



**Volume A - Terms of Tender**

## **E-Tender (Online) No. 26/36**

**For the Supply, Integration, Operation and  
Maintenance of a  
MUTC (Metropolitan Urban Traffic Control)  
System**

**Terms of Tender Volume**

**Updated Version: March 2026**



## 1. Introduction

### 1.1. General

- 1.1.1. Ayalon Highways Co. Ltd (the "**Company**"), hereby invites receipt of Proposals from any eligible Bidder which complies with the requirements specified in this Tender for the supply, integration, operation and maintenance of a MUTC - Metropolitan Urban Traffic Control system ("**System**"), all as per the specifications contained in the Tender Documents (the "**Services**").
- 1.1.2. Proposals that meet the Threshold Conditions detailed in Section 3 below, will be evaluated as follows: 70% quality score based on the quality measurements as detailed in Section 5.2 below (the "**Quality Score**" and "**Quality Measurements**" respectively) and 30% Price Proposal as detailed in Section 7.3 below.

### 1.2. General Introduction to the Project and Services

- 1.2.1. The Company is a government company wholly owned by the State of Israel. The company is responsible, among other things, for planning, promoting, managing and executing urban and metropolitan transportation projects, including projects in the field of innovation and transportation technology, and adapting infrastructure to technological developments in vehicles and road facilities.
- 1.2.2. Traffic is currently managed by the Company in unified request rooms in traffic management centers called the MANTAMs. The Company currently operates the MANTAM Dan and MANTAM Hamifratz, which manage traffic in the Dan Metropolitan Area and the Haifa Region, respectively.
- 1.2.3. Each MANTAM currently hosts (and will be expanded in the future) representatives from organizations that manage and control traffic routes, operators of central public transportation systems and other relevant authorities: police, etc. However, the current situation and powers are divided between authorities, municipalities and various companies, each with separate technological systems.

1.2.4. In this Tender, the Company requests to install, for use in the MANTAMs, a System that will build a comprehensive metropolitan traffic picture and will allow for the management and coordination of traffic flow in the metropolis in a synergistic manner, and for the adaptation and implementation of traffic plans according to preferences and the actual situation. It will manage intersections, traffic axes, public transportation preference and will allow for response to events. The System will be based on the latest available technologies, including real-time data-based analysis, simulation-based forecasting, and ultimately artificial intelligence tools in order to enhance the integrated ecosystem of ITC (Intelligent Traffic Control).

1.2.5. As part of this Tender, the Company intends to install the System in the computing center (and the backup site) and use it remotely and through endpoints in MANTAM Dan and MANTAM Hamifratz. The Company reserves the right to establish additional MANTAMs in the future that will use the System, via a Change Order, according to Section 13 of the Agreement, at the Company's sole discretion.

1.3. Engagement with the Winning Bidder

The Company will engage and sign the Agreement attached hereto as **Volume B** (the "**Agreement**") with the Winning Bidder, whose Proposal achieved the highest final score according to the Tender provisions, and such Bidder will be declared as the Winning Bidder. The Agreement shall govern the contractual relations between the Company and the Winning Bidder.

1.4. Period of Engagement

Subject to the provisions for termination as provided in the Documents, the term of engagement between the Company and the Winning Bidder shall commence on the date on which the Company signs the Agreement and shall terminate 4 years after Handover of the System, as defined in the SOW (the "**Period of Engagement**"). The first year following Handover shall be the Warranty Period (the "**Warranty Period**"), followed by a Maintenance Period of 3 years (as such terms are defined in the Agreement). The Company reserves the right, at its sole and absolute discretion, to extend the Period of Engagement for up to 5 additional periods of up to 24 months each, all as specified in the Agreement (the "**Extension Periods**").

1.5. Schedule

The planned schedule for the proceedings is as follows:

Bidders' Meeting - **To be held online.** Details



concerning the Bidders' Meeting will be advertised on the Company's Website and on the Dekel Tender System

The Deadline for Submission of Clarification Questions - **May 14, 2026** no later than 15:00 **(Israel local time)**

The Deadline for Submission of Proposals - **June 25, 2026** no later than 15:00 **(Israel local time)**

The Company is entitled, at any time and at its sole discretion, to alter the procedural schedule, by notification posted on the Company's Website.

1.6. Language

1.6.1. The project will be conducted primarily in English, however meetings, discussions, correspondences, negotiations, etc, may be conducted from time to time in Hebrew.

1.6.2. The Winning Bidder will be required to appoint, as part of its management team, an individual with high-level speaking and reading Hebrew language skills. This individual will help to bridge language barriers and be able to read, and translate Hebrew written documents, as some documents (produced from the Company's systems) will be provided in Hebrew.

1.7. Definitions

The following words and expressions shall have the meaning hereby assigned to them, as follows:

**"Affiliated Entity"** any legal entity which Controls the Bidder (a "parent-corporation"), or is Controlled by the Bidder (a "subsidiary"), or is Controlled by an entity that also Controls the Bidder ("sister-corporation").

**"Agreement"** The agreement attached as Volume B of the Tender Documents.

**"Authorized State"** A state which has full diplomatic relations with the State of Israel.



<b>"Bidder"</b>	An entity that submitted a Proposal in accordance with the Tender Documents.
<b>"The Company's Website"</b>	<a href="http://www.ayalohw.co.il">www.ayalohw.co.il</a>
<b>"Control"</b>	(i) the holding of more than twenty five percent (25%) in the controlled entity's share capital; or (ii) the possession of more than twenty five percent (25%) in the controlled entity's voting power; or (iii) the power to appoint more than twenty five percent (25%) of the directors in the controlled entity; or (iv) the ability to direct the operation of the controlled entity.
<b>"The Dekel Tender System"</b>	The electronic e-tender system operated and maintained by "Dekel" company as described in Section 4.4.
<b>"Participating Entity"</b>	The Bidder and any of its Affiliated Entities.
<b>"Price Proposal"</b>	Price Proposal according to Appendix 2B and 2B(1) – Bill of Quantities.
<b>"Proposal"</b>	The proposal to be submitted by each Bidder in accordance with the terms of the Tender Documents.
<b>"Proposed System"</b>	The System proposed by the Bidder to the Company, in its Proposal, in its current state as of the Deadline for Submission of Proposals.
<b>"Related Entity"</b>	As defined in Section 3.8.
<b>"System"</b>	As defined in Section 1.1.
<b>"Tender"</b>	This Tender issued by the Company, all of its appendices, documents and updates and the clarifications attached to it.

<b>"Tender Committee"</b>	The Tender Committee of the Company.
<b>"Threshold Conditions"</b>	The threshold conditions detailed in Section 3.
<b>"Tender Documents"</b>	The documents detailed in Section 2 hereof and any clarification and/or addendum thereto made by the Tender Committee in writing.
<b>"Warranty Period"</b>	As defined in Section 1.4.
<b>"Winning Bidder"</b>	The Bidder who was declared the winning Bidder in the Tender, and with whom the Company shall engage in an Agreement.
<b>"Winning Proposal"</b>	The Proposal of the Winning Bidder.

