

To:

Bidders in International Public Tender for the Manufacture and Supply of High Pressure Natural Gas Pipes (INGL/TENDER/2019/06)

Via: e-mail and INGL Website

08/03/2019

Contract & Procurement Department e-mail: c-tender@ingl.co.il

Ref: 395305

Re: Clarification & Amendment no. 4 -

<u>International Public Tender for the Manufacture and Supply of High Pressure Natural Gas Pipes (INGL/TENDER/2019/06)</u>

1. General

- 1.1. All capitalized terms not expressly defined herein shall have the meaning attributed to them in the Tender Documents.
- 1.2. The clarifications and amendments appearing below replace and supersede all prior correspondence, whether written or oral, and shall constitute the sole binding document with respect to the subject matter hereof and an integral part of the Tender Documents.
- 1.3. Except where expressly stated herein, nothing in this clarification and amendment letter shall be construed to derogate from the Tender Documents.
- 1.4. Bidders are requested to send a confirmed signed copy of this Clarification & Amendment no. 4 immediately upon its receipt and to submit it signed as integral part of their Bid.

Q – Question, **A** – Answer

ITB – the instruction Submit Bids (doc. no. 394233)

Contract - the Contract for the Manufacture & Supply of Pipes (doc. no. 394290)

INGL - the Company

2. Clarifications

Please note that clarifications and amendments regarding engineering / technical matters are in Annex 1 to this document, for convenience.

| # | | DOCUMENT SECTION | CLARIFICATION |
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| 1 | Q | ITB, Clauses 11.5.4, 11.5.5 | We kindly ask you to reconsider your standing for your answer to question no. 10 in "Clarification & Amendment no 2" to the Tender, regarding the Thresholds in Clauses 11.5.4 and 11.5.5. |
| | Α | | No change in our abovementioned answer. |



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| 2 | Q | ITB, Clause 15.3 | Please confirm that the port costs which will occur at arrival port in Israel will be shared 50% - 50% between the Supplier and the buyer (INGL) according to the regulations published by the Israeli Port Authorities relates to the tariffs on import costs for the Supplier and the Owner of Cargo (published on the website of the Israeli Ports Authority showing the above cost allocations for import metal products). In this respect please change the last sentence of Clause 15.3 accordingly. |
| | A | | Not confirmed. The current Pipes shall be purchased according to the DAP incoterms 2010 which imposed only the following costs on the Buyer (the Company - INGL): (a) the import costs (custom duty and clearance) and, (b) taxes (VAT) levied in Israel. Therefore, all other kinds of port fees and delivery order charges, including but not limited to: all types of fees, such as transportation costs, wharfage fees, port handling fees, port infrastructure fees, loading and unloading and supervision while discharging at port, discharging terms at port, etc shall be borne solely by the Supplier. In an event that the Port Authority or any other Authority shall invoice the Company for port fees and delivery order charges, than such costs shall be reimbursed fully by the Supplier to the Company otherwise shall be deducted from the payments paid to the Supplier by the Company. |
| 3 | Q | ITB, Clause 23.2 | Please note that Supplier cannot bear any responsibility for the correctness of Company's documents as Company is the author of the Tender documents |
| | А | | This Clause in the Tender is subject to the content of the Company's specifications. However, the Supplier is obligated to immediately update the Company in writing for any mistake and/or contradiction it finds in the Tender Documents. |
| 4 | Q | ITB, Clause 30.1 | Please amend the Governing law shall be the law of Switzerland as fair and neutral law. |



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| | Α | SECTION | No change in the Tender Documents. |
| | | | |
| 5 | Q | ITB, Clause 30.2 | In international project business dispute resolution shall be submitted to |
| | | Clause 30.2 | arbitration and reconciled by Arbitral Tribunal in accordance with the |
| | | | Swiss Rules of International Arbitration of the Swiss Chambers of |
| | | | Commerce. Place of Arbitration shall be Zurich, Switzerland. |
| | Α | | No change in the Tender Documents. |
| 6 | Q | ITB, | Please add under point 2 as follows: except for our provided |
| | | Annex 3 | deviations and clarifications" |
| | | | Point 3 is not acceptable. Please delete. |
| | А | | Not approved. No change in the Tender Documents. |
| | | | Please note that under Clause 25.4.9 to the ITB any Deviation might |
| | | | cause the disqualification of the Bid. |
| 7 | Q | Annex A4 | Is it necessary to provide the bonds and in addition the parent company |
| | | | guarantee, or is it sufficient to submit only the parent company |
| | | | guarantee or only the bonds? |
| | Α | | In case the Bidder would like to rely upon its Parent Company as |
| | | | provided in Clause 11.5.6 to the ITB - Annex 4 should be submitted with |
| | | | the Bid signed by its Parent Company. |
| | | | In case a Bidder would like to submit a Quotation in the Tender, a |
| | | | Tender bond should be submitted in accordance to Section 12 to the |
| | | | ITB. |
| 8 | Q | ITB, | Not to be considered for Pipe supply. |
| | | Annex A15 | |
| | Α | | No change in the Tender Documents. |
| 9 | Q | General | Please send us the last finance report from INGL? |
| | Α | | The Company is yet to have financial statements for the year 2018. |
| | | | English translation of the Company's financial statements for the year |
| | | | 2017 is available upon request. |
| 10 | Q | General | Will the discharging of the pipes on site be through INGL cranes? |
| | | | |



| # | | DOCUMENT SECTION | CLARIFICATION |
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| | A | | With respect to the Batches described in the ITB the Company shall unload the Pipes at the final delivery destination of the Pipes (see Clause 2.2 to Annex 5 to the Contract). |
| 11 | Q | Contract, Clause 1.13 | Please delete this clause and replace it by: "The Force Majeure Clause 2003 of the International Chamber of Commerce (Publication 650) shall apply." |
| | Α | | No change in the Contract. |
| 12 | Q | Contract, Clause 1.14 | Supplier can only deliver according to the Specifications. Thus, please delete: "and/or under any applicable standard, and/or applicable law." |
| | A | Contract Clause 1.14 | Not approved. However Clause 1.14 to the Contract shall be amended and be read as follows (amendment is underlined for convenience): "Incompatibility means any non-compliance of the Pipes in accordance with Clauses 4.1 and 4.2 below, including any shortage in Pipes, shortcomings, deficiency, deviation and/or other defect and/or inconformity to requirements and/or descriptions and/or schematics and/or model stipulated in the Specifications and/or under any applicable standard referred to in the Specifications, best industry practice and/or the applicable law in the country of manufacture." |
| 13 | Q | Contract Clause 4.1.1 | As the Supplier complies only with the Specifications, this clause shall be amended as follows: "The Pipes shall conform to all standards detailed, including by reference only, in the Tender and the Specifications. The Supplier shall not make any modification or alteration in the Pipes and/or the Specifications and/or the specific manufacturer and/or any pre-approved subcontractor and/or the place of production of the Pipes, without the prior written approval of the Company." |
| | Α | | No change in the Contract. |
| 14 | Q | Contract Clause 4.1.3 | This clause cannot be accepted and shall be replaced as follows: "As the specification has been made by Company, no express or implied warranty of fitness for purpose or merchantability shall apply." |



