

立法會
Legislative Council

Ref: CB1/F/1/1

Finance Committee

Meeting on 1 June 2007

**Background brief
on issues relating to the implementation of public works projects**

Purpose

This paper provides the background on the role of the Legislative Council (LegCo) in scrutinizing and approving public works projects, and sets out some of the major issues raised by LegCo Members in relation to the implementation of these projects.

Background

2. At the Special Meetings of the Finance Committee (FC) to examine the Draft Estimates of Expenditure 2007-08, questions were raised on the failure of the Administration to fully utilize the \$29 billion which the Government had pledged to set aside each year for public works projects. As the problem might be due to delay in the planning and implementation process, the Chairman directed the Administration and the LegCo Secretariat to provide background information on related issues, including the delegation of financial powers by FC to the Financial Secretary (FS), organization of the Public Works Programme (PWP), creation of block allocations and scrutiny of public works projects by LegCo, to facilitate further discussion on the subject by FC members.

3. In this respect, the Administration has provided two information notes: FCRI(2007-08)2 on "Implementation of Capital Works Projects" and FCRI(2007-08)3 on "Capital Works Expenditure – Measures to Expedite Delivery of Capital Works Projects". The two information notes were issued to FC members via LC Paper No. FC72/06-07 on 22 May 2007. In these two information notes, the Administration outlines the general process and procedures for taking forward a capital works project, and sets out the measures to expedite the process including its preliminary proposal to

increase the financial ceiling of the delegated authority for Category D items¹ funded by Capital Works Reserve Fund (CWRP or the Fund) block allocations² from \$15 million to \$30 million. In this background brief, the Secretariat provides a general background on the functions and powers of LegCo in scrutinizing and approving public works proposals, the scrutiny process and the issues of concerns previously raised by LegCo Members on the planning and implementation process to facilitate members' discussion.

Delegation of financial powers

4. On 20 January 1982, the Legislative Council passed a Resolution under section 29(1) of the Public Finance Ordinance (Cap. 2) (PFO) to establish CWRP for the purpose of financing the Public Works Programme (PWP) and the acquisition of land. The Resolution took effect from 1 April 1982. The Resolution was amended from time to time to incorporate changes such as the transfer of the financing of capital subventions and major systems and equipment from the General Revenue Account to the Fund with effect from 1 April 1988. The way CWRP is to be administered, its purposes, the moneys to be credited to the Fund and from which moneys may be expended are set out in the Resolution. A copy of the Resolution is given in **Appendix I**. According to the Resolution, FS may expend moneys from the Fund for, inter alia, the purposes of the Government's PWP in accordance with such conditions, exceptions and limitations as may be specified by FC.

5. Section 8 of PFO provides that no changes may be made to the approved Estimates of Expenditure except with the approval of FC. It also provides for FC to delegate to FS powers to approve changes, subject to such conditions, exceptions and limitations as are specified in the delegation. On 9 March 1983, FC approved, inter alia, delegation of powers to FS for him to approve inclusion of new Category D projects in PWP with a project estimate not exceeding \$1.5 million, and to increase the project estimates approved by FC by up to \$1.5 million. The delegation of financial powers came into effect on 1 April 1983.

6. To preserve the value in real terms of the delegated powers, the Administration has on four occasions between 1983 and 1995 sought FC's approval to revise the limit of the delegated powers of FS to approve public works and capital

¹ Category D projects refer to items under the Capital Works Programme funded by CWRP works-related block allocations at a cost not exceeding \$15 million, except for **Subhead 5001BX** (landslip preventive measure). Category A to C are employed to describe the status of major capital works projects with the estimated cost exceeding \$15 million each (see details in paragraphs 3 and 4 of paper FCRI(2007-08)2 for reference).

