

**TENDER FORM B**  
**THE BID LETTER**

*(To be completed by the Bidder and all Members of the Bidder, on a separate Form, if necessary)*

To:  
Mr. Gil Shabtai  
Chairman of the Tender Committee  
Ministry of Finance  
Jerusalem

Dear Sir,

**Re: Tender for Build, Operate and Transfer (BOT) Project of  
Cross Israel Northern Highway No. 6 - Yokneam-Somech ("Sections 7 and 3")**

In response to the Tender Documents issued on \_\_\_\_\_, 2012, extending an invitation to submit a Bid, we, the undersigned, \_\_\_\_\_ (*name of Bidder to be completed*) and all the Members thereof, \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; (*name of Members to be completed*) are pleased to submit our Bid as defined in the Tender Documents and hereby warrant and represent as follows:

1. The Members' holdings in the Bidder correspond to the Anticipated Holdings presented within the Pre-Qualification Submission, and are as follows:

<u>Member</u>	<u>Holdings in the Bidder (%)</u>
	%
	%
	%
	%

2. After having thoroughly and carefully read the Tender Documents, each of us hereby acknowledges and declares to have studied and satisfied ourselves as to all relevant matters and details which can affect the execution of the Project by us in accordance with the provisions of the Tender Documents, including, without limitation, the scope of works and their completion periods, all risks related therein (financial and technical), and the conditions of the Site including geological conditions, and, fully understand the substance of the Project and required works, equipment, services and risks, are pleased to submit our Bid as defined in the Tender Documents. We execute this document as part of the materials comprising the Bid for the Project;
3. We agree to all of the provisions of the Tender Documents and we submit our Bid in accordance with the terms and provisions contained therein;
4. We represent and warrant that we have no claims with regard to misunderstandings, confusion, or conflict of provisions with regard to any of the provisions of the Tender Documents or with regard to the evaluation criteria and procedures for selecting the Successful Bidder, and that to the extent that we had such claims we submitted such claims

prior to the Bid Submission Date. Where we have not made such claims by the Bid Submission Date we shall be deemed to have waived any such claims;

5. We have diligently reviewed all of the terms and provisions governing the performance of our obligations pursuant to the Tender Documents. We hereby warrant and represent that we possess the requisite financial strength, expertise, knowledge and know-how required to perform all of our obligations in accordance with the Tender Documents;
6. We have thoroughly and carefully read the Financial and Economical Regulations issued by the Accountant General of Israel on 10.10.2001 for the employment of foreign workers attached as Appendix M (*Financial and Economical Regulations issued by the Accountant General of Israel on 10.10.2001 for the employment of foreign workers*) to the Concession Agreement, and our Bid is submitted after considering the terms and provisions contained therein;
7. We accept and agree that our obligations as set forth in the Tender Documents include all terms and provisions expressly set forth therein as well as any obligations, works, or other requirements which are not expressly set forth and which are directly or indirectly related to the full performance of our obligations in full compliance with all provisions of the Tender Documents;
8. We are legally entitled to use and transfer all information and intellectual property contained in the Bid;
9. The Bid is accurate, complete and up-to-date at the time of the Bid Submission Date, in accordance with the requirements of the Tender Documents;
10. The Bid is not made in the interest of, or on behalf of, any undisclosed person, corporation, company, voluntary association, partnership, trust, or unincorporated association;
11. The Bid is genuine and not collusive or sham;
12. We undertake to keep confidential all information, whether written or oral, concerning the Project which we receive or obtain as a result of the information supplied in the Tender Documents, or in discussions relating thereto;
13. The Bidder and either of its Member(s), the Related Entity/ies and the Parent Company/ies thereof [*as applicable*] have not, directly or indirectly, induced or solicited any other Bidder or Member(s) of a Bidder, the Related Entity/ies or the Parent Company/ies thereof to put in a false or sham Bid, and has not by itself, directly or indirectly, colluded, arranged or agreed with any Bidder or Member(s) of a Bidder, the Related Entity/ies or the Parent Company/ies thereof to secure any advantage against any other Bidder, or to secure any advantage against the Tender Committee or the State or anyone interested in the Project;
14. The Bidder and either of its Members participate in the Tender Process only within this Bid;
15. Any person or Entity which exercises Control over the Bidder and either of its Member(s) (including, if applicable, any Related Entity and Parent Company), any person or Entity under the common Control thereof, and any person or Entity Controlled thereby, does not participate in the Tender Process, except within this Bid;

