



**Tender No. 42001**  
**For the Manufacture and Supply of Interchangeable Brake**  
**Shoes (“Tender”)**

**General Terms and Conditions**

Israel Railways Ltd. (“ISR”), in accordance with its obligations under the Israeli Mandatory Tender Laws, its implementing regulations and the International Agreement on Government Procurement, wishes to obtain bids for:

The manufacture and supply of Interchangeable Brake Shoes (collectively, the "**Brake Shoes**"); all in accordance with and subject to the terms specified in these General Terms and Conditions and the accompanying Tender Documents.

1. **Pre-requisites for Participation in the Tender (the “Pre-requisites”):**

1.1 The Bidder must be the **manufacturer and supplier** of the Brake Shoes;

1.2 The Bidder has manufactured and supplied, commencing **from 2017 and up to the final submission date**, at least twenty-one thousand (21,000) Molded Steel Brake Shoes and thirty-three thousand (33,000) Composite Material brake shoes for rolling stock equipment;

\* rolling stock equipment = coaches, locomotives and trainsets.

2. **Proof of Compliance with the Pre-requisites**

2.1 Bidder shall prove full compliance with the Pre-requisites specified in Section 1 above, by submitting to ISR all the details, documents and confirmations required under the provisions of the Pre-requisites which shall include, *inter alia*, the following:

2.1.1. Bidders shall prove their full compliance with the Pre-requisite set forth in Section 1.1 by submitting a letter certifying that the Bidder is the manufacturer and the supplier of the Brake Shoes.

2.1.2. Bidders shall prove their full compliance with the Pre-requisite set forth in Section 1.2 by submitting a signed and completed experience and reference list, in the form attached hereto as **Appendix D** evidencing that the Bidder has manufactured and supplied, commencing from 2017 and until the submission

date, at least twenty-one thousand (21,000) Molded Steel Brake Shoes and thirty-three thousand (33,000) Composite Material Brake Shoes for rolling stock equipment;

2.1.3. Notwithstanding the aforesaid in this Section 2.1, ISR shall have the right, at its sole discretion, not to disqualify proposals which do not contain all the documents and certificates necessary to prove its compliance with the Pre-requisites. ISR shall have the right, at its sole discretion, to request from any of the Bidders, details and/or approvals and/or recommendations and/or certificates and/or additional documents, necessary to enable ISR to reach the required decisions.

2.1.4. The Bidder undertakes to maintain its compliance with the Pre-requisites specified in Section 1 above, at all times, up to and including the Proposal Validity Period as set forth in Section 16 below and the throughout the Agreement period.

### 3. **Bid Guarantee**

3.1. ISR shall require all Bidders that meet the requirements specified in Section 1 above to submit ISR a bid guarantee within thirty (30) days following the receipt of such written request from ISR, in order to secure the due, timely and complete performance of each Bidder's obligations under its proposal, including the validity of its proposal (the "**Bid Guarantee**").

3.2. The Bid Guarantee must be an unconditional and irrevocable first class bank guarantee to the order of Israel Railways Ltd., **in the amount 92,240 USD** (ninety two thousand two hundred and forty) USD currency only, valid at least up to and including six (6) months after the submission date.

3.3. It is hereby clarified that in any event that a Bidder is requested to submit a Bid Guarantee, and fails to submit such Bid Guarantee as specified in Sections 3.1 and 3.2 above, the Bidder shall not be entitled to further participate in the Tender Process.

3.4. In any event that a Bidder is requested to extend the Proposal Validity Period (as defined in Section 16), the Bidder shall be required to extend the period of the Bid Guarantee for the same duration of the extension of the Proposal Validity Period. ISR shall have the right, at its sole discretion, to disqualify a proposal submitted by a Bidder which fails to extend the period of the Bid Guarantee as required herein.

3.5. ISR shall be entitled, at its sole and absolute discretion, to exercise the Bid Guarantee or any part thereof, after the Bidder was given the opportunity to present its arguments, in case, *inter alia*, one of the following occurs: (1) during the Tender process, the Bidder acted in a misleading manner or in bad faith; (2) the Bidder provided misleading information or omitted material information; (3) the Bidder retracted its proposal to the Tender after the Final Submission Date; (4) after being selected as the winning bidder in the Tender, the Bidder did not follow the instructions of the Tender, which constitute a condition for ISR's engagement of the winning bidder. The Bid Guarantee shall also serve as

agreed compensation without proof of damage as defined in Section 15 of the Contracts Law (Remedies for Breach of Contract) 5761-1970.