² Block allocations under CWRP refer to subheads approved by FC for funding minor works projects and studies, land acquisition, capital subventions and computerization projects. Under these block allocations subheads, and with the exception of four, FC has delegated to the Administration the power to approve minor works items or standalone studies funded at a cost not exceeding \$15 million each. (These exceptions are: **Subheads 1004CA** and **1100CA** under **Head 701 – Land Acquisition** and **Subhead 5001BX** (landslip preventive measures) under **Head 705 – Civil Engineering** in which the authority delegated by FC does not impose a financial limit per project, and **Subhead A007GX** under **Head 710 – Computerization** for funding computerization projects in which FC has delegated to the Administration the power to approve items not exceed \$10 million each.) Among the existing 25 block allocations subheads under CWRP, 22 are created to fund works-related items. FC approves the funding for these block allocations on a lump-sum basis once every year.

subvention³ projects. Details are given in **Appendix II**. The last review was done in January 1995 when FC approved the raising of the limit of the delegated powers to approve Category D items and increase in approved project estimate (APE) (including the annual provision for each block allocation subhead) from \$10 million to \$15 million.

7. The Secretary for the Environment, Transport and Works made a remark at the Council meeting on 18 April 2007 when speaking on the Appropriation Bill 2007-2008 that FC might be asked to raise the delegated financial powers of FS from \$15 million to \$30 million. To facilitate members' understanding of the range of capital work projects in question, a list of the capital works projects with project estimates ranging from \$10 million to \$30 million is given in **Appendix III**.

Public Works Programme

Organization of PWP

8. According to the information provided by the Administration, PWP contains all the capital works projects submitted by Policy Bureaux after a preliminary technical appraisal with a rough costing (i.e. Technical Feasibility Statement). Among these projects which are first categorized as Category C items, those which have been approved for funding in each year's Resource Allocation Exercise (RAE) attain Category B status. In determining the funding priority of individual projects, the priority accorded by the Policy Bureaux is taken into account. The upgrading of projects to Category B is to enable site investigations, preliminary/detailed planning and design, environmental impact assessment (EIA), traffic impact studies, and preparation of tender documents to be carried out. The relevant works department can incur expenditure for these purposes under the appropriate CWRP block allocations as a Category D item. Where the pre-construction expenditure exceeds \$15 million, FC's approval is sought for part-upgrading the project item to Category A to fund the pre-construction work required.

9. The Administration has confirmed that in light of the Government's pledge to set aside an average amount of \$29 billion each year for capital works projects, sufficient resources have been made available to fund all justifiable projects under planning. There is also an in-year bidding mechanism to enable urgent projects to be upgraded to Category B status.

10. Once a project is ready in all respects for tenders to be invited, financial commitments will be sought from FC to upgrade the item to Category A. In November 2001, the Administration introduced a number of measures to shorten the lead time from inception to commencement of construction of a typical engineering and building project from six years to less than four years. One of the measures was

³ Capital subvention projects are works projects undertaken by subvented organizations, such as the Hospital Authority and University Grants Committee-funded institutions.

to allow Controlling Officers the option to initiate works-related tendering and consultant selection procedures before funding is secured. The award of any tender or bid must still be subject to funding approval.

Creation of block allocations

11. Each year, the Administration submits to the Public Works Subcommittee (PWSC) of FC the proposed annual funding requirements for the block allocations in CWRP, including details of the funding to be sought and a full list of items to be funded under each block allocation, for the next financial year. Apart from minor works projects or standalone studies, the block allocations are mainly to fund pre-construction work for major PWP items (e.g. technical feasibility studies, detailed design and preparation of tender documents), subject to the ceiling of \$15 million per project. Commitments for funding all Category D items, including those already approved by FS under delegated authority, are included in the proposal, though not every item is provided on the list attached to the PWSC paper on the block allocations⁴.

12. During the discussion of the funding for block allocations, members usually raise questions on public consultation for capital works projects, land resumption process and related compensation, progress of road infrastructure and noise mitigation measures for existing roads, as well as the need and scope of projects for refurbishment of government buildings.

Scrutiny process of public works projects by LegCo

13. For projects exceeding the limit of \$15 million, approval of FC is required. To facilitate the effective processing and scrutiny of financial proposals on public works projects by LegCo, policy bureaux are requested to consult the relevant Panels before the proposals are submitted to PWSC and FC for approval. This is a standing arrangement agreed between the Administration and LegCo to enable Members to deliberate on the policy aspects of the proposals. In this connection, in response to FC's request, the Administration submits to PWSC at the start of each legislative session a list of potential capital works projects to be submitted to PWSC in that year. The list is discussed by PWSC and then circulated to Panels for an indication of the projects which require discussion by the Panels before submission to PWSC. Policy bureaux are required to give a seven-week notice to the relevant Panel Clerks if they need to put an item on the agenda of a Panel meeting.

