements:

- a. Each Offeror must sign the proposal and must fill in and sign the Offeror information sheet.
- b. If the joint proposal is accepted by IEC, the offerors will be, jointly and severally, obligated to sign the order/contract and to fulfill the terms and conditions, set forth therein. No split or division of obligations or responsibilities is permitted.
- c. The joint proposal will, irrevocably, designate one party and one bank account for purposes of correspondence and deposits of payments, which will be used by IEC, during the process of the inquiry/tender and the management of the order/contract, if the joint proposal is accepted.

- d. At least one of the offerors must fulfill all the threshold conditions, pertaining to the offerors, set forth in the inquiry/tender documents.  
In case of a closed or selective tender, at least one of the offerors must be listed in IEC's list of qualified suppliers, pertaining to the relevant product / goods/equipment.
- e. Any joint proposal shall comply with the provisions of the Restraint of Trade Law 5748 # 1988 and/or the instructions of the Commissioner of Restraint of Trade duly appointed by the Minister of Industry, Trade and Employment.

## 26. ANTI DUMPING LEVY

- A. The contractor declares that the prices for the Equipment set out in its proposal, or in the contract are:
  - (i) neither substantially lower than the normal price charged by the Contractor domestically for similar equipment;
  - (ii) nor subsidized by the Contractors government, excluding support through export financing and credit risk insurance (hereinafter "Subsidy") and
  - (iii) do not otherwise constitute dumping according to Israeli Law, as in force from time to time.
- B. The Purchaser shall notify the Contractor promptly of any allegation of dumping and the institution of proceedings or action against it. The Contractor shall supply the Purchaser with all such information and assistance to enable it to defend the suit, and the Purchaser shall permit the Contractor to be joined as a party respondent.
- C. In the event the Israeli competent authorities determine that the contractors prices constitute dumping prices and the Purchaser is required, as a result thereof, to pay any anti-dumping duty or any other assessment, levy, penalty, fine, obligation or payment, and incur costs, expenses or fees (including legal fees) (hereinafter together "Anti Dumping Duty") the Contractor shall indemnify and hold the Purchaser harmless for such Anti-Dumping Duty as shall be imposed on, or suffered by the Purchaser.

## 27. IMPROPRIETY

- A. In addition to the duties and prohibitions applying the law, including the Penal Law 5737-1977, the participant (Offeror, contractor, supplier, consultant, service provider, etc.) and any person on it's behalf (hereinafter: "the Participant"), hereby undertakes and declares as follows:
  - (i) that it shall neither directly nor indirectly offer and/or give and/or receive any benefit and/or funds and/or anything of value in order to improperly influence, directly and/or indirectly, the decision and/or action and/or inaction of Purchaser or of an officer of Purchaser and/or an employee of Purchaser and/or any person on the behalf of Purchaser and/or any other persons, in connection with the Contract/Order;
  - (ii) that it shall neither directly nor indirectly solicit and/or co-operate with any officer of Purchaser and/or employee of Purchaser and/or any person on the behalf of Purchaser and/or any other persons in order to obtain restricted/confidential information in connection with the Procurement Procedure and/or any contract/order placed consequent thereto;
  - (iii) that it shall neither directly nor indirectly solicit and/or co-operate with any officer of Purchaser and/or employee of Purchaser and/or any person on the behalf thereof and/or any other person/company/body in order to establish prices in an artificial and/or non-competitive manner or that they have not acted contrary to the provisions of restraint of trade as detailed in the Anti-Trust Law 5748 - 1988;
  - (iv) subject to clause C below, that it is not a Family Member and does not employ or intend to employ for purposes of this Contract/Order, any "Family Member" (as such term is defined in the Government Corporations Regulations [Rules Pertaining to the Employment of Family Members], 5765-2005) insofar as such employment may be construed as constituting a conflict of interests between the Participant and any officers or employees of Purchaser;
  - (v) that it has not acted contrary to the provisions of paragraphs (i)-(iv) above within Procurement Procedures of Purchaser and/or any Contract/Order placed consequent thereto.

(vi) that the Contractor has not either directly or indirectly engaged in money laundering activities during the course of the Contract/Order or prior thereto;

(vii) that throughout the period of any transaction with the Purchaser:

- the Participant is not incorporated and/or located in any of the countries designated as #enemy countries# and is not otherwise designated as an #enemy# under the Trading with the Enemy Ordinance # 1939.

- the Participant is not directly, or to the best of the Contractor's knowledge, indirectly, subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") or directly, or to the best of Contractor's knowledge, indirectly, subject to any sanctions administered by any corresponding authority in any EU member state (the "Other Authorities").

- The Participant

- o is not an "unlawful association" as specified in the Defense (Emergency) Regulations 1945;

- o has not been classified by Israeli Governmental authorities as a "terrorist" as specified in the Prevention of Terrorism Ordinance 5708-1948; and

- o has not acted in contravention of the provisions of the Prohibition of Financing Terrorism Law 5765-2007 and is not a designated terrorist organization thereunder.

(viii) For purposes of this provision:

- the term "Contractor" includes the Contractor, any of its directors, officers, agents, employees, parent company, first degree subsidiaries, related companies and affiliates.

- the terms "Ordinance", "Law" or "Regulation" shall also include subsequent amending legislation as well as subsidiary legislation and regulations.

B. In the event of reasonable suspicion that the Participant failed to comply with the provisions of Subarticle

(A) above, Purchaser reserves the right, in its exclusive discretion, to:

(i) exclude it from the Procurement Procedure regarding to which there is suspicion that the aforesaid action was performed and/or from any other procedure (hereinafter: "the Procurement Procedure"); and/or

(ii) reject its proposal submitted in the Procurement Procedure ; and/or

(iii) at any time cancel its award in the Procurement Procedure and/or at any time cancel this Contract/Order or any other Contract/Orders entered into with Purchaser.

C. In the event the Participant is a Family Member and/or employs a Family Member as detailed in Clause A (iv) above, the Participant shall make full disclosure in writing to Purchaser of details of the identity and position held by such employee and no such Family Member shall be in any way connected with the performance of this Contract/Order without receiving the prior written consent of Purchaser.

D. When submitting his proposal, the Offeror declares and undertakes full compliance with the provisions of the Restraint of Trade Law 5748 - 1988 and/or the instructions of the Commissioner of Restraint of Trade duly appointed by the Minister of Industry, Trade and Employment and the laws pertaining to freedom of contract and competition (including the formation of monopolies, cartels etc.).

In the event IEC is of the opinion or has reasons to suspect that some or all of the proposals have been co-ordinated, or that some of the Offerors have joint interests or have, otherwise, acted illegally or improperly, IEC reserves the right to disqualify the Offeror's proposal.

When proposals (including any options, flexibilities etc) (shall mean "Proposals" in this paragraph only) are in excess of NIS 3,000,000 or the equivalent amount in non-Israeli currency (calculated in accordance with the Representative Rate of Exchange {"RROE"}), the declaration attached as Attachment 1 below must be signed by the Offeror and the signature must be witnessed by an attorney.. Whereas Proposals in excess of 100,000 NIS (excluding any options, flexibilities etc) (or the equivalent sum in NIS [in accordance with the RROE]) and below NIS 3,000,000 (inclusive), the declaration attached as Attachment 1 below must be signed by the Offeror. When Proposals are below 100,000 NIS or the equivalent sum in NIS [in accordance with the RROE] the signed Attachment 1 is not required.

E. Purchaser reserves the right to disqualify any Offeror from an Inquiry/Tender where Purchaser has grounds to believe the Offeror acted with a conflict of interests in submitting its proposal.

F. The Participant is required to bring the provisions of this Article to the attention of its employees, sub-Contractors, representatives, agents and any person on the behalf thereof that is involved in any manner in the Procurement Procedure of Purchaser and/or Contract/Order.

## **28. RIGHT OF UNSUCCESSFUL OFFERORS TO VIEW THE TENDER DOCUMENTS**

- (a) Within 30 days of the date of IEC's announcement of its final decision of award of the tender/inquiry, an Offeror whose proposal has not received the award, may, by law, review the protocol of IEC's Tender Committee awarding the tender/inquiry, correspondence with the Offerors, the professional opinions prepared according to committee's request, the position of the committee's legal counsel and the Successful proposal, and receive a copy of these documents, excluding:
- (i). Sections of the decision or Successful proposal which may, in the Tender Committee's opinion, disclose commercial or professional confident information, or affect national security, international relations, the economy or public safety.
  - (ii). Legal opinion issued by the committee's legal counsel in his capacity as legal advisor, including review of alternative courses of action and/or alternative decisions or estimation of legal risks and possibilities arising out of the above mentioned decisions, and possible legal ramifications.
- (b) An Offeror who objects to its proposal (or parts thereof) being disclosed because it contains commercial or professionally confidential information, shall provide reasons explaining such objections and shall mark such portions of its proposal as being "Confidential". Where no reasons for objection have been received by IEC and where portions of the proposal have not been marked Confidential, IEC shall be entitled to disclose the unmarked or unexplained portions of the proposal after the award. IEC is not obligated to approach the Offeror with any request to indicate any Confidentiality of the Offeror's proposal or to request any reasons for objections due to Confidentiality.
- (c) The decision as to the Confidentiality of the Successful Offeror's proposal or part thereof shall be at the sole discretion of IEC's Tender Committee. IEC shall not be obliged to disclose any Confidential portions of the Successful Offeror's proposal unless otherwise instructed to do so by a competent court of law.
- (d) Without derogating from the above, that part of the Offeror's proposal relating to the prices (in a one stage tender/inquiry) and the Offeror's Price Proposal (submitted in the second stage of a two stage tender/inquiry) shall not be deemed to be confidential and IEC shall be entitled to reveal the Successful Offeror's proposed prices to each unsuccessful Offeror requesting such viewing.
- (e) The aforesaid right of review shall be subject to the payment to IEC of the sum of NIS 350 (inclusive of VAT). Anyone granted the right of review shall be entitled to make copies of the documents presented for review.

An Offeror whose proposal was disqualified during the technical stage shall receive a notice regarding his disqualification. Should the Offeror wish to utilize his right of review as set forth above, the Offeror shall notify IEC of such intention and IEC shall inform the Offeror upon the conclusion of the tender/inquiry.

## **29. VALIDITY OF PROPOSALS**

All proposals shall be valid for a period of 180 days from the date of the last deadline for submission of price proposals. In the event the validity date of the Offeror's proposal expires before the final decision by IEC regarding the tender or inquiry award, IEC shall be entitled to either cancel the tender/inquiry, or to request the Offerors to extend the validity date of their proposals. Where an Offeror fails or refuses to extend the validity of its proposal, such Offeror shall not participate further in the tender/inquiry process.

An Offeror who has extended the validity date of its proposal shall not change or amend the proposal in whole or in part. Any such change or amendment is likely to disqualify the proposal.

## **30. THE ESTIMATED VALUE**

IEC has estimated of the value of the goods to be supplied. In the event that all proposals submitted in the tender are disadvantageous to IEC compared with the estimate, IEC will be entitled to decide that all the participants in the tender who have complied with the tender conditions, including preconditions/threshold conditions, will submit new and improved proposals, according to paragraph 3.D. above.

### **31. OFFERORS CONSENT TO TERMS AND CONDITIONS**

By submitting a proposal under the Inquiry/Tender, Offeror agrees that the submission of this proposal to IEC is subject to the terms and conditions, set forth in the Inquiry/Tender documents, and the signature below hereby implies Offeror's consent to all such terms and conditions. The undersigned hereby declares that he/she is authorized by law to sign this proposal on behalf of the Offeror, if the undersigned is not the Offeror. (Please fill in full name of Offeror and exact details).

Note: The identity of the Offeror (being the Legal entity) submitting the proposal, must be clearly stated/defined by the person/entity submitting the proposal.

#### **31A. BANK DETAILS**

In the event payment shall take place by way of a direct bank transfer, the Offeror awarded the Order/Contract, must submit to IEC, details of the Offeror's bank account as specified in Attachment 2, hereto.

#### **31B. LETTER OF CREDIT**

Please note that where the Offeror wishes to make use of one of the following Incoterms 2010 - DDP, DAT, DAP, CIP, CPT, payment by way of a letter of credit shall not be possible.

### **32. CHANGE IN THE MODEL TYPE AND/OR LEGAL PERSONALITY**

1. IEC shall be entitled, at its sole discretion, to approve the change in the model type submitted by the Offeror for the Inquiry, in instances where after the final date for submission of proposals, the model type submitted has gone out of production and IEC is convinced that it is no longer possible to supply the type proposed and only in cases in which the previous type complied with all the Tender requirements and only where the newly proposed type complies with the Inquiry requirements.
2. In addition, in instances where after the final date for submission of proposals, a change occurs in the Offeror's legal entity, IEC shall be entitled, at its sole discretion, to approve the change in the Offeror's legal entity provided that the Offeror's previous and current legal entities comply with the Inquiry requirements.
3. An Offeror who at the time of submitting his proposal, was aware of the fact that a change may occur in his legal entity and/or that the model Inquiry submitted by him shall go out of production, is requested to specifically disclose such information in his proposal.

### **33. RETURN OF FAULTY GOODS**

Without derogating from IEC's rights provided to it by law, in the event the goods shall fail to pass successfully the acceptance tests and subsequently the Offeror shall fail to remove such faulty goods from IEC's site within 45 days from receipt of IEC's written notice, IEC shall be entitled, at its sole discretion, and without the Offeror having any claim against IEC, to remove the goods from the site and sell them as waste or destroy them. IEC shall be entitled to claim compensation for the costs of removing, and/or selling and/or destroying such goods. The compensation claimed shall be deducted from any amount due to the Offeror from IEC under the order or any other order.

### **34. SAMPLES**

The following instructions shall be valid for submission of samples, as required:

1. Samples are to be submitted to the "Samples warehouse" located at IEC Central Metering unit offices



- at: 17 Halechi Rd., Bnei Brak.
2. The time and date of submission of the proposals will be scheduled in advance by way of a telephonic conversation with Mr. Yaacob Asis, at tel: 972-52-3997288.
  3. The samples must be packed separately, marked with the tender number, IEC's catalogue number and the name of the Offeror.
  4. The Offeror must attach to its first stage proposal, a signed copy of the delivery certificate of the samples.  
The delivery certificate must include the following details:  
Offeror's name, tender number, a description of IEC's catalogue number, quantity and the date of acceptance of the samples, at IEC's warehouse.
  5. The samples will not be returned to the Offerors.

### 35. SUPPLIERS' RANKING MECHANISM

#### (N / A for this RFP, for information only)

IEC has begun implementing in its tenders the process of ranking suppliers. Should a tender be classified as one where the suppliers' ranking shall be taken into consideration, it shall be stated explicitly in the document's heading.

The suppliers' ranking mechanism shall be included gradually in IEC's procurement procedures.

The suppliers ranking mechanism is aimed at improving the quality of the suppliers' products received as well as meeting delivery dates set forth in IEC's procurement procedures.

The Suppliers' Ranking mechanism will be based upon accumulated information regarding the suppliers' performances i.e meeting delivery dates and the quality of the goods provided under contracts/orders entered with IEC.

Each supplier shall be provided a Score which shall form part of the parameters to determine, in IEC's tenders, which supplier will be awarded the tender (hereinafter referred to as the: "Score").

Where the Suppliers' ranking mechanism shall be used, in a tender, the Score to be taken into consideration, when comparing proposals, shall be the Score valid during the decision to end the prequalification stage and prior to the pricing stage. At this stage, each supplier shall be granted the Score allocated to him.

The Score shall be updated four times per year, at the end of each quarter, according to the suppliers' performances and each time, shall be valid for a period of three months.

In addition, in the future, the time period during which the suppliers' ranking mechanism shall take place shall be 999 days, preceding the time period. For the avoidance of doubt, please note the current Scores are based upon accumulated data from the month of June 2011 onwards (hereinafter referred to as the: "Relevant Period").

In order to receive information regarding their updated Score, the suppliers may contact, at any time, Mrs. Tali Cohen from IEC's, Supply and Stores Division, Supplier Certification Unit, at the following e-mail address: tal.cohen1@iec.co.il. In the future, each Supplier will have access to the score on IEC's website.

In the first stage, the suppliers' ranking mechanism will be based on the following two parameters:

1. Availability (55% weight) - this parameter shall take into consideration the suppliers previous performance during their contract/order with IEC, in particular their compliance with the delivery date stated in the contracts. The sScore granted in this parameter shall be determined according to the amount of delays each supplier had in his undertaking with IEC, as set forth below:

Delays calculated in days Score	
1-10	100
11-14	95
15-20	80
21-30	60
31-40	40
41-50	20

51-60	5
61 and above	1

2. Quality (45% weight) - this parameter shall reflect the suppliers past performance with respect to the quality of the products supplied by them and their compliance with the quality tests. The Score to be awarded in this parameter shall be calculated as follows:

- Compliance with the specification requirements - Score 100.
- Non compliance with the specification requirements- Score 1
- Goods received after they have been rejected - Score 50

The supplier's Score awarded in the suppliers' ranking mechanism shall be determined according to the average score received in each of the orders during the Relevant Period.

