

12 April 2019

The Honourable Jeffrey Lam Kin-fung, GBS, JP  
Chairman of the Joint Subcommittee to  
Monitor the Implementation of  
the West Kowloon Cultural District Project  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear *Jeffrey*,

I refer to Hon Tanya Chan's letter to you dated 29 March 2019 and Hon Chan's enquiry regarding the arrangement for posting tender notices on the West Kowloon Cultural District (WKCD) webpage at the meeting of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project on 1 April 2019.

The tender for the Main Contract of the Hong Kong Palace Museum (HKPM) building was a pre-qualified tender exercise conducted in accordance with our established procurement guidelines. A shortlist of tenderers was drawn up following an Expression of Interest (EOI) exercise conducted from 4 April 2018 to 15 June 2018 from Group C – Buildings contractors on the Development Bureau's "List of Approved Contractors for Public Works". Tender documents were issued to shortlisted tenderers on 5 September 2018, and the closing date of the tender process was on 19 November 2018.

During the tender period, one of the tenderers, China State Construction Engineering (Hong Kong) Ltd was suspended by the Development Bureau from tendering for Government works categories of "Buildings (Group C)" for a period of three months from 8 October 2018 to 7 January 2019. In accordance with the provisions of the document notice, China State Construction Engineering (Hong Kong) Ltd applied for an exception to suspension and this application was carefully considered and approved by the West Kowloon Cultural District Authority (WKCDA) Development Committee. The tender submission of China State Construction Engineering (Hong Kong) Ltd was considered at the same time and against the same criteria as other tenderers.

China State Construction Engineering (Hong Kong) Ltd obtained the highest score in the overall tender assessment which comprised assessment of both technical and price elements and was assessed to be the winning tender. The \$3.5B donation from The Hong Kong Jockey Club Charities Trust (HKJCCT) includes the cost for construction works, consultancy fees for design and quantity surveying services, remuneration of resident site staff and fee for contract administration, in-house management cost on HKPM to WKCD and other necessary capital cost. The awarded contract sum of the HKPM Main Contract is within the budget allowance of the donation from The HKJCCT.

Regarding the arrangement of posting tender notices on WKCD webpage, in view of the growing number of notices, it has been our prevailing practice for several years that all expired Tender Notices and EOI will be archived from the WKCD's webpage every three months. Previous awarded tenders are also available for public access from 'Awarded Contracts' showing on the same webpage (<https://www.westkowloon.hk/en/the-authority/awarded-contracts>).

Standard clause on making good defects as in other WKCD's contracts has been included in the HKPM contract. Same as all the WKCD's projects, there will be resident site staff stationed on site to ensure the satisfactory achievement of both progress and quality of the project.

Yours sincerely



Duncan Pescod  
Chief Executive Officer  
West Kowloon Cultural District Authority