

## Tender Report - Lift

Ref. 2537.25/089

18th March 1998

### CONFIDENTIAL

Leigh & Orange Ltd.  
19/F., East Warwick House  
Taikoo Place  
979 King's Road  
Hong Kong

Attention : Ms. Teresa Lam

Dear Sirs,

VTC Haking Wong Technical Institute Student Centre  
at NKIL 5931, 702 Lai Chi Kok Road, Cheung Sha Wan  
Lift Contract  
Tender Report

### Tenders tender return summary

The following tenders were received :

<u>Tenderer</u>	<u>Tender Sum</u>
	\$
1. Kone Elevator (H.K.) Ltd.	815,000.00
2. Otis Elevator Company (HK) Limited	950,000.00
3. Ryoden Lift & Escalator Co., Ltd.	980,000.00
4. Fujitec (HK) Co., Ltd.	1,090,000.00

Hitachi and Schindler have declined to tender.

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### Scope of Tender SOW

The works to be carried out under the Contract comprise the design, supply and installation of 1 No. lift, and all related ancillary works to the VTC Haking Wong Technical Institute Student Centre, including the provision of free service and maintenance for the lift within the 12 months free maintenance period.

The tender includes a provisional sum of \$50,000.00 for Contingencies.

### Technical and Financial Aspects scope of report

We have examined the contractual and financial aspects of the tenders only.

All technical aspects of the tenders are subject to the Building Services Engineer's checking and comment.

### Arithmetical check arithmetical check

All the lowest three tenders have been checked and are arithmetically correct.

### Comparison of Tenders comparison

The following is a comparison of these tenders by taking the lowest tender as 100%.

<u>Tenderer</u>	<u>Tender Sum</u>	<u>%</u>
	\$	
1. Kone	815,000.00	100.0%
2. Otis	950,000.00	116.6%
3. Ryoden	980,000.00	120.2%

Appendix A - A comparison of Major Deviations submitted by the Lowest Three Tenderers.

Appendix B - A summary of the Tender Submission by the Lowest Three Tenderers.

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Tender Analysis  
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Examination of Tenders      **tender submssion**

We have examined the lowest three tenderers and our comment are as follows :

Generally

All the tenderers have not returned the tender documents issued for tendering purposes but have submitted tenders based on their own separate covering letters/standard documents.

Should any one of the tenderers be considered, they should be requested to submit the completed tender documents.

All the tenderers have submitted their own standard lists of "Works to be done by other contractors" with their tenders.

Generally, the items listed, with the exception of a few, have been covered in the Specification - Preliminaries. However, it is recommended that the lists should be withdrawn to avoid possible disputes arising from different wordings for similar items contained in the tender document and these printed lists and possible contradictions with the Specification requirements. The tenderers should be requested to state specifically the builder's works required other than those listed in the Specification - Preliminaries.

All the tenderers have submitted their tenders with their own technical specification, which are subject to the Architect's/the Building Services Engineer's comment.

Examination of Tenders (Cont'd)      **comment on individual**

1.      Kone Elevator (HK) Ltd. (\$815,000.00)

This is the lowest tender received.      **price**

The tenderer has not submitted the completed tender document. The tenderer shall be requested to submit the completed tender document for further examination.      **qualification**

The tenderer has included the following qualifications in the submission, most of them have been clarified or withdrawn in their replies to our tender queries, our comments and their replies are shown in brackets :

- (1)      The tender is valid for delivery and installation of all equipment to be completed not later than 31st May 1999.

(The tenderer has withdrawn this qualification.)

- (2)      The tenderer have allowed 54 weeks (i.e. 378 days) for the supply and installation of the lift as stated in their submitted delivery and installation schedule.

(The tenderer has submitted a revised programme which are subject to the Architect's comment.)

- (3)      The offer is based on their standard equipment and fittings. (Clause 1.2 of Terms of Sales)

(Subject to comments by the Architect and/or the Building Services Engineer.)

Examination of Tenders (Cont'd)

1. Kone Elevator (HK) Ltd. (Cont'd)

- (4) The tenderer has proposed different terms of payment (Clause 2.1<sup>2</sup> of Terms of Sales).

(The tenderer has withdrawn their payment terms and follow the one as specified in the tender document.)

- (5) The tenderer has proposed that should the tenderer be required to enter into a nominated sub-contract, prompt payment should be paid to the tenderer in any circumstance (Clause 2.2<sup>2</sup> of Terms of Sales).

(The tenderer has been reminded that this Contract is a Direct Lift Contract to the employer and clause 2.2<sup>2</sup> is irrelevant to this Contract.)

