

立法會
Legislative Council

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seen by the Administration)

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**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 10th meeting
held in the Chamber of Legislative Council Building
on Wednesday, 21 February 2001, at 8:30 am**

Members present :

Ir Dr Hon Raymond HO Chung-tai, JP (Chairman)

Hon Albert CHAN Wai-yip (Deputy Chairman)

Hon Kenneth TING Woo-shou, JP

Hon Cyd HO Sau-lan

Hon Fred LI Wah-ming, JP

Prof Hon NG Ching-fai

Hon James TO Kun-sun

Hon CHAN Kam-lam

Hon LAU Kong-wah

Hon Mrs Miriam LAU Kin-yee, JP

Hon Emily LAU Wai-hing, JP

Hon Andrew CHENG Kar-foo

Hon LAW Chi-kwong, JP

Hon TAM Yiu-chung, GBS, JP

Dr Hon TANG Siu-tong, JP

Hon Abraham SHEK Lai-him, JP

Hon Henry WU King-cheong, BBS

Hon Michael MAK Kwok-fung

Hon IP Kwok-him, JP

Hon LAU Ping-cheung

Members absent:

Hon Eric LI Ka-cheung, JP

Hon CHAN Yuen-han

Hon SIN Chung-kai

Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon WONG Sing-chi

Public officers attending:

Miss Elizabeth TSE	Deputy Secretary for the Treasury
Mr S S LEE, JP	Secretary for Works
Mr Gordon SIU, JP	Secretary for Planning and Lands
Mr Mike STOKOE, JP	Director of Environmental Protection
Mr James HERD	Principal Assistant Secretary of the Treasury (Works)
Mr Donald TONG	Principal Assistant Secretary for the Environment and Food
Mr J COLLIER, JP	Director of Drainage Services
Mr C H LAM	Assistant Director/Sewage Services, Drainage Services Department
Mr C K HON	Chief Engineer/Strategic Sewage Disposal Scheme, Drainage Services Department
Mr H K WONG, JP	Director of Territory Development
Mr M Y MA	Chief Engineer (Tin Shui Wai and Pak Shek Kok) Territory Development Department
Mr Hugh PHILLIPSON, JP	Director of Water Supplies
Mr LEUNG Mang-chiu	Assistant Director/New Works, Water Supplies Department
Mr M L WAN	Principal Assistant Secretary for Housing (Project Management)
Dr LAU Ching-kwong, JP	Director of Civil Engineering
Mr Y F MOK	Assistant Director (Civil)/Land Development, Civil Engineering Department
Mr P S TAM	Project Manager, Housing Department
Mr P C CHO	Chief Traffic Engineer/Kowloon, Transport Department
Ms Shirley LAM	Principal Assistant Secretary for Transport
Mr D J CLIMAS	Deputy Project Manager (New Territories East Development Office), Territory Development Department
Mr K K SIN	Chief Traffic Engineer/New Territories East, Transport Department

Clerk in attendance:

Miss Polly YEUNG	Chief Assistant Secretary (1)3
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Staff in attendance:

Ms Pauline NG
Ms Anita SIT

Assistant Secretary General 1
Senior Assistant Secretary (1)8

HEAD 704 - DRAINAGE

PWSC(2000-01)89 308DS Strategic Sewage Disposal Scheme Stage I : Stonecutters Island sewage treatment works - pumping stations, buildings and site development

Members noted that the present proposal had been discussed by the Environmental Affairs Panel on 2 January 2001.

2. Mr Albert CHAN expressed the view that the problems arising from the projects of the Strategic Sewage Disposal Scheme (SSDS) Stage 1 revealed the Administration's lack of planning, co-ordination and expertise for large-scale capital works projects. He said that on contract matters, the Administration had not exercised due diligence and sought the necessary legal support in drawing up the contracts for the projects. Hence, the Government had been placed in a disadvantaged position in the first place under these contracts, resulting in a heavy burden on the public purse.

