

Government launches open tender for development of water sports complex at Shek O

The Government today (July 30) issued an invitation for a non-government partner to design, construct and operate a water sports complex for the general public at the rehabilitated Shek O Quarry Site through open tender. A notice on the tender invitation was gazetted today. To allow tenderers to have enough time to plan for the project and prepare proposals, the tender period is set for six months. The closing time for the tender is January 20, 2022 (Thursday). The Home Affairs Bureau (HAB) aims to award the tender in the first quarter of 2022, with the target of bringing the water sports complex into full operation in about five years.

A Government spokesperson said, "The Chief Executive, in the 2020 Policy Address announced last November, announced the Invigorating Island South initiative to develop Southern District into a place full of vibrancy, vigour and velocity for people to work, live, explore new ideas and have fun. The development of a water sports centre at the rehabilitated Shek O Quarry Site under public-private partnership (PPP) is one of the key projects. With steering from the Chief Executive and the co-ordination of the Policy Innovation and Co-ordination Office (PICO), the relevant departments have conducted all necessary studies, assessments and consultations, as well as preparatory work for this open tender.

"We are grateful for the support of the Legislative Council Panel on Home Affairs and relevant sports associations for the project. In the past few months, PICO received enquiries on the project from interested parties from the private sector. We hope the project can achieve the policy objectives for promoting sports in the community, supporting elite sports and developing Hong Kong into a centre for major sports events.

"The Government has been advocating the principle of optimal utilisation of land resources in recent years, turning land without housing or commercial development potential into recreational sites. The development of public facilities at the Site that can be enjoyed by the public is in line with the Government's principle. The Site, with a breakwater readily available, is on the southern coast of Hong Kong Island, next to Tai Tam Bay, a popular water sports spot. It is an ideal location for a water sports complex. We believe that development under the PPP approach can provide a modern and professionally run water sports complex that can create new, unique and diversified water sports experiences for the general public and strengthen training of professional athletes, as well as improve Hong Kong's capacity for hosting water sports competitions."

The Site has a total area of about 35 hectares (see Annex) and should be mainly developed for water sports. The Site comprises 11 ha of man-made

marine cove that can support various types of water sports activities, including sailing, windsurfing and canoeing, as well as berthing of sailing boats and yachts. Of the remaining 24 ha of land, 5.5 ha is relatively flat area that can be developed and the rest is mainly man-made slopes.

The maximum gross floor area (GFA) for the development of the water sports complex is 55,000 square metres. To ensure a good portion of the GFA is dedicated to water sports, the GFA for non-sports-related commercial facilities such as food and beverage, retail and lodging facilities will be capped at no more than 20 per cent of the total 55,000 sq m of GFA or the tenderer's proposed GFA to be developed, whichever is smaller.

Basic requirements of the project include the design and construction of windsurfing elite training facilities for the exclusive use of the Hong Kong Sports Institute and the opening up of the sports facilities to schools, uniform groups and national sports associations in a manner and at rates as specified by the Government. To provide greater flexibility for tenderers to increase the project's attractiveness and inclusiveness with participation of different users and subject to the contractual requirements as stipulated in the tender document being met, tenderers are free to propose the kinds and mix of water sports and professional training courses to be provided, land-based sports and how the land and water areas should be allocated for sports facilities and other permitted uses.

In the financial aspect, the Government will not make any funding contribution to the water sports complex. Apart from bearing the design, construction and operation costs of the water sports complex for the entire contract period, the operator will also have to share revenue with the Government. To ensure that the project has a sufficient payback period to maintain financial sustainability, the Government will enter into a 25-year contract with the winning tenderer. The contract is extendable by a maximum of 10 years subject to the satisfactory performance of the winning tenderer.

A two-envelope tender process whereby tenderers' technical and financial proposals will be evaluated separately is adopted, allowing the Government to select the proposal achieving the best combination of both. An 80%:20% technical-to-financial weighting will be applied to the respective technical and financial scores to derive a combined score and the tenderer with the highest combined score will win.

The Government spokesperson said, "There are a few points worth noting about the tender arrangements for the development. First, the technical weighting (80 per cent) is much higher than financial weighting (20 per cent), showing that financial gain is not the Government's prime consideration. The Government hopes that tenderers will focus on quality and devote more attention to the design and overall layout of the facilities, the use of water bodies and land, the daily operation and management of facilities, and community engagement, so as to put forward high-quality technical proposals that can make good use of the Site and turn it into a must-go holiday destination for the public.

"Second, the water sports complex is for the public. Facilities should be opened to the public on a non-discriminatory basis and at an affordable rate. Accessibility and affordability will be one of the key assessment criteria for the tender exercise.

"Third, the project encourages creativity. About 20 per cent of the technical scores will be reserved for innovative suggestions in different aspects of the project. For example, tenderers are encouraged to put forth innovative suggestions to overcome the restrictions on transport connections to the Site so as to ensure that the daily operation of the complex and large sport events will not have an unacceptable impact on the nearby road network."

Assessment of tenders received will be carried out by a Tender Assessment Panel, chaired by an HAB official and with members from relevant government bureaux and departments. The technical and financial proposals committed by the winning tenderer in its tender will be contractually binding and form the basis of the agreement to be entered into with the Government.

After the award of the contract, the winning tenderer will have to complete the necessary technical assessments and meet all statutory requirements. One-stop consultation and facilitation services will be provided for the winning tenderer. The winning tenderer under the agreement will be held accountable for its performance during the contract period. A steering group comprising representatives of different government departments will be set up to monitor and review the operation of the water sports complex and ensure contractual compliance. The winning tenderer will be required to deposit a performance bond with Government to better guarantee the fulfilment of contractual obligations.

A tender briefing will be held in August this year. Details of the briefing will be announced later. The tender notice is available at PICO's website (www.pico.gov.hk). Interested parties and organisations can contact PICO at 3655 4274 to obtain the tender documents.