

29/03/2024

To:  
Bidders in the Tender

Contracts & Procurement  
Department  
e-mail: c-tender@ingl.co.il  
Ref: 471960

Via: e-mail

Re: Clarification & Amendment no. 2 -  
Public Tender for Intelligent Pigging of High-Pressure Natural Gas Pipelines  
(INGL/TENDER/2023/61) (The "Tender")

## 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, as applicable, 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 letter shall be construed to derogate from the Tender Documents.
- 1.4. **Bidders are requested to send a signed copy of this Clarification & Amendment upon its receipt and to submit it signed as integral part of their Bid.**

Q – Question, A – Answer

AGREEMENT – The Agreement for Intelligent Pigging of High-Pressure Natural Gas Pipelines  
(doc. no. 468534)

CONTRACT – General Conditions for Intelligent Pigging of High-Pressure Natural Gas Pipelines  
(doc. no. 467780)

Spec. SOW (Scope of Work) - Technical Volume for Intelligent Pigging of High-Pressure  
Natural Gas Pipelines (IEN-OME-COI-001)(doc. no. 469078)

TENDER – The instruction to Submit Bids (doc. no. 467780)

## 2. The Last Submission Date

Last Submission Date is hereby postponed to **no later than April 15<sup>th</sup>, 2024 at 17:00 (Israel time).**

3. **IMPORTANT NOTICE** – **The Company has decided that the Bids within this Tender shall be submitted by HAND DELIVERY ONLY (and not by e-mails).**

**Therefore, the Tender is hereby amended as follows:**

- 3.1. Clause 2.2 to the Tender is hereby replaced with the following:

**Bid** – A proposal submitted by a Bidder to this Tender, comprised of Envelope 1 and Envelope 2, according to Clause 12 below.

3.2. Clause 2.15 to the Tender is hereby replaced with the following:

**Quotation** – A price proposal submitted by a Bidder, comprised of Envelope 2, according with Clause 12.5 below.

3.3. Clause 7 to the Tender is hereby replaced with the following:

**7. Last Submission Date & Place**

7.1 **The Bids shall be submitted by hand delivery only no later than the Last Submission Date (as specified in Clause 6 above), to the “Tender box” designated for this purpose, located in the Company offices: Atidim Tower (Building No. 8), 2184 St., Floor 32, Kiryat Atidim, Tel Aviv, Israel at the Contracts & Procurement Department.**

7.2 The Bids shall be submitted by 2 separate envelopes, carrying subject titles as described below. The envelopes themselves shall contain the documents specified below.

7.3 The Bids will be evaluated by the Company in accordance with the two-stage selection process set forth below.

7.4 The Company may decide from time to time to postpone the Last Submission Date for any reason whatsoever.

3.4. In Clauses 12.3 - 12.5 & 16 and in Annex A15 to the Tender the term "E-Mail 1" is replaced with "Envelope 1" and the term "E-Mail 2" is replaced with "Envelope 2".

3.5. Clause 12.4.21 is hereby added to the Tender as follows:

12.4.21 Envelope 1 CD / Disk on Key (DOK)

A CD or DOK containing the scanned files of all documents included by the Bidder in Envelope 1. The CD or DOK shall be labelled by the Bidder as "Envelope 1".

**Envelope 1 shall be submitted without the any of the Quotation or any other information regarding the commercial proposal.**

3.6. Clauses 13.12 - 13.13 are hereby added to the Tender, as follows:

13.12 Bidders shall submit 1 original and 2 additional identical copies of the documents comprising each Bid, in addition to a magnetic media copy, which shall be submitted on CD or Disk on Key.

13.13 The Bidder shall submit this Tender, the CD or Disk on Key and all Clarifications and Amendments initialled signed and stamped and fully signed at the designated places.

4. **Clarification no. 2**

#	DOCUMENT SECTION	
1	Tender, Clause 6.1(b), Bids Submission Date	The Last date for submission of Bids in Clause 6.1(b) is <b>updated to no later than April 15<sup>th</sup>, 2024 at 17:00 (Israel time)</b> .
2	General, Spec. SOW, hydraulic Dynamic Simulation	<p>With regards to the answer no. 7 to Clarification &amp; Amendment no. 1 (22/2/2024): “The hydraulic test and simulation before the actual pig run, shall be used to maximize successful run relate to the pipe movement and pressure difference. Successful simulation means: collection of the required data during the pig run, successful completion of pipe segment and continuance of normal gas supply to the Company’s clients.”</p> <p>a) Please clarify whether the above refers to liquid handling in the pipeline with the outcome of the simulation being pigging inputs for the pressure and flow to ensure smooth run behavior of the tool? b) Additionally, could you please provide an example to illustrate this concept?</p>
		<p>a) The hydraulic dynamic simulation is irrelevant to liquid handling in the pipeline, as the gas in INGL’s pipelines do not have liquids inside. The computer simulation requested to ensure a smooth pig run inside the pipelines without any problems or stuck and to insure the gas velocity and pressure differential needed. b) An example is before making a pig run the contractor is requested to present a computer simulation of pig run in the specific pipeline showing the pig run inside the pipe all the way without any problem, and to know in advance what is the flow, differential pressure and velocity needed for the actual pig run process.</p>
3	Velocity in 10” Keshet (Sdei Iian) to Ziporit Ind.	Please confirm regarding the pipeline 10” Keshet (Sdei Iian) to Ziporit Ind. The correct figures of 13.9 bar pressure, with a minimum velocity of 0.06 m/s and a maximum velocity of 0.06 m/s.
		This is the current velocity in this pipeline. However INGL shall not run a pig in such velocity, unless the velocity will increased.
4	Wall Thickness (WT) of 18” ILI MFL	What is the Wall Thickness limit of the 18” pipeline regarding the use of 18” ILI MFL tool.
		The 18” gas pipeline Wall Thickness limit is 12.7 mm.