- 3.6. Commencing from the Effective Date as defined in the Agreement, the Bid Guarantee furnished by the winning bidder for the purposes of the Tender shall secure the performance of all of the winning bidder's obligations under the Agreement, until replacement thereof by the Performance and Warranty Guarantee, as defined in the Agreement. Upon the receipt of the notification of being selected as the winning bidder, the winning bidder shall extend the validity of the Bid Guarantee submitted by it to ensure the continuing effect of the Bid Guarantee, until replacement thereof by the Performance and Warranty Guarantee, as defined in the Agreement.

4. **Term of the Agreement**

The term of the Agreement of the Brake Shoes shall be in accordance with the terms and the conditions specified in the Agreement.

5. **Technical Requirements**

The proposed Brake Shoes must fully comply with all of the requirements and terms included in the technical specifications attached hereto as **Appendix A** (the “**Technical Specifications**”).

6. **Governing Agreement**

The manufacture and the supply of the Brake Shoes, including but not limited to, the price, terms of payment, scope of liability, responsibility and all other general and legal terms for the engagement with the winning bidder (the “**Supplier**”), shall be governed by the terms and conditions of the framework agreement attached hereto as **Appendix C** (the “**Agreement**”). The Agreement and the appendices attached thereto constitute an inseparable part of this Tender.

7. **Purchase Order**

The Agreement will be exercised through Purchase Orders, in accordance with the terms and the conditions specified in the Agreement.

8. **Delivery Terms**

The terms of supply and delivery of the Brake Shoes shall be in accordance with the terms and the conditions specified in the Agreement.

9. **Time of Delivery**

The Delivery Time of the Brake Shoes shall be in accordance with the terms and the conditions specified in the Agreement.

10. **Warranty**

The Brake Shoes shall be fully warranted by the Supplier according to the terms and the conditions of the Agreement.

11. **Price Proposal**

11.1. The Bidder shall provide the proposed price for the manufacture and supply of the Brake Shoes in the Bidder's Proposal Form attached hereto as **Appendix B** (the "**Proposed Price for the Brake Shoes**"), in accordance with the following instructions:

11.2. The Bidder shall provide the proposed price in the "Price per one Brake shoe" column for each and every type of Brake Shoes.

11.3. The Bidder shall multiply the proposed price in the "Price per one Brake shoe" column by the quantity of Brake Shoes specified in the "Quantity" column for each and every type of Brake Shoes. The Bidder shall specify the result in the "Total Price" column.

11.4. The Bidder shall specify the "Total Evaluated Price" in Appendix B by adding all of the total prices listed in the "Total Price" column.

11.5. In the event of a contradiction between the Price per Unit and the Total Price, the Price per Unit shall prevail.

11.6. Bidders must submit a proposal for all types of Brake Shoes.

11.7. The Proposed Price for the Brake Shoes shall be quoted in the Bidder's Proposal Form in USD (\$) currency only. The Proposed Price for the Brake Shoes is the final, complete and inclusive price that will be paid to the Supplier for the Brake Shoes and the accompanying services to be provided by it. The Supplier shall not be entitled to any other payment, fee or compensation whatsoever from ISR.

12. **Terms of Payment**

Payment by ISR to the Supplier shall be according to the terms and the conditions of the Agreement.

13. **Selection of the Winning Proposal**

13.1. The Bidder with the lowest Total Evaluated Price for the Brake Shoes as set out in the Bidder's Proposal Form (**Appendix B**) shall be selected as the winning Bidder

13.2. When reviewing the proposals submitted, ISR reserves the right, in its sole discretion, to take into consideration negative past experience of ISR and/or any other entity with any particular Bidder and ISR may reject any particular proposal based solely on such past experience.

14. **Tender Procedure – General**

14.1. Download of the Tender Documents

Tender Documents are available for review and download at no charge at ISR's website at the following address:

<http://www.rail.co.il/HE/ISRTenders/Pages/TenderList.aspx>

(The interface at ISR's website with respect to the Tender Documents is currently in Hebrew only).

15. **Submission of Proposals**

15.1. All proposals must be submitted no later **July 13<sup>th</sup> 2020 by 13:00 (Israel time)** ("**Final Submission Date**") in three separate envelopes, and these three envelopes shall all be inserted into one main envelope as specified below, which shall read "**Tender n. 42001**" (hereinafter the "**Main Envelope**") at the address set forth below.

15.2. The proposal may be submitted by a single Bidder. A Bidder which submits more than one proposal shall be disqualified.

