

**For Information
on 14 December 2009**

Legislative Council Panel on Health Services

**Expression of Interest Exercise for
Private Hospital Development**

Purpose

This paper briefs Members on the launching of an Expression of Interest (EOI) exercise to solicit market interest in the development of private hospitals at four identified sites in Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau.

Background

2. There are currently 39 public and 13 private hospitals in Hong Kong. As at September 2009, public and private hospitals provided 27,117 and 3,712 beds respectively. Our healthcare system is overly reliant on public hospital services that are provided at a highly subsidized rate at 95%, with over 90% of the in-patient services being provided by public hospitals. This has resulted in a significant imbalance between the public and private healthcare sectors and has limited the competition and collaboration between the two sectors. There are also limited choices for patients who may want a choice of hospital services and can afford more than public fees.

Promotion of private hospital development

3. It is our policy to promote and facilitate private hospital development to address the imbalance between the public and private sectors in hospital services and to increase the overall capacity of the healthcare system in Hong Kong to cope with the increasing service demand. Promoting private hospital development is one of the major Government policies announced by the Chief Executive in his 2009-10 policy address.

4. Hong Kong is also renowned for the high standard of professional healthcare as well as advancement in medical technology and equipment. Coupled with our excellent communication facilities and marketing skills, we have the advantages and potential in further developing our medical services, in particular in the provision of highly specialized services that require technology and multi-disciplinary skills. The Task Force on Economic Challenges has proposed to develop medical services as one of the six industries crucial to the development of Hong Kong's economy and the proposal has been adopted by the Government.

5. To facilitate the development of our medical industry, we seek to strengthen our support of hardware and software. For hardware, we have identified four suitable sites for private hospital development. As for software, we will continue to enhance training and development of local healthcare professionals and endeavour to attract overseas medical talents to Hong Kong for exchange of expertise, research and training with a view to further raising our service standards.

Sites reserved for private hospital development

6. Four sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau have been reserved respectively for private hospital development. They are available at different times of possession depending on the status of each site on planning procedures, site formation works or interface with other infrastructure project.

EOI exercise for private hospital development

7. To facilitate us in formulating the land disposal arrangements for the four reserved hospital sites, we have decided to launch an EOI exercise to solicit market interest in their development before we proceed with the disposal of the four hospital sites. The EOI exercise is being launched on 14 December 2009 and will close on 31 March 2010. A copy of the EOI document is at **Annex**. The exercise is conducted on a non-committal basis and does not form part of the process for disposal of the subject sites. To solicit the widest market interest, the EOI exercise is open to local and overseas interested parties.

Proposed special requirements for development in the reserved sites

8. In promoting the development of private hospital, we also seek to ensure that the services of the new hospitals are of good quality, will cater for the needs of the general public and help develop the medical industry. We therefore propose to include a set of special requirements for the private hospital development, covering the following aspects:-

- (a) land use: restriction on change of land use while allowing certain relevant land use for non-clinical activities such as accommodation service for families and visitors of patients or residential care home for elderly patients;
- (b) date of commencement of operation: commencement of operation within a specified number of years to ensure timely development of the hospital to meet public needs;
- (c) bed capacity: provision of no less than a specified number of beds to ensure optimal use of the land;
- (d) service scope: provision of beds of a mix of specialties without slanting towards any particular types of service, particularly the obstetric service, which is proposed to be capped at no more than 20% of the total number of the hospital;
- (e) price transparency: provision of comprehensive range of charging information that is easily accessible by the public, and making available a certain percentage of bed days for services provided at packaged charge;
- (f) service standard: undertaking to attain hospital accreditation on a continuous basis; and
- (g) remedy for non-compliance: consideration of possible action by the government in case of failure of the purchaser/grantee to rectify non compliance with the special requirements.

Land disposal method and land premium

9. We need to ensure that the method of land disposal and the land premium payable would be fair and transparent to all interested parties, in the

interest of the community, and provide incentives to promote private hospital development. We consider that it would be fair to apply the same land disposal arrangement to all interested parties (including both profit-making and non-profit making operators). The land premium of each reserved site will differ but the premium will be applicable to all bidders, including registered charitable organizations, which will not be given land grant of the sites at nil or nominal premium.

Public-Private-Partnership (PPP)

10. It is our policy to promote public-private-partnership (PPP) in hospital services in order to provide more choice for patients, encourage collaboration between the public and private sectors for improvement on service quality and professional standards, and enable the provision of services in a more efficient and effective manner. Apart from purchasing services from the private sector and providing subsidy to patients for the use of private services under various pilot schemes introduced in recent years, we also seek to explore possible PPP model for the development of new hospital. Considering that the reserved site in Lantau is adjacent to the site reserved for the development of phase two of the North Lantau Hospital project, we also take the opportunity to invite, in this EOI exercise, any interest in developing the site at Lantau by PPP.

Way forward

11. We would consider the response and feedback obtained in the EOI exercise and formulate the land disposal arrangements including the means and timing for land disposal, the detailed special requirements and the land premium for the four reserved hospital sites. We will further report to the Panel the result of this EOI exercise as we take forward the land disposal of the four hospital sites.

Advice sought

12. Members are invited to note the content of the paper.

Food and Health Bureau
14 December 2009



**Invitation for Expression of Interest -
Development of private hospitals at sites at
Wong Chuk Hang, Tseung Kwan O, Tai Po and
Lantau**

**The Government of the Hong Kong
Special Administrative Region**

14 December 2009

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1. Introduction

1.1 The purpose of this Invitation for Expression of Interest (EOI) exercise is to invite market feedback, on a non-committal basis, on the development of private hospitals at sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau.

1.2 Hong Kong's healthcare system is overly reliant on public hospital services, which are provided at a highly subsidized rate at 95%. These services account for about 90% of all in-patient services (in terms of bed-day). The significant imbalance between the public and private healthcare sectors has resulted in limited competition and collaboration between the two sectors and limited choice for patients, especially those who want a choice of hospital services and can afford more than public fees. This situation also threatens the long-term sustainability of our healthcare system with the rising demand for healthcare services as a result of the aging population, advancement in medical technology and increased public expectation for better quality of services.

1.3 The development of private healthcare services is one of the major Government policies announced by the Chief Executive in his 2009-10 policy address and a key initiative under the healthcare reform to increase the overall capacity of the healthcare system in Hong Kong and address the imbalance between the public and private sectors. Hong Kong is renowned for the high professional standards of our healthcare personnel as well as our advancement in medical technology and equipment. We have the advantages and potential in further developing our medical services, in particular in the provision of highly specialized services that require the inputs of technology and skills across different disciplines. In this connection, the Government's Task Force on Economic Challenges (TFEC) has recommended the development of medical services as one of the six industries crucial to the development of Hong Kong's economy.

1.4 The Government seeks to facilitate the development of private hospitals through enhanced support in hardware and software. For hardware, the Government has adopted TFEC's recommendation of reserving suitable sites for bidding by private operators to provide medical services, and four sites situated in Wong Chuk Hang, Tsung Kwan O, Tai Po and Lantau have been reserved for this purpose. For software, the Government will continue to enhance training and development of local healthcare professionals and endeavour to attract talents from around the world to enhance sharing of expertise and raise service standards.

1.5 Interested parties from both local and overseas are invited to respond to this invitation by submitting EOI using the reply form attached at Annex A and provide information in the EOI submissions in accordance with the requirements set out in Annex B of this invitation document.

1.6 This EOI exercise will close at 5.00pm on 31 March 2010 Hong Kong Time (GMT +8 hours).

1.7 Ideas and suggestions received through the EOI exercise may be used by the Government to determine the land disposal arrangements and the development models for the subject sites. The Respondents to this EOI exercise have no claim whatsoever relating to any use of the ideas and suggestions referred to/adopted by the Government.

2. Land disposal and proposed requirements for development of the sites

Land disposal arrangement

2.1 The Government is in the process of formulating the appropriate arrangements for disposal of the subject sites. The Government will determine the disposal arrangements in the light of the feedback obtained from the market in the EOI exercise. It should be noted that given the different timing in their availability, the subject sites will be disposed of separately at different times.

2.2 The land premium payable for each subject site will differ and shall be paid by the parties to whom the sites are disposed, irrespective of whether they are registered as charitable organizations under the laws of Hong Kong.

2.3 The purchaser/grantee of the subject sites will need to comply with a list of proposed special requirements. These requirements are subject to further amendments before being finalized.