Issues of concern regarding the planning and implementation of works projects

14. Members of PWSC and FC have from time to time questioned and

⁴ The annual PWSC submission on block allocations highlights under each subheads about 10 key on-going expenditure items and 10 new items. A copy of the full list of all items proposed to be funded under each block allocation will be deposited with the Legislative Council Secretariat.

criticized the excessively long planning process of public works projects, resulting in LegCo being left with very little time to examine the projects. On average, except for the very controversial projects for which strong objections from the community were received, the normal processing time from the time notice is given to the Panel Clerk up to approval by FC is about three months. However, the planning of these projects might have taken many years by the departments concerned, while the three-month scrutiny period on the LegCo side is often regarded by the Administration as being too long. Members therefore consider it necessary to further examine the planning and implementation process to ensure greater transparency of the system to facilitate easy monitoring.

15. Some of the main concerns which members have raised in previous discussions regarding the planning and implementation of capital works projects are as follows:

- (a) It is not always clear why projects which have the support of the community and have the endorsement by local District Councils take a long time to reach Category C or B status. Examples are the 55 projects previously approved by the two former Municipal Councils but not yet included in PWP;
- (b) There is no transparency in the criteria adopted by the Administration for assessing individual projects submitted by policy bureaux for inclusion in PWP;
- (c) The uneven delivery of capital works projects whereby a significant number of works items are earmarked for commencement in the latter part of a year and relatively fewer are planned to start in the first two quarters, which may create an undesirable "bunching effect" and cause an upward pressure on the construction price of the projects;
- (d) Consultation with relevant Panels should be scheduled timely to avoid bunching of submissions to PWSC towards the end of the legislative session;
- (e) The Administration should provide members with a full list of public works projects in the Public Works Programme, instead of only those projects planned to be upgraded to Category A, on an annual basis to provide chance for PWSC members to express views on the relative priority among the projects;
- (f) Lack of a mechanism for LegCo and the public to monitor expenditure and progress of approved public works projects; and
- (g) Lack of contingency plans to handle situations where planned major

infrastructure projects could not be implemented as scheduled and to deploy unspent provisions on alternative infrastructure projects.

16. To facilitate members' understanding, the Secretariat has prepared a chart in **Appendix IV** with illustrations on the process, time taken as well as reasons for delay in implementing public works projects.

Council Business Division 1
Legislative Council Secretariat
30 May 2007

Appendix I

| | | |
|--------------|-----------------------------------|----------------------------------|
| Chapter: 2A | Title: CAPITAL WORKS RESERVE FUND | Gazette Number: L.N. 634 of 1997 |
| Paragraph: 4 | Heading: | Version Date: 01/01/1998 |

Resolution made and passed by the Provisional Legislative Council under section 29(1) of the Public Finance Ordinance (Cap 2) on 17 December 1997.

RESOLVED with respect to the Capital Works Reserve Fund established by resolution made and passed by the Legislative Council on 20 January 1982 and published in the Gazette as Legal Notice No. 18 of 1982, that-

(a) the Fund be administered by the Financial Secretary, who may delegate his power of administration to other public officers;

(b) there be credited to the Fund-

(i) premium income received from land transactions;

(ii) all moneys received arising from works or commitments entered into for the purposes of the Fund;

(iii) unclaimed deposits in respect of moneys referred to in subparagraph (ii) which have been unpaid for 5 years;

(iv) such appropriations from general revenue as may be approved by the Provisional Legislative Council or Legislative Council;

(v) sums borrowed under section 3 of the Loans Ordinance (Cap 61) where the resolution of the Provisional Legislative Council or Legislative Council approving the borrowing so stipulates;

(vi) all moneys received by way of interest or dividends earned in respect of moneys held in the Fund;

(vii) such donations and other moneys as may be received for the purposes of the Fund;

(c) the Financial Secretary may expend moneys from the Fund for-

(i) the purposes of the Government's public works programme;

(ii) the purchase and installation of equipment consequential on implementing the public works programme;

(iii) the development, purchase and installation of major systems and equipment used by the Government;

