

AIRPORT AUTHORITY

PROCUREMENT PRINCIPLES AND PROCESS

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1. INTRODUCTION

The Airport Authority Hong Kong (the Authority) is a statutory body wholly owned by the Hong Kong SAR Government. It is governed by the Airport Authority Ordinance (Chapter 483, The Laws of Hong Kong) and the Board of the Authority.

Established in 1995, the Authority is responsible for the operation and development of the Hong Kong International Airport (HKIA). To meet the vision to be the world class corporation and a leader in the airport management and aviation related business contributing to the prosperity of Hong Kong, the Authority has a mandate to maximize the value of HKIA with an emphasis on enhancing Hong Kong's status as an international and regional aviation centre and an engine of economic growth for Hong Kong.

The procurement function is pivotal in the business process where we acquire a wide range of goods and services to maintain daily operations and implement infrastructure projects for long term development.

The Authority is one of the procuring entities that has to ensure that the procurements covered by Revised World Trade Organisation Agreement on Government Procurement (Revised WTO GPA) are conducted in accordance with the provisions of Revised WTO GPA. The object of the Revised WTO GPA is to provide for open and fair competition amongst domestic and foreign suppliers, contractors or service providers.

2. VALUES AND PRINCIPLES

The objective of the implementation of procurement and tendering process is to achieve the “best overall value” for the Authority whilst maintaining open and fair competition in the process. It is to ensure that through open, fair and transparent procurement and tendering procedures, the Authority can obtain responsive and competitive tenders from which we can determine the most advantageous one which serves the best interest of the Authority.

The fundamental values and principles underlying the procurement and tendering process of the Authority are:

- Value for money
- Transparency
- Open and fair competition

3. SUPPLIER MANAGEMENT

3.1 Supplier Registration

The Authority has adopted an e-tendering system, namely ePROS to automate the procurement and tendering process. New supplier can register through the on-line registration in [ePROS](#) by submitting company information for application. After acceptance of the registration, the supplier can update its company details through the system.

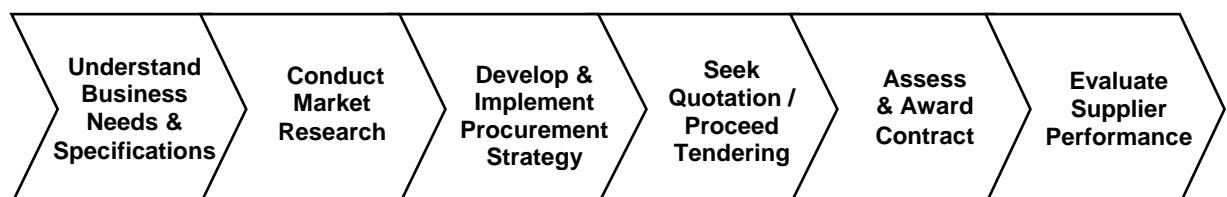
3.2 Administration of Lists of Pre-qualified Tenderers

The Authority has maintained Lists of Pre-qualified Tenderers for different categories of goods and services. The invitation of pre-qualification process is regularly posted on the Authority's website and administered via ePROS.

4. PROCUREMENT PROCESS

The purpose of implementing the Authority's procurement process is to identify the most advantageous offer at the best value of money through the robust and prudent process and adoption of the most appropriate procurement strategies and methods.

Figure 1: Procurement Process



The first and essential step of the procurement process is to understand the business needs of the stakeholders. From which, the specifications will be developed to detail the requirements of the procurement, form the basis of evaluation and become the essential contract management document to be strictly complied.

Market research is to gather market information and understand suppliers. The findings can therefore assist the development of the effective procurement and contract strategies for execution.

During the market research stage, the Authority may adopt the following methods to solicit market information from the suppliers:

- Expression of Interest (“EOI”); or
- Request for Information (“RFI”); or
- Request for Proposal (“RFP”)

Because these are informal request, the information is not binding on both parties. But it is a quick survey that will help the Authority in preparing the budget, refining the technical and functional requirements, developing the most appropriate procurement methods and strategy for execution.

Such procurement methods may include competitive tendering or limited tendering with the objective to identify the best fit suppliers and obtain the best value of money. The Authority, as one of the procuring entities covered by the Revised WTO GPA, undertakes to implement the tendering procedures in line of the spirit and objective of Revised WTO GPA.

The Invitation to Tender shall be issued and posted on the Authority’s website (<https://www.hongkongairport.com/en/airport-authority/tender-notice/invitation-to-tender.page>).

The tender submissions shall be subject to technical and/or price assessment in accordance with the pre-determined evaluation criteria as published in the tender document as well as the financial assessment and legal vetting for ascertaining their capabilities to execute the contract.

For GPA tenders, after the contract is awarded, the notice of award will be posted in the Authority’s website within 72 days.

5. REVISED WORLD TRADE ORGANISATION'S AGREEMENT ON GOVERNMENT PROCUREMENT ("REVISED WTO GPA")

The Revised WTO GPA provisions applies to those contracts which have exceeded the below procurement thresholds:

- 400,000 SDR¹ for procurement of goods and specified services² ; and
- 5,000,000 SDR for construction services³.

6. CORPORATE ENVIRONMENTAL POLICY AND GREEN PROCUREMENT POLICY

The Authority aims to make HKIA one of the world's greenest airports, and has adopted a [Corporate Environmental Policy](#) in support of this objective. The Authority encourages its suppliers and contractors, to the extent practicable and without compromising their professional quality and accuracy, to adopt similar measures.

The Authority has also established the [Green Procurement Policy](#) to attest its support in environmental protection. To cascade this commitment on the supply chain, the Authority will integrate environment considerations into the procurement process, with the aim of continuous improvement amidst industrial, commercial and technological constraints. The evaluation criteria on environmental performance is always one of the essential criteria in tender evaluation.

¹ * Drawing Rights (SDR) is an international currency unit set up by the International Monetary Fund. For the calculation of update thresholds, please refer to the following website of Trade and Industry Department (https://www.tid.gov.hk/english/trade_relations/tradefora/gpa.html).

² * Please refer to Annex 5 of GPA for the scope of coverage for services

³ * Please refer to Annex 6 of GPA for the scope of coverage for coverage of construction services