Land use

2.4 The subject sites should primarily be used for hospital service and ancillary/supporting facilities (such as staff quarters, training centres, pharmacy, canteen) only. Certain related uses for non-clinical activities, such as accommodation service for families and visitors of patients or residential care home for elderly patients, could be allowed under certain restrictions. In the event that the hospital ceases operation or its use has diminished to an unacceptable extent as determined by the Government, the land should be returned to the Government without any consideration or compensation.

Date of commencement of operation

2.5 The hospital should commence operation within a specified number of years (say 5 to 6 years) from the date of the lease. The appropriate period would be determined on a case-by-case basis taking into account the project scope and site conditions. The purchaser/grantee may apply to the Director of Lands for extension of the date of commencement of operation where appropriate. If the delay is caused by something which is beyond the purchaser's/grantee's control, request for extension of the period at nil premium may be considered.

Bed capacity

2.6 The hospital should provide not less than a specified number of hospital beds to be determined having regard to the scale of development permissible.

Service scope

2.7 The hospital beds should cater for a mix of specialties to meet the different needs of patients. The number of obstetric beds should be capped at not more than 20% of the total number of hospital beds in the hospital.

Price transparency

2.8 The hospital should provide a comprehensive range of charging information (covering room charges, maintenance fees, charges for operating theatres, laboratory tests, X-ray tests, drugs, other miscellaneous items, etc.) and to make such information easily accessible by the public through, but not limited to, such means as the website of the hospital upon the direction of the Director of Health.

2.9 A prescribed percentage of available bed days (say 30%) of the hospital should be made available to provide services at packaged charges for all types of services/procedures, which should include doctors' fees, maintenance fees, diagnostic procedures, surgical operations, etc. The packaged charge may be set with reference to similar private services offered by the Hospital Authority.

Service standards

2.10 The hospital should, apart from meeting the requirement in relation to registration with the Director of Health under the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap.165) and the standards of practices set out in the "Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes" issued by the Department of Health, undertake accreditation by a recognized body no later than, say 3 years, following the date of commencement of operation and thereafter maintained on a continuing basis.

Non-compliance

2.11 For the purpose of ensuring full compliance with the lease conditions which may include the special requirements, the Government will be entitled to and may re-enter and take possession of the subject site under the land lease in case of failure of the purchaser/grantee to comply with the lease conditions. The Government will be entitled also to apply to the Court for such other reliefs including but not limited to an order of specific performance or injunction so as to ensure that the purchaser/grantee will take the necessary remedial actions to comply with the direction of the Director of Health and/or to rectify any non-compliance with certain special requirements.

Implementation

2.12 The above proposed special requirements mentioned in paragraph 2.4 to 2.11 will be set out in terms and conditions in an appropriate instrument or instruments to be entered into between the Government and the purchaser/grantee.

3. Details of the subject sites

(A) Site at Wong Chuk Hang

3.1 The subject site is located at Nam Fung Path, Wong Chuk Hang. The subject site is adjacent to a primary school and the Wong Chuk Hang Hospital and a residential care home for the elderly. To the north of the subject site is a slope with vegetation and to the south is the Aberdeen Tunnel. Please see location plan at Annex C¹.

3.2 Major features of the subject site are summarized in the table below -

Location	Lot No. AIL 458
Gross site area	About 2.8 hectares [subject to survey]
Net site area	About 2.5 hectares [subject to survey]
Land use zoning	“Government, Institution or Community” use
Site level	Two platforms at about 11 mPD and 21 mPD respectively
Height restriction	Proposed maximum building height 50 mPD (Please refer to paragraph 3.10)

3.3 A section of the South Island Line (East) (SIL(E)) of the Mass Transit Railway (MTR) being developed by the MTR Corporation Limited (MTRCL) would straddle the subject site, with the railway track entering the subject site from the south in the form of a viaduct enclosed in concrete box structure above ground, and then descend through a gradient to the underground. A ventilation building of SIL(E) with an area of about 1,000 m² will be located right outside the northern corner of the subject site. The purchaser/grantee of the subject site would need to consult the MTRCL in formulating the development scheme and design of the future private hospital at the subject site.

3.4 The SIL(E) railway track will occupy about 5,300 m² of the subject site. The MTRCL has advised that it is technically feasible to have a topside development above the railway box structure within the subject site, subject to the construction of a span structure with a width of about 12 metres to 15 metres along the section of the railway box within the subject site. If the programme of the SIL(E) and private hospital projects match up with each other, the MTRCL has no objection to including the span structure where necessary as part of entrusted works within the railway project, in order to minimize the constraints on the private hospital development at the subject site.

¹ Hereinafter all the location plans appended to this document are for illustration and identification purpose only.

3.5 The MTRCL has conducted assessment on the impact of ground-borne noise and vibration of the SIL(E) on the operation of the future hospital. According to MTRCL's assessment, the enclosure of the railway in concrete box structure and the physical separation from the hospital structure would provide a certain degree of mitigation. The MTRCL has undertaken to minimize the potential impact on medical equipment in the hospital through the use of appropriate resilient track for the section of the railway running across the subject site. The MRTCL will further liaise with the Environmental Protection Department to ensure compliance with the Environmental Impact Assessment Ordinance.

3.6 The MTRCL has also assessed the impact of magnetic field and RF-radiated field generated by railway operation. It is noted that for ordinary medical equipment, it should be located at least 30 metres away (horizontally and vertically) from a railway for proper operation to avoid the impact of magnetic field. This separation requirement can be reduced to 15.5 metres (vertical) and 17.5 metres (horizontal) with the installation of auxiliary feeder cables in the railway box structure. However, certain particularly sensitive electronic microscopes need to be placed further away from the railway. As for the impact of RF-radiated field, the concrete box structure enclosing the railway will provide sufficient shielding effect to avoid unacceptable interference with the functioning of medical equipment. The MTRCL has undertaken to address the electromagnetic interference issue through installation of auxiliary feeder cables in the railway box structure or other appropriate measures for the railway section running across the subject site.

3.7 The MTRCL will conduct further studies and carry out additional mitigation measures when the development scheme and design of the private hospital are available in future, to enable co-location of the hospital and the railway.

3.8 As for delineation of maintenance responsibility, the MTRCL considers that this could be demarcated by the railway box structure and does not anticipate particular problems because it will carry out all railway maintenance inside the concrete box without the need for access from outside the concrete box through the subject site. The MTRCL has undertaken to resolve with the future hospital operator any maintenance issue or any other interface issues that may arise from the co-location and concurrent operation of the railway and the hospital at the subject site.

3.9 The construction of the SIL(E) is expected to commence in 2011. Upon commencement of construction of the SIL(E), about 1.8 hectares of the subject site will be used by the MTRCL as a works area, of which 0.5 hectare will be released to the purchaser/grantee about 26 months after commencement of construction and the remaining area will be released about 45 months after commencement of construction. About 1 hectare of the subject site will not be used as a works area and will be immediately available after execution of the land lease. Given the above, the whole site would be delivered to the purchaser/grantee by phases in the manner as specified

in the conditions of sale or grant taking into account the actual SIL(E) construction commencement date(s).

3.10 For consideration of visual impact and having regard to the existing building height profile in the area and the site constraints, the Planning Department has proposed a building height of about 50 mPD for the subject site.

3.11 The ex-grantee of the subject site has carried out some piling works at the subject site that the purchaser/grantee may need to remove at its own costs.

3.12 The subject site is located next to the Aberdeen Tunnel Approach Road and subject to road traffic noise impact. As such, the purchaser/grantee of the subject site should adopt appropriate design and features to alleviate the potential traffic noise impact, such as layout design, and provision of glazing and central air-conditioning to those noise sensitive rooms. If the hospital buildings, including staff quarters and all other noise sensitive rooms, are equipped with centralized air conditioning system rather than relying on windows for ventilation, no noise impact assessment is needed.

3.13 There are some school-related traffic queuing problems on the local roads during the school assembly and dispersal hours. The purchaser/grantee have to review the access arrangement and carry out and submit a Traffic Impact Assessment (TIA) to identify any traffic problem and recommend remedial improvement measures to mitigate problems. The TIA should be submitted to the Transport Department for approval. The purchaser/grantee should be responsible for carrying out the necessary improvement works identified in the TIA.

3.14 The purchaser/grantee is required to undertake the utility works as necessary within the subject site. In developing the subject site, the purchaser/grantee should ensure compliance with all applicable statutory requirements and relevant procedures as required by Government departments.

(B) Site at Tseung Kwan O

3.15 The subject site is located at the western part of the lower platform in Tseung Kwan O Area 78 at Pak Shing Kok. It faces Wan Po Road to its west and abuts Road L781 at its south. To the north there would be a proposed Fire Services Training School cum Driving Training School of the Fire Services Department. Please see location plan at Annex C.