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| | A | | Not Approved. However Clause 4.1.3 in the Contract shall be amended and read as follows: "The Pipes shall conform for the use in high pressure natural gas transmission." |
| 15 | Q | Contract, Clause 1.15 | Please amend the applicable law shall be the law of Switzerland. |
| | Α | | No change in the Contract. |
| 16 | Q | Contract, Clause 2.3.3. | Noted. However, Supplier cannot accept any liability for the correctness of the Tender documents as the Company is the author thereof. |
| | A | | No change in the Contract. The Supplier is obligated to immediately inform the Company in writing of any mistake or contradiction found in the Tender Documents. |
| 17 | Q | Contract, Clauses 4.4, 12.7 | Please note that Supplier is a trading house and the producer is a subsupplier. |
| | A | | Please note the Thresholds Requirements in the Tender including, without limitations, Clauses 11.1, 11.2, 11.3 and 11.4. The Pipes shall be manufactured only in a plant that had been qualified by the Company under the requirements set forth in the Tender. |
| | | | Clause 4.4 to the Contract shall be replaced with the following: |
| | | | "The Pipes shall be manufactured by Supplier at its plant qualifying under the requirements set forth in Clause 11.3 of the Tender (the |
| | | | "Original Plant"). The Pipes may be manufactured by the Supplier or its Affiliate in another plant other than the Original Plant, provided that (i) Supplier has obtained the prior written approval of the Company to that effect; and, (ii) the proposed plant is located in any of the current OECD Member countries (as defined by the World Bank). The Company's consent may be given or withheld at the sole and exclusive discretion of the Company, and the Supplier shall have no claim or demand in that regard should its request to manufacture the Pipes in any plant other than the Original Plant, be declined." |



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| 18 | Q | Contract, Clause 8 | Please note that storage upon Company's request shall take place on Company risk. |
| | Α | | No change in the Contract. |
| 19 | Q | Contract, Clause 9.1, Annex 5, Clause 2.1 | Please delete "title and" and add the following transfer of title clause: "Title to the Pipes shall pass upon full payment". |
| | A | | No change in the Contract. The Company's payment morality is indisputably, with worldwide suppliers among them varied western European suppliers. the Company's rating is as follows: Credit rating: AA+ (Local) by S&P (Standard & Poors). Company's and credit rating: Aa1 (Local) by Moody's. |
| 20 | Q | Contract, Clause 10.3 | Please replace this clause as follows: If the Time Schedule or any agreed extension thereof is not complied with due to reasons for which the Supplier is responsible, the Liquidated Damages as per Clause 24.3 shall apply. |
| | A | | Not accepted. Clause 10.3 to the Contract is amended and be read as follows: "If the Time Schedule, or any agreed extension thereof, is not complied with, the Company shall be entitled to terminate the Contract in accordance with Sub-Clause 21.3 in respect of all of the Pipes not delivered to the Company in accordance with Clause 7 provided that the delay was not fully cured by the Supplier within 21 Days after the Company had given him a notice of its intention to terminate the Contract." |
| 21 | Q | Contract, Clause 10.3 | Please delete this clause as it is not necessary. |
| | Α | | No change in the Contract. |
| 22 | Q | Contract, Clause 11.1 | In the first sentence, please replace "the Company" by "both Parties" as Variations on the Contract can only be accepted upon mutual agreement. |



| # | | DOCUMENT SECTION | CLARIFICATION |
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| | Α | | No change in the Contract. Variation can be made in accordance to the |
| | | | provisions of the Contract. |
| 23 | Q | Contract, Clause 11.2 | Please delete this clause. |
| | Α | | No change in the Contract. |
| 24 | Q | Contract, Clauses 11.3, 11.5 | Please delete these clauses. |
| | Α | | No change in the Contract. |
| 25 | Q | Contract, Clause 12 | In the title, please delete "Representations" as Supplier can only accept warranty. In the first sentence, please delete accordingly "covenants and represents." |
| | Α | | No change in the Contract. |
| | | | The Supplier must represent and covenant regarding its Organization, |
| | | | Qualification, Power and Authority, Execution and Binding Effect etc. as |
| | | | provided in the Clause. |
| 26 | Q | Contract, Clause 12.6 | This clause is considered not applicable. |
| | Α | | No change in the Contract. This clause shall apply on a Supplier which |
| | | | is an Israeli entity. |
| 27 | Q | Contract, Clause 12.7 | Please note that Supplier is a trading house and not a manufacturer. |
| | Α | | Please see our answer to Question no. 14 above. |
| 28 | Q | Contract, Clause 12.8 | This clause is too extensive. Please clarify. |
| | А | | No change in the Contract. For further details please see Annex 9 to the Contract. |
| 29 | Q | Contract, Clause 13.2 | Supplier does deliver according to the specifications. Thus, please delete "every applicable law." |



| # | | DOCUMENT SECTION | CLARIFICATION |
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| | A | | Clause 13.2 to the Contract shall be amended as follows: "The Supplier shall manufacture and deliver the Pipes in accordance with the Contract, the Tender, any RFQ (when applicable), shall not violate the Laws, and shall be fully & solely accountable towards the Company for any work, activity, material and product pertaining to the Tender and/or the RFQ and the Purchase Order including any work, activity, material and product provided by its subcontractors (if any) even after having been pre-approved by the Company." |
| 30 | Q | Contract, Clause 13.3 | Please delete "covenants and represents." |
| | Α | | No change in the Contract. The Supplier must represent and covenant regarding its Organization, Qualification, Power and Authority, Execution and Binding Effect etc. as provided in Clause 13.3 to the Contract. |
| 31 | Q | Contract, Clause 13.4.2 | Supplier can only be liable for compliance with the Contract, i.e. the Specifications. Please amend this clause as follows (proposed amendments are underlined for convenience): "If any of the Pipes do not comply with the provisions of the Contract of are found defective or if any defect or fault originating in connection with the design (if furnished by Supplier), materials or workmanship, of any of the Pipes arise at any time within the Warranty Period, Supplier shall at his own cost and option promptly make such alterations, repairs and/or replacement, including packing, transportation, and retesting, wheresoever located, as are necessary so that said item conforms to the provisions of the Contract—and fulfils the preceding warranties to Company's entire satisfaction; Supplier shall in addition—and insofar as the Supplier is liable therefore under the applicable law, reimburse the Company for the following costs and expenses incurred in completing the necessary remedial and repair works: (a) seeking and finding of defective Pipes; (b) excavation and removal of defective Pipes; (c) transportation of defective Pipes and replacement Pipes; (d) purchase and installation of replacement Pipes; (e) testing of replacement Pipes". |
| | Α | | No change in the Contract. |



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| 32 | Q | Q Contract, Clause | This clause can only be accepted as follows: |
| | | 13.4.3 | For LSAW Pipes |
| | | | "The Supplier's liability for actual removal and substitution costs at site |
| | | | and under this sub-Clause shall not exceed EUR 250.000, for each |
| | | | individual failure and in aggregate for all claims un-der para a) to e) |
| | | | inclusive shall not exceed EUR 1.000.000, |
| | | | Supplier's liability applicable to the original Pipes shall also apply to the |
| | | | repair or re-placement. |
| | | | Any further rights or remedies Company may have and especially all |
| | | | claims for consequential damages, indirect or special damages, |
| | | | including in particular but without limitation loss of production and loss of |
| | | | profit etc., shall be excluded". |
| | | | For ERW / HFI Pipes |
| | | | "The Supplier's liability for actual removal and substitution costs at site |
| | | | and under this sub-Clause for all claims un-der para a) to e) inclusive |
| | | | shall not exceed the total price quoted in the relevant order. |
| | | | Supplier's liability applicable to the original Pipes shall also apply to the |
| | | | repair or re-placement. |
| | | | Any further rights or remedies Company may have and especially all |
| | | | claims for consequential damages, indirect or special damages, |
| | | | including in particular but without limitation loss of production and loss of |
| | | | profit etc., shall be excluded". |
| | Α | | No change in the Contract. |
| 33 | Q | Contract, | Please delete this clause as Company's rights are sufficiently described |
| | | Clause 13.4.3 | above. |
| | Α | | No change in the Contract. |
| 34 | Q | Contract, | Please insert "reasonably" after "such reasonable time as the Company |
| | | Clause 13.4.6 | shall." |
| | Α | | The request is accepted. |
| | | | Clause 13.4.6 to the Contract shall be amended as follows: |
| | | | "If the faulty Pipes are not removed and satisfactory replacement Pipes |
| | | | are not furnished by Supplier within such reasonable time as Company |