When comparing proposals, the weight to be awarded to each Score according to the suppliers' ranking mechanism shall be as follows:

- In a tender, where weight is given to the technical aspect - in addition to the technical weight, the suppliers' ranking mechanism shall weigh 10%.
- In a tender, where weight is not awarded to the technical aspect - the prices will weigh 80% whereas the suppliers' ranking mechanism will weigh 20%.

Please note, when comparing proposals, a supplier who received a Score above 90 for the suppliers' ranking mechanism, shall receive additional 5 percent to his Score. Whereas if a supplier received a score less than 70, IEC will look into continuing working with the supplier.

When comparing proposals, a new supplier shall receive a Score of 100. Where a supplier does not enter into an agreement with EC and therefore does not supply it with equipment for a consecutive period of three years, during this period, the supplier's Score shall be changed to that of a new supplier.

### 36. CONTRACTOR/SUPPLIER/SERVICE PROVIDER'S DECLARATION

The Contractor/Supplier/Service Provider (please elect where applicable) hereby undertakes to fully co-operate with every inspection and/or investigation conducted by the company and/or any person on its behalf with regards to the procurement procedure and/or any other procurement procedure and/or any Contract/Order entered into between the Contractor/Supplier/Service Provider (please elect where applicable) and the company.

Without derogating from the abovementioned, the Contractor/Supplier/Service Provider (please elect where applicable) hereby undertakes to provide the company with any relevant information for purposes of examination as well as provide any document and/or evidence required with such examination, immediately upon the company's first request, should such request be made.

RFP No. 101896390  
Offeror Data Sheet\*

We hereby submit our proposal in connection with your Tender No.: \_\_\_\_\_  
for the supply of: \_\_\_\_\_  
Name of Offeror: \_\_\_\_\_  
Type of Entity: \_\_\_\_\_  
Name of the Offeror's Managers: \_\_\_\_\_

Where the Offeror is a company, please fill in the names of the Offeror's Shareholders:\_\_\_\_\_

Place of Incorporation (if a corporation): \_\_\_\_\_  
Address of Main offices: \_\_\_\_\_

Country: \_\_\_\_\_

Tel. No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Name of authorized representative (contact person): \_\_\_\_\_

Personal E-mail address: \_\_\_\_\_ Mobile Phone No.: \_\_\_\_\_

Name of Manufacturer: \_\_\_\_\_

Address of manuf. plant: \_\_\_\_\_ Country: \_\_\_\_\_

Please fill in below, details of Offerors Local Agent/Representative (where applicable):

Name of Local Agent/Representative): \_\_\_\_\_

Address: \_\_\_\_\_ Code: \_\_\_\_\_

Tel. No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Name of Person to contact: \_\_\_\_\_ Mobile Phone No.: \_\_\_\_\_

Personal E-mail address: \_\_\_\_\_

Name and title of signatory on proposal: \_\_\_\_\_

Signature

Date

Print Name of Signatory: \_\_\_\_\_

**\*The Offeror hereby undertakes to notify IEC of any change in the above information provided by him.**

**ATTACHMENT \_1\_**

Declaration Regarding the Adherence to Anti Trust Laws and Prohibited Tender Collaboration authorized by an attorney

I the undersigned, \_\_\_\_\_ (Nationality) and holder of the position of an[ ] in a company by the name of[], registration number[ ] (hereinafter the "Position"), hereby declare in writing as follows:

\*\* delete that which is not applicable

1. My name and Position is as set forth above.

2. I hereby submit this Declaration on behalf of \_\_\_\_\_ (company name/ authorized dealer), (the "Bidder"), to the Israel Electric Corporation Ltd. in connection with the tender/RFP procedure, for the supply of \_\_\_\_\_ (subject of the undertaking), in tender/RFP procedure number \_\_\_\_\_ (the: "Procedure").

3. I am authorized to sign this declaration on behalf of the Bidder and its management.

4. In the framework of this proposal, the Bidder intends to use the following subcontractors as set forth below (please insert the company's name /authorized dealer and contact details) Section 4 is only relevant where the Procedure documents provide for subcontracting

Company name  
/authorized dealer

scope of work/service/goods for which  
subcontracting is provided

Contact details

5. The Bidder and/or its management and/or its representatives have not acted in violation of the Anti Trust Law - 1988 and the laws pertaining to restraint of trade (hereinafter: "Anti Trust Laws"), in submitting their proposal in the Procedure and in particular (but without limitation) that:

\* the prices and/or quantities and/or any other detail It is suggested to add here any additional component, in

accordance with the tender's circumstances, or alternatively to add "as well as any additional component". which appears in this proposal have been determined by the Bidder and/or its management and/or its representatives independently, without any consultation, arrangement or any connection with another bidder in this procedure or with any other potential bidder in this Procedure (excluding a joint bidder, in case of a joint bid This sentence is only relevant in situations where the Procedure documents provide for a joint bid. ), and/or subcontractors as set forth in Section 4 above, with regard to the scope of work/service/goods to which subcontracting pertains, insofar as such matter complies with the Anti Trust Laws This part of the section is only relevant in situations where the Procedure documents provide for subcontracting, and the Bidder is requested to specify the subcontractors in the framework of this declaration.

\* the prices and/or quantities and/or any other detail which appears in this proposal have not been disclosed to any person or company which is bidding in this Procedure, or to any potential person or entity which may submit a bid in this Procedure (excluding a joint bidder in case of a joint bid, where provided for in the Procedure documents) This sentence is only relevant where the Procedure documents provide for a joint bid. and/or subcontractors as set forth above, with regard to the scope of work/services/goods for which subcontracting pertains, provided such matter complies with the Anti Trust Laws This part of the section is only relevant where the Procedure documents provide for subcontracting, and the Bidder is requested to specify the subcontractors in the framework of this Declaration .

\* the Bidder and/or its management and/or its representatives have not been involved in prohibited tender collaboration and/or collaboration concerning prices and/or quantities and/or any other detail in the bids submitted in this Procedure, either with regard to their own proposal or a proposal submitted by another bidder in this Procedure and/or dividing up the market with regard to this Procedure and have not acted in a way which may constitute Anti Trust activity and/or a behavior which is not in line with Anti Trust Laws in the framework of this Procedure, and/or have not attempted to perform any of these acts.

\* the Bidder and/or its management and/or its representatives have not influenced nor tried to influence the proposal of another bidder, or another potential bidder in this Procedure and have not tried and/or caused another bidder or another potential bidder not to bid in this Procedure.

\* The Bidder's bid is submitted in good faith and is not the result of an arrangement or a discussion with another bidder or potential bidder in this Procedure (except in case of a joint bid, when this is provided for in the Procedure documents) This sentence is only relevant where the Procedure documents provide for a joint bid. and or the subcontractors set forth above, with regard to the scope of work/services/goods to which subcontracting pertains, insofar as such matter complies with the Anti Trust Laws This part of the section is only relevant where the Procedure documents provide for subcontracting, and the Bidder is requested to specify the subcontractors in the framework of this Declaration.

Please mark with a V where applicable:

[ ] At the time of signing this Declaration, the Bidder, its management and/or its share holders and/or its employees are not being held under any investigation by the Anti Trust authorities regarding the suspicion of prohibited tender collaboration.

If this is not the case, please elaborate:

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[ ] Within the past four years the Bidder, its management and/or its share holders and/or its employees, have not been convicted in of any offence under the Anti Trust Laws as well as offences of tender collaboration and there are no existing criminal proceedings regarding these offences.

If this is not the case, please elaborate:

---

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Date

Name

Position

Signature+ stamp

In the event the proposal (including any options, flexibilities etc) exceeds the amount of NIS 3,000,000 kindly ensure below paragraph is completed and signed accordingly.

I, the undersigned, Adv. \_\_\_\_\_, hereby confirm that \_\_\_\_\_, whom I know personally/who identified himself/herself to me as holder of the position of an [ ] in a company by the name of [ ] registration number [ ], after I cautioned him/her to state the truth and that he/she will be subject to penalties laid down by law if he/she does not do so, confirmed the accuracy of his/her above declaration, and signed it in my presence.

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

Name and Signature of Advocate: \_\_\_\_\_

## ATTACHMENT 2

re: Contractual Payments to Suppliers/ Service Providers (hereinafter referred to as:Supplier/ Suppliers) By Transfer to a Bank Account

1. The Israel Electric Corporation Ltd. (hereinafter referred to as: "IEC") makes payments by bank transfers, directly to Suppliers' bank accounts.
2. A notice setting forth a detailed description of the payment and the date the bank account was credited is sent to the Suppliers via email, facsimile or post.
3. IEC reserves the right to make payments to the Suppliers via cheques.
4. Kindly complete the table below clearly, without any alterations and return this Amendment with a copy of a cheque or a confirmation from the bank or approval from a CPA/Attorney, verifying the information provided below:

### Supplier's details for direct bank transfer

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

Address \_\_\_\_\_ Supplier's number: \_\_\_\_\_

Telephone number: \_\_\_\_\_ Supplier's VAT number: \_\_\_\_\_

Facsimile number: \_\_\_\_\_ Income Tax File number \_\_\_\_\_

Name of Account holder/Beneficiary in the event it deviates from that of the Supplier: \_\_\_\_\_ Email address: \_\_\_\_\_

Name of Bank: \_\_\_\_\_ Account number \_\_\_\_\_

Bank address: \_\_\_\_\_ Branch number: \_\_\_\_\_

Bank key or ABA for wire transfer: \_\_\_\_\_

Swift code: \_\_\_\_\_

Control key: \_\_\_\_\_

IBAN (mandatory for EU suppliers): \_\_\_\_\_

Account currency: \_\_\_\_\_

Signatory's name \_\_\_\_\_ Signature: \_\_\_\_\_

Company Stamp (for all companies having limited liability): \_\_\_\_\_

Note: \_\_\_\_\_

- Any transfer of rights of payment under this purchase order shall not be assigned without IEC's consent in writing.
- IEC shall not be held liable for the erroneous transfers due to the Offeror providing incorrect information in this attachment.
- The Supplier hereby undertakes to notify IEC of any change in the above information provided by him.

**ANNEXURE "A"**  
**Rev. March 15th, 2015**

GENERAL CONDITIONS FOR PURCHASES OF  
 STANDARD GOODS AND PRODUCTS  
 (SHORT VERSION)

**1. DEFINITIONS:**

- A) Order/Contract shall mean the order or the contract, including this annexure and any other attachments or annexures thereto, by which the Purchaser purchases the goods/products from the Supplier.
- B) Purchaser - shall mean the Israel Electric Corporation Ltd.
- C) Tender/RFP shall mean the process, by which the Suppliers proposal has been solicited, including any documents attached as part of the Purchasers invitation to submit/solicit proposals.
- D) Supplier shall mean the party, whose offer in the Tender/ RFP has been accepted by the Purchaser.
- E) All terms defined in "Incoterms 2010", issued by the International Chamber of Commerce, shall have the meaning, attributed to them therein, subject to the following modifications:
- (i) In the case of F.A.S deliveries, the goods shall be unloaded by the Supplier in coordination with the Purchaser's freight forwarder at Supplier's risk and cost on the dock alongside ship and within reach of its loading tackle.
  - (ii) In the case of F.C.A deliveries, the goods shall be unloaded by the Supplier in coordination with the Purchaser's freight forwarder at the designated place of delivery at Supplier's risk and cost.
  - (iii) In the case of delivery D.A.P/ D.A.T port of import, the goods shall be unloaded by the Supplier at Supplier's risk and cost either onto Purchaser's inland transportation vehicles or onto the dock as designated by Purchaser's customs agent.
  - (iv) In the case of D.D.P, deliveries of the goods, shall be unloaded by the Purchaser at Purchaser's risk and cost inside Purchaser's warehouse, on site or elsewhere, as designated by Purchaser. VAT shall be paid by Purchaser.

Where goods are delivered D.D.P and the Supplier enters IEC's site, the Supplier must comply with the provisions of Annexure S # Safety at Work at Purchaser's Premises.

- (v) In the case of Ex-works deliveries, the goods shall be loaded by the Supplier at Supplier's risk and cost onto Purchaser's inland transportation vehicles.

**2. QUALITY INSPECTION, DELIVERY AND LIQUIDATED DAMAGES:**

- a) The goods will be delivered in accordance with the agreed delivery schedule, set forth in the Order/Contract, at the port, airport or the stores/warehouse of Purchasers forwarder, as set forth in the Order/Contract, or as designated by the Purchaser, as applicable and the price agreed upon includes such delivery.
- b) Where the provisions of the Purchase Order/Contract or the Specification require that the Goods be inspected by the Purchaser or its authorized representative(s) prior to delivery, the Supplier shall provide the Purchaser or the representative with access to the Goods prior to Delivery where the Purchaser has elected to conduct such inspection. Any inspection by the Purchaser shall not release the Supplier from its obligations under the Purchase Order/Contract.
- c) Title to the goods shall pass to Purchaser upon delivery of possession, or control over the goods, to Purchasers representative, at the designated port or location, unless otherwise provided.
- d) Where the value of the Order is in excess of \$ 2,000 or the equivalent thereto, based on the applicable exchange rate, between the U.S. Dollar and the currency nominated in the Order, as set out by the Bank of Israel on the first working day prior to the date of issuance of the Order/Contract) and there is/are

delays in delivery of more than 10 days beyond the specified delivery date/s (excluding delay/s for which the Supplier is not liable under the Contract), the Supplier shall pay to the Purchaser, as liquidated damages, one percent (1%) of the Contract/Order value of the delayed goods, per full week of delay, beginning on the first week of delay, provided that the total maximal amount of liquidated damages, payable to the Purchaser, shall not exceed 10% of the total Contract/Order value.

Where the Supplier has been required to supply a sample or prototype and/or an approval of the Standards Institution of Israel, regarding compliance with the official Israel standard, prior to delivery of the Goods and because of delay in the delivery of the approved sample or prototype and/or an approval of the Standards Institution of Israel, as applicable, delays are caused to the delivery of the Goods, liquidated damages shall be claimed from the Supplier for the period commencing from the contractually scheduled delivery date of the sample or prototype and/or an approval of the Standards Institution of Israel, as applicable until the contractually scheduled date of delivery of the goods in respect of which the prototype has been requested as follows:

Liquidated damages shall be paid at the rate of one percent (1%) of the Contract/Order total (100%) value of the goods, in respect of which the prototype and/or an approval of the Standards Institution of Israel, as applicable has been requested, per full week of delay - up to a maximum of 10% of the total (100%) Contract/Order value.

In the event the Supplier previously supplied to IEC an identical product to the product required and suggested by the Supplier, IEC shall be entitled, at its sole discretion, to revoke its request included in a tender or in a Contract/Order entered into following the tender, to receive a proto-type from the Supplier, provided such request was included in the tender.

Please note the following: should IEC decide to revoke its request that the Supplier submits a sample or a proto-type, the delivery dates set forth in the Tender/RFP documents shall not include the additional days provided to the Supplier for the sample and/or the proto-type.

e) Said liquidated damages shall be Purchasers exclusive monetary remedy, in the event of delays in delivery up to a maximum period of ten (10) weeks. Any delay by the Supplier in excess of 10 weeks shall constitute a material breach. Thereafter Purchaser shall have the right to avail itself of its remedies under the Contract/Order or by law.

f) should it be determined that necessary documents, as mentioned in the tender documents/RFP are required to be delivered along with the goods, failure to provide and deliver such documents with the aforementioned goods shall be considered as a delay in the delivery date and the Supplier will be obliged to the determined liquidated damages, as described in sub article (d) above.

g) despite that stated in sub article 2(e) above, should the Supplier fail to deliver the goods stipulated under three simultaneous orders or more, on time, (regardless as to whether such goods are stipulated under a procurement procedure or any other order issued to the Supplier), IEC reserves the right, after providing the Supplier with an opportunity to present its case, not to include the Supplier in future procurement procedures and for a period of time, all to be determined by IEC.

### **3. SHIPMENT, HANDLING AND BILLING DOCUMENTATION:**

The Supplier shall comply with the following provisions, concerning handling, shipping and invoicing:

(a) Supplier shall make no shipment in advance of the specified/ Contractual delivery/shipping dates, without obtaining Purchaser's prior written approval.

(b) The goods/products shall be preserved, crated, packed, loaded and braced in good and workmanlike manner, in accordance with the best commercial export practices, to avoid any damage, or spoilage.