5	General, Tender Scope of Work	Could you please confirm whether there are indeed 19 sections for this tender?
		Currently INGL plan for intelligent pigging services in the following years is as presented in the Tender scope of work. However, the plan can be changed according to INGL needs.
6	Contract, Clause 8, Military Firing Zones	Please note that the Stations having the launchers and receiving scraper traps for the Pig are outside of military firing zones (military training areas).

5. **Amendment no. 2**

Amendment no. 2 is as listed in the following tables.

#	DOCUMENT SECTION	CLARIFICATION
<b>Amendments to the Agreement</b>		
2	Agreement, Clause 2, Preferences of Documents	<p>Clause 2 to the Agreement shall be replaced with the following:</p> <p>2. The several documents forming CONTRACT are to be taken as mutually explanatory.</p> <ul style="list-style-type: none"> <li>- In the event that the Contractor has become aware of any contradiction, ambiguity or discrepancy, he shall immediately notify the ENGINEER of same and act according to his instructions. The ENGINEER shall then make such corrections and interpretations, as may be deemed necessary, for fulfilling the intent of the AGREEMENT, as set forth below:</li> <li>- The AGREEMENT shall be interpreted in such a manner pursuant to which the Contractor shall be bound by the provision closest to the Best Industry Practice.</li> <li>- In the case of a contradiction between the TENDER DOCUMENTS and the AGREEMENT documents (including a contradiction between various provisions in one document), or in any case of a contradiction or lack of conformity or dual meaning regarding any provisions in the various documents that constitute the TENDER or the GTC or the exhibits thereto that cannot be reconciled, and in the absence of another express determination as to the order of precedence above or in one of the TENDER or GTC documents, the order of precedence among the provisions shall be in declining order of the priority of the documents forming the CONTRACT as follows:                             <ol style="list-style-type: none"> <li>(1) Annex E;</li> <li>(2) Annex C;</li> <li>(3) Annex B;</li> <li>(4) Annex A;</li> <li>(5) Annex D; and</li> <li>(6) any other document forming part of the CONTRACT.</li> </ol> </li> </ul> <p>If the Contractor believes that there exists a contradiction or lack of conformity or dual meaning between any of the provisions of the AGREEMENT and other provisions or if the Contractor is in doubt as to the correct interpretation, the Contractor shall act according to the instructions of the ENGINEER whose professional determination shall be final. So as to avoid doubt, a dispute in connection with what is stated shall not constitute grounds to delay the performance of the Works by the Contractor and/or by anyone acting on his behalf.</p> <p>In case of any discrepancy between documents, the provision that aligns with Best Industry Practice shall prevail.</p> <p>In the event that Works are not adequately described in the TENDER or the GTC documents, its execution shall be in</p>

		compliance with Best Industry Practice.
<b>Amendments to the Contract</b>		
3	Contract, Clause 1.1, Gross Misconduct	<p>Clause 1.1 to the Contract shall be replaced with the following:</p> <p>Means any act or omission of the CONTRACTOR that demonstrates a total lack of care or complete disregard of reasonable care and diligence which a skilled contractor in the same position and the same circumstances would have followed</p>
4	Contract, Clause 7.8.9, Discharge of material to the sea	Clause 7.8.9 to the Contract is deleted.
5	Contract, Clause 7.8.11, Cleanliness of the Site	<p>Clause 7.8.11 to the Contract shall be replaced by the following:</p> <p><u>Without derogating the CONTRACTOR's responsibility to keep the SITE clean,</u> <del>The Company shall be responsible for the transportation and disposal of all debris, including waste products emanating from the Pipeline or the Inspection Object in accordance with the appropriate regulations governing the disposal of waste / hazardous waste and bear all related costs thereto. The contractor shall be responsible for cleaning the tool and collect debris and dispose in a container provided by Company which is located near de receiver. In case of NORM, LSA, Company will be fully in charge of cleaning, collecting and disposal.</del></p>
6	Contract, Clause 7.12 Intellectual Property	<p>Clause 7.12 to the Contract shall be replaced by the following:</p> <p>7.12.1 All the documents, plans, schedules, models, design samples, technical information or data (oral or written) (collectively the "PLANS") furnished to the CONTRACTOR or to any SUBCONTRACTOR, directly in connection with the PROJECT, including, without limitation, the TECHNICAL VOLUMES and all other comparable material appearing in the CONTRACT DOCUMENTS, shall at all times be and remain the property of the COMPANY. All copies of such PLANS in written, graphic or other format shall be delivered to the COMPANY upon its reasonable request. The CONTRACTOR and its SUBCONTRACTOR(S), if any, will use such PLANS solely for the purpose of performing their</p>

