

Confidential - Commercial

INQUIRY/TENDER NO.: 102865290

SPECIFICATION NO.: STR-1536

SUBJECT: Frame agreement for supply of Single phase encapsulated, SF₆ Gas Insulated high voltage Switchgear (GIS), for 170KV, in Substations

ANNEXURE "Z"
SPECIAL (incl. FRAME CONTRACTS/ORDERS) CONDITIONS
(Four years Basic Contract Period)
rev. 9.2019

THESE SPECIAL CONDITIONS ARE TO BE READ TOGETHER WITH AND IN CONNECTION WITH THE PURCHASE ORDER/CONTRACT (INCLUDING THE GENERAL CONDITIONS (ANNEXURE "A") ATTACHED THERETO. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THESE SPECIAL CONDITIONS AND ANY OF THE TENDER/INQUIRY/CONTRACT DOCUMENTS THESE SPECIAL CONDITIONS SHALL PREVAIL.

DEFINITIONS

1. All terms used in this Annexure "Z" have the meanings ascribed to same in the Purchase Order/Contract or in Annexure "A" (General Conditions) as the case may be. Additional terms used shall have the following meanings
 - 1.1. "Basic Contract Value" - shall mean the total purchase price of the entire quantity (100%) of the Goods and/or Services, specified in the Tender/Inquiry documents (not including options), in the currency, designated by the Supplier and approved by the Purchaser.
 - 1.2. "Basic Frame Contract Period" - shall mean a period of **48** months, beginning on the date of signature of the frame contract/order for the supply of the Goods and/or Services.
 - 1.3. "Goods and/or Services" - shall mean all or part of the goods and/or Services, described in the Order/Contract.

2. OPTION TO PURCHASE

2.1. VALUE OF THE PURCHASE

During the Basic Frame Contract Period (and the "Extension Period", detailed in paragraphs 2.2 below, if applicable), the Purchaser will purchase from the Supplier and the Supplier will sell to the Purchaser, Goods and/or Services of a total value, which is equal to the "Contract Value", subject to the Purchaser's right to increase the Basic Contract Value by up to **50%** or decrease the Basic Contract Value by up to **50%**.

2.2. FLEXIBLE EXTENSION OF THE CONTRACT PERIOD

In the event that the total value of Goods and/or Services, actually ordered within the “Contract Period” is less than the maximum value (including flexibilities) of the Contract, the Purchaser shall have the right, by no later than 30 days prior to the end of the Basic Frame Contract Period, to notify the Supplier in writing of its intention to extend the Contract Period by a period of up to **36** months (hereinafter: the “Extension Period”), year by year. In no event shall the total Order/Contract period (including the Extension Period) exceed **84** months from the beginning of the Basic Frame Contract Period.

The Purchaser shall be entitled to exercise the Extension Period separately and/or partially up to the maximum Extension Period.

2.3. OPTION TO PURCHASE

2.3.1. The Purchaser shall have an option to purchase any additional Goods and/or Services as defined in Ann. C., valid as below:

2.3.1.1. For main equipment and Services: This option valid shall within the Basic Frame Contract Period, or “Extension Period”, if contract is extended.

2.3.1.2. For Spare parts and Maintenance Tools: This option valid be shall until the end of the warranty period of the maim equipment in the last unit.

3. SCHEDULE OF DELIVERY

3.1. The Goods and/or Services shall be supplied to the Purchaser in accordance with written draw orders, issued by the Purchaser to the Supplier. The draw orders will be issued by the Purchaser at such times as it chooses, within the Basic Frame Contract Period.

3.2. Each order shall specify the type/s and quantities of Goods and/or Services, required by the Purchaser and the Supplier shall deliver to the Purchaser such type/s and quantities as required according to the following:

3.2.1. For Engineering Electromechanical design (incl. Civil guide)
Delivery within **45 days** of the signature of the frame contract.

3.2.2. For systems in first draw order
Delivery within **8 months** of the signature of the frame contract.

Please indicate below ability to meet required lead time for delivery.

Can Bidder meet above stated delivery schedule?	_____ (Yes or No).
<u>If “No”</u> - Bidder shall state the closest delivery schedule he is able to meet for each sub clause.	_____ days lead time from IEC’s order.

3.2.3. IEC reserves the right, prior to proceeding to the second stage of the abovementioned Framework tender, to modify or update the abovementioned schedule of delivery and lead time.

