

Confidential - Commercial

INQUIRY/TENDER NO.: 103011310
SPECIFICATION NO.: STR-1572
SUBJECT: Framework Agreement (**Four Year**) frame agreement for
supply MOBILE SUBSTATION 30MVA 161/24-36KV
_____ , 2023

ANNEXURE "Z"
SPECIAL CONDITIONS (FLEXIBLE, FRAME CONTRACTS/ORDERS)
(**_____** years Basic Contract Period)
Revision 14.02.2023

THESE SPECIAL CONDITIONS ARE TO BE READ TOGETHER WITH AND IN CONNECTION WITH THE PURCHASE ORDER/CONTRACT (INCLUDING THE GENERAL CONDITIONS (ANNEXURE "A"/"A3"/_____) 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"/"A3"/____ (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 _____ months, beginning on the date of signature of the frame contract/order for the supply of the Goods and/or Services.
 - 1.3. "Option Period" – shall mean the total period of _____ months during which the Purchaser shall be entitled to exercise the Options in whole or in part.
 - 1.4. "Goods" - shall mean all or part of the goods, described in the Order/Contract.

2. FRAME ORDER/CONTRACT FLEXIBILITIES

2.1. VALUE OF THE PURCHASE

During the Basic Frame Contract Period (and the "Extension Period", detailed in paragraphs 2.2 and 2.3, 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 ___% or decrease the Basic Contract Value by up to ___%.

2.2.

FLEXIBLE EXTENSION OF THE CONTRACT PERIOD

2.2.1 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 or the Option Period (detailed in para. 2.3 below), to notify the Supplier in writing of its intention to extend the Contract Period by a period of up to ---- months (hereinafter: the "Extension Period"). In no event shall the total Order/Contract period (including the Extension Period and Option Period) exceed ___ 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.

הערה לעורך המכרז/ההליך: הסעיף הבא יהיה רלבנטי רק עבור מכרזים/הליכים שבהם בזמן סיווג ההליך הוועדה החליטה לכלול במכרז/בהליך את מנגנון ההתמחרות ללא מחיר גג שיתקיים טרם מימוש האופציה, כמתואר בסעיף הבא (הכוונה למנגנון לפיו חח"י תנהל הליך התמחרות עם הספקים אשר הצעותיהם אושרו בהליך המקורי למעבר לשלב המחירים/ לכל הספקים אשר הצעותיהם נבדקו ועמדו בכל דרישות ההליך עורך המכרז, בטרם מימוש האופציה).

הערה לעורך המכרז:

עבור תחמישים כאשר מדובר בהארכה בזמן בלבד יש להשאיר את תת סעיף 2.2.2 ולמחוק את תתי סעיפים 2.3.7 ו 2.3.8

2.2.2.

- (a) In the event that the quantity is not fully exercised during the basic contract period (4 years), it will be possible, with the consent of both parties, (IEC and the Supplier), to exercise the option and extend the contract in time for additional three years.
- (b) The quantity in the option period shall be the balance of the quantity that was not exercised within the basic contract period.
- (c) Should the parties disagree to exercise the option, the option will not be exercised and Bidding Process shall take place for the balance of the quantity, among the Suppliers' whose offers in the tender, were approved to continue to the pricing stage (including the Supplier/s awarded the tender/procedure).
- (d) IEC will enter into a contract for the option period (3 years) and the balance of the said quantity, with the Supplier who will submit the most beneficial offer to IEC within the framework of the Bidding Process.
- (e) Should IEC decide to divide the award of the original tender, among a few Suppliers and exercise the option only with a few of the Suppliers, IEC shall be entitled, with regard to the balance of the quantity for which the option will not be exercised, to increase the contracts with the Suppliers with whom the option was exercised or in part, or alternatively to have a Bidding Process for the balance of the said quantity, among all/some of the Suppliers whose offers were approved in the tender to continue to the pricing stage (including the Suppliers awarded the tender/procedure), all in accordance with IEC's sole discretion and needs.
- (f) In the event of a discrepancy between the bids received as part of the Bidding Process and IEC's estimate, IEC shall act in accordance with the tender instructions on the topic and shall be entitled not to select a bid and enter into a new procedure/tender.

