



THE STATE OF ISRAEL

MINISTRY OF FINANCE

MINISTRY OF ENERGY

THE WATER AUTHORITY

THROUGH

The Inter-Ministerial Tender Committee for the Construction of a Facility for Treatment of Contaminated Groundwater in the Vicinity of the Israeli Military Industry at Ramat HaSharon

HEREBY INVITES

Entities from the private sector in Israel and abroad, to participate in the pre-qualification process no. 1903/2020 (of a PPP tender) for the design, financing, construction, operation and maintenance of a contaminated groundwater biological treatment plant in Israel currently estimated to be located adjacent to the Morasha Junction and the Israel Military Industry (IMI) in Ramat Hasharon (the "**Project**"). The estimated period during which the plant will be operated and maintained is approximately twenty-five years at the end of which the plant shall be transferred back to the State.

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

1. The Tender Committee intends to conduct a two stage competitive selection process in order to select the private sector entity to execute the Project, in the following stages:
 - (a) stage 1 - the Pre-Qualification Process; and
 - (b) stage 2 - a Tender Process in which the Participants announced as "Eligible Participants" in the Pre-Qualification Process will be invited to participate.

2. The Pre-Qualification Requirements include, inter alia, the following cumulative requirements as further detailed in the Invitation for Pre-Qualification:

2.1. Professional Pre-Qualification Requirements

A. Experience in the Design of a Biological Treatment System (BTS)

Each Participant is required to demonstrate that an Experience Provider on its behalf has Executed the Design of a BTS for removal of Perchlorate or Nitrate which has operated, at least, during a 24 months Consecutive Operation Period between January 1 2007 and the Pre-Qualification Submission Date and has met the contaminants concentrations in the inlet feed water, Flow Rate and Removal Ratio requirements, all as further elaborated and stipulated within the Invitation.

B. Experience in the Design, Construction and Operation of a Water or Wastewater Facility

Each Participant is required to demonstrate that up to 2 Experience Providers on its behalf (as stipulated in the Invitation) executed the Design, Construction and Operation of a Facility which during a 24 months Consecutive Operation Period, between January 1 2007 and the Pre-Qualification Submission Date, has met the Flow Rate and Removal Ratio requirements, all as further elaborated and stipulated within the Invitation.

2.2. Financial Pre-Qualification Requirements

C. Turnover

The Participant is required to have a Weighted Turnover of at least sixty million New Israeli Shekels (60,000,000 NIS). In the event that one or more of the Members of the Participant is a Financial Entity – the minimal turnover required of a Participant shall not be less than the product of NIS 60,000,000 multiplied by Anticipated Holdings of all Members who are not Financial Entities

The Average Turnover of each Member in the Participant shall be calculated in the following manner:

- For: (i) any Member in the Participant who is a Financial Entity; and (ii) any Member in the Participant whose Anticipated Holdings in the Participant are lower than 10% – the Member's Average Turnover shall be deemed as Zero (0).
- For any Member in the Participant who is not a Financial Entity and whose Anticipated Holdings in the Participant exceeds 10% or more – the Member's Average Turnover shall be calculated as an average of the Member's annual turnover for the three audited annual Financial Statements for 2017 – 2019 (and in the event the Financial Statements for 2019 were not published – then 2016 – 2018).

D. Operating Cash Flow

Each of the Members in the Participant (who is not a Financial Entity) complies with one of the following requirements:

- (i) The Member's Average Annual Cash Flow from operating activities for the three audited annual Financial Statements for 2017 – 2019 (and in the event the Financial Statements for 2019 were not published – then 2016 – 2018) is not negative; **or**
- (ii) The ratio between -
 - (a) The absolute value of the minimum of the Member's Average Operating Cash Flow and the Member's Operating Cash Flow of the audited annual Financial Statement of 2019 (and in the event the Financial Statements for 2019 were not published – then 2018); and
 - (b) the Member's equity on December 31, 2019 (and in the event the Financial Statements for 2019 were not published – then December 31, 2018) deducted by the Minimal Required Equity (as defined in Section 4.2.3 of the Invitation);

is less than 25%

E. Equity

Each Member who is not a Financial Entity is required to demonstrate equity of not less than NIS 400,000, for each one percent (1%) of Anticipated Holdings in the Participant, based on its audited annual Financial Statement for 2019 unless such was not published - then its audited annual Financial Statement for 2018.

