

**Invitation For Pre-Qualification To Participate In A Tender To Own, Operate And Maintain A Hazardous Waste Incineration Facility In Neot Hovav Industrial Area**

**Replies to Requests for Clarifications and Addendum No. 1**

	<b>Section (reference to the relevant Section in the applicable Pre- Qualification Document)</b>	<b>Subject</b>	<b>Clarification/Question</b>	<b>Reply</b>
1.	2.6	Purchase the NH Facility from Ecosol	Are Ecosol allowed to participate in the tender? If so, what is the competitive model, considering that any other bidder will be required to pay the purchase price of the NH Facility?	As stated in Section 2.11 of the Invitation, Ecosol may participate in the Tender. Any terms and conditions which may be applicable to Ecosol as current owner of the NH Facility, if any, will be published during the Second Tender Stage.
2.	3.4.1	Anticipated Schedule	The Tender Committee is kindly requested to postpone the Pre-Qualification Submission Date and the Final Date for Submission of Requests for Clarifications by 1 month.	The Anticipated Schedule of the Pre-Qualification Stage is amended as follows: <ol style="list-style-type: none"> <li>1. Final Date for the payment of the Participation Fee – April 4, 2023.</li> <li>2. Final Date for Submission of Requests for Clarifications – March 9, 2023.</li> <li>3. Pre-Qualification Submission Date – April 17, 2023.</li> </ol>
3.	5.3, 4.3	Experience Provider	The Tender Committee is kindly requested to postpone the demonstration of professional experience by an Experience Provider to the Second Tender Stage.	The request is rejected.
4.	4.1.2	The Participant	The Tender Committee is kindly requested to amend section 10.10 in a manner that will allow the participation of a limited liability partnership as an alternative to a special purpose company.	The request is accepted. Accordingly, the definition of "SPC" is amended as follows: <i>"<u>SPCSPV</u>" shall mean a single purpose company or limited liability partnership, incorporated in accordance with all relevant Laws, which sole</i>

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				<p><i>purpose shall be the participation <del>on</del> in the Tender Process, the submission of the Bid, and the execution of the OOT Agreement in the event of a Successful Bid."</i></p> <p>Additionally, all mentions of "SPC" in the Invitation are amended to "SPV".</p>
5.	5.2.3.5.2	No Conflict of Interest	The Tender Committee is kindly requested to amend section 5.2.3.5.2 so the requirement to elaborate all engagements with the ESC's Advisors shall only apply with respect to Participating Entities and not to all Participants' Affiliated Entities.	The request is rejected. Please note that according to Clause 5.2.3.5 and 5.2.3.6 of the Invitation, the Participating Entity may a Request for Approval or Notification.
6.	Definitions	Tender Documents Definition.	The Tender Committee is kindly requested to amend the definition of the term "Tender Document" which seems to have typographical errors.	The definition of the term Tender Documents is amended as follows: <i>"Shall mean all documents which shall be distributed to Eligible Participants as part of the Tender Process, including the Invitation to bid and all forms provided therein, the Sale Contract and the <del>Purchase</del> OOT Agreement <del>{are these two separate agreements?}</del> and any other document which will be issued by the Tender Committee during the Tender Process."</i>
7.	2.10	Introduction	Please add: "... will transfer the ownership of the NH Facility to ESC <u>"AS IS"</u>	The request is rejected. The exact terms of the OOT Agreement, including handover of the NH Facility, shall be published in the Second Tender Stage.

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8.	5.2.3.8	Conflict of interest	We are kindly requesting to publish all the requests for clarification, questions, and the committee's answers to all operators.	Replies to Requests for Clarifications are published by the Tender Committee subject to the terms of Section 7.8 of the Invitation. Replies to Requests for Approval and Notifications pertaining to potential conflict of interests will be published at the Tender Committee's discretion.
9.		Financial aspects	Kindly advise the opening date of the Data Room.	The Data Room will be open to Eligible Participants in the Second Tender Stage.
10.		Financial Aspects / Conflict of Interest / Market Restrictions	The Participating Entity owns an ecology services company operating locally. Please clarify if a conflict of interest exists.	The Tender Committee requests further information from the Participating Entity in order to determine its position in relation to a potential conflict of interests or other impediment to the Participating Entity's participation in the Tender. In relation to a potential market restriction based on anti-trust issues, the Participating Entity is requested to provide a legal opinion from an Israeli lawyer regarding the expected extent of harmful impact to the market competition if the Participating Entity is declared the Successful Bidder. <b>In any event, Participants are hereby notified that if any PQ submission is subsequently rejected due to market restrictions – the Participation Fee shall be reimbursed to the applicable Participant.</b>
11.	PQ forms 8 and 9	Confirmation of Financial Robustness	The Tender Committee is requested to allow the CFO or CEO of a Participating Entity to sign PQ Forms 8 and 9.	The request is accepted. PQ Forms 8 and 9 may be signed by either: (1) an external auditor. Or (2) the CEO or CFO (or equivalent role) of the applicable Participating Entity and in this case, the Participating Entity