2.3. OPTION TO PURCHASE

2.3.1. The Purchaser shall have an option to purchase additional Goods and/or Services (hereinafter: The "Optional Goods and/or Services ") as follows:

2.3.1.1. First Option

in an amount not to exceed % of the Basic Contract Value (hereinafter "Option Value") (subject to the Purchaser's right to increase the Option Value by up to % or decrease the Option Value by up to %) up to a period of months (hereinafter: the "First Option Period"), beginning at the end of the Basic Frame Contract Period, or at the end of the "Extension Period", as applicable.

2.3.1.2. Second Option

in an amount not to exceed % of the Basic Contract Value (subject to the Purchaser's right to increase the Option Value by up to % or decrease the Option Value by up to %) up to a period of months (hereinafter: the "Second Option Period"), beginning at the end of the First Option Period or the end of the Extended First Option Period, as applicable.

2.3.1.3. Third Option

in an amount not to exceed % of the Basic Contract Value (subject to the Purchaser's right to increase the Option Value by up to % or decrease the Option Value by up to %) up to a period of months (hereinafter: the "Third Option Period"), beginning at the end of the Second Option Period or the end of the Extended Second Option Period, as applicable.

* **SEE ATTACHED TABLE**

- 2.3.2. In no event shall the total Order/Contract period (including the Basic Frame Period and Option Periods and applicable Extension Periods) exceed [redacted] months from the beginning of the Basic Frame Contract Period.

Where there are more than one Options to be exercised on a periodic basis (yearly or monthly), the Purchaser shall be entitled to exercise each Option separately and/or partially up to the maximum permissible amounts or periods.

- 2.3.3. Said option may be exercised by the Purchaser, in writing, no later than 30 days prior to the end of the Basic Frame Contract Period or Extension Period or each Option Period, as applicable. הערה לעורך המכרז/ההליך: במקרה בו יוחל המנגנון לפי סעיף 2.3.7 להלן יש למחוק סעיף זה.

- 2.3.4. If the option is duly exercised, the sale of the "Optional Goods and/or Services" to the Purchaser shall be at the same price and under the same terms as the sale of the Goods and/or Services purchased during the Basic Frame Contract Period, subject only to such modifications as are set forth herein.

- 2.3.5. For purposes of clarification, if the Purchaser has partially exercised the Option or only partially extended the Basic Frame Contract Period, the Purchaser shall still retain the right to exercise the Option or Basic Frame Contract Period up to the maximum amount or period of the Option.

It is hereby clarified that should IEC wish to exercise an option in parts, IEC's commitment to a minimum purchase scope (to the extent that such commitment is included in the Contract/Order), will be calculated for the entire Option Period that is exercised and not for each part of it separately.

- 2.3.6. Where IEC estimates that it shall utilize the entire contract value, prior to the end of the contract period, IEC shall be entitled, at its sole discretion, to precede the commencement date of the Option Period, to a date to be determined by IEC.

הערה לעורך המכרז/ההליך: הסעיף הבא יהיה רלבנטי רק עבור מכרזים/הליכים שבהם בזמן סיווג ההליך הוועדה החליטה לכלול במכרז/בהליך את מנגנון ההתמחרות עם מחיר גג. שיתקיים טרם מימוש האופציה בכסף, כמתואר בסעיף הבא (הכוונה למנגנון לפיו ח"י תנהל הליך התמחרות עם הספקים אשר הצעותיהם אושרו בהליך המקורי למעבר לשלב המחירים/ לכל הספקים אשר הצעותיהם נבדקו ועמדו בכל דרישות ההליך עורך המכרז, בטרם מימוש האופציה). אם לא רלבנטי, יש למחוק את הסעיף הבא.

- 2.3.7.