3. Miss Emily LAU concurred with Mr Albert CHAN's view. She enquired whether and when the Administration would conduct a comprehensive review of the planning and implementation of the SSDS Stage 1 projects. Mr IP Kwok-him shared the view that the Administration should review the SSDS Stage 1 projects to identify problems and seek improvement.

4. In response, the Secretary for Works (S for W) said that it had been the practice of the Administration to conduct a comprehensive review upon completion of each large-scale project. As for the SSDS Stage 1 projects, it would be appropriate to conduct a review after the completion of all the project works and the finalization of all the claims in relation to the projects. While the Administration estimated that all the Stage 1 projects would be completed around the end of 2001, the duration of the proceedings in respect of some contract claims were beyond the control of the Administration. At this stage, he was therefore unable to give a firm undertaking on the exact time table for the review. Miss Emily LAU urged the Administration to conduct the review as soon as possible and said that the review findings should be discussed by the relevant LegCo Panel(s). The Administration took note of her concern.

5. Mr IP Kwok-him sought clarification on whether the total approved project estimate (APE) of \$8,323.7 million for the SDSS Stage 1 projects referred to in paragraph 1 of the discussion paper was the original estimate or otherwise. The

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Principal Assistant Secretary for Environment and Food (PAS/EF) advised that the original overall estimate for the Stage 1 projects was some \$6,700 million. Subsequent to the unilateral suspension of works in the six sewage tunnels by the first contractor in 1996, approval had been obtained from the Finance Committee in 1997 for increasing the overall APE for the completion of the Stage I eastern tunnel projects by \$2,000 million. In December 2000, approval had also been sought to increase the APE by \$115 million for project 320DS relating to the completion of the sewer tunnel system from Kwai Chung to Stonecutters Island. He remarked that a major proportion of the past increases in the APE for the Stage 1 projects was attributed to the unilateral suspension of works for the sewage tunnels by the first contractor.

6. Miss Emily LAU enquired about the present position of the arbitration on the Government's claim for losses arising from the re-entry of the two tunnel contracts and the estimated sum that could be recovered from the first contractor. In reply, the Director of Drainage Services (DDS) advised that the three arbitration hearings to determine liability had been concluded and the Government had been successful in relation to all the most significant issues in the dispute. The first contractor however had applied for leave to appeal in respect of the arbitrator's determination on some issues, and the application would only be heard by the court later this year. To substantiate his application, the first contractor would need to prove that the arbitrator had erred in law. After the issue of liability had been concluded and all tunneling works completed, actions for assessment and recovery of Government's claim for damages could then proceed.

7. Miss Emily LAU sought information on the additional cost incurred by the Government due to the unilateral suspension of works by the first contractor for the tunnel contracts, and the estimated sum that could be recovered from the contractor through arbitration. In response, the Chief Engineer/Strategic Sewage Disposal Scheme, Drainage Services Department explained that the suspension of works by the first contractor had led to the Government's re-entry of the two tunnel contracts in 1996, which had been determined to be justified at the arbitration hearings. Subsequently, the Administration had to seek additional funding of \$2.0 billion for completion of the tunnel contracts. However, the full amount of the Government's damages claim against the first contractor could not be ascertained at this stage as pursuant to the re-entered contracts this could only be undertaken after finalization of all works in the completion contracts for the sewage tunnels.

8. The Chairman appreciated that pending the completion of the completion contracts, the Administration would not be in a position to provide a reliable estimate of the amount that could be recovered from the first contractor. He suggested and the Administration agreed to report the outcome of the arbitration to the relevant Panel(s) when such was known.

9. Regarding the present position of the Government's claim for liquidated damages for the knock-on delays of the project in question (308DS) from the contractor of the E&M works contract under another SSDS Stage I project (307DS),

DDS and PAS/EF advised that in anticipation of the many interfacing works between the civil works contract under 308DS and the E&M contract under 307DS, the Administration had included relevant provisions in the E&M contract to provide for liquidated damages in case of the E&M contractor causing material delays to the civil works contract. The Government's claim was being assessed by the Project Engineer along with other claims under the E&M contract. The Administration expected that the Government would be able to obtain liquidated damages from the E&M contractor without resorting to arbitration. If the E&M contractor disputed the claim, the Administration might seek to settle the dispute through arbitration. They confirmed that the proposed increase of \$60 million in APE would be sufficient to meet the payment of all the claims in relation to project 308DS even if the Government was unsuccessful in obtaining liquidated damages under the E&M contract.

