

Request for Information

Regarding the Future Operation Phases of the Jerusalem Mass Transportation Plan

1. Introduction

1.1. The Government of Israel (the “GOI”), operating through the Tender Committee in collaboration with the Jerusalem Transportation Master Plan Team (“JTMT”), is issuing this Request for Information (the “RFI”) in order to solicit Responses (as defined herein) to the questions presented in this RFI, in connection with the additional operation phases of the Jerusalem Mass Transportation Plan which is intended to include either or both (i) the construction of a new Light Rail Train (“LRT”) line (the “Green Line” as described in Section 2.6); and (ii) the operation and maintenance thereof, which may integrate the operation and maintenance of all (existing and planned) LRT lines through one unified network (the “J-Net”).

It is noted that the GOI may operate all LRT lines (existing and planned) through the J-Net and is considering a variety of options in this regard.

1.2. This RFI is intended to solicit Responses from entities which have proven experience as concessionaires or operators in existing LRT PPP projects or LRT PPP projects under construction (the “Participants”).

2. Background

2.1. JTMT is a public entity that is responsible for the planning and developing of public transport in the Jerusalem metropolitan area.

2.2. The Jerusalem Mass Transportation Plan aims to ensure the implementation of reliable, effective and state of the art public transportation solutions in Jerusalem.

2.3. The need to prepare a transportation master plan in Jerusalem arose for numerous reasons, foremost being: Jerusalem is the largest city in Israel, most of the country's governmental and national institutions are located in the city, the city covers a very large geographic area with a population that is constantly on the rise and the topographic structure of the city dictates the need for a unique transportation plan.

2.4. The first operation phase of the Jerusalem Mass Transportation Plan which opened for service on March 22, 2012 included the construction of an LRT line which runs between Mount Herzl, the Jerusalem City Centre

and Pisgat Ze'ev (the “**Red Line**”). The Red Line comprises 14km of tracks, 46 fully motorized LRT vehicles, a depot & OCC facility located at the French Hill and 23 stations. To date, the Red Line serves more than 140,000 passengers a day with the expectation of growth in the coming years.

- 2.5. The second operation phase of the the Jerusalem Mass Transportation Plan, includes the extension of the southern segment of the Red Line up to the Hadassah Hospital, the northern segment up to Neve Yaakov and a branch from the central segment of the Red Line up to the Givat Ram Campus of the Hebrew University. The second operation phase includes an additional 7.7km of tracks, 44 LRT vehicles (10 of which are for service of the first phase), an extension of the existing depot and 13 stations.