		<p>obligations under this CONTRACT and will not use them for any other purpose without the prior written express consent of the COMPANY.</p> <p>7.12.2 The CONTRACTOR shall ensure, at its own expense, that the COMPANY shall have unlimited, irrevocable license to make use, without prior conditions, of any documents by CONTRACTOR's intellectual property, including know-how, related to, incorporated, and/or utilized directly in connection with the execution of the SERVICES and with the SYSTEM, for the purposes of the PROJECT and the operation and maintenance of the SYSTEM.</p> <p><del>7.12.3 Copyright. Before receipt of the FINAL ACCEPTANCE CERTIFICATE, the CONTRACTOR shall deliver to the COMPANY a written confirmation signed by the CONTRACTOR and any third party involved in the PROJECT on behalf of the CONTRACTOR and whose identity shall be recorded by the COMPANY, to the effect that such third party, to the extent that it is a copyright holder, agrees to waive, prospectively and retroactively, as against any person or entity, any "moral right" with respect to any element of the PROJECT which will prevent any changes or amendments of any kind or for any reason being made thereto, including but not limited to the total removal or destruction of such element, and/or agrees to waive enforcement of such right, and/or agrees that, from an objective or subjective perspective, any changes in such element including the complete destruction thereof, will not hinder his honor or reputation, and/or agrees to allow any changes or destruction deemed necessary by the CONTRACTOR.</del></p> <p>7.12.4 The CONTRACTOR shall be responsible for the fact that the execution of the PROJECT and all its elements does not involve any infringement by the CONTRACTOR or on its behalf of any INTELLECTUAL PROPERTY RIGHT or other proprietary right belonging to a third party, provided, however, that such responsibility shall not extend to infringement of an INTELLECTUAL PROPERTY RIGHT belonging to any third party arising out of the use, for the implementation of the PROJECT, of that part of the CONTRACT DOCUMENTS, furnished to the CONTRACTOR by the COMPANY under this CONTRACT solely for the purpose for which it was furnished.</p> <p>7.12.5 The CONTRACTOR shall indemnify the COMPANY and the ENGINEER against all claims of infringement of any INTELLECTUAL PROPERTY RIGHTS in respect of any CONTRACTOR'S EQUIPMENT, methods employed thereby while performing the SERVICES, and/or materials or system used for or in connection with or for incorporation into the SERVICES except where such infringement results from a circumstance as contemplated in the provision of Clause 7.12.3 above. The provisions of Clause 20 shall apply to such indemnification mutatis mutandis.</p>
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7	Contract, Clause 7.14 Company Option	<p>Clauses 7.14.1 – 7.14.2 to the Contract shall be replaced by the following:</p> <p>7.14.1 At any time during the CONTRACT PERIOD the COMPANY may at its sole discretion exercise its option to perform works for the execution of a LATER PROJECT.</p> <p>In the event of exercising the COMPANY OPTION all terms and provisions of this CONTRACT shall apply thereto, mutatis mutandis. The time schedules for the performance of a LATER PROJECT will be coordinated, as reasonable possible with the CONTRACTOR in order to start the SERVICES as soon as possible but provided that the total duration for completion the Services for such LATER PROJECT, including submitting the Final Report, shall not exceed the total period for the above as specified in Annex 1 “Frame Schedule” to the Specification for Intelligent Pigging Services – Operational Provisions (doc. no. 469092).</p> <p>Upon the COMPANY notice to the CONTRACTOR on the exercising of such option, the CONTRACTOR shall begin all SERVICES and take all other steps required in accordance with such instructions.</p> <p>7.14.2 The price for the SERVICES for the execution of a LATER PROJECT by the CONTRACTOR shall be in accordance with the prices set forth in the price tables in <b>EXHIBIT B</b> of <b>ANNEX C</b> of the AGREEMENT. For the avoidance of doubt, it is hereby clarified that the exercise of the Company Option, as set forth in this Clause 7.14 shall not be deemed a CHANGE, and the provisions of Clause 14 shall not apply.</p>
8	Contract, Clause 7.15 Option to extend the Services	<p>Q: Request to amend Clause 7.15 to the following:</p> <p><del>The COMPANY shall be entitled, at its sole discretion, to expand at any time and for any reason, may request to expand the scope of the SERVICES, in a rate of up to 100% of the original scope of the SERVICES. The expended SERVICES and prices for such expended SERVICES shall be in accordance with the prices set forth in the PRICE TABLE (i.e., the prices shall be calculated on the basis of prices proposed by the CONTRACTOR and approved by the COMPANY. for a PIPELINE of the same characteristics (diameter and/or length).</del></p> <p>A: Not approved.</p>



9	Contract, Clause 7.16.2, Contract Period	<p>Q: Request to amend Clause 7.15 to the following:</p> <p>7.16.2 The Company shall have the option to extend the term of the AGREEMENT by up to 2 additional periods, up to 1 year at a time (the "<b>Option</b>"), by issuing a written notice to the Contractor, at least 30 days before the termination of the AGREEMENT term or the Option term which shall be explicitly accepted by CONTRACTOR. The AGREEMENT term and any Option implemented by the Company shall be referred as the "CONTRACT PERIOD".</p> <p>A: Not approved.</p>
10	Contract, Clause 9, Site	<p>Q: Please add the following provision under section 9.</p> <p>In the event that, in CONTRACTOR's sole opinion, a lack of safe conditions on Site or Inspection Object exists, (the "Unsafe Conditions"), CONTRACTOR shall be entitled to suspend the Service until such Unsafe Condition is removed or corrected. In addition, CONTRACTOR may terminate the Contract at CONTRACTOR's sole discretion pursuant to clause 24, if such conditions have not ceased, removed or corrected in a timely manner.</p> <p>A: Not approved.</p>
11	Contract, Clause 11.2.2, Cost pursuant Suspension	<p>Q: Request to amend Clause 11.2.2 to the following:</p> <p><del>Subject to the provisions of Clause 11.7 below,</del> in the event of a full suspension of the SERVICES, in which case Clause 11.3 below is not effected, the CONTRACT PRICE shall be adjusted so as to include the STAND BY DAILY RATE, as specified in the PRICE TABLE, which shall be the CONTRACTOR'S sole and exclusive remedy for each day of full suspension of the SERVICES, or for any part thereof (in which case the COMPANY shall be charged for the STAND BY DAILY RATE on a pro rata basis), <del>up to a cap of a cumulative of sixty (60) days or up to a cap which equals five percent (5%) of the CONTRACT PRICE, whichever is less.</del> The CONTRACTOR shall be entitled for payment for STAND BY days only after the exhaustion of an aggregate of seventy-two (72) grace hours for each PIPELINE (as set forth in the PRICE TABLE) granted to the COMPANY by the CONTRACTOR.</p>

