Invitation for Expression of Interest -

Development of a Chinese medicine hospital
at a site at Tseung Kwan O

The Government of the Hong Kong
Special Administrative Region

15 January 2016
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1. **Introduction**

1.1 The purpose of this invitation for expression of interest ("EOI") exercise is to invite market feedback, on a non-committal basis, on the development of a Chinese medicine hospital at a site at Tseung Kwan O ("Hospital").

1.2 The Government has always been committed to promoting the development of Chinese medicine in Hong Kong. A Chinese Medicine Development Committee ("CMDC"), chaired by the Secretary for Food and Health, was established in February 2013 to examine the future development needs of the Chinese medicine sector, so that Chinese medicine can play a more active role in promoting public health. The Government agrees with the CMDC that, amongst others, Hong Kong has the need and readiness to develop a Chinese medicine hospital to provide Chinese medicine in-patient services. Development of a Chinese medicine hospital should also help enhance the professional training and standards of Chinese medicine practitioners as well as the scientific research of Chinese medicine in Hong Kong. As such, the Chief Executive announced in the 2014 Policy Address that the Government has decided to reserve a site in Tseung Kwan O ("the Site"), which was originally earmarked for private hospital development, for setting up a Chinese medicine hospital.

1.3 The Hospital will be regulated under the legal and regulatory regime for the healthcare system of Hong Kong. It is considered not feasible to set up the Hospital providing purely Chinese medicine services. Moreover, the Government considers that inviting a non-profit making organisation to run the Hospital on a self-financing basis would provide the necessary flexibility and allow adequate room for future development of the Hospital. Hence, in line with the advice of the CMDC, the Government considers that the Hospital should operate on a self-financing basis and provide integrated Chinese-Western medicine services with Chinese medicine having the predominant role. Apart from providing in-patient and out-patient services to the public, the Hospital should also support the teaching, clinical training and scientific research of the higher education institutions in Hong Kong, including the Schools of Chinese Medicine under three universities in Hong Kong, and help strengthen and enhance the quality of the professional training of Chinese medicine practitioners and the scientific research of Chinese medicine in Hong Kong.

1.4 Interested parties from both in and outside Hong Kong are invited to respond to this invitation as set out under paragraphs 4.4 – 4.9 ("Submission of EOI") below.

1.5 This EOI exercise will close at 5:00 p.m. on 16 May 2016 Hong Kong Time (GMT +8 hours).

1.6 Ideas and suggestions received through the EOI exercise may be used by the Government to determine the land disposal arrangement and the development model.
for the Site. The Respondents have no claim whatsoever relating to any use of the ideas and suggestions referred to/adopted by the Government.
2. Land disposal and proposed requirements for development of the Site

Land disposal arrangement

2.1 The Government is in the process of formulating the appropriate arrangement for disposal of the Site. In line with the recommendation of the CMDC, the Hospital should be operated by a non-profit-making organisation on a self-financing basis. The Government will determine the disposal arrangement in the light of the feedback obtained from the market in the EOI exercise.

Land use

2.2 The Site should primarily be used for in-patient hospital service, out-patient service and ancillary/supporting facilities (such as staff quarters, training centres, pharmacy, canteen) only. Certain related uses for non-clinical activities, such as accommodation service for families and visitors of patients, could be allowed under certain restrictions. In the event that the Hospital ceases operation or its use has diminished to an unacceptable extent as determined by the Government, the land should be returned to the Government without any consideration or compensation.

Date of commencement of operation

2.3 The Hospital should commence operation within a specified number of years from the date of the lease to be determined after taking into account the project and service scope. The Grantee may apply to the Director of Lands for extension of the date of commencement of operation where necessary. If the delay is caused by something which is beyond the Grantee’s control, request for extension of the period at nil premium may be considered.

Bed capacity

2.4 It is estimated that 400 beds will be able to be provided in the Hospital at the Site. The Grantee should maximize the number of hospital beds in the Hospital having regard to the scale of development permissible.

