

02/09/2019

To: Participants of the Tender

Re: **Tender No. 68/19 For Vehicle Occupancy Detection System**
For "Alter-native" Experiment

Response No.1 to Questions and Requests for Clarifications of the Tender Documents

Ayalon Highways Co. Ltd. (the "**Company**") is hereby publishing a response to questions and requests for clarifications of the Tender Documents submitted by the participating Bidders.

1. Postponement of the Final Bid Submittal Date

The last date for submission of Bids for the Tender ("Final Bid Submittal Date"), is hereby postponed to September 22th, 2019 at 12:00 (local Israeli time).

Proposals submitted after the aforementioned time shall not be accepted.

2. Amendment of the Professional Pre-Qualification Requirements

The Professional Pre-Qualification Requirements mentioned in section 4.2.2.2 of the Tender Conditions and Instructions, shall be amended in way that section 4.2.2.2 and sub-sections 4.2.2.2.1 to 4.2.2.2.3 shall be replaced with new sections 4.2.2.2 and sub-sections 4.2.2.2.1 to 4.2.2.2.3, and shall be read as follows:

"4.2.2.2 The proposed System has completed at least one feasibility study, and the performance and results of which are backed up in writing by a Relevant Authority or by a Vehicle Testing Company.

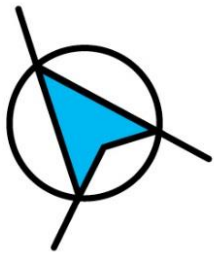
The feasibility study (or several feasibility studies) presented will meet all the following requirements:

4.2.2.2.1. The feasibility study or studies performed in the five years preceding the Final Bid Submittal Date.

4.2.2.2.2. The feasibility study or studies contained at least 500 test trips.

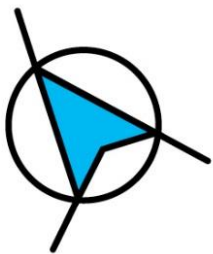
4.2.2.2.3. As part of the feasibility study or studies, a Relevant Authority or Vehicle Testing Company has confirmed that the proposed System has automatically detected vehicle occupancy while meeting at least two of the accuracy parameters included in the definition of the term Accuracy.

"**Vehicle Testing Company**" - Independent third party, which is not the Bidder or its affiliates."

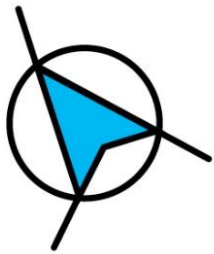


3. Response To Questions And Requests For Clarifications

No.	Section	Question/Answer
General Questions		
1.	General	<p>Question: We will comply with the requirements of the following standards: FCC Part 15 class B, CE: Directive 2014/53/EU (RED) or Automotive Directive 2004/104/EC, or per radiation standards for electronic equipment as acceptable in Israel, per IS 961 Part 3.1 - Electromagnetic compatibility and measurement methods of radio interference from electrical and electronic subassemblies installed in vehicles and that are related to automotive safety systems, or any other Israeli standard.</p> <p>In addition, we will comply with whatever Ministry of Communication and the Standards Institution of Israel (Machon Hatkanim) require from such System.</p> <p>Is that acceptable?</p> <p>Answer: Not acceptable. The Bidders shall comply with all the standards and applicable Law mentioned in the Tender Documents.</p>
2.	General	<p>Question: Who is responsible to provide the SIM card for communication?</p> <p>Answer: Supplier, As required for the System installation and full operation. Please refer to section 2.5 to volume C - (SOW).</p>
3.	General	<p>Question: Due to complexity of the tender as well as summer vacations, we will ask to postpone submission date by 2 weeks.</p> <p>Answer: The Final Bid Submittal Date will be postponed to 22.9.19.</p>
4.	General	<p>Question: Should tender documents be signed and submitted, as part of tender submission? Please approve that contract not need to be signed upon tender submission stage.</p> <p>Answer: The Tender Documents (as detailed in Section 2.1 of the Tender Conditions and Instructions, Volume A), including the Agreement, must be signed by a person or persons duly authorized to sign on behalf of the Bidder. Documents / papers with a specific place for signature will be signed in full, and if necessary according to the signing rights of the Bidder, with the stamp and seal of the Bidder. Where required as indicated thereon, an attorney shall confirm in writing that the signatories were duly authorized to sign.</p>
5.	General	<p>Question: We would like to ask that you give an incentive and extra points for an Israeli based company and a preference for a "blue and white" bidder?</p> <p>Answer: The Tender is a tender for services, so the provisions of the Tender Regulations (preference made in Israel) that deal with tenders for the purchase of goods do not apply.</p>
6.	General	<p>Question: Why is it required to alert every 5 minutes of the status in the car?</p> <p>Answer: The Tender documents shall remain unchanged. Please refer to answer to question no. 54 below.</p>
7.	General	<p>Question: we ask to present in our submission a fixed solution with fixed cameras in the highway (not in the car).</p> <p>Answer: The request is rejected. Bidders shall offer only solutions installed within the vehicle or adjacent to them as detailed in section 4.2 to volume C (SOW).</p>
8.	General	<p>Question: We would like to find out if a response to this tender can be submitted for a technological solution that does not require in car installation (operational advantage) even if it</p>