		A: Not approved.
12	Contract, Clause 11.2.3.2, Cost pursuant Suspension	Q: Please, delete. CONTRACTOR shall not bear extra costs if it's not due to the breach of contract.
		A: Clarification is not required. Please note that the provision does apply to the extent that such requirement arises from any act or default of the ENGINEER or the COMPANY, or from any of the COMPANY RISKS as set forth in Clause 18.1.
13	Contract, Clause 11.3, Alternate employment during suspension	<p>Clauses 11.3 to the Contract shall be replaced with the following:</p> <p>If reasonably practicable for both PARTIES, the COMPANY may request that, during any period of suspension of part of the SERVICES, the CONTRACTOR employ any personnel and CONTRACTOR'S EQUIPMENT affected by the suspension, in the unsuspended part of the SERVICES. The <del>CONTRACTOR</del> COMPANY shall bear any costs of such alternate employment until the alternate employment actually start, including, without limitation, any transportation costs, and <del>in such case, shall not be entitled to</del> the STAND BY DAILY RATE as stipulated above.</p>
14	Contract, Clause 11.4.2, Prolong Suspension	<p>Clauses 11.4.2 to the Contract shall be replaced with the following:</p> <p>If permission is not granted and the suspension affects the <del>whole majority</del> of the SERVICES <del>in a Project</del>, the CONTRACTOR may terminate the <del>CONTRACT</del> SERVICES in the <del>suspended PROJECT</del> <del>accordance with Clause 24</del> or choose to wait for the resumption of SERVICES at its own expense. For the avoidance of any doubt, the CONTRACTOR shall not be entitled to any compensation from the COMPANY, except for the STAND BY DAILY RATE, <del>for a maximum of sixty (60) days as per Clause 11.2.2</del>, and hereby waives any claims or future demands of any kind whatsoever with respect to such additional suspension days and any damages suffered thereby as a result there-from. Furthermore, any other remedies to which the CONTRACTOR may be entitled to with respect to such suspension period, under any law, are hereby excluded.</p>

15	<p>Contract, Clause 11.5.2, Resumption of Services</p>	<p>Clause 11.5.2 to the Contract shall be replaced by the following:</p> <p>Suspension, as contemplated under this Clause 11, shall not release the CONTRACTOR from any of its obligations pursuant to this CONTRACT, except for the obligation to proceed with the performance of the SERVICES which have been suspended, and only to the extent, and for the time period during which the CONTRACTOR has been so suspended. COMPLETION DEADLINE shall be extended as set forth in Clause 12.2. <del>Subject to the COMPANY'S sole discretion, pursuant to a suspension of the SERVICES the COMPANY may issue a CHANGE ORDER making any required adjustment to the COMPLETION DEADLINE for the SERVICES</del></p>
16	<p>Contract, Clause 11.7.1 Cost pursuant Cancellation</p>	<p>Clause 11.7 to the Contract shall be replaced with the following:</p> <p>11.7 Cost Pursuant to Cancellation</p> <p>11.7.1 If any part of the SERVICES is cancelled not due to a DEFAULT by the CONTRACTOR, the COMPANY shall issue a CHANGE ORDER making any required adjustment to the COMPLETION DEADLINE for any surviving SERVICES and to the CONTRACT PRICE.</p> <p>11.7.2 The CONTRACT PRICE shall be reduced by the amount corresponding to the cancelled part of SERVICES. The above adjustment of CONTRACT PRICE shall also consider:</p> <p>11.7.2.1 The reasonable COSTS of removal of CONTRACTOR'S EQUIPMENT and, if required by the CONTRACTOR, return thereof to the CONTRACTOR'S country of registration (or to any other destination at no greater cost) considering payments made or to be made for SERVICES executed.</p> <p>11.7.2.2 The COSTS as may be reasonable, of repatriation of the CONTRACTOR'S staff locally employed for the provision of the SERVICES at the time of such termination; taking into account payments made or to be made for SERVICES executed.</p> <p>11.7.2.3 All other reasonable COSTS for demobilization of the CONTRACTOR, duly evidenced, in writing, by the CONTRACTOR and approved by the ENGINEER.</p> <p>11.7.2.4 The amount of reasonable COSTS arising out of or in connection with or by consequence of such cancellation provided however that such reasonable COSTS has been duly evidenced, in writing, by the CONTRACTOR, and accepted by the ENGINEER.</p> <p>11.7.2.5 Where the COMPANY has elected to cancel the SERVICES in whole or in part, the CONTRACTOR shall not be entitled to any other right and/or payments, except as provided for cancellation in the Agreement.</p>

