October 27, 2021

Mekorot Water Company Ltd.

Process No. 58-2021

Invitation to Submit Bids

Tender for the Engineering Consultancy (Owners' Engineer) for the Design-Build of a Desalination Facility in Sabha D, Eilat (the "Invitation")

Addendum no. 2

1. In response to the Invitation issued on **August 2021**, Clarification Questions were received. The questions and respective answers are as specified below (unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the Invitation).

2. Bidders are to note that:

   2.1. As set out in Section 2.9.8 of the Invitation, any Clarification Question not responded by Mekorot shall be deemed rejected; and

   2.2. As set out in Section 2.9.7 of the Invitation, in its response to a Clarification Question, Mekorot may rephrase any Clarification Question, including adding to the original language or omitting from the original language, as it shall deem fit under the circumstances.

3. The schedule for the Tender Process is **updated** as follows:

   3.1. Republication: **October 27, 2021**.

   3.2. Final date for the submission of Clarification Questions: **November 16, 2021, at 12:00 noon (Israel time)**.

   3.3. Bid Submission Deadline: **December 7, 2021, at 12:00 noon (Israel time).**

4. **This document must be signed by the Bidder and attached to the submission.**

No.	Topic	Reference to name of document	Reference to page number	Reference to section	Clarification/Question	Answer
1.	"Participating Entity"	Invitation to Submit Bids	8, 19	Terms, 3.1, 3.3	Please clarify what is the difference (if any) between The Participant and the Foreign Engineering Firm. Can a Foreign Engineering Firm be the Participant by itself? In case of an affirmative answer, what would be the maximum score that foreign company would have, according to the scoring table described in Section 1.2 (page 1) of document "Schedule 2 to Invitation - Quality Component Scoring System".	It is clarified that a Foreign Engineering Firm can also be the Participant itself, and, if eligible, can receive quality score both the as the Participant and as the Foreign Engineering Firm. The following wording shall be added at the end of Section 3.3.2 Invitation: "*It is hereby clarified that the Participant may also be recognized as the Foreign Engineering Firm, for the purpose of the Evaluation Process*."
2.	The Agreement	Invitation to Submit Bids	4, 5 6 14	List of Schedules 1.1 2.6.4	The Form of Agreement and the General Conditions of the Agreement were not provided in the framework of the Tender documentation (only the Particular Conditions are provided). Furthermore, the Agreement is referred to in the Invitation to Tender both as Schedule 4 (on pages 4 & 5) and as Schedule 8 (in the definition of "Agreement" on page 6). Please provide the missing documents and clarify the correct number of schedule.	The Agreement can be downloaded from the FIDIC website (Client/Consulatnt Model Services Agreement FIDIC© 2017).

3.	The Participant	Invitation to Submit Bids	21	3.1	A participant can be two entities jointly submitting a Bid (Joint Venture). Also, according to section 3.3.2, "A Participant may include up to one Foreign Engineering Firm in its Bid to the extent it wishes to receive an additional quality component score due to such Foreign Engineering Firm." Can a Participant includes a JV of an Israeli Company and a Foreign Company?	Yes, a Participant includes a Joint Venture of an Israeli Company and a Foreign Entity. In relation to the question regarding the Participant fulfilling the terms of the Foreign Engineering Firm, see Section 1 above.
4.	"Agreement" not available in Tender Documents	Invitation to Submit Bids	6	1.1."Definitions"	The "Agreement" is a key document an it is not found in available Tender documents. Please clarify where it can be found (it should be included as Schedule 4 as indicated in several sections, or as Schedule 8 as reported in "Definitions"). If not previously shared, please provide the document for Bidder review with sufficient anticipation with respect to both the Clarification period deadline and the priced proposal submission deadline.	See Question 2 above and the Clause 3 to the Addendum.
5.	Foreign Entity	Invitation to Submit Bids	7	1.1."Definitions"	In "Definitions" the following requirement is given for a "Foreign Entity" [quote] (b) registered in the OECD, on the Bid Last Submission Date. [unquote] Please clarify the acronym OECD. If it refers to the "Organization for Economic Co-operation and Development" this is an organization for Countries, not for Companies and therefore the requirement should not apply. In addition, the requirement is not included in "Definitions" reported in Agreement - Particular Conditions (page 2 of 22) which are expected to be prevailing. Please confirm that a Company registered in the United Arab Emirates (UAE) or Germany (GER) can act as Foreign Entity and Foreign Engineering Firm.	The reference to the OECD refers to all party states to the Organization for Economic Co-operation and Development (OECD). This does not include the UAE but does include Germany.