(c) No shipment shall be made, except through the Purchasers freight forwarders, designated in the purchase Order. In the event no freight forwarder is designated, the Purchasers Import Manager should be contacted for instructions.

(d) All enclosures in connection with the goods must be sent by Supplier to the Purchaser in triplicate.

(e) When, under the terms of the Order, the Purchaser is responsible for shipping and/or loading of the goods, the Supplier will give the Purchaser and Purchaser's forwarder a notice, sufficiently in advance, of goods to

be ready for delivery, in Order to enable the Purchaser or the forwarder to make proper arrangements for loading for and/or shipping. Such notice shall include the number of packages, weights, volumes and values of the packages.

- (f) Supplier shall advise the Purchaser by e-mail, or facsimile, not less than 7 days before delivery, of the following particulars, required for insurance, where applicable:
  - (i) Supplier's full name and address of manufacturer's plant;
  - (ii) Purchaser's Contract and/or Order Number;
  - (iii) Number of items to be shipped;
  - (iv) Number of packages;
  - (v) Exact weight of consignment (gross);
  - (vi) Total price of goods shipped, as applicable.
  - (vii) Estimated cost of ocean/airfreight, if delivery includes air or ocean freight.
  - (viii) Date on which goods leave manufacturer's plant.
- (g) One copy of a packing list shall be enclosed in each case or package.
- (h) Packing lists shall have a detailed description of all items (consistent with the description set forth in the Order, or bill of materials, as applicable). Packing lists shall specify weight, measurements, contents of each package/container, Order/Contract number and consecutive number of package).
- (i) Components, accessories or materials, not included in the main shipment as a result of an oversight, or the negligence of the Supplier, shall, unless otherwise agreed by the Purchaser, be shipped air freight on the Supplier's account, freight prepaid, accompanied by a no charge invoice, indicating that the goods were billed under Invoice No. "... but not shipped.
- (j) Three sets of originally signed and stamped commercial invoices shall be made out in the name of the Purchaser and shall be airmailed to the Purchaser, containing the data, set forth below, as applicable:
  - (i) Detailed description of the goods (as fully itemized as possible);
  - (ii) Quantity of each item in the metric system, weights and measurements;
  - (iii) The price or value of each component, where possible, or of each shipment, cross referenced to the appropriate paragraph or item in the Order/Contract;
  - (iv) Consecutive shipment/consignment number;
  - (v) Purchaser's Order number (the invoice shall relate only to one of Purchaser's Orders and display such number next to the invoice number);
  - (vi) Package number, gross and net weights and measurement of each package, and the volume of each container;
  - (vii) Inland freight, packing and other additional charges if not included in the price;
  - (viii) All applicable discounts, cash and/or trade and payments made on account. The final figure must be the NET amount;
  - (ix) An indication whether the prices shown are EXW, FCA, FAS, FOB, DAP, DAT, DDP, or otherwise, as applicable.
  - (x) The country of origin of the goods;
  - (xi) A signature and attestation in the following manner: "We hereby certify that this invoice is correct and true in all respects and contains a true and full statement of the cost of the goods and all charges thereon. We further declare that the goods are of #####..... origin.
  - (xii) A printout of the name and title of the signatory. (I) Three (3) originals and three (3) non-negotiable copies of clean on board Bills of Lading, made out to the Order of "The Israel Electric Corporation Ltd., P.O. Box



10, Haifa, Israel," and bearing substantially the following clause: "In view of danger of confiscation, this vessel is not to call at ports and not to enter the territorial waters of Iran, Sudan, Syria, Lebanon, Iraq, Saudi-Arabia, Yemen, Libya or other Arab countries, excepting Egypt and Jordan, prior to unloading in Israel, unless in distress or subject to force majeure", shall be delivered to the Purchaser and further copies to be distributed as per Purchasers instructions.

(k)

- (i) If the goods originate in countries, which have a free trade agreement (FTA) with Israel, the certificate of origin shall be accompanied by the proper documentation, allowing the goods to benefit from the FTA's terms.
- (ii) Deliveries from the United States shall be accompanied by a special U.S. Certificate of Origin for Export to Israel issued in accordance with the U.S.-Israel Free Trade Area Agreement duly notarized and certified by a recognized Chamber of Commerce, if applicable; failing which the Supplier shall pay the cost of customs.

(iii) Deliveries from European countries shall be accompanied by either EUR1 or EUR MED or Exporter's (Supplier's) Invoice Declaration (as referred to below), failing which the Supplier shall pay costs of customs.

(iv) Notwithstanding the stipulations above in the event the value of the goods from European countries does not exceed # 6,000 (six thousand EUR) and to the extent Israeli customs regulations allow, the EUR 1 or EUR MED certificate can be substituted by an Invoice Declaration in accordance with the provisions of the relevant preferential agreement Israel has concluded with the respective country of origin.

---- Where the value of the goods exceeds # 6,000 (six thousand EUR), the goods shall either be accompanied by the required EUR 1 or EUR MED or invoice showing the Supplier's Authorization Number.

(v) In the event that goods are dispatched from a country other than the place of manufacture having free trade agreements with Israel, a Non-Manipulation certificate, signed by local Customs authorities and Chamber of Commerce must accompany the original Certificate of Origin.

(vi) For all equipment rated with zero Israeli customs/import duties, the submission of a EUR 1/ EUR MED/Exporter's Declaration / FTA is not required.

(l) All shipping documents (invoices, packing lists, and bills of lading) shall be distributed as follows:

- (i) One set for presentation for payment shall be shipped to Purchaser's Accounting Department (the certificate of origin to be a copy);
- (ii) One set to be delivered to the Purchaser's Import Department of the Supply and Stores Division, Attention "Import Department's Manager", by airfreight, or by courier, so as to arrive at least one week prior to the arrival of the vessel / airline (certificate of origin to be a copy);
- (iii) One set to be delivered to Purchaser's freight forwarder (against receipt) for onward transmission to Purchaser (with original certificate of origin);

(m) If the customs authorities in Israel determine that the country of origin of the goods/ products is different than the one, specified by the Supplier in its original offer, or in the certificate of origin, or elsewhere, as applicable, or if the Supplier fails to deliver a certificate of origin, when appropriate, or required and consequently, the Purchaser is required to pay customs in excess of the customs, that the Purchaser would have, otherwise, been required to pay, the Supplier shall reimburse to the Purchaser the amount of such excess customs.

(n) Where the Supplier provided IEC with a certificate of origin and as a result IEC did not take into consideration in the proposal evaluation the customs costs imposed on the Supplier, and the customs authorities in Israel conducted an inquiry as to the origin of such goods, in such instance, the Supplier shall:

- (i) Provide IEC and/or the Israeli customs authorities with all the necessary documents required; and
- (ii) Reimburse IEC for custom payments paid by IEC following the customs authorities'

demands, regardless as to when the customs duties are required to be paid and even after the warranty period has elapsed. Should the Supplier fail to reimburse IEC, IEC shall be entitled to deduct from any Contract/Order signed with the Supplier, the customs due to IEC.

#### **4. WARRANTY:**

- (a) Supplier warrants that the goods/products, supplied to the Purchaser shall be of good quality, shall be unused in all cases, and shall meet the required standards, performance and other requirements, set forth in the RFP/Tender including any applicable specifications document;
- (b) The Supplier agrees, subject to the Purchaser's written request, promptly and at its own expense (including shipping and handling costs and insurance costs but not costs of disassembly and reassembly) to repair, remedy, or replace any part of the said goods which proves in any way defective as to design, material, or workmanship or otherwise. For the avoidance of doubt, the Purchaser shall have the sole discretion to decide whether the goods will be repaired, remedied or replaced.  
Alternatively, the Purchaser may with the prior agreement of the Supplier, undertake to carry out such repairs or alterations and the expenses thereof shall be for the Supplier's account.  
Where goods under warranty are shipped to the Supplier for repair, the Supplier shall assume full responsibility for the goods for the entire period of time they are in Supplier's possession. However, if the Supplier fails to promptly repair the goods, the Purchaser may repair the goods at Supplier's cost.
- (c) Suppliers warranty shall extend for a period of 36 months, beginning at the time of delivery, unless stated differently in the Tender/RFP documents. In such event, the period set forth in the Tender/RFP documents, shall prevail.
- (d) Notwithstanding the provisions of Subarticles (c) above, the Warranty Period for any part of the goods supplied under the Order/Contract shall be extended by a period equal to the period for which said part of the goods have been out of operation due to any substantiated Warranty claim.
- (e) THE WARRANTIES SET FORTH ABOVE ARE IN LIEU OF AND EXPRESSLY EXCLUDE ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

#### **5. LIMITATION OF LIABILITY:**

- (a) In the event that the Supplier is held legally responsible or liable to the Purchaser for any damages in connection with the Order/Contract, or the supply of the goods/products, such liability shall, in no event, exceed the value of the higher of the following: the Order/Contract or the amount stated under the product liability insurance (provided such insurance is required under the Tender/RFP).
- (b) In no event shall the Supplier be liable to the Purchaser for any indirect or consequential damage or loss; including loss of profit provided however, that this exclusion does not derogate in any way from Purchaser's right to claim liquidated damages as specifically provided in this Contract.

#### **6. PAYMENT**

- (a) Mode of Payment

Unless otherwise agreed between the parties, payment shall be effected by direct payment (direct bank transfer or swift to Contractor's designated bank account).

- (b) Terms of Payment:

One hundred percent (100%) pro rata per shipment of Order Price shall be paid at the 90th day calculated from the first day of the following month of the date of delivery.

Payment shall be conditioned upon delivery of the services/goods in accordance with the agreed term of supply as defined in Incoterms 2010 and receipt of an invoice, the latest, as well as receipt of the relevant documents listed below.

- (1) Contractor's certified commercial invoices approved by IEC;
- (2) Documents required to evidence delivery as per Annexure R - Where applicable
- (3) Performance Guarantee (Standby Letter of Credit) (where required - in accordance with Article 7) - Where applicable
- (4) Certificates of Insurance - Where applicable
- (c) No certificates given or payments made shall be considered as conclusive evidence of the performance of the Contract, either wholly or in part, nor shall any certificates or payment be construed as acceptable of any defective or nonconforming part of the Work. Acceptance by the Contractor of final payment of the Order Price shall constitute a waiver by the Contractor of all claims against IEC.

## **7. PERFORMANCE OR DOWN PAYMENT GUARANTEE:**

**See also Ann. Z**

- (a) Where the value of the Contract/Order is in excess of US\$ 500,000 (excluding options and/or VAT) or its equivalent (in accordance with the applicable exchange rate, as set forth by the Bank of Israel, on the first working day prior to the date of issuance of the Contract/Order) and without in any way derogating from Suppliers duty to perform its obligations under the purchase Order/Contract, the Supplier shall, at its expense, simultaneously or within 7 calendar days from receipt of a notice from the Purchaser, the earlier of the two, provide the Purchaser with a guarantee for the due performance of the Contract, in the form of an unconditional standby letter of credit (the terms of which are set out in the form, attached to the Order), to be given by a first class bank or a qualified insurance company approved by the Purchaser, in an amount equal to 10% (excluding options and/or flexibilities and/or VAT) of the Contract/Order price. Said guarantee shall be amended from time to time to reflect the adjusted Contract/Order price, due to the issuance of change Orders and price adjustment, if any, arising from the application of escalation provisions;
- (b) In a frame Order/Contract, the performance guarantee delivered by the Supplier, to the Purchaser, shall be in an amount equal to 10% (excluding options and/or flexibilities and/or VAT) of the value of the Order/Contract for a period of one year. After the supply of the last draw order, that the Supplier has to supply under the frame Contract/Order, the Supplier shall exchange the performance guarantee, for a new performance guarantee, in an amount equal to 5% of the value of the actual goods supplied under the Order/Contract.
- (c) The guarantee shall remain in effect until sixty (60) days after the expiration of the warranty period as prescribed in the Order and any extension thereof, in accordance with the Contract/Order terms;
- (d) Failure to provide the guarantee as specified in Article 7(a) above, shall constitute a fundamental breach of the terms of the Order/Contract. IEC shall thereupon have the right to resort to all remedies as set forth in the Order/Contract, in addition to any other remedy available to IEC by law, including the right to terminate the Order/Contract for fundamental breach.
- (e) Any failure or omission by IEC after the issuance of the Order/Contract, to request the issuance of the guarantees, shall not constitute a waiver of any right available to IEC by Order/Contract or by law.

## **DOWN PAYMENT GUARANTEE**

- (a) Where the Purchaser is required by the terms of the purchase Order/ Contract to make down payments prior to delivery, such payments shall be secured by a standby letter of credit as follows:
  - (i) issued, or established by the Supplier at a first class bank, located in the Suppliers country and advised through an Israeli bank, both banks to be approved by the Purchaser;
  - (ii) issued or established 30 days prior to receipt of down payment, in an amount, which is equal to that being drawn;
  - (iii) valid until 60 days after the scheduled delivery of the last shipment of goods (to be extended upon the occurrence of any event of Force Majeure, or due to any delay on account of the Supplier, or as a result of any delay in scheduled delivery, agreed to between the parties).

- (b) The Purchaser may draw on the performance and/or the down payment guarantee, in the event that the Supplier fails to remedy a breach of Contract, or fails to take such steps as are satisfactory to the Purchaser in Order to remedy the same, after having been given ten (10) days prior written notice of intent to draw on the guarantee.
- (c) Any amount/s drawn by Purchaser pursuant to the guarantee, shall be set-off against the overall damages/compensation, recoverable by Purchaser, in connection with the Supplier's breach.

#### **8. PRICES:**

The price/s set forth in the Order/Contract is/are firm price/s and shall not be affected by any variation in the cost of materials, labor or transport or any costs of conforming with any laws, Orders or regulations of any government, local, or other authority, or for any other reason, except as may be required by virtue of any express provision, if any, in the Order/Contract, or as may be agreed upon, subsequently, between the parties.

#### **9. FORCE MAJEURE:**

- (a) Neither party shall be responsible to the other for loss or damage due to circumstances directly affecting the performance of the Contract/Order beyond such parties' control - which could not have been prevented by reasonable foresight at the time of signature of the Contract/Order such as but not limited to: acts of war, invasion, act of foreign enemy, whether war be declared or not, hostile action, civil war, rebellion, civil strife, sabotage, strikes and/or industrial disputes, act of Government, natural disaster, embargo (any or all of which are in this Contract referred to as "Force Majeure").
- (b) Upon occurrence of any such circumstances, the party affected shall notify the other party in writing by the fastest means possible within seven (7) days of the occurrence, of the occurrence or existence thereof and the parties shall promptly thereafter consult with one another for the purpose of finding a solution to the Force Majeure problem.
- (c) Any delays resulting from any such cause shall extend performance time, unless it shall become impossible to perform the Contract in whole or a substantial part thereof, in which case the Order/Contract may be cancelled, in writing, by either party. In the case of such cancellation, the Supplier shall be paid for all goods received by the Purchaser pursuant to the Order/Contract.
- (d) If due to Force Majeure it shall become impossible to perform the Contract/Order in whole or a substantial part thereof, the parties can either mutually agree to cancel the Contract/Order or if the Force Majeure continues for a period up to 120 days in the aggregate, the Contract/Order may be cancelled in writing by either party.

#### **10. INDEMNITY:**

Irrespective of anything to the contrary in this document, the Supplier shall indemnify the Purchaser in respect of any third party claims against the Purchaser, relating to the personal injury or death of any person, or to any damages to property insofar as such injury, death, damage or loss is due, wholly or partially, to any act or omission of the Supplier, its servants or agents. Purchaser shall notify the Supplier in writing of any such third party claims. The third party liability mentioned under this Article 10, is unlimited and the provisions of Article 5 shall not apply.

#### **11. INTELLECTUAL PROPERTY RIGHTS:**

Supplier shall pay all royalties and license fees, which may be due or payable to third parties, in connection with the goods/products. Supplier shall defend all suits or proceedings, instituted against Purchaser for the infringement of any intellectual property rights, associated with the supplied goods/products and shall hold the Purchaser harmless against and/or indemnify the Purchaser for any damages, sustained by the Purchaser, in connection with such infringement, or the violation of any intellectual property rights of any third parties.

Each party shall retain ownership of all intellectual property it had prior to the Order/Contract. All new intellectual property created and designed solely by the Supplier in the performance of this Order/Contract, shall be owned exclusively by the Supplier.

#### **12. TERMS OF THE TENDER/RFP:**

Terms and conditions of a Contractual nature, set forth in the tender/RFP documents, shall be a part of the Order/Contract (even if not inserted in or attached to the Order/Contract document), unless excluded by express and specific provision/s of the Order/Contract. For the removal of doubt, in the event of conflict between the provisions of the tender/RFP documents and the provisions of the Order/Contract documents (including these General Conditions), the former provisions shall prevail.