17	Contract, Clause 11.8 Documents upon Cancellation	<p>Clauses 11.8 to the Contract shall be replaced by the following:</p> <p>Where the COMPANY so cancels any part of the SERVICES, then CONTRACTOR shall furnish to the COMPNAY only reports completed at the date of cancellation. <del>with respect to the cancelled part of SERVICES, the CONTRACTOR shall execute and deliver to the COMPANY all documents required by the COMPANY.</del></p>
18	Contract, Clause 12.2.2, Extension Claim (Completion Deadline)	<p>Clauses 12.2.2 to the Contract shall be replaced by the following:</p> <p>The CONTRACTOR shall give the ENGINEER, in writing, <del>with a copy to the COMPANY, within 7 days from the date on which the Contractor becomes or should have become aware of the circumstances or event that caused the DELAY accompanied by all the supporting documentation, inter alia, an impacted schedule recording the effect of the DELAY on the critical path of the PROJECT</del> <u>notice of its intention to claim an extension immediately upon the occurrence of a DELAY. Such notice shall be followed as soon as possible, and in any event not later than seven (7) days thereafter, by a claim detailed with full supporting documentation.</u> Upon receipt of such detailed claim, the ENGINEER shall decide (i) on the steps which the CONTRACTOR shall be obliged to take to minimize, mitigate, or reduce the effect of the DELAY and (ii) <u>the entitlement to postpone the deadline for the specific activity and its extension, if at all</u> <del>on the extension to the COMPLETION DEADLINE, if any, to which the CONTRACTOR shall be entitled on account of such DELAY.</del></p>
19	Contract, Clause 12.3 Agreed Upon Late fee for Delay in Completion of the Services	<p>Clauses 12.3 to the Contract shall be replaced by the following:</p> <p>12.3.1 In the event that the CONTRACTOR fails to complete the SERVICES by the COMPLETION DEADLINE, as adjusted pursuant to this CONTRACT, it is hereby agreed as compensation for such delay, that the CONTRACTOR shall pay to the COMPANY an agreed upon late fee in an amount equal to 0.5 % of the CONTRACT PRICE of the delayed SERVICE for every week which elapses between the COMPLETION DEADLINE and the actual completion of the SERVICES.</p> <p>12.3.2 Notwithstanding anything to the contrary in this Clause 12.3, a delay of up to fourteen (14) days shall not be deemed a delay under this Clause 12.3 and no liquidated damages shall be paid with respect to such fourteen (14) day period.</p> <p>12.3.3 All sums payable by the CONTRACTOR pursuant to this Clause 12.3 shall be paid as an agreed upon late fee and not as a penalty.</p> <p>12.3.4 The total amount of agreed upon late fees in respect of the whole of the SERVICES under this Clause, shall not exceed the amount of ten percent (10%) of the CONTRACT PRICE of the delayed</p>

		<p>SERVICE.</p> <p>12.3.5 The COMPANY may set off the amount of any agreed upon late fee becoming due and payable under the provisions of this Clause 12.3 from any sums due or which become due to the CONTRACTOR under the terms of this CONTRACT.</p>
20	<p>Contract, Clause 13.1, Final Report Deficiency Correction</p>	<p>Clauses 13.1 to the Contract shall be replaced with the following:</p> <p>Within 3 months of the CONTRACTOR'S delivery of the FINAL REPORT (the "DEFECT LIABILITY PERIOD"), the COMPANY shall be entitled to notify the CONTRACTOR, in writing, of any deficiency in the FINAL REPORT, and the CONTRACTOR shall reanalyse the DATA and provide the COMPANY with a revised FINAL REPORT within not later than sixty (60) days of the date of the COMPANY'S notification if longer period is not reasonably required. The CONTRACTOR shall remain liable following the DEFECT LIABILITY PERIOD for any latent DEFECTS, or DEFECTS resulting from willful misconduct or GROSS MISCONDUCT.</p>
21	<p>Contract, Clause 13.4, Extension of Defect Liability Period</p>	<p>Clauses 13.4 to the Contract shall be replaced with the following:</p> <p>The provisions of this Clause 13 shall apply with respect to all repairs and/or corrections of deficiencies carried out by the CONTRACTOR to remedy any DEFECT and the DEFECT LIABILITY PERIOD for such repairs and/or corrections shall extend for the period it took the CONTRACTOR to correct the DEFECT and additional 3 months from the completion of such repairs and/or corrections.</p>

22	<p>New Section 13.5 – Standard Warranty Exclusions</p>	<p>Clauses 13.5 shall be added to the Contract as follow:</p> <p>13.5 <u>Warranty Exclusions</u></p> <p>13.5.1 CONTRACTOR warrants that the SERVICES will be performed as provided in Clause 10.1.2 above and in strict accordance with this Contract. CONTRACTOR further warrants that any Equipment provided hereunder shall meet the descriptions, specifications, and requirements specified in this Contract.</p> <p>13.5.2 The warranties set forth above shall not apply to any warranty claims to the extent caused by or arising out of Warranty Exclusions. For the purpose of clarity and avoidance of doubt, such warranties shall continue to apply to any and all portions of SERVICES and Equipment that are unaffected by the Warranty Exclusions. In this section "<b>Warranty Exclusions</b>" shall mean (1) unauthorized modifications made to SERVICES and/or Equipment by COMPANY; (2) any equipment or materials furnished by COMPANY or any third party (other than CONTRACTOR or any contractor or supplier of CONTRACTOR); (3) improper or inadequate cleaning of any Pipeline; (4) unsuitable power sources or environmental conditions; (5) incorrect data provided by COMPANY; or (6) any other cause not the fault of CONTRACTOR. If COMPANY discovers any warranty defects and notifies CONTRACTOR thereof in writing during the applicable warranty period, CONTRACTOR on its own expense shall, at its option, correct or re-perform any SERVICES or portions thereof, and/or repair or replace any Equipment or portions thereof, which fail during the applicable warranty period to meet the warranties set forth above.</p> <p>13.5.3 without derogating CONTRACTOR liability to any DEFECTS attributable to the CONTRACTOR and notwithstanding the forgoing, CONTRACTOR makes no warranty, express or implied, as to the fitness for purpose or suitability of any of the provided reports and in any case shall have no liability to the COMPANY howsoever arising therefrom (whether in contract or in tort) and the COMPANY shall indemnify the CONTRACTOR against all third party claims with respect to the use of such reports or anything derived therefrom.</p>
23	<p>Contract, Clause 15, Ownership of Services' Product</p>	<p>Clauses 15 to the Contract shall be replaced by the following:</p> <p>The SERVICES' product shall become the sole property of the COMPANY <del>and of the State of Israel.</del></p>

