

LCQ15: Assessment of bids for development of new cruise terminal at Kai Tak

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Following is a written reply by the Secretary for Commerce and Economic Development, Mr Frederick Ma, to a question by the Hon Sin Chung-kai in the Legislative Council today (January 30):

Question:

The Government is conducting an open tender for the development of a new cruise terminal at Kai Tak. In the assessment of the bids, 70% weighting will be given to the quality aspects and 30% to the premium aspects. Moreover, the Government has also invited several persons as independent advisers to advise the Tender Assessment Panel on specific areas. In this connection, will the Government inform this Council:

- (a) given that the Stores and Procurement Regulations adopted by the Government stipulate that where the quality is of paramount importance for tendered services or product contracts, the weightings for technical score and price score should be 30%-40% and 60%-70% respectively, of the reasons for the quality weighting in the aforesaid tender being as high as 70% and deviating significantly from the weightings set down by the Regulations; as well as the other tenders, since 1997, in which similar practice has been adopted; and
- (b) whether there have been, since 1997, other tenders with individuals being invited to act as independent advisers to advise the relevant Tender Assessment Panels; if so, of the details; if not, the reasons for the aforesaid tender deviating from the standing practice?

Reply:

Madam President,

My reply to the two-part question raised by the Honorable Sin Chung-kai is as follows:

- (a) The Government invited open tender for the development of the new cruise terminal at Kai Tak on November 9, 2007. The Government will adopt a marking scheme where 70% weighting will be given to the quality score and 30% to the price score for tender assessment.

While the Government's Stores and Procurement Regulations suggest that relative weightings for technical/quality and price scores should normally be 30%-40% for technical score, as against a weighting of 60%-70% for price score, they also allow for a higher technical/quality

weighting if there is sufficient justification from the proposing department.

The Government aims to develop Hong Kong into a leading regional cruise hub through the development of a world-class cruise terminal with state-of-the-art facilities which are user-friendly and capable of providing efficient and quality services. Our objective is not only to maximise land revenue, but also to develop a cruise terminal which is on a par with world-class standard and can provide high-quality services. The current marking scheme gives sufficient consideration to both the quality aspects and price aspect.

Since the announcement of the new cruise terminal project in October 2006, the Tourism Commission has been actively engaging relevant stakeholders, including key players in the regional and international cruise market, the local tourism industry, concerned trade bodies and professional organisations, to seek their views on the development parameters of the new cruise terminal. During the engagement process, the proposed weightings for quality and price scores were agreeable.

From 1997 till now, similar weightings as in the current tender for the development of the new cruise terminal have been adopted in other projects, including tenders for the development of the Former Marine Police Headquarters in Tsim Sha Tsui, the site in the South of Ma Wan Island, supply of hardware and software to the Pathology Services of the Department of Health for the implementation of a Laboratory Information System, and supply and implementation of the Electronic Service Delivery system for the Government.

(b) The Tender Assessment Panel for the new cruise terminal, chaired by the Commissioner for Tourism and comprising representatives of the relevant Government bureaux and departments, would be underpinned by independent cruise and engineering experts appointed by the Government. They will advise the Panel on cruise terminal operation and engineering matters respectively. The Independent Commission Against Corruption will participate in the assessment process as an observer. Independent advisors have also been invited to advise the Panel on specific aspects. They are Chairman of the LegCo Panel on Economic Development and Deputy Leader of the LegCo delegation which visited overseas cruise terminal facilities in 2007, the Honourable Jeffrey Lam, and Executive Director of the Hong Kong Tourism Board, Mr Anthony Lau. They will advise the Panel on the tourism and marketing aspects of the tender submissions. We have also invited the Hong Kong Institute of Architects and Hong Kong Institution of Engineers to each nominate a member to advise the Panel on the

architectural and engineering aspects respectively. These advisors are appointed on an ad personam basis, and are not representatives of any organisation or sector so as to maintain their independent status.

We consider that the current arrangement can both ensure the integrity and impartiality of the tender assessment process and take into account views of different sectors.

During our market engagement, respondents also supported the above arrangement.

When we invited open tender for the development of the Former Marine Police Headquarters in Tsim Sha Tsui in 2003, non-scoring members were appointed to offer advice to the tender assessment panel.

Ends/Wednesday, January 30, 2008