16. We understand that the submission of our Bid shall not be deemed in any way to create an obligation on the part of the Tender Committee to award the Bidder with the Concession Agreement; that the Tender Committee has the right to reject, at its sole discretion, the Bid submitted by the Bidder; and that the Tender Committee has the right, at its sole discretion, to annul the Tender Process and to reject all Bids at any time; and to request additional information from the Bidder or other parties; to cancel or modify the Tender Documents at any time and to negotiate with any or all Bidders;
17. Incorporated hereto, and made an integral part of the Bid, are all Tender Forms, attachments and annexes thereto, and other annexes attached to the Bid as described herein:

Annex A		- Contents of the Bid
Annex B		- Bid Bond
•	Tender Form A	- The Bid Bond
Annex C		- General Information
•	Tender Form B	- The Bid Letter
•	Tender Form C	- Member's Undertaking
•	Tender Form D	- Major Sub-Contractor's Undertaking
•	Tender Form E	- Shareholders Agreement <i>(to be incorporated by the Bidder)</i>
•	Tender Form F	- Incorporation Documents <i>(to be incorporated by the Bidder)</i>
•	Tender Form G	- Public Entities Transactions Law - Approvals and affidavits pursuant to the Public Entities Transactions (Enforcement of Bookkeeping, Payment of Taxes, Legal Employment of Foreign Workers and Minimum Wage) Law, 5736-1976.
•	Tender Form H	- Contractual Obligations <i>(to be incorporated by the Bidder)</i>
•	Tender Form H1	- Principles of Engagement with the EPC Contractor, Tunneling Expert and Transportation Infrastructure Expert.
•	Tender Form H2	- Principles for Engagement with the O&M Contractor.
•	Tender Form I	- Project Organizational structure during the Development Phase, Construction Phase and during the Operations & Maintenance Phase <i>(to be incorporated by the Bidder)</i>
Annex D		- The Technical Engineering Proposal
•	Appendix D1	- Technical Engineering Proposal – Evaluation Criteria and Weights
•	Tender Form J	- List of Technical Engineering Submittals <i>(all submittals in the list are to be incorporated by the Bidder)</i>
Annex E		- The Environmental, Safety, Quality and Marketing, Advertising & Customer Services Proposal

	Appendix E1	- Environmental, Safety, Quality and Marketing, Advertising & Customer Services Proposal – Evaluation Criteria and Weights
	Tender Form K	- Detailed Marketing, Advertising and Customer Service Plan according to the requirements of Volume 7 (Marketing, Advertising and Customer Service) <i>(to be incorporated by the Bidder)</i>
Annex F		- The Financial Proposal
•	Appendix F1	- Financial Proposal – Evaluation Criteria and Weights
•	Tender Form L	- The Business Plan <i>(to be incorporated by the Bidder)</i>
•	Tender Form L1	- The Financial Model <i>(to be incorporated by the Bidder)</i>
•	Tender Form L2	- Detailed Financial Closing Schedule <i>(to be incorporated by the Bidder)</i>
•	Tender Form M	- Letter(s) of Intent <i>(to be incorporated by the Bidder)</i>
•	Tender Form N1	- EPC Contractor, Tunneling Expert and the Transportation Infrastructure Expert- Construction Cost and Adjustment Mechanism
•	Tender Form N2	- O&M Contractor Operation and Maintenance Cost and Adjustment Mechanism
•	Tender Form N3	- Key Assumptions <i>(hard copy and excel file, comprising part of the Financial Model (Form L1 above).</i>
Annex G		- The Price Proposal
•	Appendix G1	- Examination of Sum of Payments
•	Appendix G2	- Example Calculation of Examination of Sum of Payments
•	Tender Form O	- Selected Basket of Indices, Interest Rates Adjustments, Duration of Loans and Determining Date
•	Tender Form P	- Construction Grant Price Proposal
Annex H		- List of Primary Advisors
Tender Documents		<ul style="list-style-type: none"> <li>- Each Bidder is required to sign all Tender Documents (including this ITB) in the appropriate signature block, and initial each and every page of the submitted Tender Documents.</li> <li>- Tender Documents provided in CD's confirmed by our signature the table of contents of the Tender Documents as provided in Annex A <i>(Contents of the Bid)</i>.</li> </ul>

