

**THE GOVERNMENT OF  
THE HONG KONG SPECIAL ADMINISTRATIVE REGION  
OF THE PEOPLE'S REPUBLIC OF CHINA**

**STANDARD TERMS OF TENDER  
FOR PROCUREMENT OF GOVERNMENT VESSELS**

**FOREWORD**

This document File Ref. GF/GNC 137/4 (4) issued by the Marine Department (MD) contains the Standard Terms of Tender and General Conditions of Contract used for procurement of government vessels for the Government of the Hong Kong Special Administrative Region of the People's Republic of China. MD may issue addendum to these terms and conditions whenever necessary.

Tenderers who respond to the invitation to tender will be asked to confirm compliance with these terms and conditions, and those issued under the addendum.

# STANDARD TERMS OF TENDER

## 1. INVITATION TO TENDER

- (a) Tenders are invited for the construction of government vessel(s) set out in the Procurement Specification subject to and in accordance with these Standard Terms of Tender, the General Conditions set out hereof and the Special Conditions if any, set out in the invitation to tender.
- (b) Tenderers must look out for any amendments to the gazetted tender documents that will be published on Internet (<http://www.mardep.gov.hk>). In addition, amendments will be sent by mail or by fax to the tenderers if they have informed Government New Construction (GNC) Section in writing (**APPENDIX E**) about their intention to submit a tender.

## 2. TENDER SUBMISSIONS

- (a) Every tender shall be submitted in ink or typescript in the **Tender Form** provided at **APPENDIX A (other form will not be accepted)**.
- (b) If any tenderer proposes to submit a tender subject to any variation of:
  - (i) the General Conditions; and/or
  - (ii) the Procurement Specification,

it shall be set out clearly the proposed variation in a separate letter which shall be addressed to the Chairman, Central Tender Board and submitted together with the tender.

- (c) In the absence of any proposed variation of the contract submitted in accordance with **Para. 2(b)**, the tenderer shall be deemed to have been submitted in acceptance of, and in accordance with, the General Conditions, Procurement Specification and the Standard Terms of this Tender.
- (d) The Government reserves the right to accept or reject, in whole or in part, any proposed variations submitted by the tenderer in accordance with **Para. 2(b)**. In addition, without prejudice to the Government's right to cancel the tender, where there are changes of requirement after tender closing date for operational or whatever reasons, the Government is not bound to accept any conforming tender and reserves the right to cancel the tender.

- (e) No variation of the General Conditions or Procurement Specification will be considered after the tender has been accepted by the Government, except where any such variation is expressly provided for in any of those documents, or agreed by the Government.
- (f) The tender could not be properly evaluated if it has not provided all information required in the Procurement Specification.
- (g) Submission of tender by the tenderer would mean the tenderer has agreed to provide the Irrevocable Guarantee as stipulated in the Third Schedule (See Clause 15 of the General Conditions and Third Schedule of the tender document).
- (h) The tenderer shall note that the delivery date stated by the tenderer will be binding, and such period will consequently determine the delivery date in the contract. Acceptance of the vessel shall be in accordance with the Clauses 11 & 12 of the General Conditions. The delivery period will start from the date the Government issues the Notifications of Acceptance to the successful tenderer.
- (i) Tenders must be clearly marked “**Tender for Construction of Three (3) Steel Patrol Vessels for Customs and Excise Department**” on the outside of the envelope (but should not bear any indication which may relate the tender to the tenderer) addressed to the Chairman, Central Tender Board, and placed in the Government Secretariat Tender Box situated in the lift lobby on the lower ground floor of the Central Government Offices (East Wing), 20 Lower Albert Road (at its junction with Garden Road), Hong Kong before 12 noon on **4 January 2008**. Late tenders will not be accepted.
- (j) The completed **Tender Form(s)** should be put and **sealed inside an envelope** which is marked on the outside with ‘Tender Form’. This sealed envelope should be submitted together with other tender document in the **envelope mentioned in Para. 2(i)** above.
- (k) For each design, the tenderer is required to submit **five (5) copies of complete Technical Specification** according to **Para. 7** in these Terms of Tender and conforming to the requirements of the Procurement Specification and any proposed variations.
- (l) Tenderer should complete and submit the form “**Particulars of Tenderers**” provided in **Attachment to APPENDIX A** with the tender.

- (m) Every tender shall be submitted at such place, in such manner and in accordance with such conditions as may be specified in the Gazette Notice. Late tenders will not be accepted.
- (n) Tender Closing Time in case of Typhoon/Rainstorm. In case a rainstorm black warning or typhoon signal No. 8 or above is valid for any duration (Hong Kong Time) between 9:00 a.m. and 12:00 noon (Hong Kong Time) on Friday, the tender closing time will be extended to 12:00 noon (Hong Kong Time) on the first working day of the following week.