10. The item was voted on and endorsed.

HEAD 707 - NEW TOWNS AND URBAN AREA DEVELOPMENT

**PWSC(2000-01)92 225CL Yuen Long - Tuen Mun corridor -
engineering works for commercial/
residential areas at Hung Shui Kiu, stage
II**

11. Noting that there were old trees, some of precious species, along Tin Ha Road, Mr Albert CHAN enquired about the effect of the proposed road works on these trees and the transplantation arrangement, if any. In reply, the Director of Territory Development (DTD) advised that one of the old trees being affected was on private land and was considered by the owner to be of religious value. As this tree fell within the alignment of the proposed Tin Ha Road widening, it was necessary to remove this tree for the road works. The Administration had suggested to the owner to transplant the tree at a park in Tin Shui Wai but the owner refused this suggestion. Instead, the owner was seeking to rent a piece of private land nearby for the transplantation. The Administration was still discussing with the owner on this matter and provision had already been earmarked for the transplantation. Hopefully, the final arrangement would be to the satisfaction of the tree owner. (*Note: The letter from the owner dated 26 December 2000 and the Administration's response thereto have been issued to PWSC members and copied to other FC members for reference vide LC Paper No. PWSC68/00-01 dated 7 February 2001*). As regards the other trees affected by the proposed works, the Chief Engineer (Tin Shui Wai and Pak Shek Kok), Territory Development Department advised that a survey on the trees within the project area was being undertaken. At Mr Albert CHAN's request, DTD agreed to provide information on the planned arrangements for the trees affected by the proposed works when such information was available.

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12. In reply to Miss Emily LAU's enquiry about the landscaping works for which \$2.8 million had been earmarked under the project estimate, DTD advised that the

landscaping works to be undertaken included the transplantation of existing trees and the planting of new trees along the completed new roads and the widened Tin Ha Road. Other landscaping works within the project area would be undertaken as far as practicable.

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13. Miss Emily LAU recapitulated that at recent meetings of this Subcommittee, some members had expressed serious concern about the disturbance caused by various proposed projects to existing vegetation, in particular old trees, and what landscaping measures would be undertaken by the Administration. She requested the Administration to provide more information in this regard in future PWSC submissions. The Administration took note of the suggestion for appropriate follow-up action.

14. Noting that for mitigating traffic noise, window insulation and air conditioners would be provided for an existing kindergarten situated near the junction of the proposed Road L1 and Road L2, Miss Emily LAU sought further information on the noise impact and the feasibility of alternative noise mitigation measures for the kindergarten. In reply, DTD advised that he had personally visited the kindergarten, and observed that the kindergarten would be very close to the aforesaid road junction and thus would be subject to excessive traffic noise impact. Given the kindergarten's proximity to the proposed roads, erecting noise barriers along the roads would not be suitable. Hence, indirect mitigation measures in the form of window insulation and air conditioners were recommended. The Administration would discuss the relevant arrangements with the kindergarten in due course. In this connection, Miss LAU expressed her appreciation to DTD for visiting the site in person.

15. The item was voted on and endorsed.

HEAD 709 - WATERWORKS

PWSC(2000-01)91	90WC	Replacement and rehabilitation of water mains, stage 1 phase 1
	174WC	Replacement and rehabilitation of water mains, stage 1 phase 2

16. Members noted that the present proposal had been discussed at the Planning, Lands and Works Panel on 8 January 2001.

17. Noting that the territory-wide network of fresh water and salt water supplies consisted of 5 700 kilometres of water mains, and that the 20-year water main replacement and rehabilitation programme covered some 3 000 kilometres of ageing water mains, Mr Fred LI enquired about the plan in respect of the water mains not included in the 20-year programme. In reply, the Director of Water Supplies (DWS) advised that the replacement and rehabilitation of ageing water mains was an ongoing exercise. After completion of the 20-year programme, the Administration would need to plan for the replacement/rehabilitation of those water mains that were not

covered in the programme currently.

