# Request for Information

# Convention Center Eilat Project

## 1. Introduction

1.1. The Ministry of Tourism of the State of Israel (the "**Ministry**") is responsible, inter alia, for the development and the encouragement of tourism in the city of Eilat.

1.2. The city of Eilat is located about 350 km from the center of the country and is considered the most peripheral local authority in Israel. As the southern gate to the Negev desert, it's location between Eilat's mountains and the shores of the Red Sea, has placed tourism as the main economic industry in the city. In addition, the city of Eilat currently has a VAT exemption that attracts the Israeli public to the city (the VAT exemption applies only to domestic tourism because incoming tourism in Israel is already exempt from VAT).
Currently, about 90% of tourism to Eilat is domestic while only about 10% of the tourists come from abroad. The main reason for this is the high prices of tourism services in Eilat, which derives from the high cost of living in Israel in general, and from the remoteness of Eilat from the center of the country. And as is well known, when tourists are seeking for resort destination, the price component plays a key role in choosing the destination.

1.3. Today, multiple conventions are held in Eilat without adequate facilities, mainly in convention halls located in the various hotels in the city. The city of Eilat requires suitable infrastructure for holding both local and international professional conventions on a larger scale than those held today in the city[1]. Therefore, the Ministry is seeking means to establish a multi-purpose convention center in Eilat, which is expected to attract professional audiences to the city and encourage international tourism in the city (hereunder the "**Convention Center Project**" or the "**Project**").

1.4. This Request for Information ("**RFI**") is intended to solicit responses from (i) entities which have proven experience in the management and/or execution of convention center projects around the world and (ii) local entities which have proven experience in the management and/or execution of similar complex infrastructure projects (hereunder the "**Participants**").

[1] The convention halls in Eilat hotels have an average capacity of 650 people per convention hall. (A complete list of the hotel venues in Eilat is attached as **Annex "A"** hereto).



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1.5. This RFI is a preliminary process initiated by the Ministry, solely for the purpose of receiving information and conducting its initial internal evaluation and consideration of the Project.

## 2. Background

2.1. **Project Area.** The Convention Center Project is expected to be built on lot number 201 on the northern coast of Eilat, centrally located near the hotels area and north of the Ice Mall, on an area of approximately 37,000 square meters.

An aerial photograph of the Project area is attached as **Annex "B"** hereto.

2.2. **Land Designation**. According to statutory plan (תב"ע) no. 77/114/03/2 (hereunder the "**Statutory Plan**") the land designation includes buildings and public institutions for culture and leisure. There is a possibility to establish restaurants, a cafeteria and a store for the well-being of visitors in an area that does not exceed 400 square meters. [It should be noted that the aforementioned designation and/or the building rights do not include the construction of accommodations]

2.3. **Building rights**. The building rights in the Project area include

- Above determining entrance:
  - 12,000 square meters (main area), of which 400 square meters are allowed for restaurants, a cafeteria and a store for the well-being of visitors;
  - 3,000 square meters for service area.
- Below the determining entrance:
  - 1,000 square meters for service area;
  - 11,000 square meters for parking.

Additional information regarding the Convention Center Project is presented in the Statutory Plan attached as **Annex "C"** hereto.

2.4. **Permitted and Prohibited Uses**. The permitted uses of the Project shall include professional exhibitions, conventions and meetings, entertainment events, music concerts, sport events, art exhibitions and urban and tourist events, such as festivals and shows.

## 3. Information Requested

The Ministry is kindly asking the Participants to respond to as many of the following issues:

3.1. **General; Area of Expertise and Past Experience.**



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Please describe the Participant's area of expertise and the relevance of the Participant's past experience to the Project.

Please elaborate whether the Participant's previous experience and involvement in similar projects was as a service provider, main contractor, sub-contractor, a concessionaire under a PPP scheme, a DB contractor, operator, public authority, public sector client or other.

3.2. **Procurement Strategy & Market Constraints**

**Market Constraints**. Kindly provide details and your opinion and perception of market constraints which should be taken into account and managed.

**Procurement Strategy.** Based on past experience in similar projects, please advise which potential procurement strategy can be compatible and best suitable for the implementation of the Project (DB, PPP, other) and what are the main criteria and factors to be considered when deciding which strategy to adopt?

