

Bank of Israel

Human Resources and Administration Department

Purchasing Division

Two-Stage Automated Public Tender no. 31/23

For the provision of a system for the management of internal audit and risk management

This translation is provided for readers' convenience. Only the Hebrew version is binding.

Two-Stage Automated Public Tender no. 31/23

For the provision of a system for
the management of internal audit and risk management

Part I – The tender process and its conditions

1. General

- 1.1 The Bank of Israel (hereafter: the Bank) hereby invites proposals for the acquisition and installation of a system for the management of internal audit and risk management (hereafter: the System), as well as services for the implementation, guarantee and maintenance of the system (hereafter: implementation services, guarantee services and maintenance services or in aggregate the “Services”), in accordance with the detailed characterizations in the Service Definition Document attached as Part IV of the tender documents (hereafter: Specifications) and as described below.
- 1.2 The project will include the implementation and installation of the system at the Bank of Israel for the purposes of managing internal audit and risk management and will also include the option of expanding the system to other domains. The system will make it possible to manage internal audit and risk management processes from end-to-end, and in addition, it will provide the option—if the Bank decides to exercise it—to also manage compliance and SOX functions at the Bank, as described in Part IV of the tender documents.
- 1.3 In general, the project will include the following stages: specification of the system according to the needs of the Bank, adjustment of the processes required in the system while developing and adjusting the system as needed; conversion of the data in the existing systems to the new system; installation of the system at the Bank including tests of the assimilation and management of the project from end-to-end, including guidance to be provided to key users and other users of the system.
- 1.4 The Bank will have the right to decide on the acquisition and installation of the system first for purposes of internal audit and risk management and later will have the option to acquire other functions that the system can provide—some of them or all of them—or alternatively to exercise the options already in the initial installation stage, whether in part or in full.
- 1.5 The bid must include the following components: the system’s license’s cost, the implementation and installation of the system, the conversion of existing data to the system, the creation of interfaces with the Bank’s systems, the maintenance and updates of the system in the production environment and the test environment; the hourly price of expert installers; and instruction as required for the various position holders in the system. If the bid includes optional modules and components that are specified in Part IV of the tender document, then the bidder must provide a price quote for them, as well.
- 1.6 The Bank is not obligated to acquire services in any quantity. The Bank has the right to acquire a smaller or larger scope of services from the winning bidder according to its discretion.

- 1.7 The winning bidder will appoint a permanent customer manager for the Bank who will serve as the Bank's contact person.
- 1.8 The system should provide full support in Hebrew (with respect to both writing from right to left and the various titles that the users will see). In the stage of submitting bids, there is no obligation that the system will provide full support in Hebrew; however, with the submitting of the bid, the bidder will guarantee that, within three months from winning the tender, and as a condition for upgrading the contractual agreement with the bidder, the system will fully support Hebrew. If the system does not support Hebrew by the end of the aforementioned period, the granting of the tender to the bidder will be cancelled and the Bank will have the right to turn to the second-ranked bidder, as described in section 11.7 below.
- 1.9 The services will be provided at the Bank's branches in Jerusalem and Tel Aviv or in an online environment or some other location as required by the Bank. It should be mentioned that part of the activity, as will be determined by the Bank, will take place on the premises of the Bank due to information security constraints.
- 1.10 The period of the contract will be five years, subject to the Bank's option to shorten it. In addition, the Bank has the right to extend the period from time to time and cumulatively for up to five additional years.
- 1.11 During the period of the agreement, the Bank has the right to acquire additional services from the winning bidder, according to the options described in the contractual agreement, for other entities whose needs can be met by the system (such as internal control, evaluation and regulation entities that operate within the framework of the Bank), and the winning bidder is obligated to provide these additional services during the period of the contract.
- 1.12 It should be clear that the Bank is not obligated to acquire any services or goods described in the specifications and their acquisition will be considered according to the needs of the Bank and according to its exclusive discretion. The Bank will have the right to increase or decrease the scope of services or goods that it will acquire and the proceeds to be paid by it will increase or decrease in accordance with the bid. This decision can be made prior to signing the agreement with the winning bidder and can be made during the period of the contract.

1.13 The tender documents

The tender has four parts, each of which is an integral part of the tender:

Part I: The tender process and its conditions

Appendix A1 of Part I: The bidder's declaration.

Appendix A2 of Part I: Information required to prove fulfillment of the threshold conditions and the quality of the bidder.

Appendix A3 of Part I: The architecture of the proposed system.

Appendix A4 of Part I: Form to register for the tender in the electronic tender system.

Part II: The financial bid

Part III: The agreement

Appendix C1 of Part III: Obligation of the winning bidder and his employees to maintain confidentiality.

Appendix C2 of Part III: Confirmation of the existence of insurance.
Appendix C3 of Part III: The text of the required bank guarantee.
Appendix C4 of Part III: The agreement to submit criminal information.
Appendix C5 of Part III: The company's bid.
Appendix C6 of Part III: Appendix for protection of privacy.
Appendix C6 of Part III: Declaration of workhours.

Part IV: Specifications

Appendix D1 of Part IV: The requirements of the system.

1.14 Timetable for the tender

The timetable for the tender will be as follows:

Final date for submitting questions: **Sunday, October 8, 2023 at 12:00** (hereafter: the final date for submitting questions).

The final date for submitting bids: **Sunday, October 29, 2023, at 12:00** (hereafter: the final date for submitting a bid).

1.15 Expiry of the bid: **180** days after the final date for submitting a bid.

1.16 Following is the contact person at the Bank for any enquiries regarding the tender:

Name: Hadassah Kalaora

Tel: +972-2-6552998

Fax: +972-2-6669585

email: tenders@boi.org.il

1.17 In this tender, the term "stakeholder" and "shareholders" will be understood according to their definitions in the Securities Law, 5728-1968. The term "position holder" will be understood according to its definition in the Companies Law, 5759-1999.