18. Mr Fred LI sought clarification on the circumstances under which ageing water mains would be rehabilitated rather than replaced. In reply, DWS advised that rehabilitation was less disruptive to the public because the works could be carried out without digging up the water mains. Rehabilitation would be the option where the conditions of the water mains could be substantially improved by rehabilitative works such as re-lining. However, where the long-term serviceability of the water mains was doubtful, replacement would be the preferred option. It was estimated that less than 25% of the water mains covered by the 20-year programme were suitable for rehabilitation.

19. Mr Fred LI noted that upon completion of the 20-year programme, the overall leakage rate of the water mains in the territory would still stand at 15%. He therefore enquired how this leakage rate compared with international standards and to what extent the leakage was attributed to those water mains which would be replaced/rehabilitated under the 20-year programme. In reply, DWS stressed that if no action was taken on the ageing water mains, the leakage rate would rise from the current 25% to 40% in 20 years' time. With the implementation of the 20-year programme, the leakage rate could be reduced to 15%. DWS further advised that a small percentage of the future water leakage and pipe bursts might still be attributed to the replaced/rehabilitated water mains, which would inevitably be subject to constant corrosion and occasional interference in the course of their service life. He remarked that a major proportion of the main bursts in the territory had been caused by the activities undertaken on other underground utilities.

20. DWS and the Assistant Director/New Works, Water Supplies Department (AD/NW,WSD) explained that leakage of water mains was a common problem worldwide and there was a need to strike a balance between the cost of replacement and maintenance and the cost of water loss and disruption of water services. A leakage rate of 15% was considered very good performance among water authorities worldwide. For members' reference, they gave the following leakage rates in other countries -

<u>Country/Place</u>	<u>Leakage rate</u>
Taiwan	19%
United Kingdom	19%
Portugal	15%
Sweden	14.6%
Finland	12%

21. Mr Fred LI pointed out that given the high population density, heavy traffic and congested conditions of underground utilities in Hong Kong, bursts and leakage of water mains would result in serious disturbance to the public and significant economic loss.

22. Noting that after completion of the 20-year programme, the loss of fresh water would be reduced from 220 million to 180 million cubic metres (m³) per year, Miss Emily LAU enquired about the cost of water loss in monetary terms. DWS and AD/NW, WSD advised that based on the cost of \$3 per m³ for purchasing Dongjiang water from the Mainland, the cost of 220 million m³ of water was around \$660 million. If no action was taken on the ageing mains, the annual water loss would increase to 630 million m³ in 20 years. They also advised that that implementation of the 20-year programme would also bring about savings in water main maintenance of about \$2 billion and reduce the economic loss of some \$1.6 billion caused by main bursts over the 20-year period.

23. Mr Albert CHAN enquired about the pipe materials to be used for the proposed water main replacement works. As each replacement/rehabilitation project would span over a long period, he enquired whether relevant provisions would be included in the works contracts to require contractors to use the best pipe materials available in the market when construction works were carried out. In reply, DWS confirmed that the Water Supplies Department kept abreast of the development of pipe materials in the market. However, new pipe materials would need to be tried and tested under local conditions before they could be widely used in local waterworks projects. He advised that the contract period for most of the projects under the 20-year programme would not exceed three years. For recent waterworks projects, mild steel with concrete lining was used for large pipes (with a diameter of over 600 millimetres) and polyethylene pipes were used for small pipes. These pipe materials had proved to be suitable for local conditions.

Admin 24. At Mr Albert CHAN's request, the Administration agreed to provide an information paper on the pipe materials that would be used for committed and planned waterworks and on how these pipe materials compared with those used in other countries.