24	Contract, Clause 16, Final Invoice	<p>Clauses 16 to the Contract shall be replaced by the following:</p> <p>Within fifteen (15) days upon submission of the FINAL REPORT to the COMPANY <del>of the end of the REVIEW OF FINAL REPORT PERIOD or in the case</del> that the COMPANY ordered the CONTRACTOR within such period to amend the FINAL REPORT, within fifteen (15) days of the end of the FINAL REPORT AMENDMENT PERIOD, the CONTRACTOR shall submit to the ENGINEER, with a copy to the COMPANY of the final (pro forma) invoice and, a RELEASE FORM in the form of EXHIBIT D, duly executed by the CONTRACTOR and any other documentation as may be reasonably requested by the ENGINEER. In the event that the ENGINEER does not dispute the contents of said invoice, the COMPANY shall confirm in writing to the CONTRACTOR within fifteen (15) days of receiving of such invoice:</p> <p>(a) the final amount which, in the opinion of the ENGINEER, is due to the CONTRACTOR pursuant to the CONTRACT; and</p> <p>(b) the amount for payment after set off of all amounts already paid to the CONTRACTOR, or which the COMPANY is entitled to set off, withhold and/or deduct, pursuant to the CONTRACT.</p> <p>Where there is no dispute as to the sum of the final payment, the COMPANY shall make such payment to the CONTRACTOR within the time period set forth in Section 3 of the Terms of Payment attached as EXHIBIT A of ANNEX C of the AGREEMENT.</p> <p>In case of dispute by the COMPANY as to the sum of the final payment, it shall pay to the CONTRACTOR the undisputed part only and the remainder shall be paid after the settlement of the dispute by arbitration and in accordance with its decision.</p> <p>Where the CONTRACTOR fails to apply for final payment within the time periods set forth above, the COMPANY shall inform the CONTRACTOR in writing of the amount it deems correct.</p>
25	Contract, Clause 18.1, Company Risks	<p>Clauses 18.1 to the Contract shall be amended as follows:</p> <p>Any Gross Negligence or willful misconduct of the COMPANY or the ENGINEER or any of their designated representatives.</p> <p>Please note that COMPANY DEFAULT including breach of contract is dealt in accordance with Clause 24.</p>



26	Contract, Clause 20.1, Liability for Indirect or Consequential Damage	<p>Clauses 20.1 to the Contract shall be amended as follows:</p> <p>Neither party shall be liable to the other party, for any loss of profit, loss of use, loss of production, or for any <del>other</del> indirect or consequential damage howsoever and whatsoever caused that may be suffered by the other party.</p>
27	Contract, Clause 20.2, Maximum Liability	<p>Clause 20.2 to the Contract shall be amended as follows:</p> <p>The aggregate liability of the CONTRACTOR or the COMPANY (<del>with respect to the COMPANY'S RISKS only</del>) for all claims of any kind, whether based on contract, warranty, tort, strict liability or otherwise, for all direct losses or damages arising out of, connected with, or resulting from this CONTRACT <u>with respect to any PROJECT or LATER PROJECT as applicable</u>, or for the performance or breach thereof, or for services or equipment or materials covered by or furnished pursuant to this CONTRACT shall not exceed the CONTRACT PRICE of such <u>PROJECT or LATER PROJECT</u>, provided, however, that such limitation of liability shall not apply to bodily injuries and to actions, claims, losses, or damages resulting, or arising from GROSS MISCONDUCT by the CONTRACTOR or by anyone acting on his behalf. It is hereby clarified that this Clause shall solely apply to claims made between the parties to this CONTRACT.</p>
28	Contract, Clause 22.3.2(a) Non Termination (Force Majeure)	<p>Clause 22.3.2(a) to the Contract shall be amended as follows:</p> <p>Should an event of FORCE MAJEURE prevent the performance of all the undertakings of either party pursuant to this CONTRACT, or any part thereof, then the party claiming the event of FORCE MAJEURE shall be excused from whatever performance is prevented thereby, and only to the extent so affected. In such circumstances, the other party shall not be entitled to terminate this CONTRACT on the basis of such non-performance, except as provided in Clause <del>23.3.4</del> <u>22.3.1</u> above and provided that the party claiming the event of FORCE MAJEURE shall have complied with the provisions of Clause <del>23.2</del> <u>22.2</u>.</p>
29	Contract, Clause 23.4.2(b) Effects of Removal	<p>Clause 23.4.2(b) to the Contract shall be amended as follows:</p> <p>The CONTRACTOR shall <del>return execute and deliver</del> <u>return</u> to the COMPANY all documents, drawings, specifications <u>provided required</u> by the COMPANY and <del>take all steps necessary to fully vest to the COMPANY all of the rights and benefits of the CONTRACTOR under any existing agreements, and shall take any and all actions requested by the</del></p>