2. Timetable for the provision of services

The provision of services will begin following the declaration of the winner and the signing of the agreement. Notwithstanding the aforementioned, it is hereby clarified that the Bank has the right to defer or to bring forward the start of the provision of services, according to its sole discretion and without any obligation to provide justification or to hold a hearing, and the winner will act accordingly without making any claim or demand and will not be eligible for any additional compensation.

3. The threshold criteria for participating in the tender

Any entity that fulfills the following criteria at the time of the final date for submitting a bid can participate in the tender:

3.1 The bidder is a citizen of Israel, a partnership or a corporation incorporated by law in Israel and possesses all of the certificates and declarations required according to the Transactions of Public Bodies Law, 5736-1976.

3.2 The bidder is a producer or an authorized representative of the producer in Israel who is authorized to supply the system proposed in this tender, including installation, assimilation and maintenance.

3.3 The system, in the version proposed in this tender or a version previous to the one proposed in this tender, has been installed for purposes of **internal audit**, in a

- production environment, in at least three (3) organizations, each of which has at least 300 employees, at least one (1) of which is a central bank, during the period 2017–23.
- 3.4 The system, in the version proposed in this tender or a version previous to the one proposed in the tender, has been installed for purposes of **risk management**, in a production environment, in at least two (2) organizations, each of which has at least 300 employees, at least one (1) of which is a central bank, during the period 2017–23.
 - 3.5 The bidder has implemented at least one automated system for the purpose of **internal audit** or **risk management** in one organization with at least 300 employees and the system that he installed went into production during the period 2017–23.
 - 3.6 The bidder has at least two service providers (as employees or freelancers working on his behalf) who have participated in at least one project whose installation has been completed and which involved the implementation of a system for the purpose of **internal audit** or **risk management**, during the period 2017–23.
 - 3.7 The system, in the version being proposed in the tender, meets the technological specifications specified in section 4.1 of Part IV of the tender documents.

4. Documents to be attached to the bid

The financial bid submitted to the Bank will include the following documents and information, which will be valid, correct and verified (according to the circumstances), as of the date of the submitting the bid, and will have each page initialed by the authorized signatory of the bidder along with the stamp of the bidder, except for the signature on the declaration (Appendix A1 of Part I of the tender documents), the bid (Part II of the tender documents) and the agreement (Part III of the tender documents), which also require a full signature together with the bidder's stamp. A bidder that is an exempt business or a licensed business is not required to add a stamp to his signature. The documents should be submitted in the following order:

- 4.1 All of the parts of the tender with signatures, as follows:
 - 4.1.1 **Part I** of the tender documents (this document, namely "The tender process and its conditions") including all of its appendices, including appendices A1 to A4, after they have been completed and Appendix A1 will include a full signature at the end and the stamp of the bidder, with confirmation of the bidder's signature by an attorney.
 - 4.1.2 **Part II** ("The financial bid") including all of its appendices after they have been completed, including a full signature at the end and the stamp of the bidder, with confirmation of the bidder's signature by an attorney as required.
 - 4.1.3 **Part III** ("The agreement") including all of its appendices, including a full signature at the end and the stamp of the bidder, with confirmation of the bidder's signature by an attorney as required.
 - 4.1.4 It is emphasized that there is no need to complete and sign Appendix C2 (Confirmation of Insurance) or Appendix C3 of the agreement (Bank Guarantee); rather they should be attached to the bid without filling them in. Only at the end of the tender and following the declaration of the winner will the winner be required to submit them to the Bank.
 - 4.1.5 In order to eliminate any doubt, it is hereby clarified that the bidder will not be permitted to make any change or correction to the agreement and its appendices; on this matter, see section 9 below.

- 4.1.6 Part IV (“Specifications”) including all of its appendices.
- 4.2 **Letters of clarification** sent by the Bank to the bidders (if any are sent).
- 4.3 **Documents to prove the bidder’s fulfillment of the threshold conditions in order to demonstrate the quality of the bidder and of the bid** – The bidder will submit all of the relevant material as part of his bid, as required to demonstrate his fulfillment of the threshold conditions and the quality score, including:
 - 4.3.1 Submitting Appendix A2 as part of Part I of the tender documents.
 - 4.3.2 A proposed workplan for the assimilation of the system within the Bank.
 - 4.3.3 Documentation or confirmation by the producer of the system that attests to the capabilities and characteristics of the proposed system and his ability to carry out the necessary modifications as described in the tender documents.
 - 4.3.4 Appendix A3 of the tender documents – A description of the proposed system. If a detailed explanation is needed it is recommended that the bidder cite the appendices attached to the bid.
 - 4.3.5 Screenshots and a description of the proposed system according to the Bank’s scenarios, as described in Appendix D1 in the specification of the work definitions.
 - 4.3.6 Additional professional material that will be attached as an appendix to the bid.
- 4.4 **Documents attesting to the quality of the bidder and the bid** – As part of his bid, the bidder will submit all of the relevant material needed to attest to the quality of the bidder and the bid, including the profile of the bidder, and the submitting of Appendix A2 of Part I of the tender documents.
- 4.5 **The specifications of the bid** – The bidder will submit his bid according to all of the conditions in the Specifications, which is attached **as Part IV** of the tender documents. If a detailed explanation is needed, it is recommended that the bidder cite the appendices that will be attached to the bid. Professional material will be attached as an appendix to the bid.
- 4.6 **Additional documents** – If the bidder is a corporation, then the following will be attached:
 - 4.6.1 If the bidder is a business where the controlling shareholder, as defined in section 2b of the Tender Obligation Law, 5752–1992, is a woman, then a declaration and confirmation from a certified public accountant will be attached as specified in the paragraph.
 - 4.6.2 If the bidder is a corporation – An up-to-date extract (dated up to 60 days prior to the date for submitting the bids) from the relevant registry for that type of corporation (such as the Corporation Registry).
- 4.7 In order to eliminate any doubt, it is hereby clarified that in the case that a bidder does not attach one of the aforementioned documents to his bid and/or does not fulfil one of the aforementioned instructions regarding the submission of documents and/or provides details that are found to be inaccurate and/or fabricated, the Bank may, according to its exclusive discretion and without any obligation to provide justification, reject his bid, though it is not obligated to, even if it is the lowest bid or the bid with the highest score. Similarly, the Bank may, according to its exclusive discretion and without any obligation to provide justification, allow the bidder to correct a flaw in his bid, although it is not obligated to.
- 5. **Registering for participation in the tender and the procedure for submitting bids**