3.16 Major features of the subject site are summarized in the table below -

Location	Area 78E in the approved Tseung Kwan O Outline Zoning Plan (OZP) No. S/TKO/17
Gross site area	About 3.5 hectares [subject to survey]

Net site area	About 2.2 hectares [subject to survey]
Land use zoning	Proposed rezoning of the subject site will be submitted to the Town Planning Board (Please refer to paragraph 3.17)
Site level	About 67 – 67.6 mPD
Height restriction	Proposed maximum building height 106 mPD (Please refer to paragraph 3.17)

3.17 The subject site was originally planned for residential use. The Government has initiated the planning procedures to submit proposal to the Town Planning Board (TPB) by early 2010 to amend the Tseung Kwan O OZP to rezone the subject site for “Government, Institution or Community” (G/IC) use to allow hospital development, with a maximum building height of 106 mPD. The rezoning process is expected to be completed in early 2011.

3.18 Site formation works is being carried out by the Civil Engineering and Development Department. The subject site is expected to be available by 2013-14 upon completion of the site formation works. Only general site formation works served with road L781 (see paragraph 3.22 below) will be provided to the subject site.

3.19 A strip of land situated to the southeast side of the subject site encroaches upon the protection boundary of the Tseung Kwan O Line of the MTR. The purchaser/grantee would need to consult MTRCL in formulating the development scheme and design of the future private hospital at the subject site.

3.20 The western part of the subject site encroaches onto the tunnel protection zone of a sewage tunnel maintained by Drainage Services Department (DSD). The purchaser/grantee would need to consult the DSD in formulating the development scheme and design of the future private hospital at the subject site. The purchaser/grantee shall ensure that a free and unrestricted access shall be provided and maintained at all times for carrying out the operation and maintenance of the concerned tunnel by DSD. No building or structure shall be erected within the tunnel protection zone unless and until the purchaser/grantee have demonstrated at his own expense that the proposed building or structure to be erected within the protection zone will not induce any undue stress or impact on the sewage tunnel to the satisfaction of DSD. The decision of DSD as to the meaning of undue stress or impact shall be final and binding. No erection of the proposed building or structure shall commence until written approval has been obtained from DSD.

3.21 A Preliminary Environmental Review should be conducted to identify the environmental impact associated with the hospital development and to adopt the necessary mitigation measures required. In particular, the subject site falls within the Consultation Zone of the Tseung Kwan O Stage 1 Landfill and the purchaser/grantee is required to carry out a landfill gas hazard assessment on the hospital project and

implement necessary landfill gas precautionary/protection measures at his own expenses. The Preliminary Environmental Review (including landfill gas hazard assessment and recommendations on suitable precautionary/protection measures) shall be submitted to the Environmental Protection Department for vetting and agreement.

3.22 A public road (Road L781) will be built near the subject site. The vehicular access from Road L781 to the subject site is subject to design and implementation by the purchaser/grantee. As the level difference between Road L781 and the subject site is great, a vehicular access directly off Road L781 may not be feasible and it may be necessary to construct an access road at the end of Road L781 leading to the subject site. This access road might also serve the other development sites zoned for Government, Institution or Community use adjacent to the subject site. If the access road is considered necessary, the purchaser/grantee shall be responsible for its funding, design, construction, management and maintenance. Further, the purchaser/grantee shall at all times provide the users of the adjacent sites with a right-of-way for access to their sites. The Transport Department and the Highways Department should be consulted on the design and construction of the vehicular access and the access road. Since the access road will run across the protection boundaries of the MTR, the purchaser/grantee shall also consult the MTRCL on this access road.

3.23 The purchaser/grantee is required to undertake the utility works as necessary within the subject site. In developing the subject site, the purchaser/grantee should ensure compliance with all applicable statutory requirements and relevant procedures as required by Government departments.

(C) Site at Tai Po

3.24 The subject site is located in Tai Po Area 9. It comprises a flat area of about 2.2 hectares behind Tai Po Hospital at about 32.6 mPD, and an upper platform of about 2.6 hectares at about 51.9 mPD with slopes in between. The subject site is surrounded to its north and east by dense natural vegetation covering the slope of Fung Yuen and Kau Shi Wai. Developments in the surrounding generally consist of low-density institutional uses. Please see location plan at Annex C.

3.25 Major features of the subject site are summarized in the table below -

Location	Area 9 in the approved Tai Po Outline Zoning Plan (OZP) No. S/TP/21
Gross site area	About 4.8 hectares [subject to survey]
Net site area	About 2.6 hectares [subject to survey]
Land use zoning	“Government, Institution or Community” use
Site level	Two platforms at about 51.9 mPD and 32.6 mPD

	respectively
Height restriction	Proposed maximum building 90 mPD (Please refer to paragraph 3.27)

3.26 The access to the lower platform of the subject site is through the internal road of the Tai Po Hospital managed by the Hospital Authority. To access the upper platform, a new road may need to be built to connect it with the internal road of the Tai Po Hospital. The construction of the new access road connecting the upper and lower platforms in the subject site shall be funded, designed and constructed by the purchaser/grantee. The Transport Department, the Highways Department and the Hospital Authority should be consulted on the design and construction of the vehicular access as appropriate. The purchaser/grantee shall be responsible for the management and maintenance of this new access road.

3.27 The Planning Department is reviewing the approved Tai Po OZP No.S/TP/21 and has proposed to impose a maximum building height on the subject site at 90 mPD. The process of amendment of the OZP is expected to be concluded in early 2011.

3.28 There are two existing hospitals (i.e. the Alice Ho Miu Ling Nethersole Hospital and Tai Po Hospital) immediately adjacent to the subject site. Hence, the environmental study to be conducted by the purchaser/grantee should include detailed assessment on the cumulative effects of the emissions from the boilers (for supply of hot water) of the three hospitals on nearby high-rise residential development. The purchaser/grantee is required to submit to the Environmental Protection Department details of chimney and a review on the potential implications of emissions in order to obtain approval under Air Pollution Control Ordinance for operation of the chimney. In case the cumulative impact is close to the air quality objectives, the last resort is to require the new hospital to use clean fuel such as Towngas or electricity for the boiler operation.

3.29 The capacity of the existing sewerage serving the area may not have spare capacity for the new hospital at the subject site. The purchaser/grantee is required to apply for a discharge license under Water Pollution Control Ordinance from the Environmental Protection Department. Therefore, a detailed sewage impact assessment should be included in the environmental study to identify the shortfall. In case of shortfall, the solution is to complete the sewage upgrading works before operation of the new hospital.

3.30 The purchaser/grantee is required to undertake the utility works as necessary within the subject site. In developing the subject site, the purchaser/grantee should ensure compliance with all applicable statutory requirements and relevant procedures as required by Government departments.

(D) Site at Lantau

3.31 The subject site is located at Yu Tung Road at Tung Chung, near the Lantau District Police Headquarters and the North Lantau Hospital (NLH) phase one which is targeted to complete by end 2012. The subject site is situated amongst residential areas primarily zoned for high density residential developments. It is also in close proximity to the North Lantau Highway which leads to the International Airport. Adjoining the subject site to the north is an open area zoned for the Town Centre Park. Please see location plan at Annex C.

3.32 Major features of the subject site are summarized in the table below -

Location	Area 22 and 13 (part) in the approved Tung Chung Town Centre Outline Zoning Plan (OZP) No. S/I/TCTC/16
Gross site area	About 1.65 hectares (please refer to paragraphs 3.33 to 3.35) [subject to survey]
Net site area	About 1.6 hectares (please refer to paragraphs 3.33 to 3.35) [subject to survey]
Land use zoning	“Government, Institution or Community” use
Site level	About 12.2mPD on average (ranging from 13.3 mPD to 21.7 mPD)
Height restriction	Maximum building height 65 mPD

3.33 The subject site adjoins the site reserved for phase two of the NLH (which has a net site area of about 0.8 hectares). Details of the NLH project are set out at Annex D.

3.34 In inviting the Respondents to submit expression of interest on private hospital development in the subject site with 1.6 hectares of land, the Government would take the opportunity to explore the introduction of Public-Private-Partnership (PPP) for development of the subject site. Respondents are also welcome to submit Expression of Interest on developing the subject site with PPP model.