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| | | | shall reasonably determine, then the Company shall be entitled to carry |
| | | | out such remedial work or have such remedial work carried out by |
| | | | others or provide replacement Pipes all at the sole risk and expense of |
| | | | Supplier up to the maximum liability in Clause 21." |
| 35 | Q | Contract, | Please omit the Supplier's insurance as an alternative limit to the |
| | | Clause 13.4.3 | Supplier's maximum liability for actual removal and substitution costs at |
| | | 10.1.0 | site. |
| | Α | | Confirmed. Clause 13.4.3 to the Contract shall be replaced with the |
| | | | following (deleted phrases are strikethrough for convenience). |
| | | | "The Supplier's liability for actual removal and substitution costs at site |
| | | | and under this sub-Clause is limited to [the highest of the following: (i) |
| | | | the total price quoted in the relevant Purchase Order; or (ii) the maximal |
| | | | insurance coverage of the Supplier] for the ordered items under the |
| | | | Contract." |
| 36 | Q | Contract, Clause 20.1 | Further, please replace Clause 20.1 by 13.4.3. |
| | Α | | No change in the Contract. |
| 37 | Q | Contract, | Please note that the content of this clause depends on the applicable |
| | | Clause 14.1 | Incoterm. |
| | Α | | No change in the Contract. |
| | | | Please note the phrase in the brackets "(not expressly payable by |
| | | | Company under the Purchase Order)" in Clause 14.1 to the Contract. |
| 38 | Q | Contract, | Please note that the content of this clause depends on the applicable |
| | | Clause 15.1.1 | Incoterm. |
| | Α | | No change in the Contract. Please see the comment with respect to |
| | | | clause 14.1 to the Contract (Question no. 34 above). |
| 39 | Q | Contract, | Please insert that all payments from customer shall only be deemed |
| | | Clause 15.6 | effected when full amounts were credited to our account without |
| | | | restrictions and delete former wording of this paragraph. |
| | А | | Clause 15.6 to the Contract shall be deleted. |
| L | 1 | <u> </u> | |



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| 40 | Q | Contract, | Please note that the right to deduct amounts from the invoice shall be |
| | | Clause 15.8 | limited to such amounts accepted by the Supplier. |
| | А | | No change in the Contract. |
| 41 | Q | Contract, Clause 16.2 | Please delete "covenants and represents" as warranty is sufficient. |
| | Α | | The deletion of the specific words is accepted. Clause 16.2 to the |
| | | | Contract is amended and be read as follows: |
| | | | "The Supplier warrants that the execution, delivery and performance by |
| | | | the Supplier of the Contract does not and will not violate the Laws." |
| 42 | Q | Contract, | Supplier cannot accept and indemnification. Thus, this clause shall read: |
| | | Clause 17.1 | "The Supplier shall be liable for any infringement or alleged infringement" |
| | А | | No change in the Contract. |
| 43 | Q | Contract, | The Company shall be entitled to assign all their rights and obligations |
| | | Clause 18.1.2 | under the contract to the State of Israel. This should only be possible |
| | | | with our approval. |
| | Α | | No change in the Contract. A notice of such assignment or transfer shall |
| | | | be given. |
| 44 | Q | Contract, Clause 18.2.5 | Please delete the last sentence as such indemnity cannot be accepted. |
| | Α | | No change in the Contract. |
| 45 | Q | Contract, Clause 19 | To be clarified. |
| | Α | | No change in the Contract. The clause shall apply if and when the |
| | | | Supplier needs to enter Company's sites and/or facilities. |
| 46 | Q | Contract, Clause | As Supplier accepts no indemnity, please amend this text: |
| | | 20.1.1 | "Supplier shall be liable towards Company for loss or damage to the |
| | | | Pipes" |
| | Α | | No change in the Contract. |



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| 47 | Q | Contract, Clause | For LSAW Pipes |
| | | 20.1.3 | This clause shall be amended as follows to comply with Suppliers risk management system: |
| | | | "Supplier's total overall liability under the Purchase Order, including Supplier's potential obligation(s) to defend, indemnify and/or to hold the Company harmless, shall be limited, as far as permitted by the applicable law, to an amount of EUR 250.000, for each individual occurrence and in aggregate for all claims shall not exceed EUR 1,000,000. |
| | | | Supplier shall in no event and irrespective of the legal basis (contract, tort or any other area of law) be liable for any indirect, special, incidental or consequential damage whatsoever such as but not limited to loss of profit or revenue, loss of use, loss of production, cost of substitute goods or any such damage or loss suffered by a customer of the Company or any third party. The aforementioned limitation of liability shall not apply in case of bodily |
| | | | harm, fraud, wilful misconducts or gross negligence and without limiting the Supplier's duty to repair or replace defective Pipes. |
| | | | For ERW / HFI Pipes |
| | | | Same wording as above. Amounts to follow. |
| | Α | | No change in the Contract. |
| 48 | Q | Contract, Clause 20.1.3 | Please omit the indemnification by the Supplier's insurance as an alternative limit to the Supplier's maximum liability. |
| | Α | | Confirmed. Clause 20.1.3 to the Contract is amended and shall be read as follows (deleted phrase is strikethrough for convenience). |
| | | | "The Supplier's liability towards the Company for any consequential loss and/or loss of profit deriving out of physical defect or damage to the Pipes, including in case of any liability imposed on or attributed to the Company by any third party, as well as termination of the Contract by the Company for a reason attributed to the Supplier, shall be limited to the total Contract Price. These limitations of liability shall not apply in |



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| | | | respect of [indemnity provided under Supplier's insurance, as well as in | |
| | | | case of] Gross Misconduct by the Supplier or by anyone acting on its | |
| | | | behalf." | |
| 49 | Q | Contract, Clause | Please add the underlined phrase to Clause 21.2.3 to the Contract | |
| | | 21.2.3 | (Force Majeure): | |
| | | | "Either of the Parties may terminate the Contract if the completion of the | |
| | | | Pipes is made impossible on account of Force Majeure which lasted for a period of more than 45 consecutive Days, as evidenced by the Party | |
| | | | claiming such event as occurred, and a corresponding notice has been | |
| | | | served to the other Party. If the Contract is so terminated, Supplier shall | |
| | | | be paid the remaining unpaid balance of the Contract Price up to the | |
| | | | percentage of the Pipes completed and duly delivered to the Company | |
| | | | at the date of such termination and for all costs reasonably and | |
| | | | irrevocably incurred and paid in respect of the part(s) of the Pipes not | |
| | | | completed and supplied to the Company on such termination, proved by | |
| | | | the Supplier." | |
| | Α | | Confirmed. | |
| 50 | Q | Contract, Clause | For LSAW Pipes: | |
| | | 20.2.2 | Please reduce the limit of liability to USD 10.000.000, | |
| | | | For ERW / HFI Pipes | |
| | | | Please reduce the limit of liability to USD 10.000.000, | |
| | Α | | No change in the Contract. | |
| 51 | Q | Contract, Clause 20.2.4 | This clause is not applicable. | |
| | Α | | This Clause shall be applicable in an event materials or equipment are | |
| | | | supplied to the Supplier directly or indirectly by the Company. | |
| 52 | Q | Contract, | Supplier's insurance contract does not contain a waiver of subrogation | |
| | | Clauses 20.2.6, 20.2.4 | and does not allow naming any third party as additional insured. | |



