

QUOTATION FORM

**THE GOVERNMENT OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION
LEISURE AND CULTURAL SERVICES DEPARTMENT**

**QUOTATION FOR
THE GRANT OF LICENCE TO OPERATE THE BUSINESS
AT THE GIFT SHOP OF THE KO SHAN THEATRE NEW WING**

(Quotation Ref.: LC/CS/Q/SH/00/KST/2020/01)

LODGING OF QUOTATION

To be acceptable as a quotation, this form, properly completed in triplicate and enclosed together with other documents of this quotation as shown in Part I below, which must also be properly completed as required in triplicate, in a sealed plain envelope marked **“Quotation for the Grant of Licence to Operate the Business at the Gift Shop of the Ko Shan Theatre New Wing”** and addressed to the **Chairman, Leisure and Cultural Services Department Quotation Opening Committee**, must be deposited in or mailed to the **Leisure and Cultural Services Department Quotation Box** situated at **Theatre Office, 4/F, Ko Shan Theatre New Wing, 77 Ko Shan Road, Hung Hom, Kowloon** before **12:00 noon** on **16 July 2020**. Late quotations will not be accepted.

Dated this 23 June 2020 **Ms. Marianna HO**
Senior Manager (Kowloon West)
Government Representative

Part I – Quotation Documents

These documents under the quotation reference LC/CS/Q/SH/00/KST/2020/01 consist of three (3) complete sets of:

- (a) Quotation Form (Parts I to II);
- (b) Quotation Label 1 (Price Submission), Quotation Label 2 (Technical Submission) and Quotation Label 3 (Complete Quotation Submission);
- (c) Interpretation (Sheets 1 to 6);

- (d) Terms of Quotation (Sheets 7 to 30);
- (e) Conditions of Contract (Sheets 31 to 73);
- (f) Contract Schedules 1 to 5 (Sheets 74 to 96);
- (g) Form of Security Deposit Election (Sheet 97);
- (h) Checklist before Submitting Quotation (Sheets 98 to 99);
- (i) Draft Articles of Agreement (Sheets 100 to 102); and
- (j) Annexes A to I (Sheets 103 to 121).

Part II – Offer to be Bound

1. Having read the Quotation Documents, I/we agree to be bound by all of the terms and conditions as stipulated therein.

2. I/We do hereby agree to carry out the Business and pay the Monthly Licence Fee as quoted by me/us in Contract Schedule 1, subject to and in accordance with the terms and conditions stipulated in the Contract.

Signed by the Bidder / Signed by an authorised signatory for and on behalf of the Bidder:

_____ (with firm/company chop, if applicable)

Name of the Bidder:

_____ (Name in block letters)

Name and title of the authorised signatory (where applicable):

Address(es) of person(s) signing:

Date:

Note: All the particulars required above must be provided.

<p style="text-align: center;">QUOTATION LABEL (1) Price Submission</p>

**CHAIRMAN,
LEISURE AND CULTURAL SERVICES DEPARTMENT
QUOTATION OPENING COMMITTEE**

**Leisure and Cultural Services Department Quotation Box
Theatre Office, 4/F, Ko Shan Theatre New Wing,
77 Ko Shan Road, Hung Hom, Kowloon**

**Quotation for the Grant of Licence to Operate the Business
at the Gift Shop of the Ko Shan Theatre New Wing**

Quotation Ref.: LC/CS/Q/SH/00/KST/2020/01

Quotation Closing Date: 16 July 2020 12:00 noon (Hong Kong Time)

Please remember to complete and submit the following document in **triplicate for price submission**:-

- Contract Schedule 1 **ONLY**

QUOTATION LABEL (2)
Technical Submission
(without any indication on the Monthly Licence Fee)

CHAIRMAN,
LEISURE AND CULTURAL SERVICES DEPARTMENT
QUOTATION OPENING COMMITTEE

Leisure and Cultural Services Department Quotation Box
Theatre Office, 4/F, Ko Shan Theatre New Wing,
77 Ko Shan Road, Hung Hom, Kowloon

Quotation for the Grant of Licence to Operate the Business
at the Gift Shop of the Ko Shan Theatre New Wing

Quotation Ref.: LC/CS/Q/SH/00/KST/2020/01

Quotation Closing Date: 16 July 2020 12:00 noon (Hong Kong Time)

Please remember to complete and submit the following documents in triplicate for technical submission:–

- Quotation Form (Part II – Offer to be Bound)
- Contract Schedule 2
- Contract Schedule 3
- Contract Schedule 4
- Form of Security Deposit Election
- Annex I – Non-collusive Quotation Certificate
- All remaining information and documents required in the Invitation to Quotation

<p style="text-align: center;">QUOTATION LABEL (3) Complete Quotation Submission</p>
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**CHAIRMAN,
LEISURE AND CULTURAL SERVICES DEPARTMENT
QUOTATION OPENING COMMITTEE**

**Leisure and Cultural Services Department Quotation Box
Theatre Office, 4/F, Ko Shan Theatre New Wing,
77 Ko Shan Road, Hung Hom, Kowloon**

**Quotation for the Grant of Licence to Operate the Business
at the Gift Shop of the Ko Shan Theatre New Wing**

Quotation Ref.: LC/CS/Q/SH/00/KST/2020/01

Quotation Closing Date: 16 July 2020 12:00 noon (Hong Kong Time)

Note: “The Price Submission” and “The Technical Submission” of the quotation must be enclosed in sealed and separate envelopes with labels provided (Labels 1 and 2) affixed outside the relevant envelope and inserted into one big envelope with this label affixed outside. Please remember to complete and submit the following documents in triplicate:

- Documents for Price Submission in sealed envelope
- Documents for Technical Submission in sealed envelope

INTERPRETATION

1. In the Quotation Documents and the Contract (as defined below), unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Authorised Merchandise” has the meaning given to the term in **Clause 24.2** of the **Conditions of Contract** and includes Theatre Licensed Items but excluding Consignment Items.

“Bidder” means the person (other than any form of joint venture) referred to in **Part II – Offer to be Bound** of the Quotation Form submitting this quotation.

“Business” has the meaning given to the term in **Clause 3** of the **Conditions of Contract**.

“Conditional Acceptance of Quotation” has the meaning given to the term in **Clause 14.2** of the **Terms of Quotation**.

“Consignment Items” has the meaning given to the term in **Clause 45.1** of the **Conditions of Contract**.

“Contract” means the contract entered into between the Government and the Contractor comprising the following parts of the Quotation Documents and other items as specified below:

- (a) the “Articles of Agreement”;
- (b) the “Terms of Quotation”;
- (c) the “Conditions of Contract”;
- (d) the “Contract Schedules” (or “Schedules”) in the form as appearing in the Quotation Documents and those which were submitted by the Contractor as part of its Quotation, and accepted by the Government Representative;
- (e) the “Annexes” A to I; and

- (f) all other schedules, plans, drawings and other documents which form part of the Contractor's Quotation or are incorporated by reference herein or in any of the above documents, in each case subject to such further changes as the Government Representative may stipulate in exercise of its powers under the Terms of Quotation, and/or otherwise subject to such further changes as the Government Representative and the Contractor may agree.

Each of the above documents shall be referred to throughout the Quotation Documents and the Contract by their respective titles as appearing in quotation marks above.

“Contract Period”	means the period specified in Clause 2.1 of the Conditions of Contract as the same may be earlier terminated or extended in accordance with the applicable provision of the Contract.
“Contractor”	means the Bidder whose quotation is accepted by the Government.
“Contractor Electricity Consumption”	means the amount of electricity consumed by the Contractor's electricity equipment as measured by all Government meters over the same period to which the monthly electricity bill relates.
“Contractor Electricity Share”	means the amount of electricity consumed by the Contractor within the Licence Area payable by the Contractor to the Government in a particular month calculated in accordance with the formula specified in Clause 15.2 of the Conditions of Contract .
“Electricity Deposit”	means the electricity deposit which the successful Bidder is required to deposit with the Government in accordance with Clause 14.2(b) of the Terms of Quotation as security to pay Contractor Electricity Share under Clause 15.2 of the Conditions of Contract shall the successful Bidder become the Contractor.
“Free Decoration Period”	means a period of up to one (1) month commencing from the commencement of the Contract Period for the Contractor to perform fitting out work.
“Gift Shop”	means the shop to be operated at the Licence Area.

“Government”	means the Government of Hong Kong.
“Government Provisions”	means all items belonging to the Government specified in Annex F and such other property (movable or immovable) which are from time to time made available to the Contractor for use in operating the Business under and in accordance with the Contract.
“Government Representative”	means the Director of Leisure and Cultural Services or any other officer of the Government authorised to act for and on its behalf for the purpose of the Contract.
“Gross Electricity Charge”	means the total cost of electricity consumed within the Theatre as shown and billed in the monthly bill issued by the power company.
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China.
“Inspection Officer”	means the officer appointed by the Government for the purpose of inspecting the Business carried out by the Contractor under the Contract.
“Intellectual Property Rights” or “IPR”	means patents, trade marks, service marks, trade names, design rights, copyright, domain names, database rights, rights in know-how, new inventions, designs, processes and other intellectual property rights whether now known or created in future (of whatever nature and wherever arising), and in each case whether registered or unregistered and including applications for the grant of any such rights.
“Invitation to Quotation”	means the invitation issued by the Government Representative to invite quotation for the Contract on the terms set out in the Quotation Documents.
“Ko Shan Theatre”	means Ko Shan Theatre and Ko Shan Theatre New Wing located at 77 Ko Shan Road, Hung Hom, Kowloon, Hong Kong as indicated in Annex B .
“LCSD”	means the Leisure and Cultural Services Department.
“Licence Area”	means the area within the Theatre as delineated in Annex C and Annex D .

“Monthly Licence Fee”	means the amount payable by the Contractor to the Government at the monthly rate specified in Contract Schedule 1 subject to any adjustment in accordance with the applicable provisions of the Contract.
“Non-collusive Quotation Certificate”	means a document known as such and in the form attached to the Quotation Form for completion and submission by the Bidder as part of its Quotation under Clause 41.2 of the Terms of Quotation ;
“Original Quotation Closing Date”	means the latest date and time specified in the Quotation Form as the latest date and time before which Quotations must be deposited with the Government, regardless of whether the date and time has been extended subsequently.
“Quotation” (upper or lower case)	means a quotation submitted in response to this Invitation to Quotation.
“Quotation Closing Date”	means the latest date and time specified in the Quotation Form as the latest date and time before which Quotations must be deposited with the Government, as the same may be extended by the Government pursuant to any applicable provision in the Quotation Documents.
“Quotation Documents”	means the documents as specified in Clause 1 of the Terms of Quotation .
“Quotation Validity Period”	means the period of time as described in Clause 8 of the Terms of Quotation during which the quotation is to remain open.
“Security Deposit”	means the sum of money deposited by the Contractor by cash or in the form of bank guarantee referred to in Clause 27 of the Terms of Quotation .
“Theatre”	means the Ko Shan Theatre New Wing located at 77 Ko Shan Road, Hung Hom, Kowloon, Hong Kong as indicated in Annex B .
“Theatre Licensed Items”	has the meaning given to the term in Clause 47.1 of the Conditions of Contract .
“Unit Rate”	means the Gross Electricity Charge divided by the total amount of electricity consumed within the Theatre as shown in the monthly bill issued by the power company.

“working day” means Monday to Friday, other than a public holiday, or a day on which Tropical Cyclone Warning Signal No. 8 or above is hoisted, or Black Rainstorm Warning Signal or “extreme conditions after super typhoons” announced by the Government is/are in force, for any time during the normal business hours.

2. In the Quotation Documents or the Contract, unless the content otherwise requires, the following rules of interpretation shall apply –
 - 2.1 References to statutes or statutory provisions shall be construed as references to those statutes or statutory provisions as replaced, amended, modified or re-enacted from time to time; and shall include all subordinate legislation made under those statutes.
 - 2.2 Words importing the singular shall include the plural and vice versa; words importing a gender shall include all other genders; references to any person shall include any individual, firm, body corporate or unincorporated (wherever established or incorporated); references to company include corporation.
 - 2.3 Headings are inserted for ease of reference only and shall not affect the construction of the Quotation Documents or the Contract.
 - 2.4 References to a document shall:
 - (i) include all schedules, appendices, annexures and other materials attached to such document; and
 - (ii) mean the same as from time to time amended or supplemented in accordance with the terms of the Quotation Documents or the Contract.
 - 2.5 References to “Bidder” or “Contractor” shall include its permitted assigns, successors-in-title, or any persons deriving title under them.
 - 2.6 Where a general obligation in the Quotation Documents or the Contract is followed by more specific obligations, the general obligation shall not be construed restrictively by reference to the specific obligations or deemed to be fully performed by reason only that the specific obligations have been performed.
 - 2.7 The expressions “public body” and “public officer” have the meanings given to them in the Interpretation and General Clauses Ordinance (Cap. 1). The expression “officer” has the meaning given to it in the Companies Ordinance (Cap. 622). A reference to a public officer shall include a reference of any person for the time being lawfully discharging the functions of that office, or any part of such functions, and any person appointed to act in or perform the duties of such office, or any part of such duties, for the time being.

- 2.8 Nothing in the Contract shall be taken to restrict, derogate from or otherwise interfere with any power or duty, or the exercise or performance of any power or duty conferred or imposed by or under any law upon the Government or the Government Representative or any public officer.
- 2.9 All rights and powers of the Government under the Contract may be exercised by the Government Representative.
- 2.10 Unless otherwise provided for in the Quotation Documents, all quotations and payments shall be made in Hong Kong dollars.
- 2.11 References to **Contract Schedule 2** or **3** or any plan or proposal contained therein shall mean such Contract Schedule or such plan or proposal in the final form as approved by the Government before or after the award of the Contract.

PART 1
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PART 1
TERMS OF QUOTATION

ALL BIDDERS ARE ADVISED TO READ THE QUOTATION DOCUMENTS CAREFULLY PRIOR TO PREPARING THEIR SUBMISSION. ANY SUBMISSION WHICH DOES NOT FOLLOW THE INSTRUCTIONS CONTAINED WITHIN THE DOCUMENTS WILL BE CONSIDERED INCOMPLETE AND MAY BE DISQUALIFIED.

ALL RIGHTS AND POWERS OF THE GOVERNMENT UNDER THE QUOTATION DOCUMENTS ARE EXERCISABLE BY THE GOVERNMENT REPRESENTATIVE.

1. Quotation Documents

The Quotation Documents consist of a complete set of:

- (a) Quotation Form (Parts I to II);
- (b) Quotation Label 1 (Price Submission), Quotation Label 2 (Technical Submission) and Quotation Label 3 (Complete Quotation Submission);
- (c) Interpretation (Sheets 1 to 6);
- (d) Terms of Quotation (Sheets 7 to 30);
- (e) Conditions of Contract (Sheets 31 to 73);
- (f) Contract Schedules 1 to 5 (Sheets 74 to 96)
 - Contract Schedule 1 – Monthly Licence Fee;
 - Contract Schedule 2 – List of Proposed Merchandise for Sale at the Licence Area;
 - Contract Schedule 3 – Business Plans and Experience;
 - Contract Schedule 4 – Information of the Bidder; and
 - Contract Schedule 5 – Marking Scheme for Quotation Evaluation;
- (g) Form of Security Deposit Election (Sheet 97);
- (h) Checklist before Submitting Quotation (Sheets 98 to 99);
- (i) Draft Articles of Agreement (Sheets 100 to 102); and

- (j) Annexes A to I (Sheets 103 to 121)
 Annex A – General Information of Ko Shan Theatre and Ko Shan Theatre New Wing;
 Annex B – Location Map of Ko Shan Theatre and Ko Shan Theatre New Wing;
 Annex C – Operation Area of the Gift Shop;
 Annex D – Dimensions of the Gift Shop;
 Annex E – Technical Schedule;
 Annex F – Government Provisions Made Available to the Contractor at the Gift Shop;
 Annex G – Enrolment Form for the Quotation Briefing Session;
 Annex H – Form of Bank Guarantee; and
 Annex I – Non-collusive Quotation Certificate.

2. Invitation to Quotation

Quotations are invited for the grant of licence to operate the Business at the Gift Shop at the Licence Area within the Theatre for a Contract Period of thirty-six (36) months on such terms and conditions as set out in the Quotation Documents. General information of Ko Shan Theatre and the Licence Area is at **Annexes A to D**.

3. Quotation Preparation

- 3.1 Bidders must complete (if applicable) and submit the following documents together with all necessary information including documentary evidence in **triplicate**:-
- (a) **Quotation Form** (Cover Page) – Part II – “Offer to be Bound”;
 - (b) **Contract Schedule 1** (Sheets 75 to 76) – Monthly Licence Fee;
 - (c) **Contract Schedule 2** (Sheet 77) – List of Proposed Merchandise for Sale at the Licence Area;
 - (d) **Contract Schedule 3** (Sheets 78 to 84) – Business Plans and Experience;
 - (e) **Contract Schedule 4** (Sheets 85 to 87) – Information of the Bidder;
 - (f) **Form of Security Deposit Election** (Sheet 97);
 - (g) **Annex I – Non-collusive Quotation Certificate** (Sheets 119 to 121);
 - (h) Documentary proof to demonstrate the Bidder possesses the experience.
- 3.2 Any failure to complete or submit the documents and/or information required under **Clause 3.1** may, at the absolute discretion of the Government, render a Quotation non-conforming and not to be further considered. However, a Bidder should note that its Quotation will **not be considered further** if, by the Quotation Closing Date, the Bidder fails to submit:

- (a) a duly signed “**Offer to be Bound**”;
- (b) **Contract Schedule 1** with the quotation of the Monthly Licence Fee duly completed; and
- (c) **Contract Schedule 3** with the Facilities and Decoration Plan, the Merchandise Plan, the Marketing Plan for Promoting the Image and Functions of the Theatre, the Operation, Staff and the Customer Services Plan, the Innovative Suggestions and the Years of Relevant Trade/Retail Experience provided.

4. **Quotation Submission**

- 4.1 All Quotation Documents shall be completed and submitted in **TRIPLICATE (i.e. one (1) original and two (2) copies)** and put in two (2) envelopes (as more particularly described in **Clause 5**) in the manner stipulated under “Lodging of Quotation” of the **Quotation Form**. Bidders must ensure that there is no discrepancy between the original and the copies of the documents submitted to the Government. Should any discrepancies be found, the quotation may be rejected.
- 4.2 Quotations shall be written in English or Chinese and in ink or typescript with the necessary information provided including documentary evidence, which are necessary for quotation evaluation.
- 4.3 Bidders shall sign (where appropriate), complete and submit the following parts of the Quotation Documents and provide all information/documents requested therein and in the remainder of the Quotation Documents.
- (a) **Quotation Form**
(Cover Page)
 - Part II – “Offer to be Bound”
(in Technical Submission envelope)
 - Bidders shall print a softcopy of the Quotation Form obtained from the Government or photocopy the Quotation Form, and not reproduce by other means (e.g. by retyping).
 - (b) **Contract Schedule 1**
(Sheets 75 to 76)
 - Monthly Licence Fee
(in Price Submission envelop)
 - (c) **Contract Schedule 2**
(Sheet 77)
 - List of Proposed Merchandise for Sale at the Licence Area
(in Technical Submission envelope)
 - (d) **Contract Schedule 3**
(Sheets 78 to 84)
 - Business Plans and Experience
(in Technical Submission envelope)

- (e) **Contract Schedule 4** – Information of the Bidder
(Sheets 85 to 87) (in Technical Submission envelope)
- (f) **Form of Security Deposit Election** – (in Technical Submission envelope)
(Sheet 97)
- (g) **Annex I – Non-collusive Quotation Certificate** – (in Technical Submission envelope)
(Sheets 119 to 121)

4.4 When completing the Quotation Documents, any alteration in figures or words shall be effected by striking through the incorrect figures or words and inserting the corrected ones above the original ones. All such amendments shall be initialed by the Bidder in ink. Any unauthorised alteration or erasure to the text of the Quotation Documents may cause the quotation to be disqualified.

4.5 “Offer to be Bound” of the Quotation Form shall be duly signed by:

- (a) if the Bidder is a sole proprietorship, the Bidder;
- (b) if the Bidder is a partnership, a partner of the Bidder; or
- (c) if the Bidder is a body corporate, one or more persons who are duly authorised by the Bidder to sign and submit the Quotation for and on behalf of the Bidder.

4.6 A Bidder shall submit a copy of the relevant document (e.g. board resolutions of the Bidder if it is a company) showing that the authorised person(s) who sign(s) the Offer to be Bound (whether in paper form or electronically) has/have the authority to sign it for and on behalf of the Bidder.

4.7 **Quotations will be assessed according to the assessment criteria stipulated in Contract Schedule 5.**

5. Two Envelopes System in Submission of Quotation

5.1 Bidders should note that a marking scheme (as more particularly described in **Clause 10** of the **Terms of Quotation** and **Contract Schedule 5**) will be used for the assessment of their quotations. Completed Quotation Documents shall be submitted separately in two (2) sealed envelopes, the outside of which **should not** bear any price information or indication which may relate the quotation to the Bidder, as set out under (a) and (b) below:

- (a) **The Price Submission** (one (1) original and two (2) copies of **Contract Schedule 1** – Monthly Licence Fee, fully completed, signed, stamped with the firm/company chop and dated) must be enclosed in a sealed envelope clearly marked “Quotation Ref.: LC/CS/Q/SH/00/KST/2020/01 – Quotation for the Grant of Licence to Operate the Business at the Gift Shop of the Ko Shan Theatre New Wing – Price Submission” (Quotation Label 1 provided); and
- (b) **The Technical Submission** (one (1) original and two (2) copies of all other remaining information and documents required in this quotation as stipulated in **Contract Schedules 2, 3, and 4** as well as the **Form of Security Deposit Election**, the **Annex I – Non-collusive Quotation Certificate** and the **Quotation Form**, fully completed, signed, stamped with the firm/company chop and dated, but **without** any indication on the Monthly Licence Fee) must be enclosed in another sealed envelope clearly marked “Quotation Ref.: LC/CS/Q/SH/00/KST/2020/01 – Quotation for the Grant of Licence to Operate the Business at the Gift Shop of the Ko Shan Theatre New Wing – Technical Submission” (Quotation Label 2 provided).
- 5.2 Completed Quotation Documents, i.e., the two (2) sealed envelopes as described in **Clause 5.1** above, shall be enclosed in another sealed envelope and addressed to the **Chairman, Leisure and Cultural Services Department Quotation Opening Committee** by using the Quotation Label 3 as provided. They must be deposited in or mailed to the Leisure and Cultural Services Department Quotation Box situated at Theatre Office, 4/F, Ko Shan Theatre New Wing, 77 Ko Shan Road, Hung Hom, Kowloon before 12:00 noon (Hong Kong time) on the Quotation Closing Date specified in the **Lodging of Quotation** at the **Quotation Form**. **Late quotations will not be considered.**
- 5.3 In case Tropical Cyclone Warning Signal No. 8 or above is hoisted, or Black Rainstorm Warning Signal or “extreme conditions after super typhoons” announced by the Government is/are in force, for any duration between 9:00 a.m. (Hong Kong time) and 12:00 noon (Hong Kong time) on the Quotation Closing Date, the latest date and time before which Quotations are to be deposited at the quotation box will be extended to 12:00 noon (Hong Kong time) on the next working day.
- 5.4 In case of blockage of the public access to the location of the specified quotation box at any time between 9:00 a.m. (Hong Kong time) to 12:00 noon (Hong Kong time) on the Quotation Closing Date, the Government will announce extension of the quotation closing time until further notice. Following removal of the blockage, the Government will announce the extended quotation closing time as soon as practicable. The above announcements will be made via press releases on the website of Information Services Department (<http://www.info.gov.hk/gia/general/today.htm>).
- 5.5 The Government may at any time before the Original Quotation Closing Date and at its sole discretion extend or amend the Quotation Closing Date.

5.6 The Government Representative will not accept any quotation submitted by methods other than as indicated in **Clause 5.2** above.

6. Monthly Licence Fee

6.1 In return for the right to operate the Gift Shop at the Licence Area, apart from the Free Decoration Period, the Contractor is required to pay to the Government Representative a Security Deposit as required in **Clause 27** hereof and the Monthly Licence Fee to be quoted by Bidders in **Contract Schedule 1**. Such Monthly Licence Fee shall be denominated in Hong Kong dollars.

6.2 The Monthly Licence Fee quoted by Bidders shall remain valid and binding throughout the duration of the Contract Period. No request for price variation will be considered. A Bidder who proposes any price variation mechanism may be disqualified and its Quotation will not be considered further.

6.3 The Monthly Licence Fee does not include the installation costs, costs and deposits of electricity, telephones and data lines, water consumed, rates, Government rent and taxes payable in respect of the Licence Area and its Business throughout the Contract Period including the Free Decoration Period or the period or periods of suspension of Business due to whatsoever reasons. Apart from the Consignment Items, all assets required, and all liabilities to be incurred from carrying out the Business at the Licence Area, shall be the responsibility of the Contractor with no recourse against the Government or the Government Representative.

6.4 Bidders shall make certain that the Monthly Licence Fee quoted is accurate before submitting their Quotations. Without prejudice to the powers of the Government Representative to seek clarification or to negotiate with a Bidder, the Government Representative is not obliged to accept any request for price adjustment on whatsoever ground including that a mistake has been made in the Monthly Licence Fee quoted.