- 5.1 The tender will be managed as an automated tender according to Regulation 19C of the Tender Obligation Regulations, 5753-1993 (hereafter: the **Tender Obligation Regulations**). The tender bids will be submitted to the electronic tender system by the final date for the submitting of bids.
- 5.2 Participation in the tender requires pre-registration in the electronic tender system (hereafter: **tender registration**) of the Mashik Company (hereafter: the **Company**). In order to register for the tender, the bidder will fill out a tender registration form, which is attached as Appendix A4 to the tender documents. The form requires the details of the bidder's signatory who is authorized to submit a bid for this tender, **including his email address**. The tender registration form will be sent by email to the Company via the address service@mashiktech.com.
- 5.3 After registering for the tender, the bidder will receive a notification from the Company's Center for Support and Guidance (hereafter: the **Center for Support and Guidance**) by email, which will contain confirmation of his registration, including the bidder's user name in the tender system.
- 5.4 After receiving confirmation of his registration, the bidder will log on to the Company's website at <https://account.sourcingvisionon.com>, using the means of identification provided to him by the Company.
- 5.5 In order to use the electronic tender system, the Company will provide the bidder, after he has registered in the system, with an initial password that will be sent by email to the bidder's authorized signatory according to the bidder's registration for the tender system. A new password will be sent to the email address that was input as mentioned, and in the case of a switch of password—whether initiated by the bidder who is asking for a new password or by the system that is seeking to change the user's password.
- 5.6 The bidder needs to verify that he has been registered in the system and it is his responsibility to verify, in a timely manner, that he has been registered appropriately and that he is able to enter the electronic tender system and use it as needed. The bidders should register for the tender in a timely manner, **since only a bidder who has registered can enter the system in order to submit his bid for the tender. A claim that due to a technical problem, including the lack of availability of the Center for Support and Guidance, the bidder was unable to submit his bid on time will not be accepted. The Bank recommends that bidders register for the tender and verify that they can enter the system and work in it at least two workdays prior to the last date for submitting bids.**
- 5.7 The bidder will not be able to log on to the electronic tender system from more than one computer.
- 5.8 In order to submit the bid, all the documents described in Section 4 above should be scanned, after being signed by an individual authorized to make commitments that are binding on the bidder, and uploaded to the electronic tender system. **It is hereby clarified that each part or appendix or other documents should be uploaded separately according to the relevant rows allocated for this in the system and that the size of each file that is being uploaded to the system should not exceed the maximum size allowed by the system, and the overall size of the entire bid being uploaded should not exceed the maximum size allowed by the system. It is the responsibility of**

the bidder to modify the files so as not to exceed these size limits, in order to enable their uploading and signing in the box. For example, PDF files can be compressed using standard PDF software or other software that is available on the Internet.

- 5.9 At the completion of the process to submit bids to the electronic tender box, the bidder will be able to view his bid as submitted in the electronic tender system box including the submission date and the serial number assigned by the system; however, he must ensure that his corrected bid is submitted as required before the date on which the electronic tender box is closed and that the system has provided confirmation of that. It is hereby clarified that the bidder's signature, by means of the signatory on his behalf, on his electronically submitted bid is binding on him.
- 5.10 It is hereby clarified that only bids that are fully submitted to the electronic tender system by the final date for submitting bids will be accepted for the tender. **The electronic tender system will be automatically locked on the final date for the submitting of bids, even if on that date the bidder is still connected to the system and is logged in.**

It is recommended that bidders enter the electronic tender system sufficiently early in order not to be late in submitting a bid due to technical delays and problems, including those that are computer-related. It is hereby stressed that the submitting of a bid—including the uploading of all of the files together with the bid document—can sometimes take a number of hours and the bidders should take that into account and not wait until the last minute in order to submit a bid in the system.

- 5.11 In order to obtain **technical assistance** in any aspect of registering in the electronic tender system and using it to submit a bid, please contact the Support and Guidance Center: 050-9029376 on Sundays to Thursdays from 8:00 to 17:00.

6. Evaluation of the bids and the selection of the winning bid

- 6.1 The weights for selecting the winning bid will be as follows: 40% quality and 60% price.
- 6.2 The bids will be considered by the Bank's Tender Committee (hereafter: the **Tender Committee**). The process for evaluating the bids will involve a number of stages:
- Stage I: Checking the bid's fulfilment of the threshold criteria.
- Stage II: Checking the quality of the bids and calculation of the quality scores.
- Stage III: Calculation of the price scores.
- Stage IV: Calculation of the overall scores (quality and price) and the ranking of the bids.
- 6.3 Notwithstanding the aforementioned, the Bank can decide to begin checking the quality of the bid (Stage II) prior to deciding whether the threshold conditions have been met or it can combine the checks in Stages I and II and determine both simultaneously.
- 6.4 **Stage I: Checking the bid's fulfilment of the threshold conditions**
- 6.4.1 The Tender Committee, or someone appointed by it, will check that the bid meets the threshold conditions, as defined in the tender documents. A bid that does not meet any of the threshold conditions will be disqualified and will not proceed to the subsequent stages of the tender.
- 6.4.2 If the bid consists of several alternative bids, according the rules of the tender, the Bank can disqualify only part of the bid rather than the entire bid, according to its sole discretion and without having to provide justification.

6.4.3 A bidder whose bid has been disqualified will receive notification of such at the time of the bid disqualification stage or at the completion of the tender process (after the selection of the winner), according to the Bank's sole discretion, and the bidder will not have the right to make any claim or demand in this matter.