		<p><del>COMPANY in order to enable the COMPANY to carry out the SERVICES, as contemplated by this Clause 23.4, including, without limitation, (i) guaranteeing step in rights of the COMPANY in any agreement with any SUBCONTRACTOR, supplier, or any third party and (ii) returning to the COMPANY all drawings, documents, specifications necessary to complete the SERVICES</del></p>
30	<p>Contract, Clause 23.5.2(a) Effects of Termination</p>	<p>Clause 23.5.2(a) to the Contract shall be amended as follows:</p> <p>The COMPANY shall have the right, by any legal means and proceedings it finds most expedient, to enter the SITE, <del>seize the SERVICES</del> and expel the CONTRACTOR therefrom (as well as all CONTRACTOR's personnel and any other person or persons and third parties deriving any rights from the CONTRACTOR) without thereby affecting the rights and powers conferred on the COMPANY by the CONTRACT or the LAW and the COMPANY shall have full proprietary rights to any and all SERVICES completed as of the date of such termination, <del>and all temporary services or supplies supplied by the CONTRACTOR, which have been deemed to be reserved exclusively for the completion of the SERVICES under the provisions of the CONTRACT, as the COMPANY may think proper, and the COMPANY may at any time, if applicable, sell any of the said temporary services and unused supplies and apply the proceeds of sale in or towards the satisfaction of any sums due or which may become due to it from the CONTRACTOR under the CONTRACT.</del></p>
31	<p>Contract, Clause 23.5.2(f) Effects of Termination</p>	<p>Clause 23.5.2(f) to the Contract is deleted.</p>
32	<p>Contract, Clause 24.5 Payment upon Contractor Termination</p>	<p>Clause 24.5 to the Contract shall be amended as follows:</p> <p>In the event that the CONTRACT is terminated by the CONTRACTOR as aforesaid, the CONTRACTOR shall be paid by the COMPANY <u>for the performed SERVICES and the reasonable expenses as provided in Clause 11.7 above,</u> insofar as such amounts or items have not already been covered by payments on account of the CONTRACT PRICE made to the CONTRACTOR, for all SERVICES executed prior to the date of termination, in accordance with the rates and prices as set forth in the PRICE TABLE.</p>

33	Contract, Clause 26A Indexation and Annual Rate Increase	<p>Please note that indexation Clause is provided in the Tender. However Clause 26A shall be added to the Contract:</p> <p>26A.. Indexation and Annual Rate Increase                  26A.1. The rates shall not be increased or linked to any other currency or index, except as provided below.                  26A.2. After 12 months from the Commencement Date the rates provided in Annex A15 shall be linked to the HICP or the USA CPI (according to the currency that shall apply on the payments to Contractor) and with an additional annual increase of 3%. Such update shall occur once a year, starting as of the date following 12 months from the Commencement Date and shall be valid for the following year during the Contract Period.                  The "HICP" / "USA CPI" shall refer to the monthly Harmonized Index of Consumer Prices, as published by the Europe Central Bank and Consumer Price Index as published by the United States Bureau of Labor Statistics (BLS), relevant to Contractor's main principle of business country.</p>
34	Contract, Clause 30.3 Confidentiality	Not approved.
35	New Clause 7.7A Security On- Site	<p>Clause 7.7A. shall be added to the Contract:</p> <p>Please note that the Company is responsible for safety within the PRMS and maintains at the Company's own cost all guards, fencing, warning signs, security personnel etc.                  Services performed by the Contractor outside the PRMS are within the Contractor's responsibilities including the safety and convenience of his personnel, the public or others. The Contractor shall also be responsible to comply with Company's safety instructions.</p>
<b>Insurances Clauses</b>		
36	Contract, Clause 21.2.1, Contractor Insurance, Professional Liability	<p>Clause 21.2.1 to the Contract shall be amended as follows:</p> <p>Professional liability insurance covering the CONTRACTOR'S legal liability for any act or omission by the CONTRACTOR and/or anyone acting on its behalf and/or in its name in the course and/or in consequence of and/or in connection with the performance of the SERVICES by the CONTRACTOR and/or anyone on its behalf pursuant to the CONTRACT, with a limit of liability of not less than US \$ 1,000,000 per claimant (1) and in aggregate per year.</p>

		<p>This policy is extended to indemnify the COMPANY (2) <del>and the State of Israel and the Ministry of Defense, their shareholders, directors and officers and those acting on their behalf</del> for their liability for the actions and/or omissions of the CONTRACTOR and/or anyone on its behalf, subject to a cross-liability clause (3) pursuant to which the policy is considered to have been procured separately for each of such insured entities.</p> <p>The policy will not be subject to any restrictions in respect of: <del>(4) (a) consequential damage or; (b) loss and/or loss of use or; (c) postponement or delay in the provision of services or delivery caused due to an insured event or; (d) loss of documents; or (e) employee dishonesty.</del></p> <p>The retroactive date on the Policy shall not be later than the date on which the CONTRACTOR commences in performing the SERVICES. In case of the above policy is on a “Claims Made Basis” the policy includes a clause allowing for an extended reporting period of at least six (6) months that shall be in force in case of such policy is not renewed for any reason, the policy will cover claims originating prior to the date of non-renewal of which the insurers are notified during the reporting period.</p> <p>The CONTRACTOR hereby undertakes to maintain the professional liability insurance policy for as long as the CONTRACTOR is legally liable for the SERVICES provided by it, and in any case for a period of no less than (5) <del>seven (7) years</del> <u>36 months</u> from the date of the FINAL ACCEPTANCE CERTIFICATE.</p>
37	Contract, Clause 21.2.4, Public (Third Party) Liability Insurance Policy	<p>Clause 21.2.4 to the Contract shall be amended as follows:</p> <p>Covering the CONTRACTOR’S legal liability towards any third party in respect of bodily injury or property damage caused during the period of the CONTRACT and/or in connection therewith, with a limit of liability of not less than (1) <u>US \$ 1,000,000</u> per event, and for the insurance year.</p> <p>The insurance is extended to cover COMPANY and <del>the (2) State of Israel and the Ministry of Defence, their shareholders, directors and officers and those acting on (3) their behalf</del> for their liability for the actions and/or omissions of the CONTRACTOR and/or anyone acting on its behalf, subject to a cross-liability <del>clause pursuant where to the policy shall be deemed to have been taken out separately for each of the insured listed on the policy</del></p> <p>This Insurance is not subject to any limitation regarding liability deriving from the use of lifting devices, cranes or elevators, loading and unloading, CONTRACTORS and sub-Contractors and their workers, or with respect to damage to property on which the insured or any person in its service are or were directly working on at the time of the occurrence of the insurance event. <del>This Insurance will explicitly state that the Company shall be regarded as third</del></p>