- (a) Prior to exercising the Option with the supplier awarded the tender/procedure according to article 2.3.1, should IEC require additional quantities and/or services , , IEC shall initiate a competitive procedure whereby it shall approach all bidders whose proposals were approved in this tender/procedure to continue to the pricing stage/ all bidders whose proposals complied with all the / tender/procedure requirements עורך המכרז - יש לבחור את הנכון לפי סוג ההליך - עם שלב מיון מוקדם או חד שלבי

for purposes of submitting updated price proposals, based on their proposals approved in the tender/ procedure and in the technical and commercial conditions agreed, for the required scope and period (hereinafter referred to as "**Bidding Process**").

As part of the Bidding Process, the bidders will be provided with the prices submitted by the Supplier who was awarded the tender/procedure, and the bidders will not be entitled to submit a price higher than those prices (hereinafter referred to as "**a Roof Price**").

IEC shall enter into a contract for the additional quantities/services and period defined, with the bidder who submitted the lowest price proposal in the Bidding Process.

In the event the bidders shall not submit a price proposal lower than the Roof Price, IEC shall exercise the Option with the Supplier awarded the tender/procedure.

- (b) It is hereby clarified that where, IEC shall be required, according to its needs, to exercise part of the Option with the supplier awarded the tender/procedure, IEC shall manage the Bidding Process for the rest of the Option.
- (c) Should additional Options remain, they shall be included in the order/contract with the bidder awarded the Bidding Process. Prior to deciding on exercising the remaining options, IEC shall perform again a Bidding Process, all in accordance with this article with the compulsory changes.
- (d) It is hereby clarified that if according to its needs/circumstances/market situation, IEC does not need the full quantities /services or period as defined in article 2.3.1 and/or where IEC shall decide not to fully or partially exercise the Option, IEC shall be entitled, at its sole discretion, not to have a Bidding Process, and publish a new tender/procedure.

הערה לעורך המכרז/ההליך: הסעיף הבא יהיה רלבנטי רק עבור מכרזים/הליכים שבהם בזמן סיווג ההליך הוועדה החליטה לכלול במכרז/בהליך את מנגנון ההתמחרות ללא מחיר גג שיתקיים טרם מימוש האופציה בכסף, כמתואר בסעיף הבא (הכוונה למנגנון לפיו חח"י תנהל הליך התמחרות עם הספקים אשר הצעותיהם אושרו בהליך המקורי למעבר לשלב המחירים/ לכל הספקים אשר הצעותיהם נבדקו ועמדו בכל דרישות ההליך עורך המכרז, בטרם מימוש האופציה). אם לא רלבנטי, יש למחוק את הסעיף הבא.

- (e) In the event that the quantity is not fully exercised during the basic contract period (4 years), it will be possible, with the consent of both parties, (IEC and the supplier), to exercise the option and extend the contract in time for additional three years.
- (f) The quantity in the option period shall be the balance of the quantity that was not exercised within the basic contract period.
- (g) Should the parties disagree to exercise the option, the option will not be exercised and Bidding Process shall take place for the balance of the quantity, among the suppliers' whose offers in the tender, were approved to continue to the pricing stage (including the Supplier/s awarded the tender/procedure).
- (h) IEC will enter into a contract for the option period (3 years) and the balance of the said quantity, with the supplier who will submit the most beneficial offer to IEC within the framework of the Bidding Process.
- (i) Should IEC decide to divide the award of the original tender, among a few Suppliers and exercise the option only with a few of the suppliers, IEC shall be entitled, with regard to the balance of the quantity for which the option will not be exercised, to increase the contracts with the Suppliers with whom the option was exercised or in part, or alternatively to have a Bidding Process for the balance of the said quantity, among all/some of the Suppliers whose offers were approved in the tender to continue to the pricing stage (including the Suppliers awarded the tender/procedure), all in accordance with IEC's sole discretion and needs.
- (j) In the event of a discrepancy between the bids received as part of the Bidding Process and IEC's estimate, IEC shall act in accordance with the tender instructions on the topic and shall be entitled not to select a bid and enter into a new procedure/tender.