6.5 Part II: Evaluating the quality of the bid and calculating the quality score

6.5.1 The quality score will constitute 40% of the overall score.

6.5.2 In order to calculate the quality scores, the Tender Committee will appoint an evaluation team that will have the right to, among other things, visit customers which were or are being provided with services by the bidder, to speak with any of them or to evaluate the quality of the provision of the services in any way that it sees fit. The evaluation team will provide scores to each bidder according to the parameters below. The Bank can instruct the evaluation team to carry out such an evaluation according to its sole discretion and without having to provide justification.

6.5.3 The overall quality score will be obtained by summing the points received by the bid according to the following components:

Component	Description	Maximum points
Installations of the system for the purpose of internal audit	For every additional organization with at least 300 employees, beyond the organizations taken into account in order to meet the threshold condition in section 3.3, and in which the system has been installed, in the version proposed in the tender or in previous versions, for the purpose of internal auditing in a production environment during the period 2017–23, the bid will receive 3 additional points up to a maximum of 9 points for three or more organizations.	9
Installations of the system for the purpose of risk management	For every additional central Bank with at least 300 employees, beyond the organizations taken into account in order to meet the threshold condition in section 3.4, and in which the system has been installed, in its version proposed in the tender or in previous versions, for the purpose of risk management in a production environment during the period 2017–23, the bid will receive 3 additional points up to a maximum of 9 points for three or more central banks.	9

<p>Recommendations of the bidder</p>	<p>The members of the quality team, according to their discretion, will contact at least one customer where the bidder has assimilated an automated system for internal audit or risk management in order to obtain a recommendation about the bidder.</p> <p>The recommendations will relate to the following, among other things: the quality of the bidder, the installation and assimilation of the system within the organization, the professionalism of its employees, the level of service, meeting a timetable, flexibility, interpersonal relations, cooperation with the customer, etc.</p> <p>The bid will receive up to 10 points for a recommendation.</p> <p>The Bank reserves the right to visit customers where the bidder and/or the proposed staff members have created a similar solution to the one being sought.</p>	<p>10</p>
<p>Recommendations of the system</p>	<p>The members of the quality team, according to their discretion, will contact at least one customer in which the system has been installed at, for internal auditing and at least one customer in which the system has been installed at, for risk management (or one customer in which the system has been installed for both purposes) in order to obtain a recommendation concerning the system.</p> <p>The recommendations will relate to the following, among other things: quality of the system, its capabilities, the performance of the system, the user interface, the suitability of the system for internal auditing and risk management processes, modifications to meet the needs of the customer, etc., with emphasis also on the processes at the Bank of Israel as described in Appendix D1.</p> <p>The bid will receive up to 10 points for the evaluation in the area of internal auditing and up to 10 points for the evaluation in the area of risk management and up to 20 points for the recommendations.</p> <p>The Bank reserves the right to visit customers where the proposed system has been installed.</p>	<p>20</p>

<p>Evaluation of the proposed solution</p>	<p>The quality team will evaluate the demonstration of the proposed system based on the bidder's solution and his responses in Appendix D1 – "The specification of work definitions", and the description of the system's processes in that context. The evaluation of the proposed system will also take into account the following points, among others:</p> <ul style="list-style-type: none"> • The ability to support the Bank's business processes (in the areas of internal auditing and risk management). • The system's user interface. • The fit of the system to the Bank's needs (a built-in characteristic of the system / an addition specially developed for the Bank). • The complexity of installation, assimilation and migration in the system. • Characteristics and capabilities of the system, as well as support in dealing with public grievances (ombudsman). • Aspects of the system's routine operations (complexity of operation, production of reports, problem solving, etc.). • Flexibility to make changes to the system in the future. • Ability of the user to operate and modify the system (without the need of an implementor / developer). • Knowledge and technological expertise of the system's producer. • The user interface. • The timetable for assimilation the system. • The workplan presented by the bidder for the installation and implementation of the system. • The existence of a version of the system in Hebrew / the complexity of the modifications required for Hebrew support. <p>If during the stage of demonstrating the system some of the functions will require future development to which the supplier is committed as part of the tender, the supplier will specify how he plans to bridge the gap between the development / modifications and the timetable for execution.</p> <p>The evaluation team will award up to 32 points according to its judgment, as mentioned above.</p>	<p style="text-align: center;">32</p>
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Interview with the bidder	<p>The members of the quality team will interview the project managers appointed by the bidder and, at the bidder's request, also a representative of the producer of the proposed system with regard to the bid. The interview will relate to the following points, among others:</p> <ul style="list-style-type: none"> • The extent of cooperation between the bidder and the producer of the system. • The professionalism of the bidder who is designated to carry out the installation and his familiarity and knowledge of the proposed system. • The professionalism of the bidder and his familiarity and knowledge of the business and application processes. • Main milestones and expected timetables. • Ability of the bidder and the project manager to allocate resources and the ability of the producer to install the system. • A high level of service, the ability to meet a timetable, flexibility, interpersonal relations, ability to cooperate with the customer – during the installation stage and following the transfer of the system to production. • Methods for teaching users and the complexity of those methods for the various users. <p>The team will grant up to 20 points, according to its judgment, as mentioned above.</p>	20
Total		100

The minimum quality score for a bidder is 65 points out of a possible score of 100 points (65%). A bid that receives less points will be disqualified and will not proceed to the subsequent stages of the tender.

In taking into account the bid's aforementioned quality, previous experience or recommendations of the bidder, the Bank **has right to consider, according to its sole discretion, the Bank's previous experience, whether positive or negative, with the bidder**, if there is any.

6.6 Stage III: Calculation of the price score

6.6.1 The price score constitutes 60% of the overall score.

6.6.2 The price score for each bid will be calculated as a weighted average of the price scores according to the following price tables:

#	Name of the component	Weight
1	The cost of acquiring a license according to the subscription model (Table 1).	45%

2	Overall cost of the system: mapping, installation, conversion and assimilation of the system and instruction in its use according to the content specified in Part IV paragraph 20 – “Work stages” (Table 2).	35%
3	The proposed price for the services of an expert on behalf of the bidder and the producer (Table 3).	7.5%
4	Price proposed for the priced options (Table 4)	7.5%
5	Rates of discount on the producer’s price list for the acquisition of additional products / services (Table 5).	5%
	Total	100%

6.6.3 The price score for Table 1 to 4 will be calculated by dividing the lowest price bid by the price bid being considered and multiplying the result by 100. In this way, a (maximum) score of 100 will be calculated for the lowest price bid and scores of less than 100 will be calculated for the other price bids.