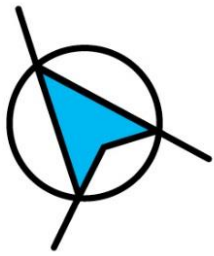
		does not yet have a commercial application or proof of feasibility in thousands of vehicles as stated. Answer: The bidder may submit any solution that meet the tender requirements, and the solutions will be reviewed by the Tender Committee. Please see Section 2.3 of the SOW.
9.	General	Question: Is it possible to add the Tender documents in open format (Word) for convenience and filling in the details? Answer: The appendices of the Tender Conditions And Instructions (Vol A) will be published in WORD format.
10.	General	Question: Does the system allowed to be connected to the car OBD? Answer: The System allowed to be connected to the OBD socket in the vehicle, and subject to coordination with the Operators and subject to compliance with all Tender requirements.
11.	General	Question: We ask that you approve the sharing of two entities for the purpose of responding to the Tender provided that the following conditions are met: A. There is a contractual relationship between the entities for cooperation for the purpose of the Tender. B. Both bodies undertake that as soon as the winning notice is received, the partnership will stand for the entities for the entire period of the contract with Company's routes or alternatively a designated joint company will be established. C. The general threshold conditions will apply to each of the entities, with at least one of the two entities meeting the professional Tender conditions in relation to the proposed system in response to the Tender requirements. Answer: The Tender documents shall remain unchanged. Please see section 3.2 to the Tender Conditions and Instructions.
Questions regarding Volume A - TENDER CONDITIONS AND INSTRUCTIONS		
12.	1.2.4	Question: Does Application refer to the application being developed by Via (this was mentioned in the Bidders meeting)? Also, What is the integration needed with the application? Answer: Yes, Please refer to the definition of "Application" in section 1.2.4 and to section 5.5.1.2 of the SOW.
13.	1.4	Question: How does section 6.8a will apply in case of System which its development has not yet been completed? Answer: To the extent a Bidder wishes to propose as part of its Bid a System which its development has not yet been completed, the provisions of Section 6.8(a) of the Tender may apply (in a full discretion of the bidder) - the Bidder may submit the proposed price for one-time consideration for the Company's participation in the completion of development costs ("Company's participation"). A Bidder who asks to receive such payment shall be required to pay royalties to the Company in the amount of 1% of the System's sales turnover, for every NIS 50,000 asked by the Bidder as the Company's participation, for a period of 10 years commencing from the completion of development of the System, all as detailed in Section 14 of the Agreement.
14.	1.5.5.4	Question: The request for 24/7 364 days a year, would substantially increase the price of the solution and provides a major advantage to large integrators or to the winners/operators.