6.5 Should it be found on evaluation by the Government after the Quotation Closing Date that a Bidder has made unintentional errors in the figures stated in its Quotation, the Government, may but is not obliged, seek clarification from the Bidder or request the Bidder to confirm in writing whether it is prepared to abide by what the Government considers should be the correct figures.

6.6 The first payment of the Monthly Licence Fee shall be effected by the successful Bidder immediately after the signing of the Articles of Agreement in accordance with **Clause 5** of the **Conditions of Contract** or at such time as shall be directed by the Government Representative.

7. Information of the Bidder

Each Bidder shall provide the details relating to itself as stipulated in **Contract Schedule 4**.

8. Quotations to Remain Open

- 8.1 A Quotation must remain valid and open for acceptance for not less than one hundred and eighty (180) days after the Quotation Closing Date. If a Bidder does not state in its Quotation the period for which the Quotation is to remain valid and open for acceptance, the Quotation Validity Period of that Quotation will be one hundred and eighty (180) days after the Quotation Closing Date.
- 8.2 If a Bidder offers in its Quotation a Quotation Validity Period that is shorter than one hundred and eighty (180) days, the Government will clarify with the Bidder concerned, in which case the Bidder must confirm compliance with **Clause 8.1** of the **Terms of Quotation** within five (5) working days or such other period as specified by the Government. If the Bidder fails to confirm compliance with **Clause 8.1** of the **Terms of Quotation** within the specified deadline, its Quotation will not be considered further.
- 8.3 Without prejudice to the Government's rights and claims vis-à-vis any Bidder that withdraws its Quotation during the Quotation Validity Period, due notice will be taken of any withdrawal during the Quotation Validity Period and without prejudice to any other rights and remedies that the Government may have against the Bidder, such withdrawal may prejudice the Bidder's future status as a Government supplier or service provider.

9. Request for Information

In the event that the Government determines that:

- (a) clarification in relation to any quotation is necessary; and/or
- (b) a document or a piece of information, other than the document or information set out in **Clause 3.2** of the **Terms of Quotation**, is missing from the quotation,

it may, but is not obliged to, request the Bidder concerned to make the necessary clarification, or submit the required document or information. The Bidder shall thereafter within five (5) working days or such other period as specified in the request submit such clarification, information or document in the form required by the Government. A quotation may not be considered further (or will not be considered further where it is expressly stated to be the case in the relevant provision of the Quotation Documents) if complete information or document is not provided as required by the deadline as specified in the request, or in the case of clarification, such clarification is not provided by such deadline or is not acceptable to the Government. As an alternative to seeking clarification or further information or document, the Government may not consider the quotation further or may proceed to evaluate the quotation on an "as is" basis.

10. Marking Scheme for the Assessment of Quotations

10.1 Before submitting their quotations, Bidders are advised to note the marking scheme set out in **Contract Schedule 5** for assessment of their quotations. Offers failing to meet the completeness check under Stage 1 will not be considered further. Those passing the completeness check will be marked according to the Marking Scheme consisting of technical assessment of the quality attributes of Bidders at Stage 2, and price assessment on the Monthly Licence Fee offered by Bidders at Stage 3. The weighting of the technical score in Stage 2 and the price score in Stage 3 is 50:50.

10.2 Bidders failing to obtain passing mark of 5 for Assessment Criteria 1, 2 and 3 and passing mark of 3 for Assessment Criterion 4 will not be considered further.

10.3 A maximum weighted technical score of 50 will be allocated to the Bidder with the highest technical score, while the score for other Bidders will be calculated by the following formula:

$$\text{Weighted Technical Score} = 50 \times \frac{\text{Total technical mark of the quotation being assessed}}{\text{Highest total technical mark amongst the quotations which pass Stage 2 technical assessment}}$$

10.4 A maximum weighted price score of 50 will be allocated to the Bidder with the highest offer of the Monthly Licence Fee which has passed the technical assessment, while the score for other Bidders who have passed the technical assessment will be calculated based on the following formula:

$$\text{Weighted Price Score} = 50 \times \frac{\text{Monthly Licence Fee of the quotation being assessed}}{\text{Highest Monthly Licence Fee amongst the quotations which have passed Stage 2 technical assessment}}$$

10.5 The respective weighted scores awarded to a particular quotation under the technical assessment and price assessment will be added together to give the combined score.

11. Selection of Quotation

Without prejudice to other rights and powers of the Government not to consider a quotation under other applicable provisions in the Quotation Documents, the selection of Bidders will be conducted in accordance with **Contract Schedule 5** as referred to in **Clause 10** above. The quotation with the highest combined score (weighted technical score plus weighted price score) will normally be recommended for acceptance.

12. Basis of Acceptance

- 12.1 The Government Representative is not bound to accept the quotation with the highest combined score or any quotation. Without prejudice to the generality of the foregoing, in the case the Monthly Licence Fee with the highest overall combined technical and price score is unreasonably low with reference to the advice of the Commissioner of Rating and Valuation, the Government may refrain from awarding the Contract to the relevant Bidder.
- 12.2 Bidders should note that their offers will be considered on an overall basis. Quotations with only partial offers will not be considered.

13. Negotiation

The Government reserves the right to negotiate with any or all Bidder(s) about the terms and conditions in the Quotation Documents and of the Contract.

14. Award of the Contract

- 14.1 Unless and until the Articles of Agreement has been executed by both the successful Bidder and the Government, there shall be no Contract between the Government and any Bidder. References to award of the Contract mean the signing of these Articles of Agreement.
- 14.2 The successful Bidder will be notified its conditional acceptance from the Government within the Quotation Validity Period (such notification is referred to as “**Conditional Acceptance of Quotation**”). Upon receipt of the Conditional Acceptance of Quotation, the successful Bidder shall be obliged to fulfill all of the following conditions to the satisfaction of the Government Representative within seven (7) working days from the date of the notification, or any other date as required by the Government Representative:
- (a) the provision of the Security Deposit as required under **Clause 27** hereof;
 - (b) the Electricity Deposit as required under **Clause 15.3** of the **Conditions of Contract**; and
 - (c) such other conditions as the Government Representative may stipulate in the Conditional Acceptance of Quotation.

- 14.3 Unless and to the extent waived by the Government in writing, upon fulfilment of the conditions by the Bidder specified in **Clause 14.2** above to the satisfaction of the Government Representative, the Government Representative will, subject to its other rights and powers, enter into the Contract with the successful Bidder by signing the Articles of Agreement. The Contract will incorporate, to the extent accepted by the Government Representative, the Quotation submitted by the successful Bidder (subject to such other changes as the Government Representative may stipulate in exercise of its powers under the Quotation Documents or such changes as the parties may agree). If a Bidder fails to fulfill all or any of the conditions mentioned in **Clause 14.2** above (unless and save to the extent they are waived by the Government Representative in writing, if any), or fails to enter into the Articles of Agreement upon notification by the Government Representative (“**defaulting Bidder**”), the Conditional Acceptance of Quotation will become void and be of no further force.
- 14.4 The Government Representative will disqualify the defaulting Bidder, and it may, but is not obliged to, award the Contract to another Bidder. Without prejudice to other rights and remedies of the Government, the defaulting Bidder shall be responsible for the difference in the total Monthly Licence Fee submitted by that defaulting Bidder and the eventual Contractor who will be granted the Contract whether appointed pursuant to this Invitation to Quotation exercise or another subsequent invitation exercise. Notwithstanding anything in the Quotation Documents or in the Conditional Acceptance of Quotation to the contrary, in the event that the Government exercises any of its discretion under **Clause 19**, the Government Representative shall be entitled not to enter into the Contract with a Bidder even if the Bidder has received the Conditional Acceptance of Quotation and fulfilled all the conditions specified in **Clause 14.2** above.
- 14.5 Bidders who do not receive any notification of acceptance within the Quotation Validity Period shall assume that their quotations have not been accepted.

15. Offers to be Binding

All parts of the Quotation Documents submitted and offered by the Bidder will be binding on the Bidder after signing the Articles of Agreement. A Bidder is deemed to have satisfied itself as to the correctness of its Quotation. In the event that a Bidder discovers an error in its Quotation after the Quotation has been deposited, the Bidder may correct the same in a separate letter before Quotation Closing Date. Without prejudice to the Government to seek clarification or negotiate with any Bidder, no request from the Bidder for adjustment or variation whatsoever will be allowed or entertained after the Quotation Closing Date.

16. Counter-proposals

- 16.1 Counter-proposals by a Bidder may, at the absolute discretion of the Government, render its Quotation to be disqualified and not to be considered.

16.2 Without prejudice to **Clause 16.1** above, any Bidder who submits a quotation that directly or indirectly attempts to preclude or limit the effect of any provisions of these Terms of Quotation may also be disqualified.

17. Costs of Preparation of Quotation

Bidders shall submit their Quotations at their own costs and expenses. Neither the Government nor the Government Representative shall be liable for any costs and expenses whatsoever incurred by Bidders in connection with the preparation or submission of their Quotations, including all costs and expenses relating to:

- (a) communication or negotiations with the Government Representative; or
- (b) attending briefings, document inspections, site visits or surveys made by the Bidder, whether before or after the Quotation Closing Date.

18. Bidder's Commitment

All Quotations, information and responses from a Bidder must be submitted in writing. Each of them is the offer, commitment and representation of the Bidder and will, if accepted by the Government, be incorporated into and made part of the Contract in such manner as the Government considers appropriate and become binding on the Bidder. The Government reserves the right not to consider a Quotation that directly or indirectly attempts to preclude or limit the effect of this Clause.

19. Government Discretion

19.1 Notwithstanding anything to the contrary in these Quotation Documents, the Government reserves the right to disqualify a Bidder on grounds including any one of the following:

- (a) a petition is presented or a proceeding is commenced which has not been withdrawn any time prior to the award of the Contract or an order is made or a resolution is passed for the winding up or bankruptcy of the Bidder or its related person;
- (b) the Bidder has made or submitted a false, inaccurate or incomplete statement or representation or a forged document in the Quotation or in any subsequent submission by the Bidder or communication between the Government and the Bidder since submission of that Quotation;
- (c) in the event of a claim or allegation made any time during a period of five (5) years preceding the Quotation Closing Date and thereafter up to the time of the award of the Contract or the Government having grounds to believe that any thing(s), service(s) or material(s) supplied or previously supplied by the Bidder or its related person infringes or will infringe any Intellectual Property Rights of any person;

- (d) any time during the twenty-four (24) months prior to the Quotation Closing Date or between the Quotation Closing Date and the award of the Contract, the Bidder or a related person of the Bidder was in significant or persistent default(s) in the performance of any substantive requirement or obligation under any other Government contract awarded by the Director of Leisure and Cultural Services regardless of whether the default(s) led to the actual termination of the relevant Government contract or whether such default(s) has been remedied (a “**Contract Default**”);
- (e) the Bidder or a related person or a director or management staff of the Bidder has been convicted by the final judgment (i.e. judgment not subject to any appeal to a higher court prior to the award of the Contract) in respect of one or more serious offences including conviction of offences involving bribery, false accounting, corruption, dishonesty or employment handed down any time during a period of five (5) years preceding the Quotation Closing Date and thereafter up to the time of the award of the Contract;
- (f) in the event of any professional misconduct or any act or omission having been committed during a period of five (5) years preceding the Quotation Closing Date and thereafter up to the time of the award of the Contract that adversely reflects on or casts doubt on the commercial integrity of the Bidder or a related person or a director or management staff of the Bidder; or
- (g) any failure of the Bidder or its related person to pay taxes to the Government during a period of five (5) years preceding the Quotation Closing Date and thereafter up to the time of the award of the Contract.

The grounds specified in **Clauses 19.1(a) to 19.1(g)** above are separate and independent, and shall not be limited by reference to or inference from the other of them.

19.2 For the purposes of **Clause 19.1** above, each Bidder shall provide in **Contract Schedule 4** at the time of submission of its Quotation (and thereafter up to the time of the award of the Contract in relation to any event occurring between the time of submission and the time of grant) all information at least in relation to itself and those information in relation to its related person or its director or management staff which it has knowledge that is reasonably relevant to facilitate the Government’s determination as to whether to exercise its right of disqualification, including but not limited to the following:

- (a) details of any petition or proceeding mentioned in **Clause 19.1(a)**;
- (b) details of conviction as mentioned in **Clause 19.1(e)** in Hong Kong or any overseas jurisdiction;
- (c) details of all infringement claims or allegations and/or settlement agreement as mentioned in **Clause 19.1(c)**;

- (d) details of all Contract Defaults as mentioned in **Clause 19.1(d)**;
- (e) details of any professional misconduct or act or omission that adversely reflects or casts doubt on the commercial integrity of the Bidder or a related person as mentioned in **Clause 19.1(f)**; and
- (f) details of any failure to pay taxes as mentioned in **Clause 19.1(g)**.

If none of the events as mentioned in **Clauses 19.2(a) to 19.2(f)** above has ever occurred within the applicable period as mentioned in the relevant sub-clause in **Clause 19.1** above, the Bidder shall provide a statement to that effect by completing the relevant part of **Contract Schedule 4** at the time of submission of its Quotation. If found missing, the Government reserves the right to seek clarification.

19.3 In addition to the information mentioned in **Clause 19.2** above, the Government reserves the right to request from a Bidder or from other sources and take into account all information about:

- (a) the Bidder itself (viz in relation to any information relevant to any of the events mentioned in **Clause 19.1** above);
- (b) any of the directors or management staff of the Bidder (viz information relevant to the event mentioned in any of **Clauses 19.1(e) and (f)** applicable to any such person);
- (c) any of the related persons of the Bidder (viz information relevant to any of the events mentioned in any of **Clauses 19.1(a) to (g)** applicable to any such person);

and such other information which is reasonably relevant to facilitate the Government's determination as to whether to exercise its right of disqualification under **Clause 19.1** above.

19.4 Such information relating to any of the aforesaid persons may include, without limitation, details of any claim or allegation of infringement or settlement agreement as referred to in **Clause 19.1(c)**; details of any Contract Default referred to in **Clause 19.1(d)**; details of any conviction of serious offences referred to in **Clause 19.1(e)**; details of any professional misconduct, acts or omissions referred to in **Clause 19.1(f)** and of any failure to pay taxes to the Government referred to in **Clause 19.1(g)** above.

19.5 If the Bidder fails to comply with the request made by the Government pursuant to **Clause 19.3** above within such time as required by the Government, the Government may disqualify the Bidder pursuant to **Clause 9** above. If the Bidder has submitted false, inaccurate or incomplete information, the Government may disqualify the Bidder pursuant to **Clause 19.1(b)** above.

19.6 In providing the information required under **Clauses 19.2 and 19.3** above, the Bidder may show cause to satisfy the Government that the petition, proceeding, conviction record, infringement claim or allegation, or Contract Default, any professional misconduct or act or omission as the case may be, does not cast doubt on the fitness, propriety or capability of the Bidder to perform the Contract to be awarded in this Invitation to Quotation.

19.7 If the Bidder is a company, the expression “**related person**” of the Bidder includes any one of the following:

- (a) a shareholder (corporate or individual) which directly or indirectly beneficially owns fifty percent (50%) or more of the issued share capital of the Bidder (“**majority shareholder**”); or
- (b) a holding company or a subsidiary of the Bidder; or
- (c) a holding company or a subsidiary of a majority shareholder of the Bidder; or
- (d) a company in which a majority shareholder (being an individual) of the Bidder directly or indirectly beneficially owns fifty percent (50%) or more of its issued share capital or controls the composition of its board of directors.

The expressions “**holding company**” and “**subsidiary**” have the meanings given to them in the Companies Ordinance (Cap. 622).

19.8 If the Bidder is a sole proprietor or partnership, the expression “**related person**” includes any one of the following:

- (a) any partner of the Bidder (if it is a partnership); or
- (b) the spouse, parent, child, brother or sister of the Bidder, and, in deducing such a relationship, an adopted child shall be deemed to be a child of both of the natural parents and the adopting parent, and a step child to be a child of both the natural parent and of any step parent; or
- (c) a company in which the Bidder or any partner of the Bidder beneficially directly or indirectly owns fifty percent (50%) or more of its issued share capital or controls the composition of its board of directors.

19.9 References to related persons, directors and management staff of the Bidder or of a related person include persons who were in such capacity at such time of the incident referred to in any of **Clause 19.1(c), 19.1(d), 19.1(e), 19.1(f), or 19.1(g)**.

20. Cancellation of the Invitation to Quotation

20.1 Notwithstanding anything to the contrary in the Quotation Documents, if it is in the public interest to do so, the Government may:

- (a) reserve the right to cancel this Invitation to Quotation, and not to award the Contract; or
- (b) re-conduct the evaluation specified in **Contract Schedule 5** which is referred to in **Clause 10** of the **Terms of Quotation** to identify the successful Bidder.

20.2 After cancellation pursuant to **Clause 20.1** above, if and when it considers fit, the Government Representative reserves the right to re-issue the Invitation to Quotation on such terms and conditions as the Government Representative considers appropriate.

21. Undisclosed Agency

The person who signs a quotation as Bidder shall be deemed to be acting as a principal unless he discloses therein that he is acting as an agent only, in which case he shall also disclose therein the name and address of his principal.

22. Consent to Disclosure

22.1 The Government may disclose, whenever it considers appropriate, to the public or upon request by any member of the public (which may have been a Bidder) without any further reference to or consent from the successful Bidder or any other Bidder, the Quotation Documents, particulars (including the nature and quantity) of the Business to be provided by the successful Bidder, the date of the award of the Contract, the name and address of the successful Bidder, the total Monthly Licence Fee for the entire Contract Period, and the commission payable to the Contractor for the Consignment Items.

22.2 Nothing in **Clause 22.1** above shall prejudice the Government's power to disclose whenever it considers appropriate information of any nature whatsoever (whether or not specified in **Clause 22.1** above) if the disclosure is made under any one of the following circumstances (even if disclosure may also mean the information will at the same time, or subsequently, become public information):

- (a) the disclosure of any information to any public officer or public body, as defined in the Interpretation and General Clauses Ordinance (Cap. 1) or any other person employed, used or engaged by the Government (including agents, advisers, contractors and consultants);
- (b) the disclosure of any information already known to the recipient;
- (c) the disclosure of any information which is public knowledge;

- (d) the disclosure of any information in circumstances where such disclosure is required pursuant to any law of Hong Kong, or an order of a court of Hong Kong or a court or a tribunal with competent jurisdiction; or
- (e) without prejudice to the power of the Government under **Clause 22.1** above, to the extent the information relates to a Bidder, with the prior written consent of that Bidder.

23. Personal Data Provided

- 23.1 All personal data provided in a Quotation will be used by the Government for the purposes of the Invitation to Quotation and all other purposes arising from or incidental to it (including for the purposes of quotation evaluation, award of the Contract and resolution of any dispute arising from this Invitation to Quotation). In the case of the successful Bidder, the purposes shall be extended to include enforcement and management of the Contract, and resolution of disputes arising from the Contract. The Government may further disclose the personal data to such persons as it considers necessary for achieving all or any of the aforesaid purposes.
- 23.2 By submitting a Quotation, a Bidder is deemed to have agreed to, and to have obtained from each individual whose personal data is provided in the Quotation, its consent for the disclosure to the Government, use and further disclosure by the Government of the personal data for the purposes and to the persons specified in **Clause 22.1** above.
- 23.3 An individual to whom personal data belongs or a person authorised by him in writing has the right of access and correction with respect to the individual's personal data as provided for in Sections 18 and 22 of and Principle 6 of Schedule 1 to the Personal Data (Privacy) Ordinance (Cap. 486). The right of access includes the right to obtain a copy of the individual's personal data provided in the Quotation.
- 23.4 Enquiries concerning the personal data collected by means of the quotation, including the making of access and corrections, should be addressed to the Personal Data Privacy Officer of the Leisure and Cultural Services Department.

24. New Information

Each Bidder shall inform the Government Representative in writing immediately of any factor which might affect its ability to meet any requirements of the Quotation Documents. The Government Representative reserves the right not to consider a Bidder's Quotation further if the Bidder's continued ability to meet such requirements is in doubt.

25. Commencement Date of the Contract Period

Subject to the confirmation by the Government Representative in the Articles of Agreement, the tentative commencement date of the Contract Period is specified in **Clause 2** of the **Conditions of Contract**. Notwithstanding the aforementioned tentative commencement date, the Government Representative shall have absolute discretion to determine the commencement date of the Contract Period in the Articles of Agreement and the Contract Period shall commence from the date as specified in the Articles of Agreement.

26. Free Decoration Period

The successful Bidder may, upon the commencement of the Contract Period, be allowed a Free Decoration Period of not more than one (1) month for fitting out the Licence Area. Subject to **Clause 5.2** of the **Conditions of Contract**, no Monthly Licence Fee will be payable during the Free Decoration Period but the successful Bidder shall pay and bear all outgoings and charges, including but not limited to water charges, electricity charges and rates, in respect of the Licence Area. Notwithstanding the aforementioned, the Monthly Licence Fee shall be immediately payable on a pro-rata basis in accordance with the Monthly Licence Fee if the successful Bidder commences Business or any part thereof during the Free Decoration Period.

27. Security Deposit

27.1 The successful Bidder shall, within seven (7) working days from the date of the notification of the Conditional Acceptance of Quotation, or any other date as required by the Government Representative, deposit with the Government a deposit (hereinafter referred to as '**Security Deposit**') as security for the due and faithful performance of the Contract either in cash or in the form of a bank guarantee and to be issued by a bank with a valid banking licence issued under the provisions of the Banking Ordinance (Cap. 155) in the form attached at **Annex H**, and the bank guarantor shall be approved by the Government Representative and in accordance with **Clause 7** of the **Conditions of Contract**. Bidders are therefore required to state their option in the Form of Security Deposit Election.

27.2 In the event that a Bidder fails to elect the method of paying a Security Deposit in the Form of Security Deposit Election, it will be assumed that the Bidder will pay the Security Deposit by way of cash in accordance with **Clause 7** of the **Conditions of Contract**.

28. Licence, Permit and/or Certificate

Bidders are strongly advised to examine and assess the site conditions in advance to determine all necessary licences, permits and certificates which are required under all applicable laws and regulations to run the Business at the Licence Area. The award of the Contract to a Bidder is conditional on the Bidder's obtaining of all such licences, permits and certificates. The responsibility for applying the necessary licences, permits and certificates and fulfillment of the requirements stated therein lies with the Contractor. Neither the Government nor the Government Representative shall be held responsible in the event of the Contractor's failure or inability for any reason to obtain or renew any such licences, permits and certificates. Nothing contained in the Quotation Documents or in the Contract shall be construed to fetter the discretion of any public officer or authority as the licensing authority.

29. State of Premises

Bidders are strongly advised to visit the Licence Area before submitting their quotations and the successful Bidder shall accept the Licence Area in the state and condition in which it is at the date on which the possession is given (i.e. on the first date of the Contract Period).

30. Restrictions on Assignment and Sub-contracting

The Quotation will only be accepted from any Bidder who shall occupy the Licence Area for the operation of the Business by that Bidder. There shall be no assignment, underletting, sub-contracting or parting with the possession of the whole or any part of the Licence Area or transfer of any of its right or obligations under the Contract unless with the prior approval in writing by the Government Representative.

31. Contractor's Performance Monitoring

- 31.1 If a Bidder is awarded the Contract, its subsequent performance will be monitored and may be taken into account when its future quotations are evaluated.
- 31.2 A quotation may be rejected if the Bidder is in default in respect of any LCSD procurement exercise(s) which is the same or substantially similar in nature as this Invitation to Quotation within six (6) months of the Quotation Closing Date or between the Quotation Closing Date and the award of the Contract.

32. Quotation Addenda

Quotation Documents downloaded from the website of LCSD may be subject to updating and notwithstanding this Clause, and it is the responsibility for Bidders to check for any latest updates or addendum to the Quotation Documents online before the Quotation Closing Date. These addenda shall form a part of the Quotation Documents and shall take priority over the documents previously issued. Should potential Bidders would like to be informed of any updates or addendum to the Quotation Documents, they should let LCSD have their email addresses for contact. Should the Government Representative require any amendments, clarifications or adjustments to be made to the Quotation Documents, the Government Representative will issue to every person who is known to have collected the Quotation Documents numbered addenda giving full details of such amendments. The Bidder shall acknowledge receipt of these addenda.

33. Disclaimer

33.1 Bidders shall study all attachments to the Quotation Documents (including the Annexes, Appendices, Attachments and Contract Schedules) carefully before submitting their quotations. Bidders should note that all information and statistics provided by the Government in connection with this quotation are for reference only.

33.2 Forecast or estimation and all other information, statistics and forecast set out in the Quotation Documents or any information or clarification provided from time to time or given at the briefing session (collectively “**briefings**”), are provided purely for the Bidder’s information on an “as is” basis without warranty of any kind. Neither the Government nor the Government Representative gives any warranty, representation or undertaking that any information, statistics and forecast provided in the Quotation Documents or any information or clarification provided from time to time or the briefings or otherwise are sufficient, accurate, complete, suitable or timely for any purpose whatsoever.