### **13. ASSIGNMENT:**

- (a) Neither party may assign the Order/Contract, or any duty/right thereunder, without the prior written consent of the other. Such consent shall not be unreasonably withheld.
- (b) Without derogating from the generality of the aforesaid, the Purchaser shall be entitled to assign or otherwise transfer its rights and obligations under the Contract, in the event of any change to the Purchaser's corporate entity, which is required under any law, including under the Electricity Sector Law, 1996, or the Government Companies Law, 1975, and/or pursuant to any decision of the Government of the State of Israel. The Purchaser shall notify the Supplier of any such assignment or transfer in writing in advance. This provision shall only be applicable for cases in which goods are scheduled to be delivered after a period of 12 months from the date of the Order/Contract.

### **14. INSURANCE:**

Supplier shall acquire and maintain such insurance, if any, as required in the tender/RFP, if required and shall comply with all other requirements, pertaining to insurance, if any, as set forth therein, in Ann. "L", below.

### **15. MANDATORY COMMERCIAL COOPERATION & PREFERENCE FOR ISRAELI MANUFACTURED GOODS:**

- (a) For purposes of this paragraph, the words "Foreign Supplier" shall mean a Supplier of goods/products, which are not "Israeli manufactured goods or products", as defined in the Mandatory Tenders Regulations (Mandatory Industrial Commercial Co-operation ) of 2007 and in the Mandatory Tenders Regulations (Preference to Israeli Manufactured Goods) 1995.
- (b) A "Foreign Supplier", who is awarded a Contract for the supply of goods, equipment, services, or work of a value, which exceeds \$ 5,000,000, or a repeat/additional contract (following a contractual award of \$ 5,000,000 or more), valued at more than \$ 500,000 or more, is required to engage in a "Industrial Commercial Cooperation" activity in Israel and to submit a proper undertaking, in writing, to do so, all in accordance with the Purchaser's "Annexure U: Mandatory Industrial Commercial Cooperation" and the applicable regulations.
- (c) It is the Supplier's duty to obtain from the Purchaser the most recent edition of the "Annexure U: Mandatory Industrial Commercial Cooperation" and of the form of the "Foreign Supplier's undertaking of Commercial Cooperation".
- (d) Where the Supplier has declared that he is entitled to be granted a preference in the tender/RFP for the supply of Israeli manufactured Goods in accordance with the provisions of Annexure "P", and the Supplier has failed to comply with the provisions of said declaration, the Purchaser shall be entitled to compensation in accordance with the provisions of Annexure "P". No preference for Israeli Manufactured goods shall be given where the purchase procedure is not conducted by way of Tender.
- (e) The Contractual provisions, set forth in the above documents are hereby incorporated by reference, as though set forth in full herein and shall be an integral part of these general conditions. Irrespective of anything to the contrary herein, the provisions, terms and conditions, set forth in said Annexures P and U shall prevail.

### **16. GOVERNING LAW AND SETTLEMENT OF DISPUTES:**

- (a) The Order/Contract shall be governed by and construed solely under the laws of the State of Israel excluding its rules as to Conflict of Laws, except as specifically stated in this Contract. Notwithstanding the above, Article 35 of the Schedule to the Law of Sale (International Sale of Goods), 5760-1999 shall not apply.

- (b) Both parties shall attempt to resolve their disputes pertaining to the Order/Contract between themselves within thirty (30) days from the date the parties became aware of the dispute.
- (c) Where the parties are unable to resolve their disputes within the period stated above, either party may notify the other party in writing of its intention to have the dispute settled by arbitration and shall, in the notification, propose a single neutral arbitrator.
- (d) In the event the parties fail to agree upon the appointment of an arbitrator, within thirty (30) days of the date of said notification, either party may refer the appointment of the arbitrator to the Chairman of the Israeli Bar Association, who shall appoint the arbitrator and such appointment shall be binding upon both parties.
- (e) The arbitration shall be conducted in English in accordance with the Arbitration Law 5728-1968 of Israel and shall be held as promptly as possible at such place in Israel as may be mutually agreed upon between the parties and at such time(s) as the arbitrator may determine.
- (f) In the event that the Chairman of the Israeli Bar Association fails to appoint an arbitrator, within thirty (30) days of submission of the request, either party may be free to refer the resolution of the dispute to an Israeli court of law, having a proper authority over the dispute.
- (g) Neither party may refuse to perform or delay the performance of any obligation under the Order/Contract, unless the arbitrator has made an order which allows it to do so. Subject to the foregoing and until the final decision of the arbitrator, the Order/Contract will continue to be fully performed by both parties.

#### **17. IMPROPRIETY:**

- (a) In accordance with the provisions of law (including the Penal Law 5737-1977), the Supplier and any person on its behalf (the "Seller") hereby undertakes and declares as follows:
- i) that the Seller shall neither directly nor indirectly offer and/or give and/or receive any benefit and/or funds and/or anything of value in order to influence, directly and/or indirectly, the decision and/or action and/or inaction of Purchaser or of an officer of Purchaser and/or an employee of Purchaser and/or any person on the behalf of Purchaser and/or any other persons, in connection with the Contract/Order;
- ii) that the Seller shall neither directly nor indirectly solicit and/or co-operate with any officer of Purchaser and/or employee of Purchaser and/or any person on the behalf of Purchaser and/or any other persons in order to obtain restricted/confidential information in connection with the Contract/Order;
- iii) that the Seller shall neither directly nor indirectly solicit and/or co-operate with any officer of Purchaser and/or employee of Purchaser and/or any person on the behalf of Purchaser and/or any other person/company/body in order to establish prices in an artificial and/or non-competitive manner or that they have not acted contrary to the provisions of restraint of trade as detailed in the Anti-Trust Law 5748 - 1988;
- (iv) subject to clause (c) below, that it is not a Family Member and does not employ or intend to employ for purposes of this Contract/Order, any "Family Member" (as such term is defined in the Government Corporations Regulations [Rules Pertaining to the Employment of Family Members], 5765-2005) insofar as such employment may be construed as constituting a conflict of interests between the Seller and any officers or employees of Purchaser;
- (v) that the Seller has not acted contrary to the provisions of paragraphs (i)-(iv) above within any Contract/Order entered into with Purchaser.
- (vi) that the Seller has not either directly or engaged in money laundering activities during the course of the Order/Contract, or prior thereto.
- (vii) that throughout the period of any transaction with the Purchaser:
- a. the Seller is not incorporated and/or located in any of the countries designated as an enemy country

and is not otherwise designated as an enemy under the Trading with the Enemy Ordinance 1939.

b. the Seller is not directly, or to the best of the Seller's knowledge, indirectly, subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") or directly, or to the best of Seller's knowledge, indirectly, subject to any sanctions administered by any corresponding authority in any EU member state (the "Other Authorities").

c. The Seller

i. is not an "unlawful association" as specified in the Defense (Emergency) Regulations 1945;

ii. has not been classified by Israeli Governmental authorities as a "terrorist" as specified in the Prevention of Terrorism Ordinance 5708-1948; and

iii. has not acted in contravention of the provisions of the Prohibition of Financing Terrorism Law 5765-2007 and is not a designated terrorist organization thereunder.

(viii) For purposes of this provision:

a. the term "Seller" includes the Seller, any of its directors, officers, agents, employees, parent company, first degree subsidiaries, related companies and affiliates.

b. the terms "Ordinance", "Law" or "Regulation" shall also include subsequent amending legislation as well as subsidiary legislation and regulations.

(b) In the event of reasonable suspicion that the Seller failed to comply with the provisions of Subarticle (a) above, Purchaser reserves the right, in its exclusive discretion, to:

exclude it from any other Procurement Procedures regarding to which there is suspicion that the aforesaid action was performed and/or from any other procedure (hereinafter: "the Procurement Procedure"); and/or

reject its proposal submitted in the Procurement Procedure ; and/or

(iii) at any time cancel its award in the Procurement Procedure and/or at any time cancel this Contract/Order or any other Contract/Orders entered into with Purchaser.

(c) In the event the Participant is a Family Member and/or employs a Family Member as detailed in Article (a)(iv) above, the Seller shall make full disclosure in writing to Purchaser of details of the identity and position held by such employee and no such Family Member shall be in any way connected with the performance of this Contract/Order without receiving the prior written consent of Purchaser.

d) At the time of submission of the Seller's proposal, the Seller declared and undertook full compliance with the provisions of the Restraint of Trade Law 5748 - 1988 and/or the instructions of the Commissioner of Restraint of Trade duly appointed by the Minister of Industry, Trade and Employment and the laws pertaining to freedom of contract and competition (including the formation of monopolies, cartels etc.).

in the event, such declaration is found to be false, the Purchaser shall have the right to cancel the Order/Contract.

In the event the Seller is found to have acted in conflict of interests, at the time of submission of the Seller's proposal, the Purchaser shall be entitled to cancel the Order/Contract.

e) The Seller is required to bring the provisions of this Article to the attention of its employees, sub-suppliers, representatives, agents and any person on the behalf thereof that is involved in any manner in the Contract/Order.

#### **18. COMPLIANCE WITH ISPM 15, AS TO WOOD PACKAGING:**

(a) All wood packaging materials (WPM), entering Israel, must be appropriately treated and marked in accordance with ISPM 15. Consequently, all WPM (other than plywood, MDF and certain particle boards) must be:

treated and certified, by an authorized agency, to have gone through methylobromide (MB) fumigation or heat treatment (HT), conforming to ISPM 15; and

marked on at least two sides of the packing with a noticeable, non-red imprint, which includes the logo the of International Plant Protection Convention (IPPC), the code of the country of destination (IL), the certification number, issued by the AQIS to the treatment provider of wood and the combination letters MB/HT/DB, indicating the type of treatment (DB represent debarking).

- (b) Supplier must comply with the requirements of subparagraph (a) above, when equipment is shipped to Israel in packaging made, fully or partially, from wood, whether or not the supplier is the importer of the equipment to Israel, unless specifically exempted from such compliance by the Purchaser in writing, signed by an authorized officer of the Purchaser, prior to the shipment.

## **19. COMPLIANCE WITH ISRAELI STANDARDS AND REQUIREMENTS OF ISRAELI GOVERNMENTAL AUTHORITIES.**

- (a) The Supplier shall be responsible to check that the Equipment being supplied under the Contract/Order complies with the applicable Israeli standards and the requirements of the appropriate Israeli Governmental Authorities (if any) specified by the Purchaser in the Tender/Inquiry documents, and that the Equipment is approved by such bodies.
- (b) In the event that the Purchaser (having notified the Supplier in the Tender/Inquiry documents as mentioned above) is required to pay any fines or penalties to the Israeli customs authorities because the Equipment fails to comply with such standards or requirements or because the necessary approval has been refused or the approval has caused delay in releasing the Equipment from customs, the Supplier shall hold Purchaser harmless from the payment of such fines or penalties.

## **20. RIGHT TO RETAIN OR WITHHOLD PAYMENT**

- (a) In addition to, and without derogating from any other remedy available to IEC, IEC shall have the right to retain or withhold payment in the event of the occurrence of any of the following:  
breach of Contract in whole or in part by the Contractor,  
failure to provide a required Guarantee on the date stipulated in the Order/Contract, as set forth under the terms of the Order/Contract, lawsuits filed against IEC and/or in the event of damages (including but not limited to re-occurring defects in the goods) caused to IEC and/or any other person as a result of the Order/Contract,
- (b) In the event IEC cancels the Order/Contract due to breach by the Contractor, IEC shall be entitled to withhold sums due to the Contractor, until such time as the scope of damages incurred to IEC by the Contractor's breach have been determined (by way of court decision or by way of a settlement agreement), and IEC shall have the right to set-off its damages from the sums withheld from the Contractor (without derogating from IEC's right to recover amounts due to IEC not included in the said sums set-off).
- (c) Amounts detained shall not bear interest and linkage.

## **21. CONFIDENTIALITY**

The Contractor and any person acting on its behalf hereby undertakes as follows:

- a. To keep in confidence the goods supplied by the Contractor and/or the Work and/or any results and/or any part thereof performed by the Contractor, and/or any information connected therewith or with the Order/Contract entered into with IEC.
- b. To keep in confidence and not to disclose or cause to be disclosed, and not to show or deliver in any manner during the duration of the Order/Contract or thereafter, to any person or entity, commercial or any other secrets of the Purchaser, or any information related to the Purchaser or related directly or indirectly to the Purchaser's property, affairs, customers, suppliers, individuals or entities, including but without limitation methods, processes, prices, calculations and the provisions of the contracts (hereinafter referred to as: "Confidential Information") regardless as to whether the Confidential Information has become available to the Contractor as a result of its employment by the Purchaser or by any other manner whatsoever.
- c. The Contractor hereby declares that the Confidential Information is the Purchaser's sole property and the Contractor will have no claims of any kind related to the Confidential Information.
- d. Without derogating from the generality of the above, The Contractor hereby acknowledges that the information set forth in Articles 1 and 2 above, may be considered either in whole or in part to be Insider Information, as such term is defined under the Securities Law # 5728- 1968 and the Contractor is aware of the applicable legal restrictions imposed by this law on the use of Insider Information. The Contractor hereby undertakes not to make any use of the Confidential Information in any manner that will breach the provisions of the Securities Law.



- e. Not to make use of the Confidential Information for purposes not related to the Order/Contract.
- f. Not to damage, remove or modify identification marks of the Purchaser appearing on the Confidential Information.
- g. To immediately inform the Purchaser regarding any person or body to whom the Confidential Information was made available, (contrary to that stated above).
- h. To Provide the Purchaser with any information, of any kind, which may be to the Purchaser's benefit, and which may become available to the Contractor, and/or with regard to the Order/Contract, and refrain from making use of the Confidential Information for purposes other than for those of the Purchaser.
- i. Upon any request of the Purchaser's Security Officer, to provide the Purchaser with any information in my possession, by no later than 7 days from the date of termination of the Order/Contract.
- j. This article shall apply to Contractor's employees, agents, representatives, consultants and subcontractors who assist in the Order/Contract.
- k. The Contractor hereby acknowledges that the Purchaser is a regulated body as such term is defined under the State Comptroller Law # 5758-1958 and has been made aware of chapter 7 of the Penal Law - 5737-1977, in particular sections 118 and 119.

End

Supplement to ANNEXURE "C" - SHIPPING DATA

**A. Currency of Prices:** \_\_\_\_\_ .

**B. Terms of Delivery**

Please specifically state in table below: "Mode of Supply" (mark with an "X" which is offered) and fill in "Port of Delivery" & "Country of Origin" .

Bidder's Mode of Supply	FOB _____	FCA _____	EXW _____	DDP _____
Bidder's Port of Exit/Delivery	(Abroad) _____	(Abroad) _____	(Abroad) _____	To IECs stores _____
Country of Origin	_____	_____	_____	_____

**C. Shipping Data for main items (4 types of meters) to be filled in Table below.**

I. Goods in full containers:

A Description of Item	B Total Quantity ordered	C Dimension of 1 item/ package (Length* Width* Height)	D Total No. of crates/ packages	E Gross No. of Weight of 1 crate/ package	F crates/ packages in one 40 ft. container	G(=D/F) Total No. of 40 ft. containers
#	[ea]	[Meters]	[Ea.]	[Ton]	[Ea.]	[Ea.]
1.	_____	_____*_____*_____ _____*_____*_____ _____*_____*_____ _____*_____*_____	_____	_____	_____	_____
2.	_____	_____*_____*_____ _____*_____*_____ _____*_____*_____ _____*_____*_____	_____	_____	_____	_____
3.	_____	_____*_____*_____ _____*_____*_____ _____*_____*_____ _____*_____*_____	_____	_____	_____	_____
4.	_____	_____*_____*_____ _____*_____*_____ _____*_____*_____ _____*_____*_____	_____	_____	_____	_____

II. Goods for transport LCL (not in containers):

	A Description of Item	B Total Quantity ordered	C Dimension of 1 item (Length* Width*Height)	D Gross Weight of Total Quant.	E Volume of Total Quantity
#		[ea]	[Meters]	[Ton]	[m^3]
3.	_____	_____	_____*_____*_____ _____*_____*_____	_____	_____
4.	_____	_____	_____	_____	_____

OFFEROR NAME: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

ANNEXURE "D" - SPECIAL CONDITIONS  
rev. 07/2014

**1. APPLICATION OF ANNEXURE "Z" (relevant for RFP's for Framework contracts, only)**

Bidders are requested to carefully review the terms and conditions, set forth in Annexure "Z": Flexible, frame contracts/orders Conditions, attached herewith. All such terms and conditions shall form part of the contract between the IEC and the successful bidder, with respect to the matters, stipulated in the annexure, including: monetary value of the purchase, contract period and extensions thereof, schedule of delivery, quantities to be purchased and IECs options to purchase additional quantities.