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| | Α | | 1. Rregarding the existence of a waiver of subrogation in the Supplier's | |
| | | | insurance – no change in the Contract. | |
| | | | 2. Regarding not allowing naming a third party as additional insured - | |
| | | | the request is accepted – | |
| | | | The last paragraph of Clause 20.2.4 in the Contract shall be replaced | |
| | | | with the following: | |
| | | | "The Supplier shall insure such materials and/or equipment under an | |
| | | | "All-Risk" policy. The Company shall be named as the sole | |
| | | | beneficiary in the said policy in respect of such materials and/or | |
| | | | equipment." | |
| 53 | Q | Contract, | Please note that termination can only be accepted with regard to the | |
| | | Clause 21.3.1 | unproduced portion. | |
| | Α | 21.0.1 | No change in the Contract. | |
| - A | | 0 | | |
| 54 | Q | Contract, Clause | As the liquidated damages clause proposed by Supplier does contain its | |
| | | 21.3.1.1 | own termination clause, this text shall be amended | |
| | | | "With immediate effect if Supplier fails to supply the Company any of the | |
| | | | guarantees:." | |
| | Α | | No change in the Contract. | |
| 55 | Q | Contract, | Please delete "at Supplier's own cost and risks." | |
| | | Clause 21.3.2 | | |
| | Α | | No change in the Contract. Please note that this Clause apply with | |
| | | | respect to Termination through Supplier's fault. | |
| 56 | Q | Contract, | Please add at the end of the clause "under this Contract." | |
| | | Clause | | |
| | | 21.3.3 | | |
| | Α | | No change in the Contract. | |
| 57 | Q | Contract, | For LSAW Pipes: | |
| | | Clause 21.4.1 | Please insert the following cancellation schedule: | |
| | | | After order placement up to 50 days prior steel making – 0% bare pipe | |
| | | | cost. | |
| | | | | |



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| | | <u> </u> | 50 days before steel making, however, still prior steel making – 10% bare pipe cost. | |
| | | | After steel making before plate making – 50% bare pipe cost. | |
| | | | After plate making before pipe forming – 80% bare pipe cost. | |
| | | | After pipe forming – 100% bare pipe cost. | |
| | Α | | Noted. However no change in the Contract. | |
| | | | Clause 21.4.1 to the Contact includes a mechanism considering the costs reasonably incurred by the Supplier. | |
| 58 | Q | Contract, Clause 22.2 | As Supplier is not familiar with the Securities law, please delete this clause. | |
| | Α | | No change in the Contract. | |
| | | | This provision is obligatory and the scope of confidentiality is further | |
| | | | described in Clause 22.3 to the Contract. The Supplier is off course | |
| | | | encouraged to consult with an Israeli lawyer for any further inquiries. | |
| 59 | Q | Contract, Clause 23.2 | This clause shall be amended as follows: | |
| | | Clause 23.2 | "Supplier shall be liable to the Company for the payment of the amount of any lien" | |
| | Α | | No change in the Contract. Please see Clause 23.1 to the Contract. | |
| 60 | Q | Contract, Clause 24.2 | This clause shall be deleted as the Liquidated Damages Clause hereinafter and the Bonds are sufficient to secure Company's rights. | |
| | Α | | No change in the Contract. | |
| 61 | Q | Contract, Clause 24.3 | This clause shall be amended as follows (amendment requests are underlined or strikethrough for convenience): | |
| | | | "The Company shall have the right to collect from the Supplier an agreed compensation fee for late supply of the Pipes (as liquidated damages and not as a penalty) which exceeds 14 Days from the delivery date stipulated in the Time Schedule, in whole or in part, at a rate of 0.5% of the value of the <u>Purchase Order</u> , delayed Pipes, for every week (or part thereof) of tardiness, up to an aggregate value of | |



| | | | CLARIFICATION | | | | | | |
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| | | SECTION | | | | | | | |
| | | | 10% of the value of the Purchase Order delayed Pipes (the "Agreed | | | | | | |
| | | | Compensation"). The Parties agree that the Agreed Compensation | | | | | | |
| | | | constitutes adequate and predetermined minimal compensation for | | | | | | |
| | | | reasonable, foreseeable damages the Company may incur. The claim | | | | | | |
| | | | may only be asserted immediately, at the latest, however, until the due | | | | | | |
| | | | date of the contract price. If the maximum amount of liquidated | | | | | | |
| | | | damages has become due, the Company may terminate the undelivered | | | | | | |
| | | | part of the Pipes. With regard to the Supplier's total liability for failure to | | | | | | |
| | | | deliver in time, the provisions of this clause are exclusive and any other | | | | | | |
| | | | remedies, especially claims for consequential damages, indirect or | | | | | | |
| | | | special damages, including in particular but without limitation loss of | | | | | | |
| | | | profit, and loss of production etc., are hereby expressly excluded". | | | | | | |
| A | Α | | No change in the Contract. | | | | | | |
| 62 C | Q | Contract, | At the end please delete "and any applicable law" as this is too | | | | | | |
| | | Clause 24.2 | extensive. | | | | | | |
| P | A | | No change in the Contract. | | | | | | |
| 63 | O | Contract, Clause 25.1 | The law applicable shall be the law of Switzerland as fair and neutral law. | | | | | | |
| P | Α | | No change in the Contract. | | | | | | |
| 64 C | Q | Contract, | In international project business dispute resolution shall be submitted to | | | | | | |
| | | | | | | | | Clause 25.2 | arbitration as follows: |
| | | | All disputes arising out of or in connection with the present agreement, | | | | | | |
| | | | including disputes on its conclusion, binding effect, amendment and | | | | | | |
| | | | termination, shall be resolved, to Arbitral Tribunal in accordance with the | | | | | | |
| | | | Swiss Rules of International Arbitration of the Swiss Chambers of | | | | | | |
| | | | Commerce. The law to be applied is the law of Switzerland. Place of | | | | | | |
| | | | Arbitration shall be Zurich, Switzerland. | | | | | | |
| P | A | | No change in the Contract. | | | | | | |
| 65 C | Q | Contract, | The company has to send back the original guarantee to Bidder's bank | | | | | | |
| | | Clause 26 | directly after the expiration date. | | | | | | |



| # | | DOCUMENT | CLARIFICATION | |
|----|---|-------------------------------|---|--|
| | | SECTION | | |
| | Α | | Clause 26.1.7 shall be added to the Contract as follows: | |
| | | | "The Company shall send the original Guarantee to the issuing | |
| | | | Approved Financial Entity within reasonable time after it expired." | |
| 66 | Q | Contract, Clause 26.1.3 | Only reasonable requests of Company shall be observed. | |
| | Α | | No change in the Contract. Please note that any request to extend the | |
| | | | Guarantees period shall be in order to meet the provisions of the | |
| | | | Contract. | |
| 67 | Q | Contract, Clause 26.2.2 | Not acceptable. Please delete. | |
| | Α | | No change in the Contract. | |
| 68 | Q | Contract, Clause 26.2.3 | Not acceptable. Please delete. | |
| | Α | | No change in the Contract. | |
| 69 | Q | Contract, Clause 26.2.4 | Please clarify. | |
| | Α | | Clause 26.2.4 in the Contract shall be replaced with the following: | |
| | | | "In the event of termination pursuant to Clause 21.3, the Performance Guarantee shall be forfeited in favour of the Company, without derogating from any penalty, which may have accrued or remedy to | |
| | | | which the Company is entitled to under the respective provisions of the Contract or at Law." | |
| 70 | Q | Contract, Clause 26.3.2 | It is not acceptable to us that the advance payment bond shall remain valid until the company has paid the last of our invoices. | |
| | | | The Advance Payment Bond does not contain a reduction clause (after each delivery has been effected). Please clarify. | |
| | | | | |