33.3 To the maximum extent permitted by laws, neither the Government nor the Government Representative accepts any liability or responsibility for:

- (a) any claim, legal proceeding, liability, loss (including any direct or indirect loss, any loss of revenue, profit, business, contract or anticipated saving),
- (b) damage (including any direct, special, indirect or consequential damage of whatsoever nature) or

- (c) any cost or expense, suffered or incurred by any Bidder arising from the use of, or reliance on, any information, statistics or forecast provided in the Quotation Documents, or any information or clarification provided from time to time or in the briefings, or otherwise that the profits derived from the Business do not meet the expectation or projection of the successful Bidder or do not recoup the investment cost incurred or by any margin.

34. Authentication of Documents

34.1 By submitting a quotation in response to the Invitation to Quotation, each Bidder authorises the Government to obtain from:

- (a) any person whose particulars are set out in the quotation submitted by the Bidder; and
- (b) any issuing body of any of the certificates or documentary evidence required in the Quotation Documents,

all information which the Government considers appropriate and relevant to the evaluation of the quotation including information to verify the legitimacy, completeness, authenticity and accuracy of any information or document submitted by the Bidder. If any consent from any other person is required for the Government to obtain any of the aforesaid information or document, the Bidder represents that such consent has been duly obtained.

34.2 All documents submitted by a Bidder to the Government in relation to its Quotation shall be original documents or certified true copies of the original documents. If a Bidder fails to comply with this requirement or fails to provide such verification as the Government may require to prove the authenticity of a document submitted to the Government, the Government may not further consider the Quotation.

35. Intellectual Property Rights in Respect of the Quotation

A Quotation once submitted will become the property of the Government. The Government, its authorised users, assigns, successors-in-title shall have the right to do any of the acts restricted by copyright under Sections 22 to 29 of the Copyright Ordinance (Cap. 528) in respect of all materials or documents submitted by the Bidder through the quotation exercise for purposes including but not limited to quotation evaluation, contract management, the disclosure made pursuant to **Clause 22** of this Part of the Contract and all other purposes incidental thereto.

36. Quotation Documents of the Unsuccessful Bidders

Quotation Documents of unsuccessful Bidders will be destroyed three (3) months after the Articles of Agreement is signed by the successful Bidder and the Government Representative.

37. Communication with the Government

- 37.1 All communications given or made by the Government Representative or a Bidder in relation to the Invitation to Quotation shall be in writing and sent or delivered to the other party in the manner provided in **Clause 49** of the **Conditions of Contract**, save that the Government Representative may, by prior notice to a Bidder, require the Bidder to send or deliver a written communication by post or facsimile only. The Bidder should note that the Government Representative will not accept the use of a postal box as the Bidder's correspondence address for any purpose whether before or after the award of the Contract.
- 37.2 All communications in relation to the Invitation to Quotation shall be conducted directly between the Government Representative and the Bidder.
- 37.3 Unless otherwise expressly stated by the Government in writing, a statement made by the Government (whether oral or written) in response to any enquiry made by a prospective Bidder shall be for information only. No such statement shall constitute a representation or warranty by the Government of any nature whatsoever (whether express or implied), and no invitation is made by the Government to any Bidder or prospective Bidder to rely on such statement. No such statement shall form part of the Quotation Documents or alter, negate or constitute a waiver of any provision of the Quotation Documents.

38. Offering Gratuities

The Bidder shall not, and shall ensure that its agents and employees shall not, offer or give any advantage as defined in the Prevention of Bribery Ordinance (Cap. 201) to any agent or employee of the Government Representative. Any breach of or non-compliance with this Clause by the Bidder shall, without affecting the Bidder's liability for such breach or non-compliance, invalidate its quotation, and if the Contract has been awarded to the Bidder without knowing the breach, the Government Representative shall be entitled to immediately terminate the Contract and claim for all losses and costs incurred.

39. Bidder's Enquiries

- 39.1 Any enquiries concerning the Quotation Documents up to the date of lodging its quotation with the Government Representative shall be in writing and submitted to Manager (Ko Shan Theatre) Building and Licence Management, Ko Shan Theatre, 77 Ko Shan Road, Hung Hom, Kowloon, or by facsimile to (852) 2264 2872.
- 39.2 After lodging the quotation with the Government Representative, the Bidder shall not attempt to initiate any contact, whether direct or indirect, with the Government Representative on its quotation or the Quotation Documents. The Government Representative shall have the sole right to initiate any such further contact and all such contacts and any replies of the Bidder thereto shall be in writing or formally documented in writing.

40. Quotation Briefing Session / Site Visit

- 40.1 Bidders are invited to attend a quotation briefing session cum site visit to be held by the Government Representative on **30 June 2020 at 3:00 p.m.** at **Rehearsal Room 2, 1/F, Ko Shan Theatre, 77 Ko Shan Road, Hung Hom, Kowloon** before submitting their quotations in order to acquaint themselves with the requirements of the Government Representative.
- 40.2 Each Bidder may send no more than two (2) representatives to attend the quotation briefing session cum site visit.
- 40.3 Bidders are required to fill in the Enrolment Form for Quotation Briefing Session at **Annex G** and send it by fax to Assistant Manager (Ko Shan Theatre) Licence Management, at (852) 2365 0295 **on or before 5:00 p.m. on 29 June 2020** for registration.

41. Anti-collusion

- 41.1 The Bidder must ensure that the Quotation is prepared without any agreement, arrangement, communication, understanding, promise or undertaking with any other person (except as provided in paragraph 3 of the Non-collusive Quotation Certificate referred to in **Clause 41.2** below), regarding, amongst other things, price, quotation submission procedure or any terms of the Quotation. Bid-rigging is inherently anti-competitive and is considered serious anti-competitive conduct under the Competition Ordinance (Cap. 619). Bidders who engage in bid-rigging conduct may be liable for the imposition of pecuniary penalties and other sanctions under the Competition Ordinance.
- 41.2 The Bidder shall complete and submit to the Government the Non-collusive Quotation Certificate (in the form set out in **Annex I** titled as such) as part of its Quotation.
- 41.3 In the event that the Bidder is in breach of any of the representations, warranties and/or undertakings in **Clause 41.1** above or in the Non-collusive Quotation Certificate submitted by it under **Clause 41.2** above, the Government shall be entitled to, without compensation or liability whatsoever to the Bidder or to any person on the part of the Government:
- (a) reject the quotation;
 - (b) if the Government has accepted the quotation, withdraw its acceptance of the quotation;
and
 - (c) if the Government has entered into the Contract with the Bidder, terminate the Contract.

- 41.4 By submitting a quotation, a Bidder is regarded to have undertaken to indemnify and keep indemnified the Government against all losses, damages, costs or expenses whatsoever arising out of or in relation to any breach of any of the representations, warranties and/or undertakings in **Clause 41.1** above or in the Non-collusive Quotation Certificate submitted by it under **Clause 41.2** above.
- 41.5 A breach by a Bidder of any of the representations, warranties and/or undertakings in **Clause 41.1** above or in the Non-collusive Quotation Certificate submitted by it under **Clause 41.2** above may prejudice the Bidder's future standing as a Government contractor or service provider.
- 41.6 **Clause 41.1** above shall have no application to the Bidder's communications in strict confidence with its own insurers or brokers to obtain an insurance quotation for computation of the quotation price, or with its professional advisers, consultants or sub-contractors to solicit their assistance in preparation of quotation submission. For the avoidance of doubt, the making of a bid by a Bidder to the Government in public during an auction will not itself be regarded as a breach of representation and warranty in **Clause 41.1** above.
- 41.7 The rights of the Government under **Clauses 41.3 to 41.5** above are in addition to and without prejudice to any other rights or remedies available to it against the Bidder.

42. Complaints about the Quotation Process or Grant of Contract

The quotation process is subject to internal monitoring to ensure that the Contract is granted properly and fairly. Any Bidder who feels that its offer has not been fairly evaluated may write to the Director of Leisure and Cultural Services who will personally examine the complaint and refer it to the approving authority/relevant quotation committee/boards for consideration if it relates to the quotation system or procedures followed. The Bidder should lodge the complaint within three (3) months after the award of the Contract.

43. Survival

All rights, powers and licences of the Government under the Quotation Documents or granted pursuant to any terms thereof may be exercised by the Government in accordance with their terms notwithstanding the grant of the Contract or cancellation of this Invitation to Quotation.

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PART 2
CONDITIONS OF CONTRACT

1. Nature of Contract

It is expressly agreed between the parties that this Contract creates no tenancy or lease or any form of legal rights on land whatsoever between the parties except the right to use the Licence Area in accordance with the provisions of the Contract. This Contract is granted by the Government to entitle the Contractor to operate the Business at the Licence Area.

2. Contract Period

2.1 Subject to all rights and powers of the Government under the Contract, and any early termination or extension pursuant to any applicable provision of the Contract, the Contract Period shall be for a term of thirty-six (36) months to commence from a date specified in **Clause 2.2** below, inclusive of a Free Decoration Period not exceeding one (1) month for fitting out the Licence Area upon the commencement of the Contract Period.

2.2 The commencement date of the Contract Period shall be **22 September 2020** unless a different date is specified in the Articles of Agreement (which may be any date earlier or later than the aforesaid date as determined by the Government Representative at her sole and absolute discretion). The Government and the Government Representative shall not be liable for any losses suffered or expenses incurred whatsoever by the Contractor due to such variation.

2.3 If the total number of accumulated days of suspension or closure of the entire Licence Area under **Clause 23** hereof exceeds thirty (30) days, notwithstanding **Clauses 2.1 and 2.2**, the Contract Period will be extended accordingly by the same number of days equivalent to the accumulated period of suspension or closure with the other terms and conditions of the Contract remaining unchanged. Partial closure of some part(s) but not the entire Licence Area, or any part of the Theatre will not lead to any extension of the Contract Period.

3. The Business

3.1 Subject to the terms and conditions of the Contract, the Government grants to the Contractor during the Contract Period the right to supply and sell Authorised Merchandise, Consignment Items and Theatre Licensed Items at the Licence Area in compliance with all terms and conditions set out in the Contract ("**Business**"). In consideration of the opportunity being given by the Government for operating the Business at the Licence Area for the Contract Period, the Contractor undertakes to carry on the Business in compliance with all requirements set out in the Contract no later than one (1) month after the date of commencement of the Contract Period.

- 3.2 The Contractor shall carry on the Business at the Licence Area at all times when the Theatre is open to the public as set out in **Annex A** except with prior authorization of the Government Representative in writing, and at such additional or alternative opening hours as may be approved or prescribed by the Government Representative in writing. The Gift Shop shall remain open throughout the aforesaid time and period whilst some parts of the Theatre may be under renovation or temporary closure.
- 3.3 The Business shall be operated by the Contractor as the principal and except in relation to Consignment Items and Theatre Licensed Items, all profits and losses and liabilities arising therefrom shall be for the sole account of the Contractor with no recourse against the Government or the Government Representative.

4. Conduct of Business

- 4.1 This Contract only entitles the Contractor to conduct the Business at the Licence Area, but not any other premises in the Theatre or otherwise.
- 4.2 The Contractor shall use the Licence Area only for the Business and shall not use, cause, suffer or permit to be used the Licence Area or any part thereof for any other purpose.
- 4.3 The Contractor shall conduct its Business only in the Licence Area and shall not use, cause, suffer or permit to be used any area of the Theatre except the Licence Area without the prior written consent of the Government Representative for such purpose or for any other purpose.
- 4.4 The name of the Gift Shop shall be such as the parties hereto may mutually agree, or in default of agreement, as the Government Representative at its absolute discretion may consider reasonable to prescribe, at any time and from time to time. Save and except as permitted or directed by the Government Representative, such name shall not be changed.
- 4.5 Notwithstanding any other provisions in the Contract, the area delineated as “STORE” at Licence Area in **Annex C and Annex D** shall only be used for storage purpose only.

5. Payment of Monthly Licence Fee

- 5.1 In consideration for the entitlement to operate the Business at the Licence Area, in respect of each month of the Contract Period (apart from the Free Decoration Period), the Contractor shall pay to the Government Representative in advance a Monthly Licence Fee (exclusive of rates, Government rent, taxes and all other outgoings payable in respect of the Licence Area, and all costs of utilities incurred in the operation of the Business including water and electricity) on or before the first (1st) day of each and every calendar month without any deduction or set-off whatsoever. The first payment of the Monthly Licence Fee in respect of the second (2nd) month shall be effected by the Contractor immediately after the signing of the Articles of Agreement or at such time as shall be directed by the Government Representative.

5.2 In respect of the Free Decoration Period:

- (a) the Monthly Licence Fee shall be payable immediately on a pro-rata basis upon the Contractor carrying on the Business in whole or in part during the Free Decoration Period (where applicable); and
- (b) without prejudice to the obligation of the Contractor to start the Business no later than one (1) month after the date of commencement of the Contract Period, the Monthly Licence Fee shall remain payable beyond the Free Decoration Period even if the fitting out works continue beyond the Free Decoration Period.

5.3 If the Contractor fails to pay a Monthly Licence Fee by the due date specified in the demand note issued by the Government Representative or any other amount payable by the Contractor under the Contract, the Contractor shall pay a surcharge on the Monthly Licence Fee or such other amount calculated at a rate equivalent to the average of the best lending rates from time to time of all of the note-issuing banks in Hong Kong plus two percent (2%) per annum to accrue from the day on which the payment falls due until actual payment in full is made. For the avoidance of doubt, the surcharge shall apply to the Monthly Licence Fee payable pursuant to **Clause 5.2(a)** above.

5.4 No money shall be payable by the Government or the Government Representative to the Contractor or any other person under the Contract. The Contractor shall perform, comply with and observe all provisions of the Contract and its obligations under the Contract at its own costs and expenses regardless of whether it is specifically stated to be the case in individual provisions of the Contract.

5.5 In the event that the first (1st) day of the second (2nd) month of the Contract Period does not start on the first (1st) day of a calendar month, there shall be adjustment of the Monthly Licence Fee for that month. In the event that the remaining period of the Contract Period after the last complete month is not a complete month, there shall be adjustment of the Monthly Licence Fee for such remaining period. The adjustment shall be arrived at by multiplying the daily rate with the actual number of days of the relevant period. The daily rate shall be arrived by dividing the Monthly Licence Fee by the actual number of days for the month.

5.6 During the Contract Period (including the Free Decoration Period), the Contractor shall pay and bear all outgoings and charges, including but not limited to water charges, electricity charges and rates, in respect of the Licence Area.

6. Non-exclusive Right of the Contractor

- 6.1 The Contractor shall have, during the continuance of the Contract Period, but subject always to all rights and powers of the Government Representative under the Contract, the non-exclusive, non-transferable, non-assignable right to access and to occupy the Licence Area for the operation of the Business within the Licence Area and performance of all other obligations under the Contract which are required to be performed at the Licence Area. The right of access and use as specified in this **Clause 6.1**, unless approved otherwise by the Government Representative, will only be limited to the opening hours of the Theatre as stated in **Clause 3.2** above.
- 6.2 The Government as the owner of the Licence Area, whether acting through the Government Representative or otherwise, reserves all rights and powers to enter into the Licence Area for any purpose whatsoever without any notice or reference or consent from the Contractor.
- 6.3 Nothing in this Contract shall confer on the Contractor any exclusive right to carry on the Business at the Theatre.
- 6.4 Nothing in this Contract shall be regarded as in any way negating, prejudicing or otherwise restricting the right of the Government Representative to authorise any person to bring into the Theatre for use or sell or distribute freely therein any merchandise. The Contractor is not entitled to claim for any compensation or prohibition for whatsoever cause resulting from the grant of the said permissions and authorizations. The Contractor shall continue to carry on its Business on any day covered by such permission if it is not required to suspend its Business.

7. Security Deposit

- 7.1 The Contractor shall, within seven (7) working days from the date of the notification of the Conditional Acceptance of Quotation, or any other date as required by the Government Representative, deposit with the Government in cash or in the form of bank guarantee in the form set out in **Annex H** to be issued by a bank with a valid banking licence issued under the provisions of the Banking Ordinance (Cap. 155), a sum equivalent to two (2) times of the quoted Monthly Licence Fee as specified in **Contract Schedule 1** as security for the due and faithful performance of the Contract.
- 7.2 The Security Deposit, if in the form of cash, shall be retained by the Government, or if in the form of a bank guarantee, shall remain in force, in either case, from the date of commencement of the Contract Period until the date specified in (a) or (b) below, whichever is applicable:
- (a) the date falling three (3) months after the expiry or early termination of the Contract Period; or

- (b) upon early termination or expiry of the Contract Period, there remain any outstanding obligations and liabilities of the Contractor under the Contract which have not been duly and fully carried out, completed and discharged in accordance with the Contract, or there is any outstanding right or claim of the Government or the Government Representative, the date on which all such obligations, liabilities and rights and claims have actually been carried out, completed and discharged (as confirmed by the Government Representative in writing), or failing such confirmation the date shall not in any event be later than thirty-six (36) months after the expiry or early termination of the Contract Period.

The aforesaid period (depending on whichever is applicable) is hereinafter referred to as the “**Guarantee Period**”.

- 7.3 Only upon the expiry of the Guarantee Period, will the Security Deposit (if in the form of cash and if any is remaining) be refunded to the Contractor without interest; or, if in the form of a bank guarantee, be discharged or released.
- 7.4 The Government shall have the right to deduct from time to time from the Security Deposit in cash or call on the bank guarantee (irrespective of whether or not a demand for payment has been made against the Contractor) any amount due or payable by the Contractor to the Government under the Contract (regardless of whether the amount is payable under any indemnity or is payable as a debt) but which remains outstanding, in such order as the Government in its absolute discretion deems fit. The Security Deposit (whether in cash or in the form of the bank guarantee) may be deducted or called on, without the Government first having recourse to any other security or rights or taking any other steps or proceedings against the Contractor or any other person, or may be enforced for any balance due after resorting to any one or more of other means of obtaining payment or discharge of the monies, obligations and liabilities owing by the Contractor to the Government.
- 7.5 If any deduction is made by the Government from the Security Deposit in cash or a call is made on the bank guarantee during the Guarantee Period, the Contractor shall, within fourteen (14) days on demand in writing by the Government Representative, deposit a further sum or reinstate the level or extent of the bank guarantee or procure the issuance of a fresh bank guarantee in a sum equal to the amount so deducted or so called, which shall be added to the residue of and form part of the Security Deposit and, where applicable, the additional security amount required under **Clause 7.1** above.
- 7.6 In the event that this Contract is terminated early under **Clause 39.1**, notwithstanding anything herein to the contrary, the Security Deposit will be wholly forfeited by the Government upon such termination without prejudice to the Government’s claims and demands under the Contract which cannot be satisfied by the Security Deposit.

8. Restriction on Assignment and Sub-contracting

- 8.1 Unless otherwise with the prior written consent of the Government Representative, the Contractor shall not assign, transfer, sub-contract or otherwise dispose of any of its interests, rights, benefits or obligations under the Contract (including without limitation the parting of the possession of the Licence Area in any manner whatsoever or the sub-contracting of the operation of the Business or any part thereof). The performance of the Contract by the Contractor shall be personal to it.
- 8.2 The Government Representative may refrain from giving any written consent under **Clause 8.1** above without giving any reason. If the Government Representative agrees to give consent, any such agreement may be subject to fulfilment of conditions either by the Contractor and/or by any proposed assignee or transferee or sub-contractors.
- 8.3 The Contractor shall remain fully liable and shall not be relieved from any of its obligations hereunder by entering into any sub-contract for the performance of any part of the Contract. The Contractor shall be responsible for all acts, defaults, omissions and neglect of any of its officers, employees, agents, sub-contractors (at whatever tier), and employees, officers and agents of any such sub-contractors as if they were its own.

9. Licence, Permit and/or Certificate

- 9.1 The Contract does not confer any licence, permit, certificate, waiver or exemption which the Contractor is obliged to apply for under all applicable laws and regulations of Hong Kong in order to operate the Business in the Licence Area. Nothing in this Contract shall be construed to fetter any statutory power of any public officer under any Ordinance.
- 9.2 Without affecting the generality of the foregoing, the Contractor shall make no claim of any kind whatsoever against the Government or the Government Representative in the event of the Contractor's failure or inability for any reason to obtain or renew any such licences, permits and/or certificates.
- 9.3 Without prejudice to other rights and claims of the Government for any failure by the Contractor to commence the Business no later than one (1) month after the commencement of the Contract Period, the Contractor agrees and accepts that there will be no abatement or reduction of the Monthly Licence Fee notwithstanding that the Contractor cannot operate its Business pending the consideration of its applications and issuance or renewal of the relevant licences, permits and/or certificates. The non-issuance of any of the relevant licences, permits and/or certificates by the relevant authorities does not constitute any ground for the abatement of the Monthly Licence Fee.
- 9.4 The Contractor shall produce copies of all requisite licences, permits and/or certificates including but not limited to Business Registration Certificate, from time to time upon demand by the Government Representative.

10. Warranties and Undertakings

10.1 The Contractor warrants and undertakes to the Government that:

- (a) it has the full capacity and authority and all necessary licences, permits and consents to enter into this Contract and to operate the Business in the Licence Area in accordance with the terms and conditions of this Contract and any other transactions as provided for or contemplated under this Contract;
- (b) this Contract constitutes the binding obligations of the Contractor in accordance with its terms;
- (c) the entry into this Contract, the performance by the Contractor of its obligations under it and the operation of the Business will not conflict with or result in the breach of:
 - (i) any provision of the constitutional documents governing the Contractor (including its memorandum (if any) and articles of association);
 - (ii) any contract or arrangement to which the Contractor is a party or by which it is bound;
 - (iii) any order, judgment or decree of any court or government agency to which the Contractor is a party or by which it is bound; or
 - (iv) any applicable laws and regulations;
- (d) it will comply with and observe all applicable laws and regulations in the operation of the Business in the Licence Area.

10.2 (a) The Contractor shall, within fifteen (15) days after the expiry of each calendar month during the continuance of the Contract Period and within fifteen (15) days after the termination or expiry of the Contract, howsoever caused, submit to the Government Representative a statement of accounts in the form as the Government Representative may at its absolute discretion prescribe showing the gross monthly turnover generated from the Business in the Licence Area.

- (b) The Contractor shall keep and maintain proper books and records in respect of the Business including inter alia records of gross monthly turnover and cause all such books and records to be made up on a monthly basis and retain the same throughout the Contract Period plus three (3) years. The Contractor shall allow such person or persons as may be authorised by the Government at all reasonable times upon prior notice access to all such books and records of the Contractor, and if required, to make copies of the same.

- (c) The Contractor shall allow the Government to disclose whenever it considers appropriate or upon request (in writing or otherwise) by any third party all or any information of the Business, including but not limited to releasing information related to the gross monthly turnover and other financial information relating to the Business obtained from the Contractor including disclosure to prospective bidders for the contract following this Contract or any other contract.

11. Fitting Out

- 11.1 The Contractor shall fit out the Licence Area at the Contractor's own cost and expense in accordance with such plans, drawings and specifications as shall have been first submitted to and approved in writing by the Government Representative (including the facilities and decoration plan set out in **Contract Schedule 3**) in a good and proper workmanlike fashion and in all respects in a style and manner appropriate to the Theatre and to maintain the same throughout the Contract Period in good repair and condition to the satisfaction of the Government Representative. For the purposes of fitting-out, the Contractor shall observe and comply with all such procedures and stipulations as the Government Representative may specify, prior notice of which shall be given to the Contractor. The Contractor is required to renovate the Gift Shop front including the furnishing at the commencement of Contract unless otherwise approved by the Government Representative.
- 11.2 The Contractor shall submit to the Government Representative for prior written approval all such plans, drawings, specifications, and other details as the Government Representative may require of all the works which are required to be carried out by the Contractor under **Clause 11.1** above. Unless otherwise approved by the Government Representative, these plans, drawings, specifications shall not deviate from the facilities and decoration plan submitted in **Contract Schedule 3** but such plan shall equally be subject to the approval of the Government even if the quotation containing such plan has been accepted.
- 11.3 The Contractor shall decorate the Gift Shop front of the Licence Area with a décor previously approved in writing by the Government Representative and to a standard satisfactory to the Government Representative and to maintain the standard of décor at all times to the Government Representative's satisfaction.

12. Government Premises and Government Property

- 12.1 The Contractor shall accept the Licence Area in the state and condition in which possession is given. The Government makes no warranty or representation of whatsoever nature concerning the Licence Area. The Licence Area shall be provided on an "as is" basis.

