

Summary of Q&A of Industry Briefing Session on 23 May 2017

| ITEM NO. | QUESTION RAISED | RESPONSE PROVIDED |
|-------------------------|---|--|
| Employer's requirements | | |
| 1 | Is the pretreatment process fixed for the contract? | The contract is mostly performance-based. The seawater reverse osmosis (SWRO) process will be mandated; the pre-treatment process will be left open for the contractors to design. |
| 2 | Will the contract require a pilot plant to prove the performance of the pretreatment process? | There will not be a mandatory requirement on implementing a pilot plant study to prove the process performance. The treatment process will be left open for the contractors to design for implementation within the specified project programme. |
| 3 | Will BIM (Building Information Modelling) be required during design phase? | The Contract will require BIM for the design phase as well as throughout the project. BIM will also be used to facilitate operation and maintenance, asset management, and facility enhancements. The specifications for BIM will be detailed in the Tender Documents. |
| 4 | Will the photovoltaic (PV) panel system be part of the same tender? | Yes, the PV panel system will be part of the DBO contract requirements. The size and the power output will be determined by the contractor. The PV system should be designed to blend in with the surrounding environment. |
| 5 | 20MW power is required to operate the desalination plant. If solar PV is adopted, it will require more than 8ha of land to implement. | It is not expected that the plant will be operated solely using PV system or other renewable energies (such as landfill gas). Renewable energies will supplement the grid power. Tenderers will be free to design their own power arrangements. |
| 6 | Will the tender mandate the types of renewable energy systems? | No. WSD will embrace creative ideas by the contractor and the tender marking scheme |

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| | | <p>will be formulated to encourage creativity. The contractor will be required to demonstrate the feasibility and workability of the proposal on the renewable energy systems.</p> |
| 7 | <p>What are the system requirements for the on-site generation (OSG) of chlorine gas generation for final disinfection?</p> | <p>WSD is currently setting up OSG systems using the chlor-alkali process at other conventional water treatment plants. Chlorine gas for the desalination plant will be produced using the chlor-alkali process and will be generated on demand. The chlorine gas will be used for disinfection of drinking water and stringent requirements on feedstock quality (e.g., the grade of salt used for the process) will be set to protect public health.</p> |
| 8 | <p>OSG system is new to HK and will present new risks to the HK construction industry. What are the safety strategies?</p> | <p>WSD is currently using liquid chlorine gas (imported from mainland China) for the disinfection process. Safety systems are currently implemented at the treatment plants due to the hazards from importation and storage. With the current technological advancement in membrane technology, production of chlorine gas using the chlor-alkali process at municipal scale is feasible. In consultation with the Fire Services Department, the safety requirements have been established and will be specified in the tender documents.</p> |
| Procurement | | |
| 9 | <p>Are there other prequalification (PQ) requirements on the local partners in</p> | <p>There is no other requirement on the local partner.</p> |

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| | <p>addition to the having completed local civil engineering contracts valued at \$HK500million or higher?</p> | <p>For the avoidance of doubt, the local partner does <u>not</u> need to be on the List of Approved Contractors for Public Works (http://www.devb.gov.hk/Contractor.aspx?section=80&lang=1)</p> |
| 10 | <p>Will Electrical & Mechanical (E&M) licensed contractor be required during the PQ phase?</p> | <p>There is no requirement for an applicant for prequalification to be on the <i>List of Approved Suppliers of Materials and Specialist Contractors for Public Works</i> (the Specialist List). (http://www.devb.gov.hk/en/construction_sector_matters/contractors/index.html). However, the shortlisted tenderers will be required to nominate specialist contractors on the “Specialist List” for execution of specific specialist works.</p> |
| 11 | <p>There is no mention of the architectural capabilities in the PQ?</p> | <p>There are many important aspects of the project, including the architectural design. However, the core business of the desalination plant is water production; the criteria set in the PQ are to evaluate the capabilities of the applicants in delivering and operating a municipal-scale SWRO desalination plant.</p> <p>Nevertheless, as the plant will be situated next to a country park and future residential developments, there is a need for a suitable level of architectural treatment to facilitate gaining of public acceptance. The Tender marking scheme for the Technical Proposal will indicate the weighting of architectural design amongst all other relevant technical evaluation criteria.</p> |

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| 12 | For reference contracts submitted during the PQ - will the contract experience of subsidiaries be counted? | Yes, the subsidiaries' experience will be counted. The definition of subsidiaries will be in accordance with Hong Kong Company Law. |
| 13 | Will New Engineering Contract (NEC) be adopted? | It is not intended to adopt the NEC Contract form for the TKO desalination plant Design-Build-Operate contract. |
| 14 | Will companies based overseas be required to have an office in Hong Kong during the PQ phase? | A local office in Hong Kong will not be required during the PQ phase. |
| 15 | What is the rationale for prequalifying only 4 tenderers? | The number of prequalified tenderers is based on government policy. Industry's alternative view is welcome for this project. |
| 16 | Will WSD consider paying the tenderers for preparing the tender submission? | WSD is not considering paying tenderers for preparing their tenders. This is the usual practice in Hong Kong for public works procurement. |
| Implementation Programme | | |
| 17 | How definite is the tender timeline presented? | WSD is pressing ahead with implementation of the project and arrangement is being made to secure funding. Once a more definitive schedule is confirmed, the details will be posted on the project website. |
| 18 | What other steps are required before the timeline can be determined? | Statutory approvals have been granted in the recent months, including the approval for rezoning the site to "desalination plant" under the Town Planning Ordinance and for the proposed marine works under the Foreshore and Seabed (Reclamations) |

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| | | <p>Ordinance.</p> <p>The Legislative Council was consulted in March 2017 for implementation of the proposed transfer water main, which will be implemented separately to the desalination plant.</p> <p>Arrangement is being made in accordance with the established procedures to secure funding for the desalination plant, as well as seeking approval from the Legislative Council subsequently.</p> |
| 19 | Will the budget for the desalination plant be approved/obtained from the Legislative Council before or after the PQ? | Funding approval will be sought after the PQ and the subsequent tendering exercise. |