6.	“The Project”	Invitation to Submit Bids	11	1.2.”Introduction”	Description of the “Project” includes a brief description of the SWRO plant process design (e.g. pretreatment to include gravity filtration followed by microfiltration). Kindly clarify the process design status, including a list of the available studies, to enable identification of the efforts required to the Owners Engineer.	Without derogating from the terms of the Invitation, preliminary design was completed and includes the following: PFD, general layout, preliminary P&ID, mass and flow balance, process design parameters.
7.	“The Project”	Invitation to Submit Bids	11	1.2.”Introduction”	Description of the “Project” includes a number of references to the interfaces with the existing facilities, Sabha C desalination plant and other parts of [quote] “extensive project of the Sabha desalination plant … …conceptual design of pipe cleaning system… conceptual design of Laying Seawater pipelines inside the Sabha Facility to the location of the pools … [unquote] ” Kindly clarify the SoW in this regard, to enable identification of the efforts required to the Owners Engineer.	Please find attached to this addendum the following two documents: 1. General layout of the entire Sabha water treatment system showing the full waterway layout from the marine intake and up to the final product out flow. 2. General arrangement of the Sabha desalination plant, including existing and planned structures. Please note that the layout includes also the SABHA D-2 stage **<u>that is not included</u>** in the current SOW Without derogating from the terms of the Tender Documents, the main tie points between current SOW and existing structures or structures performed by others are as following: 1. Seawater supply pipeline at desalination plant perimeter 2. Brine discharge pipeline at desalination plant perimeter.

						3. Product water outflow pipeline tie-point 4. Pipeline cleaning system (pig)- launcher and retrieval. 5. Connection of Sabha C (existing) with the pre-treatment and complimentary treatment included in the Sabha D1 SOW. 6. Treatment facility for waste backwash from pre-filtration and hardening (Sabha A, B, C, D) 7. Integration between existing and designed electrical system. 8. Some of the facilities should be designed with attention to the future project of Sabha D-2.
8.	"The Project"	Invitation to Submit Bids	11	1.2."Introduction"	Kindly clarify if two identical plants for Sabha-D will be constructed and commissioned in parallel and if they lay on different land plots or on the same plot.	Sabha D-1 is planned to produce 10Mm^3 a year, which consists of 2 identical 5Mm^3 a year units. For informational purposes only, an additional identical plant called Sabha D-2, is planned for the future but isn't a part of this tender. All the plants lay on the same plot.
9.	"The Project"	Invitation to Submit Bids	11	1.2."Introduction"	Kindly clarify SoW with regard of marine intake and outfall facilities or other water source.	The marine intake and outfall facilities are not included in the SOW for this project. Nonetheless, these are complementary projects, that will be executed in parallel and must be conducted in full coordination.

10.	“The Project”	Invitation to Submit Bids	11	1.2.”Introduction”	We assume a single tender process for all the activities included in the tender, with a single Contractor. Please confirm.	The "Tender Process" is defined in the Tender Invitation.
11.	The Agreement	Bid Guarantee	23	6	Please provide the format for the Bid Guarantee	A form for the Bid Guarantee is not provided by Mekorot. The terms of the Bid Guarantee are presented under Section 6 to the Invitation and the Participant may submit a draft bid guarantee for Mekorot's review.
12.	Participant's Professional Threshold Conditions	Schedule 1 - Tender Requirements	3	Part 2, Sections 1.2.2	Please confirm the references may include Desalination Projects AND Large Water Projects.	The word "project" under Section 1.2.2 in Part 2 (Professional Tender Requirements) to Schedule 1 (Tender Requirements) shall be replaced with the following wording: "*Desalination Project and/or Large Water Projects*".
13.	Participant's Professional Threshold Conditions, Foreign Engineering Firm Professional Threshold	Schedule 1 - Tender Requirements	2,3	Part 2, Sections 1.2 and 1.3	Please clarify how a Participating Entity which is a Foreign Engineering Firm should address both of these sections’ requirements together.	There is no conflict. See Question 1 above.
14.	Engineering Lead - Professional Threshold Conditions	Schedule 1 - Tender Requirements	5	Part 4, Sections 2.3	Kindly allow the engineering lead to present two projects, of which at least one of them is a ro desalination project and the second is a water project.	Rejected.