- (6) The tenderer has proposed different terms regarding Extension of Time, Determination by Contractor, Care of Works and Frustration of Contract, (Clauses 2.3<sup>2</sup>, 3.2<sup>2</sup>, 3.3<sup>2</sup>, 5<sup>2</sup> and 7 of Terms of Sales).

(The tenderer has withdrawn these terms and follow the ones as specified in the tender document.)

- (7) Liquidated & Ascertained Damages are limited to 0.5%<sup>2</sup> of the Contract Sum per week and a maximum limit of 10%<sup>2</sup> of the Contract Sum in total (Clause 3.4<sup>2</sup> of Terms of Sales).

(The tenderer has withdrawn this qualification.)

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Examination of Tenders (Cont'd)

1. Kone Elevator (HK) Ltd. (Cont'd)

- (8) Twelve months of free maintenance services commences from the date of issuance of Certificate (Form 5)<sup>2</sup> by the Electrical & Mechanical Services Department (Clause 4<sup>2</sup> of Terms of Sales).

(The tenderer has confirmed that maintenance period shall be 12<sup>2</sup> months commences from the issuance of P.C. Certificate by the Architect as specified in Clause 10 of the General Conditions of Contract.)

- (9) Maintenance fee will be charged for using the lift after the issuance of Form 5<sup>2</sup> but before the practical completion of the main contract (Clause 6<sup>2</sup> of Terms of Sales).

(This is acceptable and the tenderer has quoted a charge of \$1,100.00<sup>2</sup> per day for the use of the lift before practical completion of the main contract.)

- (10) Standard printed list of "Works to be done by other Contractors (Lift)" was submitted with the tender.

(The tenderer has withdrawn this qualification.)

Subject to the Architect/the Engineer's comment on the technical aspects, this tender is contractually ready for acceptance.

conclusion

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summary of qualification APPENDIX A

COMPARISON OF MAJOR DEVIATIONS SUBMITTED  
BY LOWEST THREE TENDERERS

Validity of Tender tender validity

The tenders are valid for acceptance until 4th May, 1998.

Reconciliation reconciliation

Comparing the lowest tender (HK\$815,000.00) with the preliminary estimate (HK\$800,000.00 at November 97), there is a deficit of HK\$15,000.00.

Documents

All the tender documents had been sent to the Architect (our letter ref. 2537.25 dated 10th February 1998 refers) for their comments.

Yours faithfully,

Levett and Bailey

Encl. NC/PC/LP/Y/YCK/jc

c.c. VTC - Mr. Wallace Chu )  
PBA - Mr. Thomas Chan ) (w/encl.)

	Tender stipulation	Kone	Otis	Ryoden
Tender Sum	-	\$815,000.00	\$950,000.00	\$980,000.00
Validity Period	3 months	3 months	3 months	3 months
Time of Completion	365 days	365 days	365 days	365 days
Free maintenance period	12 months	12 months	12 months	12 months
Liquidated & Ascertained Damages	\$7,000.00/day	As tender stipulation	a maximum limit of 10% of the Contract Sum in total	a maximum limit of 10% of the Contract Sum in total
Handover of Lift shaft	-	90 days prior to the completion of the lift installation	90 days prior to the completion of the lift installation	65 days prior to the completion of the lift installation
Terms of Payment (Brief description only)	10% on award of Contract 20% when equipment is ready for shipment with claims supported by certified shipping documents 30% on delivery of equipment to site 25% on issue of lift certificate (Form 5) by the Electrical and Mechanical Services Department 10% on issue of Certificate of Practical Completion by the Architect The remaining 5% twelve months after the issue of the Certificate of Practical Completion and after making good defects	As tender stipulation	As tender stipulation	As tender stipulation
Cost of Maintenance per month	-	1st year : \$5,663.00 2nd year : \$6,173.00 3rd year : \$6,728.00	1st year : \$4,950.00 2nd year : \$5,340.00 3rd year : \$ 5,770.00	1st year : \$4,300.00 2nd year : \$4,800.00 3rd year : \$ 5,300.00

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# submission checklist

## APPENDIX B

### A SUMMARY OF THE TENDER SUBMISSIONS BY LOWEST THREE TENDERERS

	<u>Kone</u>	<u>Otis</u>	<u>Ryoden</u>
1. Completed Tender booklet	N	N	N
2. Preliminary programme	Y	Y	Y
3. Details of Equipment offered	Y	Y	Y
4. Maintenance Proposal	Y	Y	Y

Y = Submitted or completed  
N = Not submitted or not completed