## 2. The Tender Documents

2.1. The Tender Documents shall comprise of the following:

2.1.1. **VOLUME A** (this volume) – the terms of the Tender, with the following appendices:

2.1.1.1. Appendix 1 - Bidder Profile Form;

2.1.1.2. Appendix 2A - Proposal Form;

2.1.1.3. Appendix 2B - Price Proposal; Appendix 2B(1) - Bill of Quantities;

2.1.1.4. Appendix 3 - The Bidder's Declaration Concerning an Understanding of the Terms of the Tender;

2.1.1.5. Appendix 4 - Attorney Confirmation;

2.1.1.6. Appendices 5A-5B - Affidavits under the Public Entities Transactions Law, 5736-1976;

2.1.1.7. Appendices 6A - An Affidavit Concerning the Experience of Bidder;

- 2.1.1.8. Appendix 6B (if applicable) - A Declaration and Undertaking of a Related Entity;
  - 2.1.1.9. Appendix 6C - Client Approval;
  - 2.1.1.10. Appendix 6D - Confirmation of Auditors;
  - 2.1.1.11. Appendix 7 - Bidder's Non-Solicitation Statement;
  - 2.1.1.12. Appendix 8 - A Declaration Concerning the Absence of Conflict of Interest;
  - 2.1.1.13. Appendix 9 - A Declaration Concerning the Terms of Participation in the Tender as part of the “Dekel Tender” System;
  - 2.1.1.14. Appendix 10 - List of Advisors to the Company;
  - 2.1.1.15. Appendix 11 - Supplier Information Form.
  - 2.1.1.16. Appendices 12A-12C - Affidavits Concerning the Proposed Project Manager, Chief System Engineer and Traffic Engineer - of the Winning Bidder.
  - 2.1.2. **VOLUME B** – The Agreement with all its Appendices.
  - 2.1.3. **VOLUME C** – Proposed System Compliance Table.
  - 2.1.4. **VOLUME D** – Quality Measurements Compliance Table.
  - 2.1.5. **VOLUME E** – Statement of Work (SOW).
  - 2.2. All Tender Documents constitute the property of the Company and conveyed to the Bidders for the purpose of preparing and submitting their Proposals, and for this purpose only. It is clarified that the Tender Documents are the property of the Company even after they have been filled out by the Bidder, and that the Company may use them in any way, at its sole discretion, whether or not the Bidder was selected as the Winning Bidder. The Bidders are prohibited from copying the Tender Documents or using them for any other objective, other than for the submission of a Proposal.
  - 2.3. The Tender Documents may be downloaded (at no charge) from the Company’s Website and from the Dekel Tender System at <https://bids.dekel.co.il/ayalon>. **Proposals will be submitted only by means of the Dekel Tender System, as explained in Section 4.4 below.**
3. **Threshold Conditions**

Any Bidder who desires to submit a Proposal must demonstrate its compliance with all the Threshold Conditions set forth below, as of the Deadline for Submission of Proposals:



3.1. A. The Bidder is an entity incorporated in the State of Israel (as a company or registered partnership).

OR

B. The Bidder is an entity (company or registered partnership) duly organized and validly existing under the laws of an Authorized State.

OR

C. The Bidder is a Joint Venture (as defined below) in which:

- 1) at least one member of the Joint Venture is an entity incorporated in the State of Israel. All members incorporated in the State of Israel must meet the Threshold Condition in Section 3.2 below. A member of the Joint Venture which is not incorporated in the State of Israel, is an entity (company or registered partnership) duly organized and validly existing under the laws of an Authorized State; and
- 2) one member that directly holds at least 30% of the Joint Venture, meets the Threshold Conditions in Sections 3.4 and 3.6 below (either itself or via its Related Entity); and the other member has experience in installing a command and control system in the five years preceding the Deadline for Submission of Proposals in at least 2 projects - each priced at a minimum of 1 million USD (excluding VAT, including the cost of the application but excluding the costs of infrastructure, hardware, equipment, and communication) and providing support and maintenance services for at least 18 months following installation; and
- 3) both members of the Joint Venture meet the Threshold Condition in Section 3.3 below.

**“Joint Venture”** - A non-registered partnership of two legal entities, where each one bears responsibility, jointly and severally, to the Bidder’s (the joint venture's) commitments, including those specified in the Tender Documents. Any Tender Submission submitted by a Joint Venture will be signed by the authorized signatory(ies) from each of the members of the Joint Venture, to which the stamp of each of the said Joint Venture members will be affixed. In case the Winning Bidder is a Joint Venture, the Joint Venture and all its members shall be jointly and severally liable towards the Company.

If the Winning Bidder or one of its members (if the Bidder is a JV), is not incorporated in the State of Israel, the engagement of the Company with such Bidder will be subject to the registration of such entities as foreign entities entitled to do business in Israel, according to Section 346 of the Israeli Companies Law 5759-1999 or Section 75 of



the Partnerships Ordinance [New Version] 5735-1975, as detailed in Section 10.1.2 below.

- 3.2. If the Bidder is incorporated in the State of Israel, it holds all the required approvals and certifications as stipulated in the Public Entities Transactions Law, 5735-1976.
- 3.3. The Bidder is not in receivership, suspension of proceedings, bankruptcy or liquidation and not facing any pending applications of this kind, or insolvency, nor have foreclosures been imposed on the Bidder’s assets at a rate higher than its shareholders equity.
- 3.4. The Bidder or a Related Entity of the Bidder, developed the Proposed System, and may rightfully grant the Company use of the Proposed System and continue its development.
- 3.5. The Proposed System meets all of the following requirements in one integrated system, with at least one installation for a client prior to the Deadline for Submission of Proposals:

#	Requirements	The necessary supporting information to verify the fulfillment of the requirement:
1	<p>Traffic situation picture – The Proposed System generates a comprehensive situation awareness picture, continuously updated in near real time (at least every 5 seconds), including at a minimum:</p> <ul style="list-style-type: none"> <li>• Traffic flow status and congestion levels</li> <li>• Operational status of outstation devices.</li> <li>• Traffic events</li> </ul>	<p>Bidder declaration and later<sup>1</sup> assessment of the following on an operational system:</p> <ul style="list-style-type: none"> <li>• Traffic flow and congestion levels are presented based on coloring traffic segments, from free-flow as green to severe congestion as red.</li> <li>• The status of outstation devices is displayed as an object layer on the map. Clicking on the object shows its current status. As a minimum – on, off and fault.</li> <li>• Events are displayed as an object layer on the map. Clicking on the event will display its related information.</li> </ul>
2	<p>User interface – The user interface of the Proposed System is utilizing a GIS interactive map.</p>	<p>Bidder declaration and later<sup>1</sup> assessment of the following on an operational system:</p> <ul style="list-style-type: none"> <li>• The user interface incorporates GIS interactive capabilities. As a minimum, the following should be presented: <ul style="list-style-type: none"> <li>- The capability to toggle between various layers,</li> <li>- Pop-ups that appear when objects are clicked.</li> <li>- Zoom controls.</li> </ul> </li> </ul>

3	The Proposed System monitors and displays the activity of the traffic light controller, including cycle times and green status in the phases, the status and state of the traffic light controller and of any device connected to it, including but not limited to, light bulbs, detectors, push buttons and UPS.	Bidder declaration and later <sup>1</sup> assessment of the following on an operational system: <ul style="list-style-type: none"> <li>• Monitoring and displaying the cycle times.</li> <li>• Displaying the greens in each phase.</li> <li>• Displaying the status of a traffic light controller.</li> <li>• Displaying the state of the detectors – (triggered or not triggered, malfunction).</li> <li>• Displaying the information reported by the detectors – volume, occupancy.</li> <li>• Displaying the state of the light bulbs.</li> <li>• Displaying the state of the push buttons (triggered or not triggered, malfunction).</li> <li>• Displaying the state of the UPS (UPS mode of operation, battery levels, failure level).</li> </ul>
4	The Proposed System remotely controls the traffic light controller including all the following abilities:	Bidder declaration and later <sup>1</sup> assessment of the following on an operational system:
4.1	Managing the weekly signal time plan schedule and applying the updated schedule to a Signalized Intersection or a group of Signalized Intersections.	Demonstration of the requested functionality, alongside a detailed explanation of how the user can set a schedule for the Signalized Intersection and a group of Signalized Intersections using the Proposed System.
4.2	Manual management of the active traffic light plan at a single Signalized Intersection and across a network of Signalized Intersections.	Demonstration of the requested functionality, alongside a detailed explanation of how the user can manually manage the Signalized Intersection and a network of Signalized Intersections using the Proposed System.
4.3	Setting the Signalized Intersection in flashing Embar (Yellow) light mode.	Demonstration of the requested functionality, alongside a detailed explanation of how the system fulfills the required functionality.
5	Management of a directory of traffic light timing plans for each Signalized Intersection including all the following abilities:	Bidder declaration and later <sup>1</sup> assessment of the following on an operational system:
5.1	Adding new timing plans to the directory and updating parameters in existing plans.	Demonstration of the requested functionality, alongside a detailed explanation of how the system fulfills the required functionality.
5.2	Reading (uploading) traffic timing plan parameters from the traffic light controller and storing them in the traffic light plans directory.	Demonstration of the requested functionality, alongside a detailed explanation of how the system fulfills the required functionality.

