

## **Appendix B – Expected Requirements of the Tender Process**

### **1. Experience Providers which demonstrated compliance with any of the Pre-Qualification Requirements specified in Sections 27 (Experience in the Design and Installation of Systems) through 30 (Rolling Stock Experience), and Section 33 (Maintenance Experience):**

Without derogating from the Tender Committee's rights pursuant to the Pre-Qualification Documents or any Law, it is expected that, within its proposal during the Tender Process, each Eligible Participant will be required to demonstrate that:

#### **1.1. Either:**

- (i) The Experience Provider which demonstrated compliance with any of the Pre-Qualification Requirements specified in Sections 27 (Experience in the Design and Construction of Systems) through 30 (Rolling Stock Experience), and Section 33 (Maintenance Experience); or
- (ii) a Subsidiary of the relevant Experience Provider; or
- (iii) an Entity which is indirectly held by the relevant Experience Provider provided that 100% of the Means of Control are Effectively held by the Experience Provider

shall be responsible for the Project function and the performance of the applicable part of the work for which it was prequalified, as shall be further specified under the Tender Documents.

### **2. Experience Providers which demonstrated compliance with the Pre-Qualification Requirements specified in Section 31 (Project Execution, Management and Organization Experience):**

Without derogating from the Tender Committee's rights pursuant to the Pre-Qualification Documents or any Law, it is expected that, within its proposal during the Tender Process, each Eligible Participant will be required to demonstrate that:

#### **2.1. Either:**

- (i) the Experience Provider which demonstrated compliance with the Pre-Qualification Requirements specified in Section 31 (Project Execution, Management and Organization Experience); or
- (ii) or a Subsidiary thereof; or

- (iii) an Entity which is indirectly held by the relevant Experience Provider provided that 100% of the Means of Control are Effectively held by the Experience Provider,

shall be responsible for the overall management and coordination of all the EPC functions of the Project either as the EPC Contractor itself or as a member, holding directly 20% or more of all Means of Control in the EPC Contractor;

2.2. The main principles of EPC Contract will be specified under the Tender Documents.

2.3. The Tender Documents will include additional requirements with respect to the presentation of valid registration and certifications pursuant to the Registration of Contractors for Construction Engineering Works Law, 1969 and other applicable Laws (or the presentation of applicable exemption).

3. **Experience Providers which demonstrated compliance with the Pre-Qualification Requirements specified in Section 32 (Operating Experience)**

3.1. Without derogating from the Tender Committee's rights pursuant to the Pre-Qualification Documents or Law, it is expected that, within its proposal during the Tender Process, or at a later date, as determined by the Tender Committee, each Eligible Participant will be required to demonstrate one of the following two alternatives:

3.2. Alternative A

3.2.1. Either:

- (i) The Experience Provider which demonstrated compliance with the Pre-Qualification Requirement specified in Section 32 (Operating Experience) (the "**Operator**"); or
- (ii) A Subsidiary of the Operator; or
- (iii) An Entity which is indirectly held by the Operator provided that 100% of the Means of Control are Effectively held by the Operator

shall be responsible for the overall management and coordination of all O&M functions of the Project either as the O&M Contractor itself or as a member holding directly fifty percent (50%) or more of all Means of Control in the O&M Contractor; and

3.2.2. The remaining fifty percent (50%) of all Means of Control in the O&M Contractor shall be held by one or more of the following Participating Entities that were:

- (i) A Participating Entity that was pre-qualified by the Tender Committee during the Pre-Qualification Process; or

- (ii) A Subsidiary of a Participating Entity that was pre-qualified by the Tender Committee during the Pre-Qualification Process; or
- (iii) an Entity which is indirectly held by a Participating Entity that was pre-qualified by the Tender Committee during the Pre-Qualification Process provided that 100% of the Means of Control are Effectively held by such Participating Entity; and<sup>1</sup>

