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3 May 2011

Clerk to Panel on Security Legislative Council Legislative Council Building 8 Jackson Road Central Hong Kong (Attn: Mr Raymond LAM)

Dear Mr Lam,

Supplementary Information for Legislative Council Panel on Security Meeting on 1 March 2011

Replacement of Two Mobile x-ray Vehicle Scanning Systems of the Customs and Excise Department

At the meeting of the Legislative Council Panel on Security of 1 March 2011 when Members discussed the proposal to replace two Mobile X-ray Vehicle Scanning Systems (MXRVSSs) by the Customs and Excise Department (C&ED), some Members requested the Administration to provide supplementary information on the implementation schedule of the replacement proposal, whether the operation of MXRVSS will pose any health risk, and the project management service charge by the Electrical and Mechanical Services Trading Fund. The relevant information is set out at the Enclosure for Members' reference.

Yours sincerely,

(David LAU) for Secretary for Security

Supplementary Information for Legislative Council Panel on Security Meeting on 1 March 2011

Replacement of Two Mobile X-ray Vehicle Scanning Systems of the Customs and Excise Department

Purpose

At the meeting of the Legislative Council Panel on Security of 1 March 2011 when Members discussed the proposal to replace two Mobile X-ray Vehicle Scanning Systems (MXRVSSs) by the Customs and Excise Department (C&ED), some Members requested the Administration to provide supplementary information on the implementation schedule of the replacement proposal, whether the operation of MXRVSS will pose any health risk, and the project management service charge by the Electrical and Mechanical Services Trading Fund (EMSTF). This paper sets out our response.

(I) Implementation schedule of the replacement of MXRVSS

- 2. When C&ED prepared the replacement proposal, it has made reference to past experience and similar projects with a view to shortening the time required for each of the task and completing the replacement as early as possible. In addition, in order to fulfill the responsibility of Hong Kong as a member of the World Trade Organization (WTO), C&ED and the Electrical and Mechanical Services Department (EMSD) will have to conduct a global tender invitation in compliance with the WTO Agreement on Government Procurement (the Agreement). C&ED and EMSD have taken into account this obligation during the preparation of the replacement implementation schedule. Generally speaking, the tender exercise as required by the Agreement takes about 9 month, which is consistent with the tender period as planned in the implementation schedule of the replacement.
- 3. In fact, the proposed implementation schedule is already the shortest time required for the replacement. Notwithstanding, considering the complexity of the replacement due to the application of advanced and sophisticated dual technologies of X-ray scanning, C&ED and EMSD have commenced preliminary work such as initial technical studies and market research to expedite the progress of the project to ensure commissioning of the new systems by December 2013. The implementation schedule for various major activities is listed below:

Activity	Item Details	Target Schedule
Preliminary preparatory work	Market researchSystem design	April to May 2011
Preparation of tender specifications	 Preparing technical specifications on tender documents 	June to August 2011
Invitation for tender	 Drafting terms of tender Vetting the content of tender Conducting a global tender invitation in accordance with WTO Agreement on Government Procurement 	September 2011 to May 2012
Tender evaluation and award of contract	Tender evaluationConsultation and award of contract	June to November 2012
System production and assembly	 Evaluation of tender submission Contract management System production 	December 2012 to September 2013
System delivery	System delivery	October to November 2013
System testing	 Implementation and monitoring of system operation System inspection and testing Supervision of contractor's performance 	December 2013

(II) Whether the operation of MXRVSS will pose any health risks

4. C&ED has to comply with the standard for the use of irradiating apparatus as stipulated under the Radiation Ordinance (Cap. 303, Laws of Hong Kong) when commissioning X-ray scanners for MXRVSS. Take the

example of scanning a 40-foot container by the existing MXRVSS, the radiation dose emitted is about 5 microsievert (μ Sv), which is far below the radiation dose acquired from a general chest X-ray examination (about 100 μ Sv). The X-ray scan conducted by MXRVSS will not have any adverse effects on human health, food safety, animal and plant health, as well as electronic equipment.

5. In fact, the existing MXRVSSs are installed with safety sensors and automatic shutdown system. Should unusual X-ray radiation dose be detected by the safety sensors, MXRVSS will automatically shutdown immediately. Before conducting an X-ray scan, Customs officers will ensure that the driver has left the driving compartment so that he or she will not be exposed to the radiation emitted by MXRVSS. Meanwhile, operators of MXRVSSs are required to wear radiation dosimeters for measuring the radiation dose that they may have been exposed to. C&ED will include the relevant safety requirements as mandatory terms in the tender document to ensure that the new systems will not pose any adverse effect to the personnel handling the operation.

(III) Project Management Service Charge by EMSTF

- 6. EMSTF provides C&ED with project consultancy and management services for the proposed replacement to ensure that the systems procured will meet the actual operational needs at the Boundary Control Points of C&ED. The scope of services include:
 - (i) market research;
 - (ii) system design;
 - (iii) preparation of tender documents, in particular the technical specifications of the systems;
 - (iv) invitation for tender;
 - (v) tender evaluation;
 - (vi) negotiation and award of contract;
 - (vii) contract management;
 - (viii) system testing and trial run;
 - (ix) acceptance inspection; and
 - (x) monitoring of system operation under warranty period.

The payment to EMSTF is for cost recovery of the provision of aforementioned services. Based on past experience, the project management service charge in the market generally accounts for about 16% of the total project cost. Regarding the replacement project of C&ED, EMSTF also adopts the benchmark rate of 16% of the total project cost.

Security Bureau Customs and Excise Department May 2011

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