		<p><u>party</u>          This Insurance will explicitly state that the Company, the State of Israel, the Ministry of Defence and their property and those acting on their behalf, shall be regarded as third party.</p>
38	<p>Contract,          Clause 21.3,          General          Conditions to          Policies</p>	<p>Clause 21.3 to the Contract shall be amended as follows:</p> <p>21.3. General conditions which will apply for the policies stipulated in Section 21.2 above:</p> <p>21.3.1 The insurance coverages stipulated above are extended to indemnify The Company, (1) the state of Israel and anyone acting on their behalf (collectively, the: “Indemnified Parties”) in respect of their liability for the acts and/or omissions of The Contractor and/or anyone operating on its behalf, subject to a cross liability clause, <del>pursuant to which the insurance will be deemed to have been effected separately for each individual additional insured.</del></p> <p>(2) 21.3.2. The Limits of liability may be fulfilled by using Umbrella insurance. If such is used, then the total limits of such Umbrella should be at least the aggregate of all limits as required above.</p> <p>21.3.3. The insurance policies are primary to any other insurance procured by the Company as well as the Indemnified Parties, and the insurer hereby waives any claim or demand, which it may have with respect to the participation of their insurance.</p> <p>21.3.4. All covers will include the insurer’s waiver of the right to subrogation against the Company (3) and the Indemnified Parties.</p> <p>21.3.5. (4) The policies shall not be detrimentally changed or cancelled, without <del>60</del> 30 days’ prior written notification by insurers, sent to the Company via registered mail.</p> <p>(5) 21.3.6. Include a clause according to which noncompliance with the duties imposed upon The Contractor in good faith, and/or a breach of any of the policy conditions in good faith will not prejudice the rights of the Company and the Indemnified Parties, to obtain indemnity under the policy.</p>
39	<p>Contract,          Clause 21.5,          General</p>	<p>Clause 21.5 to the Contract shall be amended as follows:</p> <p>In the event of a discrepancy between the INSURANCE CERTIFICATE and the requirements as mentioned in the Contract, the CONTRACTOR undertakes, upon receipt of a request from the COMPANY, to cause the immediate correction of the INSURANCE CERTIFICATE, no later than (1) seven (7) days following such request, so that it conforms to these clauses. it is hereby explicitly agreed that the provision of the INSURANCE CERTIFICATE does</p>

		<p>confirm the CONTRACTOR has complied with all requirements, shall not impose any liability on the COMPANY and shall not derogate from the CONTRACTOR'S liability pursuant to the CONTRACT or any law. The CONTRACTOR undertakes to provide a renewed INSURANCE CERTIFICATE within (2) twelve (12) days of the expiration of the last INSURANCE CERTIFICATE provided to the COMPANY, for every insurance period, during the entire CONTRACT PERIOD and until the completion of the CONTRACTOR'S SERVICES hereunder. it is further agreed that failure to deliver the INSURANCE CERTIFICATE within the time period set forth above shall not exempt the CONTRACTOR from any obligation hereunder, including, without limitation, with respect to the SCHEDULE and FRAME SCHEDULE and any of the CONTRACTOR'S obligations, even if the CONTRACTOR is prevented from performing the SERVICES. Without derogating from the foregoing, it is further explicitly agreed that the COMPANY shall be entitled, at its sole discretion, to delay any payment to the CONTRACTOR, if the INSURANCE CERTIFICATE is not provided within the time period set forth above.</p>
40	<p>Contract, Clause 21.2.5, Property Damage Insurance</p>	<p>Clause 21.2.54 to the Contract shall be deleted.</p>
41	<p>Contract, Clause 21.7</p>	<p>Clause 21.7 to the Contract shall be amended as follows:</p> <p>The CONTRACTOR represents and warrants that it shall not have any claims, demands and/or actions against the COMPANY and/or anyone on its behalf, concerning damage to any of its equipment's, tools and other property and/or with respect to losses or damages which it is entitled to receive indemnification under the insurance policies the CONTRACTOR is obliged to maintain according to this CONTRACT; and the CONTRACTOR hereby relieves the COMPANY and/or anyone on its behalf of any liability for such damage. The foregoing shall not apply to the benefit of anyone who caused damage with malicious intent.</p> <p><u>The Company represents and warrants that it shall not have any claims, demands and/or actions against the CONTRACTOR, concerning damage to any of its equipment's, tools and other property and/or with respect to losses or damages which it is entitled to receive indemnification under the property insurance policies the COMPANY is obliged to maintain according to this CONTRACT; and the COMPANY hereby relieves the CONTRACTOR of any liability for such damage. The foregoing shall not apply to the benefit of anyone who caused damage with malicious intent.</u></p>

6. **Attachments**

- 6.1. **With its submittal Bidder should use the updated versions of the Agreement and Contract available at Company's website.** A tracked changes version is also available for your convenience but should not be submitted with the Bid.

The Bidders are requested to acknowledge receipt of this Clarifications & Amendment No. 2 by returning an executed copy of the attached acknowledgment receipt form.

Sincerely yours,

  
Israel Natural Gas Lines Company Ltd.

\* \* \* \* \*

**Acknowledgement of Receipt**

We, the undersigned, hereby confirm that we received **Clarification & Amendment No. 2 - Public Tender for Intelligent Pigging of High-Pressure Natural Gas Pipelines (INGL/TENDER/2023/61)**

.....  
Date

.....  
Company

.....  
Signature