Service scope and facilities

2.5 The Hospital should adopt an operating mode whereby integrated Chinese-Western medicine services with Chinese medicine having the predominant role would be provided. It is envisaged that the Hospital may be equipped with, including but not limited to, the following facilities:

(a) in-patient beds, providing Chinese medicine services and integrated
Chinese-Western medicine services with Chinese medicine having the predominant role;

(b) Chinese medicine out-patient services;

(c) care, consultation/diagnostic, treatment and resuscitation facilities for in-patients to support in-patient and out-patient services;

(d) support services and facilities including patient and non-patient food services, pharmacy and Chinese medicine pharmacy, laboratory service, mortuary, procurement and supplies, transportation and portering, and engineering plants;

(e) administrative services including hospital administration (including finance and human resources), medical staff and nursing administration, admissions, staff accommodation and medical records;

(f) clinical practicum base for students from higher education institutions in Hong Kong, including the Schools of Chinese Medicine under three universities in Hong Kong, and facilities to provide clinical training for Chinese medicine practitioners and other related professionals; and

(g) facilities for scientific research on Chinese medicine.

Price transparency

2.6 The Hospital should comply with the prevailing requirements as stipulated in the regulatory regime for private healthcare facilities e.g. provision of a fee schedule setting out all charges that may be levied, provision of packaged pricing, establishing a quotation system and disclosure of historical statistics on charges.

Service standards

2.7 The Hospital should meet the requirement in relation to Chinese medicine practice under the Chinese Medicine Ordinance (Cap.549) and guidelines promulgated by the Chinese Medicine Council of Hong Kong from time to time. The Hospital should also meet the requirement in relation to registration with the Director of Health under the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap.165) or such legislation on the registration and regulation of private hospitals as may then be in force, and the prevailing standards of practices set out in the “Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes” issued by the Department of Health as from the date of commencement of operation of the Hospital and thereafter to be maintained on a continuing basis. It should also meet the needs of the services to be provided.

Non-compliance

2.8 For the purpose of ensuring full compliance with the conditions for disposal of the Site, the Government will be entitled to and may re-enter and take possession of the Site under the land lease in case of failure of the Grantee to comply with the relevant conditions. The Government will be entitled also to apply to the Court for
such other reliefs including but not limited to an order of specific performance or injunction so as to ensure that the Grantee will take the necessary remedial actions to comply with the direction of the Government and/or to rectify any non-compliance with certain special requirements.

Implementation

2.9 The above proposed requirements mentioned in paragraphs 2.2 to 2.8 will be set out in terms and conditions in an appropriate instrument or instruments to be entered into between the Government and the Grantee.
3. Details of the Site

3.1 The Site is located in Tseung Kwan O Area 78 at the western part of the lower platform of Pak Shing Kok. It faces Wan Po Road to its west and abuts Pak Shing Kok Road at its south. To the north there is the Fire Services Training School cum Driving Training School of the Fire Services Department currently under construction. The location of the Site is shown on the map at Annex C of this invitation document.

3.2 Major features of the Site are summarized in the table below:

<table>
<thead>
<tr>
<th>Location</th>
<th>Area 78 in Pak Shing Kok, Tseung Kwan O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross site area</td>
<td>About 3.5 hectares [subject to survey]</td>
</tr>
<tr>
<td>Net site area</td>
<td>About 2.2 hectares [subject to survey]</td>
</tr>
<tr>
<td>Land use zoning</td>
<td>“Government, Institution or Community (8)” (“G/IC(8)”) (Please refer to paragraph 3.3)</td>
</tr>
<tr>
<td>Site level</td>
<td>About 67 mPD</td>
</tr>
<tr>
<td>Height restriction</td>
<td>Maximum building height 106 mPD (Please refer to paragraph 3.3)</td>
</tr>
</tbody>
</table>

3.3 The Site falls within an area zoned “Government, Institution or Community (8)” (“G/IC(8)”) in the draft Tseung Kwan O Outline Zoning Plan (“OZP”) No. S/TKO/21. Hospital use is permitted within this zone. According to the Notes of the OZP, the maximum height for development within the “G/IC(8)” zone is 106 mPD.