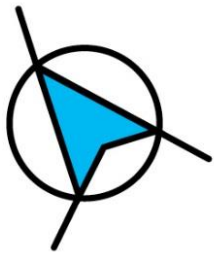
		<p>We ask that you refer to this point.</p> <p>Answer: The System shall be operated at all experiment activity hours, according to the Company's instructions. However, in the event of critical fault, as described in Section 17 of the SOW, the maximum time for start of handling by the Supplier shall be changed to up to two hours, between 8:00 AM to 17:00 PM. In case of critical fault occurred not within the abovementioned timeframe, the fault shall be handled as soon as possible, but no later than 8:00 AM in the next day. Section 17 of the SOW shall be amended accordingly.</p>
15.	1.5.5.4	<p>Question: How Supplier will provide assistance and training to the operator?</p> <p>Answer: Training will be provided as part of technical support, as detailed in section 16.4 of Volume C (SOW).</p>
16.	4.2	<p>Question: Vehicle occupancy verification and the field of counting the number of people in a car by automated means is still in its infancy. The Company indeed understand this statement and as a proof in the current tender also allow the potential Supplier to develop a solution and pay for the development. Therefore, the pre-requisite in the tender for experience in installing at least 1,000 systems and having a working project with 5,000 transactions is inconsistent with the proposal to fund the development and the project. We would ask that you kindly remove the experience requirement as a prerequisite including Appendix 8.</p> <p>Answer: The request is partly accepted. The requirement in Section 4.2.2.2 shall reduce to 500 test trips In aggregate. Please refer to additional changes in this section. Please see section 2 above regarding the amendment of the professional pre-qualification requirements.</p>
17.	4.2	<p>Question: Part of the technology is still under development, therefore we would like to make sure the following is acceptable:</p> <ol style="list-style-type: none"> 1. Tests over 800 scenarios, some static and some dynamic, with different types of occupancy. All of these scenarios were double checked with a different technology for comparison. 2. Project duration of 6 months. 3. Supporting report by an approved vehicle testing company (instead of official authority 4.2.2.2 & 5.1.3) <p>Answer: Please see section 2 above regarding the amendment of the professional pre-qualification requirements.</p>
18.	4.2.2.1	<p>Question: Does a System which its development has not yet been completed shall comply with the requirements of section 4.2.2?</p> <p>Answer: Please see answer to question 13 above.</p>
19.	4.2.2.1.2	<p>Question: we will ask to reduce the amount of reports demanded in the section (5,000) (The mandatory requirement, is made a test in 5000 cars or more. however, In the POC stage we are talking about a few cars (2-3), can it be reduced to lower the minimum number of vehicles and meet the technical requirements with the success rates indicated in the tender)</p> <p>Answer: Please see answer to question 16 above.</p>
20.	6.8	<p>Question: It is not clear which price should be proposed – for 1000 or for 9000 users, and how will the equation in cell D2-D3 will be calculated</p> <p>Answer: The Bidders shall submit 2 proposals: (1) for up to 1,000 Volunteers and (2) for 1,001-10,000 Volunteers. Please see Note B and E in Section 6.8 of the Tender.</p>



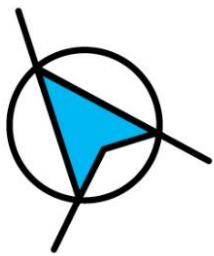
		To Clarify, the Bidders may submit 0 as proposal for 1,001-10,000 Volunteers.
21.	10.3	<p>Question: Due to very low experience in vehicle occupancy detection (in Israel and over the world), we would ask to include, for criteria for quality estimation, also projects the company or system manufacturer performed in the field of determined objects detection, with of at least 6 months duration.</p> <p>If approved, please change Appendix 8 accordingly.</p> <p>Answer: The request is rejected.</p>
22.	Appendix 7	<p>Question: Please allow this letter to be signed by company legal counsel.</p> <p>Answer: The request is accepted.</p>
23.	Appendix 7	<p>Question: Please allow to add the words “based on company management letter attached and signed by our seal for identification”.</p> <p>Answer: The request is accepted.</p>
Questions regarding Price Proposal		
24.		<p>Question: Should the price listed already include 20%?</p> <p>Answer: The cost of licensing for each Volunteer in excess of 10,000 Volunteers will be calculated based on the unit price offered by the Winning Bidder under the 20% discount offer. This is not required to mention in the Proposal Form.</p> <p>The price proposed in cell B3 for licenses and rights to use the System during the Term of the Agreement for up to 10,000 users shall apply, after deduction of a 20% discount, as the price for licenses and rights to use the System during the Term of the Agreement for more than 10,000 Users, pro-rata, according to the number of Users.</p> <p>As far as the System Manufacturer does not require this payment according to its licensing terms - the Bidder should submit 0 in this cell.</p>
25.		<p>Question: Would like to make sure:</p> <ol style="list-style-type: none"> 1. The price proposal includes a one-time license fee and not hardware fee? 2. Annual services fee? <p>Answer: The price proposal should include all the services and/or goods and/or licenses and/or hardware and/or other components (as applicable, according to the proposed System) that are required for full operation of System that meets all the requirements detailed in the Tender Documents [special reference is made in section 2.5 in volume C - SOW.</p> <p>The company in seeking solely for a service. The IP rights remain owned by Supplier or System Manufacture. The price proposal stated to give Supplier a various of options regarding the payment mechanism.</p>
Questions regarding Volume B – AGREEMENT		
26.	4.18	<p>Question: The Supplier has to warrant that it has investigated and familiarized itself with all aspects of the Customer’s existing systems. We ask to specify in an appendix to the Tender a list of all the Customer’s existing systems which are relevant to this Project.</p> <p>Answer: Please see presentation regarding the Experiment in the Company’s website.</p>