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				<p>shall attach an external auditor's verification/opinion according to accepted accounting principles of the contents of the declaration in PQ Forms 8 and 9. There is no prescribed form of such verification.</p> <p>Accordingly, PQ Forms 8 and 9 shall be amended as attached to this Addendum No.1.</p> <p>In addition, Section 6.3.1 shall be amended as below.</p>
12.	6.3.1 Pre-Qualification Form 8 Pre-Qualification Form 9	External Auditor	Please provide Annex A to Form 8 (it is mentioned in section 6.3.1 but not attached).	<p>Forms 8 and 9 are to be signed by an external auditor. Annex A of Form 8 is cancelled.</p> <p>Section 6.3.1 is amended as follows:</p> <p><i>"To demonstrate compliance with the Financial Experience Requirements, the Participant shall submit Pre-Qualification Form 8 (Financial Robustness), including Annex A (<del>Confirmation by External Auditor</del>Financial Threshold Requirements) and Pre-Qualification Form 9 (No Going Concern), both signed by an external auditor or the CEO or CFO of the applicable Participating Entity. If signed by the CEO or CFO, the Participating Entity shall attach a letter of verification of the financial data by an external auditor in accordance with accepted accounting principles."</i></p> <p>Section 6.5.1 is amended as follows:</p>

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				<i>"The financial figures included in the Pre-Qualification Documents shall be submitted within Pre-Qualification Form 8 <del>annex A</del> in the applicable original currency of the Participating Entity's Financial Statements."</i>
13.			The Tender Committee is kindly requested to publish the tender documents in Hebrew.	The request is rejected. The language of the tender is English, subject to Section 7.7 of the Invitation. Please note that in accordance with Section 9.3 of the Invitation, submissions are also to be in English.
14.		Financial and Technical Information	The Tender Committee is requested to provide the price of the NH Facility to be paid to Ecosol and further financial and technical information.	The terms of the Sale Contract and further information regarding the NH Facility shall be published in the Second Tender Stage to Eligible Participants.
15.	2.8.2	Land use fees	According to Section 2.8.2 of the Invitation, the Successful Bidder will be required to pay ESC an annual amount for land use as offered in its Bid. Please clarify the scope and costs included in the land use amount.	The amount to be paid annually to ESC are rental costs, which reflect the entitlement to make use of the land owned by ESC in the ownership and operation of the NH Facility. This amount will be the subject of the tender – Participants will bid their price proposal for the annual land use fees. All additional taxes, permits, fees, levies, related to the use of the land, will be paid by the Successful Bidder directly to the relevant third party or relevant authority. Additional information in relation to taxes, permits, etc. will be published in the Second Tender Stage.
16.	5.4.1-5.4.2	Financial Threshold Requirements	Clarifications to the Financial Threshold Requirements in relation to	Sections 5.4.1-5.4.2 will be replaced by the following sections:

	Section (reference to the relevant Section in the applicable Pre-Qualification Document)	Subject	Clarification/Question	Reply
			participating Investment Funds.	<p><b><u>“5.4.1 Financial Requirements for a Sole Participant</u></b>  <i>A Sole Participant must demonstrate compliance with the following:</i></p> <p><i>5.4.1.1 It has Equity of not less than NIS 60,000,000 (sixty million New Israeli Shekels) based on its Latest Financial Statement.</i>  <i>However, it is clarified that if the Sole Participant is an Investment Fund and cannot demonstrate Equity, it shall demonstrate instead Unutilized Commitments under its management in an amount of at least NIS 180,000,000 (one hundred and eighty million New Israeli Shekels)</i></p> <p><i>5.4.1.2 Its Equity Ratio, based on its Latest Financial Statement, is not lower than 25% (twenty five percent). This requirement shall not apply to a Sole Participant which is an Investment Fund.</i></p> <p><i>5.4.1.3 Its Average Turnover, according to its Financial Statements for the last three (3) fiscal</i></p>