### **3. NOTIFICATION**

Successful and unsuccessful tenderers will be notified in writing by Marine Department of the Government of the Hong Kong Special Administrative Region of the People's Republic of China on behalf of the Chairman, Central Tender Board.

### **4. ACCEPTANCE OF TENDER**

- (a) The Government does not bind itself to accept the tender with the lowest tender or any tender, and reserves the right to negotiate with any tenderer about the terms of the offer.
- (b) Upon acceptance of a tender, the Government and the successful tenderer shall enter into a formal Agreement which shall incorporate the General Conditions, specifications, and any variations thereto which have been accepted by the Government.
- (c) A successful tenderer is required to furnish to the Director of Marine, within 21 days after being notified under **Para. 3** that his tender has been accepted by the Government, an Irrevocable Guarantee for the proper performance of his duties and obligations under the contract in accordance with the Third Schedule and Clause 15 of the General Conditions.

### **5. TENDER VALIDITY**

Tender shall, unless otherwise indicated by the tenderer, remain valid until **31 March 2008**.

Gazette tender closing date : 12 noon, **4 January 2008**.

## 6. QUALIFICATION OF TENDERER

- (a) *The tenderer who in MD opinion cannot comply with the requirements in the following sub-para. (b), (c), (d), (e) & (f) will not be considered for contract award.*
- (b) Bids from tenderers would be deemed to be invalid and they would not be considered at all unless the tenderer is a shipyard with verifiable past record of design experience and building capability; or is a company which could demonstrate its capability and experience in project management of the design and construction of vessels; or is a joint venture company of several partner companies which consists of shipbuilder and ship designer. In the event that the successful tenderer is a joint venture company the responsibility and liability of the joint venture partners of such a company in the capacity of the Contractor to the Contract shall be joint and several in the due performance of the contract.
- (c) The tenderer must be a shipyard or a company which is fully qualified technically, financially, and with the relevant experience and project management capability to design and construct the vessel, and to provide warranty services to the Government of the Hong Kong Special Administrative Region of the People's Republic of China in the manner and conditions stipulated in the Procurement Specification.
- (d) Tenderers outside the Hong Kong Special Administrative Region of the People's Republic of China must have **a representative in the Hong Kong Special Administrative Region of the People's Republic of China** who is irrevocably authorised by the tenderer to represent the tenderer in all matters relating to tender matters and during the construction and warranty period of the vessel.
- (e) Tenderers are hereby informed that subcontracting of the construction to another firm after contract award may be allowed provided MD is reasonably satisfied that the tenderer would have a good and effective control of the subcontractor(s) with respect to work quality. The subcontractor(s) should be financially and technically capable of completing the part of work assigned to the subcontractor to be carried out. The bid from the tenderer would be deemed to be invalid if MD is not reasonably satisfied that the subcontractor is capable of the work.
- (f) Tenderers are hereby informed that **if the tenderer's financial position, with or without a financial guarantee, is unsatisfactory, the tender will not be accepted.**

- (g) The Contract will be signed between the successful tenderer and the Government of the Hong Kong Special Administrative Region of the People’s Republic of China in the name of the tenderer as appeared in the submitted tender form.
- (h) Upon request from MD, tenderers must produce verifiable evidence (e.g. banker’s letter) that the tenderer is capable of furnishing the financial guarantee to Government within 21 days after the tenderer is notified of being the successful tenderer. At the discretion of Government, the bid may be considered to be invalid if the tenderer is not able to produce such evidence within 3 weeks after the tenderer is being requested by MD to produce, during the tender evaluation stage. The form of guarantee shall be one that should be irrevocable and be payable to Government upon the first demand by Government without recourse to the tenderer (Contractor).

## 7. INFORMATION TO BE PROVIDED BY THE TENDERER

- (a) All information provided by the tenderers will be treated by MD in strict confidence.
- (b) Tenderers must ensure they fully understand the quality of information, documents, calculations and drawings required to be provided before submitting a tender. *There is no obligation on the part of MD to keep asking for additional information during the tender evaluation. The onus is on the tenderers to submit all the necessary information when submitting a tender.*
- (c) Tenderers must provide all information required as stipulated in this “Standard Terms of Tender” as well as the required information stipulated in Chapter 2 of the Procurement Specification. **Failure to provide the information as aforesaid will result in the tenderer’s submitted tender not being considered by MD.**
- (d) Each tenderer must submit a copy of its up-to-date Business Registration Certificate, and in the case of an incorporated company, a copy of its Certificate of Incorporation and up-to-date Memorandum and Articles of Association or other documents evidencing business status. In addition, joint venture concerns must submit all the inter-company agreements and the financial information of each company in their tender submission documents. The tenderer shall complete and submit the forms “Company Experience” at **APPENDIX B** and “Joint-venture Member Details” at **APPENDIX C** if applicable.

