



May 27, 2015

Re: **NOTICE # 3 TO PARTICIPANTS**
TENDER NO. 41501

This notice (the “**Notice**”) is being furnished to Bidders in accordance with the provisions of Section 19 of the General Terms and Conditions of the Tender Documents.

Capitalized words and terms used herein and not otherwise defined shall have the same meaning ascribed to them in the Tender Documents.

Explanatory Note

For the removal of doubt, with respect to any question or request not specifically addressed in this Notice, the Tender Documents remain unchanged and fully binding. It is hereby further clarified that throughout the Tender Process, ISR shall only be bound by information submitted by ISR in writing, and no oral or other non-written response or information will bind ISR for any purpose whatsoever.

General Terms and Conditions of the Tender Documents

- 1. Question:** ISR is requested to clarify whether it is acceptable to submit all the required documents scanned.

Answer: It is acceptable to submit scanned copies and not original documents. It is hereby clarified that such copies shall be signed by the relevant authorized representative of the Bidder.

- 2. Question:** In relation to section 8, ISR is requested to modify the Delivery Time from six (6) months to eight (8) months.

Answer: ISR has reviewed the request and has decided to accept the request. The Delivery Time shall be amended to eight (8) months for the Initial Purchase Order as defined in section 6.1 of the General Terms and Conditions.

- 3. Question:** In relation to section 8, ISR is requested to clarify whether it is acceptable, due to capacity planning, to limit the supplier's obligation to supply only two devices within six (6) months, in case purchase orders are placed twelve (12) months from the effective date of the Agreement.

Answer: ISR has reviewed the request and has decided not to accept the request.

4. **Question:** In relation to section 9.1, ISR is requested to clarify whether it is acceptable that the applied spare parts may vary due to potential lack of availability during the fifteen (15) years of operation.

Answer: It is acceptable that in case any spare part becomes obsolete, than the supplier shall offer ISR an adequate substitute at a comparable price.

5. **Question:** In relation to section 9.3, ISR is requested to clarify whether it is acceptable to modify the linkage mechanism from HICP to a fixed increase of 1.8% per year.

Answer: ISR has reviewed the request and has decided not to accept the request. Nevertheless, if a Bidder feels that the linkage mechanism does not reflect the actual costs in the market, than the Bidder is allowed to suggest in its offer a different mechanism, and the suggestion shall be reviewed by ISR.

6. **Question:** ISR is requested to provide all Tender and Agreement documents in word format (.doc).

Answer: ISR has reviewed the request and has decided to accept the request, regarding the documents that should be filled out by the Bidders.

Agreement

1. **Question:** In relation to section 16.1, ISR is requested to clarify whether the down payment is twenty percent (20%) or fifty percent (50%).

Answer: The down payment specified in section 16.1 is twenty percent (20%).

2. **Question:** In relation to section 19.1.2, ISR is requested to clarify whether it is acceptable to use AAL (against all risks) insurance.

Answer: It is acceptable to maintain a marine insurance with an AAL format. It is not acceptable to maintain a different kind of insurance, which is not marine insurance, even with an AAL format.

3. **Question:** In relation to sections 19.1.1 and 19.1.2, ISR is requested to clarify whether it is acceptable not to conduct property insurance and marine "all risks" insurance, taking into consideration the size of this project, and therefore, to respectively delete sections 19.9 and 19.10.

Answer: ISR has reviewed the request and has decided to accept the request, as long as the Bidder's annual revenue during 2014 was not less than one hundred million (100,000,000) U.S. Dollar.

4. **Question:** ISR is requested to clarify the meaning of section 10.2.

Answer: Section 10.2 refers to the price for changes included in a Change Order, as much as those changes are supplements to parts or systems which

were already priced in the Bidder's offer.

5. **Question:** ISR is requested to clarify whether it is acceptable to set a limitation of liability.

Answer: ISR does not tend to set a limitation of liability. However, the Bidder is entitled to suggest such limitation in its proposal, and ISR shall review the offer.

6. **Question:** ISR is requested to clarify the meaning of section 7.1.

Answer: Section 7.1 refers to the supplier obligation to supply to ISR, during the Agreement term, all of the facilities necessary for the full operation of the devices, similar to the obligation stated in section 13.1.

7. **Question:** In relation to section 11.4, ISR is requested to clarify what is the maximum period for ISR to accept the Devices.

Answer: As specified in section 9.11, upon delivery of each order of Devices, ISR shall provide the supplier with an acceptance certificate. Such certificate will not be unreasonably withheld.

8. **Question:** In relation to section 5.2, ISR is requested to clarify whether it is acceptable to modify the section, so that ISR shall have the option to extend the Agreement period by additional periods (or part) of up to three (3) years, under the condition that the supplier is still capable to supply such Devices, technically wise.

