

財經事務及庫務局

香港添馬添美道二號
政府總部二十四樓

FINANCIAL SERVICES AND THE
TREASURY BUREAU

24/F, Central Government Offices,
2 Tim Mei Avenue, Tamar
Hong Kong

傳真號碼 Fax No. : 25235722
電話號碼 Tel. No. : 28102495
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來函檔號 Your Ref. : CB4/PAC/R63

24 December 2014

Mr Anthony CHU
Clerk to the Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 63
New Civil Aviation Department Headquarters

I refer to your letter dated 12 December 2014 seeking our views on the purchase of furniture and equipment (F&E) items in public works projects.

The Government is committed to ensuring that F&E items purchased represent value-for-money and public funds are well-spent. As a matter of principle, user bureaux or departments should ensure that the F&E requirements are reasonable and necessary to meet their operational needs. Our responses to the information requested, in so far as construction of government offices is concerned, are set out below -

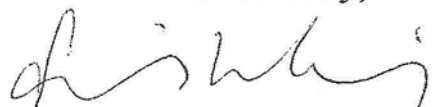
- (a) According to Financial Circular No. 9/90, Controlling Officers (COs) for Capital Works Reserve Fund heads may not allocate funds for F&E to client departments, or commit funds themselves for the purchase of F&E, without the prior approval of this Bureau or the Government Property Agency (GPA) subject to paragraph (b) below.

For the New Civil Aviation Department (CAD) Headquarters, CAD sought this Bureau's approval for the purchase of the security and electronic systems in February 2011. The date on which our approval was sought is 21 months after the Government awarded the Design and Build (D&B) contract for the project and committed funding for the security and electronic systems.

We understand that in some D&B contracts, it may not be possible for the user departments or the COs to confirm the details of the F&E items (including quantity and cost) at the time of awarding the contract as such details are subject to detailed design. In such cases, the user departments or the COs should at least seek this Bureau's in-principle approval before committing funds and then seek formal approval when the details of the F&E items are available in the design stage.

- (b) Procurement of non-standard F&E items costing \$50,000 or below per department per project and not more than \$3,000 per item is delegated to the user departments. Procurement of non-standard F&E items costing between \$50,000 and \$5 million per department per project may be approved by GPA. Procurement of non-standard F&E beyond \$5 million rests with this Bureau.

Yours sincerely,



(Karen SHING)

for Secretary for Financial Services and the Treasury