15.	Threshold conditions	Schedule 1 - Tender Requirements	5,6	1, 2 ,3 Professional threshold conditions	Please confirm that a BSc in Environmental Engineering from the Faculty of Civil Engineering in the Technion complies with the request of BSc in any engineering field,	Confirmed.
16.	Threshold conditions	Schedule 1 - Tender Requirements	5,6	1, 2 ,3 Professional threshold conditions	Please confirm that a B.Tech degree in Civil Engineering complies with the request of BSc in any engineering field,	Rejected.
17.	Project Manager- Threshold conditions	Schedule 1 - Tender Requirements	5	1.1.1 Professional threshold conditions	Does the project presented needs to be a water or desalination project?	See Question 12 above.
18.	Lead Team Members Professional Threshold Conditions	Schedule 1 - Tender Requirements	5	Part 4	For the Project Manager is required that has Israel citizenship. Due to the exigent requirements regarding desalination projects to be fulfill by an Israeli citizen, we suggest the following 2 proposals: 1. Consider large Water Project Experience instead of Desalination Project Experience 2. Allow foreign citizens to fill the position of Project Manager.	Section 1.1.5 of Part 4 (Lead Team Members Professional Threshold Conditions) to Schedule 1 (Tender Requirements) shall be deleted. Form 4C shall be hereby amended, as attached. All other requirements shall remain the same.

19.	Project Manager - Professional Threshold Israeli citizenship & quality scorings system	Schedule 1 - Tender ents	1	Part 4 – Lead Team Members Professional Threshold Conditions 1.1.5	The requirement for meeting experience both in large scale desalination projects and Israeli citizenship is found difficult to match. Therefore, request Mekorot to relax the mandatory requirement of Israeli citizenship for the Project Manager. Since the company is having several project managers having experience in managing large scale infrastructure/water projects worldwide and in Israel, therefore, is it mandatory for the Project Manager to have specific experience in "Desalination projects" as part of qualifications (Schedule 2 -Quality Component Scoring System)?	See Question 18 above.
20.	Engineering Lead Scoring	Schedule 2 - Quality Component Scoring System	4	2.3, 2.4	Kindly allow to present large water projects for quality scoring.	Rejected.
21.	Engineering Lead Scoring	Schedule 2 - Quality Component Scoring System	Schedule 2	4	In Schedule 1. Part 4 Engineering Lead. Professional Threshold Conditions, is said: The Engineering Lead has ten (10) years of experience as a manager or lead engineer or lender technical advisor or OE engineer in Large Water Projects. In Schedule 2 Quality Component Scoring System, the Engineering Lead desalination experience will be awarded with 2 points per year of experience in Desalination Projects beyond 10 years, up to a maximun of 15 points. This 10 years are refered to the minimun experience required as threshold conditions, or to achieve the maximum of 15 points	The scoring is clearly defined and refers to years of experience beyond 10 years.

					is necessary to have 17.5 years of experience in desalination projects?	
22.	Team Members	Schedule 2 - Quality Component Scoring System	3	N/A	According to the scoring table – relocation will be scoring -15 points. Based on the requirements that the PM should be an Israeli citizen and since the project is in Israel this requirement shall be redundant for all the Israeli team members. We suggest that instead of relocation the requirement will be – "Experience working with foreign contractor" Please confirm that if the team members are Israeli the requirement of Relocation is redundant and will be replaced with the requirement of experience with foreign contractor.	Rejected.
23.	Consultant Services Schedule	Appendix 1 to Agreement: Owner's Consultant's Services	6	A1.07	Please clarify how the project's consideration changes in case that the duration of the work proceeds the 81 month period (and onwards)	As defined in the Agreement.