In your response kindly provide details regarding the recommended period of such procurement; suggested organizational structure and past experience of the contractor / concessionaire. Please include, to the extent possible, examples of previous engagements or services which were rendered by the Participant.

3.3. **Business Model**

Please describe the business model which in your opinion is best for the implementation of the Project and its correlation with the aforementioned procurement strategy. Please explain your answer. The business model should include the following details among any other element which the Participant may regard as relevant:

3.3.1. Annual number of events and number of attendants required for the Project to be profitable;

3.3.2. Estimated revenue per event/per person with regard to each type of event (i.e. conventions, festivals, shows, concerts etc.) required for the Project to be profitable;

3.3.3. Option of conducting simultaneous events;

3.3.4. Expenses per sqm (maintenance, operation, periodic renovations etc.);

3.3.5. Any additional information which the Participant may find relevant.

Based on past experience, what would be the recommended method of determining the considerations and other payment terms? In this regard



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you are kindly requested to explain whether such considerations should be based on a monthly retainer, upon the achievement of milestones or on an hourly/daily tariff. Please explain the advantages and disadvantages of the recommended scheme. Additionally, please explain the disadvantages of any payment scheme which are not recommended by you.

Based on past experience, please advise which of the permitted uses are best for the profitability of the Project. Please refer to the possibility of combining commercial, recreation and leisure uses.

Please advise if there are other recommended uses that can be applied in the benefit of the Project and its expected benefit.

3.4. **Risks**

**Optimal Risk Allocation.** Based on past experience, which risk allocation would offer the most cost effective (optimal) risk allocation between the parties involved?

3.5. **Preliminary Program**

Please provide a preliminary program for the Project based on the general data provided under Section 2 (**Background**) above.

3.6. To the extent practicable, when referring to past experience please provide details of the applicable referenced project; and to the extent practicable, please support the Response with specific (concrete) examples from projects in which the Participant has undertaken an active role.

## 4. Clarifications and Questions

Questions and clarifications can be directed in writing via the email to the following address: RFI-EIlat@inbal.co.il until January 5th, 2022.

## 5. Instructions for Submission

5.1. The Ministry appreciates the participation of Participants in this RFI process. In order to allow for an effective process, please submit the response in writing, in English or Hebrew, to the following email address: RFI-EIlat@inbal.co.il

5.2. The Response (and/or the presentation which provides information with respect to the issues which a Participant intends to present at an RFI session) is required to be submitted on or before **January 20th, 2022** (a "**Response**").

5.3. Without derogating from anything below or from the discretions granted to the Ministry pursuant hereto, please mark, in a clear, complete and legible manner, information contained in the Response which is considered commercially sensitive or of a confidential nature. To the extent permitted by applicable laws, the Ministry will refrain from disclosing such information (if so requested) and shall ensure that any of its consultants shall act accordingly.

5.4. Following receipt of the Responses, the Ministry may contact any of the Participants and may request clarifications or additional information, all at its discretion and as it shall deem required.

5.5. The Ministry may, at its sole discretion, hold RFI meeting sessions, in order to receive additional information from Participants regarding their responses. The sessions will be held either online or at the Ministry of Tourism offices in 5 Bank Israel Street, POB 1018, Jerusalem 9100901, Israel (to the extent possible, as shall be determined by the Ministry at its discretion). Without derogating from the Ministry's discretion whether or not to hold such sessions and whether or not to invite a particular Participant, the sessions will be scheduled in advance and will be based on the Responses submitted by Participants.

5.6. In the event such RFI sessions will be held, further details concerning the sessions, including dates and times, venue, registration forms, etc., will be provided to Participants in due course.

5.7. The Ministry looks forward to receiving the Responses and to the participation of Participants in the RFI sessions.

## 6. Reservations and Ministry's Discretions

6.1. The Project description set forth in this RFI is initial, general and indicative only. The issuance of this RFI is neither intended nor shall be construed to give rise to or create any representation, undertaking or warranty on behalf of the Ministry, the State of Israel or anyone on its behalf with respect to the Project or any component or part thereof, or with respect to any other project or matter whatsoever. The issuance of this RFI is neither intended nor shall be construed to guarantee the initiation, implementation, timing or manner of execution of the Project, nor the type, extent or contents of the Project's scope, components or any part thereof.