25. Expressing concern about the serious disturbance to the public caused by road openings associated with waterworks, Miss Emily LAU enquired about the measures which would be taken to minimize road openings during mainlaying and the future maintenance of water mains. In reply, DWS advised that while new mains to be laid would be more durable and thus would require less frequent maintenance, it would still be necessary to dig up the road to repair the mains when there were main bursts. He confirmed the Chairman's understanding that for newly reclaimed areas, water mains would be laid with flexible jointings to cater for soil settlement. AD/WS, WSD supplemented that the consultants for the proposed waterworks would be required to draw up proposals to mitigate the disruption of the works, taking into account the schedule of other projects involving road openings.

26. Mr LAU Ping-cheung expressed support for the proposal. He enquired whether the Administration had investigated into the causes of water main bursts and leakage so that new water mains could be so designed or constructed to obviate the recurrence of similar problems. He also enquired whether the Government was liable to pay compensation for the losses incurred by other utility companies as a

result of water main bursts and leakage.

27. In reply, DWS advised that water main bursts and leakage were caused by many factors. The external factors mainly included road works related to other underground utilities, excessive overloading and vibration caused by road traffic and soil settlement. The internal factors were corrosion and normal wear and tear. Apart from carrying out programmed replacement and rehabilitation works, the Administration also took ongoing measures to improve the monitoring of excavation works of other utility undertakers, educate contractors about the need to deliver their works with due care and where necessary, would take out litigation for recovering damages etc. As regards compensation, DWS and AD/NW, WSD advised that under all Government contracts, the contractor was liable for damages to third parties arising from the works in question and the contractor was also required to take out insurance against such liability. They also confirmed that if there was evidence that other utility undertakers had caused damages to Government's water mains, the Administration would take action to seek compensation from the utility undertakers concerned.

28. Miss Emily LAU suggested that for items that had been discussed at relevant LegCo Panel(s), it would be desirable for the Administration to provide this Subcommittee with a gist of the Panel discussion to facilitate members' consideration. In response, the Deputy Secretary for the Treasury advised that where appropriate, the Administration would usually include under the heading of "Public Consultation" in the discussion paper that the proposal in question had been discussed at a Panel meeting and if practicable, would briefly highlight specific concerns raised at the meeting. Where the Administration had undertaken to provide supplementary information after the Panel meeting, it would, as far as possible, provide the information before the proposal was considered by this Subcommittee. She nevertheless said that for further details of the Panel's deliberation, members would have to refer to the minutes of the relevant Panel meeting to be issued by the LegCo Secretariat. She agreed to consider whether the existing arrangements could be further improved to facilitate deliberation of this Subcommittee.

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29. The item was voted on and endorsed.

HEAD 711 - HOUSING

PWSC(2000-01)99

564CL

Development near Choi Wan Road and Jordan Valley

30. Mr Fred LI enquired about the arrangements for the transportation of excavated materials from the project site before the completion of the conveyor belt system for the purpose. In reply, the Assistant Director (Civil)/Land Development, Civil Engineering Department (AD/LD,CED) advised that to commence the proposed works after the completion of the conveyor belt would delay the project by six months

if no excavation was allowed during this period. Alternatively, if excavated materials were temporarily stored at the project site until completion of the conveyor belt, the project would be delayed by three months. The Administration considered these two options not practicable taking into account the tight schedule for the proposed works, in particular the site formation works for Site 1 which had to be completed before mid 2003, and the environmental problems that might arise if excavated soft materials were stored for months at the project site. He assured members that pending completion of the conveyor belt, measures would be taken to ensure that the transportation of excavated materials would not cause a significant impact on the traffic in the Kwun Tong District. He elaborated that the Administration would prohibit the contractor from using busy roads including Ngau Tau Kok Road, Jordan Valley North Road etc. for transporting the materials. The transportation time would be restricted to between 10 am and 4 pm daily and the number of out-going trucks from the project site would be limited to a maximum of 50 each hour. Moreover, a committee comprising the relevant Government departments, the contractor and local residents would be set up to monitor the transportation of excavated materials. He further advised that the Administration had provided an information paper containing details of the aforesaid arrangements for consultation at the Kwun Tong District Council (KTDC) and KTDC members had not raised objection to the proposed arrangements at a recent meeting.