Diagram 1 - Jerusalem Mass Transportation Plan First and Second Operation Phases

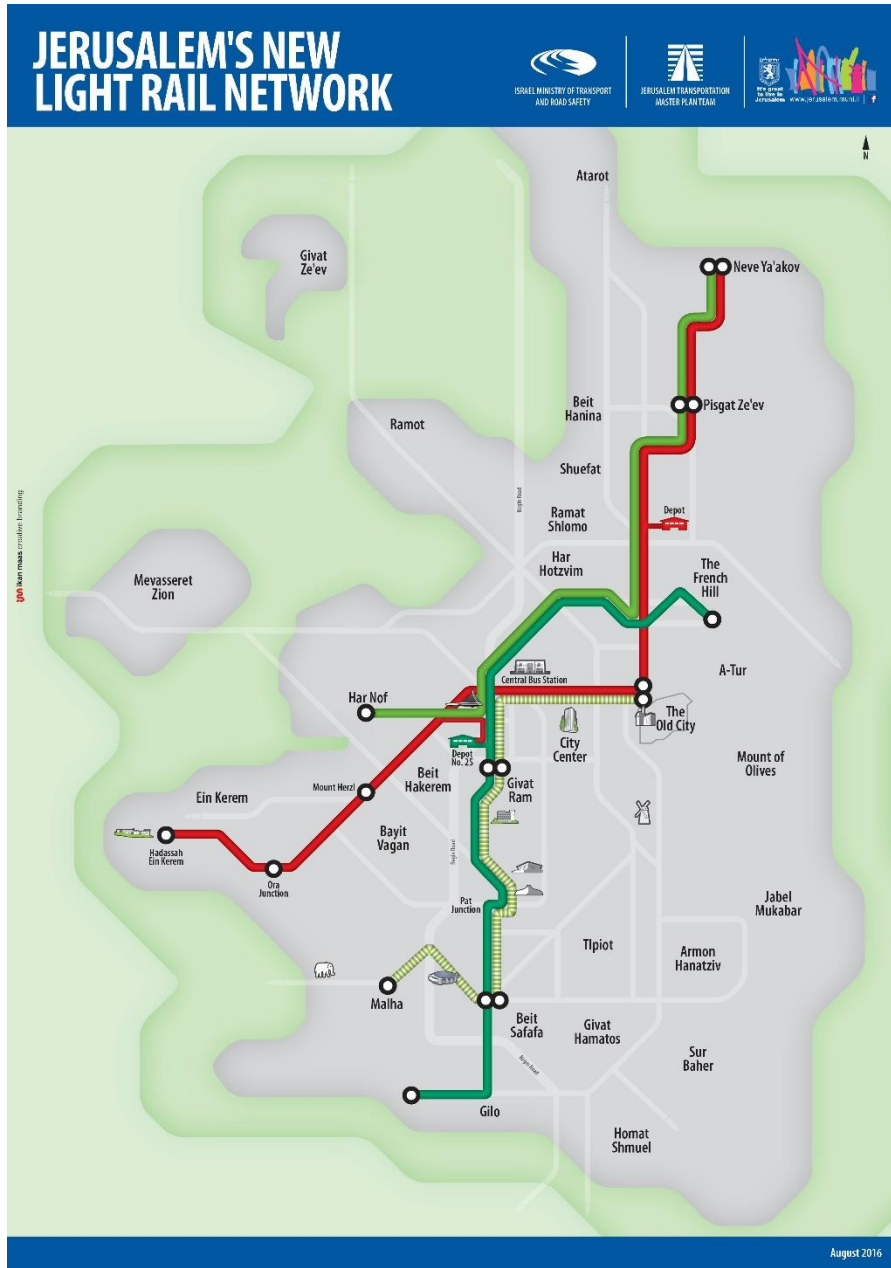


2.6. The Tender Committee is considering the issuance of a tender for the design, build, operation, maintenance and finance of the third operation phase of the Jerusalem Mass Transportation Plan. This phase is intended to include the construction of the Green Line which will run from Mount Scopus to Gilo with a branch to the commercial and residential areas of Malha. The line will include 18.3km of tracks, additional Depot & OCC facilities, an estimated 70 LRT vehicles and 33 stations and is expected to add up to 160,000 daily passengers to the J-Net. The tender may include an option to operate all LRT lines under one umbrella as the J-Net.

Diagram 2 – Green Line Construction Scope of Work



Diagram 3 – Jerusalem Mass Transportation Plan Third Operation Phase – The J-Net



3. Indicative Timeline

It is expected that a pre-qualification stage for the Project (if such is launched by the Tender Committee) will be issued at the end of 2016 and the tender selection process shall be completed by the beginning of 2019.

4. Information Requested

Please respond to as many of the following questions as you can, assuming that a PPP scheme will be adopted for the additional operation phases of the Jerusalem Mass Transportation Plan (the “**Project**”). In your Response please refer to benefits, advantages and risks to both public and private sectors.

To the extent practicable, please support the Response with examples from projects in which the Participant has undertaken an active role.

- 4.1. **Area of Expertise and Past Experience.** Please describe the Participant's area of expertise and the relevance of the Participant's past experience to the Project. Please elaborate whether the Participant's previous experience and involvement in similar projects was as an operator or concessionaire.
- 4.2. **Recommended Composition and Organizational Structure of the Project Company.** Based on the Participant's experience, what would be the recommended composition and organizational structure of the Project Company (assuming that such will be an SPV)? Please describe the capabilities of the various members of the Project Company (the SPV), the recommended leader of the Project Company (if any), and the recommended contractual schemes between the Project Company, the construction contractor and the operator on its behalf.
- 4.3. **Financing For the Project.** Please describe the main characteristics of the project which are required for, or which will enable, raising finance on a "limited recourse" basis. Please describe the main potential risks that can affect the ability to raise finance.
- 4.4. **Handover Procedure.** Please explain the procedure for the handover of a project to a new operator/concessionaire. In the Response, please explain the recommended risk allocation associated with such handback procedure between a former operator, a new operator and the owner (the public authority).