5.3	Download of saved traffic light plans to the traffic light controllers.	Demonstration of the requested functionality alongside a detailed explanation of how the system fulfills the required functionality.
6	<p>Traffic rules – The Proposed System allows operators mechanism to set and manage traffic rules. Traffic rules shall include at least:</p> <ul style="list-style-type: none"> <li>• Warnings rules – warnings when event or incident is detected or reported.</li> <li>• Response plans – Setting relevant response plans. A response plan includes a set of predefined operations for the operators. The operations will at least allow to apply a timing plan from existing timing plan directory to a Signalized Intersection or across a network of Signalized Intersections.</li> </ul>	Bidder declaration and later <sup>1</sup> assessment based on an operational system.
7	Built-in adaptive optimization engine – The Proposed System possesses adaptive management capabilities based on the dynamic adjustment of pre-defined traffic signal plans. The Proposed System supports at least one of the capabilities specified in Sections 7.1 or 7.2 as well as the capability specified in Section 7.3:	Bidder declaration and later <sup>1</sup> assessment based on an operational system.
7.1	Plan selection mechanism: The system's ability to automatically switch between different traffic signal plans within a library based on real-time detection of Levels of Service (LOS), traffic volumes, or queue lengths.	<p>The Bidder shall conduct a live demonstration showing how the Proposed System proactively changes the active traffic signal plans based on the actual traffic situation at least 3 times in an hour. The demonstration must explain the reasoning of each plan change, and the sources of information used by the system to analyze the traffic at the intersection.</p> <p>Before the demonstration, the Bidder shall provide on-screen and exportable machine-generated evidence of the before/after traffic signals plans, trigger condition and measured inputs, affected intersections/links, and timestamps, with clear indication that the changes were system-initiated (not manual).</p>
7.2	Dynamic parameter tuning: The capability to perform "intra-plan" adjustments within an active plan, including:	The Bidder shall conduct a live demonstration showing dynamic intra-plan parameter tuning within an active signal plan based on measured demand (i.e., without switching to a different plan), including: (1) automatic

	<ul style="list-style-type: none"> <li>• Split optimization: Modifying green time distribution within pre-defined ranges.</li> <li>• Offset adjustment: Adjusting time offsets to maintain coordination (green waves) between intersections.</li> <li>• Cycle time selection: The ability to transition between pre-defined cycle times based on network demand.</li> </ul>	<p>changing cycle time within pre- defined min/max bounds; (2) Split Optimization: automatic modification of green splits within pre-defined min/max bounds; (3) Offset adjustment: automatic offset changes to maintain/restore coordination along a corridor.</p> <p>The demonstration shall show at least one executed adjustment for each capability, triggered by real-time traffic measurements, and shall provide on-screen and exportable machine-generated evidence of the before/after values, applicable bounds/cycle set, trigger condition and measured inputs, affected intersections/links, and timestamps, with clear indication the changes were system-initiated (not manual).</p>
7.3	<p>Sub-network grouping (area control): The ability to define groups of intersections (minimum of 5) that function as a single adaptive unit, ensuring that plan transitions are synchronized across the entire sub-network to prevent bottlenecks.</p>	<p>The Bidder shall conduct a live demonstration showing sub-network grouping (area control), whereby the system defines and operates a sub-network of at least five (5) Signalized Intersections as a single adaptive unit. The demonstration shall show that plan transitions are synchronized across the entire sub-network (i.e., coordinated activation within a defined time tolerance) and are system-initiated based on real-time conditions, with on-screen and exportable machine-generated evidence including: the sub-network definition (member intersections), the active plan/or plan parameters before/after, timestamps of activation per intersection, the trigger condition and measured inputs, and confirmation that no manual per-intersection plan activation was used.</p>
8	<p>The Proposed System includes at least one C2C interface to an external Traffic Management System for exchanging data. The external Traffic Management System is a system that manages and controls traffic using outstation devices such as traffic lights, variable message signs, line control signs, traffic detectors, etc.</p>	<ul style="list-style-type: none"> <li>• The name of the traffic control center running the external Traffic Management System.</li> <li>• The name of the external Traffic Management System that the Proposed System interfaces with through a C2C connection.</li> <li>• Descriptions of the data being transferred and business processes between the two systems.</li> </ul>
9	<p>C2C Traffic management standards – The Proposed System supports at least one of the USA or European C2C interfaces standards:</p>	<ul style="list-style-type: none"> <li>• The name of the traffic management systems that the Proposed System has</li> </ul>

	NTCIP (with TMDD dictionary) or DATEX II.	<p>already set up at C2C interface based on one of the required interfaces.</p> <ul style="list-style-type: none"> <li>• A list of the dialogs and types of messages used in the referenced interface between the Proposed System and the traffic management system.</li> </ul>
10	The Proposed System has at least one interface to a system that provides traffic-related information such as TomTom, and Waze.	<ul style="list-style-type: none"> <li>• The name of the control center in which the Proposed System has an interface with another system that provides traffic-related information.</li> <li>• The name of the system that provides traffic-related information.</li> <li>• A description of the data received from the system.</li> </ul>

<sup>1</sup> Initially, the Bidder's declaration that its Proposed System meets the requirements, shall suffice for the First Stage (as defined in Section 5.1 below. Assessment and verification by the Company will be conducted during the demonstrations at the Second Stage (quality evaluation) on an operational System, and if it shall be found to lack any of the requirements above, the Bidder's Proposal shall be disqualified.

3.6. The Bidder or a Related Entity of the Bidder, has:

3.6.1. developed, and thereafter installed no earlier than January 1, 2016, at least two systems, each in a different metropolitan area with a population of at least 500,000 residents, and during the 24 months preceding the Deadline for Submission of Proposals, each of the two systems:

3.6.1.1. comply with the minimal requirements listed in items #1-#6 of Section 3.5 above in one integrated system, and at least one of them (or alternatively - a third system the Bidder or its Related Entity developed and thereafter installed in a different metropolitan area of any size) also complies with the requirements listed in items #8-#10 of Section 3.5 above; and

3.6.1.2. has been in operation in each metropolitan area managing at least 200 Signalized Intersections, with the Bidder or its Related Entity providing support and maintenance services.

3.6.2. developed, and thereafter installed no earlier than January 1, 2020, at least two (2) **adaptive** traffic management systems, each in a different metropolitan area, and during the twelve (12) months preceding the Deadline for Submission of Proposals, each of the two systems:

3.6.2.1. comply with the minimal requirements listed in item #7 of Section 3.5 above; and

3.6.2.2. has been in operation in each metropolitan area managing at least twenty (20) Signalized Intersections, with the Bidder or its Related Entity providing support and maintenance services.

It is clarified that compliance with Section 3.6.23.6.2 may be demonstrated through deployments that are separate from those presented under Section 3.6.1.

- 3.7. The term "**Signalized Intersection**" used in the Threshold Conditions means an intersection with at least one traffic light.
- 3.8. **Related Entity:** A Bidder (or a member of a Bidder, if the Bidder is a Joint Venture – and in such case a reference to the Bidder shall mean to such member of the Bidder), may demonstrate the experience required by the Threshold Conditions of Section 3.4 and 3.6, via one or more Related Entities.

A "**Related Entity**" is any legal entity which Controls the Bidder (a "parent-corporation"), or is Controlled by the Bidder (a "subsidiary"), or is Controlled by an entity that also Controls the Bidder ("sister-corporation").

"**Control**" in such definition means holdings, directly or indirectly, of more than 50% (and not the meaning prescribed in Section 1.7).

- 3.9. The Bidder has an average annual turnover ("**Turnover**") of at least fifteen million (15,000,000) NIS (or the equivalent thereof) during the last three fiscal years preceding the Deadline for Submission of Proposals, for which the Bidder has audited Financial Statements. In the event the Bidder is a JV, the Bidder's Turnover will be calculated according to the Turnover of its members, based on their respective Financial Statements for the relevant fiscal years, pro-rata to their holdings in the Bidder.

