

Legislative Council Panel on Housing

Updated Report on Shek Yam Phase II and Tung Chung Area 30 Phase III Incidents

PURPOSE

The paper summarizes the updated progress of the investigations conducted into the incidents at Shek Yam Phase II and Tung Chung Area 30 Phase III.

SHEK YAM PHASE II

Background

2. On 28 March 2000, the Independent Commission Against Corruption (ICAC) arrested 16 persons for alleged bribery in connection with the construction works at Shek Yam Phase II, including a clerk of works and assistant clerk of works employed by the consultant on behalf of Housing Authority (HA).

3. It was alleged that sub-standard stainless steel cladding on the facades of the commercial centre were used and that the building sub-contractors have offered advantages to the site staff for accepting sub-standard work.

Building safety and quality

4. Following ICAC's action, the Housing Department (HD) employed independent audit/checking teams to assess and verify the impact of this case. The independent structural engineering team has assessed the overall structural safety of all domestic blocks and the commercial centre in Shek Yam Phase II. HD's Material Testing Laboratory has also carried out independent testings. In addition, the project structural engineer has reviewed all testing and inspection records of concrete and reinforcement. There is no evidence to suggest that there are problems with the structural safety of the buildings concerned.

5. The sub-standard cladding have been replaced by the contractor and the replacement has been certified to be satisfactorily completed by both the contractor's registered structural engineer and the consultant structural engineer. The consultant has also exercised stringent final inspections to ensure that the quality of the works are in compliance with the specification requirements.

TUNG CHUNG AREA 30 PHASE III

Background

6. In May 2000, the ICAC arrested six employees of a building contractor in connection with an alleged corruption case in the Home Ownership Scheme (HOS) project at Tung Chung Area 30 Phase III. The case involved the suspected use of non-compliant steel bars which failed the sampling tests specified by the contract.

Building safety and quality

Investigation by HD

7. After the incident, HD took the following actions to ascertain the effect of the non-compliant steel reinforcement on the structural safety of the HOS project :

- (a) an independent structural consultant was commissioned to check and subsequently confirmed that the buildings were structurally safe; and
- (b) in parallel, HD conducted an inspection exercise to identify the presence and exact locations of the non-compliant steel reinforcement. A number of steel bars extracted were tested individually and confirmed to have passed the test.

Investigation by the contractor

8. The contractor also commissioned a structural consultant to carry out his own investigation and confirmed that the structural adequacy of the buildings has not been compromised.

Actions against the contractor

9. The contractor will be required to :-

- (a) reimburse the HA the cost incurred in the investigation work;
- (b) make good any defects arising from the use of non-compliant steel reinforcement in the development for a period of ten years from the completion date of the contract; and
- (c) the Building Committee of the HA will consider appropriate disciplinary actions against the contractor.

IMPROVEMENT MEASURES TAKEN BY HD

10. In view of the above and other incidents that have happened in the past two years, HD has launched a series of reform measures under its “Housing Quality Reform” programme in April 2000.

Measures to strengthen integrity awareness

11. HD has introduced a Comprehensive Integrity Action Plan in collaboration with ICAC in August 2000. The Plan covers corruption prevention in relation to the full range of construction-related activities such as site organization, procurement and contracting, inspection arrangement, material testing, as well as strengthening the integrity awareness and ethical culture amongst HD staff. As part of the exercise, the Plan will also be targetted at consultants and contractors.

Specific measures to prevent use of non-complying steel reinforcement

12. HD will forestall any recurrence of the incident by :-
- (a) tightening the procedures on handling steel reinforcement to prevent rejected reinforcement bars from being used on site. Measures taken include -
- drawing the attention of steel suppliers to details of rejected steel reinforcement;
 - copying the details of the rejected steel reinforcement to all relevant parties;
 - taking regular photographic record of steel reinforcement stockpiled on site; and
- (b) conducting a review on stock control of reinforcement bars jointly with the Hong Kong Construction Association, ICAC and steel suppliers.

CONCLUSION

13. The reform package launched by the HD covers all essential aspects of construction activities. The Department is confident that with the implementation of these reforms, it will be better positioned to assure the building quality of its construction projects.

Housing Department
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