

Information Paper for LegCo Panel on Transport

**Tenancy in respect of the Occupation,
Modification and Use of Part of the Tuen Mun Ferry Pier for
the Operation of Cross-boundary Passenger Ferry Services**

PURPOSE

This paper informs Members that following an open tender exercise, the Government has signed a tenancy agreement in respect of the occupation, modification and use of part of the Tuen Mun Ferry Pier (“TMP”) for the operation of cross-boundary passenger ferry services with the Hong Kong North West Express Ltd. (“North West”).

BACKGROUND

2. We informed Members in June 2003 (LC Paper No.CB(1)1868/02-03(01)) that a decision had been made to invite tenders for the occupation, modification and use of part of the TMP for the operation of cross-boundary passenger ferry services to Macau and cities in the Mainland (“project”).

3. We received two submissions by the tender submission deadline of 18 July 2003. An inter-departmental Tender Assessment Panel (“TAP”) comprising representatives of the Environment, Transport and Works Bureau, Marine Department, Architectural Services Department, Immigration Department and Customs & Excise Department, was formed to evaluate the two tenders received. In evaluating the tenders, the TAP gave careful consideration to the following :

- (a) compliance with the Specifications for Pier Modification and Provision of Systems and Equipment stipulated in Part IV of the tender documents;
- (b) compliance with the Specifications for Cross-boundary Ferry Services Operation stipulated in Part V of the tender documents; and
- (c) the Specified Amount offered and the duration of free occupation period proposed by the Tenderer.

SCOPE OF THE PROJECT

4. Under the tenancy agreement, North West will :
- (a) carry out the necessary pier modification works, including the construction of an additional floor (estimated to cost about \$26 million);
 - (b) pay for the non-recurrent items such as systems, equipment and furniture required for the Government Departments' operation (estimated to cost about \$27 million);
 - (c) pay an annual amount of \$16.3 million to the Government (which is \$1.3 million higher than the required minimum amount of \$15 million per annum);
 - (d) pay the electricity and water charges incurred by the Government Departments providing services at the new cross-boundary ferry terminal (estimated to be about \$2.5 million per year); and
 - (e) be responsible for the maintenance and general management of the new cross-boundary ferry terminal (estimated to cost about \$8 million per year).

Subject to the availability of space and the Government's prior approval, North West may sub-let terminal premises designated by the Government, berthing slots, advertisement and shopping space (if any) and baggage handling services (if any), and keep the fees received from such sub-letting. Revenue arising from duty-free shops, if any, will be shared between North West and the Government.

5. The tenancy will be for 7 years certain and may be extended for a period to be agreed between the Government and North West on the same or other terms and conditions.

6. Assuming that all preparatory work (including the actual pier modification works) can be completed smoothly, the new cross-boundary ferry terminal can be ready for the operation of cross-boundary passenger ferry services by end 2004 at the earliest. North West plans to use all three berths of the new cross-boundary ferry terminal to provide daily ferry services to Macau initially, at a service frequency of one sailing every 30 minutes from 11:00 a.m. to 2:00 a.m.. North West will consider

providing ferry services to Mainland ports in the Pearl River Delta Region six months after the new cross-boundary ferry terminal has begun operation.

7. This project is a further step taken by the Hong Kong Special Administrative Region to enhance its link with the Mainland and Macau. Residents in the New Territories will benefit from the provision of this new facility as they will not have to travel to Kowloon or Hong Kong Island to take a ferry to go to Macau and cities in the Mainland in future.

ADVICE SOUGHT

8. Members are requested to note the contents of this paper.

Environment, Transport and Works Bureau
Government Secretariat
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