24.	Working hours	Appendix 1 to Agreement: Owner's Consultant's Services	1	A1.01	Please clarify the business hours that will be considered for normal scope development by Mekorot, to confirm our team's availability, since the document states that consultant availability should be on a 24/7 basis.	In Section A1.01 (General Advisory Services) of Appendix 1 (Scope of Services) to the Agreement the following words "Owner's Consultant shall make itself available to Video conferences and telephone calls as needed on a 24/7 basis during Business Days." shall be deleted in their entirety and replaced with the following: "Owner's Consultant shall make itself available to Video conferences and telephone calls during acceptable working hours, and if reasonably required by Mekorot, also outside of the common working hours"
25.	Technical Standards	Appendix 1 to Agreement: Owner's Consultant's Services	2	A1.02 under 9.c.	Technical Standards to be followed Considering that the costs and contingencies are specific for an owner engineer service, please confirm that a Class 5 standard, as stated by the American Association of Cost Estimators is appropriate for these studies.	Mekorot is unfamiliar with this standard. Mekorot has an existing estimate based on the preliminary design. This estimate will be made available for the consultant's information and convenience.
26.	Current status of the project	Appendix 1 to Agreement: Owner's Consultant's Services	2	A1.02 under 9.e	Please confirm which survey is already available, or in progress since its schedule can have an impact in the project overall schedule. This will allow to confirm that the time required for development of survey identified by consultant is considered in project general schedule.	Field surveys were done as part of the preliminary design. Ground surveys were prepared as part of other adjacent projects. These documents will be made available to the OE by request.

27.	Design Boundaries	Appendix 1 to Agreement: Owner's Consultant's Services	2	A1.02 item 12	Please confirm is the project boundaries are at the seawater wetwell, and how does this align with item 2.12 ("Conceptual design of laying pipelines inside the Sabha facility").	See Question 7 above.
28.	Wastewater treatment	Appendix 1 to Agreement: Owner's Consultant's Services	3	A1.03, item 3	Please confirm that "wastewater treatment" refers to the treatment of the process brine, and there is no other adjacent or separate wastewater treatment that needs to be considered as part of this scope.	"Wastewater treatment" refers to the treatment of the waste backwash from pre-filtration and hardening from Sabha A, B, C, D.
29.	Legal review	Appendix 1 to Agreement: Owner's Consultant's Services	4	A1.04	Please confirm that the legal consultant will be contracted directly by Mekorot, and that our role in assembling and awarding the contract, means that we will gather technical appendices to the contract.	The following wording under Section A1.04 to Appendix 1 (Scope of Services) to the Agreement shall be deleted in its entirety: "Owner's Consultant will provide professional assistance in examination of the proposals for the following domains: engineering (all professional documentation), legal compliance and economic". and shall be replaced with the following wording: *"Owner's Consultant will provide professional assistance in examination of the proposals for the following domains: engineering (all professional documentation), contractual/technical compliance and economic".*

30.	Submission of Deliverables	Appendix 1 to Agreement: Owner's Consultant's Services	6	A1.07	Please confirm if 10 hard copies are required for all documents. In A1.03, under item No. 6 the request is given for 20 hard copies. Does electronic submission suffice for this requirement?	The following wording shall be under Section A1.03 to Appendix 1 (Scope of Services) to the Agreement, shall be deleted in their entirety " Based on comments from the Owner, revise the Conceptual Documents, opinion of probable Design-Build Cost, and draft document setting forth the scope of Design-Builder's professional services, as appropriate, and submit to Owner 20 final copies of the Conceptual Documents, revised opinion of probable Design-Build Cost, and document setting for the scope of Design-Builder's professional services, pursuant to the Consultant Services Schedule." and replaced with the following wording: "*Based on comments from the Owner, revise the Conceptual Documents, opinion of probable Design-Build Cost, and draft document setting forth the scope of Design-Builder's professional services, as appropriate, and submit to Owner 20 final copies of the Report and 10 final copies of all*