Currencies Conversion: In the event that the Financial Statements are presented in a currency other than NIS, the Bidder's compliance with the Turnover Threshold Condition shall be examined in accordance with the following average exchange rates for the relevant fiscal year:

	2022 (NIS)	2023 (NIS)	2024 (NIS)	2025 (NIS)
USD	3.3577	3.6897	3.699	3.4529
EURO	3.5361	3.9895	4.0021	3.8929

"**Financial Statements**" shall mean the annual audited and duly signed consolidated financial statements as of December 31 of such year, prepared and presented in accordance with one of the following:

1. Israeli GAAP (including, with respect to the cash flow statements, Standard No. 51 of the Institute of Certified Public Accountants in Israel);
2. US GAAP (including, with respect to the cash flow statements, FAS (Financial Accounting Standards) No. 95); or
3. International GAAP (including, with respect to the cash flow statements, IAS (International Accounting Standards) IAS No. 7 and IFRS updates);

If the Financial Statements of a Bidder (or member of a JV) are based on different accounting principles than those listed above, then its auditors, when filling out his certification in **Appendix 6D** of the Tender Documents, must convert the relevant data in the Financial Statements according to one of the accounting principles above and attach an explanation.

- 3.10. A Bidder cannot submit or otherwise participate, directly or indirectly, in more than one Proposal. For the purpose of this Section, the terms "Bidder" shall include any of its Affiliated Entities. If the Bidder is a Joint Venture then such prohibition shall also apply to each member of the Joint Venture.

#### 4. **Documents to be Attached to the Proposal**

4.1. In order to demonstrate compliance with the Threshold Conditions under Section 3 above, and in order to examine and evaluate the quality of the Bidders and the Proposals in accordance with the terms of the Tender, the Bidder will attach the following documents to its Proposal:

- 4.1.1. For proof of the Bidder's compliance with the Threshold Condition in Section 3.1 above, the Bidder will attach to its proposal documents of incorporation of the Bidder as well as the current extract from the Corporate Registry or the Partnership Registry, as applicable.
- 4.1.2. For proof of the Bidder's compliance with the Threshold Condition in Section 3.2 above, the Bidder will attach to its Proposal the signed and verified affidavits in the form attached as **Appendices 5A-5B** of the Tender Documents, and all certifications required as per the Public Entities Transactions Law, 5736-1976.
- 4.1.3. For proof of the Bidder's compliance with the Threshold Condition in Section 3.3 above, the Bidder will attach to its Proposal, a signed and verified affidavit in the form attached as **Appendix 6A** of the Tender Documents.

- 4.1.4. For proof of the Bidder's compliance with the Threshold Conditions in Sections 3.4-3.6 above, the Bidder will attach to its Proposal a signed and verified affidavit in the form attached as **Appendix 6A** of the Tender Documents. In addition to its declaration in Appendix 6A:
- 4.1.4.1. For proof of the Bidder's compliance with the Threshold Condition in Section 3.5 above, the Bidder will also submit, as **Annex 1 to Appendix 6A**, the supporting documentation of the Proposed System as required in Section 3.5 above.
- 4.1.4.2. For proof of the Bidder's compliance with the Threshold Condition in Section 3.6 above, the Bidder will also submit:
- (a) a current signed approval from each of the control centers confirming that the system supplied by the Bidder meets the Threshold Condition detailed in Sections 3.6.1 and/or 3.6.2, in the form attached as **Appendix 6C** of the Tender Documents; and
  - (b) the required supporting information (as described in Section 3.5) for each of the System requirements that Section 3.6 requires.
- 4.1.5. For proof of the Bidder's compliance with the Threshold Condition in Section 3.9 above, the Bidder will attach to its Proposal confirmation by its external auditors, in the form attached as **Appendix 6D** of the Tender Documents.
- 4.1.6. An executed copy of Volume C (Proposed System Compliance Table) to demonstrate compliance with the System Threshold Conditions and Quality Measurements, **after filling in all required information as detailed as possible** and attaching Compliance Documents as references to support such information, including manuals, specs, system architecture documents and any other relevant references. It will be acceptable to attach film clips (up to 5 minutes long) that illustrate the capabilities of the Proposed System's module, photographs and any referral to the Bidder's catalog concerning details pertinent to the technical capabilities of the Proposed System's module and any other accompanying and/or supportive material to Volume C.

- 4.1.7. A proposal regarding the schedule for completion of milestones taking into account the requirements detailed in Section 11.11 of the SOW. Certain milestones have been pre-determined by the Company (Section 11.11.2), however the Bidder may shorten the deadline for completion of such milestones. The Winning Bidder's proposed schedule will be reconsidered during the design stage, and the Company reserves the right to require adherence to the proposed schedule or to modify it at the Company's sole discretion.
  - 4.1.8. Bidders who are a Joint Venture must attach to their Proposal the executed joint venture agreement between the members.
  - 4.1.9. If the Bidder is demonstrating its compliance with Threshold Conditions of Sections 3.4 and 3.6 via a Related Entity, in accordance with Section 3.8 above, it must submit as part of its Proposal: (a) the Declaration and Undertaking of the Related Entity in the form attached as **Appendix 6B** of the Tender Documents, after being duly executed by such Related Entity and the Bidder; (b) a holding structure diagram specifying all holdings, direct and indirect, connecting the Bidder and the Related Entity; and (c) documents of incorporation of the Related Entity, as well as the current extract from the Corporate Registry or the Partnership Registry, as applicable.
- 4.2. In addition to the documents listed above and any other documents required in this Tender, the Bidder must also submit the documents listed below:
- 4.2.1. The Bidder's profile form attached as **Appendix 1** of the Tender Documents.
  - 4.2.2. A complete and signed Proposal form, attached as **Appendix 2A and Appendix 2B** of the Tender Documents. **It is clarified that the Price Proposal must be filled in on Appendix 2B(1) - Bill of Quantities, and submitted only in the designated tab in the Dekel Tender System and no later than the Deadline for Submission of Proposals. In addition, the Appendix 2B form itself will be submitted signed, with the other Tender Documents but without specifying the sum of the Price Proposal.**
  - 4.2.3. The Bidder's declaration concerning an understanding of the terms of the Tender, in the form attached as **Appendix 3** of the Tender Documents.
  - 4.2.4. Attorney certification, in the form attached as **Appendix 4** of the Tender Documents.
  - 4.2.5. Bidder's Non-Solicitation Statement, in the form attached as **Appendix 7** of the Tender Documents.

- 4.2.6. A declaration concerning the absence of conflict of interest, in the form attached as **Appendix 8** of the Tender Documents.
  - 4.2.7. A declaration concerning the terms of participation in the Tender as part of the “Dekel Tender” System, in the form attached as **Appendix 9** of the Tender Documents.
  - 4.2.8. Supplier Information Form in the form attached as **Appendix 11** of the Tender Documents.
  - 4.2.9. Clarification notices and Bidders’ Meeting Protocol, if published.
  - 4.2.10. A copy of all Tender Documents listed in Section 2, signed by the authorized signatories of the Bidder on the designated line for signature, including the Agreement (and its appendices that have a designated line for signature, with the exception of the insurance and performance guarantee appendices). A place where attorney certification is required will be filled out and signed by an attorney.
  - 4.2.11. An organizational chart, including all project management team members required in Chapter 11 of the SOW (names are not required), and other main functionaries and subcontractors.
- 4.3. All documents mentioned above will be submitted, together with the Bidder's Proposal. Should any Proposal be submitted without all the above-mentioned requested documentation, the Tender Committee is entitled, but not obligated, to reject said Proposal solely for this reason, and not review it.
- 4.4. **Language of the Proposal** - All submissions, including the appendices, statements contained therein and responses to requests for clarifications, shall be in English or in Hebrew. Supporting documents and printed literature submitted by a Bidder in any other language must be accompanied by a translation to English, authenticated by a Public Notary. For purposes of interpretation, the translation to English shall prevail over the original.