- (iv) capital subventions;
 - (v) the acquisition of land; and
 - (vi) the payment of redemption money payable in respect of land exchange entitlements and of interest payable thereon under the New Territories Land Exchange Entitlements (Redemption) Ordinance (Cap 495), in accordance with such conditions, exceptions and limitations as may be specified by the Finance Committee;
- (d) the Financial Secretary may-
- (i) transfer from the Fund to the general revenue any balance in the Fund which is not required for the purposes of the Fund;
 - (ii) repay the principal, interest thereon and expenses incurred in relation to sums borrowed under section 3 of the Loans Ordinance (Cap 61) where such sums have been credited to the Fund;
 - (iii) in his discretion, authorize the investment in such manner as he may determine of any moneys held in the Fund at any time;
- (e) the Director of Accounting Services shall, under the authority of a funds warrant issued by the Financial Secretary, pay from the Fund such sums as may be required to meet expenditure from the Fund;
- (f) this resolution shall come into operation* on a date to be appointed by the Financial Secretary by notice in the Gazette;
- (g) on the coming into operation of paragraphs (a) to (f), the suspense account, works account and reserve account of the Fund shall be cancelled and any moneys remaining in those accounts shall be carried forward in their entirety in the Fund; and
- (h) paragraphs (a) to (n) of the resolution made and passed by the Legislative Council on 15 May 1985, and published in the Gazette as Legal Notice No. 131 of 1985, and any subsequent amendments made to those paragraphs shall cease to apply.

(L.N. 610 of 1997)

Note:

*** Commencement date: 1 January 1998.**

**Revisions in the Delegation of Financial Powers by the
Finance Committee in accordance with Section 8 of the
Public Finance Ordinance and with the Resolution made by
Legislative Council on 20th January 1982 setting up the
Capital Works Reserved Fund**

| Date of Finance Committee's meeting | Revised limit of authority delegated to Financial Secretary | Reasons |
|--|--|---|
| 9 December 1987 | \$2 million | Tender Price Index rose by 33% from 300 to 400. In order to restore the real value of the limit, the limits on the delegated powers were raised to \$2 million. |
| 12 April 1989 | \$5 million | To bring delegation in line with similar limits applied to capital account items in the General Revenue Account, and to enable Finance Branch officers to deal administratively with comparatively straightforward proposals. |
| 9 August 1991 | \$10 million | Capital items are one-off in nature and hence justified for a higher limit. This would also save Public Works Subcommittee's time. |
| 6 January 1995 | \$15 million | The limit of the delegated powers was raised to \$15 million to preserve value in real terms and to relieve the workload of PWSC. |

Examples to illustrate the nature of public works projects

| PWSC item no. | Particulars | Amount (\$million) | Remarks |
|--|--|---|---------|
| <i>Projects' estimated cost between 10M to 15M</i> | | | |
| PWSC (2006-07)48 (19.12.06) | <p><i>Block allocations</i></p> <p><u>Head 703 - Buildings</u> Replacement of roof decking, refurbishment of sports hall and fire services upgrading works to entire building to Lung Sum Avenue Sports Centre</p> <p><u>Head 703 - Buildings</u> Refurbishment of running track to Tang Shiu Kin Sportsground</p> <p><u>Head 703 - Buildings</u> Sports centre in Area 33, Tai Po</p> <p><u>Head 703 - Buildings</u> Setting up of port office and isolation facilities at Lok Ma Chau Boundary Control Point</p> | <p>14.000</p> <p>10.093</p> <p>12.420</p> <p>14.000</p> | |

| PWSC item no. | Particulars | Amount (\$million) | Remarks |
|--|---|-----------------------|--|
| PWSC (2006-07)48 (19.12.06) <i>(continued from previous page)</i> | <u>Head 704 – Drainage</u> Lam Tsuen Valley sewerage – consultants' fees and investigation | 14.300 | Part of the project entitled "Lam Tsuen Valley sewerage" (project cost 305 million). |
| | <u>Head 704 - Drainage</u> Upgrading of Tuen Mun sewerage, phase 1 - consultants' fees and investigations | 14.300 | Part of the project entitled "Upgrading of Tuen Mun sewerage, phase 1" (project cost \$500 million). |
| | <u>Head 704 - Drainage</u> Lai Chi Kok Transfer Scheme - consultants' fees for reference design, contract documentation and tender | 12.400 | Part of the project entitled "West Kowloon drainage improvement – Lai Chi Kok Transfer Scheme" (project cost \$1,260 million). |
| | <u>Head 705 - Civil Engineering</u> Provision of access road and associated infrastructure for school development at Nam Fung Path, Wong Chuk Hang | 13.100 | |
| | <u>Head 706 – Highways</u> Construction and improvement of access roads at Lung Mei, Tai Po | 14.070 | |

