

LEISURE

Red tape leaves wheel bidder bitter

Businessman says bid was denied when he filed a document a day late

Amy Nip
amy.nip@scmp.com

An unsuccessful bidder to build a Ferris wheel on the harbourfront says the government missed out on HK\$25.2 million because it was too inflexible to consider his offer after he submitted a document one working day late.

Hong Kong's answer to the London Eye is due to open in September. A three-year contract to operate the wheel was awarded more than a year ago to Swiss AEX, but the site at Central ferry piers 9 and 10 remained empty until recently.

Anson Chan Yiu-cheung, chairman of the Bonds Group of Companies, said he had submitted a tender for the project – along with a cashier's order for

HK\$9.3 million – but was told by the Lands Department eight months later his bid had been rejected because it was filed on December 17, 2012, a Monday. It was due on December 14, a Friday.

Chan said he had offered monthly rental of HK\$1.55 million for a three-year lease. That is nearly double the HK\$850,000 rent to be paid by Swiss AEX – and an extra HK\$25.2 million over the life of the contract.

But Chan said the government had lost that extra revenue thanks to its inflexible approach. "By being so rigid about the deadline they've thrown away HK\$25.2 million on that contract," he said.

A Lands Department spokesman said any bids that did not meet the requirements set out in the tender notice would be re-

jected, and late submissions would not be accepted. He added that all unsuccessful bidders had been informed and cashier's orders returned once the contract was awarded.

Chan submitted the tender with two partners: Penglai Happyland, an amusement park in Shandong (山東) province, and S&T Leisure Worldwide, which operates the biggest Ferris wheel in the Philippines.

He said the department had taken an extra two months, on top of the six months it took to process his bid, to explain why it had been unsuccessful.

Finally, Chan said, it revealed he had handed in one of the documents – a copy of his business registration stamped by the Inland Revenue Department – after the deadline.

"They accepted my cashier's order of HK\$9.3 million. If they were going to reject my application, why not just refuse it and tell me at the time?" he said.

Chan also criticised the lack of construction deadlines once contracts were awarded. "There should be a deadline of one year [on a three-year lease]. The government was hoping to put this land to good use, but instead it's just sat there," he said.

Chan is the second failed bidder to question the department's decision. Global wheel operator Freij Entertainment earlier claimed it had more experience and had also offered more rent than Swiss AEX.

Chau Kwong-wing, real estate professor at the University of Hong Kong, said the department had demonstrated poor communication skills. "It should have told the bidder they were disqualified as soon as possible."



Construction has begun on the Central Waterfront wheel to be operated by Swiss AEX. Photo: David Wong