15.3. The proposal is to be submitted **in 2 copies** into **Tender Box n. 8**, located at the following address:

<p><b>Israel Railways Ltd.</b> <b>Contracting &amp; Procurement Division – <u>Tender Box #8</u></b> <b>Darchey Mosheh 3, 7130703</b> <b>Lod, Israel</b></p>
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15.4. Bidders are hereby requested to verify that all bids on date of submission are submitted directly into Tender Box # 8.

15.5. The Bidder is requested to read carefully all of the documents attached herein and submit the following documents in **three (3) separate envelopes** as set out below, which should be included in the Main Envelope, signed, where applicable, by the authorized signatory bodies.

15.6. A separate envelope (1) which shall read "**Pre-requisites - Tender 42001**" shall be inserted in the Main Envelope and shall include the following:

15.6.1. A signed copy of the Agreement (**Appendix C**), including the Bidder's relevant information in the heading thereof (excluding the date) and including the Bank Account Form, attached to the Agreement as **Annex C** (**only the winning Bidder is required to complete part B of the Bank Account Form**).

15.6.2. A letter certifying that the Bidder is the manufacturer and supplier of the Brake Shoes set forth in Section 1.1.

15.6.3. A signed and completed Experience and Reference list, evidencing that from 2017 and up to the final submission date, Bidder has manufactured and supplied at least twenty-one thousand (21,000) Molded Steel Brake Shoes

and thirty-three thousand (33,000) Composite Material brake shoes for rolling stock equipment (Appendix D).

15.7. A separate envelope (2) which shall read "**Commercial Proposal -Tender 42001**" shall be inserted in the Main Envelope and shall include **only** a signed and completed Bidder's Proposal Form (**Appendix B**).

15.8. A separate envelope (3) which shall read "**Technical Proposal - Tender 42001**" shall be inserted in the Main Envelope and shall include the following technical information:

15.8.1. A signed copy of the Technical Specifications (**Appendix A**).

15.8.2. Company profile of the Bidder and its expertise; relevant information and data regarding the Brake Shoes.

15.9. In the event that ISR, for any reason whatsoever, does not enter into a contractual relationship with the winning Bidder, and/or the agreement with the winning Bidder is cancelled, ISR shall be entitled to elect, as a winning proposal, the proposal which offered the next lowest price for the Brake Shoes. The terms set forth in this section shall apply, *mutatis mutandis*, following the replacement of the Bidder's proposal as aforesaid.

## 16. **Validity Period**

16.1.1. **Bid Validity Period** – Bids shall remain valid for a period of six (6) months from the submission date (the "Bid Validity Period"). Bids which were submitted may not be revoked or changed by the Bidder prior to the expiration of the Bid Validity Period for any reason whatsoever.

16.1.2. **Extension of Validity period** – Should ISR not reach a final decision as to the Winning Bidder to be selected before expiry of the Bid Validity Period, it shall be entitled to request all Bidders, relevant at such time, to extend the date of validity of their bids by an additional period, the duration of which will be determined by ISR.

16.1.3. **No Additional Changes** – Extension of the validity date of its Bid beyond the Bid Validity Period shall not entitle the Bidder to change, amend, add or delete any of the contents of its Bid. Any such change, amendment, addition or deletion shall entitle ISR, at its sole and absolute discretion, to disqualify the Bidder from any further participation in the Tender.

## 17. **Appendices**

The following appendices are attached hereto:

***Appendix A*** – Technical Specifications for the Brake Shoes

***Appendix B*** – Bidder's Proposal Form.

***Appendix C*** – Agreement.

***Appendix D*** – Experience and Reference List.

18. **General**

18.1. A proposal reflecting any reservation regarding the attached documents or any part thereof, including the Agreement or the appendices attached thereto, whether by rejection, insertion or amendment to any part of the attached documents, may be disqualified.

18.2. ISR shall not be bound to accept the lowest-priced proposal or any other proposal whatsoever. In addition, ISR does not commit itself in any way to acquire the Brake Shoes or to enter into a contractual relationship with any of the Bidders.

18.3. ISR shall have the right, at its sole and absolute discretion, to verify the documents provided by the Bidder, and to request from any of the Bidders additional details, approvals, recommendations and/or certificates. In addition, ISR may, at its sole and absolute discretion, upon prior coordination with the Bidder, inspect the facilities of such Bidder at any time or any facilities where components of the Brake Shoes proposed by the Bidders are being manufactured. ISR may, at its sole and absolute discretion, contact and/or visit each of the customers detailed in Appendix D, in order to check and evaluate the Pre-requisites, the Technical Proposal, and/or Bidder's Proposal.