4. QUANTITIES TO BE PURCHASED

Subject to the Purchaser's obligation to purchase Goods and/or Services in the quantities specified in paragraph 2.1, above:

- 4.1. In the event that the Goods and/or Services consist of various, non-identical items, the Purchaser shall have a right to purchase some of the items and not the others.
- 4.2. The time interval between each draw order shall not be less than 6 months.
- 4.3. Maximum quantity for draw order: 2 systems.
- 4.4. IEC reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender, to modify or update the quantities.

5. HANDLING OF DDP GOODS BY NON-ISRAELI SUPPLIERS

The following terms shall apply to suppliers in order to fulfill and facilitate the requirement, that the goods be supplied DDP, in as far as Non-Israeli suppliers are concerned:

- A. All documents necessary for release of the goods at the port of destiny in Israel, including bill of lading, certificate of origin and commercial invoices, shall be in IEC's name.
- B. Upon arrival of the goods at the port of destination, the supplier shall contact IEC's representatives, in order to coordinate the release of the goods from customs/port.
- C. For purpose of release of the goods from customs, the supplier shall employ the services of such customs clearance broker, as will be designated by the IEC, or any customs clearance broker, of his choice.
- D. VAT shall be paid by the IEC.
- E. On arrival at the Israeli Port the goods shall be loaded by the supplier at supplier's risk and cost onto open trucks for transportation to IEC stores.

6. CURRENCY CONVERSION (LINKAGE) AND PRICE ADJUSTMENT

- A. Bidders may submit their prices, either in the currency of their country where the goods are manufactured, or in one of the following currencies:

- (1) U.S. Dollar
- (2) Euro

Payment to the Bidder awarded with the Contract will be in the Currency quoted.

- B. PRICE ADJUSTMENT

1. Bidders may submit in the proposals, request for price adjustment formula/s for linkage/ adjustment in accordance with Annexure "H1" (Price Adjustment) attached, which shall be considered by IEC.

2. In two stage bidding processes, the "Base Date" shall be defined by IEC in the "Prices" (second) stage. In the event said base date is not specifically stipulated, the date of submittal of the Price proposal shall be the "Base date" for all factors of the Price Adjustment formula (the index/value's set and published for this date shall be valid).
3. The Determinative (end) Date for purposes of calculating Price Adjustment must be (in accordance with IEC's requirements) either the date of scheduled or actual milestone completion (delivery of drawings/Equipment/Services, commissioning or other, whichever is relevant) as detailed in Annexure "C" Summary of Prices, whichever occurs first.

7. "KNOW-HOW" AGREEMENTS

- A. The award of an order to a bidder is conditioned upon the validity and fulfillment of the terms of such bidder's "know-how" agreement, as presented by bidders in the course of stages 1 and 2 of this tender.
- B. The IEC shall have a right to cancel at any time, any order/contract, placed with the winning bidder, in the event that such bidder's "know-how" agreement is cancelled, abrogated or otherwise not fulfilled, during the life of IEC's contract with the bidder.

8. PERFORMANCE GUARANTEE

- 8.1. The performance guarantee, delivered by the supplier to the Purchaser pursuant to Annexure "A" (General Conditions) shall be in an amount equal to ten percent (10%) of the "Basic Contract Value" (excluding flexibilities and/or VAT) for one year, (being the Basic Contract Value divided by the number of years in the Basic Frame Contract Period) and shall remain in effect until sixty (60) days after the expiration of the warranty period for the Goods and/or Services, supplied during the "Basic Frame Contract Period".
- 8.2. In the event of an extension of the "Basic Frame Contract Period" in accordance with paragraph 2, above, the supplier shall deliver to the Purchaser, within the first fourteen days of the "Extension Period", an extension of the performance guarantee for an additional period equal to the Extension Period.
- 8.3. After supply of the last draw order, at the supplier's request, the Purchaser shall relinquish the performance guarantee, held by it, in exchange for a new performance guarantee, to its satisfaction, in an amount equal to 5% of the value of the actual Goods/Products/Equipment and/or Services supplied under the Order/Contract in the last year, that shall remain in effect until the period mentioned in article 6.1 above.

9. DOCUMENTS FOR PROPOSALS

The following documents must be submitted with the proposal:

- Documents /forms required as mentioned in the Specification – Ann. B (see clause 9.2).
- Offeror's consent to terms & conditions in Ann. W.
- **Offeror Data Sheet** and other attachments (in "Invitation to submit proposals" doc) duly filled in and signed.
- Offeror's required responses, incl. regarding ability to meet the required Delivery Schedule.