



Finance Ministry
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Press Release

Bid documents for the construction of the northern extension of the Cross Israel Highway (Sections 3 and 7 – Yoqneam-Somech) have been published

The Interministerial Tenders Committee has today published the bid documents for construction of the extension of the Cross Israel Highway northward: Sections 3 and 7 (Yoqneam-Somech). This is a BOT tender for the finance, construction, operation and maintenance of a toll road and its transfer to the state at the end of a 34-year construction and operations period. This format is intended to be executed in a manner similar to existing sections of Cross Israel Highway.

The project consists of two sections:

Section 7: 6 km long, beginning at the outskirts of Yoqneam and ending at the Tel Kashish Interchange.

Section 3: 14 km long, beginning at the Tel Kashish Interchange and ending at the Somech Interchange.

This project, which is one the largest infrastructure projects currently being constructed today in Israel, includes a significant tunneling component with a total length of about 5 km as well as six interchanges that will connect Highway 6 with the regional and local road network.

Publication of the tender was made possible after its basic outline was approved by the Government of Israel in January of this year and following approval this week by the Knesset's Economic Affairs Committee of the maximum tolls that would be collected and the concession period.

Six groups that have undergone the Pre-Qualification process completed early this year will be permitted to participate in the tender. The number of participants testifies to the competition that has developed over the last several years for joint projects involving the private sector and the great success of similar projects in the past.

As part of the bid process and prior to submitting their proposals, the bidders will be allowed to participate in a professional consultation process regarding preliminary design alternatives that have been prepared on behalf of the state and that constitute part of the tender documents. The competition in the tender will involve both a financial proposal that will center on the construction grant and on the quality of the proposal based on engineering, financial, safety, environmental and level of service considerations.

The toll schedule determined in the tender enables travel at lower fares during off-peak hours and a discount for travel on two continuous segments, in order to encourage and support population growth in peripheral areas of Israel.

The forecast timetable for the tendering process is as follows:

Receipt of the competitors' proposals on January 15, 2013, declaration of the winning bidder during the first quarter of 2013 and financial closing about one year following selection of the winning bidder.

Construction is expected to last about 3½ years.

The Finance Ministry's Accountant General Michal Abadi-Boyanjo welcomed the publication of the tender and noted that "Extension of the Cross Israel Highway to northern Israel is the expression of the government's policies – both in the field of development of state infrastructure and in strengthening the Galilee and peripheral areas in general. This is another example of where cooperation between the public and private sectors in the execution of infrastructure projects can maximize value for the public, and is similar to other tenders in fields such as desalination, energy, construction etc."

The Tenders Committee includes representatives from the Finance Ministry, the Ministry of Transport, National Infrastructures & Road Safety and the Implementing

Authority of the project – the Cross Israel Highway Co. Ltd. The integration of various bodies in the committee makes it possible to bring advantages of size to bear that are inherent in cooperation among all relevant parties at government ministries that have gained experience in BOT tenders in the transportation field.