6.6.4 The price score for Table 5 will be calculated as follows:

6.6.4.1 The bid price will be determined as 100 less the rate of the proposed discount.

6.6.4.2 The price score will be calculated by dividing the lowest price bid (the highest rate of discount) by the price bid being considered and multiplying by 100. Thus, a (maximal) score of 100 will be obtained for the highest rate of discount and scores lower than 100 will be obtained for the other bids. .

6.6.5 After calculating the price scores of the bids, as described in paragraph 6.6, the bid with the highest price score will be first-ranked, the next highest will be ranked as second, and so on.

6.7 Stage IV: Calculation of the overall score (quality and price) and the ranking of the bids

6.7.1 The overall score in the tender (quality and price) will be calculated for each of the bids by weighting the quality score and the price score as follows:

$\text{Overall score} = \frac{(40 \times \text{quality score}) + (60 \times \text{price score})}{100}$
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6.7.2 The bid with the highest overall score will be ranked first, that following it will be ranked second, and so on. The first-ranked bid will be declared as the winner of the tender, subject to paragraphs 7, 10 and 11 below.

7. The bidder’s declarations and obligations

By submitting his bid, the bidder is declaring and obligating himself toward the Bank as follows:

7.1 He is aware of Israeli laws and all of the obligations that apply to the bidders or the winners of a tender, including the tender laws that apply in Israel and all of the laws, regulations and registration and licensing requirements that apply to the bidders and/or winners of a tender, to the extent that they apply.

7.2 He meets the requirements of Regulation 6(a) of the Tender Obligation Regulations.

- 7.3 He has seen and reviewed all of the tender documents and all of the relevant data of all types, which are related to the tender or the services or his bid and that he has carried out all of the relevant checks in this context independently and according to his sole discretion and that he has submitted his bid without relying on any information that might have been provided to him by the Bank or someone on its behalf not as part of the tender documents and in addition is submitting his bid on that basis and with the understanding that he agrees with all of the tender's conditions and the manner in which the winning bid will be chosen. A bidder who submitted a bid will not claim that he was unaware or did not understand any detail related to the tender or its conditions or the services or that he relied in any way on anything presented by the Bank or someone on its behalf.
- 7.4 He agrees with all the conditions of the tender and all that is stated in the tender documents, including all of its parts and appendixes, and he declares that neither he nor anyone on his behalf has or will have any claim or demand of any sort against or with respect to any of the tender's conditions.
- 7.5 He declares that before submitting his bid he has verified with the commercial entity that will issue the guarantee whose text appears in Appendix C3 ("The text of the required bank guarantee") that the text is acceptable to it and he has also verified with his insurance agent that the text of Appendix C2 ("Confirmation of Insurance") is acceptable to him. The bidder declares that if he wins he will submit these documents in the versions appearing in the tender documents, without any modifications or material reservations.
- 7.6 He has not submitted more than one bid in the tender, and that he is not a controlling shareholder of another bidder in the tender or that another bidder is one of his controlling shareholders nor that he is involved, directly or indirectly, in the submitting of another bid.
- 7.7 He declares that throughout the tender process, he did not and will not make contact with entities that provide services to the Bank with respect to the project or this tender.
- 7.8 He declares that the bidder, one of his stakeholders or any entity in which the bidder is one of its stakeholders or of anyone on their behalf have not acted to coordinate the bidder's bid with the bid of any other bidder in any way, including the exchange of information, comments or understandings.
- 7.9 There is no law or agreement preventing the bidder from participating in the tender and from fulfilling all of his obligations in the agreement attached as Part III to the tender documents and there is no possibility or concern regarding conflicts of interest, whether direct or indirect, between the bidder and his controlling shareholders on the one hand and the provision of services by the bidder on the other. The bidder declares that the aforementioned is correct to the best of his knowledge, also with respect to his office holders and the employees that will take part in the provision of the services.
- 7.10 Neither the bidder, his controlling shareholders or his office holders nor the employees that will take part in the provision of the services have any first-degree relatives who are employed at the Bank. If there are first-degree relatives at the Bank of Israel, the bidder must clearly and explicitly declare this fact in Appendix A1.

8. **Clarifications**

- 8.1 The bidder must thoroughly review the various tender documents. If the bidder finds unclear statements, contradictions or inconsistencies between the tender documents or if he does not understand any detail of what is written, he should contact the Bank and explain this in writing.
- 8.2 Questions for clarification, with details as described above, and any other question regarding the process will be submitted to the Bank not later than the date specified in section 1.14 above. A bidder that does not request clarifications by said date will not in the future be able to make any claim regarding a lack of clarity, a contradiction or inconsistency between the tender documents.
- 8.3 Requests for clarification should be submitted in writing only by means of a Word file sent to the Bank. It should be organized according to the numbering of the paragraphs in the tender and should state for each requested clarification to which part and which paragraph in the tender it refers and to whatever extent possible should be in the following format:

The part in the tender	Section number	The requested clarification
Part I/II/III/IV	Section ...	Please clarify...