18.4. The Brake Shoes acquired shall be on a non-exclusive basis and ISR, at its sole discretion may, at any time, obtain Brake Shoes from any of the Bidders, and/or may acquire similar or identical Brake Shoes from any third party.

18.5. ISR shall issue Purchase Orders under the Agreement following the receipt and subject to the receipt of the necessary budgetary approvals.

18.6. ISR, in its sole discretion, may decide not to select any of the submitted proposals or may decide to cancel the entire Tender at any time.

18.7. ISR reserves the right to reject a proposal of a Bidder which does not have the financial strength required for the performance of the Agreement or that its commercial Proposal is significantly lower than ISR's estimation.

18.8. In addition to any other event which entitles ISR by law to cancel the Tender, ISR reserves the right, at ISR's sole discretion, to cancel this Tender in the following events:

18.8.1. If only one of the bids is found suitable, according to the Pre-requisites and/or other specification requirements according to this Tender Documents;

18.8.2. If ISR concludes that there was a flaw in the Tender process and/or in the evaluation of the proposals;

18.8.3. If ISR has found that a critical mistake has been made in the Technical Specifications, *inter alia*, by giving false data, missing data or incomplete data;

18.8.4. If the circumstances and/or ISR's requirements have been significantly changed, to such extent which requires the cancellation of the Tender;

18.8.5. ISR reserves the right, at its sole discretion, to conduct negotiations with any of the Bidder's in this Tender that it finds suitable, with respect to their commercial and/or technical proposals, or not to conduct negotiations at all.

18.8.6. Cancellation of the Tender as per the above shall not derogate from ISR's right to publish a new, similar or different tender in the future.

18.9. All documents submitted in this Tender must be in English or Hebrew (including but not limited to all attachments, schedules, annexes, sketches, drawings, diagrams, tables and charts) and any additional information questions, requests for clarification and interpretation, or any other communication, must be submitted in writing I English or Hebrew only, unless otherwise specifically stated in the Tender Documents or approved by ISR.

## 19. **Request for clarifications and/or additional information**

19.1. Any Bidder may submit to ISR, in writing, inquiries and/or requests for clarification and/or additional information regarding the Tender or relating to the Tender Documents, as specified herein below ("**Request for Clarification**").

19.2. Any inquires with regards to this Tender should be addressed, in writing only, to Mr. Netanel Kimchi, International Procurement Coordinator, no later than **June 1, 2020**, by e-mail: [netanelk2@rail.co.il](mailto:netanelk2@rail.co.il). Bidders shall be responsible for verifying receipt by ISR of Requests for Clarification.

19.3. Should ISR decide, at its sole discretion, to respond to any requests for clarifications, such response shall be published in ISR's website (in the "Tenders section under the Tender's name) and, as of the date of such publication, shall constitute an integral part of the Tender Documents (each, a "**Notice to Bidders**").

19.4. Bidders shall be solely responsible to check ISR's website on a regular basis in order to follow publications by ISR. Any Notice to Bidders published at ISR's website shall be binding upon each bidder, whether or not bidder is aware of such Notice to Bidders, and bidders shall not have any claim in connection therewith.

19.5. It is hereby clarified that only information provided by ISR to the bidders by the way of a Notice to Bidders in accordance herewith shall be binding upon ISR (unless expressly specified otherwise therein), and ISR shall not be bound by any oral or written response or information communicated to Bidders in any other way.

## 20. **Amendment of Tender Documents**

At any time prior to the Submission Date, ISR may amend the Tender documents (including but without limitation these Tender Documents, the Technical Specifications and the Agreement) by issuing notices to the Bidders. Any notice thus issued, shall be deemed as an integral part of the Tender Documents, and shall be communicated in writing. Each Bidder shall promptly acknowledge receipt of each notice to ISR (however, such notice shall be binding upon each Bidder, regardless of whether the Bidder has acknowledged receipt of the notice (s) or not).



21. **Notices by Bidders**

Each Bidder shall promptly notify ISR in writing of any change with respect to the Bidder and/or the information and/or the representations made by it in connection with this Tender, including all the warranties and representations set forth in the Agreement, and in particular, any change which affects or might affect its' compliance with the Pre-requisites. ISR shall be entitled to take any action it deems fit in response to such change, and the Bidder shall have no claim in connection therewith.