## 5. **Examination and Evaluation of the Proposals**

The Proposals will be reviewed by the Company, which may use external experts, professional advisers and consultants (altogether: "**Advisors**"), including those listed in Appendix 10. Selection of the Winning Proposal will be performed as follows:

- 5.1. **First Stage (Threshold Conditions Stage):** The Company shall examine and determine if the Bidders and their Proposals are in compliance with the Threshold Conditions set forth in Section 3 above, as well as all submission requirements (the “**Qualified Bidders**”). Only Qualified Bidders will advance to the second Stage. However, the Company may, at its sole discretion, examine the Threshold Conditions and the Quality Score simultaneously (the election by the Company to conduct such simultaneous evaluation shall not be construed as determination by the Company that the Bidder meets the Threshold Conditions).
- 5.1.1. The Bidder’s compliance with the Threshold Conditions will be examined pursuant to the Proposal, including the affidavits attached to the Bidder’s Proposal and the Proposed System Compliance Table (Volume C) submitted by the Bidder. The Company reserves the right to turn to those Bidders for which there is doubt as to their compliance with the Threshold Conditions, among other things, for purposes of receiving pertinent explanations concerning their Proposal and said compliance. It is expressly clarified that the Company has sole discretion to decide if a Bidder has demonstrated compliance with the Threshold conditions.
- 5.1.2. Bidder's compliance with all submission requirements of the Tender will also be examined. Without derogating from any of the Company's rights under this Tender or by law, the Company may, at its sole discretion, reject a Proposal if the description of its Proposed System is lacking in the Company's opinion, even if it appears that the Threshold Conditions have been met.
- 5.2. **Second Stage (Quality Score - 70% of the final score):**
- 5.2.1. The Qualified Bidders will be evaluated in accordance with the Quality Measurements listed in **Volume D**. The Company shall examine the statements and affidavits of each of the Qualified Bidders as well as its supporting documentation (user manuals, technical design etc.).
- 5.2.2. The Bidders must ensure that the Proposed System Compliance Table (**Volume C**) submitted, will include all pertinent information to enable the Company to apply the Quality Measurements specified in Volume D and score the Proposals. For the avoidance of doubt it is clarified that Part 1 of Volume D scores only certain aspects of the Proposed System and does not derogate in any way from the Winning Bidder's responsibility to meet all requirements of the SOW.
- 5.2.3. In addition, the Bidder shall submit signed and verified affidavits in the forms attached as **Appendices 6A** of the Tender with respect to the experience of the Bidder (as well as **Appendix 6B**, as applicable).

- 5.2.4. As part of the quality scoring, the Company will invite the Qualified Bidders for an interview, to be held face-to-face, in Israel or by video-conference, to be determined by the Company.

The duration of the interview shall be about 4 hours, and will be comprised of the following (including Bidder's response to questions posed by the Company):

- a. The Bidder will present itself (approx. 30 minutes).
- b. The Bidder will present the most similar previously executed projects (no more than 3, out of the projects it detailed in Appendix 6A) to the project of this Tender (approx. 30 minutes).
- c. The Bidder shall demonstrate and validate its declarations of compliance with the minimal requirements of the Proposed System outlined in Section 3.5 above (items #1-7), and demonstrate its capabilities with respect to the scenarios detailed in Part 1 of the Quality Measurements (Volume D) (approx. 3.0 hours).

All costs associated with the preparation of the Bidder's presentation and demonstration of scenarios, as well as the costs of attendance, shall be borne solely by the Bidder.

- 5.2.5. The Company reserves the right to request the Bidders to allow it physical access to traffic control centers in which Bidders' systems are currently operative, or alternatively to allow it online viewing access, in order to complete the Quality Score evaluation. Such right may be exercised with respect to all, or some, of the Bidders.

- 5.2.6. The minimum Quality Score is 16.8 points out of possible 24 points (70%) for the System architecture and cyber security (Part 1 items 7-10 of Volume D), AND a total of 70 points out of possible 100 points (70%) for the entire Quality Score. A Proposal which receives less than this Quality Score will be disqualified and only Bidders which receive the minimum Quality Score shall proceed to the next stage. Notwithstanding the foregoing, to the extent that the number of Proposals which receive the minimum Quality Score is lower than three, the Company will be entitled, but not obligated, to advance additional Proposals to the next stage which received the highest scores among the remaining Bidders, so that at least three shall proceed to the next stage, provided that their Quality Score (both for System architecture and entire Quality Score) is not lower than 60%.

5.3. **Third Stage - Price Proposal (30% of the Final Score)**

5.3.1. At this stage, the total price of each Proposal will be calculated and weighted according to the following formula, as further detailed in Section 7.3.4 below:

$$\text{Total Price Proposal (in NIS)} = [\text{total price for Parts 1-3 of Appendix 2B(1)}] + [\text{Yearly Maintenance Fee}^1 * 8 \text{ years}^2]$$

<sup>1</sup> calculated as the proposed percentage (between 5% and 12%) in Part 4 of Appendix 2B(1) \* the Total Price for Parts 1+2 of Appendix 2B(1).

<sup>2</sup> For evaluation purposes only, the Price Proposals shall be calculated on the basis of eight (8) years of post-warranty service, without creating any obligation on the Company to exercise any Extension Period.

5.3.2. The Bidder with the lowest Total Price Proposal will receive the maximum Price Score of 100 points and the other Bidders will be scored relatively, according to the following formula:

$$\left[ \frac{\text{lowest Total Price Proposal}}{\text{Total Price Proposal being evaluated}} \right]^{^2} \times 100 = \text{Price Score}$$

**5.4. Fourth Stage - Selection of the Winning Bidder**

Following the stages above, and subject to the Company's rights pursuant to Section 11 below, the Company will select the Winning Bidder with the highest Final Score [FS], according to the following formula:

$$\text{FS} = 70\% * \text{Quality Score} + 30 \% * \text{Price Score}$$

In the event two or more Bidders shall receive identical Final Scores, the Company shall, at its sole discretion, either select the Bidder that received the highest Quality Score, or request the Bidders with the identical scores to submit an improved Price Proposal (B&F procedure) and thereafter re-calculate their Final Scores.

**6. E-Tender (Online)**

6.1. This Tender will be conducted as a web-based e-tender as per the provisions of Regulation 19 C of the Mandatory Tender Regulations 5753 - 1993. Bidders are aware that they must submit their Proposal through the electronic system operated and maintained by “Dekel” company (“**Dekel Tender System**”), and that no proposal will be accepted in these proceedings that is not submitted through the Dekel Tender System.

- 6.2. All parties interested in participating in the Tender, are obligated to register in advance in the Dekel Tender System. For purposes of the advance registration, it is necessary to enter the web-based system link that will be published on the Company's Website under the "Tenders" tab on the relevant Tender webpage, fill in the required details and send the registration request no later than 48 hours before the Deadline for Submission of Clarification Questions/Proposals. It is recommended to preregister so as not to be late submitting clarifications or the Proposal due to various delays and possible faults.
- 6.3. It should be clarified that insofar as the Bidder has registered in the Dekel Tender System in the past, there is no need for any renewed registration.
- 6.4. Following registration to the Tender, the Bidder will receive an email notification confirming the registration and details for entry into the system. Bidders are recommended to save this confirmation for continued control and follow-up.
- 6.5. Should no registration confirmation be received, the Bidder must then contact Ms. Katya Goldovich from the Dekel Co. at +972 - (0)4-8145400 Extension 1 or by email: [bids@dekel.co.il](mailto:bids@dekel.co.il) and verify that the request to register for the Tender was received and handled. It is the sole responsibility of the Bidder to ensure sufficient time in advance, that registration for the Tender was executed properly and it has received access to the automated system for participation in the proceedings, and the Bidder hereby irrevocably waives in advance any claim against the Company concerning the absence of any possibility for the Bidder to submit clarification questions/Proposal in a timely manner through the automated Dekel Tender System.
- 6.6. In order to submit clarification questions and receive notices from the Company regarding the Tender, through the Dekel Tender System, Bidders are required to pre-register for the Tender through the Dekel Tender System. No claim will be accepted by which the Bidder was in any way prevented from timely submitting clarification questions / a Proposal, including any technical fault, lack of a suitable internet connection or any lack of available technical support in executing the registration.
- 6.7. The Bidder must scan all of the signed Tender Documents, as specified in Section 4.2.10 above, including appendices, and attach all of the required documents for the purpose of supporting the Proposal and as proof of threshold compliance.
- 6.8. The Bidders' attention is directed to Appendix 9 in the terms of the Tender – A Declaration Concerning the Terms of Participation in the Tender as part of the Dekel Tender System.