- 8.4 The clarification files are to be sent to the following email address: tenders@boi.org.il by the date specified in section 1.14 above. The sender should verify that the email has been received by means of a return email from the Bank or by a telephone call from the contact person (whose contact details appear in section 1.16 above) acting on behalf of the author of the tender.
- 8.5 The Bank is not obligated by the text of the question and when formulating responses to the requests for clarification sent by the bidders has the right to shorten the text of the question or to reformulate it, if in its opinion this is required.
- 8.6 The Bank can publish clarifications also with respect to other issues that are not related to any specific request for clarification and at any time that it wishes to.
- 8.7 The response to requests for clarification will be in writing and in Hebrew. The Bank will send a copy of each answer it provides to all those who submitted requests for clarification and if a meeting of bidders is held, then to all those who take part in it. The responses will also be published on the Bank's website, without identifying the sender. The Bank is not obligated to answer all of the questions or parts of a question, including if it feels that the response is obvious or because the answer to the question is negative or because the question is simply a suggestion to change the tender or modify it rather than a request for clarifying its content.
- 8.8 It is hereby clarified that any corrections or changes made with regard to the tender will not obligate the Bank unless they are carried out in writing by the entity that the Bank has authorized to do so. Any answer not given in writing will not create a pretext for the bidder to make a claim against the Bank or anyone acting on its behalf and will not constitute a basis for estoppel toward the Bank. The aforementioned clarification or correction documents will be binding and will be considered an integral part of the tender documents and will have the status of one of its conditions. The bidders are

required to attach the clarification documents to the bid to be submitted to the Bank and they should be signed by the individual with authority to obligate the bidder, as stated above.

- 8.9 In submitting his bid, the bidder is declaring that he has had an opportunity to receive clarifications or explanations in order to submit his bid and that he submitted his bid on this basis and that he will have no claim with regard to the text of the tender or its conditions and will not be able to make any claim with regard to them. In the case of a contradiction, inconsistency or lack of clarity between the tender documents or within them, the Bank will have the final say in determining the correct interpretation. Contradictions, inconsistencies and a lack of clarity between the various instructions will be interpreted in a way that expands the obligations of the bidder and the rights of the Bank. The bidder will not have any claim toward the Bank or anyone on its behalf that stems from the interpretations chosen by the Bank.

9. Discussion with the participants, errors in the bids and the correction of bids

- 9.1 The bids will be reviewed according to the information submitted by the bidders. In order for the bids to receive the weight they deserve, the bidders should provide extensive details in the bids. Nonetheless, the Bank can, according to its sole discretion and without having to provide justification, whether in writing or orally, at any stage in the tender whether in only stage or in a number of stages, discuss the details of a bid with its bidder, request clarifications of the bid, request a meeting with the Bank or request that the bidders whose bids were found to be relevant—whether this involves a single bidder or a number of bidders (including only some of the bidders)—add on to, correct and/or modify their bids.
- 9.2 The bidder will not add, condition or change the conditions of the tender. If despite the aforementioned, an error is found in the bidder's bid, including an addition, a lacuna, a change or a reservation, whether in the body of the documents or in the attached documents or in any other form, the Bank will act according to its sole discretion and without any obligation to provide justification and will have the right to, among other things, disqualify the bid or to request its correction or to ignore any change, addition or reservation as mentioned and to view them as if they had not been made. In submitting his bid, the bidder agrees that the Bank will have the right to act in this manner and the bidder gives up the right to make any claim or demand in this matter.
- 9.3 In order to eliminate any doubt, it is explicitly stressed that this section does not obligate the Bank to hold a discussion with the bidders in order to allow them to correct their bids in any way from what is stated in the tender documents or in order to allow the bidder to withdraw some detail of his bid.
- 9.4 After submitting the bids, the Bank, by means of the Purchasing Division, may contact the bidders or any one of them in writing in order to request that the details of their bids be clarified, supplemented, corrected or modified; however, this will not provide any indication of the quality of the tender or constitute permission to clarify, supplement, correct or modify the bid, according to the circumstances, but rather only to the extent that this is permitted by the Bank, by means of the Tenders Committee, as mentioned above.

9.5 After deciding on the winner, the Bank has the right to hold a discussion with him and to negotiate with him with the goal of improving or correcting his bid. Without detracting from the aforementioned, the winner of the tender has the right, after winning the tender and even after signing the agreement reached with him, to suggest changes or improvements with regard to the specifications of the tender and the agreement, which in his opinion will reduce the price of the services and will lead to a reduction in the price he is charging and/or to an improvement and greater efficiency in the provision of the service. However, it should be emphasized that the Bank is not obligated to consider or discuss such a suggested change or improvement and it also has the right to reject such a suggestion without providing justification or to condition its agreement on any condition that it deems appropriate, according to its sole discretion and without any obligation to provide justification or to hold a hearing. The Bank, by means of the Tender Committee, can change a substantive detail in the agreement that will be signed or has been signed with the winner of the tender, according to the conditions specified in Israeli law.

10. The right not to choose a bid

10.1 The Bank reserves the right to carry out security or financial checks of the bidder, as it sees fit. Based on these checks and unrelated to the points he will receive or the price in his bid, the Bank can disqualify the bidder according to its discretion.

10.2 The Bank, according to its sole discretion and with emphasis on the circumstances of the matter, will have the right—though not the obligation—to disqualify a bidder who has declared, or for whom it becomes known, that he has committed serious criminal offenses which in the opinion of the Bank may have an effect on the provision of services according to the tender.

10.3 The Bank has the right not to choose the bid that received the highest overall score or the bid with the lowest price or any other of the bids, in particular, but not only, if the Bank has a genuine concern that the bidder did not fulfill his obligations to the Bank (including as a result of his current or expected financial situation, bankruptcy or liquidation proceedings or substantive suits brought against him or there is some other concern with regard to his functioning if he wins the tender) or because the bid is not financially worthwhile for the bidder or if the bid appears to be a tactical bid or if the bidder fails the financial or security checks that the Bank chooses to carry out or if the bid exceeds the budget designated by the Bank for the project, subject to the sole discretion of the Bank and without any obligation to provide justification or hold a hearing.

10.4 The Bank may impose conditions on the winning of the tender, without having to provide any justification and has the right to execute only part of the tender or part of the scope of services, according to the budget that was approved, or to increase the scope of services, according to its discretion, and in any case the bidder will not have any claim or demand toward the Bank or anyone acting on its behalf.

10.5 If the Bank does not choose any of the bids, the Bank will have the right to cancel the tender and to republish it, whether in the same format or with changes that it views as appropriate, or not to republish it all, according to its sole discretion.