	Section (reference to the relevant Section in the applicable Pre-Qualification Document)	Subject	Clarification/Question	Reply
				<p>years (latest is no earlier than 2021), is not lower than NIS 100,000,000 (one hundred million New Israeli Shekels). This requirement shall not apply to a Sole Participant which is an Investment Fund .</p> <p>5.4.1.4 Its cumulative operating cash flow, according to its Financial Statements for the last three (3) fiscal years (latest is no earlier than 2021), is not negative (but is zero or positive). This requirement shall not apply to a Sole Participant which is an Investment Fund.</p> <p>5.4.2 <b><u>Financial Requirements for a Participating Consortium.</u></b> A Participating Consortium must demonstrate compliance with the following:</p> <p>5.4.2.1 It has a Weighted Equity of not less than NIS 90,000,000 (ninety million New Israeli Shekels) based on its Eligible Members' Latest Financial Statements ("<b>Minimal Weighted Equity</b>").</p>

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				<p><i>It is clarified that only Members whose Anticipated Holdings in the Participant are at least 20% ("<b>Eligible Member/s</b>") shall be considered in the calculation. Members whose Anticipated Holdings are less than 20% shall be considered to have no Equity (0 NIS)</i></p> <p><i>5.4.2.2 In a Participating Consortium with an Investment Fund Eligible Member which cannot demonstrate Equity, the following shall apply:</i></p> <p><i>a. The Investment Fund Eligible Member shall demonstrate Unutilized Commitments under its management in an amount of at least NIS 1,800,000 (one million eight hundred thousand NIS) for each 1% (one percent) of its Anticipated Holdings ;</i></p> <p><i>and</i></p> <p><i>b. The Minimal Weighted Equity to be demonstrated by the remaining Eligible Members</i></p>



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				<p><i>will be reduced pro rata</i></p> <p><i>Accordingly, the Minimal Weighted Equity of the remaining Eligible Members will be calculated as follows:</i></p> <p><i>Minimal Weighted Equity of the remaining Eligible Members = 90,000,000*(1-X)</i> <i>X= The Investment Fund's eligible member Anticipated Holdings</i></p> <p><i>5.4.2.3 The Equity Ratio of each of its Members, based on their Latest Financial Statements, is not lower than 25% (twenty five percent). This requirement shall not apply to an Investment Fund Member.</i></p> <p><i>5.4.2.4 The Weighted Average Turnover of the Participating Consortium, according to its Members Financial Statements for the last three (3) fiscal years (latest is not earlier than 2021), is not lower than NIS 150,000,000 (one hundred and fifty million New</i></p>

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				<p><i>Israeli Shekels). For the purpose of this requirement, only Eligible Members who are not Investment Funds shall be considered in the calculation. It is clarified that the Average Turnover of Members whose Anticipated Holdings are less than 20% and Members who are Investment Funds, shall be considered to be 0 NIS average turnover. . For example, if a Consortium has two members, Member A with anticipated holdings of 10% and member B with anticipated holdings of 90%, then Member B's Average Turnover should be at least 166,666,700 NIS.</i></p> <p><i>5.4.2.5 The cumulative operating cash flow, of each of its Members (which are not Investment Funds), according to their Financial Statements for the last three (3) fiscal years (latest is not earlier than 2021), is not negative (but is zero or positive).”</i></p>

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				<p>The following definition shall be added to Annex 1 – Definitions:</p> <p><b><i>"Unutilized Commitments"</i></b>  <i>"Shall mean the total commitments, deducted by (a) fund invested and (b) the fund committed to be invested by the Investment Fund."</i></p>
17.	7.5.1	Further information	<p>Can participants receive further information regarding the NH Facility or the Tender at ESC's offices by appointment?</p>	<p>Section 7.5.1 of the Invitation states:</p> <p><i>"Any Entity wishing to participate in the Tender Process may view the PreQualification Documents at the offices of ESC between the hours of 09:00 and 14:00 (by appointment) and on the Website."</i></p> <p>All information relevant to the PQ Stage is currently published on the Website. Nevertheless, if any participant wishes to review a hard copy of the same documents at ESC's offices, it is invited to contact ESC at <a href="mailto:michrazim@escil.co.il">michrazim@escil.co.il</a> to make such an appointment.</p>

**PRE-QUALIFICATION FORM “8”**

**FINANCIAL ROBUSTNESS**

*(To be completed by (1) an external auditor. Or (2) the CEO or CFO (or equivalent role) of the applicable Participating Entity and in this case, the Participating Entity shall attach an external auditor's verification/opinion according to accepted accounting principles of the contents of the declaration in this Form. There is no prescribed form of such verification ) )  
(Capitalized terms shall have the meaning ascribed to them in the Invitation)*

I, \_\_\_\_\_, the undersigned, am making this affidavit on behalf of \_\_\_\_\_ (*name of Sole Participant/ Member and/or Guarantor (as applicable)*) as its external auditor or as its CEO or CFO, based on the information within its audited financial statements:

Please mark and complete one of the four following options:

- this form is being completed on behalf of a Sole Participant without a Guarantor*
- this form is being completed on behalf of a Member without a Guarantor*
- this form is being completed on behalf of a Guarantor who is also a Member:*

Guarantor (in its capacity as a Member): \_\_\_\_\_

Name

Anticipated Holdings

\_\_\_\_%

Member(s) relying on \_\_\_\_\_ %  
the Guarantor: \_\_\_\_\_ %  
\_\_\_\_\_ %

Total Anticipated Holdings of the Guarantor and the Member(s) relying on the Guarantor (“**Total Anticipated Holdings**”): \_\_\_\_\_ %

*this form is being completed on behalf of a Guarantor who is not a Member:*

	<u>Name</u>	<u>Anticipated Holdings</u>
Guarantor (which is not a Member):	_____	
Sole Participant or Member(s) relying on the Guarantor:	_____	____%
	_____	____%
	_____	____%

Total Anticipated Holdings of the Member(s) relying on the Guarantor (“**Total Anticipated Holdings**”): \_\_\_\_\_ %

To be completed by all:

Financial Data of \_\_\_\_\_ (name of Sole Participant or Member or Guarantor (as applicable)) is denoted in \_\_\_\_\_ (name of original currency) as follows:

1. Equity

Equity (on the last day of the Latest Financial Statement –	_____
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2. The Equity Ratio is \_\_\_\_\_ (not lower than 25%).

3. Average Turnover (not relevant to Investment Funds)

Year	c – 2	c – 1	c [Latest Financial Statement]
Turnover	_____	_____	_____
Average Turnover	_____		

$$\text{Average Turnover} = \frac{TO_c + TO_{c-1} + TO_{c-2}}{3}$$

4. Operating Cash Flow (not relevant to Investment Funds)

Year	c – 2	c – 1	c [Latest Financial Statement]
Operating Cash Flow	_____	_____	_____
Cumulative Operating Cash Flow	_____		

\_\_\_\_\_ Date

\_\_\_\_\_ Stamp and Signature

**Attorney Confirmation**

I, \_\_\_\_\_, the undersigned, hereby confirm that on \_\_\_\_\_ [date], \_\_\_\_\_ [name], Israeli I.D. number / \_\_\_\_\_ [country] Passport number \_\_\_\_\_, who is authorized to sign on behalf of \_\_\_\_\_, and to commit it for purposes of the above stated Pre-Qualification Form, for all purposes and intents, appeared before me, and after being cautioned that he/she is required to state the truth, and that if he/she fails to do so he/she shall be liable to the punishments prescribed by Law, signed this statement in my presence.

\_\_\_\_\_ Name

\_\_\_\_\_ Stamp and Signature

\_\_\_\_\_ Date

**PRE-QUALIFICATION FORM "9"**

**NO GOING CONCERN**

*(To be completed by (1) an external auditor. Or (2) the CEO or CFO (or equivalent role) of the applicable Participating Entity and in this case, the Participating Entity shall attach an external auditor's verification/opinion according to accepted accounting principles of the contents of the declaration in this Form. There is no prescribed form of such verification ) )*

*(Capitalized terms shall have the meaning ascribed to them in the Invitation)*

I, \_\_\_\_\_, the undersigned, am making this affidavit on behalf of \_\_\_\_\_ (name of Participating Entity) as its external auditor or as its CEO or CFO, based on the information within its audited financial statements:

I confirm that the Participating Entity is not under any voluntary or involuntary bankruptcy process (liquidation or reorganization), or receivership or commencement of a similar insolvency proceeding, and that the Participating Entity's most recent Financial Statement does not include any going concern notice or an equivalent thereof under the applicable accounting rules.

\_\_\_\_\_ Date \_\_\_\_\_ Stamp and Signature

**Attorney Confirmation**

I, \_\_\_\_\_, the undersigned, hereby confirm that on \_\_\_\_\_ [date], \_\_\_\_\_ [name], Israeli I.D. number / \_\_\_\_\_ [country] Passport number \_\_\_\_\_, who is authorized to sign on behalf of \_\_\_\_\_, and to commit it for purposes of the above stated Pre-Qualification Form, for all purposes and intents, appeared before me, and after being cautioned that he/she is required to state the truth, and that if he/she fails to do so he/she shall be liable to the punishments prescribed by Law, signed this statement in my presence.

\_\_\_\_\_ Name \_\_\_\_\_ Stamp and Signature \_\_\_\_\_ Date  
\_\_\_\_\_