- 12.2 The Contractor shall furnish and provide all such equipment and furniture necessary for the efficient operation of the Business including those facilities as specified in the facilities and decoration plan and other plans submitted in **Contract Schedule 3**. All such equipment and furniture shall be of a design and standard to the satisfaction of the Government Representative.
- 12.3 The Contractor shall keep and maintain at all times all Government property located at the Licence Area (moveable or immovable) or otherwise from time to time provided to the Contractor for use (if any) (collectively, “**Government Property**”) in good repair, clean and serviceable conditions to the Government’s satisfaction. The Contractor shall be responsible for the due and immediate return of all such Government Property in good repair, clean and serviceable condition at any time upon request by the Government Representative and/or at the end or sooner termination of the Contract.
- 12.4 The Contractor shall keep and maintain at all times the Licence Area including the internal face of structural elements such as concrete ceiling/concrete flooring/internal side of external walls, interior plaster or other finishing materials to walls, floors and ceilings and all fixtures and fittings therein including all doors and windows (both interior and exterior), electrical installations and wiring and fire-fighting apparatuses in good repair, clean and proper condition (fair wear and tear excepted) and as may be appropriate from time to time to paint and decorate the Licence Area.
- 12.5 If so required by the electricity company, the Contractor shall repair or replace at the expense of the Contractor all the electrical wiring installations and fittings within the Licence Area and all such electrical wiring installations and fittings of the Contractor, if any, in any other part of the Licence Area.
- 12.6 Except for the fitting-out work and other work expressly required under the Contract, the Contractor shall not make any alteration or addition to the Licence Area or any Government Property without prior permission in writing by the Government Representative and shall not carry out the repairs to the same without first obtaining the prior approval of the Government Representative. If such approval is obtained, the repair works shall be carried out by qualified persons approved by the Government and of a standard acceptable to the Government.
- 12.7 The Contractor shall be liable to the Government for any damage or loss to the Licence Area or any Government Property. If any such Licence Area or Government Property is found damaged or lost, as the case may be in whatsoever scale and from whatsoever cause while in the occupation or possession or control of the Contractor, the Government shall be entitled to recover from the Contractor as a debt due to the Government all losses, liabilities, costs and expenses that it has incurred in the execution of such repair or replacement together with all costs and expenses incurred by the Government for procuring such repair or replacement service, monitoring such repair or replacement service and in taking all other necessary actions in the light of the Contractor’s breach of this **Clause 12**.

- 12.8 The Licence Area and all Government Property shall remain the property of the Government and the Government Representative reserves the right to take stock checking of the same at any time and the Contractor shall provide every assistance to the Government Representative for this purpose.
- 12.9 The Contractor shall be regarded as the occupier of the Licence Area under the Occupiers Liability Ordinance (Cap. 314) (“**Cap. 314**”) during the continuance of the Contract. The Contractor shall indemnify each of the Government and the Government Representative fully from and against everything stated in **Clause 34.2** hereof including claims arising from any incident occurring within the Licence Area which constitutes a breach by the Contractor of its common duty of care to the visitors of the Licence Area as specified in Section 3 of Cap. 314. To the extent permitted under Cap. 314, neither the Government nor the Government Representative shall be regarded as a landlord, and the Contractor shall not be regarded as a tenant, of the Licence Area under Section 5 of Cap. 314.

13. Operation of the Business

- 13.1 To ensure that during the continuance of this Contract and during the opening hours of the Licence Area there is provided and maintained at the Licence Area an efficient and adequate service of a style, type and quality to the satisfaction of the Government Representative, without prejudice to the generality of the foregoing, the Contractor shall at all times ensure that the goods and services provided at the Licence Area shall at all times suffice to meet the reasonable needs of the users of the Theatre and its facilities including but not limited to members of the general public, persons attending the functions and activities being held in the Theatre and group visitors to the Theatre.
- 13.2 The Contractor shall not request or receive any charges for admission to the Licence Area or its surroundings, nor request or receive any other additional charges whatsoever whether by way of service charges or otherwise.
- 13.3 The Contractor shall accept payment for all items sold at the Licence Area by cash in Hong Kong currency, Visa and Master Card credit cards and all such other internationally recognized credit cards as the Government Representative and the Contractor may from time to time agree.
- 13.4 The Contractor shall ensure that in operating the Business, a high standard of customer service is maintained and all staff do conduct themselves in a courteous manner to the satisfaction of the Government Representative.
- 13.5 In conducting the Business, the Contractor shall observe and comply with the merchandise plan, the marketing plan, the operation, staff and customer services plan and the innovative suggestions as set out in **Contract Schedule 3** (viz in the final form as approved by the Government).

- 13.6 The Contractor shall establish strategies, including but not limited to providing customer services training to staff engaged for the Business, to enhance the quality of customer services to encourage repeat visits.
- 13.7 The Contractor shall set up policies on matters such as refund or exchange of substandard goods and handling of customers' complaints.

14. Other Covenants

In addition to other covenants found in the Contract, the Contractor shall comply with and observe, and shall ensure the compliance with, all of the following:

- (a) not to cause, suffer or permit the preparation, cooking, reheating or otherwise of food in, nor delivery of food to the Licence Area or any part thereof;
- (b) not to cause, suffer or permit any floor show or other entertainment whatsoever to be staged in or from the Licence Area without the prior written approval of the Government which approval may be revoked at any time by the Government at its absolute discretion;
- (c) not to use any gramophone, radio or television loudspeaker, musical instrument or similar apparatus or equipment in such a way that the same shall be audible outside the Licence Area, and not to use the same without obtaining the requisite licence, permit and/or certificate for playing music in the Licence Area;
- (d) not to carry on business in or from or otherwise howsoever use or cause suffer or permit to be used for any purposes whatsoever any part of the Theatre outside the Licence Area without the prior written consent of the Government Representative;
- (e) not to cause suffer or permit any smoking whatsoever to take place in or at the Licence Area. If the Government Representative so requires, the Contractor shall display at a prominent position in the Licence Area a sufficient number of signs to indicate that smoking is prohibited in the Licence Area and such signs shall be of a design and size as approved or prescribed by the Government and shall be maintained at all times by the Contractor in good and legible condition;
- (f) to comply with the relevant provisions of the Smoking (Public Health) Ordinance (Cap. 371), and of all regulations made thereunder and for the time being in force;
- (g) not set aside or reserve the whole or any part of the Licence Area for the exclusive use of any person or organisation or for any other purpose or function, save and except where the Government at its absolute discretion may permit or require;

- (h) not use the Licence Area or any part thereof, or cause, permit or suffer the same to be used for any illegal, immoral purpose, gambling or any other purpose not permitted under the Contract;
- (i) not to cause suffer or permit any games to be played in the Licence Area including but not limited to mahjong and tin kau whether for gambling purposes or otherwise; and
- (j) be responsible to make good any loss or damage to the Theatre or any part thereof or any facilities or other fixture or fitting therein not being the property of the Contractor which may arise as a result of the operation of the Business or any other act, neglect or default of the Contractor or any of its employees or agents.

15. Air-conditioning

- 15.1 As more particularly stipulated in **Clause 6** of the **Technical Schedule** of **Annex E**, air-conditioned ventilation will be provided to such parts of the Gift Shop as specified therein ("**Government Supplied Ventilation**"). The Government shall use its best endeavors to provide the Licence Area with the Government Supplied Ventilation during the daily opening hours on each day and to maintain the same in good repair and condition. Provided always that the Government shall in no event whatsoever be held responsible for any failure or interruption of any such Government Supplied Ventilation due to any cause whatsoever or for any damage or loss (direct or indirect) incurred or suffered by the Contractor arising from such failure or interruption.
- 15.2 Due to technical reasons, the Contractor may not apply for separate meters from the power company for the metering of electricity consumed by the Government Supplied Ventilation. Separate meters shall be installed by the Government for this purpose ("**Government Meters**"). The Government will pay the entire amount of the monthly electricity bill for all electricity consumed within the Theatre (including fuel clause adjustment) ("**Gross Electricity Charge**"). The Contractor shall throughout the Contract Period be obliged to reimburse the Government its share of the Gross Electricity Charge ("**Contractor Electricity Share**"). The Contractor Electricity Share based on each monthly electricity bill shall be paid by the Contractor to the Government within fourteen (14) days upon presentation of a demand note from the Government together with a copy of that electricity bill. Each amount of the Contractor Electricity Share shall be calculated in accordance with the following formula:

The Gross Electricity Charge as shown in a monthly bill issued by the power company shall be divided by the total electricity consumption as shown in that monthly bill (“**Unit Rate**”). This Unit Rate shall then be multiplied by the electricity consumption by the Government Supplied Ventilation over the same period to which the monthly bill relates as measured by all Government Meters (“**Contractor Electricity Consumption**”). Where there is any period covered by a monthly bill issued by the power company which is outside the Contract Period, there shall be further pro-rata adjustment of the Unit Rate by dividing it by the number of days in the month to which the monthly bill relates. Such adjusted Unit Rate will then be multiplied by the Contractor Electricity Consumption and further multiplied by the number of days of the Contract Period which is covered by the month to which the monthly bill relates.

- 15.3 In addition to the Contractor Electricity Share payable under **Clause 15.2**, the Contractor shall pay a deposit to the Government as security for its obligation under **Clause 15.2** in the amount of Hong Kong Dollars Five Thousand only (HK\$5,000) (“**Electricity Deposit**”). The Electricity Deposit shall be payable within seven (7) working days from the date of the notification of the Conditional Acceptance of Quotation in cash or cashier order under **Clause 14.2(b)** of the **Terms of Quotation**.
- 15.4 In the event that the Contractor shall fail to pay a Contractor Electricity Share under **Clause 15.2**, without prejudice to other rights and claims of the Government, the Government Representative shall be entitled to make deduction from the Electricity Deposit and/or from the Security Deposit in satisfaction of such Contractor Electricity Share in such order as the Government Representative in her absolute discretion deems fit. The Electricity Deposit may be deducted, without the Government first having recourse to any other security or rights or taking any other steps or proceedings against the Contractor or any other person, or may be enforced for any balance due after resorting to any one or more of other means of obtaining payment or discharge of the monies, obligations and liabilities owing by the Contractor to the Government.
- 15.5 If any deduction is made by the Government from the Electricity Deposit, the Contractor shall, within twenty-one (21) days on demand in writing by the Government Representative, deposit a further sum in a sum equal to the amount so deducted, which further sum shall be added to the residue of and form part of the Electricity Deposit.

15.6 In the event of the Contractor wishing to install its own air-conditioning units in the Licence Area or any part thereof with the prior written consent of the Government, the Contractor shall comply with the directions and instructions of the Government Representative regarding installation and shall at its own expense be responsible for their periodic maintenance and repair and for the replacement of defective wiring. The Contractor shall be strictly liable for any damage caused by the installation, operation or removal of such units. Provided further that in the event of undue noise, vibration or dripping of water or heat being caused or generated by any air-conditioning units installed hereunder, the Government may require the Contractor to remove or replace such installations forthwith and to make good any loss or damage caused to the Licence Area or the Theatre thereby. The Contractor shall be responsible for applying for the installation of meters from the power company and pay for the electricity consumed by such air-conditioning units direct to the power company.

16. Premises Hygiene and Safety

16.1 The Contractor shall not keep or permit or suffer to be kept in the Licence Area or any part thereof any animals or pets, and shall take all such steps and precautions to the reasonable satisfaction of the Government Representative to prevent the Licence Area or any part thereof from becoming infested by any pests or vermin.

16.2 The Contractor shall not do or cause or suffer or permit to be done any act or thing whereby the policy or policies of insurance on the premises of which the Licence Area forms part against damage by fire or liability to third parties for the time being subsisting may become void or voidable or whereby the rate of premium or premiums thereon may be increased, and shall repay to the Government on demand all sums paid by the Government by way of increased premium or premiums thereon and all expenses incurred by the Government in and about any renewal of such policy or policies rendered necessary by a breach of this sub-clause.

16.3 The Contractor shall take all reasonable precautions to protect the Licence Area from damage by fire, storm, typhoon or the like and shall at its own expense install and provide suitable equipment and systems etc., and pay all fees and charges in connection herewith. All other proposed installations, be it permanent or temporary, shall be approved by the Government Representative in writing in advance and the works shall be carried out according to the agreed schedule as well as to the satisfaction of the Government Representative. Such installation shall thereupon become the property of the Government free of any costs or charges. The Contractor shall be responsible for maintaining and repairing such installation in safe and proper condition at its own expense and to remove the same should the Government Representative so direct.

16.4 The Contractor shall assume full responsibility for the safety and security of the Licence Area or its surroundings of all operations and methods of operations.

16.5 The Contractor shall be responsible for the safety of any vehicle which it uses or brings alongside or onto the Theatre and it shall indemnify the Government in respect of any losses or damages thereto as a result of the use of such vehicles.

17. Outgoings

17.1 The Contractor shall pay all the installation costs and costs and deposits of electricity, telephones and data lines and water consumed on or in the Licence Area (including but not limited to electricity charges for air-conditioning equipment, machinery or central air-conditioning made available to the Licence Area under **Clause 15** hereof, all charges for water, telephones and data lines installed in the Licence Area and all costs of installation of all meters in connection therewith). In the event that any such supply is not metered, such amount in respect of electricity and water consumption as shall be assessed or estimated by the Government.

17.2 The Contractor shall pay all rates, Government rent, taxes, fees, charges and outgoings whatsoever now or hereinafter payable in respect of the Licence Area and its Business throughout the Contract Period including the Free Decoration Period or the period or periods of suspension of Business due to whatsoever reasons.

17.3 The Contractor shall pay and discharge all outgoings and expenditure whatsoever which may be incurred by the Contractor arising from or in respect of or otherwise howsoever in connection with the Business.

18. Cleansing, Collection and Disposal of Refuse and Litter

18.1 The Contractor shall maintain the Licence Area and its immediate vicinity in a clean, tidy and serviceable condition to the reasonable satisfaction of the Government Representative. If the Government Representative in its reasonable opinion considers that the Contractor has failed to satisfactorily clean and service the Licence Area or any part thereof, the Government Representative may give written notice to the Contractor to carry out within twenty-four (24) hours or such longer period as the Government Representative in its reasonable opinion may allow the necessary cleaning and servicing work in the Licence Area. In the event that the Contractor fails to carry out the works as directed, the Government Representative may without further notice close the Licence Area or any part thereof and suspend the Contractor's Business for a period or periods not exceeding seven (7) days on any one occasion to cause the Licence Area and its immediate vicinity to be cleaned and serviced, and the Contractor shall pay the costs thereof to the Government Representative on demand and shall remain liable to pay the Monthly Licence Fee to the Government without any deduction.

18.2 The Contractor shall provide and keep in good and hygienic condition dustbins in such numbers and of such a type as shall be approved by the Government Representative and shall collect all refuse and litter therein.

- 18.3 The Contractor shall comply with the Municipal Solid Waste Charging Scheme currently in effect. The Contractor shall arrange at least once every day or at a frequency as prescribed by the Government Representative at any time and from time to time for the removal and disposal of all refuse and litter collected in the course of the Business. Such refuse and litter shall be collected in polyethylene bags, or in any other containers approved by the Government Representative and shall be properly disposed of at least once every day to such a refuse collection point inside or outside the Licence Area nominated by the Government Representative at any time and from time to time in such manner as approved or prescribed by the Government Representative.
- 18.4 In the event of failure to comply with this **Clause 18**, the Contractor shall pay the Government on demand the costs and expenses incurred by the Government in the removal and disposal of such refuse and litter or in cleansing and clearing the Licence Area due to the act, default or negligence of the Contractor or any of its employees or agents.
- 18.5 The Contractor shall, solely at its cost, employ or use only such cleaner or cleansing agent within the Licence Area as the Government Representative shall approve or prescribe, provided always that such approval may be withdrawn by the Government Representative upon notifying the Contractor that it has reasonable grounds for such withdrawal.

19. Electricity Supply

- 19.1 The Contractor, if so permitted by the Government, may consume electricity from supply points which are available at the Licence Area to operate its Business and shall pay all deposits, fees and charges incurred and, in the event that any such supply is not metered, such amount in respect of electricity consumption as shall be reasonably assessed or estimated by the Government. The Contractor shall maintain, repair and replace the electrical wiring or cables or apparatuses associated therewith in or serving the Licence Area in safe and proper condition and comply in all respects with the Electricity Ordinance (Cap. 406) and its subsidiary legislations and/or the Government Representative with respect to the utilities.
- 19.2 If electricity supply is not available at the Licence Area, or permission to use available supply is not granted or withdrawn, the Contractor shall at its own expense install and provide its own source of electricity supply required for its Business and pay all fees and charges in connection herewith.

19.3 Any installation of wiring and lighting fittings, and all other electrical works, be it permanent or temporary, shall be approved by the Government Representative in writing in advance and the works shall be carried out by a Registered Electrical Contractor (REC)/Registered Electrical Worker (REW) registered under the Electricity (Registration) Regulations (Cap. 406D) and to the satisfaction of the Government Representative. The Contractor shall maintain and repair such installation in safe and proper condition at its own expense as well as remove the same should the Government Representative so direct. A copy of the Work Completion Certificate (WR1) issued under Regulation 1.9 of the Electricity (Wiring) Regulations (Cap. 406E) attached with schematics and test reports shall be submitted to the Government Representative for retention.

20. Contractor's Employees and/or Agents

20.1 In deploying staff for operating the Business, the Contractor shall comply with the operation, staff and customer services plan submitted in **Contract Schedule 3** which shall be in the final form as approved by the Government.

20.2 The Contractor shall ensure that at least one (1) staff shall be in attendance at the Licence Area at all times during which the Licence Area is open.

20.3 The Contractor shall be responsible for the good conduct of its employees or agents while they are in the Licence Area, and shall ensure that they will behave accordingly.

20.4 The Government shall be entitled to demand on reasonable grounds, including but not limited to medical, security and disciplinary grounds, the removal or replacement of any of the Contractor's employees or agents.

20.5 The Government Representative shall be entitled to refuse to admit to the Licence Area or any part thereof any person employed by the Contractor, whose admission will be, in the reasonable opinion of the Government Representative, undesirable.

20.6 Any removal demanded or refusal made under **Clauses 20.4 and 20.5** hereof shall not be construed as a breach of the Contract by the Government and the Contractor shall continue to carry out its obligations under the Contract.

20.7 The Government shall in no circumstances be liable either to the Contractor or to its employees or agents in respect of any liabilities, losses or damages occasioned by such removal as stipulated in **Clauses 20.4 and 20.5** hereof and the Contractor shall fully indemnify the Government against any claim made by such employees or agents.

20.8 The Contractor shall provide a sufficient quantity of clean uniforms with clear identifications of its Business and of a type approved by the Government for the use of its employees at the Licence Area.

- 20.9 The Contractor shall ensure that at all times when its employees or agents are at work or on duty in the Licence Area they will wear such uniforms in a clean and tidy manner.
- 20.10 The Contractor shall ensure that all persons employed by it in carrying out the Contract shall keep to such parts of the Licence Area as are necessary for the due discharge of the Contractor's obligations under the Contract.
- 20.11 The Contractor shall provide quality customer services to customers and therefore ensure the ability of all the front-line staff to communicate with customers in a courteous manner.
- 20.12 The Contractor shall maintain a proper current and accurate record of all its employees or agents employed for the carrying out of the Business. Such record shall include the name, the Hong Kong Identity Card number and a photograph of such employees or agents and shall be produced for inspection by the Government Representative on request. All personal data submitted by the Contractor will be used by the Government for the purpose of this Contract only.
- 20.13 The Contractor shall not employ any persons who are forbidden under the laws of Hong Kong or not entitled for whatever reasons to undertake any employment in Hong Kong. Without prejudice to any other rights or remedies which the Government has or may have against the Contractor, if there is any breach of this **Clause 20.13** by the Contractor, the Government may terminate the Contract under **Clause 39.1(g)**.
- 20.14 The Contractor shall comply with the Employment Ordinance (Cap. 57). Without prejudice to any other rights or remedies which the Government has or may have against the Contractor, the Government may terminate the Contract under **Clause 39.1(g)** if the Contractor is convicted of any offence under the Employment Ordinance.
- 20.15 The Contractor shall comply with the Minimum Wage Ordinance (Cap. 608). Without prejudice to any other rights or remedies which the Government has or may have against the Contractor, the Government may terminate the Contract under **Clause 39.1(g)** if the Contractor is convicted of any offence under the Minimum Wage Ordinance.
- 20.16 The Contractor shall comply with the Employees' Compensation Ordinance (Cap. 282). Without prejudice to any other rights or remedies which the Government has or may have against the Contractor, the Government may terminate the Contract under **Clause 39.1(g)** if the Contractor is convicted of any offence under the Employees' Compensation Ordinance.
- 20.17 The Contractor shall comply with the Immigration Ordinance (Cap. 115). If the Contractor is convicted of an offence under the Immigration Ordinance for employing a person who is not lawfully employable to perform the Contract, or is convicted of an offence for aiding and abetting another person to breach its condition of stay, without prejudice to any other rights or remedies which the Government has or may have, the Government may terminate the Contract under **Clause 39.1(g)**.

- 20.18 The Contractor shall comply with the requirements of the Occupational Safety and Health Ordinance (Cap. 509), and any other legislation pertaining to the health and safety of its own staff, the employees or agents of the Government and any other parties who may be affected by the Contractor's operation of its Business. Without prejudice to any other rights or remedies which the Government has or may have against the Contractor, the Government may terminate the Contract under **Clause 39.1(g)** if the Contractor is convicted of any offence under the Occupational Safety and Health Ordinance.
- 20.19 The Contractor shall comply with the Mandatory Provident Fund Schemes Ordinance (Cap. 485). Without prejudice to any other rights or remedies which the Government has or may have against the Contractor, the Government may terminate the Contract under **Clause 39.1(g)** if the Contractor is convicted of any offence under the Mandatory Provident Fund Schemes Ordinance.
- 20.20 Any conviction mentioned in **Clauses 20.14 to 20.19** above or any other provision of this Contract does not have to relate to this Contract. The conviction of a related person (as defined in **Clauses 19.7 and 19.8** of the **Terms of Quotation**) or officer of the Contractor or any person being such officer during any part of the Contract Period may also be taken as the conviction of the Contractor and gives the same rights and remedies including the power to terminate under **Clause 39.1(g)**.

21. Arrangement during Epidemic Illness

In the event of illness of any epidemic nature breaking out or situations related to suspected or confirmed communicable disease cases, the Contractor shall comply with all such orders, arrangements or regulations as may be issued by the Government with a view to stamping out the same. The Contractor shall comply with any instructions issued by the Government regarding measures to be adopted to prevent or control diseases of any kind.

22. Suspension of the Business

- 22.1 In the event that the Contractor is in breach of any term and condition of the Contract, the Government shall be entitled to suspend the Contractor's right to carry on the Business at the Licence Area ("**Suspension for Default**") by notice in writing to the Contractor for a period as specified in such notice and the suspension may take place on the next day following from the date of such notice at the earliest or such other date as specified in the notice. Without prejudice to the generality of the foregoing, the Government may suspend the Contractor's right to carry on the Business at the Licence Area upon the default of the Contractor as mentioned in **Clause 18.1** or **Clause 31.2** where applicable.
- 22.2 Upon a Suspension for Default, the Contractor shall have no right to operate the Business at the Licence Area during the period of such Suspension for Default. The Contractor shall remain liable to pay the Monthly Licence Fee in respect of the period of Suspension for Default and perform and observe all other obligations under the Contract.

- 22.3 In the event that any default leading to the Suspension for Default has been remedied to the satisfaction of the Government, the Government may cancel the Suspension for Default by notice in writing to the Contractor (“**notice of resumption**”). Upon receipt of such notice, the Contractor shall resume the Business at the Licence Area by such date as specified in the notice of resumption. The Contract Period will not however be correspondingly extended due to any suspension under **Clause 22.1** above.
- 22.4 Neither the Government nor the Government Representative shall be responsible for any claim, legal proceeding, liability, loss (including any direct or indirect loss, any loss of revenue, profit, business, contract or anticipated saving), damages (including any direct, special, indirect or consequential damages of whatsoever nature) or any cost or expense, suffered or incurred by the Contractor arising out of or in relation to any Suspension for Default under **Clause 22.1** above.

23. Closure of the Licence Area and/or Part of the Theatre

- 23.1 Without prejudice to the rights and powers of the Government (including under **Clause 22** above to effect a Suspension for Default), the Government may require a temporary closure of the Licence Area for any operational or other reason (including any of the reasons as specified in **Clause 23.2** hereof) which is otherwise than due to any default of the Contractor by giving not less than seven (7) days’ notice to the Contractor specifying the period of the temporary closure. Upon such temporary closure for more than seven (7) days (on a single occasion basis but not on an accumulative basis) (including a temporary closure due to any ground specified in **Clause 23.2** hereof), the Monthly Licence Fee shall not be payable for so long as such closure continues. The Contract Period may be correspondingly extended after the temporary closure in accordance with this **Clause 23**.
- 23.2 Without prejudice to the generality of **Clause 23.1** above, the Government reserves the right to require a temporary closure of the Licence Area in whole or in part, by reason of fire or storm or damage or spread of epidemic as mentioned in **Clause 21** above (not being the result of willful default or misconduct or negligence of the Contractor, its employees or agents) or an act of God or repair or maintenance or building modification or for any other reasons at any time and for whatever period or periods during the Contract Period. The renovation or closure of any other part of the Theatre shall not entitle the Contractor to claim or request temporary suspension of the Gift Shop or abatement of the Monthly Licence Fee.
- 23.3 Upon any temporary closure pursuant to this **Clause 23**, the Contractor shall cease carrying on the Business at the Licence Area for so long as the temporary closure continues.