In the Response kindly refer to:

- Details with respect to the scope and type of information transferred between the parties and managing relevant changes over time;
- The mechanism for transferring personnel;

- The main anticipated obstacles and risks relating to the handover procedure; and
 - The role, involvement and responsibility of the owner (the public authority) during the handover process.
- 4.5. **Integration Risk.** What measures need to be taken in order to minimize and reduce the integration risks between existing lines to a new line.
- 4.6. **Risks Associated with Design Activities.** It is expected that as part of the third operation phase the detailed design of the infrastructure works (CWE works) will be carried out by the owner, and the Project Company (the SPV) will be required to implement and assume responsibility with respect thereto. Please opine.
- 4.7. **Optimal Risk Allocation.** For each of the following, which proposed risk allocation would offer the most cost effective (optimal) risk allocation between the parties involved:
- Detailed design of infrastructure works;
 - Obtaining permits (building, working, temporary traffic arrangements etc.);
 - Allocation of utilities (before and during the construction phase); and
 - Implementation of priority at intersections including defining the level of priority.
- 4.8. What incentives or other contractual schemes would a Project Company require in order to fully assume the following risks:
- Demand risks;
 - Fraud risks. In the Response, kindly share the Participant's experience of the average evasion rate measured in LRT systems / similar projects, and what kind of anti-evasion measures can be implemented in order to decrease evasion rates;
 - Vandalism risks; and
 - LCC (Life Cycle Costs) risks.
- 4.9. **Operational Risks.** Please describe the most important elements related to the O&M scheme which will be required in order to evaluate the Project.
- 4.10. **Maintenance Risks.** Which entity should be responsible for the following:
- Rolling Stock;

- Infrastructure (tracks and stations);
- Vending & ticketing; and
- Other activities.

4.11. **Quality of Services.** Based on the Participant's experience, is it feasible to evaluate bidders through a competitive process with respect to the quality of services, in particular, frequencies of trains. If you think that such a process is feasible, please describe how the process will work. In the Response, please describe the base assumptions required for bidders to commit to minimal frequencies of trains through the following alternatives:

- Variable frequencies of trains increased during peak hours;
- Fixed frequencies of trains.

Other than frequencies of trains, are there any other aspects relating to quality of services that can be evaluated through a competitive process?

4.12. **Supervision over the Level of Services.** What means and methods need to be taken by the owner in order to supervise the level of the following services?

- Timetables;
- Frequencies;
- Network and selected sub-networks RAMS requirements (please specify);
- Cleaning;
- Air conditioning.

5. Instructions for Submission

5.1. The Tender Committee appreciates the participation of Participants in this RFI process. In order to allow for an effective process, please submit the Responses in writing, in English or Hebrew, to the following address:

arielp@jtmt.gov.il

5.2. A detailed response to this RFI or a presentation which provides information with respect to the issues which a Participant intends to present in response to this RFI in one of the RFI sessions (see below) is required to be submitted on or before September 15th, 2016 (a “**Response**”).

5.3. Without derogating from Section 6.10 below or from the discretion granted to the Tender Committee, please mark, in a clear, complete and legible manner, information contained in the Response which is

considered commercially sensitive or of a secret nature, and the Tender Committee will, to the extent allowed by law, refrain from disclosing such information and shall ensure that any of its consultants shall act accordingly.

- 5.4. The Tender Committee is not requesting a proposal, detailed plans, marketing material, budgetary information or proprietary information in Response to this RFI.
- 5.5. The JTMT intends to hold an RFI sessions, in order to allow Participants to present their Responses. The RFI sessions will be held either at the Innotrans exhibition in Berlin Germany on September 2016, or at the JTMT offices in Jerusalem, Israel. Please note that meetings will be scheduled based on the Responses submitted by Participants; therefore, even though the RFI sessions will be coordinated in advance, the JTMT will only conduct the sessions based on the Response submitted by Participants.
- 5.6. Please find a detailed schedule of the RFI sessions at the Innotrans 2016 exhibition in Appendix A. Participants wishing to attend the RFI sessions shall submit to the JTMT (at the address noted in Section 5.1) the Registration Form in Appendix B to this RFI, indicating if they wish to attend the RFI sessions at the Innotrans exhibition, or at the offices of the JTMT.
- 5.7. The Tender Committee looks forward to reviewing the Responses and welcomes the participation of Participants in the RFI sessions.
- 5.8. Following receipt of the Responses or the presentations submitted by Participants, the Tender Committee may contact any of the Participants and may request additional information or clarifications.

6. Clarifications and Questions

Questions and clarifications can be directed to arielp@jtmt.gov.il via e-mail before September 1st, 2016.

- 6.1. This RFI is a preliminary process initiated by the Tender Committee, solely for the purpose of receiving information and its internal evaluation and consideration, and does not constitute a tender, a bid solicitation, a proposal or a request for proposals in any manner whatsoever.
- 6.2. The Project description as specified in this RFI is initial, general and indicative only. The issuance of this RFI is not intended to give rise to or create any representation, undertaking or warranty on behalf of the GOI, the Tender Committee, the JTMT or anyone on their behalf with respect to the Project, and the issuance of this RFI is not intended to guarantee the

initiation, execution or the implementation of the Project, its scope, its components or any part thereof.