						other Conceptual Documents, revised opinion of probable Design-Build Cost, and document setting for the scope of Design-Builder's professional services, pursuant to the Consultant Services Schedule, all in addition to the submission of a digital copy. "
31.	Design review	Appendix 1 to Agreement: Owner's Consultant's Services	1	A1.07	It is understood the consultant need not undertake development of detailed design for the system	Confirmed, as per the terms thereunder.
32.	Schedule 2	Appendix 1 to Agreement: Owner's Consultant's Services	1	Part 1 PART 1 – BASIC SERVICES A1.01 General Advisory Services	The text makes reference to Appendix 2 [quote] …Owner's Consultant shall visit the Site, in accordance with the provisions of Appendix 2 .. [unquote]. However Appendix 2 is not available in Tender documents. Please clarify and eventually provide.	The words "Appendix 2" shall be deleted and replaced with the words: "*Part 2 to Appendix 1*".

33.	Appendix C	Appendix 1 to Agreement: Owner's Consultant's Services	1	Part 3 - Additional Services	The text makes reference to Appendix 2 [quote] …Owner's Consultant shall visit the Site, in accordance with the provisions of Appendix 2 .. [unquote]. However Appendix 2 is not available in Tender documents. Please clarify and eventually provide.	See Question 32 above.
34.	Professional Assistance "Legal and Commercial"	Appendix 1 to Agreement: Owner's Consultant's Services	4	A1.04 RFQ/RFP Phase	The text reports [quote] …Owner's Consultant will provide professional assistance in examination of the proposals for the following domains: engineering (all professional documentation), legal and economic. … [unquote] . The Tender is seeking for Engineering Consultancy (Owners' Engineer) hence professional advisory shall be limited to Engineering matters only; please clarify what is the request with respect to legal and commercial domain.	See Question 29 above.
35.	Price Proposal	Appendix 3: Remuneration and Milestones	1	N/A	According to appendix 3 Remuneration and Milestones price proposal should include one year warranty. According to Appendix 1: Owner's Consultant's Services clause A1.07 Consultant Services Schedule the warranty period is 36 months. Please clarify if the price proposal should include 1 year warranty period or 3 years warranty period.	It is hereby clarified that as set out in Appendix 1 (Scope of Services) to the Agreement, the warranty period shall be 3 years and the price should include a warranty period of 3 years. Appendix 3 (Remuneration and Milestones) reflects that a milestone payment in an amount equal to 5% of the total lump sum consideration occurs on the first anniversary of the warranty period subject to the terms therein.

36.	Remuneration during Design – Build Phase	Appendix 3 to Agreement – Remuneration and Milestones	1	N/A	The maximal allowed payment (% of lump sum) is fixed at a value of 35%. Regarding the site visits, during construction a visit once a month is requested for part of the key personal and a permanent presence of site engineer. The detailed payment method will be based on the actual visits and presence done by the team? If the final duration of the construction works is longer than the expected 24 months, the total budget of this phase will be revised accordingly?	1. The Owner's Consultant's price proposal, as set out under Appendix 3 (Renumeration and Milestones) shall already include all Scheduled Visits, as defined under Part 2 to Appendix 1 (Site Visits) and the Consultant shall not be entitled to additional compensation thereto. 2. Furthermore, Section 2(c) to Part 2 to Appendix 1 (Site Visits) shall be hereby deleted in its entirety and replaced with the following wording: *"2c. The consideration for Scheduled Visits shall be included under the Design-Build Phase, as set out in Appendix 3."* *3.* In addition, Section 7.2.1 to the Particular Conditions shall be deleted in its entirety and replaced with the following wording: *"7.2.1 Time for payment shall be 30 days of the date of issue of invoice by the Consultant.*