## 7. **Submitting a Proposal**

- 7.1. The Proposal, and all its appendices, containing all of the documents and references the Bidder is required to attach, will be submitted through the Dekel Tender System as detailed above. Following the Deadline for Submission of Proposals as detailed in Section 1.5 above, the Dekel Tender System will be locked, and proposals will no longer be accepted for submission.
- 7.2. Without derogating from the abovementioned, the Bidder's Proposal will contain, among other things, every document required to show proof of the Bidder's compliance with the Threshold Conditions and Quality Measurements and any other document required according to the Tender Documents.
- 7.3. **Price Proposal**
- 7.3.1. In order to enable the Company to objectively examine the compliance of the Proposals with the Quality Measurements set forth in the Tender objectively, the Bidders are required to fill out their Price Proposal (Appendix 2B(1)), and submit it as an excel attachment in the designated tab on the Dekel Tender System only, no later than the Deadline for Submission of Proposals.
- 7.3.2. It is emphasized that the Price Proposal, Appendix 2B, must be submitted along with the other Documents after being executed, but without specifying the Price Proposal.
- 7.3.3. Bidders shall fill out the Price Proposal form in accordance with instructions and the conditions set forth in Appendix 2B(1) - Bill of Quantities.
- 7.3.4. Appendix 2B(1) - Bill of Quantities, is comprised of 4 parts, and Bidder must insert pricing for all parts:
- 7.3.4.1. Part 1 – Base System (Block 1) and Warranty Period
- 7.3.4.1.1. Part 1 shall include pricing for the complete base System scope until Handover, including all works and services required to deliver a fully operational MUTC system, together with the Warranty Period.
- 7.3.4.2. Part 2 (optional workloads)
- 7.3.4.2.1. Part 2 includes item-by-item pricing for optional workloads. The SOW details such options, certain items are defined in the SOW as Block 2 items (Chapter 8), while others are defined as additional workloads (Chapter 9).
- 7.3.4.2.2. It is clarified that pricing under Part 2 is mandatory and shall form part of the Price Proposal evaluation, according to the coefficient specified for each item.

7.3.4.3. Part 3 – migration from the existing System

7.3.4.3.1. Part 3 includes pricing for the full migration of all Signalized Intersections from the existing system to the new MUTC System.

7.3.4.4. Part 4 – Support and Maintenance of the MUTC System

7.3.4.4.1. Part 4 includes pricing for System support and maintenance following the conclusion of the Warranty Period included in Block 1.

7.3.4.4.2. The Bidder shall propose a Yearly Maintenance Fee, calculated as a percentage of the prices for Parts 1+2 above, within the permitted range of 5-12%. Only one figure after the decimal point is allowed.

7.3.4.5. For the avoidance of doubt, Parts 1, 3 and 4 constitute the base scope of this Tender, while Part 2 represents additional scopes that may be implemented in subsequent phases during the lifecycle of the System, at the Company's discretion.

7.3.5. Payments to the Winning Bidder shall be in NIS only.

7.3.6. Bidders shall elect (in Appendix 2B) the linkage method (to indexes / exchange rates) for the Yearly Maintenance Fee, to be calculated from the last index/rate published as of the date of Handover until the last index/rate published as of the beginning of each maintenance year.

7.4. It is hereby clarified that all parts of Bidder's Proposal, whether submitted in writing or presented during the interview stage (including demonstrations), as well as anticipated future developments, will form part of its Proposal and obligate the Bidder without any additional consideration, should it be declared the Winning Bidder.

8. **Validity of the Proposal**

8.1. The Proposals shall be valid for a period of twelve (12) months from the Deadline for Submission of Proposals (the "**Validity Period**").

8.2. The Company may require the Bidders to extend the Validity Period for an additional time period (the "**Extended Period**"). If a Bidder refuses such demand, then such Bidder shall be considered to have waived its right to take part in the Tender, and its Proposal may be disqualified. The Company will be entitled to proceed with the Tender process and to announce another Bidder, that gave its consent to the extension, as the Winning Bidder even if the Proposal submitted by the Bidder that refused the extension was superior.

- 8.3. Once the Company has provided a winning notification notice to a Winning Bidder within the Validity Period or within the Extended Period, the Winning Bidder's Proposal shall remain valid until the Agreement has been signed by the Company.

9. **Notification of the Results of the Tender**

Once the Tender Committee has completed the evaluation of the Proposals and reached a decision, the Company shall notify the Winning Bidder and the other Bidders in writing regarding the results of the Tender.

10. **Preconditions to the Company's Engagement with the Winning Bidder**

- 10.1. The Company will engage with the Winning Bidder and sign the Agreement subject to the compliance of the Winning Bidder with all the following preconditions, within 14 days after receiving a notification as stated in Section 9:
- 10.1.1. Insurance Certificate - as defined in the Agreement, signed by the Winning Bidder insurers. Any request in connection with the insurance requirements should be submitted as a request for clarifications and no later than the Deadline for Submission of Clarification Questions.
- 10.1.2. Performance Guarantee - To ensure the full performance of all obligations of the Winning Bidder, the Winning Bidder undertakes to deposit with the Company, a Guarantee in accordance with the Agreement.
- 10.1.3. If the Bidder or one of its partners (if the Bidder is a JV) is a foreign entity - confirmation of its registration as a foreign entity to do business in Israel, according to Section 346 of the Israeli Companies Law 5759-1999 or Section 75 of the Partnerships Ordinance [New Version] 5735-1975.
- 10.1.4. The Bidder shall present for the Company's approval, its proposed Project Manager, Chief System Engineer and Traffic Engineer. The Bidder shall submit Appendices 12A-12C of the Tender Documents, along with supporting evidence to the Company's satisfaction that they meet the minimal requirements detailed in Chapter 9 of the SOW. If the Bidder's proposed Project Manager is not permanently located in Israel, the Bidder must also present for the Company's approval, an additional official who will be appointed by the Bidder to serve as an available and permanent representative in Israel. The Company shall conduct interviews with such proposed management team members, and determine, at its sole discretion, if they are suitable for the provision of the Services.
- 10.2. The Company will examine whether all the required documents mentioned above have been provided by the Winning Bidder, and their compliance with the requirements. The Company may, at its sole discretion, notify the Winning Bidder of

any modification required and may give a Winning Bidder an opportunity to execute the required finalizations and/or modifications or to decide to proceed pursuant to Section 11.

- 10.3. Prior to the actual signing of the Agreement by the Company, the Agreement between the Company and the Winning Bidder will have no force and effect.

**11. Cancelling the Winning and/or the Agreement with the Winning Bidder and Engaging with Another Bidder**

- 11.1. In the event that the Winning Bidder fails to fulfill all of its obligations according to the Tender Documents and/or its Proposal, including without limitation, the fulfillment of the preconditions set forth in Section 10 above, the Company shall be entitled, at its sole discretion, to cancel the award of Winning Bidder or to give the Winning Bidder an extension of time for the purpose of fulfilling all of its obligations.
- 11.2. The Winning Bidder whose Proposal has been canceled as aforesaid, shall not have any argument, demand and/or claim of any kind against the Company and/or anyone on its behalf in connection with the cancellation of the award of the Winning Bidder.
- 11.3. Without derogating from the above, in the event that the Company has decided to cancel the award of the Winning Bidder, the Company shall be entitled, at its sole discretion, to grant the award of the Winning Bidder in the Tender and the Agreement to the Bidder that received the next highest Final Score, subject to Section 10 above and provided that the Validity Period (or Extension Period) of its Proposal has not elapsed. The Company's right according to this Section is not mandatory and the Company shall be entitled, at its sole discretion, not to grant the award to such Bidder. In such event, the Bidder that received the next highest Final Score will not have any argument, demand and/or claim of any kind against the Company and/or anyone on its behalf in connection with the aforesaid.

- 11.4. Without derogating from any of the Company's rights, and in addition to any of the Company's rights according to any Law and/or to the Tender Documents, in the event that the Company terminates the Agreement with the Winning Bidder, for any reason, within 24 months from the date the Winning Bidder was chosen by the Tender Committee, the Company shall be entitled, but not obligated, to notify the Bidder that received the next highest Final Score in the Tender and offer such Bidder to engage with the Company and sign the Agreement (subject to Section 10 above) to provide the Services. Such Bidder shall give its response to the Company's proposal within seven (7) days. If the said Bidder refuses, the Company will be entitled, but not obligated, to so notify the Bidder that arrived in the place thereafter, and so on. It is hereby clarified that the Company's said right hereunder is not mandatory and the Company shall be entitled, at its sole discretion, not to engage with the Bidders that scored lower than the Winning Bidder whose award has been cancelled, and the Bidders will not have any argument, demand and/or claim of any kind against the Company and/or anyone on its behalf in connection with the above.