3.35 The Government is open to suggestions on possible PPP models for the development of the subject site (except for the models that have been ruled out in Annex D). The PPP models may possibly take the form of co-location of public and private components within the same buildings (i.e. vertical co-location) or in separate buildings on adjoining sites (i.e. horizontal co-location). In the case of vertical co-location, the public and private components together could take up the entire 2.4 hectares (0.8 hectares + 1.6 hectares) available. In the case of horizontal co-location, the public and private component would be built on two adjoining sites with 0.8 and 1.6 hectares respectively. The possible PPP models, scope of services and

collaboration between the public and private sector, as well as the respective land and operational arrangements are set out in Annex D for reference. While inviting development models for the subject site by PPP, we would also accept other development models that do not involve PPP for this site.

3.36 The purchaser/grantee is required to undertake the utility works as necessary within the subject site. In developing the subject site, the purchaser/grantee should ensure compliance with all applicable statutory requirements and relevant procedures as required by Government departments.

4. Instructions to the Respondents

4.1 **This EOI exercise is not a prequalification exercise to shortlist or pre-qualify the Respondents for any future exercise(s) to dispose of the subject sites. It is not binding in nature for the Respondent.** Parties who do not submit a response to this EOI exercise will not be barred from taking part, or prejudiced against, in any subsequent exercise(s) to dispose of the subject sites for the development of private hospitals at the subject sites.

4.2 This EOI document and any related representations, clarifications and briefings do not create any legal obligation on the Government, and the Government is not obliged to proceed with the development of private hospitals at the subject sites nor the development of the subject site at Lantau by PPP. **Nothing in this invitation constitutes any commitment by the Government to the Respondent in respect of any EOIs which may be submitted, nor does it guarantee that private sector participation will be sought in any manner or form.**

4.3 Save that the Respondent shall allow the unfettered disclosure and use of the ideas and suggestions of the Respondent by the Government, the Government will take all reasonable steps to avoid disclosing confidential information provided to it by a Respondent in its submission. All non-public financial and corporate information received and expressly marked and specifically identified as confidential will be treated in this way. This provision shall not apply:

- (a) to the disclosure of information to any person for the purpose of considering or exploring the feasibility of or developing the Respondent's EOI;
- (b) to the disclosure of information to any person in the Government's exercise of any intellectual property rights granted by the Respondent to the Government;
- (c) to the disclosure of information already known to the Government other than as a result of disclosure by the Government;
- (d) to the disclosure of information that is or becomes public knowledge;
- (e) to the disclosure of information that is rightfully in the Government's possession prior to the date of the Respondent's submission of the EOI;
- (f) to the disclosure of any information in circumstances where such disclosure is required pursuant to any law or order of a Court of competent jurisdiction; and
- (g) to the disclosure of any information with the prior consent of the Respondent.

Submission of EOI

4.4 The Respondent is required to submit its EOI in English using the reply form at Annex A and provide information in the EOI submissions in accordance with the requirements set out in Annex B of this invitation document. The Respondent is required to return the signed Annex E together with the EOI submission.

4.5 **This EOI invitation will close at 5.00pm, 31 March 2010 Hong Kong Time (the “Closing Date”)** or such later date as the Government may decide. The Respondent may choose to submit their EOI in either paper format by post, by fax, by hand, or in electronic format through e-mail. **All responses should be submitted before 5.00pm of 31 March 2010 Hong Kong Time (GMT +8 hours).**

4.6 EOI delivered by post or by hand should include one original marked as “ORIGINAL” on the front cover and 10 copies of each EOI together with an electronic copy on a CD in Microsoft Office formats. These should be contained in one single package marked “Expression of Interest for development of private hospitals” and addressed to:

Attn: Miss Gloria LO
Principal Assistant Secretary (Health) 2
Food and Health Bureau
19/F, Murray Building,
Garden Road, Central
Hong Kong

4.7 EOI delivered by fax should be marked “Expression of Interest for development of private hospitals” and faxed to: (852) 2521 0132.

4.8 EOI in electronic format should be e-mailed to EOIsubmission@fhb.gov.hk with the subject marked as “Expression of Interest for development of private hospitals” and with all attachments in Microsoft Office formats.

4.9 In case a black rainstorm warning signal or a typhoon signal No.8 or above is hoisted between 9:00 a.m. and 12:00 noon on the closing Date or an announcement is made by the Hong Kong Observatory that such signal will be hoisted between the above hours and such announcement remains in force up to 9:00 a.m. on the Closing Date, the Closing Date shall be extended to 12:00 noon on the immediately following working day (Saturday excluded) on which no typhoon signal No. 8 or above is hoisted between 9:00 a.m. and 12:00 noon. This applies to submission via all channels. All times given in this invitation document refer to Hong Kong time (GMT+8 hours).

4.10 There are no restrictions for the Respondent to submit EOI either as an individual party or as a consortium. A Respondent may submit EOI for more than one subject site but a separate reply should be made for each site.

Supplementary Information

4.11 Briefing sessions will be organized to provide prospective Respondents with more information on the EOI exercise. Details of the briefing sessions will be announced in due course.

4.12 Some aspects of this invitation may require clarification, amplification or correction after issue. The Government reserves the right, without prior consultation or notice, to modify, amend or revise any provision of this invitation and to issue amendments to such effect at any time. **Any addenda, amendments, written communications, “FAQs”, additional information or changes to the invitation will be notified and posted to the <http://www.fhb.gov.hk/eoi> (the Website). The Respondent is advised to check the Website regularly.** The Website is not a guaranteed secure site and no representation, warranty or undertaking is given by the Government as to the accuracy and completeness of the information so posted.

4.13 **Enquiries and requests for clarification or additional information should be e-mailed to EOIenquiry@fhb.gov.hk before 29 March 2010.** While the Government will make all attempts to share relevant information and data, it will not be under any obligation to respond to any request for clarifications or additional information. The enquiries and requests, together with Government’s response or clarification, will be posted on the Website, without disclosing the identity of the sender of the enquiries and requests.

5. Disclaimer

5.1 Whilst the information in this invitation document has been prepared in good faith, the Government does not claim that such information is comprehensive or has been independently verified. Neither the Government, nor any of its officers, agents, or advisors, accepts any liability or responsibility, as to, or in relation to the adequacy, accuracy or completeness of the information contained in this invitation document or any other written or oral information, which is, has been or will be provided or made available to the Respondent; nor do they make any representation, statement or warranty, express or implied, with respect to such information or to the information on which this invitation document is based. Any liability in respect of any such information or inaccuracy in or omission from the invitation document is expressly disclaimed. In particular, no representation or warranty is given as to the level of utilization of the proposed private hospitals, and as to whether any development, facilities, amenities or services will be constructed or provided, or whether any surveys, projections, estimates, prospects or returns contained or referred to in this invitation document are reasonable, accurate, correct, complete, valid or can be relied on. Nothing in this invitation document nor in any other written or oral information which is, has been or will be provided or made available to the Respondent should be relied on as a representation, statement or warranty as to the intentions, policy or action in future Government, its officers or agents. The Respondent is required to independently ascertain and certify the accuracy, correctness, completeness or validity of all information in this invitation document. The Government is not obliged to inform the Respondent of any update or change of any information in this invitation document made or that comes to its knowledge after the issue of this invitation document.

5.2 The submission of EOI by the Respondent shall be taken to be an acceptance of the terms of this invitation document.

5.3 Neither this invitation document nor the EOI exercise constitutes an offer nor does it constitute the basis of any contract which may be concluded in relation to the development of private hospitals at the subject sites or/and the adoption of PPP for development of the subject site at Lantau.

5.4 This invitation is not intended to provide the basis of any investment decision and should not be considered as a recommendation by the Government or any of its officers, agents or advisors to the Respondent to submit an EOI or other suggestions.

5.5 The Respondent should not construe the contents of this invitation document, or any other communication by or on behalf of the Government or any of its officers, agents or advisors, as financial, legal, tax or other advice. The Respondent should consult its own professional advisors as to financial, legal, tax or other matters concerning any proposed participation in the development of private hospitals at the subject sites or/and the adoption of PPP for development of the subject site at Lantau.

5.6 The Respondent shall be solely responsible for the fees, costs and expenses incurred in preparing and submitting the EOI, or subsequent responses or initiatives on the part of the Respondent. The Government will under no circumstances be liable to the Respondent for any such fees, costs, expenses, loss or damage whatsoever arising out of or in connection with the EOI process.

6. Intellectual property rights

6.1 All responses submitted shall be the original works of the Respondent and shall not contain any materials infringing any intellectual property rights of any party. The Respondent shall indemnify and keep the Government fully and effectively indemnified against all costs, claims, demands, expenses and liabilities of whatsoever nature arising from or incurred by reason of any such infringement or alleged infringement.

