

HONG KONG HOUSING AUTHORITY
Special Conditions of Tender
Cheung Kwai Estate – Shop

Tenders by way of RENTAL TENDERING are invited for the 3-year tenancy of the following premises located in Cheung Kwai Estate, Cheung Chau, Islands, N.T.

<u>Shop No.</u>	<u>Approximate Area in m²</u>	<u>Trade</u>	<u>Reference Rent</u>
Cheung Wong House No. 3	42	<u>Choose one of the followings :</u> 1) Books, Stationery and Toys 2) Education & Cultural Centre 3) Household Utensils and Hardware 4) Office & Service Centre (NGOs)	\$2,400 \$2,400 \$2,400 \$2,400

The monthly rent (exclusive of rates) for the above premises is subject to tender.

2. Tenderers are reminded that the tenancy offered will be for a fixed term of 3 years with no option to renew.
3. Only the designated trade will be considered. Tendered rent will be final and not subject to negotiation.
4. Tenderers should note that under the Tenancy Agreement, either party may terminate the tenancy by giving to the other at least three calendar months' notice in writing. However, in case of breach of any of the conditions contained in the Tenancy Agreement by the tenant, the Hong Kong Housing Authority (HA) shall be entitled to determine the tenancy by giving to the tenant at least one calendar month's notice in writing. For the avoidance of doubt, where HA invokes section 19(1)(b) of the Housing Ordinance (Cap.283) to terminate the tenancy, the period for the notice to quit issued under that section shall be 1 calendar month.
5. The stated area of the premises is approximate only and no warranty is made as to its precise accuracy. Plans showing the layout of the premises are displayed in the Property Service Management Office at Flat 101-102, Cheung Wong House, Cheung Kwai Estate, Cheung Chau.
6. The attention of tenderers is drawn to the fact that whenever the tenancy is terminated for whatever reasons, the tenant is required to deliver up vacant possession of the premises to HA unconditionally, and shall not be entitled to any claim for compensation. HA shall have the full right to relet the premises or otherwise dispose of the premises in such manner and to such person as it may think fit, free from the interference of any person.
7. Tenderers should note that under the Tenancy Agreement, if the rent or any part thereof shall be unpaid for fourteen days after the same shall become payable (whether formally demanded or not) or if the rates or any part thereof shall be unpaid for fourteen days after the same shall become payable the tenant shall further pay to HA interest at the rate of 2% per month on the amount of rent, rates in arrears and such interest shall be payable and calculated from the date upon which such payment in arrears fell due and not fourteen days thereafter until full payments are made. For the avoidance of doubt, the day on which the rent, rates or any part thereof shall become payable is included in the reckoning of the said period of fourteen days.

8. (a) Subject to the conditions set out in sub-clause (b), the tenant will have a rent-free period. The period may range from 1 month to 3 months according to the followings :

<u>Size of Premises</u>	<u>Rent-free Period</u>
Less than 100m ²	One month
Between 100m ² – 250m ²	Two months
Larger than 250m ²	Three months

- (b) The rent-free period is to be granted subject to : -
(i) no breach of any terms and conditions of the tenancy agreement; and
(ii) no termination of the tenancy by the tenant

during the period of six months from the commencement of the tenancy (the “Period”). If at any time during the Period there is any breach of the terms of the tenancy and the tenancy is terminated by HA in consequence of such breach or if the tenancy is terminated by the tenant prior to the expiration of the Period, without prejudice to any other rights of HA under the Tenancy Agreement, the tenant shall forthwith pay to HA the rent for the period as set out in sub-clause 8(a) above.

Irrespective of the amount of rents paid, full rates and air-conditioning charges (if any) will be collected in full without reduction.

9. Tenderers should note that the tenant has to commence business of the designated trade within 1 month from the date of commencement of Tenancy Agreement.

10. Tenderers should note that if the tender is submitted in the name of a limited company, HA may require the directors(s) and the shareholder(s) of the limited company to provide personal guarantees to HA to guarantee the due payment of rent and due observance and performance of the terms and conditions under the Tenancy Agreement by the tenant.

11. The premises shall be leased on an ‘as is’ condition. The successful tenderer shall accept the premises in the state and condition in which they are found at the date when possession is given and shall be responsible for the fitting out of the premises to meet the requirements of HA and other competent authorities. All modifications to the building services installations must be carried out by contractors appointed by the Housing Department and at the expense of the tenderer.