| PWSC item no. | Particulars | Amount (\$million) | Remarks |
|--|--|--|--|
| PWSC (2006-07)48 (19.12.06) <i>(continued from previous page)</i> | <u>Head 707 – New Towns and Urban Area Works</u> Feasibility study for improvement works for Tai O facelift – consultants' fees and site investigation <u>Head 711 – Housing</u> Extension of water supply to Ma On Shan – advance mainlaying in Areas 77 and 86B, Ma On Shan | 14.990 12.190 | Part of the project entitled "Improvement works for Tai O facelift" (project cost \$820 million). |

| PWSC item no. | Particulars | Amount (\$million) | Remarks |
|--|---|-----------------------|--|
| <i>Projects' estimated cost between 15M to 20M</i> | | | |
| PWSC (2005-06)36 (21.12.05) | <u>Head 703 – Buildings</u> Fitting out works for customs and quarantine facilities at the Asia Airfreight Terminal 2 | 18.800 | (a) Customs and Excise Department – net operational floor area (NOFA) of 485 m ² (b) Agriculture, Fisheries and Conservation Department – NOFA of 37 m ² |
| PWSC (2006-07)38 (25.10.06) | <u>Head 705 - Civil Engineering</u> Greening master plan (GMP) for Kowloon West and Hong Kong Island – studies and works | 18.100 | (a) consultancies for the development of GMPs; (b) consultancies for drawing up of detailed designs of the short-term greening measures as recommended in the respective GMPs; and (c) associated site investigation works. |
| PWSC (2000-01)59 (22.11.00) | <u>Head 706 – Highways</u> Road works in Chai Wan reclamation area | 18.200 | (a) construction of a single two-way carriageways of about 950 metres long, eight to 13.5 metres wide, and associated footpaths of 2.25 to three metres wide, in the Chai Wan reclamation area; (b) widening of a 330-metre section of Shing Tai Road at the south of its junction with Chong Fu Road from a single four-lane to a single five-lane carriageway together with the reconstruction of existing footpaths; and |

| PWSC item no. | Particulars | Amount (\$million) | Remarks |
|--|---|-----------------------|---|
| PWSC (2000-01)59 (22.11.00) <i>(continued from previous page)</i> | | | (c) ancillary traffic aids, street lighting, landscaping and drainage works. |
| PWSC (2001-02)7 (4.4.01) | <u>Head 707 - New Towns and Urban Area Development</u> Public transport interchange at Hang Hau Station of the MTR Tseung Kwan O Extension | 16.200 | |
| PWSC (2007-08)7 (18.4.07) | <u>Head 711 – Housing</u> Local open space adjoining Tseung Kwan O Area 73B public housing development | 19.200 | (a) two basketball- cum-volleyball courts; (b) soft landscaping works; (c) sitting-out facilities including pergolas for use as rain/sun shelters; (d) a fitness corner for the elderly; (e) a ramp and a staircase providing access to the open space from Choi Ming Street; and (f) ancillary facilities including a store-cum-meter room, lights and signages. |

| PWSC item no. | Particulars | Amount (\$million) | Remarks |
|--|--|-----------------------|---|
| <i>Projects' estimated cost between 20M to 30M</i> | | | |
| | <i>[Comment: the APE of this project is \$32.0 million.]</i> | | |
| PWSC (2006-07)73 (7.2.07) | <u>Head 704 – Drainage</u> West Kowloon drainage improvement – Lai Chi Kok Transfer Scheme | 26.000 | (a) consultancy services for the environmental impact assessment study; (b) consultancy services for investigation and detailed design; and (c) site investigation. |