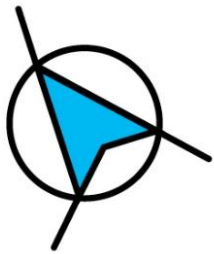
27.	7	Question: It is not clear which party defines and determine the content of the Acceptance Tests – please clarify which party will determine that.
		Answer: Please see Sections 6.4.6 and 9 to the SOW. Supplier will be required to submit for Company approval a document specifying the acceptance tests procedure, as part of the design stage, at least 60 days prior to the scheduling of these.
28.	9.6.1	Question: Please add damages due to the Company or Force Majeure.
		Answer: The request is rejected.
29.	20	Question: Please add the following language: “Notwithstanding anything to the contrary, neither Party shall be liable for indirect or consequential damage, including loss of data, loss of income and/or profit and except in the event of willful misconduct, bodily injury, infringement of an IP right or breach of confidentiality either Party total cumulative liability shall not exceed the Consideration actually paid during the 12 months preceding to the claim.
		Answer: The request is rejected.
30.	20.8.1	Question: <ol style="list-style-type: none"> In line 1 after the words “third parties” please add the words “combined limits with product liability insurance”. In line 3 after the word “and” please delete the words “any ensuing loss”. In line 5 after the word “for” please delete the words “any annual” and switch this to the word “the”. In line 7 after the words “for the” please delete the word “errors” and switch this to the word “acts”.
		Answer: <ol style="list-style-type: none"> The request is accepted. The request is rejected. The request is rejected. The request is accepted.
31.	20.8.3	Question: Please delete this section.
		Answer: The request is rejected.
32.	20.8.4 20.8.5	Question: Both insurance are combined in one. We would ask that you combine the sections into one to read that Product and Prof Indemnity insurance is ...not less than USD1M.
		Answer: The request is accepted.
33.	20.8.4	Question: <ol style="list-style-type: none"> In line 4 after the word “aggregate” please delete the words “for any” and switch it to the words “for the”. In line 6 after the word “employees” and after the word “documents” please add the words “up to sub limit of 2,000,000 ILS for one claim and in the aggregate”. After the word “delay” please add the words “due to an insurance event”. In line 12 after the word “confidentiality” please delete the words “breach of the law of privacy and liability due to the unintentional distribution of viruses”. In line 15 after the word “sites” please add the words “or breach of law of privacy”.



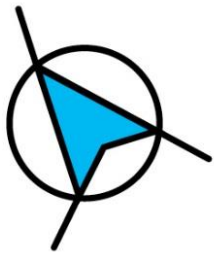
		<p>Answer:</p> <ol style="list-style-type: none"> The request is accepted. The request is accepted. The request is accepted. The request is rejected. The request is rejected.
34.	20.8.5	<p>Question:</p> <p>In line 1 after the word "Insurance" please add the words "combined limit with third party liability insurance".</p> <p>In line 3 after the word "aggregate" please delete the words "per annum".</p> <p>In line 9 after the words "period of" please delete the words "at least".</p> <p>Answer: The reference to the Section in the agreement is unclear.</p>
35.	20.8.6.3	<p>Question: In line 1 after the words "by Supplier" please add the words "in good faith".</p> <p>In line 2 please delete the words "and/or the additional parties".</p> <p>Answer: The reference to the Section in the agreement is unclear.</p>
36.	20.9	<p>Question: In line 2 after the words "insurance for" please delete the words "as long as its liability exists under this agreement and/or under any law" and switch it to the words "additional period of 1 year after the date its obligation pursuant to this agreement expire"</p> <p>Answer: The request is rejected; 7 years is as per law regarding statute of limitation.</p>
37.	20.15	<p>Question: please delete this section.</p> <p>Answer: The request is rejected.</p>
38.	20.15	<p>Question:</p> <p>In line 5 after the word "services" please delete the words "alternatively, the Supplier"</p> <p>Also please delete lines 6-7.</p> <p>Answer: The request is rejected.</p>
39.	26	<p>Question: Please add a standard Force Majeure clause as follows: "Neither Party shall be liable for a delay, fault and/or damage caused by fire, liquid, power supply interruptions and other cause beyond its reasonable control".</p> <p>Answer: The request is rejected.</p>
40.	Appendix C	<p>Question: we would ask to delete the section regarding "Urban Express".</p> <p>Answer: Section 3 of appendix C shall be deleted.</p>
Questions regarding Volume C – SOW		
41.	3.2.1	<p>Question:</p> <p>1. How is the ground-truth of number of occupants gathered during the system performance evaluation stage?</p>