**2. PRICES (Relevant for 2nd stage)**

A. Your Price bid must be inserted in the "Summary of Prices" forms (Annexure "C"), attached hereto. Your price proposal must relate to the goods/equipment, as proposed by you during stage 1 of the bidding process (or according to the amended/revised proposal - where applicable) , as approved by the IEC and subject to all conditions of approval, if any.

B. Local (Israeli) Bidders must submit their prices, excluding VAT Directly to IEC's store in Bnei Brak.

For the avoidance of doubt, Article 2B above, shall apply to Local (Israeli) Bidders who supply goods which are manufactured outside Israel as well as within Israel.

C. Non local (Foreign) Bidders may submit their prices as per definition by Incoterms 2010, issued by the ICC, excluding VAT in one of the following Terms of Sale:

- DDP - (Delivery, Duty Paid) directly to IEC's store in Bnei Brak, (See also para. 5 below, for more details regarding supply DDP).
- FOB - (Free on Board) to \_\_\_\_\_ (Non Israeli Port of delivery).
- FCA - (Free Carrier) to IEC's forwarder \_\_\_\_\_ (nearest Port of delivery).  
In this case, the goods shall be unloaded by the supplier in coordination with the Purchaser's freight forwarder at the designated place of delivery at supplier's risk and cost.
- EXW - (EXworks LOADED) at Manufacturer's plant) located at \_\_\_\_\_, abroad.

Please fill in above and forward all required "Shipping Data" for evaluation of transport costs.

Please Note: Any deviation, from the above requirement for prices to be quoted in one of the "Terms of Sale" as stated above, is subject to receipt of approval by IEC, before the Prices stage.

D. Prices quoted for both Training Courses, are daily man-day prices, this to include all expenses, including: all handling fees, overhead, mobilization or demobilization charges, flights, travel time (to and from Israel), local travel time and costs, local accommodation and living expenses etc. IEC will not pay for any additional expenses other than the per diem rate quoted.

### **3. CURRENCY CONVERSION (LINKAGE) AND PRICE ADJUSTMENT**

#### **A. CURRENCY CONVERSION (LINKAGE)**

Bidders may submit their prices, either in the currency of their country where the goods are manufactured, or in one of the following currencies:

- (1) U.S. Dollar
- (2) Euro

Payment to the Bidder awarded with the Contract will be in the Currency quoted.

Also, for award to local (Israeli) Bidder quoting in foreign currency (other than NIS) - payment shall be in the foreign Currency quoted.

Note: In this case Israeli Bidder must state in any invoice sent, the sum for payment, both in said foreign currency and in NIS (after being converted in accordance with the Representative Rate of Exchange published by the Bank of Israel - the last known value on date of issue of invoice) - the amount before addition of V.A.T and amount after the addition of V.A.T.

#### **B. PRICE ADJUSTMENT**

1. In case of linkage/adjustment formula/s approved, prices for goods included in each separate draw order, shall be the adjusted prices for order, resulting from adjustment of the prices stated in this Tender proposal, in accordance with the formula/s detailed in Annexure "H" (Price Adjustment) attached, in order to reflect any fluctuations in the prices of the goods and exchange rates, between the date of submission of the offerors proposals and the date of each separate draw order by the IEC.
2. IEC prefers price offers to be firm prices. However, Bidders may submit in the first stage (Technical/Commercial) proposals, requests for price adjustment formula/s for linkage/adjustment in accordance with Annexure "H" (Price Adjustment) attached, which shall be considered by the IEC. After consideration of all offers, the terms for linkage/ adjustment will be finalized by the IEC, (hereinafter referred to as: "Approved Linkage"), and stated in the 2nd stage Tender documents forwarded to Bidders before submission of Price proposals. In the event the Bidders shall submit a different linkage rate to the Approved Linkage, the linkage rate that will bind the Bidder and taken into the price comparison will be the Approved Linkage.
3. In the event of currency exchange rates necessary according to approved linkage/adjustment formulas, such as for commodities, then:
  - a. For exchange from Euro to all other currencies, including to USD, all exchange rates shall be the representative Rate of Exchange published in the EUROPEAN CENTRAL BANK website: <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html> .
  - b. For exchange from USD to all other currencies, save for Euro, all exchange rates shall be the representative Rate of Exchange published in the FEDERAL RESERVE website: <http://www.federalreserve.gov/releases/h10/hist>.

Note: Only in the event exchange rate is needed from USD to Euro, the EUR / USD will be taken from the European Central Bank and inverted.

- c. In case of local (Israeli) Contractor, where currency exchange change rates are needed to / from NIS, all exchange rates shall be the Representative Rate of Exchange published by the Bank of Israel.

## C. GENERAL

1. For all Linkage / Adjustment formulas, prices shall be linked from the relevant "Base Date" (\*) until the "Determinative date" (\*) only. IEC will not be able to accept suggested / requested Linkage / Adjustment formulas having a further linkage period after the "Determinative date".
2. "Base Date" is to be defined in "Prices" (second) stage documents. In the event of not being specifically stipulated, the "Base date" for all factors of the Price Adjustment formula, shall be the working date prior to the date of submitting the Price proposal, the last known and published index/value's on this date shall be considered).
3. The "Determinative date" for purposes of calculating end of Price Adjustment period, shall be either the date of scheduled or actual milestone completion (delivery of drawings/Equipment/ Services, commissioning, completion of services or other, whichever is relevant) as detailed in Annexure "C1" (Summary of Prices) or IEC's order, whichever occurs first.
4. It is hereby agreed that should the index published by the authorized authorities change, (either the manner in which it is calculated and/or the Schedule or table number where it shall be published), the Schedule or table number replacing it shall be taken into consideration and/or the manner in which it shall be calculated, shall be as determined by the authorized authorities.

Should the authorized authorities fail to change the index or the calculation, the parties shall enter into negotiations on the above, and the results of such negotiations shall be mutually agreed upon, by the parties.

## 4. TERMS OF PAYMENT

A. For all Bidders supplying DDP or local Bidders supplying directly to IECs stores, payment shall be on the 90th day, after the 1st day of the month, following:

- (1) Delivery of each unit to IECs designated stores, (in case of Local EXW - Israeli Contractors Delivery Note as to readiness of goods countersigned by the Purchaser against receipt of the goods) and
- (2) Delivery to the IEC of one original delivery note, acknowledged/certified by IECs authorized store representative, or such other documentary evidence, acceptable to the IEC of delivery of the lot to its stores and
- (3) (for local Bidders) - Submission of VAT invoice.

B. In the event of supply FOB, FAS, EXW, or FCA, by Non Israeli Contractors, payment shall be on the 90th day, after the 1st day of the month following:

- (1) One original (or forwarders) Bill of Lading together with the original EUR-1 (or equivalent) Certificate of origin.
- (2) Contractors certified commercial invoices and Shipping specifications/Packing list.

C. Irrespective of anything to the contrary in bidders price proposal, or the terms set forth in sub-para.

4 A, B above, payment by the IEC through a standby L/C, if requested specifically by the offeror, shall be granted , subject to the following conditions:

- (1) the L/C shall provide that payment will receipt by the IEC of the relevant shipping documents; and
- (2) the L/C will provide that payment shall not be made earlier than the 90th day, after the 1st day of the month, following the date attesting to the delivery / receipt by the IEC of the relevant documents.
- (3) confirmation charges, if applicable, shall be paid by the bidder.
- (4) 0.3 % (three tenths of a percent) of the total value shall be added in the evaluation to the price, quoted by a bidder who requests payment through L/C.

## **5. HANDLING OF DDP GOODS BY NON-ISRAELI SUPPLIERS**

The following terms shall apply to suppliers in order to fulfill and facilitate the requirement, that the goods be supplied DDP, in as far as Non-Israeli suppliers are concerned:

- A. All documents necessary for release of the goods at the port of destiny in Israel, including bill of lading, certificate of origin and commercial invoices, shall be in IECs name.
- B. Upon arrival of the goods at the port of destination, the supplier shall contact IECs representatives, in order to coordinate the release of the goods from customs/port.
- C. For purpose of release of the goods from customs, the supplier shall employ the services of such customs clearance broker, as will be designated by the IEC, or any customs clearance broker, of his choice.
- D. VAT shall be paid by the IEC.
- E. On arrival at the Israeli Port the goods shall be loaded by the supplier at supplier's risk and cost onto open trucks for transportation to IEC stores.

## **6. "KNOW-HOW" AGREEMENTS**

- A. The award of an order to a bidder is conditioned upon the validity and fulfillment of the terms of such bidders "know-how" agreement, as presented by bidders in the course of stages 1 and 2 of this tender.
- B. The IEC shall have a right to cancel at any time, any order/contract, placed with the winning bidder, in the event that such bidders "know-how" agreement is cancelled, abrogated or otherwise not fulfilled, during the life of IECs contract with the bidder.

## **7. PACKING, HANDLING, STORAGE**

See the requirements stated in para. 5.6 and Appendix 8 of the Specifications attached herewith. Each item / package shall be marked with IECs bar code (which will be supplied by IEC, subject to the Supplier request by prior to delivery).

## **8. FINANCING**

- A. See Annexure "X" and "X1" (if attached) which includes the mandatory conditions and requirements of IEC relating to financing and the information which suppliers are requested to submit together with their proposal.
- B. Where financing conditions in the offerors country require the export credit risk to be insured, the premium for such insurance shall be included as part of the offerors quoted price in the price proposal, but as a separate identifiable amount.

## **9. DOCUMENTS FOR PROPOSALS**

The following documents must be submitted with the proposal:

- Annexure "C" (List of required items) including P/N (Manufacturers Catalogue No. or Model No.), duly filled in and signed.
- Documents proving the existence of the threshold conditions and all other documents/forms required as mentioned in the Specifications.
- Offerors consent to terms & conditions, including Bidder/Offeror Data Sheet duly filled in and signed.

## **ANNEXURE "E1"**

FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT  
PERFORMANCE OF CONTRACT

Dear Sirs,

Re: Standby Letter of Credit No:

Please advise the Israel Electric Corporation Ltd., P.O. Box 8810, Haifa, Israel (hereinafter "IEC") that at the request of and for the account of \_\_\_\_\_ (hereinafter the "Contractor"), we, \_\_\_\_\_ (hereinafter "Issuing Bank") hereby establish in favour of IEC, our irrevocable standby letter of credit No. \_\_\_\_\_ up to the aggregate amount of (Currency) \_\_\_\_\_ which represents 10% of the Contract Price of the Equipment and Services to be supplied under Contract No. \_\_\_\_\_ entered into between IEC and Contractor dated \_\_\_\_\_ ("the Contract"), the obligations of the Contractor extending thereunder until \_\_\_\_\_, being the expiration date of the warranty period of the last item of Equipment/Services plus sixty days.

1.
  - (a) This standby letter of credit is payable to IEC's account at \_\_\_\_\_ (hereinafter "Advising Bank") against first tested telex/swift advice from the Advising Bank to the Issuing Bank certifying that the Advising Bank has received a declaration purportedly signed by an authorized officer of IEC certifying as follows:  
"We, The Israel Electric Corporation Ltd. ("IEC") do hereby certify that in the considered opinion of IEC, the Contractor is in breach of Contract No. \_\_\_\_\_; that the Contractor has been notified of the details of such breach; and that the Contractor has failed to take steps satisfactory to IEC to remedy the breach within ten (10) calendar days after sending notification of the breach by facsimile to the Contractor."
  - (b) Reference to the "Contract" is for purposes of identification alone, and the terms of the Contract are not made part of this letter of credit.
2. This standby Letter of Credit shall remain valid until \_\_\_\_\_, as extended under paragraph 4 below (hereinafter "Current Validity Date"), but in no event shall this credit be extended beyond \_\_\_\_\_ being the warranty expiry date of the last item of Equipment/Services + 60 days.
3. [Applicable only if the Contract Price is subject to price adjustment and/or affected by variation in costs of materials, labor, etc...] The amount available for drawing under this standby letter of credit shall be increased by two percent (2%) per annum or by the relative amount for a respective period (i.e., a standby letter of credit which is extended by six (6) months shall be increased by one percent (1%)).
4.
  - (a) It is a condition of this credit that its validity will be automatically extended for periods of one year from the then Current Validity date, unless no later than ninety (90) days prior thereto:
  - (b) In the event this credit is not further extended, notification having been given under paragraph 4(a)(i) and receipt thereof acknowledged by IEC under the paragraph 4(a)(ii) then, at any time within the last sixty (60) days prior to the then Current Validity Date, IEC may draw against this Letter of Credit in full or in part, by means of Advising Bank's first tested telex/Swift Advice to Issuing Bank, notifying that IEC has presented to Advising Bank a declaration purportedly signed by an authorized officer of IEC, certifying as follows:

"We, the Israel Electric Corporation Limited, hereby declare that the amount of this drawing \_\_\_\_\_ under [Name of Issuing Bank] letter of credit number \_\_\_\_\_ represents the sum due to us, as [Issuing Bank] has failed to extend its letter of credit number \_\_\_\_\_ and this sum remains due and payable"

5. We, \_\_\_\_\_, Issuing Bank, hereby undertake irrevocably that payment will be made within seven (7) banking days as above after receipt by us of Advising Bank's first tested telex/Swift Advice notifying us of IEC's presentation to it of either or both of the declarations stipulated in paragraphs 1(a) and/or 4(b) above.
6. All documents to be presented shall be in English
7. With the Exception of amounts and dates, typing errors shall not be regarded as being discrepancies.
8. Except insofar as otherwise expressly stated herein, this standby letter of credit is subject to the "International Standby Practices" ("ISP98") published by the International Chamber of Commerce (Publication No. 590) (October 1998). In the absence of any provisions of ISP98, this Standby Letter of Credit shall be subject to Israeli Law.

Yours truly,

#### ANNEXURE "H" PRICE ADJUSTMENT

(Not for Firm Price Contracts)

1. Where Price Adjustment is required, Prices of Equipment and/or Services specified in the Contract shall be subject to a Price Adjustment formula which reflects the applicable production and/or labour costs as follows:

$$\text{Padjusted} = \text{Po} * \left( \frac{a + b * X1}{Xo} + \frac{c * Y1}{Yo} + \frac{d * Z1}{Zo} \right)$$

In which:

Po represents the non-adjusted Basic Contract Price  
X,Y,Z please state the applicable indices.  
Xo,Yo,Zo represent the Base Indices  
X1, Y1, Z1 represent the Determinative Indices.  
a,b,c,d.. please state the relative percentage of each index (while "a" represents the proportion of the Basic Contract Price which is firm and not subject to Price Adjustment).

2. The Price Adjustment formula indices shall adhere to the following principles:
  - (a) no more than three indices shall be used in the formula;
  - (b) the indices shall be national or governmental indices;
  - (c) the indices shall be officially published by a governmental authority; and
  - (d) X1, Y1 and Z1 shall not be interim, estimated or provisional indices.
3. The proposed Price Adjustment must indicate the Base Date for each index and the actual value of each Base Index.
4. The Determinative (end) Date for purposes of calculating Price Adjustment must be (in accordance with IEC's requirements) either the date of issuing the invoice or the contractual/scheduled date of delivery whichever date occurs earlier. For the removal of doubt, no Price Adjustment shall be due to delays for which the Purchaser is not responsible.  
In the event the Equipment is placed into storage and payment is made upon storage, the date of placement into storage shall be used as instead of the contractual/scheduled date of delivery.

The Final Index shall be the index known on the Determinative Date.

5. Price Adjustment shall be invoiced on separate Price Adjustment invoices which shall be submitted together with the corresponding relevant invoices for the Basic Contract Price of Equipment. Such Price Adjustment invoices shall be accompanied by documents evidencing the relevant officially published indices on the Determinative Date and the method of calculating the invoiced sums of Price Adjustment.
6. The Price of the Israeli Content could be subject to a Price Adjustment Formula which is based on Israeli indices only if the basic portion of such Israeli Content to be adjusted is denominated in NIS.

**End.**

#### **Annexure "L"**

##### **INSURANCE CLAUSE Purchase of Equipment and Supervision**

Without derogating from the Contractor's undertakings, the Contractor shall insure, on its own account, its liabilities under this agreement and any applicable law. Such insurance policies shall be in force during the whole period of the agreement.

Without derogating from the generality of the aforesaid, the Contractor shall provide and maintain the following forms of insurance:

1. Employers Liability Insurance or Workers# Compensation Insurance for the Contractors employees in the minimum amount of US\$ 1,500,000 per employee or equivalent statutory scheme. The policy shall include the Company as an additional insured with respect to any liability towards the Contractor's employees..
2. Third Party Liability Insurance in the minimum amount of US\$ 500,000 per event. The policy shall include the Company as a co-insured, with a cross liability clause.