6.2 In submitting an EOI, the Respondent shall be deemed to have granted to the Government its authorized users, assigns and successors-in-title a freely transferable, royalty-free, irrevocable, exclusive, perpetual, worldwide and sub-licensable licence to use, adapt and modify the works comprised in the EOI and all ideas and expressions of ideas and proposals submitted and all intellectual property rights subsisting in the works comprised in the EOI (including the ideas and proposals) for all purposes in respect of or in connection with the development of private hospitals at the subject sites or/and the development of the subject site at Lantau by PPP. The Respondent shall, if required by the Government, do all things and execute all instruments or documents for the purpose of conferring the rights and interests on the Government. **The Respondent shall sign the Licence at Annex E and return to the Government together with the EOI submission.** For the purpose of the Licence at Annex E, the Government agrees that it will upon demand made by a Respondent pay HK\$1 (as referred to in Clause 3 of the Licence) to the Respondent (for itself and other signatories of the Licence). **Failure to return the signed Licence will render the EOI not being considered at all by the Government.**

6.3 All intellectual property rights which may subsist in the alterations or modifications developed by the Government in respect of the Respondents' submissions in the EOI shall be the sole and exclusive property of the Government and shall be and remain vested in the Government immediately upon creation.

6.4 As the author of the works comprised in the EOI, a Respondent shall irrevocably and unconditionally waive all his moral rights in respect of the works comprised in the EOI to which he may now or at any time in the future be entitled under the Copyright Ordinance (Cap. 528) and under any similar laws in force from time to time, such waiver(s) shall operate in favour of the Government and its licensees, assigns and successors-in-title as from the time of the creation of the works comprised in the EOI.

6.5 The Government shall be entitled to disclose or make copies of any or all of the EOIs for the purpose of considering or exploring the feasibility of the development of private hospitals at the subject sites or/and developing the subject site at Lantau by PPP, and to keep such copies for record purposes.

Glossary of Terms

Terms and expressions used in this EOI document shall, unless the context requires otherwise, have the meanings ascribed to them in this Glossary.

“EOI” or “response(s)”	means the Expression of Interest, i.e. the document lodged in response to this invitation document containing the proposals sought in this invitation document.
“EOI invitation” or “invitation document”	means this document inviting the Respondents to express their ideas and interests towards development of private hospitals at sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau or/and possible PPP models for the NLH phase two.
“Government”	means the Government of the Hong Kong Special Administrative Region, including the Hong Kong Hospital Authority.
“Hong Kong”	means the Hong Kong Special Administrative Region.
“private component”	means the private services and facilities to be provided/operated by the private sector at the subject site at Lantau under a proposed public-private-partnership model.
“private provider”	means the party that will operate and provide hospital services at the subject site at Lantau under a proposed public-private-partnership model.
“public component”	means the public services and facilities to be provided/operated by the public sector under phases one and two of the North Lantau Hospital
“public provider”	means the party that will operate and provide hospital services in the public component under phases one and two of the North Lantau Hospital
“purchaser/grantee”	means the selected purchaser or grantee of the respective subject sites
“Respondent”	means any individual party or multiple parties submitting an EOI or a response to this EOI invitation.
“subject sites”	means the area of land identified for the development of private hospitals at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau.

ANNEX A

REPLY FORM

Attn.: Miss Gloria LO
Principal Assistant Secretary (Health) 2
Food and Health Bureau
19/F, Murray Building,
Garden Road, Central
Hong Kong

Date: _____

Expression of Interest – Development of Private Hospitals at Sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau

We, _____ [Name of Respondent], have read and fully understood this invitation document “Invitation for Expression of Interest for development of private hospitals at sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau”. We hereby express our interest in considering the opportunity to undertake private hospital development at the subject site at _____ [Name of the site].

We submit herewith all the required information.

We understand and agree that the Government reserves the right to change the content of the Invitation Document.

The information of our company/organization is set out below:

COMPANY NAME : _____
ADDRESS : _____

AUTHORIZED SIGNATURE : _____
(on behalf of the above
Company)

NAME AND CAPACITY : _____

TELEPHONE : _____ FACSIMILE : _____

E-MAIL: _____

ANNEX B Information to be included in the EOI

This section outlines the information to be submitted by a Respondent in an EOI submission.

Expression of Interest

The Reply Form at Annex A to the Invitation Document shall be duly completed and included in the submission to confirm the Respondent's interest in considering the opportunity to undertake private hospital development at the subject sites specified in Annex C to the Invitation Document or/and the interest in developing the subject site at Lantau by public-private-partnership (PPP).

Section I: Particulars of the Respondent (for all subject sites)

- i) Identification of the Respondent
 - (a) Name of the organization
 - (b) Local contact address in Hong Kong, if applicable
 - (c) Web site URL and stock symbol (including the listing exchange, if public)
 - (d) Key contact person (Name, Title, Mailing address, Telephone, E-mail)

- ii) Organizational Information of the Respondent
 - (a) Brief description of the history and business of the Respondent
 - (b) Details of the directors, shareholders, intermediate and ultimate holding company or beneficial owner, and government or state ownership of the Respondent.
 - (c) Details of its business experience in Hong Kong or/and outside of Hong Kong, if any
 - (d) Description of its experience and expertise in providing medical services or related services, including the experience and expertise in PPP where applicable.
 - (e) Potential partnership with industry players and relevant organisational information of the potential partner(s).

Section II: Proposed private hospital development (for all subject sites) or/and proposed PPP models (for the site at Lantau only)

This section will need to be included for each of the proposals submitted by the Respondent. Details of the points from (i) to (x) in this section should not exceed 5 pages for each point, using Arial font-type with minimum size of 12. The Respondent can attach additional details as Annexes to Section II.

- i) *Summary of the proposed private hospital development or/and proposed PPP models* : Description that summarizes the proposed private hospital development

or/and proposed PPP models and information required in points (ii) to (x) of Section II

- ii) *Nature and scope of services to be provided:* A clear description of the nature and scope of private services to be provided, including but not limited to:
 - (a) Total number of beds and the distribution among different specialties;
 - (b) Clinical and allied health services;
 - (c) Clinical supporting services and diagnostic services;
 - (d) Other non-clinical supporting and ancillary facilities and services (e.g. catering, retail); and
 - (e) Distribution of the floor areas among different specialties and facilities under (a) to (d).
- iii) *Staff arrangements:* The estimated manpower requirements for running the private hospital and the manpower plan.
- iv) *Compliance with special requirements:* The proposed arrangements for satisfying special requirements in regard to packaged charges, price transparency, service standards, etc.
- v) *Commercial overview of the plan:* Description of the commercial arrangements for the private hospital development or/and proposed PPP models, including:
 - (a) Nature and source of investments required (for design, construction, operations, maintenance, etc.);
 - (b) Sources of income;
 - (c) Proposed allocation of profits (e.g. profit distributed to shareholders or directed to the improvement/ extension of hospital services); and
- vi) *Implementation timeframe:* The development timeframe upon taking possession of the site, and in the case of development by phases, the nature and scope of services and manpower to be provided in each phase.
- vii) *Other feedback and comments:* Any key issues and concerns of the Respondent, any “deal breakers” that concern/challenge the Respondent, and any factors that may affect the interest of the Respondent.

