

**Report on Significant Deviations between Accepted Tender Prices
and Estimated Provisions in the Approved Project Estimates
(for Capital Works Contracts Awarded in the Third Quarter of 2005)**

Department: Architectural Services Department

Project Code Contract No.	Project Title Contract Title/ Award Date	Approved Project Estimate (APE)	(A)	(B)	(A)–(B)
			Sum Allowed in APE for the Contract	Accepted Tender Price	Difference
\$ million (in MOD prices)					
3026NM ALP301	Retro-fitting of air-conditioning and general improvement works at San Hui Market, Tuen Mun	119.700			
	Retro-fitting of air-conditioning and general improvement works at San Hui Market, Tuen Mun / 23 August 2005		109.010	76.000	33.010
		Difference between the accepted tender price and original estimate (shown in brackets) is attributed to the following reasons – <ul style="list-style-type: none"> (a) savings derived from design modifications and allowance for utility diversion and re-connection which are no longer required (\$12 million); (b) smaller allowance for works done outside normal hours and restrictive conditions (\$7 million); and (c) lower rates likely to be caused by keen competition under prevailing market conditions (\$14 million). 			

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\$ million (in MOD prices)					
3393RO	Stanley waterfront improvement project	90.100	61.760		
3101GX (Block Allocation) Item HQ006	Redevelopment of Temporary Stanley Market	14.800	13.500		
SSN325	Improvement works to waterfront at Stanley, Hong Kong / 30 September 2005	Total :	104.900	75.260	18.260
		Difference between the accepted tender price and original estimate is attributed to lower rates for building works (\$15 million) and building services (\$3 million), likely to be caused by keen competition under prevailing market conditions.			

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Department: Civil Engineering and Development Department

Project Code Contract No.	Project Title Contract Title/ Award Date	Approved Project Estimate (APE)	(A) Sum Allowed in APE for the Contract	(B) Accepted Tender Price	(A)– (B) Difference
\$ million (in MOD prices)					
7780TH TW/2005/01	<p>Retrofitting of noise barriers on Cheung Pei Shan Road, Tsuen Wan</p> <p>Retrofitting of noise barriers on Cheung Pei Shan Road, Tsuen Wan / 23 September 2005</p>	217.300			
		<p>Difference between the accepted tender price and original estimate (shown in brackets) is attributed to the following reasons –</p> <p>(a) savings from design modifications for the foundation (\$10 million);</p> <p>(b) lower market prices for structural steel (\$8 million); and</p> <p>(c) lower rates for contract preliminaries and other works likely to be caused by keen competition under prevailing market conditions (\$35 million).</p>			

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Department: Drainage Services Department

Project Code Contract No.	Project Title Contract Title/ Award Date	Approved Project Estimate (APE)	(A) Sum Allowed in APE for the Contract	(B) Accepted Tender Price	(A) – (B) Difference
\$ million (in MOD prices)					
4229DS DC/2005/01	<p>North District and Tolo Harbour sewerage, sewage treatment and disposal – high priority works – expansion of Shek Wu Hui sewage treatment works and Ting Kok Road pumping station No. 5</p> <p>Expansion of Shek Wu Hui sewage treatment works and upgrading of Ting Kok Road pumping station No. 5 / 15 September 2005</p>	283.100	155.500	118.000	37.500
<p>Difference between the accepted tender price and original estimate (shown in brackets) is attributed to lower rates likely to be caused by keen competition under prevailing market conditions for –</p> <p>(a) contract preliminaries (\$8 million);</p> <p>(b) expansion of sewage treatment facilities (\$21 million);</p> <p>(c) upgrading of a pumping station (\$5 million); and</p> <p>(d) other works (\$3.5 million).</p>					