

AIR-CONDITIONING AND VENTILATION SYSTEMS TERM
MAINTENANCE CONTRACTS
FOR HONG KONG HOUSING AUTHORITY ESTATES,
AREAS AND BUILDINGS
(2023–2026)

NOTICE OF PRE-QUALIFICATION OF TENDERERS

It is hereby notified that the Hong Kong Housing Authority (HKHA) will shortly invite tenders from qualified contractors for two Air-Conditioning and Ventilation Systems Term Maintenance Contracts (ACVS TMCs) with contract period from 2023 to 2026 for Housing Authority Estates, Areas and Buildings.

2. The scope of works of the contracts mainly comprise routine operation, maintenance, servicing, overhaul, alteration, addition and installation of central air-conditioning plant, air-cooled packaged units, ventilation systems, gas detection systems, biotech de-odorizing systems and room air-coolers. The two contracts are expected to be tendered out with contract commencements in January 2023 and July 2023 respectively.

3. Contractors meeting the following requirements are now invited to apply for pre-qualification for tendering -

- a. Contractors must be on the Development Bureau (DEVB)'s List of Approved Suppliers of Materials and Specialist Contractors for Public Works (the Specialist List) – Air-conditioning Installation (Group II) with “Confirmed” status and are not being restricted or suspended from tendering or removed from the list(s) when being considered for admission to the pre-qualified tenderers list, tender invitation, tender assessment and tender award;
- b. Contractors must not be subject to any regulatory action by HA^{Note 1} for works of similar nature when being considered for admission to the pre-qualified tenderers list, tender invitation, tender assessment and tender award;
- c. Contractors must have direct experience, within the past one year counting from the due date of submission for pre-qualification as stipulated in the Gazette Notice, of operating and maintaining central chiller plants of a total concurrent cooling capacity not less than 2,500TR, and the unit capacity of the chillers is not less than 300TR;

Note 1 It is also applicable to contractor whose key management staff (i.e. director) that has been involved in serious incident(s).

- d. Contractors must have their own workshop with sufficient working space, stocked with spares and equipped with instruments, plant and machinery suitable and sufficient for carrying out the maintenance and general repair works of the central air-conditioning plants under the contract;
 - e. Contractors must have a 24-hour standby service team to support the emergency maintenance works;
 - f. Contractors must have a proven track record of satisfactory performance in the operation, maintenance and improvement works of central chiller plants for properties under their maintenance -
 - (I) For contractors who are currently undertaking Housing Authority (HA)'s Air-conditioning and Ventilation Systems Term Maintenance Contracts, they should not have two or more consecutive "Adverse" reports in HA or Development Bureau's Term Maintenance Contracts in the 3-year period counting from the due date of submission for pre-qualification as stipulated in the Gazette Notice.
 - (II) For other contractors, they shall not have two or more consecutive "Adverse" reports in Development Bureau's Term Maintenance Contracts in the 3-year period counting from the due date of submission for pre-qualification as stipulated in the Gazette Notice.
 - g. Contractors must possess valid ISO 9001 certificates covering the operation and maintenance of air-conditioning and ventilation systems;
 - h. Contractors must have a good site safety management system including but not limited to company safety policies and practices, safety training, provision of personal protective equipment, etc;
 - i. The contractor (or each company forming the partnership or joint venture) must possess a sound financial background and satisfy the capital requirements as below –
 - Working Capital (WC) Required:
 - (a) or (b), whichever is higher :
 - (a) \$5.5M
- OR

- (b)
 - (i) 15% of outstanding works ^{Note 2} (if contractor has either Employed Capital (EC) or WC under \$5.8M); or
 - (ii) 10% of outstanding works ^{Note 2} (if contractor has both EC and WC not less than \$5.8M respectively); or
 - (iii) 8% on first \$1,120M of outstanding works ^{Note 2} & 10% on remainder (if contractor is also a NW2 building contractor on HA List or Group C Contractor on Development Bureau List of Approved Contractors for Public Works).
- Employed Capital Required ^{Note 3}:
 - \$5.5M
 - OR
 - 10% of total assets,
 - whichever is higher.
- Profitability Trend Analysis (PTA) ^{Note 4}
 - Loss Rate shall not be greater than 30%.