6.2. Participation in this RFI does not and shall not provide a Participant or any other entity with any advantage, nor shall it confer upon a Participant any right with respect to the Project (or any component or part thereof) or any future proceedings conducted with respect thereto (if any), including with respect to any pre-qualification process and/or tender process. Participating in the RFI is neither intended nor shall be

construed to recognize or accept a Participant's or any other entity's eligibility, qualification or competence to participate in the Project or any future proceedings conducted with respect thereto (if any), including with respect to any pre-qualification process and/or tender process.

6.3. The Ministry may publish a new Request for Information, an invitation to pre-qualify, tender proceedings and/or any other proceedings with respect to the Project or any part thereof and/or with respect to any other project whatsoever, in any manner which it will deem appropriate.

6.4. The Ministry does not warrant that the information presented in this RFI or in any other document available to Participants is either accurate or complete.

6.5. The Ministry may request additional information (in writing or otherwise) as it deems necessary, ask to visit sites or facilities constructed or operated by the Participant, or carry out professional inquiries regarding any Participant (including by way of contacting third parties).

6.6. The Ministry may use any information it receives from a Participant or any third party for any purpose it deems fit, including preparing specifications or any other documents, and may transfer any such information to any of its consultants or any person on its behalf.

6.7. The Participants shall not be entitled to any payment for the information provided by them pursuant to this RFI. All expenses incurred by a Participant or anyone on its behalf shall be borne solely by the Participant. Participants shall not be entitled to any reimbursement or compensation for expenses with respect to their participation in this RFI.

6.8. The Ministry shall not be responsible or liable towards a Participant or anyone on its behalf in connection with the RFI, including in connection with information provided by or to The Ministry pursuant to or in connection with this RFI.

6.9. The Ministry may amend, withdraw or cancel this RFI, at any time and without providing reasons or justifications for doing so.

6.10. This RFI is subject to the law of the State of Israel, including the Mandatory Tenders Regulations, 5753-1993 and the obligation to disclose information in accordance with Section 14A thereof.

# Annex A - Hotel Venues in Eilat

| Table 4.1 – Hotel Venues in Eilat | | | | | |
|---|---|---|---|---|---|
| **Hotel name** | **Hall name** | **Area** | **Max. Capacity** | | **Comments** |
| | | **m²** | **Theatre** | **Banqueting** | |
| Leonardo Club | Leonardo Hall | 836 | 800 | 500 | It is possible to split into two halls: a hall for 500 seats theatre seating, a hall for 300 seats theatre seating<br>Ceiling height – 5.35 m |
| Herods Boutique | Pavilion | 1,000 | 1,100 | 550 | Dome<br>Ceiling height – 6.5-12.5 m |
| | Kings | 497 | 550 | 250 | Can be split into 3 halls:<br>A 150m² (150 seats theatre style)<br>A 194 m² hall (200 theatre style)<br>A 153 m² hall (200 theatre style)<br>Ceiling height – 3.75m |
| Dan Eilat | Big Blue | 525 | 650 | 350 | The hall can be split into two identical halls |
| | Tarshish | 262 | 400 | 150 | |
| King Solomon | King Solomon | | 350 | 230 | Two halls can be joined into one central hall |
| | King Solomon – Avshalom | 600 | 700 | 400 | |
| Royal Beach | Trees of Israel | 601 | 650 | 350 | Can be split into three halls |
| | Oak | | 400 | 150 | |
| Club Hotel | Auditorium | 900 | 900 | 500 | |
| | Ocean Hall | | 700 | 400 | Can be split |
| Hilton | Canaan - Central | 450 | 650 | 330 | Can be split |
| | Canaan+Ophir+ Edom | 580 | 700 | 350 | |
| | Precious stones | 332 | 500 | 300 | |
| Source: : Dead Sea Preservation Government Company | | | | | |



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## Annex B - An aerial photograph of the Project area




## Annex C - Statutory Plan & additional information

1) Statutory Plan

תבע - מרכז כנסים אילת.pdf

2) Statutory Plan - Zoning layout

תשריט - מרכז כנסים אילת.pdf

3) Statutory Plan - Building Annex

נספח בינוי מנחה מרכז כנסים אילת.pdf



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