

立法會
Legislative Council

LC Paper No. CB(1)1035/15-16
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of meeting
held on Tuesday, 15 March 2016, at 9:00 am
in Conference Room 3 of the Legislative Council Complex

Members present : Hon Tony TSE Wai-chuen, BBS (Chairman)
Hon LEUNG Che-cheung, BBS, MH, JP (Deputy
Chairman)
Hon Albert HO Chun-yan
Hon CHAN Kam-lam, SBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Cyd HO Sau-lan, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon James TIEN Pei-chun, GBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Dr Hon Elizabeth QUAT, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG Ngok-kiu

Members attending : Hon WONG Kwok-kin, SBS

Hon Frankie YICK Chi-ming, JP
Hon TANG Ka-piu, JP

Members absent : Hon James TO Kun-sun
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan

Public officers attending : **Agenda item III**

Mr HON Chi-keung, JP
Permanent Secretary for Development (Works)

Mr Albert LAM Kai-chung, JP
Deputy Secretary (Works)¹
Development Bureau

Mr CHAN Chi-ming, JP
Deputy Secretary (Works)²
Development Bureau

Mr John KWONG Ka-sing
Chief Assistant Secretary (Works)¹
Development Bureau

Agenda item IV

Mr Francis LEUNG Lap-ki
Principal Assistant Secretary (Works)⁴
Development Bureau

Mr Frank WONG Tak-choi
Project Director 1
Architectural Services Department

Miss Monica LAM Sau-lai

Chief Project Manager 101
Architectural Services Department

Mr Michael CHEUNG Ping-kuen, JP
Assistant Director/1
Electrical and Mechanical Services Department

Agenda item V

Mr Vincent MAK Shing-cheung
Principal Assistant Secretary (Works)3
Development Bureau

Mr LEUNG Wing-lim, JP
Assistant Director/New Works
Water Supplies Department

Mr YEUNG Sek-kui
Chief Engineer/Design
Water Supplies Department

Agenda item VI

Mr Thomas CHAN Chung-ching, JP
Deputy Secretary for Development (Planning and Lands)1

Mr Albert CHENG Ting-ning, JP
Project Manager (New Territories East)
Civil Engineering and Development Department

Mr Stephen LI Tin-sang
Chief Engineer/New Territories East 2
Civil Engineering and Development Department

Mr Tom YIP Chi-kwai
District Planning Officer (Kowloon)
Planning Department

Clerk in attendance : Ms Sharon CHUNG
Chief Council Secretary (1)2
Staff in attendance : Mr Fred PANG

Senior Council Secretary (1)2

Mr Raymond CHOW
Senior Council Secretary (1)6

Ms Maggie LAU
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

Action

I Information papers issued since the last meeting

(LC Paper No. CB(1)646/15-16(01) -- Administration's response to the letter dated 15 February 2016 from Hon Tommy CHEUNG Yu-yan on issues related to the Water Supplies Department's processing of applications from restaurants for carrying out waterworks (LC Paper No. CB(1)566/15-16(01))

LC Paper No. CB(1)648/15-16 (01) -- Letter dated 3 March 2016 from Hon Alice MAK on the Hong Kong Planning Standards and Guidelines

LC Paper No. CB(1)660/15-16 (01) -- Administration's paper on 196WC — Implementation of Water Intelligent Network

LC Paper No. CB(1)663/15-16 (01) -- Letter dated 7 March 2016 from Hon Alan LEONG on the implementation approach for the waterfront promenade fronting the hotel sites at the runway precinct of Kai Tak Development

LC Paper No. CB(1)672/15-16 (01) -- Letter dated 9 March 2016 from Hon LEUNG Che-cheung on the Administration's actions

against suspected illegal soil dumps)

Members noted that the above information papers had been issued since the last meeting.