## **12. Reservations**

- 12.1. No modification of the Documents or their terms, whether by way of addition, by way of deletion or otherwise, shall be included in the Bidder's Proposal. Any changes or additions made to the Documents or terms, of any kind, or any reservation thereof, whether in the documents themselves or by accompanying letter or otherwise (“**Reservation**”), may result in any of the following according to the sole and absolute discretion of the Company:
- 12.1.1. Rejection of the Proposal.
  - 12.1.2. The Reservation will be deemed as if it was not written at all and will be disregarded.
  - 12.1.3. The Company may demand that the Bidder amend the Reservations, either by resubmitting its Proposal in whole or in part, or by notifying the Company of the removal of the Reservation, or by any other means at the sole discretion of the Company.
- 12.2. In addition, failure to fill out any of the details required by the Bidder and/or failure to sign and/or any deviation from the requirements of the terms of the Tender may also result in the rejection of the Proposal, all according to the sole and absolute discretion of the Company.

## **13. Clarifications and Changes**

13.1. Insofar as it is the Bidder's belief that the Documents contain contradictions or ambiguities, the Bidder may appeal in writing up to the date specified in Section 1.5 above, via the designated tab in the Dekel Tender System, while providing identification and contact information for the purpose of detailing the clarifications, contradictions, errors, discrepancies or any doubts which may be found in relation to the precise meaning of each section or any detail whatsoever of the Documents. Bidders must bring any discrepancies between provisions of the Tender Documents to the attention of the Company as soon as possible, and the Company at its sole discretion shall determine the prevailing provision.

13.2. The Bidder shall submit its clarification requests in a WORD document **only** and in the following format:

#	Tender Document	Section	Page	Question	Company's Answer

13.3. It should be clarified that for the purpose of submitting any clarifying questions, it is necessary to register in the Dekel Tender System as specified in Section 4.4 above.

13.4. The Company's answers to Bidders' queries and inquiries will be uploaded to the Dekel Tender System, under the tab of the Tender, and will be available for Bidders' reference together with the Documents. Bidders are obligated to keep current with the Company's publications in connection with the Tender.

13.5. It is clarified that the Company's answers to the Bidders' inquiries concerning clarifications and/or modifications, will be made without naming the inquiring Bidder.

13.6. It should be emphasized that at the Deadline for Submission of Clarification Questions, the Dekel Tender System will be locked, in order to prohibit submission of subsequent questions for clarification. Clarification questions may not be submitted in any way other than as outlined above and through the said Dekel Tender System.

13.7. Bidders that fail to act in the manner above stated, will be prevented from making any argument(s) concerning improbability and/or ambiguity, errors, discrepancies and mistakes, etc.



13.8. The Company is entitled to disregard inquiries for clarification and/or objections, or any part thereof, or to rephrase inquiries, and to convey its response to all the Bidders (without naming the Bidder who has contacted them), all at its sole discretion. Failure of the Company to address any inquiry until the Deadline for Submission of Proposals, will be viewed as a rejection of the Bidder's inquiry.

#### 14. **Bidders' Meeting**

14.1. The Company intends to conduct an online Bidders' Meeting. The purpose of the meeting is to offer a general background concerning the subject of the Tender and address any questions which the Bidders may raise. It is stated and should be clarified that the Bidders' Meeting will not bind the Company will not constitute any obligating representation of the Company and will not contradict the Tender Documents. By its participation in the Bidders' Meeting, the Bidder agrees to this condition.

14.2. **The Bidders' Meeting will take place on the date specified in Section 1.5 above. The link will be published in the Dekel Tender System and on the Company's Website. Participation in the meeting is not compulsory.** Those interested in participating are asked to appear/log in on time.

14.3. The Company, at its sole discretion, will be entitled to conduct additional Bidders' Meetings.

#### 15. **Commercial Secret Copy**

15.1. The Bidder is entitled to submit one additional copy of its Proposal, in which any information considered by the Bidder as secret information or commercial or professional secret and therefore should not to be disclosed to other Bidders, may be redacted. This copy will be labeled "*Commercial Secret Copy*" and attached as an optional document by means of the Dekel Tender System.

15.2. The Company has sole discretion to determine whether information is secret information or a commercial or professional secret, and is not obligated to accept the Bidder's opinion, nor to justify its decision. Without derogating from the above, it is hereby clarified that any information regarding the compliance of the Bidder with a Threshold Condition, or its Price Proposal – shall not be considered secret information. It is hereby clarified that should the Company choose to disclose to other Bidders information labeled by the Bidder as confidential, the Company will inform the Bidder, prior to the disclosure, of its decision concerning its intent to disclose to the other Bidders, and will offer the Bidder a period of forty-eight hours (48 hours) to appeal this decision.



- 15.3. To dispel any doubt, in the event that the Bidder does not submit a Commercial Secret Copy as stated above, the Company will be entitled to disclose to the other Bidders the full and complete Proposal of the Bidder, all of the terms and details, at its sole and absolute discretion and without any prior notice, however, the Company shall not disclose the identity of the contact person(s) of the (former) clients (as well as the client's name) which the Company interviewed for recommendations regarding the Bidder (Part II of the Quality Measurements).
- 15.4. It is clarified that to the extent that the Bidder does not win the Tender and requests to review the Winning Proposal, it will not be entitled to review the same corresponding data in the Winning Proposal, which was redacted in its Commercial Secret Copy. For review of the Winning Proposal the Bidder must send a written request to the Company's representative via email to shanil@ayalohw.co.il, and pay a 500 NIS fee for such review

#### **16. Conflict of Interest and Advisors to the Company**

- 16.1 The CEO, C-Level Executives or directors of the Company, their relative, agent or partner, or a corporation in which one of the above-mentioned holds, directly or indirectly, any rights whatsoever, and/or in which one of them is a manager, are ineligible to participate in this Tender. "Relative" - spouse, parent, son or daughter, brother or sister.
- 16.2 A Bidder or anyone on its behalf, for whom there is a conflict of interest with the Services that are the subject of this Tender and/or there is a conflict of interest between the said individual and the Company - will be unable to participate in the Tender, unless approved by the Company and subject to the terms and conditions imposed on the Bidder, at the Company's sole discretion.
- 16.3 Each Participating Entity acknowledges that in the preparation of the Proposal and in the performance of the Services it is strictly prohibited from having any conflict of interests between any of its other activities and/or its other obligations and/or any of its employees, consultants or subcontractors and the obligations and rights with respect to the Tender, the Services and the Agreement, including a conflict of interest which may arise as a result of engaging employees, advisors or subcontractors of the Company and Tender Committee.

- 16.4 Without derogating from the above, the entities listed in **Appendix 10** (Advisors to the Company) are currently engaged or have been engaged as consultants to the Company (the "**Advisors**"), either directly or indirectly, by contract or previous employment, in connection with the Services and therefore the Participating Entities are strictly prohibited from employing or engaging any of them for the purpose of the Tender or the performance of the Services, whether directly or indirectly, without the prior written consent of the Company.
- 16.5 The Company reserves the right to update the list from time to time and at its sole discretion.
- 16.6 It is clarified that the prohibition applies to:
- 16.6.1 the entities listed in Appendix 10 and all individuals (employees and consultants) within the advising entity are considered included within the prohibition; and
- 16.6.2 the persons listed in Appendix 10, regardless if their employment by such prohibited entity has ended.
- 16.7 Each Bidder shall submit, by no later than the Deadline for Submission of Clarification Questions, details of:
- 16.7.1 its requests for approval of engagement with any of the Advisors listed in Part 2 of Appendix 10, for the purpose of the Tender or the Services ("**Request for Approval**"). It is emphasized that no requests may be submitted with respect to Advisors listed in Part 1.
- 16.7.2 all Participating Entities' prior (which existed at any time during the 12 months prior to the Deadline for Submission of Proposals) or currently existing with any of the Advisors listed in Appendix 10 (Parts 1 and 2), for any purpose which is not connected to the Tender or the Services ("**Notification**").
- 16.8 Any Request for Approval and Notification shall include details of the nature and expected duration of the engagement.