12. Tenderers are advised to note that the designed electricity loading available to the premises is 63 ATPN. Should additional loading beyond the designed capacity be required, any upgrading is subject to the approval of the Estate Housing Manager and must be carried out by contractors appointed by the Housing Department. All the costs involved shall be wholly borne by the tenant.

13. The successful tenderer shall be required to carry out fitting-out works for the premises to meet the requirements of the existing Fire Safety (Commercial Premises) Ordinance, and to apply for a valid licence from the relevant authority. All the costs involved shall be borne by the tenant.

14. Prospective tenant may be required to vacate and relocate to other premises without any allowance or compensation of the Housing Authority upon the expiry of the tenancy. To enhance the shop front control, prospective tenant should note the requirement for fit-out renovation of the premises upon renewal of tenancy and the renovation works should be approved by the Housing Department.

15. Prospective tenderers are reminded that tender from any persons/companies already operating the same trade in this estate may not be considered.

16. Tenderers are advised to note that since shop No. 3 has been left vacant for two to three years and was not let out at three open tender exercises, two extra months' rent free will be granted in the 6th and 12th month of the term of the tenancy in accordance with the existing policy. If the tenancy hereby created is terminated in whatsoever manner prior to its expiration, the above extra rent free shall be invalidated following the termination of the tenancy. Tenants shall not be entitled to any remaining part of the extra rent free after the tenancy is terminated and shall have no right whatsoever to claim compensation in any form from HA.
17. For running the trade of 'Books, Stationery and Toys', tenderers are advised to note that the practice and operation of book lending are not allowed.
18. For running the trade of "Education & Cultural Centre", tenderers are advised to note the licensing requirement under Education Ordinance.
19. For running the trade of 'Office & Service Centre (NGOs)', tenderers are required to submit Letter of Exemption issued by the Commissioner of Inland Revenue under Section 88 of the Inland Revenue Ordinance for documentary proof of non-profit-making status when submitting tenders.
20. Tenderers are advised to observe and perform the provisions of all Ordinances and Regulations and all by-laws directions and orders of Education Bureau or any other authority and to obtain all licences and permits from the appropriate authority or authorities at his own expense that may be required in connection with the business carried on in the premises and to make no claim of any kind whatsoever against the Housing Authority in the event of the Tenant's failure or inability for any reason to obtain or renew any such licence or permit.
21. The successful tenderer shall be required to install his own air-conditioning system on the premises, and installation of air-conditioning plant and routing of pipe/duct work require prior approval from Estate Housing Manager. Properly connected condensation drainage should be provided where air-conditioning units are used.
22. Successful tenderer is required to install and at all times maintain displays of merchandise goods or services in the shopfront windows or showcases of the premises to the satisfaction of the Estate Housing Manager to a standard and composition appropriate in the opinion of the Estate Housing Manager to the reputation and standing of the estate and to alter any window or other display of goods or merchandise in or at the premises immediately upon notice by the Estate Housing Manager that such display will in the opinion of the Estate Housing Manager affect the reputation or standing of the estate.
23. Tenderers are advised to note that there is no provision of Communal Aerial Broadcast Distribution (CABD) outlet in the premises but telephone conduit is provided. Any upgrading works should be subject to the approval of Estate Housing Manager and all the costs involved shall be borne by the tenant. Successful Tenderer has to liaise with the Telecommunication Companies for services application.
24. Tenderers should note that pipes for metered water supply (25mm in dia.), floor drain (50mm in dia.) and drainage outlet (50mm in dia.) are provided in the premises, any modification and upgrading should be subject to the prior approval of the Estate Housing Manager and the costs for any upgrading shall be wholly borne by the tenant.
25. Tenderers are advised to note the special requirement for waterproofing the toilet, if any, in the premises. The damp proof course should extend up the perimeter walls by not less than 200mm. A water test may be required as the discretion of HA.
26. Successful tenderer should apply to the relevant public utility company and Water Authority directly for the installations of the electricity meter and water meter with whole cost borne by the tenant. Any delay in application or approval shall have no effect on the commencement date of the tenancy. Successful tenderers shall only commence business on such date as may be fixed by HA.

