

Development of a New Cruise Terminal at Kai Tak
Proposed Framework for a Service Agreement on Operation and Management Aspects

Key areas	Proposed obligations under the Service Agreement
Project team members	<p>The successful bidder is required to -</p> <ul style="list-style-type: none"> • seek the approval by the Government before making any change to the project team members and their responsibilities during 1 January 2009 – 28 February 2015; and • inform the Government and the cruise market and tourism industry in writing of any changes thereafter according to the service pledges set out in the Service Agreement
<p>Service pledges on operation and management aspects -</p> <ul style="list-style-type: none"> • baggage handling at kerbside • baggage loading onto vessel • stevedore deployment • gangway placement • baggage claim • passenger coach loading 	<p>The successful bidder is required to -</p> <ul style="list-style-type: none"> • engage an independent operation management consultant approved by the Government to produce an annual report to verify that the service pledges have been met; and • discuss any proposed changes to the service pledges with the market consultation forum, and thereafter inform the Government and the cruise market and tourism industry in writing before implementation according to the service pledges set out in the Service Agreement
Measures pledged by the successful	<ul style="list-style-type: none"> • The successful bidder is required to discuss any proposed changes to these

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<p>bidder to enhance competitiveness of the new cruise terminal, including those relating to -</p> <ul style="list-style-type: none"> • special fee arrangement for users; • arrangement for berthing slots allocation; and • other measures to enhance competitiveness of the new cruise terminal 	<p>measures with the market consultation forum, and thereafter inform the Government and the cruise market and tourism industry in writing before implementation according to the service pledges set out in the Service Agreement</p>
<p>Service pledges on disclosure and reporting to the Government</p>	<p><u>Disclosure</u></p> <ul style="list-style-type: none"> • Before making any changes to these pledges, the successful bidder must discuss with the market consultation forum and seek the approval of the Government <p><u>Reporting to the Government</u></p> <ul style="list-style-type: none"> • The successful bidder must seek the approval of the Government before making any changes to these pledges • Under the Service Agreement, the Government has the right to ask for additional information from the successful bidder and the successful bidder must comply with the request. The Government may disclose the information provided by the successful bidder to the public, subject to the consent of the

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	successful bidder
Service pledges on engaging the tourism industry to promote Hong Kong as a regional cruise hub and the setting up of a market consultation forum	<p data-bbox="752 387 1868 422"><u>Engagement with industry to promote Hong Kong as a regional cruise hub</u></p> <ul data-bbox="752 427 2007 595" style="list-style-type: none"> <li data-bbox="752 427 2007 595">• The successful bidder is required to discuss any proposed changes to these pledges with the market consultation forum, and thereafter inform the Government and the cruise market and tourism industry before implementation in writing according to the service pledges set out in the Service Agreement <p data-bbox="752 651 1155 686"><u>Market consultation forum</u></p> <ul data-bbox="752 691 2007 818" style="list-style-type: none"> <li data-bbox="752 691 2007 818">• Before making any changes to the pledges relating to the market consultation forum, the successful bidder must discuss with the market consultation forum and seek the approval of the Government
Service pledges on environmental friendliness measures	<ul data-bbox="752 871 2007 1169" style="list-style-type: none"> <li data-bbox="752 871 2007 999">• The successful bidder is required to engage an independent qualified professional approved by the Government to produce an annual report to verify that the pledges have been met <li data-bbox="752 1003 2007 1078">• Government’s representatives (as authorized by the Commissioner for Tourism) may enter the site for conducting checks <li data-bbox="752 1083 2007 1169">• In case of changes to the pledges on environmental friendliness measures, the successful bidder must seek the prior approval of the Government
Security arrangement	<ul data-bbox="752 1217 2007 1337" style="list-style-type: none"> <li data-bbox="752 1217 2007 1292">• The successful bidder should formulate and implement security measures as required by the Government <li data-bbox="752 1297 2007 1337">• The successful bidder is required to let the Commissioner of Police operate the

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	CCTV system of the new cruise terminal under emergency situation
Code of ethics	<ul style="list-style-type: none"> The successful bidder is required to formulate and implement a code of ethics in consultation with the Independent Commission Against Corruption (ICAC) by 31 December 2008 or 6 months after the execution of the Service Agreement, whichever is the earlier. The code of ethics must be updated for every 5 years thereafter, or as directed by the Government, together with ICAC
Provision of transportation services	<ul style="list-style-type: none"> The successful bidder is required to provide transportation services for his staff as well as local and overseas visitors to and from the new cruise terminal when the Phase I berth is commissioned The successful bidder must apply to the Transport Department for approval on or before 1 May 2011¹
Amendments to Service Agreement	<ul style="list-style-type: none"> The Government or the successful bidder may amend the Service Agreement subject to mutual consent²

¹ The lead time is required for Transport Department to consider the application by the successful bidder.

² The Service Agreement may be amended with mutual consent of the Government and successful bidder to allow future changes to meet the changing aspirations of the cruise market and evolution of the cruise terminal operation.

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Non compliance with Service Agreement	<ul style="list-style-type: none"> • The Government may take legal proceedings to enforce the provisions of the Service Agreement • The Government may terminate the Service Agreement. It shall be lawful for the Government to re-enter upon and take back possession of the lot and any buildings and structures thereon if the Service Agreement is terminated

Tourism Commission
September 2007