- (e) The tenderer shall provide **past records** to demonstrate that they have good experience in building similar high standard vessels.
- (f) The tender documents must be submitted in the manner as stipulated in Gazette Notice, otherwise they will not be accepted. Also late tenders will not be accepted. The tender price given in the Tender Form should not include those items that are required to be quoted optionally. If a tenderer has not quoted a separate price for an item, it shall be assumed that the tenderer shall supply such item to Government without additional charge and that there shall be no price reduction in the event that such item is not required by Government.
- (g) Tenderers are required to list the vessels they have supplied to Government in the last 10 years. Unless the tenderer has supplied vessels to Government before, tenderers may be required by MD to provide documented evidence (e.g. written recommendations from past reputable ship owners) that a high standard of workmanship, installation, outfit and interior finish is achievable by the tenderer's company.
- (h) Tenderers must submit a comprehensive Technical Specification for the vessel. These specifications should contain all the necessary information adequate for MD to carry out a tender appraisal. The Technical Specification should be prepared by the shipbuilder. MD will assess the tenderer's offered vessel and its outfitting/equipment as compared with the requirements herein the Procurement Specification. The Technical Specification should also clearly indicate, for all machinery, electrical items, electronic equipment, windows, doors, hatches, outfitting equipment, mooring equipment and cabin furnishing, furniture and fixtures, the maker's name, address; including where possible, for the items, the local agent's name and address in the Hong Kong Special Administrative Region of the People's Republic of China. The Technical Specification should consist of:

**I. Construction Specification** covering at least:

- (i) General arrangement and layout.
- (ii) General design and construction scantlings details.
- (iii) Weight and centre of gravity estimate.
- (iv) Warranty and details of Hong Kong local shipyard support for warranty.

- (v) Tenderers from places outside of Hong Kong must give details of how they intend to, and what arrangement they have already made with a local shipyard in Hong Kong for warranty purpose. (existing or provisional agreement should be produced).
- (vi) A construction schedule in the form of a **Bar Chart** showing the start, duration (time periods) and end dates for various stages and main events of design and construction of the vessels.
- (vii) Endurance and fuel oil tank capacity.
- (viii) Installation of propulsion machinery, steering and propellers.
- (ix) Electrical installations.
- (x) Communication and electronic equipment.
- (xi) Navigational equipment.
- (xii) Painting.
- (xiii) Spares.

**II. Supply Specification** which should, for each one of the *Guideline Requirements* stipulated in Chapters 3 to 7 of the Procurement Specification, address how the tenderer would comply or, if not complying, reasons for providing the alternative offers. This can be done by completing the itemised summary of alternative offers by tenderers in the form given in **APPENDIX 10** of the Procurement Specification.

- (i) The tenderers shall provide *financial information* of the company for assessment of their financial capabilities in accordance with the “*General Guidelines for Assessing the Financial Capability of Tenderers for Vessels Building Contracts*” provided at **APPENDIX F**. In addition to this information, joint venture companies must submit all the inter-company agreements and the above information of each company in their tender submission documents.
- (j) Organisation structure (in the form of organisation chart) showing lines of responsibility of key personnel involved in this project, including but not limited to those identified in **APPENDIX B** and **APPENDIX C** of this Standard Terms of Tender.
- (k) Information required in **APPENDIX 2 - Table APP 2.3**, **APPENDIX 9** and **APPENDIX 10** of the Procurement Specification.

## **8. LIST OF DRAWINGS AND ADDITIONAL INFORMATION TO BE SUBMITTED WITH THE TENDER**

The following documents shall be submitted. All drawings and calculations should be prepared professionally by qualified persons. These drawings need only to be indicative of the major items of the offered design, as detailed drawings will be submitted for approval during construction.

### **(a) Hull**

- (i) General arrangement plan.
- (ii) Lines plan in a scale 1:25 and an offset table.
- (iii) Tank capacity plan.
- (iv) Major structural construction plans including midship and bulkhead sections, construction profile and deck plan, shell expansion plan, etc.
- (v) Power/speed estimation and curve for the design at sea trial displacement. Sea trial records with power curve plotted for sister vessels OR model tank test report of the proposed design.
- (vi) Painting schedule - standard of surface preparation, type of paint and method of application, etc.
- (vii) Estimated intact and damaged stability results of conditions assessed against required criteria. Details of computer programme used should also be submitted (if applicable).
- (viii) List with details for navigational/communication equipment, deck equipment, outfitting, furniture, etc. offered.