The Contractor undertakes to enforce all above instructions on his sub contractors.

Certificates evidencing that the above insurance policies are in force and complies with the above provisions will be forwarded to the Company prior signing the agreement by the Company.

#### **ANNEXURE "S"**

**April 30th, 2015**

##### **GENERAL CONDITIONS FOR SAFETY AT WORK AT PURCHASER'S PREMISES**

1. This Safety at Work Annexure shall form an integral part of Annexure A above and the order/contract and the laws referred to in this Annexure shall be deemed to constitute part of the order/contract including provisions relating to breach of contract and remedies related thereto.
2. Definition:  
Purchaser- shall mean the Israel Electric Corporation Ltd.  
Service Provider: shall mean Supplier and/or the party, whose offer in the Tender/ RFP has been accepted by the Purchaser.
3. The Service Provider undertakes to take all necessary safety measures to execute the work and to comply with the provisions of the Safety at Work Ordinance as well as its Regulations, the Organizing Work Supervision Law -5714- 1954 and its Regulations and any other order or requirement under the law. The Service Provider undertakes to implement the Purchaser's instructions as well as the instructions required by the Purchaser's contract manager and the safety manager appointed on behalf of the Purchaser with regard to safety work, use of equipment and correct use of the equipment.  
The above shall not derogate from the service providers liability according to the law and/or the provisions of the order/contract.



4. The Service Provider is solely responsible for the safety of its employees. The Purchaser shall not be held liable for any damage caused to the Contractor's employees and/or its agents and/or anyone acting on its behalf and/or its services and/or any third party as a result of an accident or damage incurred during and as a result of the execution of the work.

#### **SAFETY INSTRUCTIONS**

5. The safety provider shall ensure to instruct its employees and agents regarding the safety at work and provide them with all information regarding the risks inherent in the premises where the works will be performed, as well as current instructions for use, safe operation and maintenance of the equipment, material and work procedures at the site, all in accordance with its obligations under the provisions of Work Supervision Organization Regulations (Providing Information and Instructing Employees) 5759 - 1999 and any order or other requirement under any law. In addition, the Service Provider shall ensure that each employee fully understands the risks and has the required knowledge in the field of his position, and the risks to which he is exposed.

6. The safety trainings shall be provided to the employees upon commencement of their employment. At least annually, the Service Provider shall undertake to ensure that each employee who receives the safety training, signs a form stating that he received the safety training and understands the content of the training. Copies of the abovementioned forms shall be sent to the contract manager and/or the Purchaser's head of safety (hereinafter referred to as "Purchaser's Representative"). Should any changes occur in the workforce, the Contractor shall be responsible to ensure that each and every new/supplementary employee shall receive the safety training and shall immediately report it in writing to the Company's Representative.

7. The Service Provider is prohibited from employing an employee unless such employee underwent the safety training as stated above.

8. The Service Provider's representative undertakes to arrive on site prior to commencement of the work and to receive a safety training on the risks apparent at the premises where the works will be carried out by its employees. This training shall be given by the Purchaser's Representative. The Contractor's representative will sign that he in fact received the safety training from the Purchaser's Representative.

9. The Service Provider shall provide a written summary to the employees regarding the risks associated with the type of work they will perform as well as any written summary it has received from the Purchaser's Representative regarding the risks at the workplace. The Service Provider shall verify that the content of the summary will be provided to the employee. In the event the employee does not understand the language in which the summary is written, the summary will be translated to a language the employee understands.

#### **SUPPLY OF PERSONAL PROTECTIVE EQUIPMENT AND TOOLS**

10. The Service Provider undertakes to provide all its employees with tools and personal protective equipment, all in accordance with the Safety at Work Regulations (such as: work clothes, work boots, helmets etc#) suitable for performing the following tasks: transferring, unloading and suitable for the type of equipment supplied and required by the Purchaser's Representative.

11. The Service Provider undertakes that the tools and personal protective equipment provided to its employees, work, are up to standard and undergo periodic tests, as required, all in accordance with the manufacturer's instructions and generally accepted professional standards, as required by law and under the circumstances of the work.

The Service Provider shall oversee that the correct equipment is used throughout execution of the works and shall present the test certificates to the Purchaser's Representative.

12. The Service Provider shall execute the work using tools (including tools and vehicles) suitable for carrying out the work. The Service Provider shall ensure that the tools have all necessary permits and licenses required under any law and shall supervise the fitness and suitability of the tools throughout the execution of the works.

#### **THE SERVICE PROVIDER'S EMPLOYEES**

13. The Service Provider shall ensure the work is performed by skilled employees with appropriate training and high skills who hold all approvals and licenses required by law to carry out their work. The Contractor's responsibility is to ensure its employees are in good health, as required by law, to perform their work.

#### **MISCELLANEOUS**

14. The Service Provider shall report to the Purchaser's Representative in writing regarding any hazardous event.

15. The Service Provider undertakes to immediately handle any hazard and act in accordance with the instructions of the Purchaser's Representative in order to correct the deficiencies found by the Purchaser's Representative.

16. The service provider's employee will only be entitled to receive an access tag once the Service Provider presents the Purchaser's Representative with a signed copy certifying that the employee received safety training as stated above.

17. The Purchaser's Representative shall be entitled to conduct inspections in order to ensure that the Service Provider complies with all its obligations stated above. For the avoidance of doubt, such inspections shall not impose any liability on the Purchaser and shall not derogate from the service provider's liability.

18. The Service Provider shall define the work area and where there is a safety risk and mark it by way of warning signs.

19. After completion of the works, the Service Provider undertakes to clean the work area and remove any temporary structures, equipment, facilities and waste. The Service Provider shall ensure the work area is left clean and suitable for its purpose, to the satisfaction of the Purchaser's Representative.

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

Service Provider's signature: \_\_\_\_\_

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

Purchaser's signature: \_\_\_\_\_

End

## **ANNEXURE "U":**

**rev. 25.10.2015**

### **MANDATORY INDUSTRIAL COOPERATION**

#### **1. General**

Participants participating in a procurement procedure, valued at more than USD 5,000,000\* or USD 4,575,000\* (when the Government Procurement Agreements applies), are required to read the following provisions and to comply with the instructions, set forth below, as applicable.

A foreign supplier, who participates in a procurement procedure, conducted by IEC, for the purpose of acquiring goods, equipment, services or work, valued at more than USD 5,000,000\* or USD 4,575,000\* (when the Government Procurement Agreement applies) and a foreign supplier, who in connection with such a procurement, is awarded a repeat or additional order which value exceeds USD 500,000 within a period of 5 years, commencing on the initial contract period, is required to act as follows:

1. engage in Industrial Cooperation activity, or business in Israel, and
2. submit, as part of its proposal to IEC, certain documentation, which reflects its plan and commitment to such an engagement, in accordance with the provisions, set forth below.

#### **2. Definitions**

As used in this annexure:

- a) "Excluded Goods or Products" shall mean: cables (H.S. 8544), transformers (H.S. 8504), disconnectors and switchers (H.S. 8535-8537), electric motors (H.S.85012099, 85015299, 85015199, 85015290, 85014099, 85015390) which are excluded from the Government Procurement Agreement

b) "Foreign Supplier" shall mean: a supplier, manufacturer or importer, who offers to supply to IEC goods or products, which are not Israeli manufactured goods or products, or one who offers to IEC work/services, which is/are not rendered in Israel.

c) "GPA" shall mean: Government Procurement Agreement entered into on January 1st, 1996 as applied to IEC.

d) "Industrial Cooperation" shall mean: industrial activity or business in Israel, in the form of local subcontracting, and/or investments, and/or transfer of know-how, and/or research and development and/or acquisition of Israeli goods or work and/or other forms of industrial cooperation, as approved, in advance, by the Industrial Cooperation Authority, not including:

- (i) Expenses, including commission, paid to promote the sales of the foreign supplier in Israel;
- (ii) Purchases of stock or shares, governed by the Israeli Securities Law- 5728-1968, whereby the Foreign Supplier does not become an "interested party", as that term is defined therein;
- (iii) Grants, given by the Israeli government as part of an investment or financing plan.

e) "ICA" : shall mean: the "Industrial Cooperation Authority", which operates as a unit of the Israeli Ministry of Economy

f) "IEC" or "Israel Electric" shall mean: The Israel Electric Corporation Ltd.

g) "Israeli Manufactured Goods or Products" shall mean: goods or products, which:

- (i) have been produced, manufactured, fabricated, or
- (ii) have undergone substantial transformation where new or different goods and/or services have resulted.

in Israel (or in the zone or areas, designated by ICA) in the framework of one transaction, or several joint transactions, or within a prescribed period, based on ICA's discretion, provided that the price of the Israeli contents in such goods or products is at least 35% of the price of the proposal or less, based on criteria, as prescribed by ICA.

h) "Local Sub-contracting" - shall mean: the execution of contract/s by a Foreign Supplier who was awarded the Order/Contract to purchase Israeli Manufactured Goods or Products, or to procure work or services in Israel, for the purpose of fulfilling, in whole or in part, the contract, which is the subject of the bidding, tender or inquiry process.

i) "Member States" shall mean: states, which signed and joined the GPA, or states, which executed bilateral agreements with the state of Israel, which incorporate, adopt or apply the relevant provisions of the GPA.

j) Order/Contract shall mean an agreement into with IEC

k) "Price of the Israeli Contents" shall have the meaning as defined in the Tenders Regulations (Preference for Israeli Products) 5755-1995

l) Price of the Proposal -shall have the meaning as defined in the Regulations

m) The Regulations - shall mean The Mandatory Bidding Regulations (Duty of Industrial Co-operation) 5767-2007

### **3. Industrial Cooperation Undertaking**

a) Subject to the provisions, set forth in subparagraph b., below, a Foreign Supplier, who submits to IEC, in the course of a bidding, tender or inquiry, a price proposal, which value exceeds USD 5,000,000\* or USD 4,575,000\* (when the GPA applies), or a Foreign Supplier, who, after having won an award exceeding USD 5,000,000 who is awarded a repeat order to the initial order, valued at more than USD 500,000 within a period of five years commencing on the date he was awarded the initial order, shall sign and submit to IEC, along with the price proposal (in case of a single stage bidding/inquiry process), or along with the technical proposal (in case of a two stage bidding/inquiry process), or, in the event of a repeat/additional order, upon IEC's request, the form of "Industrial

Cooperation Undertaking", attached herewith (hereinafter: Undertaking, or The Undertaking), duly filled out and signed by it. The Undertaking shall commit the "Foreign Supplier" to perform "Industrial Cooperation" in case it wins the award, of a value, as set forth below, unless exempted, or modified by the ICA:

- (i) As to "Foreign Suppliers" of non "Excluded Goods or Products" from "Member States" at least 20% of the value of the award and/or the repeat order, as applicable;
- (ii) As to all other "Foreign Suppliers" - at least 35% of the value of the award and/or the repeat order, as applicable.
- (iii) If, in the opinion of ICA, the award is important for the purpose of promoting the industry and the technological development in Israel, the Undertaking shall specify that, out of the total value of "Industrial Cooperation" committed to by the "Foreign Supplier" (as per subparagraph 3.a.(i) or (ii), above), at least 20% of the value of the award and/or repeat order, as applicable, shall be in the form of local subcontracting.

Important Note: It is recommended that "Foreign Suppliers" check with ICA, prior to filling out and submitting the Undertaking, whether, or not, they are required to commit to local subcontracting as part of their overall commitment to "Industrial Cooperation".b) In case the "Foreign Supplier" is an importer of the goods or equipment, the Undertaking, submitted by it, must be signed by the manufacturer of the goods/equipment. .

- c) A "Foreign Supplier", who commits to perform local subcontracting, as part of its overall "Industrial Cooperation", shall submit to ICA, immediately after completion of the supply/work, a letter, duly signed by a certified public accountant, stating the certified contractual value and substance of the local subcontracting.

#### 4. Preliminary Fulfillment plan

- a. Unless properly exempted, a "Foreign Supplier", whose financial proposal in the bidding, tender, or inquiry, is valued at more than USD 5,000,000 or USD 4,575,000 when the GPA applies, must submit to ICA and to IEC a preliminary/general fulfillment plan/program, specifying:
  - (i) The kind of category of "Industrial Cooperation", which will be selected by the "Foreign Supplier" in order to fulfill its undertaking (i.e. local subcontracting, investment, know how transfer, R&D order, acquisition of Israeli made goods or products, work or services);
  - (ii) Which technologies and industrial sectors, will be applied, utilized, or chosen, as part of the fulfillment of "The Undertaking";
  - (iii) The anticipated/intended nature and volume of the subcontracting and the identity of potential subcontractors (in cases where the "Industrial Cooperation" is intended to be fulfilled by way of "Local Subcontracting").
- b. The preliminary fulfillment plan must be submitted to IEC along with the form, marked as Attachment A, enclosed herewith and together with the "Foreign Supplier's technical proposal (in case of a two stage bidding/ inquiry process), or along with the price proposal (in case of a single stage bidding/inquiry process), as applicable. Such plan must be submitted simultaneously to ICA.
- c. IEC and ICA may require that the "Foreign Supplier" submit clarifications or additions/modifications to the preliminary fulfillment plan and may disqualify the bid/proposal, in case a preliminary fulfillment plan is not properly submitted, or in the event that required clarifications, additions, or modifications are not submitted in a timely manner, to IEC's, or to ICA's satisfaction.

#### 5. Detailed Fulfillment Plan

- a. Unless properly exempted, a "Foreign Supplier", who wins a contractual award, valued at more than USD 5,000,000 or USD 4,575,000 when the GPA applies, must submit to IEC and ICA a detailed fulfillment plan/program for carrying out its "Undertaking", no later than 90 days after the date of execution of the contract by IEC and the "Foreign Supplier".
- b. The detailed fulfillment plan will be submitted along with the form, marked as Attachment B, enclosed herewith and shall employ the table, included as part of Attachment B, in order to describe its detailed fulfillment plan.

- c. Failure to submit the detailed fulfillment plan, or failure to win ICA's approval of the plan, will constitute a substantial breach of contract, entitling IEC, at its discretion, to unilaterally terminate the contract and/or delay payments, due and payable to the "Foreign Supplier", under the contract, until the plan is submitted and approved by ICA.
- d. The detailed fulfillment plan may be modified during the period of execution of the plan, subject to ICA's prior written approval and discretion.

## **6. Questionnaire**

Participants in a procurement process, conducted by IEC, of a value exceeding USD 5,000,000, or USD 4,575,000 when the GPA applies, are required to submit to IEC and ICA, along with their technical proposal (in case of a two stage bidding/inquiry process), or along with the price proposal (in case of a single stage bidding/inquiry process), as applicable, a copy of the questionnaire, enclosed herewith, as Attachment C, dully filled out and signed by a duly authorized officer of the participant, for the purpose of assisting IEC to determine whether or not the participant is a "Foreign Supplier".

## **7. Exemptions**

- a. Under "The Regulations", ICA may exempt a "Foreign Supplier" from "Industrial Cooperation", or may approve fulfillment of a lower percentage (than 35% or 20%, respectively) of such cooperation. The "Foreign Supplier" must consult "The Regulations" in order to check whether or not it is entitled to a full or partial exemption. Unless notified of a partial, or full exemption, a "Foreign Supplier" must submit to IEC and to ICA "The Undertaking", and the preliminary fulfillment plan, along with its proposal. The filing of a request for an exemption, in itself, may not be a proper ground for a failure to submit such documents, as required, above.
- b. A "Foreign Supplier", who claims an exemption from the duty to submit the Undertaking by virtue of having signed a frame contract for industrial cooperation with ICA, must submit to IEC and ICA, along with its proposal, the following:
  - i. A letter from ICA, stating that the frame contract is in effect and that the "Foreign Supplier" need not submit the Undertaking, or, in lieu of such a letter, other proof, to the IEC's satisfaction, that the frame contract is in full force and effect.

## **8. Extensions**

IEC may, at its sole discretion, extend any deadline, set forth in the bidding, tender, or inquiry documents, for the submission, or amendment of the Undertaking, the fulfillment plan or the questionnaire, or may disqualify any proposal, in the event that such undertaking, fulfillment plan, or questionnaire are not duly submitted, within the time prescribed.

## **9. Approval of the award by ICA**

- a. The execution of a contract between the and a "Foreign Supplier", who wins an award, is subject to the approval of ICA.
- b. IEC shall have a right, at its sole discretion, to cancel an award unilaterally and without bearing any liability, in the event that ICA notifies IEC of its refusal to approve the award.
- c. In the event that ICA sets forth certain conditions for the approval of the award, IEC shall have a right, at its sole discretion, to cancel the award, without bearing any liability, if the "Foreign Supplier" fails to meet such conditions within a time frame, prescribed by IEC in a written notification to the "Foreign Supplier".