3.4 The Site is formed, vacant and accessible off Pak Shing Kok Road through Government land (see paragraph 3.7 below).

3.5 The western part of the Site encroaches onto the tunnel protection zone of a sewage tunnel maintained by Drainage Services Department (“DSD”). The Grantee would need to consult the DSD in formulating the development scheme and design of the Hospital at the Site. The Grantee shall ensure that a free and unrestricted access shall be provided and maintained at all times for carrying out the operation and maintenance of the concerned tunnel by DSD. No building or structure shall be erected within the tunnel protection zone unless and until the Grantee has demonstrated at its own expense that the proposed building or structure to be erected within the protection zone will not induce any undue stress or impact on the sewage tunnel to the satisfaction of DSD. The decision of DSD as to the meaning of undue stress or impact shall be final and binding. No erection of the proposed building or structure shall commence until written approval has been obtained from DSD.
3.6 A Preliminary Environmental Review should be conducted to identify the environmental impact associated with the development of the Hospital and to adopt the necessary mitigation measures required. In particular, the Site falls within the Consultation Zone of the Tseung Kwan O Stage 1 Landfill and the Grantee is required to carry out a landfill gas hazard assessment on the Hospital project and implement necessary landfill gas precautionary/protection measures at its own expenses. The Preliminary Environmental Review (including landfill gas hazard assessment and recommendations on suitable precautionary/protection measures) shall be submitted to the Environmental Protection Department for vetting and agreement.

3.7 As the level difference between Pak Shing Kok Road and the southern boundary of the Site is significant, the vehicular access for the Site will need to be constructed near the end of Pak Shing Kok Road. The Grantee shall be responsible for the funding, design, construction, management and maintenance of the subject access road. Further, the Grantee shall at all times provide the users of the adjacent sites with a right-of-way for access to their sites. The Transport Department and the Highways Department should be consulted on the design and construction of the vehicular access and the access road.

3.8 The Grantee is required to undertake the utility works as necessary within the Site. In developing the Site, the Grantee should ensure compliance with all applicable statutory requirements and relevant procedures as required by Government departments.

3.9 The Grantee is required to conduct a traffic review, including but not limited to review of the access arrangement, parking and loading/unloading provisions, impact on existing roads/junctions, impact on existing public transport services/facilities, pedestrian connectivity together with any improvement works on roads/junctions and public transport services/facilities, for the Site.
4. Instructions to the Respondents

4.1 This EOI exercise is not a prequalification exercise to shortlist or pre-qualify the Respondents for any future exercise(s) to dispose of the Site. It is not binding in nature for the Respondent. Parties who do not submit an EOI in response to this EOI exercise will not be barred from taking part, or prejudiced against, in any subsequent exercise(s) to dispose of the Site for the development of a Chinese medicine hospital at the Site.

4.2 This EOI document and any related representations, clarifications and briefings do not create any legal obligation on the Government, and the Government is not obliged to proceed with the development of a Chinese medicine hospital at the Site. Nothing in this invitation constitutes any commitment by the Government to the Respondent in respect of any EOIs which may be submitted, nor does it guarantee that private sector participation will be sought in any manner or form.

4.3 Save that the Respondent shall allow the unfettered disclosure and use of the ideas and suggestions of the Respondent by the Government, the Government will take all reasonable steps to avoid disclosing confidential information provided to it by a Respondent in its submission. All non-public financial and corporate information received and expressly marked and specifically identified as confidential will be treated in this way. This provision shall not apply:

(a) to the disclosure of information to any person for the purpose of considering or exploring the feasibility of or developing the Respondent’s EOI;

(b) to the disclosure of information to any person in the Government’s exercise of any Intellectual Property Rights granted by the Respondent to the Government;

(c) to the disclosure of information already known to the Government other than as a result of disclosure by the Government;

(d) to the disclosure of information that is or becomes public knowledge;

(e) to the disclosure of information that is rightfully in the Government’s possession prior to the date of the Respondent’s submission of the EOI;

(f) to the disclosure of any information in circumstances where such disclosure is required pursuant to any law or order of a Court of competent jurisdiction; and
Submission of EOI

4.4 The Respondent is required to submit its EOI in Chinese and/or English which shall include:

(a) the reply form at Annex A of this invitation document completed and signed by the Respondent;

(b) information required in Annex B of this invitation document; and

(c) the licence at Annex D ("Licence") of this invitation document duly signed by the Respondent.

4.5 This EOI invitation will close at 5:00p.m., 16 May 2016 Hong Kong Time (the "Closing Date") or such later date as the Government may decide. The Respondent may choose to submit its EOI in either paper format by post, by hand, or in electronic format through e-mail. All EOIs should be submitted before 5:00p.m., 16 May 2016 Hong Kong Time (GMT +8 hours).