Information required for PPP proposals (only applicable to the site at Lantau)

- viii) *Co-location model(s):* Details of the proposed co-location model and the justifications. Any proposal for entrustment of the design and construction works should also be included.
- ix) *Collaboration between the public and private provider :* Details of proposed collaboration between the two sectors in the following areas:

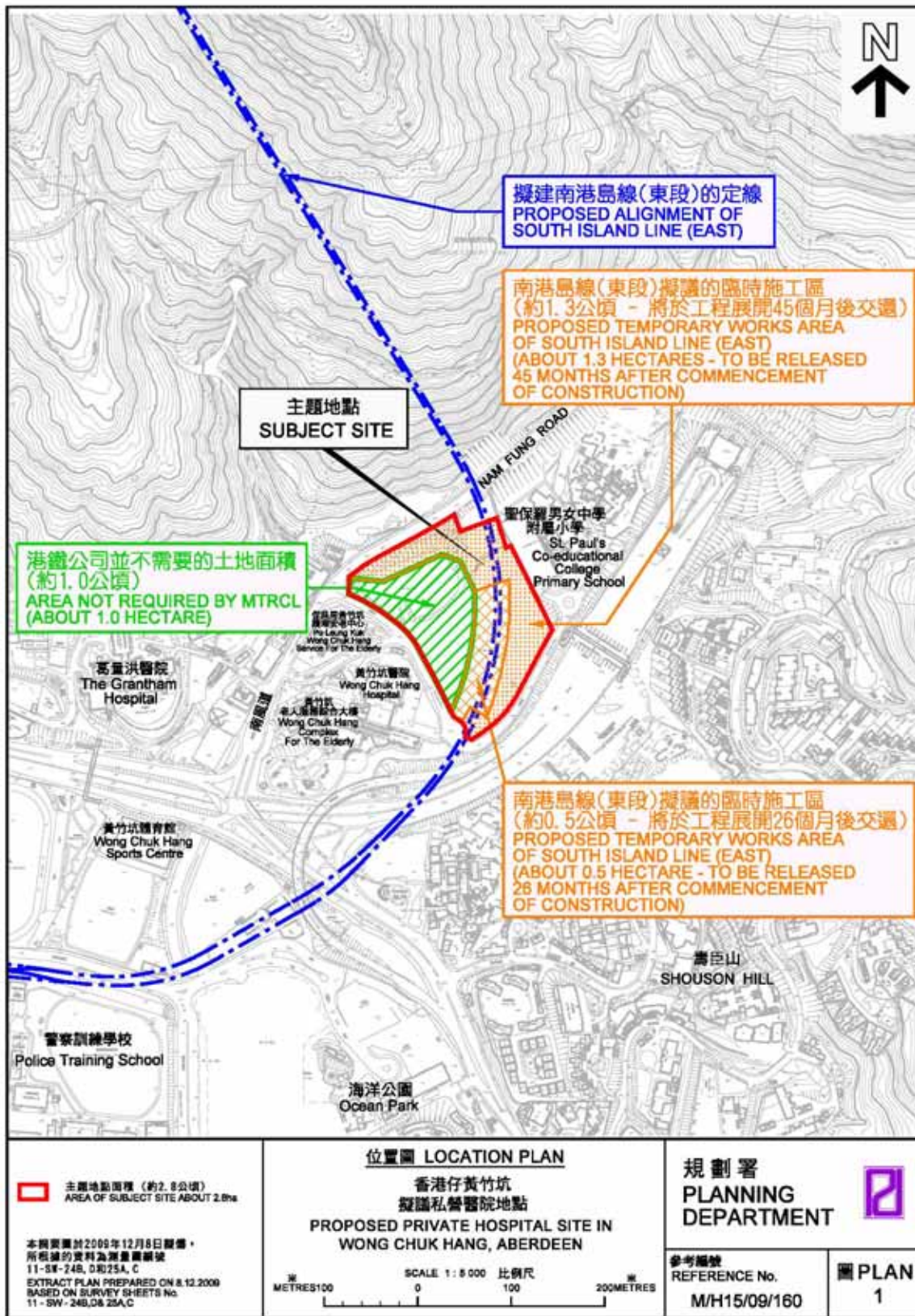
- (a) Purchase of services and/or sharing of facilities for clinical/allied health services, diagnostic services, clinical supporting services, etc;
 - (b) Contracting out arrangements and/or sharing of responsibilities for non-clinical supporting services, building management, etc.;
 - (c) Any mechanism for price setting and for the control and monitoring of service standard for purchase of service;
 - (d) Any proposals for staff cross-attachment between the public and private components and the expected benefits; and
 - (e) Benefits of the proposed collaboration.
- x) *Benefits to the community from the proposed PPP model for the site at Lantau:* Details of the potential benefits of the proposed model and the collaboration arrangements, in particular on the following aspects, should also be submitted:
- (a) Enhancement of efficiency and cost-effectiveness in the use of resources;
 - (b) Facilitating cross fertilization of expertise and experience sharing, and promoting healthy competition and collaboration between the public and private sectors;
 - (c) Enhancement of service quality;
 - (d) Providing more choices to patients;
 - (e) Relieving the service demand on the public sector; and
 - (f) Bringing other benefits to the community at large and to the healthcare system in Hong Kong.