| # | | DOCUMENT | CLARIFICATION |
|----|---|--|--|
| | | SECTION | |
| | Α | | Clause 26.2.4 in the Contract shall be replaced with the following: |
| | | | "The Advance Payment Guarantee, when issued, shall be in effect for a period ending 3 months after the final date for delivery under the relevant Purchase Order. Without derogating the Company's right in accordance to Clause 26.1.3 the Advance Payment Guarantee shall be released by the Company within a reasonable time after all the following conditions were met: 1) All the Pipes under the relevant Purchase Order were delivered in accordance to the Contract; and 2) All required quality certificates under the relevant Purchase Order were provided to the Company, duly signed (including by the Supplier and the Certified Inspection Agency); and 3) The Performance Guarantee under the |
| | | | relevant Purchase Order was provided to the Company." |
| 71 | Q | Contract, Annex 2, Clauses 2,10 | Please delete the last sentence as this is not acceptable. |
| | Α | | No change in the Contract. |
| 72 | Q | Contract, Annex 2, Clauses 2,10 | For ERW / HFI pipes, not acceptable. A detailed production schedule will be issued in case of reproduction. |
| | Α | | No change in the Contract. |
| 73 | Q | Contract, Annex 2, Clauses 3.7, 3.8 | Please delete "and the applicable law" as all remedies and obligations shall be set forth in the Contract. |
| | A | | Clauses 3.7 and 3.8 to Annex 2 to the Contract shall be revised accordingly. Please note, there is no change in the Contract document itself. Clauses 3.7 & 3.8 to Annex 2 to the Contract shall be replaced with the following: "3.7 This Clause shall be without prejudice to any other rights and/or remedies Company may have under the Contract, as a result of aforesaid breach(es) by the Supplier. 3.8 The carrying out or failure to carry out or observe any inspection or examination or test of the Pipes by the Company or on its behalf, |



| # | | DOCUMENT SECTION | CLARIFICATION | |
|----|---|-------------------------------------|--|--|
| | | | including providing the above written release or a waiver in Clause 1 above, shall in no way relieve the Supplier of its obligation to comply with all obligations of the Contract, including without limitation the warranty provisions of Clause 13.4 of the Contract and to supply the Pipes to a standard and quality required pursuant to this Contract." | |
| 74 | Q | Contract, Annex 3 | Please add the inspection agency Mund+Bruns Schiffs- und Ladungssachverständige GmbH to the List of Approved Certified Inspection Agencies in Annex 3 to the Contract. | |
| | A | | Currently Mund und Bruns are not proved to be included on the list of the relevant Accredited Bodies. Therefore, at this stage they are not allowed to operate as a certifying authority for our projects to be in compliance with the NEN standard. | |
| 75 | Q | Contract, Annex 5, Clause 3.2 | Please note that the FOB dates are estimations only. | |
| | Α | | Noted. | |
| 76 | Q | Contract, Annex 5, Clause 3.3 | Please delete this clause as the Liquidated Damages clause is sufficient . | |
| | A | | Clause 3.3 to Annex 5 to the Contract shall be replaced with the following: | |
| | | | "Failure to meet the Time Schedule for more than 30 days, shall entitle the Company to terminate the Contract to the portion of undelivered Pipes, without prejudice to any other rights of Company under the Contract or at law, including without limitation, to the liquidate damages stipulated in the Contract." | |
| 77 | Q | Contract, Annex 5, Clause 5 | To be discussed on a later stage. | |
| | Α | | No Confirmed. | |
| 78 | Q | Contract, Annex 6 | To be discussed on a later stage. | |
| | Α | | No Confirmed. | |



| # | | DOCUMENT | CLARIFICATION |
|----|---|---|---|
| | | SECTION | |
| 79 | Q | Contract, Annexe 7 | Performance and Quality Guarantee - the reasons for a claim under the guarantee are not to be specified by beneficiary. Please mention the reasons for a claim. |
| | A | | No change in the Performance and Quality Guarantee form. This is an autonomous and unconditional Guarantee. Please see Clause 26.1.5 to the Contract. |
| 80 | Q | Contract, Annexe 8 | Advance Payment Guarantee This guarantee must only become effective after the advance payment from the company was credited to our account in full and without any restrictions. |
| | A | | Clause 2 to Annex 8 shall be amended an read as follows: "This Advance Payment Guarantee shall immediately enter into force upon the credit of the Guaranteed Amount into the Supplier's bank account details of which are as follows [insert Supplier's bank account details] in respect of the Advance Payment under the Purchase Order. A notice indicating of such Guaranteed Amount transfer shall be provided by the Company's bank." |
| 81 | Q | ITB, Clause 12, Contract, Annexes 7, 8 | The law applicable for the guarantees shall be the law of Switzerland as fair and neutral law. |
| | А | | Not confirmed. |

3. **Amendments**

Please note above the Clauses of the Contract and Annexes that have been amended in the above clarifications.

The Bidders are requested to acknowledge receipt of this Clarifications & Amendment No. 4 (Including Attachment A) by returning an executed copy of the attached acknowledgment receipt form.



| | , | y yours, |
|------|------|------------------------------|
| Isra | el M | atural Gas Lines Company Ltd |

* * * * * * *

Acknowledgement of Receipt

We, the undersigned, hereby confirm that we received **Clarification & Amendment No. 4 (Including Attachment A)** to International Public Tender for the Manufacture and Supply of High Pressure Natural Gas Pipes (INGL/TENDER/2019/06).

| , | |
|---------|-----------|
| Date | |
| Company | Signature |



Attachment A to Clarification & Amendment no. 4 (INGL/TENDER/2019/06)

| # | | DOCUMENT SECTION | ANNEX A - CLARIFICATION |
|---|---|------------------------------------|---|
| 1 | | EEN-EPI- | Bidder has considered the 3LPE/3LPP coating thickness as following: |
| | | SPC-011, External | 1. Epoxy layer : Minimum 60 microns, |
| | | Coating | 2. Adhesive layer: Minimum 150 microns |
| | | | 3. Minimum Total 3LPE / 3LPP coating thickness: 4.5mm / 6.0 mm. |
| | Α | | Confirmed. |
| 2 | Q | EEN-EPI- SPC-011, | Bidder intent to clarify that the following tests shall be performed by coating material supplier. |
| | | Clauses 10.3.7 – | We shall submit test report to client for review: |
| | | 10.3.9 | Specific electrical coating resistance |
| | | | 2. UV resistance |
| | | | 3. Thermal ageing resistance |
| | Α | | Material supplier Test Report is acceptable. |
| 3 | Q | EEN-EPI- SPC-011, Clause 7.2 | Bidder intent to clarify that the particle size test for FBE as per Table 1 of ISO 21809-2 shall be performed by coating material supplier. We shall submit test report to client for review. |
| | Α | | Material supplier Test Report is acceptable. |
| 4 | Q | EEN-EPI- SPC-011, Clause 15 | Bidder intent to clarify that, We will provide these documents after Award of Contract. |
| | Α | | Agreed. |
| 5 | Q | EEN-EPI- SPC-011 | Bidder intent to clarify that a single coat of varnish may be applied on external cut back area of both ends in order to prevent rust during storage and transit. Please confirm if the same is acceptable to client. |
| | Α | | Varnish must be applied to cut back area and bevel. |
| 6 | Q | EEN-EPI- SPC-011, Clause 7.1 | Bidder requests to provide approved vendor list of External 3LPE/3LPP coating raw material. (If any). |
| | Α | | Please see Clause 7.1 to specification EEN-EPI-SPC-011: |
| | | | The raw material for coating of the pipes shall be acquired from a |



| # | | DOCUMENT | ANNEX A - CLARIFICATION | |
|----|---|--------------------------|--|--|
| | | SECTION | | |
| | | | manufacturer who is a certified member of the PE+100 Association. A list | |
| | | | of approved suppliers (members) can be found on | |
| | | | https://www.pe100plus.com/. | |
| 7 | Q | Contract, | Bidder intent to clarify that for coated pipes, woven sacks or plastic | |
| | | Annex 1, Clause C(2). | sheet may be fixed along with metallic bevel protector in order to | |
| | | 0.0000 0(2). | prevent ingress of foreign material inside the pipe. Please confirm if the | |
| | | | same is acceptable to client. | |
| | Α | | As an alternative to the plastic caps in Clause C(2) to Annex 1 to the | |
| | | | Contract, the Supplier may use plastic sheet along with metallic bevel | |
| | | | protectors provided that the plastic sheet must be sealed, impenetrable | |
| | | | to water, fluids and dust and durable. | |
| | | | Please note that The Pipe's serial number shall be printed on the outer | |
| | | | side of both plastic sheets on both Pipes' ends. | |
| 8 | Q | | Bidder proposes that the pinhole test acceptance criteria shall be 5 | |
| | | | pinholes allowed in Wet Film & Cured Film. | |
| | А | | Pinholes not allowed in Laboratory tests. | |
| 9 | Q | EEN-EPI- | Bidder requests to waive off the requirement of Manufacturing Procedure | |
| | | SPC-001, | Qualification Test of pipe sizes having quantity less than 2 km and | |
| | | EEN-EPI- SPC-015, | accept those pipes based on regular production test. | |
| | | Clause 1.2 | Bidder also intent to clarify that Tests involved during the Manufacturing | |
| | | | procedure Qualification test shall be same for the First day production | |
| | | | test. | |
| | | | Separate First Day production tests are not required to be performed. | |
| | | | Please confirm. | |
| | Α | | Not confirmed, First Day Production Test and Manufacturing Procedure | |
| | | | Qualification test are two separated tests. Bidder shall perform these | |
| | | | tests individually as per INGL's Specification requirements. | |
| 10 | Q | EEN-EPI- | Bidder proposes that Longitudinal Tensile Test shall be carried out | |
| | | SPC-001, | during Manufacturing Procedure Qualification Test (MPQT) only, and | |
| | | EEN-EPI- SPC-015 | during regular production only Transverse Tensile Test shall be carried | |