| PWSC item no. | Particulars | Amount (\$million) | Remarks |
|-----------------------------------|--|-----------------------|---|
| PWSC (2006-07)24 (7.6.06) | <u>Head 704 – Drainage</u> Yuen Long and Kam Tin sewerage and sewage disposal | 28.000 | (a) construction of trunk sewers, sewage pumping stations and twin rising mains at Ngau Tam Mei, San Tin, Pat Heung, Kam Tin, Yuen Long South and Lau Fau Shan; (b) expansion of the existing Ha Tsuen sewage pumping station and San Wai sewage treatment works; and (c) construction of an effluent pumping station and twin rising mains from the existing Yuen Long Sewage Treatment Works to San Wai Sewage Treatment Works. |
| PWSC (2006-07)48 (19.12.06) | <u>Head 705 – Civil Engineering</u> 10-year Extended Landslip Preventive Measures Project, phase 8, package I – landslip preventive works for slopes in Hong Kong Island, Kowloon and New Territories | 27.337 | |
| PWSC (2005-06)20 (8.6.05) | <u>Head 706 – Highways</u> Hong Kong–Zhuhai–Macao Bridge – conceptual design and advance technical studies | 26.800 | (a) conceptual design of the HZMB ₁ , including the main bridge, boundary crossing facilities and connecting infrastructure; and (b) advance technical studies for the HZMB. |

| PWSC item no. | Particulars | Amount (\$million) | Remarks |
|-----------------------------------|--|-----------------------|--|
| PWSC (2004-05)38 (27.10.04) | <u>Head 707 - New Towns and Urban Area Development</u> Tin Shui Wai development . village flood protection works for Sheung Cheung Wai, phase 2 construction of interceptor drains | 27.200 | (a) construction of high level interceptor channels and drains along the eastern boundary of Sheung Cheung Wai to intercept run-off from the hillside for discharging into the Eastern culvert; (b) construction of low level interceptor channels and drains to the west of Sheung Cheung Wai to intercept run-off from the adjacent ground for discharging into an existing flood storage pond; (c) construction of a box culvert alongside Ping Ha Road and low level interceptor channels and drains to the west of Hang Tau Tsuen and Hang Mei Tsuen to intercept run-off from the villages for discharging into the existing flood storage pond; (d) implementation of associated works including re-provisioning of the existing facilities, such as footpaths and paved areas; (e) implementation of associated landscaping works; and (f) environmental monitoring and audit programme for the works mentioned in items (a) to (e) above. |

| PWSC item no. | Particulars | Amount (\$million) | Remarks |
|---------------------------------|--|-------------------------------|--|
| PWSC (2007-08)6 (18.4.07) | <u>Head 711 – Housing</u> Demolition of Cheung Sha Wan police married quarters, a school and a medical clinic | 28.000 | (a) demolition of five residential blocks, one school building and one medical clinic; (b) removal of the ground floor slab and all external paving areas within the site boundary; (c) removal of the existing underground services and tanks; (d) removal of the pile caps and the cutting off of the portion of piles at one metre below the pile caps; (e) demolition of the existing boundary wall and fence, and erection of a chain-link fence along the site boundary; and (f) formation of the site to the existing level of the external paving. |