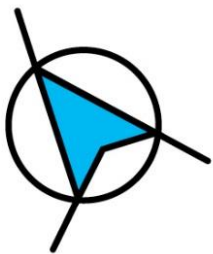
		<p>2. FP – the system sends number of passengers every 5 minutes. If there was only one false reading during the ride – how to calculate it?</p> <p>Answer: 1. The types of tests will be defined during the design stage detailed in section 6 in volume C (SOW).</p> <p>2. According to Section 3 of the SOW.</p>
42.	3.2.1 - 3.2.8	<p>Question: What is the minimal number of occupants in a car to count as “cooperative travel”?</p> <p>Answer: 2 occupants.</p>
43.	3.2.5	<p>Question: 1. What do you define as a relevant trip? 2. Should the system be turned manually off when not in relevant trip?</p> <p>Answer: 1. relevant trip is every trip in the frame of the Experiment. 2. There is no need to turn the System off manually.</p>
44.	4.1	<p>Question: 1. Can we assume all participants in the experiment will have with them their smartphone? 2. Can we use it to send API (such as indication for the driver of # of occupants), provide change of parameters and so on?</p> <p>Answer: 1. Yes. 2. The data shall be transferred to Application developer/Operators, as mentioned in question 54 below. There is no need to provide indication directly to the Volunteers.</p>
45.	4.3	<p>Question: 1. does the system required only to recognize humans or also to count animals and objects? We assume just humans. 2. Does the system should recognize between children to adults?</p> <p>Answer: 1. Only humans. The System should detect and remove any object/animal of the counting. 2. No, but the system should recognize every human.</p>
46.	4.4	<p>Question: Why do you limit the solution for not letting the passenger in the vehicle to operate the system? We would like you to consider this as an option.</p> <p>Answer: the Company seek for an automated solution that will not require Volunteer involvement. In any case, it is proposed to present the solution as part of the Bid and the level of involvement required of the Volunteer will be examined by the Tender Committee under the methodology document to be examined and evaluated as part of the quality evaluation stage, as detailed in Section 5.1.4 to volume A, and during the POC stage. Please refer to the amendment made in section 4.4 in volume C (SOW).</p>
47.	4.6	<p>Question: According to the section “A volunteer will be able to interrupt the system operation, at his consideration.” Please consider that this case might reduce the precision of system and might impact the measurement at this case.</p>



		Answer: The request is accepted. please refer to the amendment made in section 4.6 in volume C (SOW).
48.	4.7	Question: Where can we find the experiment area? Where can we find the normal activity hours? Answer: the Experiment area is all over Israel, and the activity hours are at all times, and shall be according to the Company's instructions and the Experiment needs. Please see presentation regarding the Experiment in the Company's website.
49.	4.7	Question: The system will transmit information in 5 minutes interval only when the vehicle is within the experiment area. Out of the testing area, the system will not transfer any data: is this approved? Answer: The System should be able to cover all areas (the entire country). Currently, Experiment Areas are defined in section 1.2 to volume C (SOW), and the Company may instruct Supplier to change it from times from time.
50.		Question: is a vocal notification acceptable? Answer: Please see answer to question no. 8 above.
51.	4.13	Question: is GPS mandatory as part of the solution? is Fixed location detection based on "gates" on road bridge can be acceptable? Answer: No.
52.	4.15	Question: What is the list of parameters to be edited? Answer: Bidders shall specify in the methodology document parameters that can be controlled without programming changes. These parameters are defined as part of the detailed planning stage. Without derogating from the above, the parameters are specified in section 4.15 in volume C.
53.	4.16	Question: As discussed on bidder's meeting, please approve the possibility that a solution which end accessory will be based on Volunteer's Cellular phone. Answer: Please see answer to question no. 8 above. End accessory can be based on Volunteer's Cellular phone.
54.	4.16	Question: In order to provide real-time indication to the driver of the occupancy count, can the system be allowed to send SMS to the volunteer cellular phone? Answer: Reporting to the volunteers will be provided by the Application. It is the Supplier's responsibility to provide real-time indication to the Application developer and/or the Operators. Real-time indication shall mean every 5 minutes (5 minutes interval) during the experiment operation time.
55.	4.16.1	Question: Can we assume working time to be shorter or this is a mandatory requirement? Answer: It is a mandatory requirement.
56.	4.16.1	Question: Why does the system required to operate 6 hours after disconnection? We have no plans for batteries. Is a connection at all the time to car (with ignition on/off) ok?