- 23.4 The Contractor may request to suspend its Business for a reasonable period of time when the weather conditions warrant such suspension in view of the safety of its employees. Prior approval from the Government Representative shall be obtained as far as it is practicable in the circumstances and the Government's decision on the duration of such period of suspension shall prevail. The Contractor shall remain liable to pay the Monthly Licence Fee in full and all fees and charges in respect of the Licence Area and the Business during such approved period of suspension of Business.
- 23.5 Neither the Government nor the Government Representative shall be responsible for any claim, legal proceeding, liability, loss (including any direct or indirect loss, any loss of revenue, profit, business, contract or anticipated saving), damages (including any direct, special, indirect or consequential damages of whatsoever nature) or any cost or expense, suffered or incurred by the Contractor arising out of or in relation to any temporary closure or cessation of the Business or temporary partial closure of the Theatre under this **Clause 23**.
- 23.6 Notwithstanding anything herein to the contrary, the Government reserves the right to give less than seven (7) days' notice for urgent closure due to emergency events which are beyond its reasonable control.
- 23.7 For the avoidance of doubt, temporary closure of the Licence Area or any part thereof for a period of less than seven (7) days will not entitle the Contractor to claim any deduction from the Monthly Licence Fee.

24. Stock and Sale of Commodities

- 24.1 The commodities to be provided by the Contractor for sale in the Licence Area shall be in line with the services, image and functions of the Theatre and its activities. In stocking and procuring the merchandise for the Business, the Contractor shall comply with the list of proposed merchandise and merchandise plan submitted in **Contract Schedules 2 and 3** but which shall be in the final form as approved by the Government.
- 24.2 Unless otherwise specified in the Contract, the Contractor shall stock in sufficient quantities and sell only the merchandise as stipulated in **Contract Schedule 2** (in the final form as approved by the Government) and other items from time to time approved or prescribed by the Government Representative of a standard to the satisfaction of the Government Representative ("**Authorised Merchandise**").
- 24.3 The Contractor shall not sell any merchandise not listed in **Contract Schedule 2** unless with prior written approval of the Government Representative.
- 24.4 The Contractor shall abide by any directions as to the quality of the goods sold or offered for sale at the Licence Area as may be given by the Hong Kong Consumer Council.

- 24.5 The Contractor shall not stock, display, sell or provide at the Licence Area any alcoholic products, cigarettes, cigars or tobacco products whatsoever.
- 24.6 The Contractor shall provide to customers upon request receipts for commodities sold specifying the commodities and the respective prices.
- 24.7 Notwithstanding the prior approval of any items appearing in **Contract Schedule 2** or other prior approval from time to time, the Contractor shall remove forthwith from display and not to sell or continue to sell, stock or display at or from the Licence Area any commodities, goods or merchandise or any other things and materials whatsoever used or provided in or from the Licence Area or in connection with the performance of this Contract:
- (a) to which the Government Representative has notified its objection to the Contractor as being inconsistent with the objectives of the Business or the objectives/images of the Theatre or the Government; or
 - (b) of which there is any allegation or claim of infringement of Intellectual Property Rights or other rights of any person or persons; or
 - (c) which consists of or contains any materials that infringe or are alleged to infringe the Intellectual Property Rights or other rights of any person or persons;

and neither the Government nor the Government Representative shall be liable for any costs, losses, expenses, damages or liabilities of whatsoever nature suffered or incurred by the Contractor as a result of such suspension from sale or removal of items concerned.

25. Display of Commodity Prices

- 25.1 The Contractor shall prominently display at all times the prices of the commodities in respect of the Business at the Licence Area. The displays shall be in both Chinese and English and shall be put up in such form, such manner and at such locations as shall be approved or prescribed by the Government Representative.

- 25.2 The Contractor shall display clearly the fixed prices for all items for sale in a style to be approved by the Government Representative and not on any occasion charge a price exceeding the fixed price so displayed. In the case of goods which have a wholesaler or manufacturer recommended Hong Kong retail price, a price not higher than that price shall be adopted and where such prices are stated in foreign currencies, the Contractor shall make available for inspection the Hong Kong Dollar exchange rates applied by the Contractor to the currencies concerned to any customer who so requests, and to notify the Government Representative of any changes to the said exchange rates. Where no recommended Hong Kong retail price is available, the goods will be sold at not more than the prices normally charged at any of the Contractor's other Hong Kong retail outlets, or in the case where such goods are not sold by the Contractor at its other retail outlets within the range of prices charged in similar types of retail outlets in Hong Kong.
- 25.3 The Government reserves the right to question the price of any item for sale at the Licence Area at any time and the Contractor shall provide justification for the price being charged.
- 25.4 The Contractor shall offer a discount of ten percent (10%) off the displayed price of all Authorised Merchandise and Consignment Items offered for sale at the Licence Area, except for special sales items that are clearly specified, and such other discount and discount packages as may be agreed from time to time between the Government and the Contractor, to all persons as specified by the Government, including but not limited to such persons who can produce for inspection at the time of purchase a current valid identification as prescribed by the Government.

26. Erection of Structures

- 26.1 The Contractor shall not allow or permit any structure to be erected in or on the Licence Area and its immediate vicinity except racks and show cases for displaying the merchandise for sale, and signboard(s) bearing the trade name for the Business in both Chinese and English which have been approved in writing by the Government.
- 26.2 The number, size, location and ways of erecting the signboard(s) stipulated in **Clause 26.1** shall be approved or prescribed by the Government in writing.

27. Storage of Dangerous Goods and Prohibited Goods

The Contractor shall not keep, store or cause, permit or suffer to be kept or stored in the Licence Area any dangerous or prohibited goods or liquid petroleum gas or any other types of fuel within the meaning of the Dangerous Goods Ordinance (Cap. 295) or any arms, ammunition, explosives or combustible substance.

28. Fire Precautions

- 28.1 The Contractor shall provide and maintain fire-fighting equipment in proper and serviceable condition to the satisfaction of the Government Representative and comply with any directions issued by the Government Representative or the Director of Fire Services in connection with the Licence Area.
- 28.2 No naked flame is permitted in the Licence Area.

29. Watchman

The Contractor shall not allow any person including but not limited to any watchman to remain in the Licence Area overnight without prior permission in writing by the Government Representative. The Contractor shall immediately remove such person from the Licence Area if the Government Representative notifies the Contractor in writing of the withdrawal of its approval for such person to stay overnight in the Licence Area.

30. Access by the Government for Repair

Whilst the Government has no obligation to do so, the Contractor shall permit the Government Representative or any of the Government's servants or agents with or without workmen to enter upon the Licence Area or any part thereof at all reasonable times to carry out repairs and works thereto and to any fixtures, fittings, installations and equipment whatsoever therein owned by either the Government Representative or the Government and to view the condition and state of repair thereof.

31. Inconvenience or Annoyance Caused at the Theatre

- 31.1 The Contractor shall ensure that its employees, suppliers and permitted sub-contractors shall perform their duties in an orderly manner and in as quiet a manner as may reasonably be practicable having regard to the nature of the duties being performed by them.
- 31.2 The Contractor shall not do anything in or upon the Licence Area or any part of the Theatre or in the immediate vicinity thereof which may be or become a nuisance or annoyance (including but not limited to the making of excessive noise or sound) or cause damage or inconvenience or discomfort to the users of the Theatre, the Government, its staff or agents working in the Theatre. The Government shall be entitled to suspend the Contractor's right to carry on the Business at the Licence Area under **Clause 22.1** for non-compliance with this **Clause 31.2** for so long as the nuisance or annoyance or damage or inconvenience or discomfort continues.

31.3 The Contractor shall not place or leave, or cause, suffer or permit to be placed or left any of its trade equipment, stores, provisions, furniture, fixtures, fittings, chattels or other things whatsoever at any places within the Licence Area or otherwise howsoever encumber or encroach such places and shall forthwith remove the same to a place designated by the Government Representative if the Government Representative in its opinion considers that they may cause encumbrance or encroachment. In the event of any breach of this **Clause 31.3** and without prejudice to any other rights and remedies which the Government has or may have under the Contract, the Government Representative shall be entitled to take all such steps as may be necessary to forthwith remove any such encumbrances or encroachments thereby constituted and without notice to the Contractor to seize and dispose of any such property in such manner as the Government Representative may see fit without any liabilities whether towards the Contractor or any person otherwise and the Contractor shall pay the Government on demand all the costs in relation with such removal and/or disposal which are incurred by the Government Representative.

32. Inspection and Rejection

32.1 The Business carried on by the Contractor at the Licence Area shall be subject to inspection by the Government Representative at any time.

32.2 Without prejudice to any other rights provided under the Contract, the Inspection Officer or the Government Representative may reject any action undertaken by the Contractor (which action is purportedly for the compliance or observance of any term or condition of the Contract), or the result of such action which does not strictly conform to the terms and conditions of the Contract.

32.3 Within twenty-four (24) hours of being notified in writing of the rejection of any action undertaken by the Contractor or the result of such action, the Contractor shall take necessary action to rectify such rejected action or the result of such action to the satisfaction of the Government Representative.

32.4 If the Contractor fails to rectify such rejected action or the result of such action, the Government may, without prejudice to any other rights and remedies available to the Government, carry out and complete such rectification by the Government's own staff or agents. All costs and expenses whatsoever which may be incurred by the Government thereof shall be recoverable in full from the Contractor forthwith on demand or otherwise in accordance with the express provisions applicable to the relevant failure. The normal working hours for the staff of the Government are, with the exception of public holidays, from 9:00 a.m. to 6:00 p.m. from Mondays to Fridays. If such rectification is carried out by the staff of the Government outside these normal working hours, the Contractor shall be responsible for the overtime remuneration, subsistence allowances and traveling expenses of such staff.

33. Contractor's Act and Default

Any act, default, neglect or omission of any officer, employee, agent or sub-contractor (of whatever tier) of the Contractor, or those officers, employees or agents of such sub-contractors, or any visitor or patron of the Licence Area (all of the aforesaid persons collectively "**Contractor Responsible Group**"), shall be deemed to be the act, default, neglect or omission of the Contractor and the Contractor shall be responsible for them as if it is its own.

34. Liability and Indemnity

34.1 Neither the Government, the Government Representative nor any of the public officers, employees or agents of the Government shall be under any liability whatsoever for or in respect of:

- (a) any loss of or damage to any of the Contractor's property or that of its employees, sub-contractors, agents, visitors to, or patrons of, the Licence Area howsoever caused; or
- (b) any injury to or death of the Contractor (in the case where the Contractor is a natural person) or any of its employees, sub-contractors, agents, visitors to, or patrons of, the Licence Area, save and except any such injury or death caused by the Negligence of the Government or the Government Representative or any of the employees of the Government (in the course of employment).

34.2 Without prejudice to any other provisions of the Contract, the Contractor shall indemnify and keep the Government, its authorised users, assigns, successors-in-title, employees or agents (each an "**Indemnified Person**") fully and effectively indemnified from and against:

- (a) all and any claims, actions, investigations, demands, proceedings or arbitration, threatened, brought or instituted by any person against an Indemnified Person (whether or not successful, compromised, settled, withdrawn or discontinued, in whole or in part and whether alone or jointly with another) ("**Third Party Claims**"); and
- (b) all and any liabilities and indebtedness, all and any losses, damage, injury, death, and all and any costs, charges and expenses; and

including without limitation those liabilities and indebtedness, losses, damage, injury or death arising from any Third Party Claim, and liabilities to pay damages or compensation, and all legal and expert fees and other awards, costs, payments, charges and expenses on a full indemnity basis whether incurred in any Third Party Claim or incurred in any claim or proceedings or arbitration brought by an Indemnified Party; which an Indemnified Person may suffer or incur directly or indirectly as a result of or arising from or in connection with or in relation to –

- (i) the performance or breach of any provisions of the Contract by the Contractor (or by any member of the Contractor Responsible Group);
- (ii) the negligence, recklessness, tortious acts or wilful omission of the Contractor, or any member of the Contractor Responsible Group;
- (iii) any warranty or representation made by the Contractor in the Contract or in the quotation submitted for the Contract or from time to time in the course of the Contract which is incorrect, inaccurate, incomplete or misleading;
- (iv) any claim or allegation that the Contractor in the course of performing the Contract, or any goods, merchandise or any other things and materials supplied or used by the Contractor infringed the Intellectual Property Rights or any other rights of any person;
- (v) the non-compliance by the Contractor, or any member of the Contractor Responsible Group with any applicable law or regulation, or order or requirement of any government agency or authority; or
- (vi) any death or injury or loss or damage of property as mentioned in **Clause 34.1** hereof except any death or injury caused by the Negligence of the Government, its authorised users, assigns, successors-in-title, employees or agents.

34.3 For the purposes of this Clause, “**Negligence**” (in upper case) shall have the same meaning as that assigned to it in Section 2(1) of the Control of Exemption Clauses Ordinance (Cap. 71).

34.4 The indemnities, payment and compensation given in pursuance of the Contract by the Contractor shall not be affected or reduced by reason of any failure or omission of the Government Representative in enforcing any of the terms and conditions of the Contract, or in supervising or controlling the Contractor’s operation or method of working, or in detecting or preventing or remedying any defective work carried out by the Contractor, its employees and agents.

34.5 The Contractor shall notify the Government Representative in writing of any injury to or death of any of the Contractor’s employees or agents arising from any work done in pursuance of the Contract or of any visitor of the Licence Area; and any loss of or damage to the Government’s provisions or other property of the Government or to the property of any of the Contractor or of its employees or agents or of any visitor of the Licence Area within forty-eight (48) hours of the occurrence of such injury, death, loss or damage or after such injury, death, loss or damage has come to the Contractor’s knowledge, and deliver to the Government a written report within seven (7) working days after the occurrence of the injury, death, loss or damage. The requirement of notifying the Government Representative under this Clause shall not exempt or excuse the Contractor from compliance with any law.

35. Government to Recover Cost

If the Contractor fails to carry out any of its obligations or duties under this Contract and the Government executes such obligations or duties on behalf of the Contractor, without prejudice to the other rights and claims of the Government, the Government shall be entitled to recover from the Contractor as a debt due to the Government all costs and expenses that the Government has incurred in executing such obligations or duties or procuring the service of a third party to execute such obligations or duties including all administrative and legal costs for supervising and monitoring the performance of such obligations and duties and enforcing its rights under this Clause.

36. Public Liability Insurance

- 36.1 The Contractor shall effect at its own expense a public liability insurance policy (“**the Policy**”) throughout the Contract Period in the joint names of the Contractor and the Government in the sum of not less than **Hong Kong Dollars Ten Million (HK\$10,000,000)** for any one incident and unlimited number of claims in any one (1) year with an insurance company authorised by the Insurance Ordinance (Cap. 41) on such terms and conditions to be approved by the Government in writing in advance.
- 36.2 The Policy shall cover liability to pay damages or compensation as a result of the damage to properties, death of or injury to or illness suffered by any person arising out of vandalism, any act or default of the Contractor, the Government, its employees and agents.
- 36.3 On top of the indemnity amount as stated in **Clause 36.1** hereof, the Policy shall also indemnify each of the insured from and against payment of legal costs awarded in favour of any claimant of any claim covered by the Policy and legal costs incurred by the insured in defending any claim.
- 36.4 The Contractor shall keep the Policy in force during the continuance of the Contract and shall, if required, deposit with the Government for safe keeping such policy of insurance together with the receipt for payment of the current premiums.
- 36.5 If the terms of the Policy taken out by the Contractor require the insured parties to bear any excess amount in the event of claims, the Contractor shall be personally and solely responsible for the payment of such excess amount and shall reimburse the Government for such payment if it is paid by the Government.
- 36.6 The Policy shall include a cross liability clause so it shall be treated that a separate policy has been issued to each of the Contractor and the Government. Under no circumstances whatsoever shall the Government be responsible for the premium payable under the policy or the premium payable for the renewal thereof.

- 36.7 The Contractor is responsible to lodge all claims with the insurance company and shall deal with the said company upon receipt from the Government or otherwise of a report on any injury, death, loss or damage, provided that the Government shall have the right to liaise with the insurance company on any matter of such claims.
- 36.8 If the Contractor fails to effect or to keep in force the Policy or any other insurance which it may be required to effect under the terms and conditions of the Contract, the Government may effect and keep in force any such insurance and pay such premium or premiums thereof as may be necessary for that purpose and may from time to time deduct the amount so paid from the Security Deposit in accordance with **Clause 7** hereof or may recover the same as a debt due from the Contractor.
- 36.9 The Contractor shall conform to the terms and conditions of the Public Liability Insurance Policy, and all reasonable requirements of the insurers in connection with the settlement of claims, the recovery of losses and the prevention of accidents. The Contractor shall not do or permit or suffer to be done any act or omission whereby these policies shall be rendered void or voidable, or which would otherwise amount to a breach of these. The Contractor shall bear the economic consequences of, and indemnify the Government in full from and against everything stated in **Clauses 34.2(a) and (b)** which may arise from any failure of the Contractor to observe and comply with this Clause.
- 36.10 The Contractor shall take out and maintain the employees' compensation insurance as required under the Employees' Compensation Ordinance (Cap. 282).

37. Recovery of Sums Due

If the Contractor fails to pay any amount due or payable or otherwise upon demand by the Government pursuant to any applicable provision of the Contract, the Government shall be entitled to deduct the same from the Security Deposit in accordance with **Clause 7** hereof and/or may recover the same as a debt due from the Contractor in such order as it deems appropriate regardless of whether it is specifically stated in the relevant provisions that such amount may be recovered as a debt.

38. Set-off

Whenever under the Contract any sum of money is recoverable from or payable by the Contractor, the same may be deducted from any sum then due or which at any time thereafter may become due to the Contractor under the Contract or any other Government contracts.

39. Termination

- 39.1 Without prejudice to any right or action or remedy which shall have accrued or shall accrue thereafter to the Government, the Government may at any time by notice forthwith terminate the Contract without entitling the Contractor to compensation in any of the following events –

- (a) if the Contractor fails or neglects to observe or perform any of the terms and conditions of the Contract or fails to pay any of the sums payable by the Contractor under the Contract, or in the case of a breach capable of being remedied, fails within fourteen (14) days (or such longer period as the Government may allow) to remedy the breach following from the issue of a notice in writing from the Government requiring it to do so (such notice shall contain a warning of the Government's intention to terminate the Contract); or
- (b) if the Contractor is at any time adjudged bankrupt, or has a receiving order or orders for administration of its estate made against it, or takes any proceedings for liquidation or composition under the Bankruptcy Ordinance (Cap. 6), or makes any conveyance or assignment of its effects or composition or arrangements for the benefit of its creditors or purports to do so, or suffers any execution to be levied on its goods and assets in the Licence Area, or a petition is filed for the bankruptcy or winding up of its Business otherwise than for the purpose of a reconstruction or amalgamation previously approved by the Government in writing; or
- (c) if the Contractor, being a company, passes a resolution, or the court makes an order for the liquidation of its assets, or a receiver or manager is appointed on behalf of the debenture holders, or circumstances have arisen which entitle the court or debenture holders to appoint a receiver or manager, provided that such determination shall not prejudice or affect any right or action or remedy which have accrued or accrue thereafter to the Government; or
- (d) if the Contractor assigns or transfers, or purports to assign or transfer all or any part of the obligations or rights of the Contract without the prior written consent of the Government; or
- (e) if the Contractor unilaterally ceases its Business at the Licence Area and/or unilaterally terminates the Contract at any time prior to the expiry of the Contract Period otherwise than in accordance with **Clause 39.4**; or
- (f) if there is any claim or allegation or the Government has reasonable grounds to believe that the Contractor in the course of performing the Contract, or any goods, merchandise or any other things and materials supplied or used or to be supplied or used by the Contractor, has infringed or may infringe the Intellectual Property Rights or any other rights of any person or persons; or
- (g) any event or circumstance occurs which enables the Government to terminate the Contract under any provision of the Contract including, without limitation, any of the following provisions:
 - (i) any of **Clauses 20.13 to 20.19** (Contractor's Employees and/or Agents); or

(ii) **Clause 41** (Corrupt Gifts).

- 39.2 If the Government is at any time prevented from performing the Contract by force majeure, the Government Representative shall serve a notice on the Contractor to this effect whereupon the Contract shall be terminated immediately.
- 39.3 For the purpose of **Clause 39.2**, “force majeure” means acts of God, strikes, lockouts, acts of war, civil disorders, or other similar or different events or contingencies beyond the reasonable control of the parties to this Contract. For these purposes an event shall not be deemed to be within the control of the Government on the ground that the Government could have prevented that event by acceding to any unreasonable demands of an authority, corporation, trade union, association or person.
- 39.4 Notwithstanding anything herein to the contrary, either party to the Contract may without cause terminate the Contract early by giving not less than ten (10) months’ notice to the other party any time after nine (9) months of the Contract Period.
- 39.5 The grounds for termination specified in this **Clause 39** are separate and independent, and shall not be limited by reference to or inference from the other of them.

40. Effect of Termination

In the event of termination or expiry of the Contract for whatever reason whether under any of the applicable provisions set out in **Clause 39** hereof or otherwise (“**Termination**”):

- (a) the Contract shall be of no further force and effect, but without prejudice to:
- (i) the Government’s rights and claims under the Contract or otherwise at law against the Contractor arising from antecedent breaches of the Contract by the Contractor (including any breach(es) which entitles the Government to terminate the Contract);
 - (ii) the rights and claims which have accrued to a party prior to the Termination; and
 - (iii) the continued existence and validity of those provisions which are expressed to or which in their context by implication survive the Termination (howsoever occasioned) (including without limitation **Clauses 5, 8, 10, 12, 14, 15, 17, 33 to 56** (apart from **Clause 47.1**) hereof);
- (b) neither the Government nor the Government Representative shall be responsible for any claim, legal proceeding, liability, loss (including any direct or indirect loss, any loss of revenue, profit, business, contract or anticipated saving), damages (including any direct, special, indirect or consequential damages of whatsoever nature) or any cost or expense, suffered or incurred by the Contractor arising out of or in relation to the Termination;

- (c) without prejudice to the other rights and claims of the Government including the right to seek indemnity under **Clause 34.2** hereof, in the event that this Contract is terminated under **Clause 39.1**, the Contractor shall be liable for all losses, damages, costs and expenses incurred by the Government arising from the Termination including without limitation:
- (i) all actual loss of revenue (as represented by the Monthly Licence Fee) (where and whilst no replacement contract is awarded) and shortfall in such revenue (where a new replacement contract is awarded), for the remainder of the Contract Period had there been no Termination;
 - (ii) all administrative and legal costs incurred by the Government for terminating the Contract; and
 - (iii) all administrative and legal costs incurred by the Government for issuing an invitation to bid for a new replacement contract similar to the Contract;
- (d) the Contractor shall forthwith pay up all unpaid Monthly Licence Fee without any deduction or set-off whatsoever plus interest on any overdue amount at the rate as specified in **Clause 5.3** hereof;
- (e) in the event of the Termination under **Clause 39.1**, there shall be a forfeiture of the Security Deposit in its entirety without prejudice to the Government's claims and demands under the Contract which cannot be satisfied by the Security Deposit;
- (f) the Contractor shall immediately deliver up vacant possession of the Licence Area and all Government Property in good repair (fair wear and tear excepted) and in clean and hygienic condition, provided always that where the Contractor has made any alterations or installed any fixtures, fittings or additions to the Licence Area with or without the Government's consent, the Government may at its discretion require the Contractor to reinstate or remove at the Contractor's own expenses such alterations, fixtures, fittings or additions or such part or portion thereof as the Government may require and to make good and repair in a proper and workmanlike manner any damage to the Licence Area and to the Government's fixtures and installations thereof by such deadline date as specified by the Government Representative (whether to fall before or after the Termination) before delivering up the Licence Area to the Government. Alternatively, the Government may choose to retain all such fixtures, fittings and alterations made by the Contractor to the Licence Area if the Government so chooses without any compensation to the Contractor whatsoever;
- (g) the Contractor shall remove from the Licence Area all removable objects from the Licence Area which do not belong to the Government including any materials, machinery, equipment, plant and all other properties. The Contractor shall at its own expense make good any damage to the Licence Area arising from such removal;

- (h) all employees and agents of the Contractor shall vacate the Licence Area and deliver up all keys and access cards to the Licence Area;
- (i) if the Contractor fails to comply with any of **Clauses 40(f) to (h)** above, the Government Representative may forthwith enter the Licence Area to remove any persons therein, or to remove any fixtures and fittings or reinstate any alterations so installed or erected, or any property, materials, machinery and equipment found therein and to effect the necessary repair and cleansing work so as to keep the Licence Area in good repair and a clean and serviceable condition. The Government Representative reserves the right to take over or to dispose of in whatsoever manner it deems appropriate and without any liability and compensation whether towards the Contractor or any other party any fixtures and fittings so installed or erected and any chattels not collected or removed by the Contractor upon the termination of the Contract. All costs, losses, damages or expenses incurred by the Government as a direct or indirect result of the breach of the Contract under this Clause shall be recoverable as a debt due from the Contractor;
- (j) return all unsold Consignment Items to the Government; and
- (k) submit all outstanding statements and information as specified in **Clause 10.2** and unpaid sale proceeds of the Consignment Items payable under **Clause 45.5** plus any interest at the rate specified in **Clause 5.3** hereof for any late payment.

41. Corrupt Gifts

If the Contractor or any employee or agent of the Contractor is found to have committed an offence under the Prevention of Bribery Ordinance (Cap. 201) or any subsidiary legislation made thereunder or under any law of a similar nature in relation to the Contract or any other Government contracts, the Government may terminate the Contract under **Clause 39.1(g)**.

42. Monies or Valuables Found

All monies or other items of value found by the Contractor's employees and/or agents in carrying out the Business in the Licence Area shall be handed to the Government's management in the Theatre as soon as possible and a written receipt obtained therefrom.