31. Addressing Mr CHAN Kam-lam's concern about possible noise nuisance caused to nearby residents during the operation of the conveyor belt, the Director of Civil Engineering (DCE) advised that the conveyor belt would be fully enclosed. The Project Consultant had drawn up a preliminary design for the conveyor belt with particular regard to the need to control vibration and hence noise during its operation. He assured members that the Administration and the Project Consultant would closely supervise the works to ensure that the conveyor belt would be properly maintained and would not cause significant noise nuisance.

32. In reply to Mr Henry WU's enquiries, DCE advised that the conveyor belt would be about 1 kilometre long spanning from the project site to the former Kai Tak Airport site. The excavated materials transferred to the Kai Tak Airport site would be transported to other areas in the territory by sea. The contractor would be required to carry out environmental mitigation measures in respect of the excavated materials. He further advised that the use of conveyor belt for off-site transfer of construction waste had been adopted for the Tai Lam section of the Route 3 project and works for the MTR Tai Koo Station. Designated staff would be available at the site to deal with problems that might arise during the operation of the conveyor belt.

33. Noting that the construction of the public housing flats in Site 1 was scheduled to commence in mid 2003 for completion in 2007 at the earliest, Mr Fred LI queried the long time frame and sought confirmation on the type of the public housing development. In reply, the Principal Assistant Secretary for Housing (Project Management) (PAS/H) advised that the latest plan of the Housing Authority (HA) was to construct some 4 000 public rental housing flats in Site 1. As regards the construction schedule, the Project Manager, Housing Department (PM/HD) advised

that the foundation works would take about one year. As the superstructure would not follow the standard design, its construction would take about three years, which was slightly longer than the usual time frame of 30 months for the construction of the superstructure of standard public rental housing blocks. If the bedrock of the project site was found shallower than usual, the foundation works could be completed a few months earlier. PM/HD also advised that while a standard public rental housing block consisted of 40 storeys, the exact number of storeys of the housing blocks in Site 1 was not yet confirmed, though the main consideration was to maximize the development potential of the site.

34. Mr TAM Yiu-chung conveyed the concern of some elderly residents of Lower Ngau Tau Kok (LNTK) Estate as to whether the public housing site under this project would be designated as a reception estate for the future redevelopment of LNTK Estate. Prof NG Ching-fai referred to a letter (sent to Members direct) from a group of LNTK Estate residents expressing the same concern and enquired about the latest position of the issue.

35. In response, PAS/H agreed to convey the concern raised by Mr TAM and Prof NG to HA for consideration. He however advised that according to HA's Comprehensive Redevelopment Programme (CRP), clearance of the LNTK Estate redevelopment would be completed by 2005. As the public housing development under this project could only be completed in 2007 the earliest, it would not be feasible to designate the development as a reception estate for the redevelopment of LNTK Estate. He understood that the Housing Department (HD) was considering the appropriate rehousing arrangements in consultation with the residents of LNTK Estate. The normal practice was to announce the rehousing arrangements for affected residents about 18 to 24 months before the clearance. In reply to Miss Emily LAU's enquiry, PAS/H advised that HD's intention was to rehouse the residents of LNTK Estate in other public housing estates in East Kowloon as far as practicable. However, a firm decision on this matter had not been taken at this stage.

36. Mr CHAN Kam-lam enquired about the number of public rental housing flats of the development in Site 1 to be designated for the elderly. In reply, PM/HD advised that in drawing up the design for a public housing development, HD would consult relevant Government departments on the flat mix for the development. He confirmed that the issue of reception would be taken into consideration.