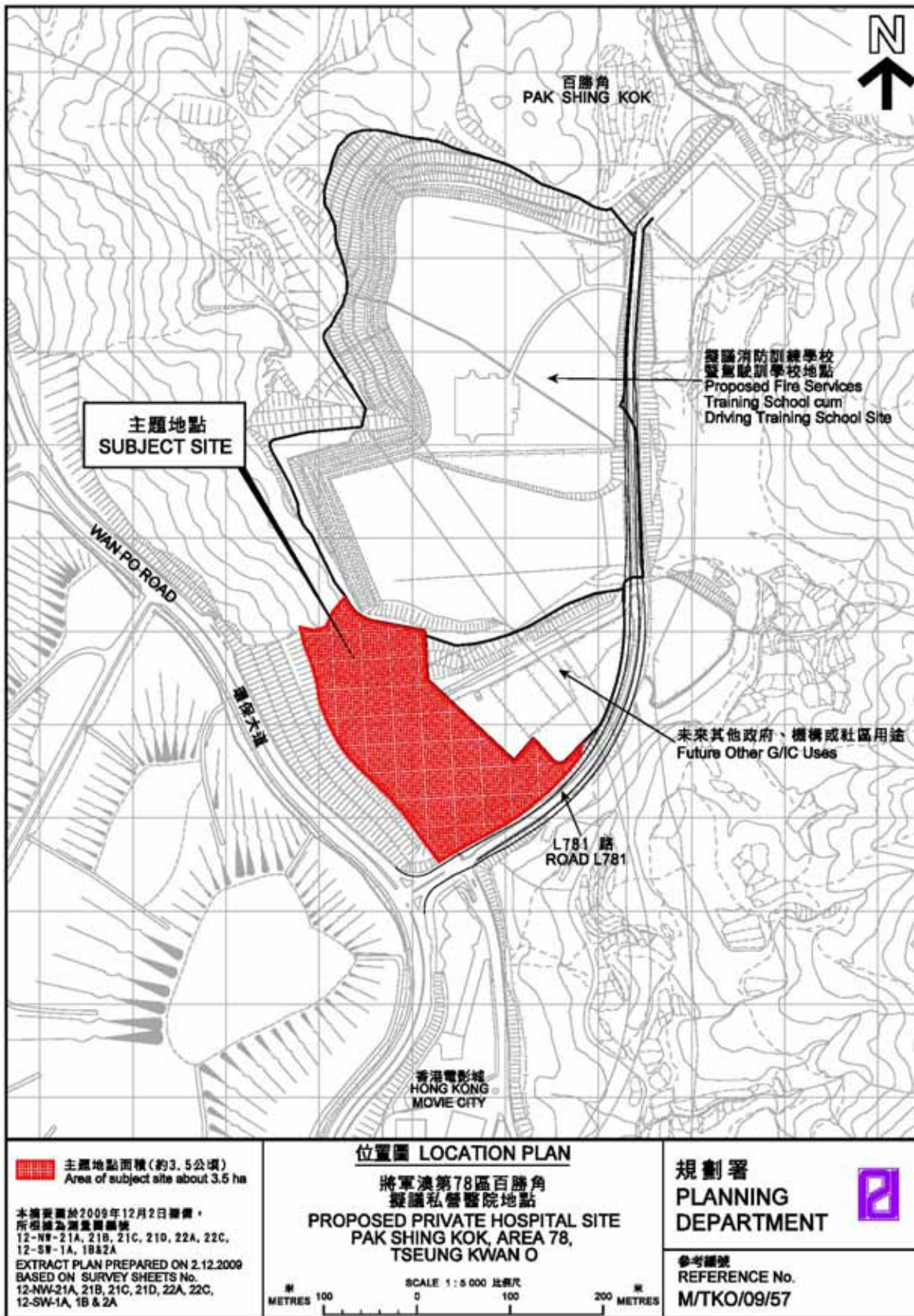
Additional information

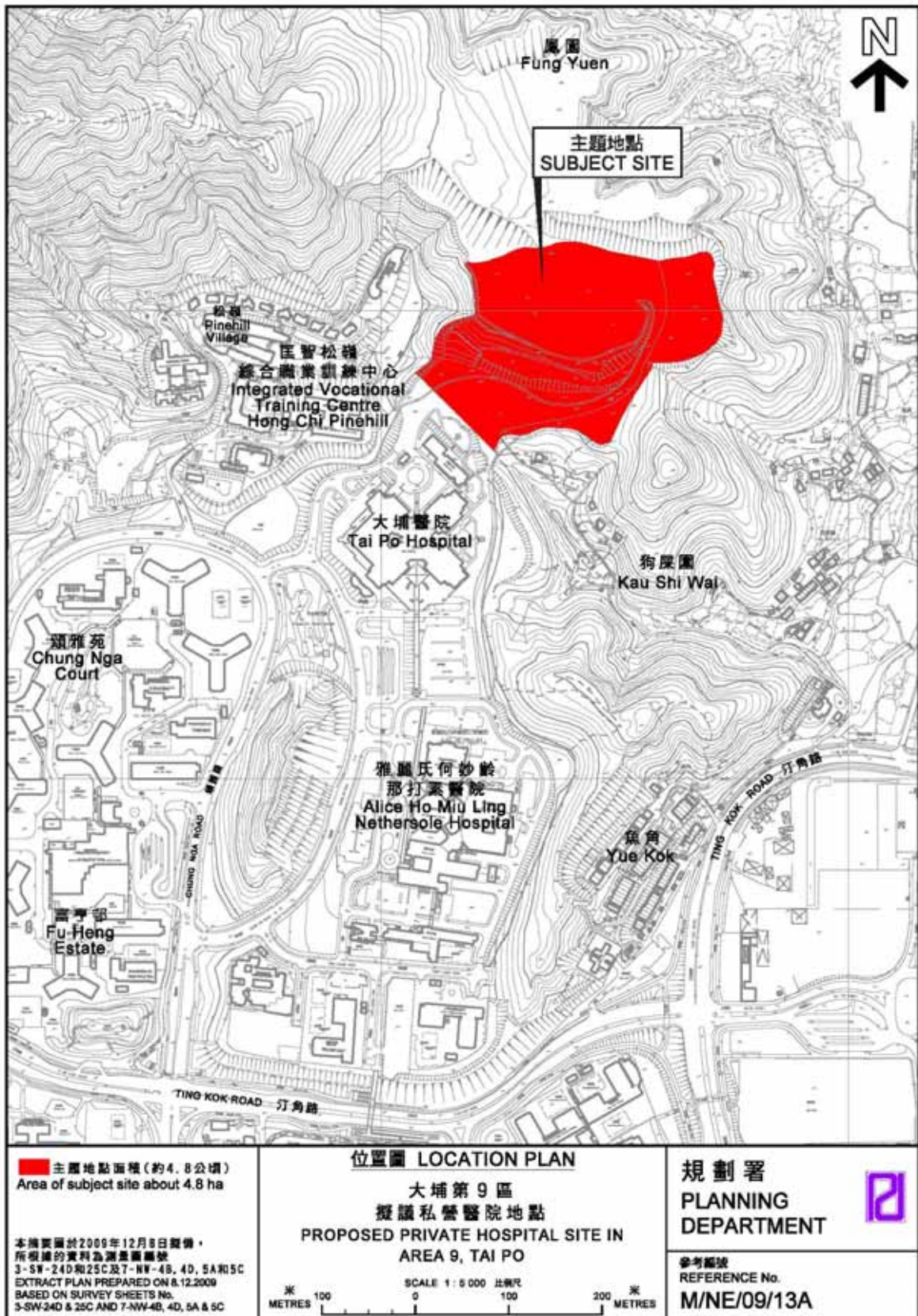
Any additional information to supplement the details provided in Section II of the response should be included as appendices to Section II.

For EOI concerning development of the site at Lantau by PPP, the Respondent can include more than one PPP model in their response. The Respondent need not submit multiple EOI responses for each model. Details of each model may be included in the same EOI responses. The Respondent will need to include description of each of the proposed PPP model in the format prescribed in Section II of Annex B

ANNEX C Location plans of subject sites







ANNEX D North Lantau Hospital project and possible Public-Private-Partnership models

To cater for the development of Lantau Island (including Tung Chung) and in view of the fact that Hong Kong International Airport and some major tourist facilities are situated on Lantau Island, the Government has planned for the construction of an acute hospital in Tung Chung.

(A) The North Lantau Hospital (NLH) Project

2. The NLH project will be implemented in two phases, with phase one to be built on Tung Chung Area 25 (part) with an area of 1.9 hectares, and phase two to be built in the remaining area of about 0.8 hectares of Tung Chung Area (25) (part).

3. Phase one of the NLH will be a Government project to build a public hospital with 180 beds to meet the needs of the local community on Lantau Island. The construction work is planned to commence in early 2010 and complete before the end of 2012. Phase one of the NLH would provide the following major facilities and services:-

- (a) In-patient general acute care services with 160 inpatient beds, including 80 beds for acute care (with specialties of Medicine, Surgery, Orthopaedics & Traumatology) and 80 beds for extended care;
- (b) Ambulatory care services including
 - (i) A&E Department with a projection of 55,000 attendances per annum;
 - (ii) Specialist outpatient clinics with a projection of 66,000 attendances per annum;
 - (iii) Primary care clinics;
 - (iv) Day rehabilitation centre; and
 - (v) Ambulatory surgery / Day procedure centre with 20 day beds.
- (c) Community care services including
 - (i) Community geriatric assessment services;
 - (ii) Psychiatric outreaching team;
 - (iii) Community nursing service;
 - (iv) Patient resource centre;
 - (v) Community health education; and
 - (vi) Medical social services.
- (d) Diagnostic and treatment facilities to support inpatient and outpatient services, including
 - (i) Emergency laboratory;
 - (ii) Blood bank;

- (iii) A&E radiology suite;
 - (iv) Computed tomography scanner; and
 - (v) Ultrasound scanner.
- (e) Support services including non-patient food services, pharmacy (including outpatient), mortuary, linen, procurement and supplies, transportation and portering, and engineering plants.
- (f) Administrative services including hospital administration (including finance and human resources), medical staff and nursing administration, admissions, staff accommodation and medical records.
4. To cater for the long term demand of the local community, the Government will at an appropriate time proceed with development of phase two of NLH to provide an additional 170 beds (with specialties of Medicine, Surgery, Orthopaedics, Traumatology, Gynaecology and Paediatrics).
5. As the subject site reserved for private hospital development at Lantau (with about 1.6 hectares, comprising Tung Chung Area 22 and Area 13 (part) adjoins the site reserved for the development of phase two of NLH project, the opportunity is also taken of the phase two development to explore the introduction of PPP for the private sector to provide other medical services and facilities in the available area in the hospital site. The proposed introduction of PPP is intended to bring about the benefits of enhancing the efficiency in the use of resources, facilitating the sharing of expertise and experience and promoting healthy competition and collaboration between the public and private sectors, providing patients with more choices, and enhancing the quality of medical services to the community.
6. The Government will, in the light of the feedback received from the market, determine the best possible PPP model and select the private provider through a separate exercise. If PPP arrangement could not be materialized for phase two, the Government will still proceed with the development of phase two of NLH as a Government project to provide the remaining 170 hospital beds required to meet the long-term demand of the local community.
7. The development of phase one and phase two (including the public and private components) will be subject to all applicable planning restrictions and relevant statutory and regulatory requirements.

(B) Possible Public-Private-Partnership Models

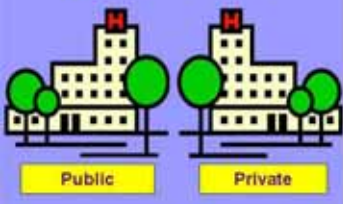

8. The Government is open to suggestions on possible PPP models² for the development of NLH phase two, except for the following models which have been **ruled out**:-

- (a) Financing: Private provider to finance the building of the public hospital.
- (b) Ownership: The Government and the private provider to share the ownership of a hospital building.
- (c) Operation of services: Private provider to deliver all public clinical services through a contracting-out arrangement.

9. Apart from the above exclusions, the Government is open-minded about the possible PPP models that may be developed and operated by the private provider on a profit-making or non-profit-making basis.

Possible co-location models

10. The possible PPP models may take the form of co-location of public and private components within the same buildings (i.e. vertical co-location) or in separate buildings on adjacent sites (i.e. horizontal co-location), as illustrated below:-

<p>In this model, public facilities will be built on the land with 0.8 hectare while private facilities will be built on the land with 1.6 hectares.</p>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #e6e6fa; padding: 5px; border: 1px solid black;"> <p style="text-align: center; color: #ff8c00; font-weight: bold;">Horizontal Co-location</p> <ul style="list-style-type: none"> Co-location of public and private facilities in separate buildings on adjacent sites  </div> <div style="background-color: #ff00ff; padding: 5px; border: 1px solid black;"> <p style="text-align: center; color: #ff8c00; font-weight: bold;">Vertical Co-location</p> <ul style="list-style-type: none"> Co-location of public and private facilities within the same building  </div> </div>	<p>In this model, the combined facilities could take up the whole piece of the 2.4 hectares land (0.8 hectare + 1.6 hectares).</p>
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Horizontal co-location

11. The private provider will finance, design, build, own and operate the private component on the land acquired from the Government. A possible variation is for the

² Examples of different types of PPP models in the overseas are available on the website of the Efficiency Unit of the Government - <http://www.eu.gov.hk/english/case/case.html>

private provider to transfer the ownership and operation of the private facilities to the Government after a pre-determined fixed period of time.