18. The Bidder and its Members hereby warrant and covenant that the execution, delivery and performance of their respective obligations pursuant to the Concession Agreement (i) contravenes or violates any provisions of any Law; (ii) conflicts with or violates in any material respect any provisions of the Bidder's or the Members' Articles of Association; or (iii) conflicts, violates or will result in a breach, in any material respect, of any of the terms, covenants, conditions or provisions of any agreement or instrument to which the Bidder or the Members are party to, or by which they or any of their properties or assets are bound or to which they are subject, or constitutes a default under such agreement or instrument;
19. The Bidder and its Members hereby warrant and covenant that other than specified herein below, no material changes occurred with respect to the Bidder, any of its Members, Related Entity/ies, Parent Company/ies and Major Subcontractor(s) (if applicable), as such were presented to the Tender Committee within the Pre-Qualification Submission submitted on July 12, 2011 (and within any subsequent materials submitted to the Tender Committee in the framework of the Pre-Qualification phase), and in particular, that:
- No events affecting the Bidder, its Members, Related Entity/ies, Parent Company/ies and Major Subcontractor(s) (if applicable) (including any changes in legal status, financial status and contingent liabilities), which could influence the Bidder's ability to execute the Project in accordance with the provisions of the Concession Agreement, have occurred; and
  - No changes with respect to any of the statements contained in the Pre-Qualification Submission concerning the Bidder, its Members, Related Entity/ies, Parent Company/ies and Major Subcontractor(s) (if applicable), have occurred; and
  - No events detailed under Section 8.6 (*Rejection or Disqualification of the Bid*) of Invitation to Bid have occurred with respect to the Bidder, its Members, Related Entity/ies, Parent Company/ies and/or Major Subcontractor(s) (if applicable).

*[Specify any material Changes occurred]*

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20. Attached herein, as Attachment 1, are the Members' and any applicable Parent Company's/ies' most recent available audited financial statements, true to the Bids Submission Date.
21. Our Authorized Representative Power of Attorney, Attachment 2, that was submitted to the Tender Committee on \_\_\_\_\_ is still valid and in full force and effect.
22. The Bidders shall indicate the amount of their Operation and Maintenance Bond and the amount of the Final Maintenance Bond, for the purposes of the provisions of Section 29.5

(The Operation and Maintenance Bond) and Section 29.6 (The Final Maintenance Bond) of the Concession Agreement as follows (please check the applicable):

- a. The Operation and Maintenance Bond will be in the amount of one of the following:

☐ **Thirty five million NIS (35,000,000 NIS); or**

☐ **Seventy million NIS (70,000,000)** [please note that pursuant to this alternative following forfeiture of this Bond, the Concessionaire shall not be required to furnish the Implementing Authority with a new Bond in the amount of the forfeited Bond or any part thereof, the applicable option shall be inserted in Section 29.5 (The Operation and Maintenance Bond) of the Concession Agreement].

- b. The Final Maintenance Bond will be in the amount of one of the following:

☐ **One hundred million NIS (100,000,000 NIS); or**

☐ **Two hundred million NIS (200,000,000)** [please note that pursuant to this alternative following forfeiture of this Bond, the Concessionaire shall not be required to furnish the Implementing Authority with a new Bond in the amount of the forfeited Bond or any part thereof, the applicable option shall be inserted in Section 29.6 (The Final Maintenance Bond) of the Concession Agreement].

23. Detailed herein is information which the Bidder considers to be of a commercially sensitive or secret nature [to be completed in accordance with the provisions of Section 4.6 (Identification of Sensitive Information) of The Invitation to Bid]:

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24. The undersigned acknowledges receipt, understanding and full consideration of the following Addenda to the Tender Documents issued following the Publication Date of the Tender:

Addenda No. \_\_\_\_\_ Date Received: \_\_\_\_\_

Addenda No. \_\_\_\_\_ Date Received: \_\_\_\_\_

Addenda No. \_\_\_\_\_ Date Received: \_\_\_\_\_

...