43. Publicity and Advertisement

- 43.1 The Contractor shall not exhibit, display, publish or use any advertising or other publicity materials or perform any act with an advertising nature either inside or outside the Licence Area or any part thereof except with the prior written consent of the Government Representative.

- 43.2 Save and except where the Government at its discretion may permit or require, the Contractor shall not exhibit or display, or cause, permit or suffer to be exhibited or displayed either inside or outside the Licence Area any advertisement or any other materials whatsoever (such as writings, signs, signboards or any other devices whether illuminated or not which may be visible from inside or outside the Licence Area or any part thereof) of any advertising nature.
- 43.3 Without prejudice to the generality of **Clause 43.2**, the Contractor shall not exhibit or display, or cause, permit or suffer to be exhibited or displayed either inside or outside the Licence Area any advertisement or any other materials whatsoever (such as writings, signs, signboards or any other devices whether illuminated or not which may be visible from inside or outside the Licence Area or any part thereof) of any advertising nature relating to any tobacco or tobacco-related products.
- 43.4 Whether before, during or after the expiry or early termination of the Contract, the Contractor shall not use the Government's name in any document, publication, advertisement or publicity material without the prior written consent of the Government.
- 43.5 Subject to **Clause 43.4**, the Contractor shall submit to the Government Representative for approval all the proposed advertising or other publicity material relating to the Contract, the Authorised Merchandise or other commodities supplied or other work done in connection with the Contract wherein the Government's name is mentioned or language used from which a connection with the Government can reasonably be inferred or implied.
- 43.6 Notwithstanding any consent or approval given under this **Clause 43**, whenever required by the Government, the Contractor shall remove all advertisement and publicity material relating to the Contract wherein the Government is mentioned or language used from which a connection with the Government can reasonably be inferred or implied and the Contractor must comply with such request.

44. Notice to be Displayed or Circulated

If the Contractor proposes to display or circulate any notices requiring its employees, agents or the public to comply with the rules and regulations of the Government or other competent authority or for the purpose of the operation of its Business under the Contract, it shall first seek the prior written consent of the Government and such consent can be withdrawn at any time at the discretion of the Government. All notices displayed or circulated by the Contractor in the Licence Area shall be written in both Chinese and English.

45. Consignment Items

- 45.1 The Government may at any time and from time to time provide and the Contractor shall then stock and display for sale in the Licence Area to the reasonable satisfaction of the Government –

- (a) such government publications in reasonable quantity as the Government may from time to time prescribe; and
- (b) such publications, novelty and souvenir items in reasonable quantity as the Government may from time to time prescribe.

(those quantities of goods falling within (a) and/or (b) above as from time to time provided by the Government to the Contractor are collectively referred to as “**Consignment Items**”).

- 45.2 The Contractor shall reserve a display area at a conspicuous location within the Licence Area of no less than ten percent (10%) of the total area of the Licence Area for promoting and selling the Consignment Items. The Contractor shall obtain the prior approval of the Government Representative in respect of the location, design, style of decoration of this reserved display area, and in respect of the manner of display of the Consignment Items therein. The Contractor shall also maintain the standard of décor of this reserved display area at all times to the satisfaction of the Government Representative.
- 45.3 The price at which the Consignment Items shall be advertised for sale and sold shall be prescribed by the Government Representative. The Contractor has no authority to offer any discount for such Consignment Items unless with the prior approval of the Government Representative or unless under the express provision of this Contract.
- 45.4 The Government Representative reserves the right to arrange promotional sales of the goods which are the same as or similar to the Consignment Items through other channels other than through the Contractor at the Gift Shop and the prices and discounts to be offered for such sale will be at the sole decision by the Government Representative.
- 45.5 The gross proceeds from the sale of any and all Consignment Items without any deduction whatsoever shall be paid by the Contractor to the Government on a monthly basis based on the information and statements submitted in **Clause 10.2**. For each Consignment Item sold, the Government shall pay to the Contractor a commission at the rate prescribed for that Consignment Item by the Government Representative when such Consignment Item is supplied to the Contractor. The commission will be separately payable by the Government on a monthly basis upon issue of an invoice from the Contractor showing the Consignment Items sold in the month to which the invoice relates and the total commissions payable at the rate prescribed by the Government in the aforesaid manner. Provided that the invoice has been duly issued and further that the gross proceeds of the Consignment Items as specified in the invoice have been paid to the Government, the Government shall pay the commission to the Contractor within thirty (30) days after the invoice or thirty (30) days after payment of the gross proceeds to the Government, whichever is later.
- 45.6 All and any Consignment Items shall remain the property of the Government unless and until they are sold by the Contractor. Upon early termination or expiry of the Contract Period, the Contractor shall return all unsold Consignment Items to the Government.

- 45.7 Together with the monthly statements required in **Clause 10.2(a)**, the Contractor shall submit to the Government Representative on a monthly basis, a statement in a form approved by the Government Representative showing inter alia details of all Consignment Items sold during the period since the submission of last such statement and the sale price at which each Consignment Item was sold as well as the remaining inventory level.
- 45.8 The Government Representative reserves the right to withdraw any Consignment Items from the Licence Area at any time prior to their being sold without incurring any liability whatsoever to the Contractor.
- 45.9 The Government Representative further reserves the right at all reasonable times and upon having given prior notice to the Contractor to enter the Licence Area and carry out stocktaking on the Consignment Items and at the request of the Government Representative the Contractor shall give the Government Representative access to all books and records relating to the stocking and sales of the Consignment Items.
- 45.10 The Contractor shall pay a compensation equal to the sale price of the Consignment Item in the event of any loss or damage of such Consignment Item whilst it is in the possession or under the control of the Contractor.
- 45.11 Nothing in this clause shall serve to relieve the Contractor of its obligation under this Contract to stock and sell sufficient quantities Authorised Merchandise for its own account to the reasonable satisfaction of the Government Representative.

46. Applicability of the Public Health and Municipal Services Ordinance (Cap. 132)

The Contract is subject to the provisions of the Public Health and Municipal Services Ordinance (Cap. 132) and of all regulations made thereunder, which may be applicable to the Licence Area and the Business.

47. Intellectual Property Rights

- 47.1 Insofar as any Intellectual Property Rights of the name of the Theatre or its related images, designs or exhibits are vested in the Government (collectively, "**Theatre IP**"), the Government Representative may at its sole discretion grant a revocable, non-exclusive, non-transferable, non-assignable, non-sub-licensable, and royalty-free licence to the Contractor to use the Theatre IP for the production and sale of goods and souvenirs bearing such Theatre IP ("**Theatre Licensed Items**"). The licence shall be terminated at the same time as the Contract Period is expired or is earlier terminated.

47.2 The Contractor warrants to the Government that –

- (a) the Contractor will not infringe, or cause, suffer or allow infringement of, any Intellectual Property Rights of any person or persons in the operation of the Business at the Licence Area and in the performance of the Contract;
- (b) all commodities, goods and merchandise to be stocked, displayed or for sale in or from the Licence Area do not and will not infringe the Intellectual Property Rights of any person or persons;
- (c) if any commodities, goods or merchandise to be stocked, displayed or for sale and other things or materials used or otherwise provided in or from the Licence Area contain any works or materials of which the Intellectual Property Rights belong to a third party (“**Third Party Materials**”) and if any activities conducted in the Licence Area involve any Third Party Materials, prior to stocking, displaying, selling, using or providing such goods, merchandise, things or materials (as the case be) and conducting such activities, the Contractor shall have obtained at its own costs and expenses from such third party the grant of all necessary licences for itself, the Government, its authorised users, assigns and successors-in-title to stock, display, sell, use or provide such goods, merchandise, things or materials in or from the Licence Area and to conduct such activities in the Licence Area and in the manner and for any of the purposes contemplated by this Contract;
- (d) the Government, its authorised users, assigns and successors-in-title will not incur any liability for infringement of any Intellectual Property Rights of any person or persons by the Contractor's possession use, stocking, display or sale of any commodities, goods or merchandise or any other things and materials of whatsoever nature used or provided in or from the Licence Area or any activity conducted in the Licence Area or in connection with the operation of the Business in the Licence Area;
- (e) the Contractor shall not use the Theatre IP other than for the usage as specified in **Clause 47.1**;
- (f) the Government, its authorised users, assigns and successors-in-title will not infringe any Intellectual Property Rights of any person by the exercise of any of their rights under this Contract (including the licence under **Clause 47.3**); and
- (g) the Contractor has the full capacity, power and authority to enter into this Contract and to perform all its obligations hereunder including without limitation the grant of the licences in respect of the Intellectual Property Rights to the Government according to **Clause 47.3**.

- (h) All commodities, goods or merchandise or any other things and materials of whatsoever nature shall be or shall consist of original works created, developed or made by the Contractor for the Government during the course of or for the purpose of this Contract.
- 47.3 (a) The Contractor hereby grants for the benefit of the Government, its authorised users, assigns and successors-in-title an irrevocable, non-exclusive, transferable, worldwide, perpetual, sub-licensable and royalty-free licence to use any works and materials to be submitted or provided by the Contractor under the Contract including but not limited to the right to reproduce in any format and as many copies of those works and materials (including without limitation the books and records under **Clause 10.2**).
- (b) In relation to any works or materials which involve Third Party Materials, or to which the Contractor is not empowered to grant sub-licence(s), the Contractor undertakes to procure at its own costs and expenses from the relevant third parties all proper licences, clearances and releases in writing to be granted in favour of the Government, its authorised users, assigns and successors-in-title pursuant to the terms of the licence under **Clause 47.3(a)** before the works and materials covered by such licence are submitted or provided to the Government, its authorised users, assigns and successors-in-title in accordance with the Contract.
- 47.4 The Contractor shall keep the Government Representative informed in writing of any works and materials covered by **Clause 47.3**, of which the Intellectual Property Rights do not belong to the Contractor.
- 47.5 For the purpose of **Clause 47**, the licences granted or to be granted shall cover all Intellectual Property Rights of whatever nature.
- 47.6 The Contractor irrevocably waives and undertakes to procure at its own costs and expenses all authors including its employees, sub-contractors and agents to irrevocably waive all moral rights (whether past, present or future) in all works and materials submitted or to be submitted by the Contractor to the Government Representative and all works and materials used by the Contractor in the performance of the Contract. Such waiver shall operate in favour of the Government, its authorised users, assigns and successors-in-title and shall take effect upon the submission of such works and materials to the Government Representative or the creation of such works and materials (as the case may be).
- 47.7 The Contractor shall at its own costs and expenses do and execute any further things and documents (or procure the same be done or executed) as may be required by the Government Representative to give full effect to this **Clause 47** and shall provide all such documents and materials to the Government Representative within fourteen (14) days of the date of the Government Representative's written request or such longer period as may be agreed by the Government Representative in writing.

48. Mediation

- 48.1 Any dispute or difference arising out of or in connection with the Contract shall first be referred to mediation at Hong Kong International Arbitration Centre (HKIAC) and in accordance with its then current Mediation Rules. If the mediation is abandoned by the mediator or is otherwise concluded without the dispute or difference being resolved, then each of the parties hereto submit to the exclusive jurisdiction of the courts of Hong Kong for resolving such dispute or difference.
- 48.2 The Contractor shall be obliged to carry on the Business in accordance with the Contract irrespective of a notice of mediation or arbitration having been served by either party or whether mediation or arbitration is in progress.

49. Service of Notice

- 49.1 Any notice or communication to be given herein shall be in writing and shall be sent to the address or facsimile number of the Government Representative set out below (in the case the Government Representative or the Government is the recipient) or the address or facsimile number of the Contractor set out in the Articles of Agreement (in the case the Contractor is the recipient) or to such other address as either party shall notify the other in writing by no less than five (5) days' prior written notice. Notice may be delivered personally or by post, by courier, by facsimile or by email.
- 49.2 The Government Representative's details are as follows:
- Address : Ko Shan Theatre, 77 Ko Shan Road, Hung Hom, Kowloon, Hong Kong
Fax Number : (852) 2365 0295
Email Address : mkstblm@lcsd.gov.hk
Attention : Manager (Ko Shan Theatre) Building and Licence Management
- 49.3 Any such notice shall be deemed given –
- (a) when left at the address of the recipient if delivered by hand during normal business hours;
 - (b) one (1) working day after dispatch by post;
 - (c) when successfully dispatched by email as evidenced by a return receipt whether generated manually or automatically;
 - (d) when successfully dispatched by facsimile as evidenced by a successful transmission report generated by the facsimile machine; or
 - (e) if sent by email, when actually received in a form readable by an individual.

50. Waiver of Remedies

- 50.1 Time shall be of the essence of the Contract. No forbearance, delay or indulgence by either party in enforcing the provisions of the Contract shall prejudice or restrict the rights of that party. Nor shall any waiver of its rights operate as a waiver of any subsequent breach and no right, power or remedy herein conferred upon or reserved for either party is exclusive of any other right, power or remedy available to that party and each such right, power, or remedy shall be cumulative.
- 50.2 Acceptance of any payment by the Government shall not be deemed to operate as a waiver by the Government of any right to proceed against the Contractor in respect of any breach, non-observance or non-performance by the Contractor of any of the terms and conditions of the Contract on the Contractor's part to be observed and performed.
- 50.3 No condoning, excusing or overlooking by the Government of any default, breach, non-observance or non-performance by the Contractor of any of the obligations of the Contractor under the Contract shall operate as a waiver of the Government's right under the Contract in respect of any continuing or subsequent default, breach, non-observance or non-performance.
- 50.4 Without prejudice to the generality of **Clause 50.1**, any right of termination of the Contract or any other right, power or remedy of whatsoever nature conferred upon the Government under the Contract shall be exercisable by it in addition to and without prejudice to any other rights and remedies available to it under the Contract or at law (and, without prejudice to the generality of the foregoing, shall not extinguish any right to damages to which the Government may be entitled in respect of the breach of the Contract) and no exercise or failure to exercise a right of termination shall constitute a waiver by the Government of any other right, power or remedy.

51. Severability

- 51.1 In the event that any provisions of the Contract or any part thereof is at any time adjudged by a court of Hong Kong to be invalid, illegal or otherwise howsoever unenforceable, such provisions or such part thereof, as the case may be, shall be severed from the Contract and rendered ineffective so far as possible without modifying the remaining provisions hereof.
- 51.2 If at any time any one or more provisions hereof is adjudged by a court of Hong Kong to be invalid, illegal or otherwise howsoever unenforceable, the validity, legality or enforceability of the remaining provisions hereof shall not in any way be thereby impaired or affected.
- 51.3 Where, however, the provisions of any such applicable law of Hong Kong may be waived, they are hereby waived by the parties hereto to the full extent permitted by such law to the end that the Contract shall be valid, binding and enforceable in accordance with its terms and conditions.

52. Entire Agreement

The Contract embodies the entire understanding of the parties and supersedes all prior agreements, arrangements and undertakings between the parties and constitutes the entire agreement between the parties relating to the subject matter hereof.

53. Amendment

Unless where expressly specified which confers on the Government the unilateral power to make amendments, no amendment to any provision of the Contract shall be binding upon the parties unless it is made by a written instrument signed by each of the Government and the Contractor.

54. Further Assurance

The Contractor shall at its own costs and expenses do and execute any further things and documents (or procure the same be done or executed) to give full effect to the Contract and shall provide all such documents and materials to the Government within fourteen (14) days of the date of written request by the Government or such longer period as may be agreed by the Government in writing.

55. Relationship of the Parties

55.1 The Contractor enters into the Contract with the Government as an independent Contractor only and nothing in the Contract shall create a contract of employment, a relationship of agency or partnership, a relationship of landlord and tenant, or a joint venture between the Government and the Contractor.

55.2 Unless otherwise expressly provided for in the Contract, neither party is authorised to act in the name of, or on behalf of, or otherwise bind the other party.

56. Governing Law and Jurisdiction

The Contract shall be governed by and construed according to the laws of the Hong Kong and subject to **Clause 48.1**, the parties hereto irrevocably submit themselves to the exclusive jurisdiction of the courts of Hong Kong in relation to any dispute arising from or in connection with or in relation to the Contract.

PART 3
CONTRACT SCHEDULES

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CONTRACT SCHEDULE 1

Monthly Licence Fee
(Please put in the “Price Submission” envelope)

In the event that I am/we are awarded the Contract, I/we will pay the following Monthly Licence Fee to the Government in consideration of the grant of the right to operate the Business at the Licence Area on and subject to the terms and conditions of the Contract.

I/We have read all terms and conditions of the Contract including without limitation the following:

- (a) I/We shall perform, comply with and observe all provisions of the Contract and its obligations under the Contract at my/our own costs and expenses;
- (b) except in the case of sale of Consignment Items, the Business shall be operated by the Contractor as principal and all profits and losses and liabilities arising therefrom shall be for the sole account of the Contractor with no recourse against the Government or the Government Representative; and
- (c) the Monthly Licence Fee does not include the installation costs, costs and deposits of electricity, telephones and data lines, water consumed, rates, Government rent and taxes payable in respect of the Licence Area and its Business throughout the Contract Period including the Free Decoration Period or the period or periods of suspension of Business due to whatsoever reasons.

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*:

(with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 1

Monthly Licence Fee
(Please put in the “Price Submission” envelope)

Period	Monthly Licence Fee	
	In figures	In words (Note)
For the Contract Period of thirty-six (36) months commencing from 22 September 2020 unless a different date is specified in the Articles of Agreement, including a Free Decoration Period as stipulated in Clause 2.1 of the Conditions of Contract but subject to any early termination or extension under any applicable provision of the Contract	HK\$ _____ per month	Hong Kong Dollars _____ _____ _____ _____ only per month

Note: The Monthly Licence Fee expressed in words shall prevail where there is any inconsistency between the figures and words.

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*: _____

(with firm/company chop)

* *Delete as appropriate*

CONTRACT SCHEDULE 2

List of Proposed Merchandise for Sale at the Licence Area

(Please put in the “Technical Submission” envelope)

(The list can be written in English or Chinese or both)

The Bidder is required to complete this Contract Schedule in conjunction with **Item 2 of Contract Schedule 3 – Merchandise Plan**. The Bidder shall provide the merchandise plan with the list of merchandise to be supplied for sale in the Licence Area and specify the proposed items, such as souvenirs, publications and goods items.

The Bidder shall also propose strategies in providing merchandise (range and class of goods to be sold and sources of goods/suppliers) for sale at the Licence Area to meet the demand of the Theatre users and to tie in with the services, image and function of the Theatre and its activities.

The merchandise items shall include but shall not be limited to publications, gifts, souvenir, audio and visual products, Chinese culture and performing arts related items, local arts and design creations, the Consignment Items and other items that relate to the image and functions of the Theatre. The Bidder may also include other materials as appropriate to facilitate consideration of their offer by the Government.

Item	Description

(Note: If there is not enough space, please use additional sheets.)

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*:

(with firm/company chop)

* *Delete as appropriate*

CONTRACT SCHEDULE 3**Business Plans and Experience****(Please put in the “Technical Submission” envelope)**

(The list can be written in English or Chinese or both)

The Bidder is required to submit the following information for evaluation according to the marking scheme in **Contract Schedule 5**. **Information provided by the Bidder hereunder will be binding on the successful Bidder upon the award of the Contract.** The Bidder should note the marking scheme in **Contract Schedule 5** and that zero (0) mark will be given for a plan if the Bidder fails to provide information on any one of the requisite items required under the relevant plan. An offer will not be considered further if a Bidder fails to obtain the passing mark stipulated therein.

The plans and proposals submitted below and those in **Contract Schedule 2** shall be subject to approval and comment by the Government upon or after the award of the Contract. The Contractor must seek written approval from the Government Representative if plan(s) and proposal(s) as approved by the Government Representative are proposed to be altered or not followed.

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised
Representative for and on behalf of
the Bidder*:_____
(with firm/company chop)* *Delete as appropriate*

CONTRACT SCHEDULE 3

Business Plans and Experience

(Please put in the “Technical Submission” envelope)

(The list can be written in English or Chinese or both)

1. Facilities and Decoration Plan (Maximum 20 marks)

- (a) The Bidder shall provide the facilities and decoration plan with information such as the description of the proposed
 - (i) overall design theme for the decoration;
 - (ii) shop front design; and
 - (iii) furniture and facilities of the Licence Area to blend with the image and functions of the Theatre.
 - (iv) The Bidder shall also provide a sketch of its design layout.

- (b) The Bidder may also include other materials as appropriate to facilitate consideration of its offer by the Government.

(Note: If there is not enough space, please use additional sheets.)

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*: _____

(with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 3

Business Plans and Experience

(Please put in the “Technical Submission” envelope)

(The list can be written in English or Chinese or both)

2. Merchandise Plan (Maximum 20 marks)

- (a) Merchandise items shall include but shall not be limited to publications, gifts or souvenirs that relate to the image and functions of the Theatre (i.e. Cantonese Opera, Chinese operas and culture). The Bidder shall
 - (i) provide a merchandise plan with the proposed list of merchandise to be supplied for sale in the Licence Area and specify the proposed items in **Contract Schedule 2** above such as souvenirs, publications and goods items;
 - (ii) propose range and class of merchandise to be sold and sources of goods/suppliers;
 - (iii) propose strategies in providing merchandise for sale at the Licence Area to meet the demand of the Theatre users and to tie in with the services, image and functions of the Theatre and its activities; and
 - (iv) propose a plan which includes aspects such as procurement of merchandise, inventory control, safe-keeping and replenishment of stock.

- (b) The Bidder may also include other materials as appropriate to facilitate consideration of its offer by the Government.

(Note: If there is not enough space, please use additional sheets)

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*:

(with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 3

Business Plans and Experience

(Please put in the “Technical Submission” envelope)

(The list can be written in English or Chinese or both)

3. Marketing Plan for Promoting the Image and Functions of the Theatre (Maximum 20 marks)

- (a) The Bidder shall provide a marketing plan with details of measures it shall take to
 - (i) attract more customers;
 - (ii) promote the image and functions of the Theatre; and
 - (iii) blend the Licence Area with the image and functions of the Theatre.
 - (iv) The plan shall include strategies for such as but not be limited to different categories of patrons/occasions/seasons relevant to the Theatre’s activities, etc.

- (b) The Bidder may also include other materials as appropriate to facilitate consideration of its offer by the Government.

(Note: If there is not enough space, please use additional sheets.)

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*: _____

(with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 3

Business Plans and Experience

(Please put in the “Technical Submission” envelope)

(The list can be written in English or Chinese or both)

4. Operation, Staff and Customer Services Plan (Maximum 12 marks)

- (a) The Bidder shall provide an operation and staff plan for running the Business, which shall include but not be limited to aspects of
 - (i) proposed staff deployment plan in running the business and information of the proposed work force including the number of staff for the Licence Area; and
 - (ii) the requirement of the staff’s working experience and qualification.

- (b) The Bidder shall also provide a customer services plan for providing courteous and efficient services to customers such as
 - (i) a plan on provision of customer services training to staff engaged for the business; and
 - (ii) the strategy for enhancing customer services to encourage repeat visits, such as policies on refund/exchange of substandard goods, handling of customers complaints.

- (c) The Bidder may also include other materials as appropriate to facilitate consideration of its offer by the Government.

(Note: If there is not enough space, please use additional sheets.)

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*:

(with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 3

Business Plans and Experience

(Please put in the “Technical Submission” envelope)

(The list can be written in English or Chinese or both)

5. Innovative Suggestions (Maximum 20 marks)

- (a) The Bidder shall list out any proposed innovative suggestions which can bring about positive values/benefits to the Government or public at large for promoting arts and culture.
- (b) The Bidder shall also list out innovative suggestions which shall bring immediate benefits to the operation of the Theatre for promoting arts and culture and contributing to any positive values including, inter alia, but not limited to the following:
 - (i) Technological development
Application of new technology or innovative application of existing technology for contributing to the audience building of the Theatre or promotion of arts appreciation (e.g. to equip with multi-media equipment for displaying trailers of cultural activities) and the development of Smart City (e.g. to provide online platform for sale of souvenirs);
 - (ii) Social well-being
Fostering a caring society (e.g. to provide job opportunity/on-the-job training for elderly, youth, or people with disabilities and/or rehabilitators);
 - (iii) Local arts development
Offering special packages or initiate joint collaborations with arts organisations to explore or enrich new visitors’ experiences and possibilities with a view to extending arts and culture to more people; and
 - (iv) Environmental protection
Promotion of consumption of fewer resources and reduction of waste.
- (c) The Bidder may also include other materials as appropriate to facilitate consideration of its offer by the Government.

(Note: If there is not enough space, please use additional sheets)

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*: _____

(with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 3

Business Plans and Experience

(Please put in the “Technical Submission” envelope)

(The list can be written in English or Chinese or both)

6. Years of Relevant Trade/Retail Experience (Maximum 8 marks)

Assessment will be based on the aggregate number of years of experience in selling as owner of the business on a retail basis gifts or souvenirs or publications or art products or audio visual products or novelty products within the ten (10) years immediately prior to the Original Quotation Closing Date in the same brick and mortar shop as specified in **Contract Schedule 5**. Bidder must state clearly in its quotation its relevant years of experience.