12. Under this model, the Government may entrust the private provider to design and build the public component in tandem with the private development. The Government will bear the costs for the public component.

Vertical co-location

13. The land and the hospital building to be built thereon will remain the property of the Government. Part of the building (e.g. a number of floors) will be let to the private provider to operate and provide private services. The Government may entrust the private provider to design and construct the hospital building, where both the public and private components will be accommodated.

Scope of services and collaboration between the two sectors

14. The Government is open to the types of clinical services that the private provider may provide under a PPP model. However, there should be a mix of specialties and in any case, the number of obstetric beds should be capped at not more than 20% of total number of beds in the private component. It is also desirable for the private component to provide synergy with the public component under phase one and phase two of NLH and to avoid duplication of services for similar group of patients. While NLH should primarily serve Hong Kong residents particularly those in Tung Chung/Lantau, the Government is also open to proposals for serving both local demand and demand outside Hong Kong.

15. The possible scope of collaboration between the public and private providers may include mutual purchase of services, sharing of facilities and maintenance responsibilities, staff attachment arrangements. Some examples are given below for reference. They are not meant to be exhaustive or to limit the proposals for the scope of collaboration between the two sectors.

Purchase of service

Clinical and allied health service

16. There may be mutual purchase of services in the following areas:

- (a) Inpatient clinical services like non-urgent elective surgery, highly specialized procedures (like cardiac or orthopaedic surgeries), ambulatory care services or outpatient services. All medical specialties can be considered. In particular, the private provider may provide services to public patients in those areas where there are serious capacity constraints and demand pressure on the Hospital Authority.

- (b) Allied health services in such areas as clinical psychology, dietetics services, occupational therapy, physiotherapy, podiatry, prosthetic & orthotic services, speech therapy, audiology, optometry & orthoptic services; and
- (c) Community care services.

Clinical supporting services

17. There may be mutual purchase of services in clinical support services (e.g. pharmacy, administration of medical records) and clinical diagnostic services (e.g. diagnostic radiology, clinical laboratories).

18. For the arrangements for purchase of services, effective mechanism should be put in place for price setting and for the control and monitoring of service standard. The Government does not preclude the possibility of purchase of service and other collaboration arrangements between the private provider and other HA institutions outside NLH.

Other contracting-out arrangements

19. There are also opportunities for the private provider to provide non-clinical supporting services for NLH in the areas of management and administration (e.g. accounting, information technology), building management (e.g. maintenance, cleansing, security), and other ancillary services (e.g. catering, laundry, portering) through contracting-out arrangements.

Staff arrangements

20. There may be cross-attachment of staff between the public and private components of NLH for the purpose of training and experience sharing.

21. The Government will consider the best possible PPP model by comparing the feasibility and the potential benefits of different proposals, having regard to the objectives of the Government in the promotion of PPP and private hospital development.

Land arrangements

Land disposal arrangements

22. In the case of vertical co-location, part of the building may be let to the private provider and this would not involve any land grant or tendering of the subject site. In the case of horizontal co-location, the private provider would need to bid for the available area in the subject site for private hospital development. The Government

will determine the land disposal arrangements. The special requirements for private hospital development set out in Section 2 of this document will be applied in both cases, with adaptation where necessary for the letting out arrangements in the case of vertical co-location.

ANNEX E

LICENCE

To: The Government of the Hong Kong Special Administrative Region (the “Government”)

Re: Expression of Interest – Development of Private Hospitals at Sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau

1. I/We refer to the Invitation for Expression of Interest in the development of private hospitals at sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau in Hong Kong issued by the Government on 14 December 2009 (the “Invitation”).

2. Unless otherwise defined herein, terms and expressions which are defined in the Invitation have the same respective meanings where used in this Licence.

3. In consideration of the Government agreeing in the Invitation to pay HK\$1.00 to me/us upon demand, I/we hereby undertake, acknowledge and agree on the terms set out below.

4. I/We hereby grant to the Government a freely transferable, royalty free, irrevocable, worldwide, perpetual and sub-licensable licence to use, adopt (including making any adaptations within the meaning of the Copyright Ordinance (Cap. 528) (the “CO”)) and modify the expression of interest submitted by me/us and all ideas, proposals and other documents contained in or submitted with the expression of interest (collectively, the “EOI”) and all Intellectual Property Rights subsisting in the EOI for all purposes in respect of or in connection with the development of private hospitals at sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau. In addition, the Government is entitled:

(a) to make use of (including reproduce and publish, display, exhibit and/or make available and to do any other acts set out in paragraphs (a) to (g) of section 22(1) of the CO) the EOI, in whole or in part, in any form for the purpose of public consultation and any subsequent tender or procurement exercise; and

(b) to use, adopt (including making any adaptations within the meaning of

the CO) or develop any idea or proposal put forward in the EOI without acknowledging the source of the material.

5. I/We hereby warrant that:

(a) the EOI does not contain any materials that may infringe the Intellectual Property Rights of any third party;

(b) the use or possession by the Government of the EOI or any part thereof for any purposes contemplated by the Invitation and/or expressed in Clause 4 of this Licence does not and will not infringe the Intellectual Property Rights of any third party;

(c) all owners of the Intellectual Property Rights in the EOI have joined in and executed this Licence in favour of the Government; and

(d) each party who executes this Licence has or shall have the full right, title, power and authority to grant the licence referred to in Clause 4 above in the Government.

6. I/We further agree that the Intellectual Property Rights in any materials developed by the Government on the basis of the EOI (including any alteration or modification of the EOI) shall vest in and belong to the Government absolutely and immediately upon creation.

7. I/We agree that any assignment made or licence granted by any owners of the Intellectual Property Rights subsisting in the EOI shall be subject to the licence of the Government referred to in Clause 4 above. I/We shall procure that such owner/assignees also impose obligation(s) on the assignees and licensee regarding their subsequent assignment(s) of such intellectual property rights to be made subject to the said licence of the Government to the intent that such obligation(s) shall apply to all subsequent assignees.

8. I/We hereby waive and shall procure all authors concerned to waive all moral rights in respect of the EOI to which they may now or at any time in future be entitled under the CO or under any similar law in force from time to time anywhere in the world.

9. I/We shall indemnify and hold the Government harmless from and against any and all claims (whether or not successful, compromised or settled) threatened, brought or established against the Government and all losses, damages, costs, charges or expenses (including all legal fees and other costs,

charges and expenses) which the Government may pay or incur in connection with or arising from a breach of this Licence or any of the warranties given by me/us.

10. I/We shall at the Government's request and at my/our own cost at all times hereafter do all such acts and execute all such documents as may be reasonably necessary or desirable to secure the vesting in the Government of all rights given to the Government hereunder and to assist in the resolution of any question concerning our EOI.

11. Unless the context otherwise requires, "Intellectual Property Rights" in this Licence means patents, copyright, design rights, trademarks, service marks, trade names, domain names, database rights, rights in know-how, new inventions, designs or processes and other intellectual property rights of whatever nature and wherever arising, whether now known or hereafter created and in each case whether registered or unregistered and including applications for the grant of any such rights.

12. We agree that all parties who have executed this Licence are jointly and severally liable for the obligations imposed and warranties given in this Licence.

13. This Licence shall be governed by and construed in accordance with the laws from time to time in force in Hong Kong and I/we agree to submit to the jurisdiction of the Hong Kong courts.

14. This Licence is duly executed by me/us under hand on [date] and shall take effect on such date.

*Signed by [name of Director],
Director,
for and on behalf of [name of the company]

*Signed by [name of Director],
Director,
for and on behalf of [name of the company]

**Signed by [name of individual]

**Signed by [name of individual]

***Signed by [name of partner],
Partner,
for and on behalf of [name of partnership]

***Signed by [name of partner],
Partner,
for and on behalf of [name of partnership]

Remarks:

1. *1. Please refer to Clause 5(c) above.*
2. *2. * For execution by an incorporated entity.*

*** For execution by an individual or a sole proprietor.*

**** For execution by a partner of a partnership*