Examples to illustrate the flow of public works projects

| PWSC item no. | Project No. and title | Upgrading to Cat. B | EIA completion date | Engagement of consultant for pre-construction works | Gazetta/ Scheme authorization | Completion of land resumption/ clearance | Date of submission to Panel | Date of submission to PWSC | Date of submission to FC | Approved estimate (\$million) | Current forecast estimate (\$million) | Target commencement date/ (actual commencement date) | Contract award date | Target completion date/ (revised completion date) | Reasons for delay |
|-----------------|--|---------------------|---------------------|---|-------------------------------|--|-----------------------------|----------------------------|--------------------------|-------------------------------|---------------------------------------|--|--|---|---|
| PWSC (96-97)110 | 4212DS – Wan Chai East and North Point sewerage, stage 1 works | Oct 94 | Oct 96 | Jun 95 | N.A. | N.A. | - | 5 Mar 97 | 18 Apr 97 | 504.7 | 326.7 | Sep 97 (Apr 98) | Four contracts with different implementation programme. First contract was commenced in Apr 1998 and completed in Apr 2001. | Dec 01 (Jun 08) | <p>The project, implemented under four works contracts in the Wan Chai East sewerage catchment, was 72% completed. The works under the first three contracts had been completed and put into operation.</p> <p>Tenders for the original scope of 4212DS, stage 1 trunk sewers and branch sewers in Wan Chai East, were first called in May 1997 but the tender exercise was cancelled subsequently due to unduly high rates received. One of the reasons was due to the tenderers' concern of the excessively congested underground utilities in the area and their possible conflict with the sewerage works. The works were subsequently repackaged into four contracts:</p> <ol style="list-style-type: none"> (1) The reconstruction and upgrading of the upstream sewers in Wan Chai East and North Point. This contract was commenced in Apr 98 and completed in Apr 2001. (2) An additional advance works contract was awarded in Dec 2000 and completed in Nov 2001 to identify all the conflicting utilities affecting the proposed trunk sewers. (3) A single trunk sewer contract combining the stage 1 trunk sewers (under 4212DS) in Wan Chai and stage 2 trunk sewers (under 4225DS) in North Point to form a single trunk sewers contract to minimize disturbance to the public. This contract was started in May 2002 and completed in end 2005. (4) The stage 1 downstream branch sewers works (under 4212DS) in Wan Chai East were also repackaged to combine with the stage 2 branch sewers works (under 4204DS) in North Point to improve cost effectiveness and avoid repeated road openings. However, the programme of this contract was further affected by necessary redesign of the project to incorporate additional sewerage improvement works in the same vicinity recommended in EPD's "Review of Hong Kong Island Sewerage Master Plans" study completed in 2004. This last contract for branch sewers and sewage improvement works was subsequently started in October 2005 and the works under 4212DS, is scheduled to be completed in June 2008. The rescheduling of 4212DS with other works in the urban area is considered necessary to minimize inconvenience to the public as far as possible. |

| PWSC item no. | Project No. and title | Upgrading to Cat. B | EIA completion date | Engagement of consultant for pre-construction works | Gazetta/ Scheme authorization | Completion of land resumption/ clearance | Date of submission to Panel | Date of submission to PWSC | Date of submission to FC | Approved estimate (\$million) | Current forecast estimate (\$million) | Target commencement date/ (actual commencement date) | Contract award date | Target completion date/ (revised completion date) | Reasons for delay |
|------------------|--|---------------------|---------------------|---|-------------------------------|---|-------------------------------|----------------------------|--------------------------|-------------------------------|---------------------------------------|--|---|---|---|
| PWSC (2000-01)30 | 4224DS – Outlying Islands sewerage, stage 1 phase 1C – upgrading of Siu Ho Wan sewage treatment plan | Oct 95 | Apr 98 | May 96 | N.A. | N.A. | 7 Apr 00 (EA Panel) | 17 May 00 | 9 Jun 00 | 779.4 | 503.3 | Feb 01 (Jul 01) | Three contracts with different implementation programs. First contract was commenced in Jul 2001 and completed in Aug 2004. | Aug 04 (Dec 08) | The project, implemented under three works contracts, was about 88% completed. The chemically enhanced treatment part of the plant had been completed and put to operation in 2004. The project scope to upgrade the Siu Ho Wan sewage treatment plant also includes the provision of disinfection facilities to cater for a flow rate of 180,000 m ³ per day at 2011. In order to tie in with the latest population projection of the Northern Lantau, DSD has been implementing the disinfection system in two phases, phase 1 for 96,000 m ³ per day and phase 2 for the remaining 84,000 m ³ per day. Phase 1 UV disinfection facilities completed in end 2006 are more than adequate to cope with the present and anticipated daily flow rate for some time. DSD would review and monitor the sewage flow buildup and the performance of the first phase facilities before a decision on the timing and need of the second phase could be made. Hence, the project completion date is tentatively set in December 2008. |
| PWSC (2001-02)29 | 4276DS – Sha Tin sewage treatment works, stage 3 extension | Apr 96 | Nov 99 | In-house project | N.A. | N.A. | 5 May 00 (EA Panel) | 24 May 00 | 16 Jun 00 | 2,425.0 | 1,679.3 | Mar 01 (Feb 01) | Eight major works contracts with different implementation programs First contract was commenced in Feb 2001 and completed in Oct 2004. | Aug 08 (Aug 10) | The project is implemented under eight major works contracts. Six major works contracts have been substantially completed. The overall progress of the works was about 83% completed. In early 2005, a review on the sewage flow buildup was conducted by DSD. The review concluded that the anticipated flow buildup was slow (presently at 241,700 m ³ per day as compared to the ultimate capacity of 340,000 m ³ per day). DSD therefore proposed and EPD agreed to defer the original scheduled implementation of modification works to Aeration Tanks 1-8 and Final Sedimentation Tanks 1-16 from Aug 2008 to Aug 2010 such that the provided capacity could match more closely with the actual growth in demand. |
| PWSC (2001-02)52 | 6757TH – Route 8 between Tsing Yi and Cheung Sha Wan – Ngong Shuen Chau Viaduct and the associated works | Aug 97 | Oct 99 | Feb 99 (Under the Roads (Works, Use and Compensation) Ordinance) | Apr 00/ Sep 00 | Phase 1 site area (adjacent to KCRC West Rail site in the East): Jan 02 Phase 2 site area (Container Terminal No. 8 backup land in the West): Nov 03 | 7 May 01 (Transport Panel) | 13 Jun 01 | 6 Jul 01 | 3,650.0 | 1,848.9 | Mar 02 (Apr 02) | Apr 02 | Dec 06 (Jul 07) | The works were about 90% completed. All segment erection has been completed. Bridge parapet installation and deck surfacing works are in progress. The deferment in forecast completion date is mainly attributed to (i) additional multi-stage temporary traffic arrangement (TTA) implemented at Container Port Road South; (ii) extra rock drilling for pile foundation; (iii) inclement weather; and (iv) stringent safety and TTA measures, which were not anticipated, had to be adopted for bridge works over the West Kowloon Highway and Airport Railway Protection Zone. |