3.2.3. Without derogating from the above, and regardless of the specific organizational structure, it is expected that the Operator will be required to carry out at least the obligations stipulated under the provisions of Section 3.4 of this Appendix B;

**Or**

3.3. Alternative B

3.3.1. Either:

- (i) A local public transportation operator, that meets the requirements determined by the Tender Committee, as detailed in the Tender Process Documents (a "**Qualified Local Public Transportation Operator**"); or
- (ii) A Subsidiary of the Qualified Local Public Transportation Operator; or
- (iii) An Entity which is indirectly held by the Qualified Local Public Transportation Operator provided that 100% of the Means of Control are Effectively held by the Qualified Local Public Transportation Operator,

shall be responsible for the overall management and coordination of all O&M functions of the Project as the O&M Contractor itself or as a member of the O&M Contractor holding directly 50% or more of all Means of Control in the O&M Contractor); and

3.3.2. The remaining fifty percent (50%) of all Means of Control in the O&M Contractor shall be held by one or more ~~Participating Entities~~ that were of the following:

- (i) A Participating Entity that was pre-qualified by the Tender Committee during the Pre-Qualification Process; or
- (ii) A Subsidiary of a Participating Entity that was pre-qualified by the Tender Committee during the Pre-Qualification Process; or
- (iii) an Entity which is indirectly held by a Participating Entity that was pre-qualified by the Tender Committee during the Pre-

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<sup>1</sup> Amended as part of Addendum No. 5, dated December 14, 2020.

Qualification Process provided that 100% of the Means of Control are Effectively held by such Participating Entity; and<sup>2</sup>

3.3.3. Either:

- (i) The Operator; or
- (ii) an Entity which is directly or indirectly held by the Operator provided that 100% of the Means of Control are Effectively held by the Operator; or
- (iii) an SPV in which the Operator Effectively holds at least 75% of all Means of Control (directly or indirectly),

shall be required to carry out certain obligations and responsibilities under a service agreement (provided that, if the service agreement is executed by an SPV, the Operator and the other Entity which holds Means of Control in the SPV are jointly and severally liable for all obligations pursuant to the service agreement).

3.4. The main principles of the service agreement will be specified under the Tender Documents; however, it is expected that the Tender Documents will include, *inter alia*, the following requirements:

3.4.1. the duration of the service agreement shall be for at least the period ending on the earlier of: (i) five (5) years following commencement of the commercial operation of the first part of the Blue Line; and (ii) two (2) years following the commencement of the full operation of the Blue Line; and

3.4.2. the Operator shall be required to carry out specific activities and obligations during pre-operation and operation including, the preparation of the safety case, establishment of the O&M organization, training and appointment of key personnel that comply with specific requirements such as the OCC manager and the driver training manager, providing an Operation Manager as defined in the Rail Ordinance (פקודת מסילת הברזל) for three years following commencement of operation, training local operation managers for Israel MOT certification tests, provisions of ongoing technical support and submission of reports.

3.5. It is hereby clarified that the Qualified Local Public Operator may be subject to restrictions on its participation in future Jerusalem public transportation tenders.

**4. Experience Providers which demonstrated compliance with the Pre-Qualification Requirements specified in Section 28 (Experience in the Design and Installation of Signaling Systems)**

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<sup>2</sup> Amended as part of Addendum No. 5, dated December 14, 2020.

Without derogating from the Tender Committee's rights pursuant to the Pre-Qualification Documents or Law and without derogating from Section 1 of this Appendix B above, it is expected that, within its proposal during the Tender Process, each Eligible Participant will be required to demonstrate that:

4.1. Either:

- (i) The Experience Provider that demonstrated compliance with the Pre-Qualification Requirement specified in Section 28 (Experience in the Design and Construction of Signaling Systems); or
- (ii) A sub-contractor for such Experience Provider

meets the requirements determined by the Tender Committee, as detailed in the Tender Process Documents, for experience in the installation and design of automatic train protection (ATP) and/or automatic train operation (ATO) signaling subsystems.