### **(b) Machinery**

- (i) Main engines offered must be accompanied by supporting details.
- (ii) Manufacturers' engine characteristics information.
- (iii) Engine dry weight and overall dimensions.
- (iv) Engine room arrangement plan.
- (v) Details of main engines, gearboxes generators, auxiliary machineries and propellers with catalogues.
- (vi) Wheelhouse remote control system and integrated remote engine monitoring and instrumentation system.

- (vii) Calculations for required fuel oil capacity to meet specified endurance.
- (viii) Details and layout of engine room ventilation.
- (ix) Air conditioning system layout and equipment supplied.
- (x) Fixed fire smothering system for engine room.
- (xi) Lists of spares (hull, machinery, electrical / electronic items, etc).

**(c) Electrical and Electronic Equipment (if applicable)**

- (i) Details & catalogues of electrical, electronic and communication equipment.
- (ii) Electrical load calculation with battery chargers.
- (iii) Schematic layout of electrical circuits.

**(d) Others**

- (i) Full details of established repairing / servicing / yard facilities capable of servicing all aspects of the vessel during the warranty period.
- (ii) The tenderer should also submit with the tender its company organization chart, description and photographs of its workshop facilities, and company profile which includes its past experience in ship design and construction of the type of vessels similar to the tender vessel.
- (iii) Any other information as required in the tender.

**9. TENDER EVALUATION**

- (a) MD will evaluate the tender using a marking scheme.
- (b) In the marking scheme, there are two discrete stages, the “screening stage” and the “marking stage”.
  - (i) In the “screening stage”, the tenderers will be assessed on their **technical capability**. After passing the assessment of **technical capability**, each tender will then be assessed to see if their offers comply with the essential **technical requirements** of the vessel(s) as stipulated in the Procurement Specification. Tenderers meeting the essential criteria in the assessment of technical capability and technical requirements may proceed to the next stage, the “marking stage”. The main criteria used in the screening stage are tabulated as below:

| Description   | Essential Requirements  |
|---|---|
| A. Technical capability of the shipyard             | <ol style="list-style-type: none"> <li>1. Shipyard with acceptable design, construction and project management experience in building vessels of similar sophistication;</li> <li>2. Capable of completing the provision of the warranty obligations for the vessel(s).</li> </ol>  |
| B. Technical requirements of the vessel(s) on offer | <ol style="list-style-type: none"> <li>1. Proven successful design, i.e. a vessel of substantially similar design is already in service, or the design is based on model tank test or modification from similar design;</li> <li>2. Compliance with the principal particulars of the vessel as specified in the Procurement Specification.</li> </ol> |

(ii) In the “marking stage”, the tender will be evaluated to assign the price and quality scores. The relative weighting between the price score and the quality score is 60/40, i.e. a price score up to a total of 60 marks and a maximum quality score of 40 marks will be assigned.

(iii) To assign the price score, the following formulae will be used:

$$\text{Price score} = 60 \times (P_{\min} / P)$$

where:  $P_{\min}$  - is the lowest tender price

$P$  - is the individual tender price as quoted on the “Tender Form”

(iv) To determine the quality score, the tender will be assessed according to 5 quality criteria. These quality criteria and their individual maximum score (M) are tabulated as follows:

| Quality Criteria  | Maximum Score |
|---|---------------|
| Ship’s performance  | 10            |
| Quality of outfitting, machinery and equipment              | 10            |
| Shipyard facilities, delivery programme and tender document | 5             |
| Ship’s functional achievement                               | 5             |
| Operation and maintenance                                   | 10            |
| <b>Total</b>  | <b>40</b>     |

- (v) Each of the quality criteria in **Para. 9(b)(iv)** will further be divided into a number of quality elements. Each of these elements will be assigned with quality points (0, 1, 2, 3, 4, or 5) based on the assessment of the tender offer. To calculate the quality score for each of the quality criteria, the following formulae will be adopted:

$$\text{Quality score} = M \times Q / Q_{\max}$$

- where: M - is the maximum quality score of each quality criterion  
 Q - is the individual total weighted quality points  
 Q<sub>max</sub> - is the highest weighted quality points among all tenderers

The final quality score is obtained by summing up the quality scores for the mentioned five quality criteria. **To ensure a minimum level of quality can be achieved, tender with the final quality score of less than 20 marks will not be considered for contract award.**

- (c) The contract will be awarded to the tenderer who attains the highest score after summing up the price score and the quality score obtained; AND passes the assessment of **financial capability** as follows:

| Description                          | Essential Requirements  |
|--------------------------------------|---|
| Financial capability of the tenderer | 1. 10% rule for capital employed;<br>2. 10% rule for working capital.<br>(Please refer to the “General Guidelines for Assessing the Financial Capability of Tenderers for Vessel Building Contracts”) |

- (d) A flow chart for the marking scheme is provided at **APPENDIX G** for tenderers’ reference.

