

Government will launch tender of site for multi-storey buildings for modern industries in Yuen Long under two-envelope approach

The Government forecasted today (March 8) that the open tender for disposal of a site for Multi-storey Buildings for Modern Industries (MSB) on Fuk Wang Street and Wang Lee Street, Yuen Long, New Territories (i.e. Yuen Long Town Lot No. 545) (the Yuen Long Lot) under the two-envelope approach would be launched on March 15, 2024. The tender invitation will close on June 28, 2024.

The Yuen Long Lot is located at Yuen Long INNOPARK, where three originally individual sites were merged into one with a view to enhancing the design flexibility and achieving economies of scale. The Yuen Long Lot has a site area of about 32 440 square metres and is designated for developing MSB(s) for logistics and/or vehicle servicing and maintenance purposes (excluding the portion to be handed over to the Government). The maximum gross floor area (GFA) that may be attained is 161 500 sq m, among which no less than 30 per cent GFA must be handed over to the Government for providing assistance to some brownfield operators who were affected by government development project and wished to relocate their operations.

The Yuen Long Lot is the first MSB site rolled out by the Government to achieve the dual policy objectives of promoting the development of industries, as well as consolidating brownfield operations displaced by government projects in a land-efficient manner and assisting them in upgrading their operations. The Lot, having the geographical advantage of being well connected to the airport, land boundary control points and other parts of Hong Kong, is favourable for further development of the logistics and/or vehicle servicing and maintenance industries. Moreover, certain floor space of the MSB(s) will be used for consolidating and accommodating some of the brownfield operations displaced by government projects.

A spokesperson for the Development Bureau said, "With a view to achieving the policy objective of consolidating brownfield operations in an orderly and efficient manner, we will require the developer to hand over no less than 30 per cent of the maximum GFA (i.e. no less than 48 450 sq m) to the Government. The Government or its appointed agent will manage the floor space and lease it to brownfield operators displaced by government projects. The Government will charge these brownfield operators a concessionary rental at a level comparable to the rental of brownfield sites in related industries for an initial period of five to 10 years, so as to provide a transitional period for them to adapt to the market rental level."

The spokesperson added, "To ensure that the tendering result can

effectively contribute to achieving the dual policy objectives, as compared with the arrangement of accepting 'the highest premium offered', this tender will not only focus on the land premium. Under the two-envelope approach, tenderers have to submit respective envelopes containing the non-premium proposals and premium proposals, so that the Government can consider such non-premium factors as to how the MSB(s) concerned may drive development of industries and facilitate consolidation of displaced brownfield operations, in addition to premium offers, and award the site to the most suitable bidder."

This tendering arrangements have been drawn up with due regard to the Stores and Procurement Regulations (SPR). Key features of the tender assessment criteria include:

- a weighting of 70 per cent is given to the assessment of the non-premium aspect, and 30 per cent to the premium, so the Government can consider the proposals holistically. Only submissions that comply with the requirements of both non-premium and premium aspects as specified in the tender documents may be considered for award; and
- the assessment criteria of the non-premium proposal comprise two major areas: in relation to (1) the development of industries, including how the MSB(s) could promote development of industries through pro-innovation proposals such as the application of technology, cutting-edge designs, and Modular Integrated Construction method; and (2) the GFA for accommodating displaced brownfield operations; for example, a tenderer will be awarded higher marks if more than 30 per cent GFA is offered, or a shorter timeframe is committed to completing the entire development so as to accommodate brownfield operations as early as possible, or better designs are proposed for increasing flexibility in accommodating a wider variety of brownfield operations. Meanwhile, tenderers are required to submit premium proposals with regard to the value of the lot in accordance with the requirements in the tender documents. Detailed assessment criteria and relevant considerations will be set out in the tender documents.

To allow sufficient time for bidders and their teams in formulating relevant proposals, the tender period will last for 15 weeks. The tender periods of previous land sales under the two-envelope approach were also longer than those under conventional cash tenders.

In accordance with the SPR requirements, assessment will be carried out by a Tender Assessment Panel (TAP) comprising government officials, so as to safeguard the integrity of the tender exercise. The TAP will be chaired by the Permanent Secretary for Development (Planning and Lands), with directorate officers from different professions serving as members.

Land sale documents for the Lot including the Explanatory Statement, the Information Statement, the Form of Tender, the Tender Notice, the Conditions of Sale and the sale plans will be made available for downloading from the Lands Department website (www.landso.gov.hk) from March 15 onwards. Hard

copies of the sale plan may also be purchased at the Survey and Mapping Office of the Lands Department at 6/F, North Point Government Offices, 333 Java Road, North Point, Hong Kong, from March 15 until the close of the tender. The details of the tender will be gazetted on March 15.