Answer: ISR has reviewed the request and has decided not to accept the request. The supplier shall be obligated to supply the Devices, during the Option Period, whether they are identical to those already supplied during the Agreement Term, or upgraded, at the price set forth in Appendix B of the Agreement.

9. **Question:** ISR is requested to clarify the choice of law and court provisions and exclusion of United Nations Convention on Contracts for the International Sale of Goods, as this information appears to be missing.

Answer: As specified in section 4.8, The Agreement shall, in all respects, be governed by and construed in accordance with the laws of the State of Israel. The Sale (International Sale of Goods) Law, 5760-1999, the Uniform Law on International Sales (1964) and the United Nations (Vienna) Convention on Contracts for the International Sale of Goods of April 11, 1980 shall not be applicable to this Agreement. Any dispute and/or legal issue arising in connection with the Agreement, including its validity or interpretation, shall be referred to the competent Court located in Tel Aviv in Israel, which shall have exclusive jurisdiction in all matters related to this Tender and/or Agreement.

Technical Specifications

1. **Question:** In relation to section 4.1, ISR is requested to clarify whether it is acceptable to use smaller dimensions (approximately 600-800 X 500-700 X 800-1100 W x D x H in mm).

Answer: It is acceptable to use smaller dimensions, as specified in the question.

2. **Question:** ISR is requested to clarify whether it is acceptable to submit, as an attachment to the Technical Proposal, a description of the proposed testing procedure, since based on the provided information, it is not possible to define the exact requirements of the testing procedure.

Answer: It is acceptable to submit, as an attachment to the Technical Proposal, a description of the proposed testing procedure. Obviously, ISR reserve its right to demand required amendments.

3. **Question:** In relation to section 3.1.1, ISR is requested to clarify what is the permitted leakage level according to the manufacturer instructions.

Answer: Leakage is forbidden, and there is no permitted level. Furthermore, the Devices should be able to inspect and detect any possible leakage in the airbrake systems.

4. **Question:** ISR is requested to clarify the volume of the different vehicles that should be tested by the proposed devices.

Answer: There is no significance to the volume of the tested rolling stock vehicles. The rolling stock types were specified in Section 2 of the Technical Specifications.

5. **Question:** In relation to section 3.2, ISR is requested to clarify whether it is acceptable to provide different hardware control elements than those specified in Section 3.2.1 of the Technical Specifications such as:

- 10,4" SVGA TFT LCD screen.
- Intel Atom N2600/1.6 GHz, SODIMM DDRIII to 2 GB.
- Wireless Communication, 802.11b/g/n WLAN (default); 802.11 a/b/g/n (optional), Bluetooth 4.0 class2, GPS (u-blox 6; 50-channel; supports GALILEO); WWAN (Cinterion PH8), Camera , CMOS 2.0M pixel Camera module, USB 2.0 x 2, Serial port RS-232 x 1, VGA port x 1, Audio in jack x 1, Audio out jack x 1, Internal mono microphone x 1, DC-in x 1, Docking port (32-pin; USB/PCIE/DC), SIM slot (with WWAN option), Audio Output, 1 Watt speaker x 2, Expansion Port, SD memory card x 1 (SD 2.0/SDHC), Battery, Internal battery: 3S1P 11.1V 1880mAh, Hot-Swap External Battery: 11.1V 3760/5000mAh (Optional), DC Input 19V 1± 5%, OS Support, Windows 7 Professional /Embedded.
- No expansion slots for 2 half-length PCI boards.
- Temperature & Humidity: Operating Temperature: -20° C (*2) ~ 50° C (Charge: 0° C ~ 40° C for the battery protection), Storage Temperature -30°

C ~ 60° C, Operating Humidity 5% ~ 95% @ 40° C, IP Rating, IP54, Drop, 4-foot drop onto Plywood, MIL-STD-810G 516.5 Procedure VI, Vibration, MIL-STD-810G, EN50155 certified.

- USB 2.0 connection x 2.

Answer: It is acceptable to provide different hardware control elements, as specified in the question. The suggested elements are acceptable.

Please confirm receipt and acknowledgement of the above Notice, by completing the slip below, and returning it by fax to the undersigned at fax number: **+972-3-6937416**.

Yours Faithfully,

Chen Gevirtz
International Procurement Coordinator

To Chen Gevirtz - Israel Railways Ltd.
Facsimile: +972-3-6937416

We hereby confirm the receipt of Notice # 3 (5 pages including this page) and its enclosures in Tender No. 41501 dated May 27, 2015 and hereby acknowledge the clarifications set forth therein.

Name

Company

Sign