Note 2 Outstanding works represent the annualized value of outstanding works (including HA, Government and private sector contracts on a worldwide basis) and any tenders under consideration.

Note 3 The issued and paid-up capital and shareholders' funds should both meet the level of minimum employed capital.

Note 4 The Profit/Loss Ratio is calculated to reflect the weighted average of the annual ratios of the operating profit/loss over the opening balance of the shareholders' funds or net worth (as per audited accounts) for each of the past three years, with weights of 3:2:1 (higher weight being given to the more recent year).

4. Contractors' application letters expressing their interest in being pre-qualified should be marked "Pre-qualification of Tenderers for Air-Conditioning and Ventilation Systems Term Maintenance Contracts (ACVS TMCs) (2023 - 2026)" and addressed to Building Services Engineer/TKO of the Hong Kong Housing Authority in writing in English and reach the following address by registered post on or before **7 June 2022**:-

Hong Kong Housing Authority
Regional Management Office/Kowloon West & Sai Kung
2/F, Yung Ming Shopping Centre, Yung Ming Court,
5 Chi Shin Street, Tseung Kwan O
(Attn: Building Services Engineer/TKO)
(Tel. No.: 3164 9646, Fax No.: 3164 9896)

Companies failing to apply for pre-qualification in the manner prescribed above will not be considered for the pre-qualification assessment, and their names will not be put on the list of tenderers.

5. Companies who have shown their interest will be required to complete and submit a questionnaire in due course. The eligibility of contractor to tender of the above ACVS TMCs shall be assessed based on the above requirements and their proven capability and performance. Selected contractors will then be separately invited to tender.

6. The contractor will be required to confirm their compliance with "related company restriction" ^{Note 5}, when accepting pre-qualification invitation. For related companies, only one of these companies is allowed to submit a tender for each contract.

7. The contractors will be required to confirm in writing their acceptance of the following "tender irregularity restriction", when accepting pre-qualification invitation, as follows –

"Without prejudice to the rights and remedies which HA may have, should a contractor fail to submit tender after it has committed to do so or withdraw its tender after submission, the contractor's participation in future pre-qualification / tendering exercise will be adversely affected, as such failure has reflected the poor attitude and sincerity of a tenderer in preparing and submitting a tender."

Note 5 Companies are deemed to be related if their relationship falls within the meaning of "related parties" as defined in the Hong Kong Institute of Certified Public Accountants – Hong Kong Accounting Standard (HKAS 24) on Related Party Disclosures.

8. The contractors will be required to confirm in writing their compliance with “probity requirement”, when accepting pre-qualification invitation, as follows –

“A contractor shall be responsible for its own good behaviour as well as that of its sub-contractors, employees and agents. The contractor shall incorporate the company probity / ethical integrity requirements (i.e. company Code of Ethics and Code of Conduct as applicable) into the contracts / agreements with its counterparties including sub-contractors, suppliers and agents to ensure that they would uphold the same standards of honesty and integrity. The contractor shall advise its sub-contractors, employees and agents that they are not allowed to offer or give any advantage or excessive entertainment to any of HA employees or members of their family, or to solicit or accept any advantage or excessive entertainment from other sub-contractors, employees and agents in relation to the services under any HA contract. The contractor may be subject to regulatory actions if the contractor, its sub-contractors, employees or agents have committed any offence under the Prevention of Bribery Ordinance in relation to any HA contract. In addition, the contractor may be subject to regulatory actions for its poor integrity such as negligence, misconduct and impropriety, or that of its sub-contractors, employees or agents unless the misconduct is not within the control of the contractor, or for bringing disrepute on HA in relation to any HA contracts.”

9. The tenders to be invited will be covered by the Agreement on Government Procurement of the World Trade Organization.

10. The Hong Kong Housing Authority reserves the right to revise the numbers of contracts and their combinations to be tendered out.

11. The Hong Kong Housing Authority reserves the right to reject any application.

13 May 2022

Agnes WONG *Director of Housing*