		<p>Answer: The demand shall reduce to at least 2 hours after disconnection.</p> <p>Bidders can offer a product that does not contain an internal battery as long as the System receives voltage and is operated even while the vehicle's ignition switch is disconnected, for the purpose of preserving information. In any event, if the battery is disconnected, this event will be recorded as a failure and will be reported to the management center when the power is returned to the system.</p> <p>The requirement is designed to allow backup for connection in the absence of another power source.</p>
57.	4.16.2	<p>Question: Section 3.4.3 to the SOW states 70 degrees, which one to take into consideration?</p> <p>Answer: the section has been amended. Please see the updated SOW in the company's website.</p>
58.	4.16.3	<p>Question: Can we exceed this requirement? The current limitation does not enable compliance with location and communication requirements</p> <p>Answer: During operation, the consumption current should not exceed 30ma\h. Please see the updated SOW in the company's website.</p>
59.	4.16.3	<p>Question: Energy consumption for end device with GPS is too low, please elaborate.</p> <p>Answer: please see answer to question 58 above.</p>
60.	4.16.4	<p>Question: if the System will be installed in the car, why does it need to be water proof?</p> <p>Answer: The minimal requirement has been amended to standard IP45. Please see the updated SOW in the company's website.</p>
61.	4.16.4	<p>Question: In this section you are asking for water protection according to IP40 standard, but this standard are referred to dust(4) intrusion and not water(0)</p> <p>Answer: Please see answer to question 60 above.</p>
62.	5.1	<p>Question: We request to reduce the size of the data centers required and to change the distance between one another to 5 KM.</p> <p>Answer: : Not acceptable.</p>
63.	5.1.2.2	<p>Question: Is a solution that requires installation of additional hardware on road bridges is acceptable?</p> <p>Answer: Not acceptable.</p>
64.	5.13	<p>Question: Servers will be abroad (e.g Amazon, Linode or the like) – is this OK? With their cloud certifications.</p> <p>Answer: Yes, subject to compliance with all Tender requirements, including the requirements of Data security requirements for Suppliers annex.</p>
65.	5.2.4.2	<p>Question: 15 minutes RPO isn't reasonable for such a system and will increase the price substantially. We ask to change it to 2 hours.</p>



		Answer: The request is accepted. Please see section 5.2.4.2 in the updated SOW in the company's website.
66.	6	Question: We ask that you clearly mention that all IP including changes made for the Company belongs to the bidder / or system owner, and if a system is brought from abroad no player will allow to expose all such design documents.
		Answer: The Bidder shall own all IP of the System, not including changes made for the Company. In the event that the Supplier asked for Company's participation, as defined in Section 6.8 of the Tender Conditions and Instructions.
67.	7.4	Question: We ask that you allow additional 2 months for development.
		Answer: The request is rejected.
68.	17	Question: Liquidated Damages – please add that: 1. No Compensation will be paid by Supplier in the event of s delay due to the Customer or Force Majeure. 2. The total cumulative compensation will not exceed 10% of the yearly consideration for the Services.
		Answer: 1. No Compensation will be paid by Supplier in the event of s delay due to the Company, but not included in the event of Force Majeure. 2. The request is rejected.
69.	17	Question: Regards to the very strict terms of service calls in case of different problems, will you consider to make them less strict?
		Answer: Please see answer to question 14 above.
Questions regarding Volume D – Guidelines for the POC Stage		
70.	2.4.1	Question: How will the data be transferred? how will the data presented to users?
		Answer: The data shall be transferred to Application developer/Operators, as mentioned in question 54 above. There is no need to provide indication directly to the Volunteers.
71.	2.5.2	Question: How long before can we have the vehicle model?
		Answer: All information required for the POC stage will be published 7 days before the commencing date of this stage. Please see section 1.4 of Guidelines-for-the-POC-Stage.

* * *

This clarifications document, constitutes an integral part of the Tender Documents, and the Bidder is requested to attach a signed copy thereof to its Bid.

Name of Bidder: _____ **Bidder's Signature:** _____

Date: _____