

Tender for the design, fabrication, delivery, installation, testing and commissioning of Pressure Reduction and Metering Stations (PRMS)

Israel Natural Gas Lines Ltd. (the "**Company**"), an Israeli governmental owned company, hereby publishes a tender for entering the Company's list of Approved Contractors from which the Company may order the design, fabrication, delivery, installation, testing and commissioning of Pressure Reduction and Metering Stations ("**PRMS**") for the Israeli natural gas transmission system for a period of three to five years (the "**Approved List**") (the "**Tender**").

The bidders may be a joint venture consisting of an Israeli member and a foreign member (a "**JV Bidder**") *or* an Israeli entity *or* a foreign entity, each complying, in and of itself, with the threshold requirements specified below (the "**Bidders**"). Bidders complying with the threshold requirements specified below are hereby invited to participate in the Tender and submit their proposals.

1. **Threshold Requirements Applicable to a Single Entity Bidder and to a Foreign Member of a JV Bidder** – the following are the main threshold requirements with which a single entity Bidder and a foreign member of a JV Bidder participating in the Tender should comply (the detailed and binding threshold requirements are specified in the Tender documents).
 - (1) Within the last five (5) calendar years (2013 – 2017) the Bidder/Foreign Member has successfully completed at least five (5) high pressure (inlet at least 40 barg) gas PRMSs with a minimum capacity of 20,000 Nm³/h each, to companies or other entities all of which are licensed to transmit or distribute natural gas and/or to operate power plants which are 50 MW or more in current OECD Member countries listed in the Tender documents.
 - (2) (a) it had an annual weighted average turnover of at least 30 million Euro over the course of 2014 – 2016; and (b) in case of a single entity Bidder – its equity for the end of 2016 was no less than 10,000,000 Euro or, in case of a Foreign Member - its equity for the end of 2016 was no less than 10,000,000 Euro multiplied by its share in the JV capital; and (c) its weighted average yearly cash flow from operating activities was positive.
 - (3) The Bidder or Foreign Member holds valid ISO 9001:2000 certificates or comparable certification.
 - (4) The Bidder or Foreign Member works in accordance with International and European Standards.
 - (5) The Bidder or Foreign Member is the manufacturer of at least two of seven PRMS main components as specified in the Tender documents.

- (6) The Bidder or Foreign Member has an integral in-house engineering department and an integral in-house quality assurance department.
- (7) The Bidder entered into subcontractor agreement(s) with Israeli contractor(s) in the fields of electricity, mechanical installation and control systems as specified in the Tender documents. In case of a JV Bidder, the Israeli Member may act in lieu of any or all of these main subcontractors, provided that it meets the applicable threshold requirements specified for such subcontractors in the Tender documents.
- (8) The Bidder undertook to employ two project managers - a foreign project manager and an Israeli project manager.
- (9) The Bidder undertook that certain main components of the PRMS listed in the Tender documents will be of the authorized brands and/or manufacturers specified in the Tender documents.
- (10) A Bidder is required to obtain, in the quality evaluation of its Tender, minimum grades as follows: (a) at least 50% of the maximum potential points for quality of goods category; and (b) at least 80 accumulated points out of 100 accumulated points available in the four categories specified above.

2. **Threshold Requirements for the Israeli Member (in case of a JV Bidder)** - in case of a JV Bidder, the Israeli Member should comply with the following threshold requirements (the detailed and binding threshold requirements are specified in the Tender documents).

- (1) (a) it had an annual weighted average turnover of at least 20 million NIS over the course of 2014 – 2016; and (b) its equity for the end of 2016 was no less than 10,000,000 Euro (or the equivalent in NIS) multiplied by its share in the JV capital; and (c) its weighted average yearly cash flow from operating activities was positive.
- (2) The Israeli Member holds valid and updated ISO 9001:2000 certificates or comparable Certification in its field of expertise.

3. **General Information** –The Tender documents are available for viewing only, online, free of charge, on the Company's Website (www.ingl.co.il). All other Tender Documents shall be available, free of charge, after and upon registration with the Tender Committee Coordinator (Ms. Shosh Yaacoby; e-mail: Yaacoby@ingl.co.il) and providing her with the Bidder's contact details.

Bidders should submit their proposals to the Company's offices: Atidim Tower (Building No. 8), 2184 St., Floor 33, Kiryat Atidim, Tel Aviv, Israel (Engineering/PRMS Department) at the above address not later than February 28, at 12:00.

Requests for clarifications should be submitted by e-mail only to: Yaacoby@ingl.co.il.