To: Tender Participants

E-Tender (Online) No. 36/26 for the Supply, Integration, Operation and Maintenance of a MUTC (Metropolitan Urban Traffic Control) System (the "**Tender**")

Clarification Notice no. 7

Ayalon Highways Co. Ltd. (the "**Company**") is hereby publishing a clarification to the Tender Documents, as follows:

1. An **Updated** VOLUME A - Appendix 2B(1) - Bill of Quantities, for the submission of the Bidders' Price Proposal, has been posted on the Dekel website and the Company's website. Bidders should take care to submit their Price Proposal using the updated version.

2. The following is the Company's response to clarification requests submitted:

	Section	Question	Answer
Volume A – Terms of Tender			
1.	3.4 3.6	Due to clarifications in Notice no. 4 (including the General Clarification to Volume D) in which the Company approved the scoring, under certain circumstances, of specialized external modules integrated into the Proposed System (such as AI-enabled DSS and prediction engines), please define the expression "developed" by the Bidder or its Related Entity, in Threshold Conditions 3.4 and 3.6 of VOLUME A.	It is clarified that for the purpose of Sections 3.4 and 3.6 of VOLUME A, the Bidder (or its Related Entity) shall be deemed to have "developed" the Proposed System even if it only developed the interface of a third-party external module to the Proposed System or integrated an interface built into the Proposed System (and the same applies to the deployed system under Section 3.6). **However**, with respect to **items #1-6** detailed in Section 3.5, the above shall only apply to some components of the required functionality **and not to a functionality item in its entirety**. Such components may include, for example, GIS and database management systems; API and interface integration components; rule execution engines; AI/ML models and inference frameworks; standard UI libraries and visualization widgets; automatic incident detection and video analytics modules; and offline BI platforms. For the avoidance of doubt, there is no change to the requirement in Section 3.4 that the Bidder may rightfully grant the Company use of the Proposed System (in its entirety) and continue its development, nor is there any change to any other Threshold Conditions.

2.	Appendix 6C	Following Clarification no. 4, Question 6, the template for Appendix 6C has been amended (as written in the preface of Clarification no. 6). However, as this is a critical bidding requirement, we had already obtained signed Appendix 6C forms from our Clients based on the original version. Given that the amendment appears to be limited to a minor wording change, it would be difficult to request that all Clients re-execute the forms solely for this purpose. Could you please confirm whether the Appendix 6C forms already signed using the previous template will remain acceptable for this tender?	Request accepted. Bidders may submit either the original Appendix 6C or the Updated Appendix 6C.
Volume B - Agreement			
3.	10.6	With respect to the new Section 6.4 (in response to Question 15 of Clarification no. 6), please clarify whether the expression "total Consideration paid or payable to the Supplier" means only the amounts actually paid and amounts that have become due and payable as at the date on which the relevant liability arises. In particular, please confirm that the calculation shall exclude unexercised optional workloads, unapproved Change Orders, unexercised Extension Periods and any future maintenance fees that have not yet become due and payable.	The expression includes: (i) all Consideration already paid or due to the Supplier for Services that have already been rendered, and (ii) all Maintenance Fees that will be due to the Supplier until the end of the original Period of Engagement (3 maintenance years), even if Maintenance Services have not yet been rendered. The expression does not include unexercised optional workloads and potential Change Orders which have not yet been approved.
Volume D – Quality Measurements			
4.	General	In Notice no. 4 (specifically Answers #43 and #54), the Committee explicitly and appropriately approved the integration of specialized external modules (such as AI-enabled DSS and prediction engines) via open APIs. However, when combined with Answer #55 and the General Clarification to Volume D (which restrict quality scoring exclusively to formal JV members), an inherent structural contradiction is created against the strict two-entity JV limitation under Section 3.1.C. Left unaddressed, this contradiction inadvertently penalizes bidders utilizing modern technological architectures and undermines the Company's ability to properly score and secure the optimal solution. Therefore, the Bidder respectfully requests the Tenders Committee to confirm that Bidders may utilize EITHER of the following	Part 1 of Volume D evaluates the Proposed System's capabilities, irrespective of the identity of the developer of each component. External modules may therefore be scored without their developers becoming Joint Venture members, subject to all applicable criteria, including the integration and operational-use requirements specified in Clarification Notice No. 4. Part 2 evaluates the Bidder's experience. In accordance with Answer No. 55 of Clarification Notice No. 4, the relevant experience and capabilities of both Joint Venture members may be considered (including their Related Entities by which they complied with the Threshold Conditions, but no other entity). This, as

		structural options: • Option 1 (Expansion of JV Capacity): Amend Section 3.1.C and Appendix 6A to allow a Joint Venture to comprise up to three (3) or four (4) legal entities, provided that Member 1 and Member 2 independently satisfy all mandatory threshold requirements; OR • Option 2 (Quality Scoring for Designated Key Technology Subcontractors): While maintaining the JV as two legal entities for threshold compliance, confirm that a Bidder may designate a Key Technology Subcontractor / Software Licensor providing specialized proprietary modules or subsystems, and that the operational track record, proven independent field references, and technical capabilities of such Designated Key Technology Subcontractor will be fully recognized and scored under the Volume D Quality Matrix on an equal basis with a JV member.	well as the number of JV members allowed, remains unchanged. See also the answer to Question 1 above, with respect to Threshold Conditions 3.4 and 3.6.
Volume E – SOW and Requirements			
5.	9.2.2.9	Regarding the additional adaptive junctions under the new Section 9.2.2.9 (as published in Clarification no. 6, item 3), please clarify whether the consideration paid for each completed order will be included in the calculation of the Yearly Maintenance Fee under Section 9.8.	It is clarified that all optional workloads priced in Part 2 of the Bidder's Price Proposal (including item 2.15 of Part 2 - the additional Adaptive Signalized Intersections pursuant to Section 9.2.2.9 of the SOW), if exercised and completed **before Handover**, will be included in the calculation of the Yearly Maintenance Fee under Section 9.8.1, according to the maintenance percentage proposed by the Bidder in Part 4 of its Price Proposal. With respect to optional workloads priced in Part 2 of the Bidder's Price Proposal and exercised and completed **after Handover,** Section 13.6.4 of the Agreement shall apply to the payment of maintenance fees for such workloads (for the avoidance of doubt, the Supplier shall not be paid maintenance fees for workloads that do not have a direct effect on the Supplier's maintenance costs, even if such workloads were taken into account in calculating maintenance fees when exercised and completed before Handover).

This document is an integral part of the Tender Documents, and the Bidder is requested to attach a signed copy thereof to its Proposal.

Name of Bidder: _____

Bidder's Signature: _____

Date: _____