- 11. Announcing the winner and the validity of the bids**
- 11.1 The winner will receive notification from the Purchasing Division of the Bank that his bid has won the tender. It will include any request by the Bank to add details and/or documents as a condition for the start of the contractual relationship. The winner will provide the Bank with all that is requested in order to sign the agreement within 7 working days from receipt of the notification, including the following:
- 11.1.1 A form for confirmation of insurance (Appendix C2 of the agreement).
- 11.1.2 A bank guarantee (Appendix C3 of the agreement).
- 11.1.3 A form for details of the supplier including confirmation from the commercial bank at which the bidder maintains his account.
- 11.1.4 If the Bank has, during the process of clarifications, published corrections to the agreement, but has not published a revised version of the agreement, the bidder will sign a revised agreement after receiving notification that he has won the tender.
- 11.1.5 Any other document requested by the Bank, including one that is required in order to sign the agreement.
- 11.2 The notification of winning the tender will be in writing, will be signed by the Purchasing Division of the Bank, and will be binding on the winner. No other notification, whether in writing or verbal, will obligate the Bank nor will it constitute an estoppel towards the Bank.
- 11.3 In order to remove any doubt, it is hereby explicitly clarified that the notification of winning the tender will not be viewed as acceptance of the bidder's bid and that acceptance will only be by means of the Bank's signing of the agreement after all of the requests made to the winner have been fulfilled as described in the tender documents. However, the submitting of the bid and the bidder's signature on the agreement as part of the bid documents constitute an irrevocable bid, which the bidder cannot withdraw from, conditional on the bid still being valid as described in section 1.15.
- 11.4 The Bank can, but is not obligated to, and according to its sole discretion, extend the date for providing the details mentioned in section 11.1 above. If the winner does not provide the aforementioned documents and the Bank was provided a warning that the aforementioned deadline has not been met, the Bank can view the winner as having rescinded his bid and the Bank will seek any remedy in this matter according to law and/or according to the tender documents, including, but not limited to, cancellation of his winning the tender and declaring another bidder as the winner.
- 11.5 After all of the prerequisites as specified in the tender documents have been fulfilled, the agreement will be signed by the Bank and will be sent to the winner along with the relevant purchase order approved by the Purchasing Division of the Bank. Only after receiving the purchase order will the winner be able to begin providing the services to the Bank, according to the date to be determined by the Bank for the start of services as mentioned in section 2 above, to which the winner is obligated.
- 11.6 After the agreement with the winner of the tender has been signed, the winner will not be able to claim any right or obligation based on information, promises, obligations, presentations, suggestions, understandings, publications, protocols, discussions or declarations made outside the framework of the agreement, whether

in writing or verbally, whether prior to the signing of the agreement or subsequent to it.

- 11.7 The bidders' bids will be valid for the period specified in section 1.15 above, even if a notification of winning the tender has been provided prior to that date. This is in the case, among others, that the winner does not meet any one of the tender's conditions or has made a misrepresentation that was a factor in his winning of the tender or that he has not fulfilled the agreement to be signed with the Bank or for any other reason, his winning of the tender or the agreement that was signed with him will be cancelled. If the winning of the tender or the agreement is indeed cancelled, the Bank has the right to contract with the second-ranked bidder and if he refuses then the Bank can turn to the third-ranked bidder, and so on. It is hereby clarified that this authority of the Bank does not impose any obligation on the Bank to choose bids that were ranked by it apart from the winning bid nor does it detract from its right to cancel the tender or act in any other manner according to law according to the circumstances of the matter. The Bank can also demand from any bidder to extend the validity of his bid until a date to be determined by it and the bidder will act accordingly.

12. Responsibility for expenses and lack of compensation

- 12.1 It is hereby clarified that all expenses, of any type, that are incurred in the preparation of a bid for the tender or that are related to the tender will be borne by the bidder, unrelated to the results of the tender.
- 12.2 The bidder will not have any right, of any type, to compensation or payment or participation in expenses from the Bank or from anyone on its behalf (including its employees, its emissaries or its representatives) incurred for any damage or expenses incurred, of any type, which will be borne by the bidder or someone on his behalf, due to any reason or pretext, due to or related to the tender, including its existence, its termination, its delay, a change in its conditions or its cancellation or as a result of the rejection of the bidder's bid.
- 12.3 It is hereby clarified that the Bank can cancel the tender, whether in whole or in part, or to change and revise it, including changes in the dates specified within it, a change or reduction in the services or their scope, including their delay or termination, whether in full or in part, to a future date or indefinitely, at any point in time according to its sole discretion, without having to provide justification, and without having to compensate the bidder for any expense or damage (whether direct or indirect) borne by him. A change in the tender or an announcement of cancellation will be in writing, will be published on the Bank's website and will be brought to the attention of all those who submitted requests for clarification and if a meeting of bidders was held – those who took part in it.
- 12.4 The winner will not have any right to make a claim due to the non-execution of his winning of the tender, whether in full or in part. Winning of the tender does not guarantee exclusivity for the winner in providing the services to the Bank, whether in full or in part.