F. Private Investment Fund

A Member which is a Private Investment Fund is required to demonstrate that as of the date commencing 14 days prior to the Pre-Qualification Submission Date, the amount of Unutilized Commitments under its management is not less than a million two hundred thousand New Israeli Shekels (1,200,000 NIS), for each one percent (1%) of its Anticipated Holdings in the Participant.

G. Banking Corporations or Institutional Investors

A Member, which is a Banking Corporation or an Institutional Investor, is required to demonstrate one of the following requirements:

(a) Its equity (excluding minimal equity required by Law, to the extent relevant) is not less than NIS 600,000 for each one percent (1%) of Anticipated Holdings in the Participant, based on the Member's its audited annual Financial Statement for 2019 unless such was not yet published - then its audited annual Financial Statement for 2018;

or

(b) It manages assets with a net worth of not less than NIS 10,000,000 for each one percent (1%) of Anticipated Holdings in the Participant, based on the Member's audited annual Financial Statement for 2019 unless such was not yet published - then its audited annual Financial Statement for 2018.

H. The absence of "going concern notice" or a notice of similar effect in the Participating Entities audited annual Financial Statement for 2019 (and in the event the Financial Statements for 2019 were not published – the Participating Entity shall submit a statement of its C.F.O per the Invitation).

3 Additional Requirements

- 3.1 Additional Pre-Qualification Requirements and specifications regarding the requirements which were briefly described above and the manner by which those should be demonstrated, are provided within the Invitation.
- 3.2 Copies of the Invitation for Pre-Qualification may be downloaded at <https://www.mr.gov.il/officestenders/Pages/officetender.aspx?pID=648079>, as of **March 19, 2020** for no charge.
- 3.3 Participants may raise questions and requests for clarifications or interpretations to the Pre-Qualification Documents ("**Requests for Clarification**"), in writing, by no later than **July 23, 2020**. Such requests for clarifications shall be addressed in writing only to Tender Committee's email via Ms. Michal Moshe at: PPP-Taas@inbal.co.il. Further instructions relating to the submission of Requests for Clarifications are detailed in the Invitation for Pre-Qualification.
- 3.4 As a pre-condition for submission of Requests for Clarifications or for submission of the Pre-Qualification Submission, the Participant shall pay a Participation Fee in an amount of five thousand New Israeli Shekels (5,000 NIS) (VAT included). Methods of payment and the notification required regarding the Participation Fee's payment are detailed in the Invitation for Pre-Qualification.
- 3.5 Participants will submit their Pre-Qualification Submissions in accordance with the requirements provided therein on **September 3, 2020 as of 09:00 AM and by no later than 14:00 PM**, local Israel time, to the Tender Committee's tender box, at the following address:

The Tender Committee
Inbal Insurance Company Ltd.
Inbal House
3 Arava St.
P.O.B 282 Airport City
Ben Gurion Airport 70100

4. It is explicitly clarified this notice contains general and partial information only. Further conditions, requirements and stipulations with respect to the Pre-Qualification Process are as detailed in the Invitation for Pre-Qualification. The Tender Committee reserves the right to annul or revise the conditions of the Pre-Qualification Process and its schedule, to conduct clarification meetings with the Participants (or any of them) and any other right reserved to it on the Invitation or per the Law, all in accordance with the provisions of the Invitation for Pre-Qualification. In the event of contradiction between this notice and the Invitation for Pre-Qualification, the Invitation for Pre-Qualification shall prevail.

Respectfully,



Yitsik Marmelshtein

Chairman of the Tender Committee