The GOI and the Tender Committee and the JTMT do not represent or warrant that the information contained in this RFI or any other information which is made available to Participants is either complete or accurate.

- 6.3. Participation in this RFI does not and shall not provide a Participant or any other entity with any advantage, nor will it confer upon a Participant any right with respect to the Project or any future proceedings which will be conducted with respect thereto, if and to the extent conducted (including the pre-qualification process or the tender process). Participating in the RFI does not and shall not constitute or be interpreted as constituting a recognition of a Participant's or any other entity's eligibility, qualification or competence to participate in any such future proceedings, to the extent conducted.
- 6.4. The Tender Committee may publish a new Request for Information and/or an invitation to pre-qualify or other proceedings with respect to the Project or any part thereof, publish a different project, inviting or not the Participants to take part in such process, or execute the Project in any other way deemed appropriate, all subject to and in accordance with applicable law.
- 6.5. The Tender Committee reserves the right to request additional information (in writing or otherwise) as it deems necessary, to ask for site visits to facilities erected or operated by the Participant, to carry out professional inquiries regarding any Participant, including by way of contacting third parties, and to invite any of the Participants to meet with Tender Committee representatives.
- 6.6. The Tender Committee may use any information it receives from a Participant or any third party for any purpose it deems fit at its sole discretion, including forming specifications or any other documents, and may transfer any such information to any of its consultants or any person on its behalf.
- 6.7. The Participants shall not be entitled to any payment for the information provided by them in this process. All expenses incurred by a Participant or anyone on its behalf shall be borne solely by the Participant. Participants will not be entitled to any reimbursement or compensation for expenses with respect to their participation in this RFI.
- 6.8. The Tender Committee shall not be responsible or liable towards a Participant or anyone on its behalf in connection with the RFI, including in connection with information provided by the Tender Committee or the

JTMT or anyone on their behalf at any time and such information's accuracy.

- 6.9. The Tender Committee reserves the right, at its sole and absolute discretion, to amend this RFI. In addition, the Tender Committee reserves the right to cancel the process of this RFI in its entirety, at any time and at its sole discretion.
- 6.10. This RFI is subject to the Israeli law including the Mandatory Tenders Regulations, 5753-1993, and the obligation to disclose information in accordance with the provisions of Section 14A thereof.

Appendix A – Schedule for the RFI session at the Innotrans Exhibition in Berlin, Germany

General details

Professional Session Location	Leonardo Hotel Berlin, Meeting Room
Leonardo Hotel Address	Wilmerdorfer Straße 32 (Entrance Spielhagen Str), D-10585 Berlin (U Stop Bismarckstraße)
Leonardo Hotel Phone Number	+49-(0)30 -755-4310
Contact Person	Ariel Piperno
Contact Person Office Phone No.	+972-(0)2-6299860
Contact Person Mobile Phone No.	+972-503121832
Contact Person E-mail	arielp@jtmt.gov.il

RFI session dates

1 st session	Monday, September 19 th , 2016
2 nd session	Tuesday, September 20 th , 2016
3 rd session	Wednesday, September 21 st , 2016

RFI session agenda (relevant for all dates)

Morning reception and light refreshments	9:30-10:00
J-Net Presentation by JTMT – open presentation for all Participants	10:00-11:00
Q&A Session – open session for all Participants	11:00-11:30
One-on-one sessions – private one hour sessions for Participants who submitted either a detailed response or a presentation including the issues which such Participant intends to present in response to this RFI as required by the RFI (early registration is required)	12:00-18:00

Appendix B – Registration form for the RFI sessions

Please complete the following details and send your Registration Form to the following e-mail addresses – arielp@jtmt.gov.il, barak@blkc.co.il

Company's Registered Name	
Company's website	
Field of Experience	RS / Operator / Systems / CWE / Finance / Other
Contact Person Name	
Contact Person E-mail	
Contact Person Phone Number	
Contact Person Position	
Names of Attendees at the RFI Session (up to 3 persons)	
Please mark your desired place of meeting	Innotrans exhibition in Berlin Germany / JTMT offices in Jerusalem
Please mark your desired session date at the Innotrans exhibition (if applicable)	Monday, September 19 th , 2016
	Tuesday, September 20 th , 2016
	Wednesday, September 21 st . 2016
Please mark your desired one-on-one session time at the Innotrans exhibition, one hour duration (if applicable)	12pm / 1pm / 2pm / 3pm / 4pm / 5pm
Please provide a suggested session date for a session at the JTMT offices (if applicable)	