4.6 EOI delivered by post or by hand should include one original marked as "ORIGINAL" on the front cover and 10 copies of each EOI together with an electronic copy on a CD in Microsoft Office formats. These should be contained in one single package marked "Expression of Interest for development of a Chinese medicine hospital at a site at Tseung Kwan O" and addressed to:

Attn: Miss Fiona CHAU
Principal Assistant Secretary (Health)
Food and Health Bureau
19/F, East Wing
Central Government Offices,
2 Tim Mei Avenue
Tamar, Hong Kong

4.7 EOI in electronic format should be e-mailed to EOIsubmission@fhb.gov.hk with the subject marked as "Expression of Interest for development of a Chinese medicine hospital at a site at Tseung Kwan O" and with all attachments in Microsoft Office formats.

4.8 In case a black rainstorm warning signal or a typhoon signal No.8 or above is hoisted between 9:00 a.m. and 12:00 noon on the Closing Date or an announcement is made by the Hong Kong Observatory that such signal will be hoisted between the above hours and such announcement remains in force up to 9:00 a.m. on the
Closing Date, the Closing Date shall be extended to 12:00 noon on the immediately following working day (Saturday excluded) on which no rainstorm warning signal or typhoon signal No. 8 or above is hoisted between 9:00 a.m. and 12:00 noon. This applies to submission via all channels. All times given in this invitation document refer to Hong Kong time (GMT+8 hours). The Government also reserves the right to postpone the Closing Date of or cancel the EOI exercise.

4.9 There are no restrictions for the Respondent to submit EOI either as an individual party or as a consortium.

Supplementary Information

4.10 Briefing sessions will be organised to provide prospective Respondents with more information on the EOI exercise. Details of the briefing sessions will be announced in due course.

4.11 Some aspects of this invitation may require clarification, amplification or correction after issue. The Government reserves the right, without prior consultation or notice, to modify, amend or revise any provision of this invitation and to issue amendments to such effect at any time. Any addenda, amendments, written communications, “FAQs”, additional information or changes to the invitation will be notified and posted to the http://www.fhb.gov.hk/en/eoi (the “Website”). The Respondent is advised to check the Website regularly. The Website is not a guaranteed secure site and no representation, warranty or undertaking is given by the Government as to the accuracy and completeness of the information so posted.

4.12 Enquiries and requests for clarification or additional information should be e-mailed to EOInquiry@fhb.gov.hk before 12 May 2016. While the Government will make all attempts to share relevant information and data, it will not be under any obligation to respond to any request for clarifications or additional information. The enquiries and requests, together with the Government’s response or clarification, will be posted on the Website, without disclosing the identity of the sender of the enquiries and requests.
5. **Disclaimer**

5.1 Whilst the information in this invitation document has been prepared in good faith, the Government does not claim that such information is comprehensive or has been independently verified. Neither the Government, nor any of its officers, agents, or advisors, accepts any liability or responsibility, as to, or in relation to the adequacy, accuracy or completeness of the information contained in this invitation document or any other written or oral information, which is, has been or will be provided or made available to the Respondent; nor do they make any representation, statement or warranty, express or implied, with respect to such information or to the information on which this invitation document is based. Any liability in respect of any such information or inaccuracy in or omission from the invitation document is expressly disclaimed. In particular, no representation or warranty is given as to the level of utilization of the proposed Hospital, and as to whether any development, facilities, amenities or services will be constructed or provided, or whether any surveys, projections, estimates, prospects or returns contained or referred to in this invitation document are reasonable, accurate, correct, complete, valid or can be relied on. Nothing in this invitation document nor in any other written or oral information which is, has been or will be provided or made available to the Respondent should be relied on as a representation, statement or warranty as to the intentions, policy or action in future Government, its officers or agents. The Respondent is required to independently ascertain and certify the accuracy, correctness, completeness or validity of all information in this invitation document. The Government is not obliged to inform the Respondent of any update or change of any information in this invitation document made or that comes to its knowledge after the issue of this invitation document.

5.2 The submission of EOI by the Respondent shall be taken to be an acceptance of the terms of this invitation document.

5.3 Neither this invitation document nor the EOI exercise constitutes an offer nor does it constitute the basis of any contract which may be concluded in relation to the development of a Chinese medicine hospital at the Site.

5.4 This invitation is not intended to provide the basis of any investment decision and should not be considered as a recommendation by the Government or any of its officers, agents or advisors to the Respondent to submit an EOI or other suggestions.