## **10. The period of fulfillment of the plan**

The "Foreign Supplier's undertaking to perform "Industrial Cooperation" shall be fully executed within the period of the awarded contract, unless ICA has extended the period.

## 11. Completion Form

- a. A "Foreign Supplier", who has undertaken to perform "Industrial Cooperation", must fill in and duly sign the document, attached herewith, titled : "Commercial Cooperation Undertaking Completion Form" (hereinafter: the Completion Form).
- b. The Completion Form, duly filled in and signed, must be returned to IEC, along with the executed contract/order.
- c. Failure to return the Completion Form, duly filled in and executed, along with the executed contract/order, shall be a ground for cancellation of the award.

## 12. Exchange Rate/s

Values of proposals shall be determined, for purposes of this annexure, based on the official exchange rate, between the currency of the proposal and the representative exchange rate of the USD, as published by the Bank of Israel, on, the date the bid was published or the date of issuance of the exemption from bidding, as applicable.

## 13. Disqualification due to past conduct

IEC shall have a right to disqualify any "Foreign Supplier", at any stage of the procurement process and/or to cancel an award, in the event that it finds out that the "Foreign Supplier" has been prohibited from contracting with Israeli governmental entities, corporations or units, due to its failure to fulfill past undertaking/s for "Industrial Cooperation".

## 14. Conflicts

In the event of any conflict between the provisions, set forth in this annexure and the provisions of any regulation, statute, treaty or law, the latter shall prevail.

\* The following amounts: USD 5,000,000 or USD 4,575,000 Include flexibilities, options and VAT.

**Annex to Invitation to tender/request for proposal no. \_\_\_\_\_**  
**issued by \_\_\_\_\_, (hereinafter referred to as "the Buyer")**  
**dated \_\_\_\_\_ for the supply of \_\_\_\_\_**

Foreign Suppliers Industrial Cooperation Undertaking  
As per the Mandatory Tenders Regulations  
(Mandatory Industrial Cooperation), 5767-2007 (hereinafter the "Regulations")

We, (name of Supplier) \_\_\_\_\_

Having its offices at (full address) \_\_\_\_\_

commit to the State of Israel, that in the event of winning the above mentioned tender/request for proposal (hereinafter referred to as "the tender"), we shall put into practice Industrial Cooperation in Israel, in accordance with the outlined below:

1. We are aware of the fact that this undertaking originates from the "Regulations" and the terms used herein have the same meaning as there.
2. The extent of Industrial Cooperation that shall be carried out by us, shall level at least 35% (for suppliers of non-excluded products from GPA member states, the extent of industrial cooperation is 20%), of the value of the contract or of the transaction, that will be concluded with us, in the event of winning this tender in whole or in part, including the exercising of any option related thereto, as well as to spare parts acquisitions, training activities, maintenance, technical assistance, guarantees etc. that will be procured from us, in connection with the main equipment acquired, within the framework of the above mentioned tender.
3. We are aware that the possible ways in fulfilling our undertaking for Industrial Cooperation, are by local subcontracting, investments, Know-How transfer, R&D orders

and acquisition of Israeli products, work or services, or any other way approved in advance by the ICA, excluding those listed in clause 10 below.

4.
  - (a) Within the framework of our undertaking, we commit to carry out Local Subcontracting in a value not less than 20% of the contract/transaction value and additionally, carry out Industrial Cooperation in one or more of the other ways set forth in clause 3 above, in a value not less than 15 or 0% (subject to the rule outlined in clause 2 above) of the contract/transaction value.
  - (b) We are aware that once we have committed to carry out Local Subcontracting in the value outlined above, at the end of work done, we have to provide the Buyer and the ICA with a signed by a CPA report, indicating the value and nature of Local Subcontracting actually materialized.
5. We are aware of the fact that in accordance with the provisions of the tender, we are required to provide in conjunction with our proposal, this duly signed undertaking form, along with a preliminary fulfillment program for the undertaking completion, as specified in Attachment A. in the event that we win the tender, We will provide a detailed fulfillment program according to the terms in section 11. (a) below.  
Failure to provide the fulfillment program as required will disqualify our bid.
6. We are aware that the Industrial Cooperation Authority (ICA) is in charge on behalf of the Government of Israel with appraisal, classification and monitoring of the hereby attached fulfillment program, if we win the tender.
7. Our undertaking for Industrial Cooperation shall be carried out while the Contract the subject of this tender is in force. The ICA may upon request, approve an extended period of time, considering the nature of Industrial Cooperation to be implemented, or the complexity of the contract/transaction.
8. The records of ICA pertaining to the execution of our undertaking shall be prima facie evidence in any matter relevant to the fulfillment of this requirement in the tender.
9. We are aware that in order to value the extent of Industrial Cooperation activities carried out by us pursuant to this undertaking, the following rules shall apply:
  - (a) New or incremental procurement by the supplier of Israeli products or services, compared to the suppliers average extent of procurements carried out in the last three years, or the award of orders for local subcontracting, comprising a level of Israeli added value of at least 35%, shall result in Industrial Cooperation credits in a value of 100% of the business deal nominal price.
  - (b) In some instances, subject to the rules to be published and on a case by case basis, the ICA will be entitled to grant credits exceeding 100% of the business deal price, by virtue of Industrial Cooperation activities of a unique nature, or activities implemented with preferred industry sectors and regions.
10. Furthermore we are aware that:
  - (a) Investments, acquisition or funding of R&D projects, which shall be taken into account in calculating the extent of our Industrial Cooperation, shall not include any grant given, if given by the Government of Israel, as part of an investment or funding program as stated above.
  - (b) Expenditures such as agents commission, personnel, office and other expenses the purpose of which are to promote our sales in Israel, shall not be recognized as Industrial Cooperation activities.
  - (c) Purchase of shares of Israeli companies to which the Securities Law 5728-1968 applies, to the extent in which the purchaser is not deemed to be "a party with an interest" as defined in the said Law, will not be considered as Industrial Cooperation.
  - (d) Any activity of ours with the Israeli industry carried out prior to being awarded with the buyers contract shall not be eligible for crediting purposes.
  - (e) Any Industrial Cooperation activity to be carried out by us which is not part of our fulfillment program will be subject to ICA's prior approval.
11. Aimed at demonstrating our serious intentions regarding the fulfillment of our undertaking, we commit to take the following steps:

- (a) To submit to the ICA, within ninety (90) days from the effective date of the contract which is the subject of the Tender a detailed fulfillment program for our undertaking. We will use Attachment B to specify the program including as many details as possible of subjects for Industrial Cooperation with the Israeli industry, implementation mile stones and time frame of completion, having regard to activities as outlined in clause 3 above.
- (b) The supplier hereby acknowledges and consents that the ICA is entitled to instruct the Buyer to cancel the Contract or withhold payments due according to mile stones under the Contract until issuance of approval by the ICA of Supplier's submitting the fulfillment program to ICA's satisfaction, according with section 11.(a)
- (c) Part of that program will be the appointment and written notification of a competent person to act as our Industrial Cooperation Coordinator (ICC), who will be responsible on our behalf for the fulfillment of this undertaking, for managing the activities in this regard and serve as our contact with the ICA, with the Israeli industry and other business entities. The appointees name and position in our organization and all other complementary information will be fully outlined in the program submitted.  
In case the ICC is replaced at any time in the future, we are committed to notify the ICA within 72 hours from the time the replacement took place.
- (d) To take all conventional measures, including the use of consultation services, conducting a professional survey in Israel, visiting business entities in Israel and vice versa, or any other means aimed at the examination of business feasibilities in Israel.
- (e) Once every year (on January 31) and until our undertaking is fully satisfied, we shall furnish the ICA with written - in a format to be set by the ICA - reports, having regard to the fulfillment of our undertaking for Industrial Cooperation, which will include the following data:
  - (1) Full identifying details of orders for Israeli products, work and services, local Subcontracts, investments or any other Industrial Cooperation activities carried out during the reporting period, subject to the rules set forth in clause 9 above.
  - (2) Any additional information that might be required by the ICA, regarding activities weve carried out aimed at the fulfillment of our undertaking.

**Non compliance with any of the requirements outlined in clause 11 will be deemed as a violation of our undertaking.**

12. All communications on our behalf having regard to the fulfillment of this undertaking will be sent to the ICA at the following address:

Industrial Cooperation Authority  
Ministry of Industry Trade and Labor  
86 Menachem Begin Rd.  
P.O. Box 36049  
Tel Aviv 67138, Israel.  
Tel: (972) 3 5634178 Fax: (972) 3 5634177

and additionally, for U.S. and Canadian companies:

The U.S. Director - ICA  
Government of Israel Economic Mission  
800 Second Ave. 17th Floor,  
New York, NY 10017, U.S.A.  
Tel: (212) 499 5741, Fax: (212) 499 5745

Signature of an authorized officer on behalf of the submitter of the tender:

If the bid is submitted by an importer and/or a leasing services provider, this document should be signed by an authorized officer on behalf of the foreign manufacturer of the goods or services to be supplied pursuant to the



a.m. tender.

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone No.: \_\_\_\_\_ Fax No: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Email: \_\_\_\_\_ Web Site: \_\_\_\_\_

**September, 2014 ed.**

QUESTIONNAIRE  
(Part of Annexure "U")

**Note:**

the duty to fill in, sign and submit this questionnaire applies to any offeror, in a bidding, tender or inquiry, conducted by the IEC, for the purpose of acquisition of goods, equipment, services or work of a value, which is more than USD 5,000,000 or USD 4,575,000 when the GPA applies.

1. Name of the offeror: \_\_\_\_\_
2. Address of the offeror: \_\_\_\_\_
3. Bid, tender, inquiry number: \_\_\_\_\_
4. Description of the goods/services offered: \_\_\_\_\_  
\_\_\_\_\_
5.
  - A. Have the goods/products, or will the goods/products, which are the subject of the proposal, been/be manufactured, produced, fabricated or undergone/undergo substantial transformation in Israel, or in a zone?  
\_\_\_\_\_
  - B. Does or will the value of the Israeli contents in the proposed goods/products equal or exceed 35% of the price of the goods/products, including taxes, levies, customs, insurance and transportation? \_\_\_\_\_
  - C. If the goods/products are imported, does or will the value of the goods/products equal or exceed 35% of the C.I.F. price (in the Israeli port) of the goods/products?  
\_\_\_\_\_
  - D. If the goods/products are imported, state the name/s and principal place/s of business of the manufacturer/s or principal manufacturer/s, as applicable:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. If the proposal is for work/services, which part of the work/services (in percentage) will be performed in Israel? \_\_\_\_\_ percent.

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

Name and title of authorized officer, signing this questionnaire: \_\_\_\_\_

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**Attachment A to:**

**Foreign Suppliers Industrial Cooperation Undertaking, related to: Tender/RFP No. .... issued by.....**

**PRELIMINARY FULFILLMENT PROGRAM**

Referring to clause 5 in the a.m. Foreign Suppliers Undertaking, you are requested to submit your Preliminary fulfillment Program, by the following guidelines:

1. Specify the technologies and industrial sectors the program will be carried out at.
2. Indicate the Industrial Cooperation Category:  
Local Subcontracting, investment, Know-How transfer, R&D order, acquisition of Israeli product, work or service.
3. In case that Local Sucontracting is required, attached is a preliminary list of Israeli companies to take part in your program and specify the following:
  - a. Transaction Description designated for each company.
  - b. Estimated volume of business with each company.

**INDUSTRIAL COOPERATION AUTHORITY**

**Ref. No.:** \_\_\_\_\_

**Company Information**

Company name: \_\_\_\_\_

Parent company: \_\_\_\_\_

Ultimate Parent: \_\_\_\_\_

Annual Sales (Company): \_\_\_\_\_

Annual Sales: (Parent Co.): \_\_\_\_\_

Number of Employees (Company): \_\_\_\_\_

Number of Employees (Parent Co.): \_\_\_\_\_

Main products: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Company's Internet Web Site: \_\_\_\_\_

**Industrial Cooperation Coordinator (ICC):**

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

Address: \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**Israeli Agent/Rep.:**

Co. name: \_\_\_\_\_ Contact person: \_\_\_\_\_

Address: \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

E mail: \_\_\_\_\_

Remarks: \_\_\_\_\_

**Attachment B-DETAILED FULFILLMENT PROGRAM  
to the Industrial Cooperation Undertaking**

Related to Tender/RFP No. ....

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

Pursuant to clause 11(a) of the a.m. document, we ..... submit hereby our Fulfillment Program, that will serve as our initial outline aimed at the satisfaction of our a.m. undertaking, as follows:

4. Having regard to clause 3 of the undertaking document, the ways to be used by us to fulfill our undertaking will include one or more of the following Industrial Cooperation Categories:

Local Subcontracting

R&D Orders

Investments

Acquisition of Israeli Products, Work or Services

Know-How transfer

Other:.....

5. Anticipated / Approximate dates for Implementation of the following mile stones:

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

6. Following is our prospective Fulfillment Program, in the format of table below.

Transaction Description	Industrial Cooperation Category	Approximate Transaction Time Table		Name of Israeli Entity Involved	Transaction Value
		Start	End		

Total of Fulfillment  
Value

**Note: For further clarifications or assistance in filling out this document, feel free to contact the corresponding ICA representative, to be found at: [www.ica.gov.il](http://www.ica.gov.il)**

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

To:  
ICA Israel  
86 Menachem Begin Rd.  
P.O. Box 36049  
Tel Aviv, 67138  
ISRAEL  
Fax: + 972-3-5634-177

Subj.: Commercial Cooperation Undertaking - Completion Form

Dear Sir,

Referring to the a.m. subject and as an integral part of our undertaking with respect to \_\_\_\_\_ order/supply contract no. \_\_\_\_\_ for the acquisition of \_\_\_\_\_ in the amount of \_\_\_\_\_, we hereby confirm that our undertaking in the amount of \_\_\_\_\_ (Representing 35% of the purchase order to non GPA member states suppliers or 20% of the purchase order for non-excluded products to GPA member states suppliers), will be carried out, starting on \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_. (Hereinafter "the Effective Date") until \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ (the expiration date of the contract).

Sincerely yours,

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Firm Stamp

## **ANNEXURE "Y"**

### **LIST OF POTENTIAL GUARANTEE PROVIDERS**

IEC will accept guarantees either:

- (i) from Israeli banks holding a valid banking license received pursuant to the Banking Law (Licensing), 5741-1981".
- (ii) from none-Israeli banks which have long-term credit rated at least "A" by one of the following agencies: Standard & Poor's and/or Moody's and/or Fitch
- (iii) from an Israeli insurance company that has presented a valid license to issue guarantees from the Ministry of Finance

A supplier intending to submit guarantees by other banks, not as aforesaid, needs to obtain the written approval of IEC In accordance with the provision of the Guarantees' Section of Annexure "A", the supplier is required to specify the names of all the banks that will provide guarantees in favor of IEC under the contract.

Name of the bank: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the bank: \_\_\_\_\_ Address: \_\_\_\_\_  
Name of the bank: \_\_\_\_\_ Address: \_\_\_\_\_  
Name of the bank: \_\_\_\_\_ Address: \_\_\_\_\_  
Name of the bank: \_\_\_\_\_ Address: \_\_\_\_\_

**ANNEXURE "Z"**  
**Revision December 3rd, 2015**

SPECIAL CONDITIONS (FLEXIBLE, FRAME CONTRACTS/ORDERS)  
(Two years Basic Contract Period)

**THESE SPECIAL CONDITIONS ARE TO BE READ TOGETHER WITH AND IN CONNECTION WITH THE PURCHASE ORDER/CONTRACT (INCLUDING THE GENERAL CONDITIONS (ANNEXURE "A") ATTACHED THERETO. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THESE SPECIAL CONDITIONS AND ANY OF THE TENDER/INQUIRY/CONTRACT DOCUMENTS THESE SPECIAL CONDITIONS SHALL PREVAIL.**

**DEFINITIONS**

1. All terms used in this Annexure "Z" have the meanings ascribed to same in the Purchase Order/ Contract or in Annexure "A" (General Conditions) as the case may be. Additional terms used shall have the following meanings

1.1. "Basic Contract Value" - shall mean the total purchase price of the entire quantity (100%) of the Goods, specified in the Tender/Inquiry documents (not including options), in the currency, designated by the Supplier and approved by the Purchaser.

1.2. "Basic Frame Contract Period" - shall mean a period of 24 months, beginning on the date of signature of the frame contract/order for the supply of the Goods.