						Notwithstanding the above, during the Design-Build Phase, as defined under the Appendix 1 (Scope of Services) to the Agreement, the payment under Appendix 3 (Renumeration and Milestones) shall be paid to the Consultant in equal parts on a monthly basis in accordance with the table set under Section A1.07 in Appendix 1 (Scope of Services) to the Agreement." 4. A Section 2(d) shall be added under Part 2 of Appendix 1 (Scope of Services) to the Agreement, as follows: *"Any additional visits requested by Mekorot, not already included in the Scheduled Visits (the "**Non Scheduled Visits**"), shall be payable to Consultant 30 days following receipt of a valid invoice by Mekorot, pursuant to the following terms:* *2(d)(1) Any Non-Scheduled Visits shall include at three (3) whole Business Days (as defined below);* *For the purpose of this Section 2(d)(1), "**Business Days**" shall mean no less*

						than 6 and no more than 10 hours of work; and *2(d)(2) The payment per hour to the Consultant shall be as follows:* *(i) Expert (Engineer with 20 years experience) - US$ 150;* *(ii) Intern - US$ 100.*" 5. Any additional payments shall be in accordance with the terms of the Agreement.
37.	Particular Conditions	Definition of "Exceptional Event"	1	1.1	Please add a new clause (d) as follows: "(d) Result in material and unavoidable additional costs to the Consultant".	Rejected.
38.	Particular Conditions	Definition of "Exceptional Event"	1	1.1	Please replace the words "(either above the ground or underneath it)" by the words "above the ground", as underground conditions, which cannot be identified by a reasonable contractor or consultant, generally entitle the affected party to additional costs/time extension.	Rejected.
39.	Particular Conditions	Definition of "Exceptional Event"	1	1.1	Please delete the words "conditions that were created by an act of war or terrorism", as act of war or terrorism is a typical example for force majeure event.	Rejected.
40.	Particular Conditions	Liquidated Damages	5	4.5.2	It is requested to cap the amount of the Liquidated Damages - 10% is the generally accepted cap.	Rejected

41.	Particular Conditions	Duration of Liability	6	8.2	It is requested to set the duration of liability as 3 year after completion.	Rejected. The Duration of Liability shall be 7 years after completion date in accordance with Israeli law statute of limitations, as the Agreement refers to the applicable local laws.
42.	Particular Conditions	Insurance	9.1.1	7	It is requested to delete the words “for any additional periods, as long as liability under any law exists for at least 7 additional years” and replace them with the words “3 additional years”.	See Question 41 above.
43.	Particular Conditions	Insurance	9.1.3	7	It is requested to delete this clause in its entirety. The Consultant provides the Certificate of Insurance, which satisfies this obligations.	Rejected.
44.	Particular Conditions	Insurance	9.1.4	7	In the last line of the first paragraph, it is requested to change the number of years to 3.	Rejected.
45.	Particular Conditions	Insurance	9.1.10	8	It is requested to delete this clause, being open-ended. Alternatively, this clause should be redrafted such that the Consultant obligations to amend the insurance policies shall apply only to the extent the policies do not comply with the requirements of the Tender or the Agreement.	Accepted. Clause 9.1.10 to the Particular Conditions shall hereby be deleted in its entirety.

46.	Particular Conditions	Insurance	9.1.12	9	It is requested to add the following words in the end of the section: "Notwithstanding the foregoing, delay in submitting the Insurance Certificate not exceeding 10 days, will not constitute a fundamental breach of the Agreement".	Rejected.
47.	Particular Conditions	Insurance	9.3.5 and Annex A	10 & 15	In the Policy cancellation/amendment table, it is requested to change the number of days to 30.	Rejected.
48.	Particular Conditions	Forfeiture of Guarantee	11.4	18	It is requested to clarify that the Consultant shall be give a written notice of at least 10 days prior to any forfeiture.	Section 11.4.1.1 to the Particular Conditions shall be deleted in its entirety and replaced with the following wording: "*11.4.1.1 following prior notice to the Consultant of 10 (ten) days of the Consultant's breach of any of its obligations under this Agreement;* "