37. Miss Emily LAU enquired about the migration of landfill gas from the Jordan Valley Landfill. AD/LD,CED advised that there had been ongoing monitoring of the landfill gas by the Environmental Protection Department as part of the post-restoration monitoring work. The Civil Engineering Department had also undertaken a monitoring programme during the feasibility study and the detailed design stage under this project. While a very small amount (0.7%) of emission of methane gas from the landfill site was detected in 1999 when the restoration works had just been completed, no further emission had been detected over the past year. These monitoring results revealed that the risk associated with the landfill gas was very low, but the Administration would continue to monitor the situation during the

construction stage of this project..

38. The item was voted on and endorsed.

HEAD 707 - NEW TOWN AND URBAN AREA DEVELOPMENT

PWSC(2000-01)98 112TB Footbridge system and road improvement works at the junction of Che Kung Miu Road and Hung Mui Kok Road, Sha Tin

39. Members noted that the present proposal was originally scheduled for discussion at the Transport Panel on 15 February 2001. However, as Panel members considered that the proposal did not involve transport policy issues, they decided at the meeting that the Panel would not discuss the proposal.

40. Referring to Footnote 1 in the discussion paper, Mr Andrew CHENG sought justification for the decision against carrying out site investigation works before putting the construction works to tender. In response, the Director of Territory Development (DTD) explained that most piles of the footbridge system in question were located at the road junction of Che Kung Miu Road and Hung Mui Kok Road which was a heavily trafficked location. As site investigation works would take two to three weeks, it would definitely disrupt traffic in the area in question. Instead, site investigation works had been carried out at the areas adjacent to the road junction. Unfortunately, when construction works were carried out, it was found that the underground geology at the road junction was substantially different from that of its surrounding areas.

41. In reply to the Chairman's enquiry, the Deputy Project Manager (New Territories East Development Office), Territory Development Department (DPM/TDD) advised that the original specification for the toe-in depth of the piles in the tender documents was 0.5 metre. During the construction stage, it was revealed that the boulders in the bored pile excavation were severely fractured. To ensure a solid foundation for the footbridge system, the Project Consultant suggested and the Administration agreed to increase the toe-in depths.

42. Noting that the problems arising from this project had caused substantial delay (520 days), Mr Andrew CHENG commented that the experience in this project revealed the high risks associated with the absence/lack of site investigation works. In this case, had the Administration explained the need for the site investigation works to the Sha Tin District Council (STDC), the local community might have accepted the traffic disruption that might be brought about by the works. He urged the Administration to adopt a more prudent approach in future. The Administration took note of the comment.

43. Mr LAU Kong-wah queried whether for this project, the Administration had drawn reference from the information on the underground geology of the subject site obtained under other public works projects in the past. In reply, DPM/TDD advised that the previous site investigation works at the subject site had been carried out at much shallower depths. While the piles of the footbridge system penetrated to a depth of 45 metres below ground, the previous investigation works had been undertaken at depths less than 10 metres below ground.

44. Noting that the Government had negotiated a settlement with the Project Consultant under which the Government would recover from the latter a sum of \$6.0 million, Mr Henry WU enquired about the basis for the settlement. In reply, DTD advised that in the course of the project, the Administration and the Consultant had held different views on how the construction works should proceed. On review of the process, the Administration held the view that the prolongation of works was partly attributed to the Consultant's judgement on the related issues. After negotiation, the Consultant agreed to pay \$6.0 million to the Government for part of the prolongation costs and the Administration accepted this settlement. In reply to Mr Henry WU's further enquiry, DTD confirmed that the same Consultant had been engaged for this project and the project under the following item PWSC(2000-01)95.