13. Disclosure of information and viewing a bid

- 13.1 The Bank or anyone on its behalf can require the bidder to provide full and accurate details of his identity, his business activity, his capital structure, his sources of finance and any other information, which in its opinion should be disclosed, as well as information as mentioned with regard to one of the bidder's stakeholder, whether direct or indirect. If the bidder does not submit the requested information to the Bank or has submitted incorrect information, the Bank has the right not to discuss his bid or to disqualify it.
- 13.2 The Bank reserves the right to use its own sources as well to verify the information submitted by the bidder. In submitting the request, the bidder and any of his stakeholders will be viewed as agreeing that the Bank can obtain information about them that is related to the tender from government authorities, including any authority or body that operates according to the law, and they agree to sign any document that is required of them. In addition, the Bank can make contact with the bidder's customers or subcontractors or visit the sites of the bidder or his customers in order to verify information at any stage of the tender or after the bidder has been chosen as winner of the tender.
- 13.3 If after choosing a winning bidder, the Bank discovers that he did not provide accurate information or only partial information, or misleading information, the Bank can cancel its choice of that bidder and enter into a contractual relationship with whomever it chooses in order provide the services or it can make any other decision according to its sole discretion and without providing any compensation or reimbursement of expenses and without detracting from the Bank's rights with regard to the bidder due to the aforementioned behaviors.
- 13.4 The bidder is obligated to notify the Bank in writing, without delay, of any change that may occur in the information that it submitted in the context of the tender.
- 13.5 According to law, bidders that did not win the tender can request to inspect the various documents and the bid of the winning bidder, following a final decision of the Tender Committee regarding the winning bid.
- 13.6 In submitting his bid, the bidder agrees that his entire bid, including all of its parts and appendices, will be available for inspection by the other bidders in the tender. If in the opinion of the bidder, there are commercial or professional secrets in the bid that should remain confidential, the bidder will attach to his bid (as part of his declaration in Appendix A1) a list of those parts of his bid and his arguments that they should remain confidential. If the bidder chose to indicate information in his bid that should remain confidential, then the Bank can prevent—only for this reason—that bidder from seeing the parallel information in the winner's bid.
- 13.7 It should be clarified that despite the aforementioned, the Bank can, according to its sole discretion, present any document that in its opinion does not contain a professional or commercial secret to the bidders who did not win the tender or to third parties and this is necessary in order to meet the requirements of the law, and the bidder will not have any demand or claim against the Bank or anyone acting on its behalf.
- 13.8 The Bank can determine special confidentiality arrangements, whether in general or for specific issues, if such a request is made by a bidder; nonetheless, it is not obligated

to do so. This will be decided according to the sole discretion of the Bank and without any need for justification. In addition, in the event that the Bank believes, including because of the opposition of another bidder, that there is some doubt as to whether the aforementioned information should be exposed, the Bank will have the right to not expose any such information, as long as there is no court order according to a request by the party interested in the exposure.

- 13.9 Notwithstanding what is stated above, it is hereby clarified that for the purposes of reviewing the bids and the provision of the services, the Bank will submit the bidders' bids, whether in full or in part or after processing, to various parties including, among others, consultants working on its behalf and in submitting his bid the bidder is agreeing that all parts of his bid, including those that contain a commercial or professional secret, will be submitted by the Bank for review as stated.
- 13.10 The Bank can collect a payment for its expenses in allowing the bids to be viewed.

14. Confidentiality

- 14.1 On receiving the tender documents, the bidder and also anyone who received the tender documents but did not submit a bid (in this section, both of them together will be referred to as the "bidder") are not permitted to transfer or hand over to any other person any information, record, document or data that was provided to him by the Bank or anyone on its behalf in the context of this tender or that was created by him during the preparation of the bid. The aforementioned will not apply to information in the public domain or information that must be disclosed by law or an order issued by a relevant authority or information that was created independently prior to the bidder receiving the tender documents or information that was legally received from a third party without violating any obligation of confidentiality.
- 14.2 In order to fulfil his obligations according to this section, the bidder is obligated to maintain the aforementioned confidentiality also with regard to his employees or anyone acting on his behalf.
- 14.3 The bidder is obligated to comply with any instruction issued by the Bank with respect to the maintenance of confidentiality.
- 14.4 All of the tender documents are the property of the Bank and are lent to the bidder only in order to prepare a bid and submit it. The bidder is not permitted to copy these documents or use for any other purpose. If the bidder did not submit a bid or received notification from the Bank that he did not win the tender, the bidder will return all of the tender documents, if he is asked to so by the Bank, and will not keep any copy, photocopy, magnetic or optical copy or any other copy of the tender documents or material created by him during the preparation of the bid.
- 14.5 The bidder is not permitted to make any public use of the Bank's name or his contractual relations with it, including on the Internet, without the previous and written approval of the Bank.

15. Security and other types of checks

- 15.1 Within 3 working days of receiving notice that he has won the tender, the winner will submit to the Bank's Security Unit the names of his workers that have been designated

to provide services to the Bank. These workers will present themselves for security checks at the offices of the Bank's Security Unit within 7 working days from the receipt of the aforementioned notification by the winner of the tender

- 15.2 The winner of the tender, his employees and anyone acting on his behalf who will be providing services to the Bank will undergo security checks according to the sole discretion of the Bank, as described in Part III of the agreement that is part of the tender documents. The winner is obligated to cooperate with the Bank in order to carry out the security check process in a timely and efficient manner.
- 15.3 Without detracting from the aforementioned in the contractual agreement and in this paragraph, the Bank will have the right to demand a substitution of the tender winner's workers with other workers, without having to provide any justification and according to its sole discretion, due to (but not limited to) security considerations and the winner will fulfil any such demand immediately and in full, without him or anyone acting on his behalf having any right or claim against the Bank or anyone acting on its behalf.
- 15.4 With regard to this section—security checks include checks of trustworthiness.

16. Notifications

- 16.1 In Appendix A1, the bidder will declare the name of his representative with respect to the tender, his telephone number and his fax number, his address and his email address, for the purpose of receiving notifications regarding the tender.
- 16.2 Notifications will be sent by registered mail, by hand delivery, by fax or by electronic mail. A notification sent by post will be considered to have arrived at its destination within three business days from the date on which it was sent. A notification that is delivered by hand will be considered to have arrived at its destination on the first business day after it is delivered. A notification that is sent by fax will be considered to have been received by the other party on the first business day after the digital confirmation that the notification has arrived safely at its destination and subject to its arrival being verified by telephone. A notification sent by email will be considered as having arrived at its destination only after the receipt of a return email (not automatic) that confirms the receipt of the notification.

17. Jurisdiction

The authorized court in Jerusalem, according to its relevant authority, will have sole jurisdiction to adjudicate any legal action whose pretext is this tender and the agreement to be signed with the tender winner.

Yours sincerely,

**The Purchasing Division
Bank of Israel**