| PWSC item no. | Project No. and title | Upgrading to Cat. B | EIA completion date | Engagement of consultant for pre-construction works | Gazetta/ Scheme authorization | Completion of land resumption/ clearance | Date of submission to Panel | Date of submission to PWSC | Date of submission to FC | Approved estimate (\$million) | Current forecast estimate (\$million) | Target commencement date/ (actual commencement date) | Contract award date | Target completion date/ (revised completion date) | Reasons for delay |
|------------------|--|---------------------|---------------------|---|-------------------------------|--|---|----------------------------|--------------------------|-------------------------------|---------------------------------------|--|---------------------|---|--|
| PWSC (2001-02)84 | 3011NG – Market and public toilet in Aldrich Bay Reclamation | Nov 01 | N.A. | Project entrusted to Housing Department (HD) | N.A. | N.A. | 3 Apr 00 Subcommittee to follow up on the outstanding capital works projects of the two Provisional Municipal Councils for inclusion into the Government's Public Works Programme (appointed by the House Committee) | 28 Nov 01 | 21 Dec 01 | 143.0 | 91.0 | Mar 02 (Mar 02) | Aug 05 | Apr 06 (Sep 07) | <p>The works were entrusted to HD as part of a housing development. The housing development included two housing blocks (by HD), one Public Transport Interchange (PTI) (by TD) and market and public toilet (by FEHD). Transport Department decided in Dec 2003 that, due to lower transport demand, the originally proposed PTI of the housing development had to be deleted. Therefore, a revision of the design of the overall development was required. Subsequent to endorsement by Works & Development Committee of Eastern DC in Sept 2004, a freestanding 1-storey market and public toilet would be built at the western portion of the construction site.</p> <p>The project estimate was reduced mainly due to fewer stalls required and the relocation of the market from the first floor to the ground floor of the complex and the reduced cost for lift and escalator provision. The number of stalls available was reduced by FEHD from 131 to 103 because of reduction in market usable area.</p> <p>Construction of the superstructure began in Aug 2005 and the target completion dates for the market building will be Sept 2007. The works is now 82% completed.</p> |

The table clearly illustrates that the delay in implementing public works projects is not due to the time taken by the Legislative Council in scrutinizing the relevant financial proposals. By way of illustration, PWSC(2000-01)30 was upgraded to Cat. B in 1995 but this was only submitted for consideration by the relevant Panel in May 2000. PWSC and FC scrutinized and endorsed the financial proposal in May and June 2000 respectively, shortly after the discussion by the Panel. The project was scheduled for commencement in July 2001 and completion August 2004 and was subsequently delayed due to the need to take account of the sewage flow as a result of population growth. Hence, the project completion date has been postponed to December 2008.