1.3. "Option Period" # shall mean the total period of 12 months during which the Purchaser shall be entitled to exercise the Options in whole or in part.

1.4. "Goods" - shall mean all or part of the goods, described in the Order/Contract.

**2. FRAME ORDER/CONTRACT FLEXIBILITIES**

**2.1. VALUE OF THE PURCHASE**

During the Basic Frame Contract Period (and the "Extension Period", detailed in paragraphs 2.2 and 2.3, below, if applicable), the Purchaser will purchase from the Supplier and the Supplier will sell to the Purchaser, Goods of a total value, which is equal to the "Contract Value", subject to the Purchaser's right to increase the Basic Contract Value by up to 40% or decrease the Basic Contract Value by up to 40%.

**2.2. FLEXIBLE EXTENSION OF THE CONTRACT PERIOD**

In the event that the total value of Goods, actually ordered within the "Contract Period" is less than the maximum value (including flexibilities) of the Contract, the Purchaser shall have the right, by no later than 30 days prior to the end of the Basic Frame Contract Period or the Option Period (detailed in para. 2.3 below), to notify the Supplier in writing of its intention to extend the Contract Period by a period of up to 36 months (hereinafter: the "Extension Period"). In no event shall the total Order/Contract period (including the Extension Period and Option Period) exceed 60 months from the beginning of the Basic Frame Contract Period.

The Purchaser shall be entitled to exercise the Extension Period separately and/or partially up to the maximum Extension Period.

## 2.3. OPTION TO PURCHASE

2.3.1. The Purchaser shall have an option to purchase additional Goods (hereinafter: The "Optional Goods") as follows:

### 2.3.1.1. First Option

in an amount not to exceed 50% of the Basic Contract Value (hereinafter "Option Value") (subject to the Purchaser's right to increase the Option Value by up to 40% or decrease the Option Value by up to 40%) up to a period of 12 months (hereinafter: the "First Option Period"), beginning at the end of the Basic Frame Contract Period, or at the end of the "Extension Period", as applicable.

### 2.3.1.2. Second Option

in an amount not to exceed 50% of the Basic Contract Value (subject to the Purchaser's right to increase the Option Value by up to 40% or decrease the Option Value by up to 40%) up to a period of 12 months (hereinafter: the "Second Option Period"), beginning at the end of the First Option Period or the end of the Extended First Option Period, as applicable.

### 2.3.1.3. Third Option

in an amount not to exceed 50% of the Basic Contract Value (subject to the Purchaser's right to increase the Option Value by up to 40% or decrease the Option Value by up to 40%) up to a period of 12 months (hereinafter: the "Third Option Period"), beginning at the end of the Second Option Period or the end of the Extended Second Option Period, as applicable.

#### \* SEE ATTACHED TABLE

2.3.2. In no event shall the total Order/Contract period (including the Basic Frame Period and Option Periods and applicable Extension Periods) exceed 60 months from the beginning of the Basic Frame Contract Period.

Where there are more than one Options to be exercised on a periodic basis (yearly or monthly), the Purchaser shall be entitled to exercise each Option separately and/or partially up to the maximum permissible amounts or periods.

2.3.3. Said option may be exercised by the Purchaser, in writing, no later than 30 days prior to the end of the Basic Frame Contract Period or Extension Period or each Option Period, as applicable.

2.3.4. If the option is duly exercised, the sale of the Optional Goods to the Purchaser shall be at the same price and under the same terms as the sale of the Goods purchased during the Basic Frame Contract Period, subject only to such modifications as are set forth herein.

2.3.5. For purposes of clarification, if the Purchaser has partially exercised the Option or only partially extended the Basic Frame Contract Period, the Purchaser shall still retain the right to exercise the Option or Basic Frame Contract Period up to the maximum amount or period of the Option.

## 3. SCHEDULE OF DELIVERY

3.1. The Goods shall be supplied to the Purchaser in accordance with written draw orders, issued by the Purchaser to the Supplier. The draw orders will be issued by the Purchaser at such times as it chooses, within the Basic Frame Contract Period, the "Extension Period" or the Option Period (under paragraph 2 above as applicable).

3.2. Each draw order shall specify the type/s and quantities of Goods, required by the Purchaser and the Supplier shall deliver to the Purchaser such type/s and quantities as required according to the following:

3.3. The first two draw orders shall be issued to the Contractor, at the same time as issuance of the Frame Contract, as below:

- 3.2.1.1 First Draw order (for Prototype series) of five (5) meters of each type (total of 20) + all software and configured according to the Specification requirements, to be delivered within 90 days of issuance of said draw order for supply DDP directly to Purchaser's store in Bnai Brak.  
Said batch of goods and attached software will be checked and approved by IEC within 120 days

from receipt of the meters in proper condition (this including time needed for corrections in the event original goods delivered do not meet the requirements).

3.2.1.2 Second Draw order of eight (8) pallets (2 for each type of meter, total of about 800 meters) and 600 remote control units (equal to amount of Prepayment remote control type meters) for field test, this for:

- Delivery within 300 days of issuance of the draw order for supply DDP directly to Purchaser's store in Bnai Brak.
- Delivery within 270 days of issuance of the draw order for Supply FCA / FOB / EXW.
- Said batch of goods and attached software will be checked and approved by IEC within 240 days from receipt of the meters in proper condition.

Note: For purposes of liquidated damages for delays in deliveries (see Ann. A, clause 2(d)), said First and Second draw orders shall be considered Proto-type process.

Any delay in IEC's approval of first and second draw order will cause postponement of the required delivery schedule thereafter, one day for each day delay.

3.4. For all other draw orders

- Delivery within 90 days of issuance of the draw order for supply DDP directly to Purchaser's store in Bnai Brak .
- Delivery within 60 days of issuance of the draw order for Supply FCA / FOB / EXW.

Note: the third draw order (first of "all other draw orders" after successful completion of "Prototype" qualification process), shall not be issued before 540 days from issuance of Frame contract.

3.5. The final date for delivery, as set forth in IEC's draw order/s, within the framework of the Contract, shall be no later than six (6) months from the end of any of the following: the Basic Frame Contract Period, Extension Period or the Option Period, whichever occurs later.

3.6. IEC reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender, to modify or update the abovementioned schedule of delivery and lead time.

3.7 Bidders approval of delivery schedule, with regard to clause 3.4 above:  
Please indicate below ability to meet required lead time for delivery.

Can Bidder meet above stated delivery schedule? \_\_\_\_\_ (Yes / No).

If #No# - Bidder shall state the closest minimal delivery schedule he is able to meet - \_\_\_\_\_ days lead time from IEC's order.

#### **4. QUANTITIES TO BE PURCHASED**

Subject to the Purchaser's obligation to purchase Goods in the quantities specified in paragraph 2.1, above:

4.1. In the event that the Goods consist of various, non-identical items, the Purchaser shall have a right to purchase some of the items and not the others.

4.2. See Annexure C (Summary of Prices) for quantities (of two year base period). IEC reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender, to modify or update the quantities.

#### **5. WARRANTY**

Supplier's warranty, for each item of goods shall be in accordance with the terms and conditions, set forth in Annexure "A " (General Conditions) and shall run for a period of 36 months from the date of scheduled or actual delivery whichever occurs later.

6. PERFORMANCE GUARANTEE

- 6.1. The performance guarantee, delivered by the supplier to the Purchaser pursuant to Annexure "A" (General Conditions) shall be in an amount equal to ten percent (10%) of the "Basic Contract Value" for one year, (being the Basic Contract Value divided by the number of years in the Basic Frame Contract Period) and shall remain in effect until sixty (60) days after the expiration of the warranty period for the Goods, supplied during the "Basic Frame Contract Period".
- 6.2. In the event of an extension of the "Basic Frame Contract Period" in accordance with paragraph 2, above, the supplier shall deliver to the Purchaser, within the first fourteen days of the "Extension Period", an extension of the performance guarantee for an additional period equal to the Extension Period.
- 6.3. After supply of the last draw order, at the supplier's request, the Purchaser shall relinquish the performance guarantee, held by it, in exchange for a new performance guarantee, to its satisfaction, in an amount equal to 5% of the value of the Goods supplied during the Contract Period.
- 6.4. In the event that the Purchaser exercises any of the options in accordance with paragraph 2, above, the Supplier shall provide to the Purchaser, within 14 days of receipt of Purchaser's notice of exercise of the option, an additional performance guarantee, to the Purchaser's satisfaction, in an amount equal to 10% of the "Option Value", effective until sixty (60) days after the expiration of the warranty period for the Goods, supplied during the Option Period.

SUMMARY TABLE OF FLEXABLE PURCHASES AMOUNTS AND PERIODS

PERIOD: up to x MONTHS	increase up to X percent	decrease up to X percent
BASIC: up to 24 MONTHS	increase up to 40 percent	decrease up to 40 percent
OPTION 1: up to 12 MONTHS	increase up to 40 percent	decrease up to 40 percent
OPTION 2: up to 12 MONTHS	increase up to 40 percent	decrease up to 40 percent
OPTION 3: up to 12 MONTHS	increase up to 40 percent	decrease up to 40 percent



## Summary of Prices - Annexure "C"

<b>Item: 1</b>			<b>IEC Catalog No.: 5267790</b>		
<b>Description:</b>					
METER ELECTRONIC 1-PHASE, DIRECT CONNECTION, ACTIVE BASIC CURRENT 10A MAX., MAXIMUM CURRENT 60A MIN., CLASS 2, PREPAYMENT, WIRELESS COMMUNICATION,					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
8,000		each		8,000	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 2</b>			<b>IEC Catalog No.: 5267791</b>		
<b>Description:</b>					
METER ELECTRONIC 3-PHASE, DIRECT CONNECTION, ACTIVE BASIC CURRENT 20A MAX., MAXIMUM CURRENT 80A MIN., CLASS 2, PREPAYMENT, WIRELESS COMMUNICATION,					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
2,000		each		2,000	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 3</b>			<b>IEC Catalog No.: 5267792</b>		
<b>Description:</b>					
METER ELECTRONIC 1-PHASE, DIRECT CONNECTION, ACTIVE BASIC CURRENT 10A MAX., MAXIMUM CURRENT 60A MIN., CLASS 2, PREPAYMENT, WIRELESS COMMUNICATION, WITH CORDLESS REMOTE CONTROL CAPABILITY,					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
3,000		each		3,000	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 4</b>			<b>IEC Catalog No.: 5267793</b>		
<b>Description:</b> METER ELECTRONIC 3-PHASE, DIRECT CONNECTION, ACTIVE BASIC CURRENT 20A MAX., MAXIMUM CURRENT 80A MIN., CLASS 2, PREPAYMENT, WIRELESS COMMUNICATION, WITH CORDLESS REMOTE CONTROL CAPABILITY,					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
1,000		each		1,000	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 5</b>			<b>IEC Catalog No.: 5267707</b>		
<b>Description:</b> REMOTE UNIT, FOR CORDLESS CODE ENTRY, FOR PREPAYMENT METERS SMS COMMUNICATION,					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
4,000		each		4,000	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 6</b>			<b>IEC Catalog No.: 5268383</b>		
<b>Description:</b> SOFTWARE FOR LABORATORY FOR CONFIGURATION OF PREPAYMENT METER					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
20		each		20	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 7</b>			<b>IEC Catalog No.: 5268384</b>		
<b>Description:</b> SOFTWARE FOR HAND HELD UNIT FOR PREPAYMENT METER FOR READING AND UPDATING TABLES,					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
1,200		each		1,200	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 8</b>			<b>IEC Catalog No.: 5268385</b>		
<b>Description:</b>					
SOFTWARE FOR LAPTOP PC FOR PREPAYMENT METER, READING AND UPDATING TABLES					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
200		each		200	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 9</b>			<b>IEC Catalog No.: 5156740</b>		
<b>Description:</b>					
LOWER COVER FOR 3-PHASE ELECTRONIC METER, INCLUDING SCREWS					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
120		each		120	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 10</b>			<b>IEC Catalog No.: 4249389</b>		
<b>Description:</b>					
LOWER COVER FOR METER ELECTRONIC 1-PHASE, DIRECT CONNECTION, CLASS 2 LOW VOLTAGE, INCLUDING SCREWS,					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
440		each		440	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 11</b>			<b>IEC Catalog No.: 5156741</b>		
<b>Description:</b>					
SCREW SET FOR 3-PHASE ELECTRONIC METER					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
30		Set		30	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 12</b>			<b>IEC Catalog No.: 4249397</b>		
<b>Description:</b>					
SCREW TERMINAL FOR 1-PHASE WATT-HOUR METER, DIRECT CONNECTION, LOW VOLTAGE					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
110		each		110	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 13</b>			<b>IEC Catalog No.: 5247517</b>		
<b>Description:</b>					
CLIP-ON MOUNTING BRACKET FOR ELECTRICITY METER					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
30		each		30	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 14</b>			<b>IEC Catalog No.: 5247517</b>		
<b>Description:</b>					
CLIP-ON MOUNTING BRACKET FOR ELECTRICITY METER					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
110		each		110	
Lead time: _____					
Supplier's					
Remarks:					

<b>Item: 16</b>			<b>IEC Catalog No.:</b>		
<b>Description:</b>					
מינום תוכרדה תורישל מכסה					
<b>Destination:</b>					
<b>Total Quantity</b>		<b>Unit</b>		<b>Quantity</b>	
1		Activ.unit		1	
Supplier's					
Remarks:					
Item No.	Service ID	Quantity	Units	Description	
10	1060000108	1.000	Work	TRAINING FOR PREPAYMENT METER+SOFTWARE	
20	1060000110	7.000	Year	MAINTENANCE & GUARANTEE FOR IT COMPONENT	
30	1060000111	1.000	each	SOFTWARE AND HARDWARE FOR IT COMPONENTS	
40	1060000112	700.000	hours	LABOR FOR IT COMPON.FOR PREPAYMENT METER	
50	1060000113	1.000	Work	TRAINING IT SOFTWARE TO PREPAYMENT METER	

### Acknowledgement of Compatibility

A. The Offeror/Supplier declares and confirms, that the proposed Product/goods/equipment (hereinafter: the proposed product) are compatible with and conform with the requirements of I.E.C., as set forth the Tender/Inquiry/Specifications and all appended documents, applicable (hereinafter: Purchaser's Product Requirements, PPR).

B. The Proposed product does not conform fully with PPR in the following respects (please list all respects of lack of conformity and if necessary, attach additional sheet):

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C. We understand and agree that failure to list any information in subparagraph "B" above, shall be construed as a confirmation, that the proposed products fully conform with the PPR.

D. Irrespective of anything to the contrary anywhere in the Tender/Inquiry documents, or elsewhere, the submission of this "Acknowledgment of Compatibility", shall be a pre-condition to Offeror/Supplier participation in the price stage of the Tender/Inquiry.

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

Name of Offeror/Supplier: \_\_\_\_\_

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

### Additional Quotation Information

**IT IS ESSENTIAL THAT THIS PAGE BE FULLY FILLED IN AND  
ATTACHED TOGETHER WITH YOUR OFFER**

Name of Manufacturer: \_\_\_\_\_

Country of Manufacture / Origin: \_\_\_\_\_

Country and Port of Export: \_\_\_\_\_

Certificate of Origin accompanying the goods:

☐ FTA (U.S.A)    ☐ EUR 1 (E.E.C)    ☐ EFTA    ☐ EURO-MED

☐ Non Manipulation Certificate    ☐ Other: \_\_\_\_\_

☐ Supplier's/Manufacturer's Export Declaration on Invoice stating customs authorization no.

Terms of Delivery as per Incoterms 2010:

☐ EXW LOADED    ☐ FCA    ☐ FOB    ☐ FAS    ☐ Other:  
...(named place)\_\_\_\_\_.

**Terms of Payment:**

One hundred percent (100%) pro rata per shipment of Order Price shall be paid on the 90th day calculated from the first day of the following month of the date of delivery.

Payment shall be conditioned upon delivery of the services/goods in accordance with the agreed term of supply as defined in Incoterms 2010 and receipt of an invoice, the latest.

Total Quotation Value: \_\_\_\_\_

**Prices must include all expenses up to shipping point!  
No additional costs will be authorized at invoicing stage.**

Approximate Gross Weight: \_\_\_\_\_

Approximate Dimensions: \_\_\_\_\_

Validity: \_\_\_\_\_

Supplier's Name/Stamp/Signature: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please confirm your participation to this Inquiry by filling in the following and returning it ASAP by Fax to our Dept.: +972 4 8182469 or by Email: amdor\_b@iec.co.il

RFP: 101896390A

Supplier:

☐ First Stage ☒ Two Stages

Please advise: \_\_\_\_\_  
\_\_\_\_\_

We will be participating  
We will not be participating

Supplier's Stamp:	Supplier's Signature	Date
_____	_____	_____