27. Tenderers should note that the shop front door and gate, if any, of the premises left by the ex-tenant were as being kept in the state for security consideration. Successful tenderer is responsible for the replacement or subsequent maintenance of the concerned door and gate. All the cost involved shall be borne by the tenant.
28. Tenderers are advised to note that the existing type of F.S. provision of the premises is served by the fire hose reels located at ground floor of Cheung Wong House. Any upgrading works in the premises should be subject to the approval of Estate Housing Manager and all the costs involved shall be borne by the tenant.
29. Tenderers are advised to note that the structural wall, if any, within the premises cannot be disturbed. Successful tenderer shall obtain prior approval from Estate Housing Manager before any alteration works for the partition wall within the premises. All the costs involved shall be borne by the tenant.
30. Tenderer should note that the tenant is required to appoint its own Authorized Person and Registered Structural Engineer for any structural works (if any) that require any revised building plan submission to HKHA's Independent Checking Unit (ICU) and the Fire Services Department for licensing application.
31. Tenderers should note that addition to/modification of building works/services installations shall be approved by HA. Subject to the approval by HA, alteration/addition/modification of the following building services installation shall be carried out by contractors appointed by the Housing Department and at the expenses of the tenant, which shall include but not be limited to automatic fire alarm system, audio & visual fire alarm system, fire shutters, building management system, upgrading of electricity supply/air conditioning supply (if any) for tenant's premises, landlord system/installation as well as any installation at landlord area. The on-cost rate for works with estimated works value below \$500,000.00 is 20%. For estimated works value \$500,000.00 or above, the on-cost rate is 24.3% or the individual costing for the on-cost upon confirmation with the prospective tenant. The above rates are subject to change without further notice. Such building works/services installations shall become fixtures of the premises and shall also become the properties of HA upon vacation of the premises.
32. Tenderers are advised to note that the design floor loading of the premises is 3 KN/m².
33. Tenderers are advised to visit the premises before submission of tender.
34. Tenderers are advised to note that HA may at any time appoint property management agents to manage, subject to the supervision by HA, any selected estate or market of which the premises form part on such terms and conditions as HA shall deem fit.
35. Tender from persons (including corporations) who have been tenants of the premises under tender and the family members of such persons will not be considered unless such persons have physically vacated the premises concerned and have observed and performed all the tenancy conditions in respect of the premises.
36. Tenderers are requested to note that the premises under tender as listed above do not represent the total number of premises available for letting in the estate. There are some other commercial premises on the estate which have been let/will be let by open tendering or by means other than open tendering for the abovementioned trades or other trades as HA may in its absolute discretion determine.
37. Prospective tenderers are reminded that HA has kept a central record of those ex-commercial tenants who have breached the terms and conditions of the tenancy. Tenders submitted by these ex-commercial tenants who have been in breach of the terms and conditions of the tenancy may not be considered.
38. Tenders, in duplicate, must be made in the Form of Tender attached and enclosed in a sealed envelope clearly marked "Cheung Kwai Estate – Shop". Any tender not marked with the name of the estate on the cover of the sealed envelope may be invalidated.

39. Completed Tender Forms must be deposited in the Tender Box located in the Commercial Properties Management Unit of the Estate Management Division, Housing Department at Podium Level 1, HKHA Customer Service Centre, 3 Wang Tau Hom South Road, Kowloon before 10:00 a.m. on Friday, 11 July 2014. Late tenders will not be considered. HA will not be responsible for any mislaid tenders submitted by methods otherwise.

40. The closing time and date will automatically be deferred to 10:00 a.m. on the following Monday or the next earliest possible working day of the following week in the following circumstances : -

- (i) if Tropical Cyclone Warning Signal No. 8 or above is hoisted before and remains hoisted beyond the closing time;
- (ii) if a “Black” Rainstorm Warning is announced by Government (via the Information Services Department) before and remains in force beyond the closing time.

However, the closing time and date will remain unchanged if Tropical Cyclone Warning Signal No. 8 or above or the “Black” Rainstorm Warning is lowered or withdrawn two hours or more before the closing time.

41. For enquiry and visit, please phone 2981 4658.

42. Where there is a conflict between the General Conditions of Tender and the Special Conditions of Tender, the Special Conditions of Tender shall prevail.