Note:

- (i) The Original Quotation Closing Date will be the cut-off date for calculation of years of experience, irrespective of any extension of the Quotation Closing Date that may be made pursuant to **Clause 5.3** of the **Terms of Quotation**.
- (ii) The overlapping periods of the claimed experience will only be counted once when counting the length of cumulative years of experience. Experience obtained by a holding company or subsidiary or shareholder of the Bidder will not be taken into account.
- (iii) If the Bidder is a partnership, only the years of partnership experience gained by that partnership, but not the individual experience of the partners will be counted.
- (iv) A Bidder is required to submit documentary proof, such as copies of contract to substantiate its claim of experience. Failure to do so will result in the claimed experience not being taken into consideration.

(Note: If there is not enough space, please use additional sheets.)

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*: _____

(with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 4

Information of the Bidder
(Please put in the “Technical Submission” envelope)

Bidders are required to provide the following information –

1. (a) Name of Bidder: _____ (in English)
_____ (in Chinese)

Registered address: _____

Telephone number: _____

Fax number: _____ E-mail address: _____

(b) Year of establishment or incorporation and length of business experience:

(c) Proprietor, shareholders/partners of the company/business organisation (please state and percentage of ownership if applicable):

(d) Names and residential addresses of the following, where appropriate
- major directors or partners: _____

- sole proprietor: _____

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*: _____

(with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 4

Information of the Bidder

(Please put in the “Technical Submission” envelope)

- (e) A photocopy of the Memorandum (if any) and Articles of Association, Certificate of Incorporation, Certificate of Change of Name (if any), partnership agreement, and latest annual return filed with the Companies Registry or other documents evidencing business status, if appropriate.
- (f) A photocopy of the current Business Registration Certificate. The Certificate should bear a machine printed line to show that full registration fee has been effected, if appropriate.

2. Present Business: _____

(Please use additional sheets if required)

3. Particulars of the Company *(Please attach copies of the latest audited or certified financial statements of the company):*

- (a) Year of Establishment: _____
- (i) Ownership: _____
- (ii) If a subsidiary, name of parent company: _____

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*:

 (with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 4

Information of the Bidder
(Please put in the “Technical Submission” envelope)

- (b) Number of Staff: _____
- (c) Liability: _____ (as at _____)
- (d) Capital –
 - (i) Issued Capital: _____ (as at _____)
 - (ii) Paid up Capital: _____ (as at _____)
- (e) Net Worth (i.e. Total Assets - Liabilities):
HK\$ _____ (as at _____)

4. Please provide contact person(s) in the event of any queries relating to the quotation offer:

Name: _____

Telephone number: _____

Fax number: _____ Email address: _____

5. I/We confirm that none of the events as mentioned in **Clauses 19.2(a) to 19.2(f)** of the **Terms of Quotation** has ever occurred within the applicable period as mentioned in the relevant sub-clause of **Clause 19.1 OR**

I/We hereby provide the details as required in **Clauses 19.2(a) to 19.2(f)** where applicable.

(Note: If there is not enough space, please use additional sheets.)

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*: _____

(with firm/company chop)

* Delete as appropriate

CONTRACT SCHEDULE 5

Marking Scheme for Quotation Evaluation

A two-envelope approach with a technical to price weighing of **50:50** will be adopted for quotation evaluation whereby price assessment will be conducted only after technical assessment. All quotations will be assessed in the following manner.

Stage 1 – Completeness Check on the Quotation Offers Submitted

2. All quotations received will be checked on whether all the documents and information required in **Clause 3.2** in the **Terms of Quotation** have been submitted. Failure to submit any of the documents stipulated in **Clause 3.2** of the **Terms of Quotation on or before the Quotation Closing Date** will render a quotation invalid and will not be considered further.

Stage 2 – Technical Assessment

3. The maximum total technical marks are 100 and are divided into six (6) criteria. There is no overall passing mark for the total marks scored in the Technical Assessment. Passing mark of 5 is set for Assessment Criteria 1, 2 and 3 and passing mark of 3 is set for Assessment Criterion 4, which are 25% of the maximum mark of the respective Assessment Criterion. **Quotations that do not attain any of the above said passing marks for Assessment Criteria 1 to 4 will not be considered further.**

CONTRACT SCHEDULE 5**Marking Scheme for Quotation Evaluation**

Assessment Criteria	Maximum Mark	Unit Mark (M)	Standard Score (S) (See Note 1)					Marks Scored (M x S)	Passing Mark	
			4	3	2	1	0			
(A) Execution Plan										
1	Facilities and Decoration Plan (See Notes 2 and 6)	20	5							5
2	Merchandise Plan (See Notes 3 and 6)	20	5							5
3	Marketing Plan for Promoting the Image and Functions of the Theatre (See Notes 4 and 6)	20	5							5
4	Operation, Staff and Customer Services Plan (See Notes 5 and 6)	12	3							3
5	Innovative Suggestions (See Note 7)	20	5							–
Sub-total for (A)		92								–
(B) Experience										
6	Years of Relevant Trade/Retail Experience (See Note 8)	8	2							–
Sub-total for (B)		8								–
Total Technical Mark = (A)+(B)		100								–

4. A quotation which has passed Stage 2 assessment shall be considered as a “conforming quotation”. A maximum weighted technical score of 50 will be allocated to the conforming quotation with the highest total technical marks, while the weighted technical score for other conforming quotations will be calculated by the following formula –

$$\text{Weighted Technical Score} = 50 \times \frac{\text{Total technical mark of the conforming quotation being assessed}}{\text{Highest total technical mark amongst all conforming quotations}}$$

[Note: The weighted technical score of each quotation will be rounded to the nearest 2 decimal places. Figures with the value at the third decimal place larger than or equal to 0.005 will be rounded up by adding 0.01 to the figures and curtailing the third decimal place onward whereas figures with the value at the third decimal place below 0.005 will be rounded down by curtailing the third decimal place onward without changing the value at the second decimal place.]

CONTRACT SCHEDULE 5**Marking Scheme for Quotation Evaluation****Explanatory Notes for Stage 2 – Technical Assessment****Note 1: for Assessment Criteria (1) to (6)**

Bidder's execution plan and experience will be rated as follows:

For Assessment Criteria (1) to (6)

Standard score of 4, 3, 2, 1 or 0 will be awarded.

Note 2: for Assessment Criterion (1) – Facilities and Decoration Plan

The Facilities and Decoration Plan shall cover the following items:

- (a) description of the proposed overall design theme for the decoration;
- (b) description of the proposed shop front design; and
- (c) description of the proposed furniture and facilities
of the Licence Area to blend with the image and functions of the Theatre; and
- (d) a sketch of its design layout.

Note 3: for Assessment Criterion (2) – Merchandise Plan

The Merchandise Plan shall cover the following items:

- (a) a merchandise plan with the proposed list of merchandise to be supplied for sale in the Licence Area and specify the proposed items in **Contract Schedule 2** above such as but not limited to publications, gifts or souvenirs that relate to the image and functions of the Theatre (i.e. Cantonese Opera, Chinese operas and culture);
- (b) range and class of merchandise to be sold and sources of goods/suppliers;
- (c) strategies in providing merchandise for sale at the Licence Area to meet the demand of the Theatre users and to tie in with the services, image and functions of the Theatre and its activities; and
- (d) a plan which includes aspects such as procurement of merchandise, inventory control, safe-keeping and replenishment of stock.

CONTRACT SCHEDULE 5

Marking Scheme for Quotation Evaluation

Note 4: for Assessment Criterion (3) – Marketing Plan for Promoting the Image and Functions of the Theatre

The Marketing Plan for Promoting the Image and Functions of the Theatre shall cover the following items:

- (a) measures to attract more customers;
- (b) measures to promote the image and functions of the Theatre;
- (c) measures to blend the Licence Area with the image and functions of the Theatre; and
- (d) strategies for such as but not limited to different categories of patrons/occasions/seasons relevant to the Theatre's activities, etc.

Note 5: for Assessment Criterion (4) – Operation, Staff and Customer Services Plan

The Operation, Staff and Customer Services Plan shall cover the following items:

- (a) proposed staff deployment plan in running the business and information of the proposed work force including the number of staff for the Licence Area;
- (b) the requirement of the staff's working experience and qualification;
- (c) a plan on provision of customer services training to staff engaged for the business; and
- (d) the strategy for enhancing customer services to encourage repeat visits, such as policies on refund/exchange of substandard goods, handling of customers complaints.

Note 6: for Assessment Criteria (1) to (4)

- (a) Standard scores will be given to Assessment Criteria (1) to (4) in accordance with the following five-grade approach –
 - 4 – The proposed plan is **practical** with **detailed information** on **all four** (4) items of the respective plan as required in Notes 2 to 5 above.
 - 3 – The proposed plan is **practical** with **detailed information** on **any three** (3) items and brief information covering the remaining item of the respective plan as required in Notes 2 to 5 above.

CONTRACT SCHEDULE 5**Marking Scheme for Quotation Evaluation**

- 2 – The proposed plan is **practical** with **detailed information** on **any two** (2) of the items and brief information covering the remaining items of the respective plan as required in Notes 2 to 5 above.
- 1 – The proposed plan is **practical** with **detailed information** on **any one** (1) item and brief information covering the remaining three (3) items or brief information on all four (4) items of the respective plan as required in Notes 2 to 5 above.
- 0 – The proposed plan is **impractical** overall on the basis of the information provided as required in Notes 2 to 5 above.
- (b) All practical information included in the proposed plans submitted by the successful Bidder under Assessment Criteria (1) to (4) shall form part of the Contract.

Note 7: for Assessment Criterion (5) – Innovative Suggestions

- (a) Marks will be given if the proposed innovative suggestions can bring about positive values/benefits to the Government or public at large for promoting arts and culture.
- (b) Innovative suggestions shall bring immediate benefits to the operation of the Theatre for promoting arts and culture and contributing to any positive values including, inter alia, but not limited to the following –
- (i) Technological development
Application of new technology or innovative application of existing technology for contributing to the audience building of the Theatre or promotion of arts appreciation (e.g. to equip with multi-media equipment for displaying trailers of cultural activities) and the development of Smart City (e.g. to provide online platform for sale of souvenirs);
- (ii) Social well-being
Fostering a caring society (e.g. to provide job opportunity/on-the-job training for elderly, youth, or people with disabilities and/or rehabilitators);
- (iii) Local arts development
Offering special packages or initiate joint collaborations with arts organisations to explore or enrich new visitors' experiences and possibilities with a view to extending arts and culture to more people; and

CONTRACT SCHEDULE 5

Marking Scheme for Quotation Evaluation

- (iv) Environmental protection
Promotion of consumption of fewer resources and reduction of waste.
- (c) Standard scores will be given to Assessment Criterion (5) in accordance with the following five-grade approach –
- 4 – **Four (4) practicable** innovative suggestions with details for implementation are proposed.
 - 3 – **Three (3) practicable** innovative suggestions with details for implementation are proposed.
 - 2 – **Two (2) practicable** innovative suggestions with details for implementation are proposed.
 - 1 – **One (1) practicable** innovative suggestion with details for implementation is proposed.
 - 0 – **No practicable** innovative suggestion is proposed.
- (d) Bidders shall highlight the proposed innovative suggestions and explain clearly the benefits/positive values under which items as required in (b) above that their proposed innovative suggestions can bring about in their submissions to facilitate quotation evaluation.
- (e) Bidders may be requested to provide supporting documents or a demonstration to prove the practicability of their innovative suggestions. All proposed innovative suggestions will be assessed on the basis of the information provided in the quotation submissions and factual supporting documents (e.g. test reports/certificates) provided by the Bidders upon request by the Government. The demonstration will not be taken into account in marking. It only serves as a means to enable members of the Quotation Assessment Panel to have a better understanding of the innovative suggestions proposed by the Bidders. During the demonstration, Bidders are also not allowed to provide additional information not contained in their original quotation submissions.
- (f) All practicable innovative suggestions accepted by the Government shall form part of the Agreement.

CONTRACT SCHEDULE 5**Marking Scheme for Quotation Evaluation****Note 8: for Assessment Criterion (6) – Years of Relevant Trade/Retail Experience**

- (a) Assessment will be based on the aggregate number of years of experience in selling as owner of the business on a retail basis gifts or souvenirs or publications or art products or audio visual products or novelty products within the ten (10) years immediately prior to the Original Quotation Closing Date in the same brick and mortar shop.
- (b) Standard scores will be given to Assessment Criterion (6) in accordance with the following five-grade approach –
- 4 – An aggregate of five (5) years' experience or more.
 - 3 – An aggregate of four (4) to less than five (5) years' experience.
 - 2 – An aggregate of three (3) to less than four (4) years' experience.
 - 1 – An aggregate of two (2) to less than three (3) years' experience.
 - 0 – An aggregate of less than two (2) years' experience,
or
failing to produce documentary proof to support its claim of experience.
- (c) A Bidder shall submit documentary evidence (e.g. a copy of agreement) to substantiate its claim of the experience. Experience not substantiated will not be taken into account.
- (d) Local and/or outside Hong Kong experience will be counted.
- (e) The experience gained by a Bidder will only be counted where the previous contract(s) was/were entered under the same name of the Bidder. For the avoidance of doubt, a Bidder's experience gained in its capacity as a sub-contractor or the experience of a parent company, subsidiary or sub-contractor of the Bidder shall not be considered. The meanings of "parent company" and "subsidiary" follow the meanings under the Companies Ordinance (Cap. 622).
- (f) If the Bidder is a partnership, only the years of experience gained by the partnership, but not the individual experience of the partners, will be counted.
- (g) The aggregate years of experience will be counted in calendar days. For the purpose of quotation evaluation, "an aggregate of two (2) years' experience" is equivalent to have accumulated 730 days (i.e. 365 days x 2) of experience under different trade/retail business.

CONTRACT SCHEDULE 5**Marking Scheme for Quotation Evaluation**

- (h) It is not necessary for a Bidder to have continuous experience in operating trade/retail business in the past ten (10)-year period immediately preceding the Original Quotation Closing Date.
- (i) For the purpose of quotation assessment, the relevant experience in operating trade/retail business could be gained under the same shop or different shops. However, a Bidder's experience under different shops will not be double-counted for those overlapping periods. A Bidder's experience under different shops with overlapping periods is to be counted in accordance with the following example:

Example:

Shop	Contract Period	Contract Period without Overlapping with an Earlier Contract	Number of Days Counted for Accumulated Experience
A	16.4.2013 – 15.4.2015	16.4.2013 – 15.4.2015	730
B	1.10.2014 – 31.3.2016	16.4.2015 – 31.3.2016	351 (29 days in Feb 2016)
C	1.1.2015 – 31.12.2016	1.4.2016 – 31.12.2016	275
Total:			1 356

CONTRACT SCHEDULE 5

Marking Scheme for Quotation Evaluation

Stage 3 – Price Assessment

5. Failure to submit a Monthly Licence Fee in the form of **Contract Schedule 1** with price information duly completed will render a quotation invalid and will not be considered further. The price assessment is based on the quoted Monthly Licence Fee which has passed Stage 2 assessment.

6. A maximum weighted price score of 50 will be allocated to the conforming quotation with the highest Monthly Licence Fee, while the weighted price score for other conforming quotations will be calculated by the following formula –

$$\text{Weighted Price Score} = 50 \times \frac{\text{Monthly Licence Fee of the conforming quotation being assessed}}{\text{Highest Monthly Licence Fee amongst all conforming quotations}}$$

[Note: The weighted price score of each quotation will be rounded to the nearest 2 decimal places according to the rounding method as shown in the Note under para. 4 above.]

Stage 4 – Calculation of Combined Score

7. The combined score of a conforming quotation will be determined by the following formula –

$$\text{Combined Score} = \text{Weighted Technical Score} + \text{Weighted Price Score}$$

8. Normally, the quotation with the highest combined score will be recommended for acceptance subject to the requirement that the Government is satisfied that the recommended quotation is fully (including technically, commercially and financially) capable of undertaking the Contract, and that the recommended quotation is the most advantageous to the Government in accordance with the quotation provisions.

FORM OF SECURITY DEPOSIT ELECTION

(Please put in the “Technical Submission” envelope)

Bidders are advised to read carefully the Quotation Documents before completing this Form.

To: Chairman,
Leisure and Cultural Services Department Quotation Opening Committee

If my/our quotation is accepted, I/we shall elect, pursuant to **Clause 7** of the **Conditions of Contract**, to deposit with the Government within seven (7) working days from the date of the notification of the Conditional Acceptance of Quotation, or any other date as required by the Government Representative, a sum equivalent to two (2) months’ quoted Monthly Licence Fee, as security for the due and faithful performance of the Contract –

(a) In cash, or

(b) In a bank guarantee issued by a bank that holds a valid banking licence under the Banking Ordinance (Cap. 155) in the form set out in **Annex H**.

Delete as appropriate. In the event that the Bidder fails to elect which method of providing the Security Deposit it prefers, it will be assumed that the Bidder will deposit cash with the Government.

Name of Bidder: _____ Date: _____

Name of Authorised Representative: _____

Signature of Bidder or Authorised Representative for and on behalf of the Bidder*:

(with firm/company chop)

** Delete as appropriate*

CHECKLIST BEFORE SUBMITTING QUOTATION

(The checklist serves to assist in completing the Quotation Documents. Please complete as appropriate.)

Please ✓ if completed

Completion of Part II of Quotation Form – “Offer to be Bound”

- | | |
|--|--------------------------|
| 1. Have you completed Part II of the Quotation Form – “Offer to be Bound” with all the required information (i.e. name of bidder, address, name of authorised representative (if applicable), etc.)? | <input type="checkbox"/> |
| 2. Have you/your authorised representative <u>signed on Part II of the Quotation Form?</u> | <input type="checkbox"/> |

Completion of Contract Schedule 1 – Monthly Licence Fee

- | | |
|---|--------------------------|
| 3. Have you completed the Contract Schedule 1 of the Quotation Documents with all the required information (i.e. the Monthly Licence Fee you offered, name of bidder/authorised representative (if applicable), etc.)? | <input type="checkbox"/> |
| 4. Have you/your authorised representative <u>signed on the Contract Schedule 1?</u> | <input type="checkbox"/> |

Completion of Contract Schedule 2 – List of Proposed Merchandise for Sale at the Licence Area

- | | |
|--|--------------------------|
| 5. Have you completed the Contract Schedule 2 of the Quotation Documents with all the required information? | <input type="checkbox"/> |
| 6. Have you/your authorised representative <u>signed on the Contract Schedule 2?</u> | <input type="checkbox"/> |

Completion of Contract Schedule 3 – Business Plans and Experience

- | | |
|--|--------------------------|
| 7. Have you submitted with the quotation the plans as described in Contract Schedule 3 , including (1) Facilities and Decoration Plan; (2) Merchandise Plan; (3) Marketing Plan for Promoting the Image and Functions of the Theatre; (4) Operation, Staff and Customer Services Plan; and (5) Innovative Suggestions? | <input type="checkbox"/> |
| 8. Have you provided the information required in Contract Schedule 3 (the descriptions to show your experience in selling as owner of the business on a retail basis gifts or souvenirs or publications or art products or audio visual products or novelty products within the ten (10) years immediately prior to the Original Quotation Closing Date in the same brick and mortar shop)? | <input type="checkbox"/> |

CHECKLIST BEFORE SUBMITTING QUOTATION

- | | Please ✓ if completed |
|--|------------------------------|
| 9. Have you attached documentary proofs to substantiate the claimed experience? | <input type="checkbox"/> |
| 10. Have you/your authorised representative <u>signed on the Contract Schedule 3?</u> | <input type="checkbox"/> |

Completion of Contract Schedule 4 – Information of the Bidder

- | | |
|--|--------------------------|
| 11. Have you filled in the required information in Contract Schedule 4? | <input type="checkbox"/> |
| 12. If you are an authorised representative of the bidder, have you attached documentary proof showing that you have been authorised by the bidder to act on its behalf? | <input type="checkbox"/> |
| 13. Have you/your authorised representative <u>signed on the Contract Schedule 4?</u> | <input type="checkbox"/> |

Completion of the Form of Security Deposit Election

- | | |
|--|--------------------------|
| 14. Have you/your authorised representative elected and then <u>signed the Form of Security Deposit Election?</u> | <input type="checkbox"/> |
|--|--------------------------|

Completion of Annex I – Non-collusive Quotation Certificate

- | | |
|---|--------------------------|
| 15. Have you/your authorised representative <u>signed the Non-collusive Quotation Certificate?</u> | <input type="checkbox"/> |
|---|--------------------------|

FINAL CHECK

- | | |
|---|--------------------------|
| 16. Have you initialed against any marked amendments on the Quotation Documents to be submitted? | <input type="checkbox"/> |
| 17. Have you/your authorised representative <u>signed</u> on all required documents in particular: | <input type="checkbox"/> |
| (a) Part II of Quotation Form – “Offer to be Bound”; | |
| (b) Contract Schedule 1; and | |
| (c) Contract Schedule 3. | |

DRAFT ARTICLES OF AGREEMENT

THESE ARTICLES OF AGREEMENT are made the _____ day of _____, 2020 BETWEEN THE ASSISTANT DIRECTOR (PERFORMING ARTS) OF LEISURE AND CULTURAL SERVICES DEPARTMENT whose office is situated at the Leisure and Cultural Services Headquarters, 1-3 Pai Tau Street, Sha Tin, N. T., Hong Kong acting for and on behalf of THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA (hereinafter referred to as "Government") of the one part,

AND

(hereinafter referred to as "Contractor") of the other part.

WHEREAS:

- (A) By an Invitation to Quotation (Quotation Ref.: LC/CS/Q/SH/00/KST/2020/01), the Government has invited quotations to operate the Business at the Gift Shop of the Ko Shan Theatre New Wing.
- (B) The Contractor's quotation for the Contract was accepted in principle by the Government by the Conditional Acceptance of Quotation to the Contractor pursuant to Clause 14.2 of Terms of Quotation.
- (C) The Contractor has apparently fulfilled all conditions specified in the Conditional Acceptance of Quotation.
- (D) Pursuant to Clause 14.3 of the Terms of Quotation, the parties hereto enter into these Articles of Agreement.

NOW IT IS HEREBY AGREED AS FOLLOWS:

- 1. All terms and expressions defined in the Quotation Documents published by the Government in connection with the Invitation to Quotation have the same meanings when used herein (including the recitals).
- 2. The Contract between the Government and the Contractor is hereby constituted and shall comprise the following documents:
 - (i) These Articles of Agreement;
 - (ii) Quotation Form (Parts I and II);
 - (iii) Interpretation;
 - (iv) Conditions of Contract;
 - (v) Contract Schedules 1 to 5 (in their original form as found in the Quotation Documents);

- (vi) Contract Schedules 1 to 4 (in the form as submitted by the Contractor as part of its quotation for the Contract);
- (vii) Form of Security Deposit Election; and
- (viii) Annexes A to I.

3. The commencement date of the Contract Period shall be: _____.

4. For the purposes of Clause 49 of the Conditions of Contract, the address and facsimile number of the Contractor are as follows:

Name of the Contractor:

Address:

Facsimile number:

Email address:

Attention (Post Title):

IN WITNESS whereof the parties hereto have entered into these Articles of Agreement on the day and year first above written.

SIGNED BY CONTRACTOR /)
THE AUTHORISED REPRESENTATIVE for and)
on behalf of THE CONTRACTOR)

Name of the Contractor / Authorised Representative:

Title of the Contractor / Authorised Representative:

in the presence of:

Name of witness:

Title of witness:

Signature of witness:

SIGNED BY THE ASSISTANT DIRECTOR)
(PERFORMING ARTS) OF LEISURE AND)
CULTURAL SERVICES DEPARTMENT for)
and on behalf of THE GOVERNMENT OF THE)
HONG KONG SPECIAL ADMINISTRATIVE)
REGION OF THE PEOPLE’S REPUBLIC OF)
CHINA)

in the presence of:

Name of witness:

Title of witness:

Signature of witness:

ANNEXES

<u>Content</u>	<u>Sheet No.</u>
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ANNEX A

General Information of Ko Shan Theatre and Ko Shan Theatre New Wing

1. Introduction

The Ko Shan Theatre is located at 77 Ko Shan Road, Hung Hom, Kowloon and is a cross-district arts centre which offers facilities for performance, rehearsal, lecture, school functions and community arts activities. It comprises a 1 031-seat Theatre, two Rehearsal Rooms, a Committee Room and a Catering Premises. The Ko Shan Theatre is a popular venue for performances of traditional Cantonese Opera, excerpts and operatic songs concerts.

The Ko Shan Theatre New Wing is built to complement the existing facilities at the Ko Shan Theatre as a dedicated venue for Cantonese Opera performances, rehearsals, training and research. The Ko Shan Theatre New Wing accommodates a 596-seat Auditorium, an Exhibition Gallery, three Rehearsal Rooms, three Singing Practice Rooms, a Function Room, the Cantonese Opera Education and Information Centre, a Catering Premises, a Gift Shop, a Roof-top Garden and other supporting and ancillary facilities.

A location plan of the Ko Shan Theatre and Ko Shan Theatre New Wing is at **Annex B**. More details are available at www.lcsd.gov.hk/kst.