45. Referring to the argument of the contractor that the steel reinforcement details specified in the works contract were extremely difficult and, in some cases, impossible to overcome, Mr LAU Kong-wah queried whether the steel reinforcement details had been made known to the contractor in the relevant tender documents, and if this was the case, he would doubt the validity of the argument advanced by the contractor. DTD explained that when the project works were put to tender, the Administration had not provided in the tender documents drawings on the steel reinforcement for the footbridge system. This approach was adopted at that time on account of the urgency of the project as there were strong calls from the local community, notably the STDC, for expediting the project. An assumed quantity of steel reinforcement was thus specified in the tender documents and the bidders were invited to offer a unit price for the reinforcement works. During construction, it was found that a significant increase in the quantities of steel reinforcement was necessary. The Administration had paid the contractor for the increase in quantities in accordance with the tender rates on a re-measurement basis. However, in view of the increased complexities in fixing the reinforcement arising from the substantial increase in quantities, the Administration considered it reasonable to make additional payment to the contractor. In response to Mr LAU Kong-wah's further query, DTD advised that as drawings on the steel reinforcement were not available at the time of tender, it would not be fair to hold the contractor responsible for the subsequent increase in steel reinforcement quantities. He confirmed that at present, drawings on steel reinforcement were provided in the tender documents for all relevant contracts.

46. In reply to the Chairman's enquiry, DPM/TDD advised that in the tender documents, the Consultant had assumed a ratio of 3% for steel reinforcement quantities. After completing all the drawings, it was revealed that a ratio of 5% was required. He advised that 5%, although permitted under design codes, was not a

common ratio for steel reinforcement quantities.

47. Referring to the subsequent variation in steel reinforcement quantities after the award of contract, Mrs Miriam LAU questioned whether such variation was common among Government contracts. She also queried whether the Project Consultant and/or any Government official(s) should be held responsible for the additional costs arising from this variation.

48. In response, DTD clarified that the Government did not seek to vary the steel reinforcement quantities after the award of contract in this case. Instead, because the drawings on steel reinforcement had not been prepared at the time of tender, the steel reinforcement works were tendered on a re-measurement basis. He however acknowledged that this was not a usual approach among Government contracts and the Administration would avoid using this approach in future. He also advised that the settlement with the Project Consultant was not related to the steel reinforcement issue but to the sequencing of works. For confidentiality reasons, he could not disclose further details about the settlement. DTD said that in retrospect, the Administration considered that all the Government officers concerned had exercised due diligence in delivering this project.

49. Mr TAM Yiu-chung considered that the reasons advanced by the Administration for the additional costs were not fully convincing, and urged the Administration to critically review the entire project. DTD said that the Administration concurred with Mr TAM that the experience in this project should be valuable for future improvement.

50. The Chairman said that while he appreciated the need for the fast-tracking approach under special circumstances, he considered that from the engineering point of view, issues relating to the toe-in depths of piles and the steel reinforcement quantities might be attributed to design problems.

51. The item was voted on and endorsed.

PWSC (2000-01)95 475CL Sha Tin New Town, stage II - detailed design and site investigation for Road T3

52. Members noted that the present proposal had been discussed by the Transport Panel at the meeting on 15 February 2001. Mrs Miriam LAU, Chairman of the Transport Panel, reported that during the aforesaid Panel meeting, no particular controversial issues had been raised in relation to the proposal.

53. In reply to Mr Kenneth TING's enquiries about the additional items of work identified in the course of the detailed design for Road T3, DTD advised that the proposed second road bridge over the Shing Mun river channel at Heung Fan Liu would improve the traffic flow in the area by linking Mei Lam Road with T3 and Route 9. In view of increased traffic flow brought about by Road T3, the

Administration considered it necessary to widen a section of Tai Po Road to improve traffic safety, and the road widening in turn necessitated some slope stabilization works. Mr TING commented that the Administration should review whether the substantial increase in the expenditure for this project was attributed to inadequate planning at the early stage. The Administration took note of his comment.

54. In reply to Mr LAU Kong-wah, DTD confirmed that the Sha Tin and Ma On Shan District Traffic Study completed in March 1996, which had recommended additional road works in Tai Wai, had taken into account the future commissioning of the East Rail Extension - Ma On Shan to Tai Wai and the additional traffic that might be generated by the future residential development at the Tai Wai Station.

55. The item was voted on and endorsed.

56. The meeting ended at 10:40 am.

Legislative Council Secretariat

7 March 2001