| # | | DOCUMENT SECTION | ANNEX A - CLARIFICATION |
|----|---|---|---|
| | | Clause 7.2.5 | out. However acceptance criteria shall be as per client specification only. Please reconfirm. |
| | А | | Not confirmed, Bidder shall perform mechanical testing as per INGL's Specification requirements. |
| 11 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 7.2.5 | In order to fulfil the stringent length requirement bidder proposes to perform all the destructive test at a frequency of one sample per heat per 50 pipes. Please confirm. |
| | A | | Not confirmed, Bidder shall perform mechanical testing as per INGL's Specification requirements. |
| 12 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 9.2.1 | Bidder proposes following Tensile Test Properties : Material grade: YS (MPa) Y/T Ratio X70 (PSL 2) 485-605 0.90 X60 (PSL1) 415 min. - X52 (PSL 2) 360-480 0.90 Please confirm. |
| | A | | Not confirmed, Bidder shall fulfil INGL's requirements on mechanical properties as per Specification. Also note that all pipes shall be supplied as PSL 2 pipes, not PSL 1. PSL 1 pipe is only applicable for the use of Casing pipes. |
| 13 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 9.5.2 | Bidder proposes following acceptance criteria for Guided Bend Test: The test pieces shall not: 1. Fracture completely, 2. Reveal any cracks or ruptures in the weld metal longer than 3.2 mm, regardless of depth, or 3. Reveal any cracks or ruptures in the parent metal, HAZ or fusion line longer than 3.2 mm or deeper than 12.5 % of the specified wall thickness. |



| # | | DOCUMENT SECTION | ANNEX A - CLARIFICATION |
|----|---|---------------------|--|
| | | | 4. Cracks that occur at the edges of the test piece during testing shall not |
| | | | be cause for rejection, provided that they are not longer than 6.4 mm. |
| | Α | | Not confirmed, Bidder shall use the acceptance criteria as per INGL's |
| | | | Specifications. |
| 14 | Q | General | Bidder has considered following documents for evaluation of this enquiry: |
| | | | 1. Longitudinal Seam Submerged Arc Welded Pipes Pipe Size DN 450- |
| | | | 900mm, Doc. No. EEN-EPI-SPC- 001, Rev.5, Dated: 14.05.2015 |
| | | | Spiral Seam Submerged Arc Welded Pipes Pipe Size DN 450-900mm, Doc. No. EEN-EPI-SPC-015, Rev.5, Dated: 25.09.2017 |
| | | | 3. Steel Pipes for use as Casing, Doc. No. EEN-EPI-SPC- 018, Rev. 4 Dated: 06.12.2018 |
| | | | 4. Minimum requirement for Quality Plan's (Inspection and Test Plan) |
| | | | Doc. No. 394259, Rev.2 Dated: 31.01.2019 |
| | | | 5. API 5L 45th Edition (December 2012) & Earrata-1 (April 2015) |
| | | | All other documents received with this bid package are retained for |
| | | | information only. |
| | Α | | API 5L 44 th Edition shall apply. |
| | | | Bidder shall have correct knowledge of all INGL's Specifications provided |
| | | | in the Tender, where other documents are referred within these |
| | | | Specifications Bidder shall apply each document. |
| | | | Applicable documents shall not be for information only. |
| 15 | Q | EEN-EPI- | Bidder intent to clarify that we have considered the same specification of |
| | | SPC-001, | line pipe for all sizes as mentioned above of PSL 2 grade, while |
| | | SPC-015 | evaluating the enquiry. Please reconfirm. |
| | | Clause 1.2 | |
| | Α | | Not confirmed, Bidder shall use INGL's Specifications as per Scope of |
| | | | Work. |
| 16 | Q | EEN-EPI- | Bidder intent to clarify that API 5L 45th Edition 2012 and ISO 3183:2012 |
| | | SPC-001, | is separated and different specification for manufacturing / inspection / |
| | | EEN-EPI- | |



| # | | DOCUMENT | ANNEX A - CLARIFICATION |
|----|---|---|---|
| | | SECTION | 7 ii 11 - 2 - 7 ii 11 - 3 - 7 ii 15 |
| | | SPC-015 | testing of line pipe. |
| | | Clause 1.3 | Hence bidder clarifies that during the evaluation of the enquiry we have considered as longitudinal seam submerged arc welded (SAWL) and helical seam submerged arc welded (SAWH) steel line pipes shall be manufactured, inspected and tested in accordance with latest edition of API Spec i.e. API Spec5L 45th Edition -2012 & Earrata-1 (April 2015). Please reconfirm. |
| | Α | | Not confirmed, API 5L 44 th Edition shall apply. This edition has been harmonized with ISO 3183:2012. |
| 17 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015, Clause 1.4 | Bidder requests to provide NEN 3650 for evaluation and confirmation of compliance. |
| | Α | | INGL shall not provide the NEN 3650 to the Bidder. It is the responsibility |
| | | | of the Manufacturer sole responsibility to have the understanding of the applicable standards according to the Specification and the Tender. |
| 18 | Q | Contract, Annex 3 | Bidder requests to provide list of approved steel manufacturer and Laboratory, if any. |
| | Α | | Please see the List of INGL's Approved Steel Manufacturers in Annex 3 to the Contract. |
| 19 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clauses 2.2, 3.5.1 ITB, Annex 20 | Bidder understands that appointment of TPI & associated cost shall be in the scope of purchaser. Please confirm. Bidder also understands that third party inspection is not required for steel plates. Please reconfirm. |
| | Α | | 1. All costs for TPI & associated shall be included in the Quotation |
| | | | of the Bidder. Please note that all the costs relate to the Quotation |
| | | | shall be included in the proposed Unit Price (Euro per Meter) and the Total price of the pipes in Annex A20 to the ITB (Quotation Price Form). |