- 16.9 Without derogating from its rights and prerogatives pursuant to this Tender or Law, following receipt of such Request for Approval and /or Notification, the Company may, at its sole discretion: (i) approve the request; (ii) require additional details; (iii) notify the relevant Bidder that it does not approve such engagement if it considers that such engagement creates a conflict of interest or may create such conflict; (iv) impose certain restrictions with respect to such engagement in order to avoid any appearance of or a conflict of interest, (v) request to amend the terms of any engagement of the Company and/or the Tender Committee Advisor in each case; and/or (vi) disqualify a Participating Entity, all as the Company shall deem fit.
- 16.10 Requests for Approval or Notification (which was timely submitted by the Deadline for Submission of Clarification Questions) will be answered by no later than fourteen (14) days prior to the Deadline for Submission of Proposals. The Company reserves its right to decide whether or not to publish its response as a Clarification.
- 16.11 In exercising its discretion, the Company may consider, among others:
- 16.11.1 whether an engagement in respect of works or services is connected, either directly or indirectly to the Services;
  - 16.11.2 whether the works or services provided to the Participating Entity, are performed by separate teams of the Company's Advisors, which report to separate managing entities within the Company;
  - 16.11.3 the total income of the Company's Advisor from its engagement with the Participating Entity of its total annual income.
- Therefore, Bidders are encouraged to provide such details, and any other relevant factors, to assist the Company's determination.
- 16.12 It is clarified that the Bidders' obligations in relation to the avoidance of a conflict of interests shall not derogate from Company's Advisors' contractual obligations pursuant to the terms and conditions of their engagement with the Company.
- 16.13 It is clarified that Affiliated Entities which meet all the following:
- 16.13.1 are not incorporated in Israel; and
  - 16.13.2 do not have any activities in Israel; and
  - 16.13.3 have engaged/ engage Advisors listed in Appendix 10 who are on a separate team of personnel to the individuals engaged by the Company; and
  - 16.13.4 where the applicable engagement of Advisors listed in Appendix 10 is in relation to a project outside of Israel,

Are not obliged to submit Notifications.



**17. Consideration of Proposals and Reservation of Company Rights**

Without derogating from the above mentioned and any right afforded under law and/or pursuant to the provisions of this Tender, the Company reserves the following rights herein:

- 17.1. It is hereby expressly and explicitly stated that the Company is not obligated to accept any Proposal whatsoever, including a Proposal that received the highest Final Score, and reserves the right to reject any or all Proposal(s), all at its sole discretion.
- 17.2. Without derogating from the foregoing, the Company will be entitled to disqualify or not elect as a Winning Bidder in this Tender (even if said Bidder has proven compliance with all of the terms and conditions to be declared a winner), for any reason, inter alia, because its Proposal was significantly lacking the requested information and documentation and/or because its Proposal exceeds the Company's budget, or is not economically viable in the Company's opinion, and/or if the Company has substantial reason to believe that the Winning Bidder will not be able to perform its duties under the Agreement, and/or because of the Company's negative experience with the Bidder and/or its acquaintance with said Bidder, or in the case of a corporation - because of any negative experience with any of the individuals and entities controlling it and acting on its behalf and/or associated with them. The Company is also entitled to withhold award due to negative experience of other public entities that engaged with the Bidder and in case it is a corporation - with any of the individuals and entities controlling it and acting on its behalf.
- 17.3. Additionally, and without derogating from the above, the Company may, at its sole discretion, disqualify a Bidder, or demand any requirement or condition in connection with its participation in this Tender, as a result of any of the following (which the Bidder must immediately report):
  - 17.3.1. Any change in the Bidder after submission of its Proposal, or in any entity through which the Threshold Conditions were demonstrated, including their holding structure, which results in the threshold conditions no longer being met or the arousal of any other reason for disqualification.
  - 17.3.2. In the event that any Participating Entity or any of its directors or managers, is incorporated in, or a resident or a citizen of, a country that is not an Authorized State.
  - 17.3.3. If the Bidder acted in contradiction to Section 1616 above.

- 17.3.4. Initiation of liquidation, receivership, compromise and settlement procedures against a Bidder or any entity through which the threshold conditions were demonstrated, provided that the aforementioned procedures were not canceled by a court order after holding a hearing with attendance of the parties, or within a reasonable period of time determined by the Company.
- 17.3.5. The commencement of merger procedures or any procedures leading to such merger or change in ownership structure without obtaining a prior written approval of the Company.
- 17.3.6. Any material breach of the rules and procedures of the tender process, including misrepresentation or incomplete representation of facts in its Proposal, and coordination of submission with other Bidders.
- 17.3.7. Any other reason for which the Company believes that the Bidder will not be able to provide the Services, should it be declared the Winning Bidder, or any other reason that the Company considers, in its sole discretion, that justifies the disqualification of the Bidder, or stipulating conditions for its participation in the Tender.
- 17.4. The Company is entitled, although not obligated, to reject any Proposal found to be incomplete, or unclear, or not prepared as per the Tender Documents, at the sole and absolute discretion of the Company.
- 17.5. The Company reserves the right to cancel the Tender, for any reason whatsoever, such as budget considerations, amongst others, on any date, including after the Deadline for Submission of Proposals.
- 17.6. The Company will be entitled, but not obligated, at its sole discretion, to demand from a Participating Entity and/or third parties to provide additional information and/or clarifications and/or explanations and/or supplements in relation to the Bidder's Proposal, including presenting any document, certificate, permit or license as required according to the terms of this Tender relative to a Bidder, and including for the purpose of proving the Participating Entity's compliance with the Threshold Conditions. Any such document submitted following the Deadline for Submission of Proposals must be valid and applicable as of that Deadline.
- 17.7. The Company reserves the right to waive fulfillment of any requirement or condition of this Tender that is not material and does not violate the principle of equality, all of which is at the discretion of the Company's Tenders Committee.



- 17.8. The Company reserves the right to revise, clarify, amend, modify, or change the Tender Documents in any way or any part thereof, including but not limited to any instruction, requirement, specification, consideration, threshold conditions or dates contained therein, until the Deadline for Submission of Proposals.
- 17.9. The Company is entitled, at its sole discretion, to negotiate or not to negotiate with all or some of the Bidders.
- 17.10. The Company may from time to time, request a Winning Bidder to perform additional software developments not specified in the Tender Documents, and Section 13 of the Agreement shall apply.
- 17.11. It is clarified that the project is subject to governmental budgetary approval, without which this Tender may be cancelled without entitling any Participating Entity to any compensation or remedy for loss or damage whatsoever, as provided below. Furthermore, the Company may execute the Agreement with the Winning Bidder before it obtains governmental budget approval for the entire Period of Engagement, and as a result may thereafter terminate the Agreement due to budgetary considerations and the terms of Section 5.2 of the Agreement shall apply.
- 17.12. The Company or anyone on its behalf shall not be responsible in any respect for any loss or damage whatsoever suffered by any Participating Entity, their employees, officers, agents, or any other persons for which any Bidder may be contractually or legally responsible or accountable, and shall not be required to compensate the Participating Entity, their employees, officers, agents, or any other persons for which the Participating Entity may be contractually or legally responsible or accountable.

## 18. **General Conditions**

### 18.1. **Applicable Law**

These proceedings are subject to the laws of the State of Israel. The Bidders shall be deemed to have received appropriate legal counsel for participation in the proceedings and Proposal submission.

### 18.2. **Jurisdiction Clause**

Any matter relating to these proceedings shall be heard only in the competent courts of the Central District of Israel.

### 18.3. **Participation Expenses in the Proceedings**

The Bidder alone shall bear the costs of its participation in the proceedings and shall not be entitled to any indemnity from the Company for these expenses, including in the event of the cancellation of the Tender by the Company, or the disqualification of its Proposal.



Orly Stern  
General Manager

**I hereby confirm that I have read this document in its entirety and agree to the terms of the Tender:**

Date

Bidder's Signature & stamp:

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