5.5 The Respondent should not construe the contents of this invitation document, or any other communication by or on behalf of the Government or any of its officers, agents or advisors, as financial, legal, tax or other advice. The Respondent should consult its own professional advisors as to financial, legal, tax or other matters concerning any proposed participation in the development of a Chinese medicine hospital at the Site.
5.6 The Respondent shall be solely responsible for the fees, costs and expenses incurred in preparing and submitting the EOI, or subsequent responses or initiatives on the part of the Respondent. The Government will under no circumstances be liable to the Respondent for any such fees, costs, expenses, loss or damage whatsoever arising out of or in connection with the EOI process.
6. **Intellectual property rights**

6.1 All EOIs and other responses submitted shall not contain any materials infringing any Intellectual Property Rights of any person. The Respondent shall indemnify and keep the Government, its authorized users, assigns and successors-in-title fully and effectively indemnified against all costs, claims, demands, expenses and liabilities of whatsoever nature arising from or incurred by reason of any such infringement or alleged infringement.

6.2 The Respondent shall grant and undertake to procure the owners of the relevant Intellectual Property Rights to grant to the Government, its authorized users, assigns and successors-in-title a freely transferable, exclusive, royalty-free, irrevocable, worldwide, perpetual and sub-licensable licence to use and exercise, adapt (including making any adaptations within the meaning of the Copyright Ordinance (Cap. 528) (the “CO”)) and modify any and all Intellectual Property Rights subsisting in all the works. **The Respondent shall sign the Licence at Annex D and return to the Government together with the EOI submission.** For the purpose of the Licence at Annex D, the Government agrees that it will upon demand made by a Respondent pay HK$1 (as referred to in Clause 3 of the Licence) to the Respondent (for itself and other signatories of the Licence). **Failure to return the signed Licence will render the EOI not being considered at all by the Government.**

6.3 All Intellectual Property Rights which may subsist in the alterations or modifications developed by the Government in respect of the Respondents’ submissions in the EOI, which includes its accompanying documents shall be the sole and exclusive property of the Government and shall be and remain vested in the Government immediately upon creation.

6.4 The Respondent shall irrevocably waive and shall undertake to procure all authors of the EOI, which include its accompanying documents, or any part thereof concerned to irrevocably waive all moral rights (whether past, present or future) in the respective items. Such waiver shall operate in favour of the Government, its authorized users, assigns and successors-in-title and shall take effect upon the creation or delivery of the items to the Government or upon the grant of the Licence to the Government, its authorized users, assigns and successors-in-title (as the case may be).

6.5 The Government shall have the right to disclose and do any of the acts restricted by copyright under sections 22 to 29 of the CO in respect of any or all of the EOIs, which include its accompanying documents, for purposes including but not limited to considering or exploring the feasibility of the development of a Chinese medicine hospital at the Site, and to keep such copies for record purposes and all other purposes incidental thereto.
Glossary of Terms

Terms and expressions used in this EOI document shall, unless the context requires otherwise, have the meanings ascribed to them in this Glossary of Terms.

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
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<tbody>
<tr>
<td>“Closing Date”</td>
<td>has the meaning attributed to such term in paragraph 4.5</td>
</tr>
<tr>
<td>“CMDC”</td>
<td>has the meaning attributed to such term in paragraph 1.2.</td>
</tr>
<tr>
<td>“EOI”</td>
<td>has the meaning attributed to such term in paragraph 1.1.</td>
</tr>
<tr>
<td>“EOI invitation” or “invitation document”</td>
<td>means this document inviting the Respondents to express their ideas and interests towards development of a Chinese medicine hospital at a site at Tseung Kwan O.</td>
</tr>
<tr>
<td>“Government”</td>
<td>means the Government of the Hong Kong Special Administrative Region.</td>
</tr>
<tr>
<td>“Grantee”</td>
<td>means the selected grantee of the Site.</td>
</tr>
<tr>
<td>“Hong Kong”</td>
<td>means the Hong Kong Special Administrative Region.</td>
</tr>
<tr>
<td>“Hospital”</td>
<td>has the meaning attributed to such term in paragraph 1.1.</td>
</tr>
<tr>
<td>“Licence”</td>
<td>means the licence at Annex D.</td>
</tr>
<tr>
<td>“Respondent”</td>
<td>means any individual party or multiple parties submitting an EOI or a response to this EOI invitation.</td>
</tr>
<tr>
<td>“Site”</td>
<td>means the area of land identified for the development of a Chinese medicine hospital at Tseung Kwan O.</td>
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