| # | | DOCUMENT SECTION | ANNEX A - CLARIFICATION |
|----|---|-------------------------|---|
| | | | 2. Manufacturer shall perform Coil testing and Plate testing at their own |
| | | | laboratory as per INGL's Specifications with attendance of the TPI. |
| 20 | Q | EEN-EPI- SPC-001, | Bidder intent to clarify that foot note c, shall be permitted for Mo. |
| | | EEN-EPI- SPC-015 | |
| | | Clauses 5.1.1, 5.3.2 | |
| | Α | | The above comment is unclear. The Specification states what may be |
| | | | agreed. |
| 21 | Q | EEN-EPI- | Bidder understands that Strain Ageing Test is not required in the scope |
| | | SPC-001, EEN-EPI- | of work. Please reconfirm. |
| | | SPC-015 | |
| | | Clause 6.5 | |
| | Α | | Confirmed, only when required by the Scope of Work. |
| 22 | Q | EEN-EPI- | Bidder has past weldability data of manual SMAW welding process as |
| | | SPC-001, EEN-EPI- | per API 1104 which can be used in lieu of fresh weldability. If fresh |
| | | SPC-015 Clause 6.7.2 | weldability is required to perform Bidder proposes to perform fresh weldability test for this project considering following points- |
| | | Clause 6.7.2 | a) One joint of highest OD with heaviest wall thickness shall be made |
| | | | using one pup pieces of 500 mm and one full length pipe. |
| | | | b) Welding process shall be manual SMAW process. |
| | | | c) Welding procedure, consumables, and inspection, testing and |
| | | | acceptance criteria shall be in accordance with API 1104. |
| | | | d) Weldability shall be performed during execution of the project. |
| | | | Please confirm. |
| | Α | | Testing will be required when Bidder can't submit acceptable historical |
| | | | weldability results. |
| 23 | Q | EEN-EPI- | Bidder intent to clarify that the requirement of First Day's Production Test |
| | | SPC-001, | shall be covered during Manufacturing Procedure Qualification Test |
| | | EEN-EPI- SPC-015 | (MPQT) only. Hence the same shall not be repeated and pipes tested |



| # | | DOCUMENT | ANNEX A - CLARIFICATION |
|----|---|---|---|
| | | SECTION | |
| | | Clause 7.1.1 | after MPQT shall be considered as regular production test only with frequency of regular production test given in client specification. Please confirm. |
| | A | | Not confirmed, First Day Production Test and Manufacturing Procedure Qualification test are two separated tests. Bidder shall perform these tests individually as per INGL's Specification requirements. |
| 24 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 7.1.5 | Bidder understands that Reeling Simulation Test is not required for pipes manufactured through SAWL/SAWH route. Please confirm. |
| | Α | | Confirmed, only when required by the Scope of Work. |
| 25 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 8.1.3 | Bidder intent to clarify that NDT operators at all levels are qualified in accordance with ASNT TC 1A and same shall be available during execution of the project. Please confirm. |
| | A | | EN 473 has been withdrawn and replaced by ISO 9712; NDT operators shall be qualified according ISO 9712 or an equal international Standard (minimum level 2). A Level 3 examiner shall be available at all times. Bidders shall have to confirm the level of their NDT operators accordingly. |
| 26 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 9.2.1 | Bidder intent to clarify that test shall be carried out at room temperature of 25°±3°C. However, test method shall remain same as per client specification. Please confirm. |
| | Α | | Confirmed. |
| 27 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 9.4.1 | Bidder understands that hot tensile test is not applicable for this project. Please reconfirm. |
| | Α | | Confirmed, only when required by the Scope of Work. |



| # | | DOCUMENT | ANNEX A - CLARIFICATION |
|----|---|---|---|
| 28 | Q | SECTION EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 9.6.2 | Bidder understands that the CVN test results at temperature other than - 20°C shall be reported for information only. Please re-confirm. |
| | А | | Confirmed, other temperatures for the transition curve will be for information only. |
| 29 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 10.4 | Bidder intent to clarify that hydrostatic test pressure shall be checked by using pressure gauge and same shall be verified by digital chart recorder. The chart recorder shall be calibrated by external agency with a frequency of once in a year while the pressure gauge shall be calibrated by means of dead weight tester at a frequency twice per operating shift. Please confirm. |
| | Α | | This has to be confirmed during an audit, the set-up of the machinery has to be verified by INGL's representative. |
| 30 | Q | EEN-EPI- SPC-001, EEN-EPI- SPC-015 Clause 11.3.2 | For Pipe Size 24" OD and 18" OD, Bidder request to permit that the difference between the maximum and minimum outside diameters on any one-pipe length shall be less than 1.2%. |
| | Α | | Not confirmed, INGL's Specification requirements shall apply. |
| 31 | Q | EEN-EPI- SPC-001, Clause 3.6.4 ENG-X17- SPC-0019 | On paragraph 3.6.4 of EEN-EPI-SPC-001 no. LSAW pipe specification, it is stated as "The wall thickness of each plate shall be measured (see 11.4) and shall not deviate, at any location, from the specified nominal value (see contract Scope of Work) by more than +5% or -5%". However, ENG-X17-SPC-0019 specification lists minimum wall thicknesses for line pipes used by INGL. Could you please clarify the minimum measured wall thickness acceptable to the project. |
| | A | | The requirement of EEN-EPI-SPC-001 must be read in conjunction with INGL's Specification ENG-X17-SPC-0019. |



| # | | DOCUMENT SECTION | ANNEX A - CLARIFICATION |
|----|---|---|---|
| 32 | Q | EEN-EPI- SPC-001, Clauses 6.5, 9.2.3 | On paragraphs 6.5 and 9.2.3 of same LSAW specification (EEN-EPI-SPC-001), Strain Ageing is requested, if required in the Scope of Work. However, we have failed to locate strain ageing testing in the Scope of Work. Could you please confirm, that strain ageing test is not required. |
| | A | | Confirmed, only required when specifically specified in the Scope of Work. |
| 33 | Q | EEN-EPI- SPC-001, Clauses 6.7.4, 9.7.2 | On paragraph 6.7.4 and 9.7.2 of same LSAW specification (EEN-EPI-SPC-001), Hardness Value is given as max. 240 HV10, which is a stricter requirement than even sour grade pipes. We kindly ask that a hardness of max. 275 HV10 is acceptable for X70 steel grade. |
| | Α | | Not confirmed, 240 HV10 as per Specification will be applied. |
| 34 | Q | EEN-EPI- SPC-001, Clauses 9.4, 9.7.2 | On paragraph 9.4 and 9.7.2 of same LSAW specification (EEN-EPI-SPC-001), it is stated that Hot Tensile Test may be required, if the design temperature of the line pipe is greater than 50° C. Furthermore, we have failed to locate Hot Tensile Test in the Scope of Work. Could you please confirm that Hot Tensile Test is not required. |
| | А | | Confirmed, as specified hot tensile test only required when design temperature is greater than 50°C. |
| 35 | Q | EEN-EPI- SPC-002 | We would appreciate that for HFI welded pipes the max. OD permitted by the a.m. specification will be increased up to 610,0 mm within the next revision. |
| | Α | | Please see answer to Question 4 to Clarification & Amendment no. 2. |
| 36 | Q | General, NEN 3650 | We assume that all requirements of the NEN 3650 concerning the steel pipe offered are already included in the specification. |
| | Α | | Correct. INGL's Specifications are written in full compliance with the NEN 3650. |
| 37 | Q | EEN-EPI- SPC-002, Clause 3.7 | Mechanical testing can be performed at the beginning of each test coil. Our offer covers a maximum amount of testing of 10 coils (2 per heat). |



| # | | DOCUMENT | ANNEX A - CLARIFICATION |
|----|---|--------------------------|--|
| | | SECTION | Assertable Harrison places and that INOL shall be seen the sight to |
| | Α | | Acceptable. However, please note that INGL shall have the right to |
| | | | request additional testing when unsatisfied results are maintained during |
| | | | the production. |
| 38 | Q | EEN-EPI- | Strip body and strip edges will be ultrasonic examined strictly in |
| | | SPC-002, Clauses | accordance with the attached procedure P90H. |
| | | 3.7.4 – 3.7.8 | |
| | Α | | Review and approval of procedures will be performed after contract |
| | | | award. |
| 39 | Q | EEN-EPI- | The company inspector has free access. The volume of inspection must |
| | | SPC-002, Clause 4 | not disturb production flow. The safety requirements of Bidder must be |
| | | Claudo 1 | respected. Please note: pipe rotating is not possible. |
| | Α | | Noted. |
| 40 | Q | EEN-EPI- | The NDT will be performed by ultrasonic strictly in accordance with the |
| | | SPC-002, Clauses 6.2, | Bidder's procedures: |
| | | 7.2.1, 8.2 | Ultrasonic Inspection of the strip body and edges – procedure P90H |
| | | | Ultrasonic Inspection of the Weld Seam –procedure P91H. Calibration |
| | | | with N5 notch |
| | | | Ultrasonic Inspection of the Pipe End (50 mm) – procedure P92H. |
| | Α | | Review and approval of procedures will be performed after contract |
| | | | award. |
| 41 | Q | EEN-EPI- | The offered steel is weldable under the usual field welding techniques; |
| | | SPC-002, Clause 6.7 | special weldability data for the offered pipes cannot be provided and is |
| | | Clause 0.7 | not part of the offer. |
| | | | If weldability tests are required, these tests can be performed at extra |
| | | | costs in charge of the customer. In this case, the testing and acceptance |
| | | | criteria must be agreed in case of order. |
| | Α | | Please see answer to Question 31 of Clarification & Amendment no. 2. |
| | | | According to such answer, failure to present acceptable historical results |
| | | | to the Company, shall not incur extra costs to the Company. |