2. The Gift Shop at the Ko Shan Theatre New Wing

The Gift Shop is situated on the Ground Floor of the Ko Shan Theatre New Wing with an area of about 160m² including a retail area (135m²) and a store (25m²). The Gift Shop is intended to sell merchandise including but not limited to publications, gifts, souvenir, audio and visual products, Chinese culture and performing arts related items, local arts and design creations, the Consignment Items, etc. The merchandise, style and service of the Gift Shop should be commensurate with the image, functions and activities of the Ko Shan Theatre New Wing and for promotion of performing arts in particular Cantonese Opera, Chinese operas and culture. A floor plan and the dimensions of the Licence Area are at **Annex C and Annex D** respectively.

3. Opening Hours of the Gift Shop

- 3.1 The opening hours of the Gift Shop shall be commensurate with the opening hours of the Ko Shan Theatre New Wing which may be changed by the Government Representative when needed. The opening hours of the Ko Shan Theatre New Wing are from 1:00 p.m. to 11:00 p.m. daily or from 9:00 a.m. to 11:00 p.m. when there is performance in the morning. The Gift Shop shall be open on all days when the Theatre is open. The opening hours shall not be less than 45 hours per week and the Gift Shop should stay open an hour before and after performance commencement time of the performances in the major performance venue, i.e. the Auditorium.

- 3.2 When Typhoon Signal No. 8 or above is issued, the Theatre will be closed until the Signal is cancelled or lowered. The Theatre will remain closed if Typhoon Signal No. 8 is cancelled/lowered less than two (2) hours before the normal closing hours.
- 3.3 The Theatre will open as usual when Amber Rainstorm Warning or Red Rainstorm Warning is issued. If Black Rainstorm Warning is issued during the Theatre's opening hours, the Theatre will remain open to provide shelters to the visitors and staff. If the Black Rainstorm Warning is issued before the Theatre's opening hours, the Theatre will be closed until the warning is cancelled. The Theatre will remain closed if the Black Rainstorm Warning is cancelled less than two (2) hours before the normal closing hours.

4. Usage Rates and Audiences

Statistical information on the daily usage rates, number of performances and audience numbers of the Theatre at Ko Shan Theatre and the Auditorium at Ko Shan Theatre New Wing in 2016/17, 2017/18 and 2018/19 are listed below for reference.

Ko Shan Theatre (Theatre)

Year	Daily usage rate	No. of performances	Number of audiences
2016/17	100%	341	227 467
2017/18	100%	347	226 862
2018/19	100%	351	227 587

Ko Shan Theatre New Wing (Auditorium)

Year	Daily usage rate	No. of performances	Number of audiences
2016/17	100%	285	114 186
2017/18	100%	282	108 840
2018/19	100%	298	112 508

Note: Bidder should note that the above information is for reference only and the Government gives no warranty as to the accuracy, completeness or future change of such information. Bidder should conduct his own independent assessment for preparation of his quotation submission.

ANNEX B

Location Map of Ko Shan Theatre and Ko Shan Theatre New Wing

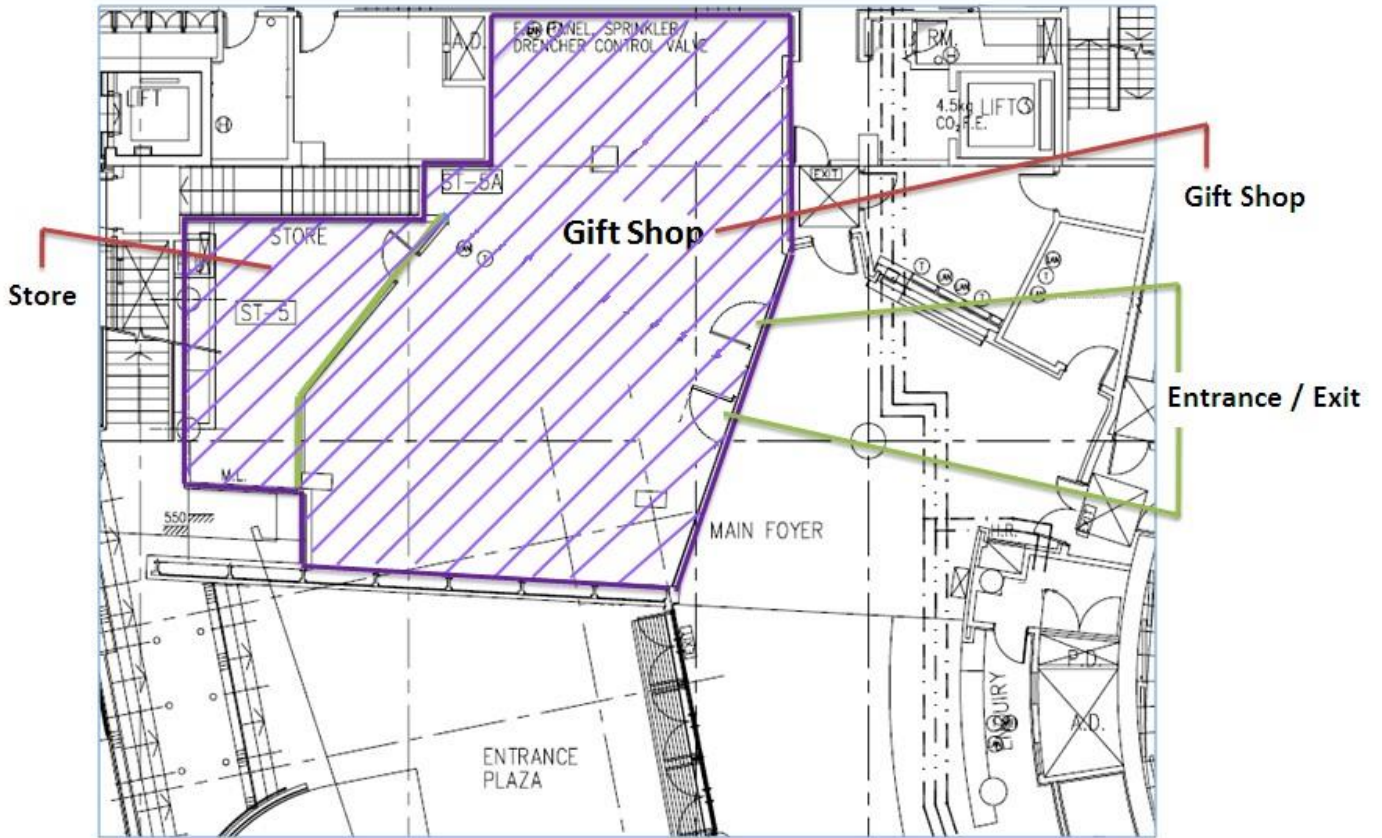


請使用公共交通工具前往高山劇場 Please use public transport to Ko Shan Theatre

巴士站 Bus Station	小巴士站 Mini-bus Station	港鐵何文田站A2出口 MTR Ho Man Tin Station Exdt A2	駕駛路線 Driving Route
公眾停車場 Public Carpark	有蓋行人自動梯 Covered Escalator	步行路線(約需8分鐘) Walking Route (About 8 Minutes)	有蓋行人通道 Covered Walkway

ANNEX C

Operation Area of the Gift Shop



Note: The plan above is not in scale and the measurement indicated is for reference only and subject to final measurement.

ANNEX D

Dimensions of the Gift Shop



The approximate total floor area of the Gift Shop is 160m².

Note: The plan above is not in scale and the measurement indicated is for reference only and subject to final measurement.

ANNEX E**Technical Schedule****1. General**

A gross floor area of approximate 160m² including a retail area of 135m² and a store of 25m² as delineated in **Annex C** and **Annex D**.

2. Shop Front and Doors

No fixing on the glass panels and structural frames will be permitted.

3. Ceiling

No false ceiling is provided in the Gift Shop. If false ceiling is required, the Contractor shall be responsible for any alteration works and getting the approval for such alteration work from the Government, and reinstate the original ceilings at the end of the Contract Period or sooner termination of the Contract.

4. Floor and Walls

4.1 No coating or painting on the glass panels will be permitted.

4.2 Internal wall of the Gift Shop shall be finished with plaster and emulsion paint. It may be covered up with plasterboard or plywood with decoration, which shall be removed at the end of the Contract Period or sooner termination of the Contract.

5. Electricity Supply (Please also refer to **Annex F)**

5.1 Two (2) of 32Amp three-phase Distribution box 1 (1A & 1B) of power supply are available for the Licence Area. The Contractor will be responsible for the wiring from the main power point to the desired locations within the Licence Area and making application to the power company for the installation of his own meter and the cost thereof.

5.2 The Contractor must engage registered electrical contractor to make necessary electrical connections and shall be responsible for all the costs involved. Alternation works must be removed at the end of the Contract Period or sooner termination of the Contract.

5.3 The Gift Shop must be lit in such a way that other buildings users will not be adversely affected by any glare or reflection.

- 5.4 The Contractor must take down all alternation works and reinstate the original lighting fittings provided by the Government at the Licence Area at the end of the Contract Period or sooner termination of the Contract.

6. Air-conditioning System

- 6.1 Bare fan coil units without duct work and air diffusers/grilles connection will be provided. The Government Representative shall use its best endeavors to provide the Gift Shop with air-conditioned ventilation during the opening hours on each day and to maintain the same in good repair and condition. Provided always that the Government shall in no event whatsoever be held responsible for any failure or interruption of any such central air-conditioning service from any cause whatsoever or for any damage or loss (direct or indirect) whatsoever caused thereby. Provided further that notwithstanding any failure or interruption as aforesaid, all payments payable under this Contract shall remain payable in full at all times.
- 6.2 In the event of the Contractor wishing to install its own air-conditioning units in the Licence Area or any part thereof with the prior written consent of the Government, the Contractor shall comply with the directions and instructions of the Government regarding installation and shall at its own expense be responsible for their periodic maintenance and repair and for the replacement of defective wiring. The Contractor shall be strictly liable for any damage caused by the installation, operation or removal of such units. Provided further that in the event of undue noise, vibration or dripping of water or heat being caused or generated by any air-conditioning units installed hereunder, the Government may require the Contractor to remove or replace such installations forthwith and to make good any loss or damage caused to the Licence Area or the Theatre thereby.

7. Fire Services Installations

If addition and alteration to the existing fire services sprinkler layout is required, the new pipes must be fed from the existing sprinkler system in the Licence Area subject to the prior approval from the Government Representative.

8. Signage

All signage shall not be erected without prior approval from the Government.

9. Photo Record

A photo record, capturing the state and condition of the Licence Area and the Government Provisions in which possession is given, will be provided to the Contractor upon commencement of the Contract Period. Any subsequent modification or alteration to the Government Provisions at the Licence Area by the Contractor shall be reinstated to the original state and condition as captured in the photo record prior to delivering up the vacant possession of the Licence Area to the Government upon the expiry of the Contract Period or early termination of the Contract, as the case may be.

10. Fitting Out Methods

- 10.1 The fitting-out works must be carried out in such a way that the public and other users of the Theatre are protected from excessive risks, noise and dirt.
- 10.2 The works area is to be completely sealed off from the remaining Ground Floor area of the Theatre by full height hoarding or sheeting to prevent the egress of dust and dirt.
- 10.3 Before any welding work is carried out, the Government must be informed. Temporary covers must be applied to the smoke detectors to prevent activating the fire alarm system unnecessarily.
- 10.4 All building debris and rubbish must be regularly carted away from time to time as directed by the Government.

11. Working Hours for Fitting Out

- 11.1 Provided that the noise level of the fitting-out works emitted is acceptable to the Director of Environmental Protection, the works will not be permitted during the following hours:

Monday to Friday	5:00 p.m. to 8:30 a.m. on next day
Saturday	1:00 p.m. to 8:30 a.m. on next Monday
Public Holiday and Sunday	All day

- 11.2 The Government Representative shall reserve its right to halt any fitting-out works undertaken by the Contractor at any time during the period of the fitting-out works if such works are deemed to have impaired or interrupted the operation or use of the Theatre or the activities of the users of the Theatre.
- 11.3 During the period of the fitting-out works, the Contractor shall keep a register of daily attendance of all the workmen working on site for periodic inspection by the Government.

ANNEX F**Government Provisions Made Available to the Contractor at the Gift Shop**

<u>Item</u>	<u>Description</u>	<u>Quantity</u>
<u>General</u>		
1	Glass door with concealed door locks	2 pairs
2	Cable containment for telephone outlet	2
3	Cable containment for IT outlet	2
<u>Electricity and Lighting</u>		
4	13A sockets outlets	11
5	T5 batten fluorescent fitting	15
<u>Fire Services</u>		
6	Sprinkler provision for fire services installation with sprinkler heads, alarm bell, emergency lighting, hose reel and audio/visual advisory system	1 lot

ANNEX G

**Enrolment Form for the Quotation Briefing Session
on 30 June 2020 (Tuesday) at 3:00 p.m.**

To: Assistant Manager (Ko Shan Theatre) Licence Management
(Fax: (852) 2365 0295)

**Quotation for the Grant of Licence to Operate the Business
at the Gift Shop of the Ko Shan Theatre New Wing
(Please return this form by fax on or before 29 June 2020)**

In accordance with Clause 40.1 of the Terms of Quotation, I/we would like to attend the Quotation Briefing Session:

Name of Organisation/ Company: _____ (in English)
_____ (in Chinese)

Name and Title of Representatives attending the Quotation Briefing Session: 1. _____
2. _____

Details of the Organisation/Company –

Contact Person: _____

Post Title: _____

Address: _____

Telephone Number: _____

Fax Number: _____

E-mail Address: _____

The Bidder is advised to bring along the Quotation Documents to the Quotation Briefing Session.

ANNEX H

Form of Bank Guarantee

THIS GUARANTEE is made on the day of 20.....
BY.....
of, a bank with a valid banking licence within the meaning of
the Banking Ordinance, Cap. 155 (“Guarantor”)

IN FAVOUR OF

ASSISTANT DIRECTOR (PERFORMING ARTS) OF LEISURE AND CULTURAL SERVICES
DEPARTMENT whose office is situated at the Leisure and Cultural Services Headquarters, 1-3 Pai
Tau Street, Sha Tin, N. T., Hong Kong acting for and on behalf of THE GOVERNMENT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE’S REPUBLIC OF
CHINA (“Government”)

WHEREAS

(A) By a contract (“Contract”) to be made
between
of (“Contractor”) of the one part
and the Government of the Hong Kong Special Administrative Region of the People’s Republic
of China of the other part (designated as Leisure and Cultural Services Department Contract
No. of), the Contractor agrees and undertakes to operate the business at
the gift shop of the Ko Shan Theatre New Wing upon the terms and conditions of the Contract.

(B) It is a condition precedent to the Government agreeing to grant the Contract that, inter alia, the
Contractor shall pay to the Government the Contract Deposit. The Guarantor executes this
Guarantee in favour of the Government.

THIS GUARANTEE EXECUTED AS A DEED WITNESSES as follows:

- (1) Where applicable, words and expressions used in this Guarantee (including the recitals) shall have the meaning assigned to them in the Contract. All rights and powers of the Government under this Guarantee may be exercised by the Government Representative.
- (2) In consideration of the Government agreeing to enter into the Contract with the Contractor:

- (a) The Guarantor hereby irrevocably and unconditionally guarantees, as a primary obligor and not as a surety, and as a continuing security, the due and punctual performance and observance by the Contractor of all of its obligations under the Contract and the Guarantor shall pay to the Government on demand and without cavil or argument all monies and liabilities which are now or at any time hereafter shall become due or owing by the Contractor to or in favour of the Government or the Government Representative under or in connection with the Contract together with all costs, charges and expenses on a full indemnity basis which may be sustained or incurred by the Government or the Government Representative by reason or in consequence of any default on the part of the Contractor in performing or observing any of its obligations under the Contract, regardless of any dispute between the Government or the Government Representative and the Contractor.
- (b) The Guarantor, as a primary obligor and not as a surety, and as a separate, independent and continuing obligation and liability from its obligations and liabilities under sub-clause (a) above, irrevocably and unconditionally agrees to indemnify and keep indemnified each of the Government and the Government Representative from and against and shall pay to the Government Representative on demand and without cavil or argument all losses, damages, costs, charges and expenses on a full indemnity basis suffered or incurred by the Government or the Government Representative arising from or in connection with the failure of the Contractor to perform or observe fully or punctually any of its obligations under the Contract.
- (3) This Guarantee shall not be affected by any change of name or status in the company, firm or individual described as “the Contractor” or where the Contractor is a partnership, any change in the partners.
- (4) The Guarantor shall not be discharged or released from this Guarantee by any arrangement made between the Contractor and the Government or the Government Representative or by any change in obligations of the Contractor under the Contract or by any forbearance granted by the Government or the Government Representative to the Contractor as to payment, time, performance or otherwise whether or not such arrangement, change or forbearance may have been or is made or granted with or without knowledge or assent of the Guarantor.
- (5) Without prejudice to clause (4) above, the obligations of the Guarantor under this Guarantee shall remain in full force and effect and shall not be affected or discharged in any way by, and the Guarantor hereby waives notice of:
- (a) any suspension of, variation or amendment or supplement to the Contract (including without limitation extension of time for performance) or any concession or waiver by the Government or the Government Representative, in whole or in part, in respect of the Contractor’s obligations under the Contract;
- (b) any provision of the Contract being or becoming illegal, invalid, void, voidable or unenforceable;

- (c) the termination of the Contract for any reason;
 - (d) any forbearance or waiver of any right of action or remedy that the Government or the Government Representative may have against the Contractor and/or the negligence, failure, omission, indulgence or delay by the Government or the Government Representative in enforcing any right, power, privilege to or remedy available to the Government or the Government Representative in relation to the obligations of the Contractor set out in the Contract;
 - (e) the voluntary or involuntary liquidation, bankruptcy, dissolution, sale of assets, receivership, general assignment for benefit of creditors, insolvency, reorganisation arrangement, composition, or other proceedings of or affecting the Contractor or its assets, or any change in the constitution of the Contractor;
 - (f) any assignment or sub-contracting by the Contractor of any or all of its obligations set out in the Contract, whether or not such assignment or sub-contracting has been consented to; and
 - (g) without prejudice to the generality of the foregoing, any fact or event (whether similar to any of the foregoing or not) which in the absence of this provision would or might constitute or afford a legal or equitable discharge or release of or defence to the Guarantor, other than an express release of its obligations by the Government or the Government Representative.
- (6) This Guarantee shall extend to all obligations of the Contractor under the Contract as the same may from time to time be amended or supplemented and the Guarantor hereby prospectively consents to whatever amendment, variation or supplement which may be made to the Contract.
- (7) This Guarantee shall have immediate effect upon execution and is a continuing security. This Guarantee shall cover all of the obligations and liabilities of the Contractor under the Contract and shall remain in full force and effect and irrevocable until:
- (a) the date falling three (3) months after the expiry or early termination of the Contract Period;
or
 - (b) upon early termination or expiry of the Contract Period, there remain any outstanding obligations and liabilities of the Contractor under the Contract which have not been duly and fully carried out, completed and discharged in accordance with the Contract or there is any outstanding right or claim of the Government or the Government Representative, the date on which all such obligations and liabilities, rights and claims have actually been carried out, completed and discharged (as confirmed by the Government Representative in writing), or failing such confirmation the date shall not in any event be later than thirty-six (36) months after the expiry or early termination of the Contract Period.

whichever is the applicable.

- (8) This Guarantee is in addition to and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any guarantee, indemnity, lien, pledge, bill, note, charge or any other security which the Government or the Government Representative may at any time hold (collectively “Other Security”) and this Guarantee may be enforced by the Government or the Government Representative without first having recourse to any of the Other Security or taking any steps or proceedings against the Contractor, and notwithstanding any release, waiver or invalidity of the Other Security.
- (9) Any demand, notification or certificate given by the Government or the Government Representative specifying amounts due and payable under or in connection with any of the provisions of this Guarantee shall be conclusive and binding on the Guarantor.
- (10) The obligations expressed to be undertaken by the Guarantor under this Guarantee are those of primary obligor and not as a surety.
- (11) This Guarantee shall be governed by and construed according to the laws for the time being in force in the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) and the Guarantor agrees to submit to the exclusive jurisdiction of the courts of Hong Kong.
- (12) All documents arising out of or in connection with this Guarantee shall be served:
- (a) upon the Government, to the Leisure and Cultural Services Department marked for the attention of Manager (Ko Shan Theatre) Building and Licence Management, Ko Shan Theatre, 77 Ko Shan Road, Hung Hom, Kowloon, facsimile number (+852) 2264 2872;
 - (b) upon the Guarantor, at _____, marked for the attention of _____, facsimile number _____.
- (13) Documents to be served under this Guarantee shall be deemed to have been duly served by one party if sent by letter or facsimile addressed to the other party at the address stated above or to the facsimile number set out above. The documents so served shall be effective (a) on the date of delivery if hand-delivered; (b) on the date of transmission if sent by facsimile (as evidenced by confirmed transmission report); and (c) if dispatched by mail (whether registered or not), on the day on which they are tendered for delivery by the postal authority in Hong Kong.
- (14) Notwithstanding anything herein to the contrary, the aggregate amount of the Guarantor’s liability under this Guarantee shall not exceed _____.

IN WITNESS whereof the Guarantor has caused its [Common Seal/Seal*] to be hereunto affixed the day and year first above written.

The [Common Seal/Seal*] of the said Guarantor)
was hereunto affixed and signed by)
)
.....)

[Name and Title]
duly authorised by its board of directors:

In the presence of:

Signature of witness: _____
Name of witness: _____
Title of witness: _____

@ Signed Sealed and Delivered for and on behalf of)
and as lawful attorney of the Guarantor under)
power of attorney dated)
and deed of delegation dated)
by)

[Name and Title]

In the presence of:

Signature of witness: _____
Name of witness: _____
Title of witness: _____

* Delete as appropriate.

@ See Powers of Attorney Ordinance, Cap. 31

Note: When banker's guarantees are executed under power of attorney, a photocopy of the power of attorney, certified on each page by a Hong Kong solicitor that it is a true and complete copy of the original must be submitted.

ANNEX I**Non-collusive Quotation Certificate**
(Please put in the “Technical Submission” envelope)

To: The Government

Dear Sir/Madam,

Non-collusive Quotation Certificate

1. I/We, (name of the Bidder) _____ of (address(es) of the Bidder(s)) _____ refer to the Government’s invitation to quotation for the Contract (“Invitation to Quotation”) and my/our Quotation in response to the Invitation to Quotation.

Non-collusion

2. I/We represent and warrant that in relation to the Invitation to Quotation:

- (a) My/Our Quotation was prepared genuinely, independently and made with the intention to accept the Contract if awarded;
- (b) My/Our Quotation was not prepared with any agreement, arrangement, communication, understanding, promise or undertaking with any person (including any other Bidder or competitor) regarding:
 - i) prices;
 - ii) methods, factors or formulas used to calculate prices;
 - iii) an intention or decision to submit, or not submit, any Quotation;
 - iv) an intention or decision to withdraw any Quotation;
 - v) the submission of any Quotation that does not conform with the requirements of the Invitation to Quotation;
 - vi) the quality, quantity, specifications or delivery particulars of the products or services to which the Invitation to Quotation relates; and
 - vii) the terms of my/our Quotation,

and I/we undertake that I/we will not, whether before or after the award of the Contract, enter into or engage in any of the foregoing.

3. Paragraph 2(b) of this certificate shall not apply to agreements, arrangements, communications, understandings, promises or undertakings with:
- (a) the Government;
 - (b) a joint venture partner with which I/we have submitted my/our Quotation, and such joint venture arrangement has already been notified to the Government in my/our Quotation;
 - (c) my/our consultants or sub-contractors, provided that the communications are held in strict confidence and limited to the information required to facilitate that particular consultancy arrangement or sub-contract;
 - (d) my/our professional advisers, provided that the communications are held in strict confidence and limited to the information required for the adviser to render their professional advice in relation to my/our Quotation;
 - (e) insurers or brokers for the purpose of obtaining an insurance quote, provided that the communications are held in strict confidence and limited to the information required to facilitate that particular insurance arrangement;
 - (f) banks for the purpose of obtaining financing for the Contract, provided that the communications are held in strict confidence and limited to the information required to facilitate that financing; and
 - (g) any person other than the Government, provided that the Government has given prior written consent.

Disclosure of subcontracting

4. Without prejudice to other requirements set out in the Quotation Documents concerning sub-contracting arrangement, in particular, the requirement to seek the Government's prior written approval before sub-contracting, I/We understand that I/we are required to disclose all proposed sub-contracting arrangements for the Contract to the Government in my/our Quotation, including those which will be entered into after the Contract is awarded. I/We warrant that I/we have duly disclosed and will continue to disclose such arrangements to the Government.

Consequences of breach or non-compliance

5. I/We understand that in the event of any breach or non-compliance with any representations, warranties and/or undertakings in this certificate or in Clause 41.1 of the Terms of Quotation, the Government may exercise any of the rights under Clauses 41.3 to 41.5 of the Terms of Quotation in addition to and without prejudice to any other rights or remedies available to it against me/us.

- 6. Under the Competition Ordinance (Cap. 619), bid-rigging is serious anti-competitive conduct. I/We understand that the Government may, at its discretion, report all suspected instances of bid-rigging to the Competition Commission (the “Commission”) and provide the Commission with any relevant information, including but not limited to information on my/our Quotation and my/our personal information.

Signed by the Bidder /
Signed by an authorised signatory :
for and on behalf of the Bidder _____

Name of the authorised signatory :
(where applicable) _____

Title of the authorised signatory :
(where applicable) _____

Date : _____