3. SCHEDULE OF DELIVERY

על עורך המכרז לוודא את ההשלמות הנדרשות בסעיף זה מול היחידה הדורשת, לרבות האמור בסעיף 3.2.1.1 וכן עליו לוודא שלא תהיה סתירה בין האמור בתתי הסעיפים השונים של סעיף 3 מבחינת מועד האספקה של אב הטיפוס (האם ספירת הימים תהיה החל מהוצאת הזמנת משיכה או מהוצאת הסכם המסגרת).

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, the "Extension Period" or the Option Period (under paragraph 2 above as applicable).

3.2. Each draw 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. First draw order

- Delivery within [] days of issuance of the draw order for supply DDP directly to Purchaser's stores.
- Delivery within [] days of issuance of the draw order for Supply FCA or FOB.

3.2.1.1 Prototypes, Type Tests and Special Documents (including Drawings to be approved by Purchaser prior to delivery)

Where the Supplier is required to provide the Purchaser with Prototypes, Type Tests and Special Documents (including Drawings to be approved by Purchaser prior to delivery), same shall be supplied within [] days of the date of issuing the Frame Contract.

3.2.2. For all other draw orders

- Delivery within [] days of issuance of the draw order for supply DDP directly to Purchaser's stores.
- Delivery within [] days of issuance of the draw order for Supply FCA or FOB.

3.3. The final date for delivery, as set forth in IEC's draw order/s, within the framework of the Contract, shall be no later than six (6) months from the end of any of the following: the Basic Frame Contract Period, Extension Period or the Option Period, whichever occurs later.

3.4. IEC reserves the right, prior to proceeding to the second(pricing) stage of the abovementioned tender, to modify or update the abovementioned schedule of delivery and lead time.

3.5. The time interval between each draw order shall not be less than [] days

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. In the event the Purchaser purchases any specific items under the Frame Contract, the Purchaser shall be obliged to purchase at least []% of the quantity of the specific item of Goods and/or Services specified in the Order/Contract.
- 4.3. IEC reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender, to modify or update the quantities.
- 4.4. The maximum quantity for each draw order shall not exceed [] month or [] units.

5. Reserved

6. PERFORMANCE GUARANTEE

- 6.1. The performance guarantee, delivered by the supplier to the Purchaser pursuant to Annexure "A"/"A3"/ [] (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".
- 6.2. 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.
- 6.3. 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.
- 6.4. Where Purchaser has decided to exercise an option in accordance with Paragraph 2 above and its value exceeds US\$ 500,000 or NIS1,700,000 (excluding flexibilities and/or VAT) or its equivalent in NIS (in accordance with the applicable exchange rate, as set forth by the Bank of Israel, on the first working day prior to the date of issuance of the option), the Supplier hereby undertakes to provide to the Purchaser, at Supplier's expense, immediately upon receipt of notice of Purchaser's exercise of the option, a performance guarantee for the due performance of the option, in the form of an unconditional standby letter of credit (the terms of which are set out in Annexure "E1" attached to the Order), to be given by a first class bank or a qualified insurance company approved by the Purchaser, in an amount equal to 10% (excluding flexibilities and/or VAT) of the "Option Value".
The performance guarantee shall remain valid 60 days after the expiration of the "Option Period" or 60 days, after the expiration of the warranty period, the latter.
Said guarantee shall be amended from time to time to reflect the adjusted option price, due to the issuance of change orders;

7. WARRANTY

שימת ליבכם כי יש לעדכן סעיף זה, בהתאם למסמכי ההליך.

TABLE OF FLEXABLE PURCHASES

AMOUNTS AND PERIODS

	<u>PERIOD UP TO</u> <u>X months</u>	<u>INCREASE UP TO</u> <u>X %</u>	<u>DECREASE UP TO</u> <u>X %</u>
<u>BASIC</u>			
<u>OPTION 1</u>			
<u>OPTION 2</u>			
<u>OPTION 3</u>			