| # | | DOCUMENT | ANNEX A - CLARIFICATION |
|----|---|--------------------------|--|
| | | SECTION | |
| 42 | Q | EEN-EPI- | Carrying out of Manufacturing Qualification Test is planned during |
| | | SPC-002, Clause 7.1.1 | running pipe production. Thus 2 pipes will be tested as part of |
| | | | MPQT/FDPT. |
| | | | This is allowed by INGL's Specification. Please not that this is at the |
| | | | Manufactures' sole and own risk. If any mechanical test fails to meet the |
| | | | requirements the complete Lot could be rejected. |
| 43 | Q | EEN-EPI- | Strain aged longitudinal tensile test is not applicable, as not expressly |
| | | SPC-002, Clause 9.2.3 | requested. |
| | Α | | Confirmed, only when required by Scope of Work due to design |
| | | | requirements. |
| 44 | Q | EEN-EPI- | Hot Tensile Test is not applicable, as not expressly requested. |
| | | SPC-002, Clause 9.4 | |
| | Α | | Confirmed, only when required by Scope of Work due to design |
| | | | requirements. |
| 45 | Q | EEN-EPI- | CVN, Base material and HAZ values as specified. Weld line 40J/30J/ |
| | | SPC-002, Clause 9.6.4 | @M20°C |
| | А | | Mechanical properties shall be in compliance with INGL's Specification. |
| 46 | Q | EEN-EPI- | Hardness, Max 248 HV10. |
| | | SPC-002, Clause 9.7.2 | |
| | Α | | Mechanical properties shall be in compliance with INGL's Specification. |
| 47 | Q | EEN-EPI- | Marking will be agreed in detail during kick off meeting. |
| | | SPC-002, Clause 13 | |
| | Α | Olause 13 | Noted. However, INGL's requirements as per Specification shall apply. |
| 40 | | EEN EDI | Please clarify, Reeling simulation test is not part of the offer. Should the |
| 48 | Q | EEN-EPI- SPC-002, | test be necessary, this can be performed at extra costs in charge of the |
| | | Clause 7.1.3 | customer; the methods and acceptance criteria must be clarified before |
| | | | placing the order. |
| | Α | | Noted, reeling test not required only when specified in the Scope of |
| | | | Work. |



| # | | DOCUMENT SECTION | ANNEX A - CLARIFICATION |
|----|---|--------------------------------------|---|
| 49 | Q | EEN-EPI- | Mechanical properties: |
| | | SPC-002, Clause 9.2 | Y/T: - transversal as specified; - longitudinal max. 0,87 |
| | | | Max. YS Rt 0.5: 480 MPa |
| | Α | | Mechanical properties shall be in compliance with INGL's Specification. |
| 50 | Q | EEN-EPI- SPC-002, Clause 9.7.2 | Max. 248 HV10. |
| | Α | | Mechanical properties shall be in compliance with INGL's Specification. |
| 51 | Q | General | As not otherwise stated, we assume full order shall be 3LPE coated in |
| | | | accordance with EEN-EPI-SPC-011. |
| | Α | | Please see Annex A20 (Quotation Price Form) to the ITB. |
| 52 | Q | EEN-EPI- | It is assume that the 3-layer PE coating with a total thickness of minimum |
| | | SPC-011, Clauses 4, 8,6 | 4.5 mm (4500 µm) is required for the project. |
| | Α | | Correct, as per INGL's Specification. |
| 53 | Q | EEN-EPI- | The properties of the epoxy material specified in Table 3 of ISO 21809-1 |
| | | SPC-011, Clause 7.2 | including size shall be checked and certified by material manufacturer. |
| | | | Each batch of the epoxy material will be checked for gel time, glass |
| | | | transition temperature (DSC) and moisture content at coating yard. |
| | Α | | Acceptable. |
| 54 | Q | EEN-EPI- | Soluble salt content will be checked using a salt contamination meter |
| | | SPC-011, Clauses 8.2 | Elcometer 130 or Elcometer 130 SSP (former SCM400) in accordance |
| | | | with ISO 8502-9 and ISO 21809-1. Please accept the salt test on one |
| | | | pipe every 4 hours during production according to ISO 21809-1. |
| | Α | | Acceptable if INGL's representative will be invited for each check during |
| | | | inspection on the project. This shall be treated as an HOLD point for INGL. |
| 55 | Q | EEN-EPI- SPC-011, Clause 8.7 | We require the PE cutback length of 150 mm +/- 10 mm. |



| # | | DOCUMENT SECTION | ANNEX A - CLARIFICATION |
|----|---|--|---|
| | Α | | Comment not clear. INGL's specification shall apply. |
| 56 | Q | EEN-EPI- SPC-011, Clause 10.3.7 | Due to the long test duration, historical data/test reports shall be accepted for coating resistivity. |
| | Α | | Acceptable. |
| 57 | Q | EEN-EPI- SPC-011, Clause 12 | Repairs Procedure. Repairs will be done in accordance with the approved Repair Procedure, which will be included in the APS. |
| | А | | Review and approval of procedures shall be performed after contract award. |
| 58 | Q | IEN-EPI- SPC-003, Clause 2.1 | Please consider that the DIN 30671 standard has been withdrawn. We propose to apply the FBE coating in accordance with the requirements of the CSA Z245.20-18 standard. |
| | А | | INGL's Specification is based on DIN 30671 therefore this Standard shall apply. |
| 59 | Q | IEN-EPI- SPC-003, Clause 4.1.4 | After blast cleaning, before the application of the coating, all pipes will be cleaned using tap water with pressure > 1000 bar in the first step and deionized water with pressure > 100 bar in the second step. |
| | А | | After contract award please submit procedure in order to approve this method. |
| 59 | Q | IEN-EPI- SPC-003, Clause 4.1.5 | We propose the maximum time of 4 hours between surface preparation and start of preheating. The pipe temperature will remain at least 3°C above the dew point |
| | А | | After contract award please submit procedure in order to approve this method. |
| 59 | Q | IEN-EPI- SPC-003, Clause 4.3.3 | Cutback length will be 50 +/- 10 mm. |
| | Α | | Comment not clear. INGL's specification shall apply. |
| 60 | Q | IEN-EPI- SPC-003, Clause 4.3.3 | Please accept the sieving system no coarser than 50 mesh (297 µm) for the recycled powder. |



| # | | DOCUMENT SECTION | ANNEX A - CLARIFICATION |
|----|---|------------------------------------|--|
| | Α | | INGL's requirements as per Specification shall apply. |
| 61 | Q | IEN-EPI- SPC-003, Clause 5.3 | We propose the Cure-Delta Tg \leq 3° C (test method as per CSA Z245.20-18). |
| | Α | | INGL's Specification is based on DIN 30671 therefor this Standard shall apply. |
| 62 | Q | EEN-EPI- SPC-013, Clause 5 | To avoid damages of the internal coating in the cutback area during external coating application and further welding operations in the field, we propose the cutback length in a range of 30 mm – 40 mm. |
| | Α | | INGL's requirements as per Specification shall apply. |

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