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The Honourable Mr Lau Ping-cheung
Chairman, the Bills Committee on the
Land (Miscellaneous Provisions) (Amendment) Bill 2002
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Our reference: OPPD/KCC/2003-001
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Land (Miscellaneous Provisions) Amendment Bill
Economic charge for delay in completion of excavation on footpath

We refer to the Information Paper provided by the Administration in response to issues raised at the meeting on 13.2.2003 [CB (1) 959/02-03(01)] (25 February 2003) regarding the consideration of (a) devising a charging scheme for economic cost due to excavation in pedestrian ways and (b) formulating other incentive scheme(s) to encourage road work promoters to achieve timely/early completion of excavation works in pedestrian ways/traffic lanes.

We do not consider the proposed charging scheme for excavation works in footpaths is feasible or practicable for implementation. The arguments are as follows:

1. We are of the view that there is no practicable and scientific method for the calculation of rational economic charges for works in footpaths. Any arbitrary determination for such charges will extremely disrupt the operation of the excavation works management system.
2. The current excavation works management system implemented by PCCW is effective for monitoring contractors' performances, for instance:
 - All contractors are selected based on a stringent tendering system. They are certified to meet the ISO9000 quality management requirements, and are obliged to finish the works as early as possible. Contract prices are determined in accordance with the principle that any unnecessary delay of works will not cause any economic advantage to the contractors.
 - PCCW holds regular meetings with contractors' management regarding the progress of the works.
 - To better monitoring the quality of contractor's works, PCCW site supervisors are assigned to monitor the progress of excavation works. Rectification advice and warning will be issued to the contractors if sub-standard works are found.
 - PCCW has established and maintained adequate channels for communication with the contractors in relation to the excavation works. Any road opening policies and practices are passed to such contractors from time to time.
 - There is a demerit and merit points system in place for the allocation of works to contractors. Works will not be assigned to a contractor if the net rolling demerit points (i.e. the demerit points after deducting the merit points) scored by the contractor concerned exceed 200 points for a continuous period of 3 months. Merit points will, however, be scored by the contractors if works is completed before the agreed date. A high-level management meeting with the contractors will be held to consider the way forward.

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3. PCCW has been liaising on a regular basis with the relevant government departments and utility undertakers through the Joint Utilities Policy Group (JUPG) meetings, Utilities Technical Liaison Committee (UTLC) meetings and Road Opening Co-ordination Committee (ROCC) meetings etc. A close co-ordination of utility works has been followed by all parties to achieve the completion of works in time in all cases. For instance, target response has been agreed for marked plant circulation. Please note that PCCW will promptly respond to all cases as necessary.
4. We also intend to propose the formulation of a service pledge to be observed by the utility companies in respect of diversion works caused by the excavation works of others.

There are obviously drawbacks for implementing the proposed economic charge for works in footpaths. If you have any questions, please contact me at 2888 7671.

Yours sincerely

KC Cheung
For and on behalf of PCCW

cc Members of the Bill Committee
 Ir Dr Hon Raymond Ho Chung Tai, JP
 Hon Eric Li Ka Cheung, JP
 Hon Fred Li Wah Ming, JP
 Hon Margaret Ng
 Hon Miriam Lau Kin Yee, JP
 Hon Emily Lau Wai Hing, JP
 Dr Hon Tang Siu Tong, JP
 Hon Abraham Shek Lai Him, JP
 Hon Albert Chan Wai Yip
 Hon Ip Kwok Him, JP
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HK Cable Tel Ltd	Mr Allen Law	2112 7810
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Drainage services Dept	Mr W L Chung	2827 6657
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