## 10. TENDER CLARIFICATION

- (a) **If the information provided by the tenderer is not sufficient for tender evaluation to be carried out or not in accordance with that required by the tender documents, the submitted tender will not be considered.**
- (b) This means the tenderers must provide in their tender submission **complete** details (in terms of quantity, quality, specifications and standards) of all hull parts, machinery, equipment, spares and materials, and contractual conditions.

- (c) A tender clarification, where necessary, may be carried out with the individual tenderer if a tender contains some technical ambiguities or qualification. Replies from the tenderer, *if acceptable to MD*, will be included in the contract.
- (d) Tenderers should note that any tender clarification that may take place would **not** be a tender negotiation. It will merely be a means for MD to understand the tenderer's intention in areas of uncertainty in the tender submission. Changes in tender price and delivery date and supply conditions by the tenderer, therefore, will not normally be acceptable to MD.
- (e) When necessary GNC may require a presentation from the tenderer and discussions with the tenderer's *professional* staff (i.e. ship designer and engineer, key personnel and the project manager etc.) to be carried out in the Hong Kong Special Administrative Region of the People's Republic of China (at the tenderer's own expenses). User department officers may also attend the presentation.
- (f) It may also be necessary for GNC officers and user department officers to visit the building site, shipyard facilities, and the ship design office and facilities (at the expenses of the Government of the Hong Kong Special Administrative Region of the People's Republic of China).

## **11. TENDERS COVERED BY WTO GPA**

- (a) This tender is covered by the Agreement on Government Procurement of the World Trade Organization (WTO GPA) and the provisions of the WTO GPA will apply to this tender. Tenderers are requested to note that a Review Body on Bid Challenges (under WTO GPA) ("the Review Body") has been set up by the Government to deal with challenges made against alleged breaches of the WTO GPA and the relevant procedures for handling bid challenges are set out in the Rules of Operation of the Review Body ("the Rules"), which are available for inspection at the Secretariat of the Review Body located at the Commerce, Industry and Technology Bureau or which may be sent to the interested parties upon request. In the event that a tenderer believes that a breach of the WTO GPA has occurred, the supplier may, within 10 working days after he/she knew or reasonably should have known the basis of the challenge, lodge a challenge to the Review Body on the alleged breaches of the WTO GPA. Nevertheless, the tenderer is encouraged to seek resolution of its complaint in consultation with the procuring department before lodging a complaint to the Review Body. In such instances, the procuring department shall accord impartial and timely consideration to any such complaint, in a manner that is not prejudicial to obtaining corrective measures through the Review Body.

- (b) Tenderers are also to note that the Review Body may receive and consider a late challenge but a challenge shall not be considered if it is filed later than 30 days after the basis of the challenge is known or reasonably should have been known.

## **12. GENERAL CONDITIONS, LIQUIDATED DAMAGES AND PAYMENT TERMS**

Tenderers are hereby informed that the General Conditions attached herewith the tender document, the liquidated damages, and payment terms stipulated herein the Procurement Specification, must be acceptable to them before they submit their bids. Otherwise the bid from the tenderer would be deemed to be invalid.

## **13. PROBITY CLAUSE**

The offer of an advantage to any government officer with a view to influencing the award of the contract is an offence under the Prevention of Bribery Ordinance (Chapter 201). Any such offence committed by the tenderer or his employee(s) or agent will render the tender null and void. The Government may also cancel the tender awarded and hold the tenderer liable for any loss or damage the Government may sustain.

## **14. JOINT AND SEVERAL GUARANTEE**

The Form of Joint and Several Guarantee is provided at **APPENDIX D**.

## **15. ENQUIRIES**

Tenderers, who have any enquiries concerning the tender document up to the date of lodging their tenders, shall contact the following:

Senior Surveyor  
Government New Construction Section  
Government Dockyard  
Marine Department  
Ngong Shung Road  
Stonecutters Island  
Hong Kong

Telephone : (852) 2307 3407  
Facsimile : (852) 2746 0518  
Telex : 64553 MARHQ HX  
Email : [gnc@mardep.gov.hk](mailto:gnc@mardep.gov.hk)