22. **Notification of the Winning Bidder**

ISR shall send notification of its decision to the Bidder selected as the winner in the Tender (“the **Notification of the Winning Bidder**”). Notification shall also be sent to the other Bidders. For the removal of doubt, the aforementioned notification of the winning bid shall not constitute the formation of a contract between ISR and such Bidder, and the entering into a binding agreement is conditioned upon the fulfillment of all required terms and conditions as detailed in the Tender Documents and the Agreement.

**Appendix A**  
**Tender No. 42001**

**TECHNICAL SPECIFICATIONS**

**Appendix B**  
**Tender No. 42001**

**BIDDER'S PROPOSAL FORM**

**Appendix B**  
**Bidder's Proposal Form - Tender No. 42001**

**For the Manufacture and Supply of Interchangeable Brake Shoes**

Date: \_\_\_\_\_

Israel Railways Ltd.  
Procurement & Contracting Division  
Yoseftal 1, 7136801  
Lod, Israel

Name of Bidder: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Re: **For the Manufacture and Supply of Interchangeable Brake Shoes**

1. Bidder declares that it has read, fully understands, and agrees to the terms and conditions included in the Tender documents of **Tender No. 42001**, including the General Terms and Conditions, the Technical Specifications and any appendices thereof (collectively the "**Tender Documents**"), and hereby submits to ISR (as that and all other terms not otherwise defined in this Appendix are defined in the Tender Documents) its proposal for Manufacture and Supply of Interchangeable Brake Shoes ("**Brake Shoes** ") as detailed in the Agreement.
2. All of the terms and conditions included in the Tender Documents shall be considered integral parts of this proposal.
3. All prices mentioned herein, including the Proposed Price for the Brake Shoes, shall be denominated in Euros (€).
4. Bidder hereby acknowledges and declares that sums stated herein (**Appendix B**) shall the final, complete and inclusive price that will be paid to Supplier for all its undertakings under the Agreement, including all of the related services, equipment, cost, fees duties and taxes as specified in the Agreement. Bidder shall not be entitled to any other payment, fee or compensation whatsoever from ISR.
5. Bidder hereby acknowledges and declares that the Proposed Price detailed below shall also include all taxes, fees, duties, licenses, costs or other payments that are to be paid in connection with the exportation, supply and delivery of the Brake Shoes, including but not limited to all types of importation and custom duties and services, such as transportation costs, customs agents' fees, purchase tax (in Hebrew "Mas Kniya" or "מס קניה"), wharfage fees (in Hebrew "Dmei Ratzif" or "דמי רציף"), Israeli customs duties,

port handling fees (in Hebrew "Dmei Nitul" or "דמי ניטול" ), port infrastructure fees (in Hebrew "Dmei Tashtit" or "דמי תשתית" ), cleaning of the containers, stuffing and unloading of the containers, supervision while discharging at port, discharging terms at port, etc. For the sake of clarity, the Prices shall include any sum which the Israeli Tax Authorities require to be withheld at source. Notwithstanding the above, Israeli Value Added Tax, if applicable, shall be borne by ISR.

6. The **Proposed Price** for each and every type of Brake Shoes is as follows:

N.	Brake Shoe's Type	Price per Unit (right and left Shoes together)	Quantity for 1 year (for evaluation purposes only)	Total Price (Quantity multiplied by Price per Unit)
1	Molded Steel		21,000	
2	Composite Material		33,000	
<b>Total Evaluated Price of Brake Shoes ("TEP")</b>				

7. Bidder understands that payment by ISR to the Supplier for the Brake Shoes shall be made by way of bank transfer in the mode and terms set forth in the Agreement.

8. Bidder hereby permits representatives of ISR to inspect its facilities, at any time.

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Signature of Bidder

By: (print or type name):

Title:

**Appendix C**  
**Tender No. 42001**

**THE AGREEMENT**

**Appendix D**  
**Tender No. 42001**

**Bidders Declaration Form**

**Confirming compliance with Pre-requisite set forth in Section 1 in Tender No. 42001 For the Manufacture and Supply of Brake Shoes (“Tender”)**

The Bidder has manufactured and supplied from 2017 and up to the final submission date at least twenty-one thousand (21,000) Molded Steel Brake Shoes and thirty-three thousand (33,000) Composite Material brake shoes for rolling stock equipment.

Name of Customer	Number of Brake Shoes supplied to such customer	Type of Brake Shoes manufactured and/or supplied	Year the Brake Shoes were supplied and installed at Customer	Contact Person Details
		1. 2. 3.		Mr./Ms: _____ Title: _____ Phone No: _____

Bidder's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Signature of Bidder: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_