[to be completed]

25. The validity of the Bid and all associated documents and Tender Forms is twelve (12) months as of the Bids Submission Date; the validity of the Pre-Qualification Submission and all associated documents and Pre-Qualification Forms is hereby extended and is now 12 months as of the Bids Submission Date.

Faithfully yours,

	<u>Stamp and Signature</u>	<u>Date</u>	<u>Attorney's</u> <u>Confirmation of</u> <u>signatory rights</u> (*)	<u>Date</u>
The Bidder				
Member				
Member				
Member				
Member				

(\*) In his signature the attorney attests and confirms that the signatory(ies) on behalf of the Bidder or the Member (as the case may be) appeared before him and signed this form and are authorized to sign on behalf of the Bidder or the Member (as the case may be) and to commit such Entity for all purposes and intents of the above stated Tender Form.

**ATTACHMENT 1**  
**UPDATED FINANCIAL STATEMENTS**  
*(to be incorporated by Bidder)*



**ATTACHMENT 2**  
**AUTHORIZED REPRESENTATIVE**  
**POWER OF ATTORNEY FOR AUTHORIZED REPRESENTATIVE**

*(To be completed by the Bidder and all Members of the Bidder)*

We the undersigned, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
[names of Members of the Bidder to be completed], hereby appoint, empower and authorize \_\_\_\_\_ [insert name of the Authorized Representative of the Bidder] to be the Authorized Representative of the Bidder in connection with the Tender for Build, Operate and Transfer (BOT) Project of Cross Israel Northern Highway No. 6 - Yokneam-Somech ("Sections 7 and 3"), and, to perform and to sign on our behalf, throughout the Tender Process, all or any of the actions, matters, agreements and documents set forth hereinafter:

1. To receive, on behalf of the Bidder and on our behalf, all communications, all Contract Documents and all other documents and material which may be issued by the Tender Committee to the Bidders throughout the Tender Process, save for notices of legal proceedings and judicial documents, which shall be served directly to the Bidder. Our contact details for this purpose shall be \_\_\_\_\_ (Address) and \_\_\_\_\_ (e-mail).
2. To submit, on behalf of the Bidder and on behalf of us, to the Tender Committee, all queries and requests for clarifications and other inputs which the Tender Committee may require from the Bidder or from us from time to time throughout the Tender Process.
3. To conduct negotiations with respect to modifications, changes and revisions of the Bid including any changes in the Price Proposal with the Tender Committee.
4. To appear in the name of the Bidder, or us and on its/our behalf before the Tender Committee and before any representative of the Tender Committee, in all matters, and to perform all actions and matters which are required of the Authorized Representative in accordance with the Invitation to Bid, or which may be required of the Authorized Representative by the Tender Committee.
5. We hereby undertake to confirm and uphold all and any act and matter which the Authorized Representative under this Power of Attorney shall do, cause or purport to do by virtue of this Power of Attorney. All such acts and matters caused by the Authorized Representative shall be deemed as acts and matters caused by the Bidder and us.
6. We hereby undertake not to change this power of attorney in any way. In the event of cancellation of this power of attorney, we shall make all efforts to nominate a substitute Authorized Representative prior to such cancellation, and if not possible, promptly after the cancellation of this power of attorney. We hereby acknowledge

that such cancellation or substitution shall not give cause to any delay in the conduct of the Tender Process by the Tender Committee.

IN WITNESS WHEREOF, we have signed this power of attorney this \_\_\_\_\_ day of \_\_\_\_\_.

	<u>Stamp and Signature</u>	<u>Date</u>	<u>Attorney's Confirmation of signatory rights (*)</u>	<u>Date</u>
The Bidder	_____	_____	_____	_____
Member	_____	_____	_____	_____
Member	_____	_____	_____	_____
Member	_____	_____	_____	_____
Member	_____	_____	_____	_____

(\*) In his signature the attorney attests and confirms that the signatory(ies) on behalf of the Bidder or the Member (as the case may be) appeared before him and signed this form and are authorized to sign on behalf of the Bidder or the Member (as the case may be) and to commit such Entity for all purposes and intents of the above stated Power of Attorney.