II Items for discussion at the next meeting

(LC Paper No. CB(1)653/15-16(01) -- List of outstanding items for discussion

LC Paper No. CB(1)653/15-16(02) -- List of follow-up actions)

2. Members agreed that at the next regular meeting scheduled for Tuesday, 26 April 2016, at 2:30 pm, the following items proposed by the Administration would be discussed:

- (a) PWP Item No. 7332CL (Part) — West Kowloon Reclamation — main works (remainder) — Footbridge at junction of Sham Mong Road and Tonkin Street West in Sham Shui Po; and
- (b) PWP Item No. 417RO — Improvement works at Tai O, phase 2, stage 1.

3. The Chairman advised that the Administration had earlier on submitted to the Panel an information paper on "PWP Item No. 196WC — Implementation of Water Intelligent Network" (LC Paper No. CB(1)660/15-16). He suggested that, as some members had expressed the view that the proposal should be discussed at a meeting of the Panel before it was submitted to the Public Works Subcommittee for consideration, the proposal would be discussed at the meeting on 26 April 2016. Members agreed to the suggestion.

4. The Chairman said that the Administration had proposed to discuss the establishment of the Lantau Development Office ("LDO") and the re-organization of existing Development Offices of Civil Engineering and Development Department ("CEDD") at the meeting on 26 April 2016. He advised that the Panel had discussed a funding proposal on the establishment of LDO and the re-organization of the existing Development Offices of CEDD under an item "Creation and redeployment of directorate posts in Civil Engineering and Development Department and Planning Department" at the meeting on 23 February 2016 and members did not support the proposal. Mr WU Chi-wai queried about the justifications for the Administration to re-submit the proposal to the Panel. He opined that the

Panel should consider whether it was not appropriate to discuss the proposal again within the current LegCo session.

[Representatives from the Development Bureau joined the meeting at this juncture.]

5. The Chairman invited Permanent Secretary for Development (Works) ("PS/DEV(W)") to respond to members' concern about the reason for the Administration's request for discussing at the next meeting a proposal on the establishment of the Lantau Development Office and the re-organization of existing Development Offices of Civil Engineering and Development Department, which had been discussed at the meeting in February.

6. PS/DEV(W) replied that the Administration was preparing a discussion paper on the aforesaid proposal. The paper aimed to provide supplementary information on the issues of members' concerns as expressed at the meeting on 23 February 2016. The Administration would like to submit the paper to the Panel for members' discussion at the next meeting. In view of the urgency and importance of the impending tasks to be undertaken, the Administration hoped that the proposed LDO could be established as early as possible.

7. The Chairman advised that whether he would re-open the discussion on the proposal at the meeting on 26 April 2016 would be subject to the Administration's provision of a revised proposal or members' views.

8. The Chairman suggested and members agreed that the meeting to be held on 26 April 2016 be extended to end at 6:30 pm.

(Post-meeting note: The notice of the meeting on 26 April 2016 and the agenda were issued to members on 17 March vide LC Paper No. CB(1)693/15-16.)

9. Mr Alan LEONG said that he had written to the Chairman expressing concerns on the Administration's implementation approach for the waterfront promenade fronting the hotel sites at the runway precinct of Kai Tak Development. He had suggested in the letter that the Panel should discuss the issues related to the implementation approach with the Administration. He hoped that the discussion could be arranged as early as possible.

10. The Chairman advised that the Clerk had requested the Administration to provide a written response to the concerns raised by Mr LEONG in the letter. He said that besides Mr LEONG, some other

members had expressed concerns on various matters, such as the concerns raised by the Deputy Chairman on the Administration's actions against suspected illegal soil dump in Tin Shui Wai. Given that there were usually many agenda items for each meeting of the Panel, he would keep in view the developments of these matters and consider whether it was necessary for the Panel to hold a special meeting to discuss these matters.

(Post-meeting note: The Administration's response to the letter from Hon Alan LEONG was issued to members on 8 April 2016 vide LC Paper No. CB(1)775/15-16(01).)

III Project Cost Management Office

(LC Paper No. CB(1)653/15-16(03) -- Administration's paper on staffing proposal relating to the establishment of the Project Cost Management Office under the Works Branch of Development Bureau)

Relevant papers

- (LC Paper No. CB(1)682/15-16(01) -- Submission from The Hong Kong Institute of Architects dated 11 March 2016
- LC Paper No. CB(1)682/15-16(02) -- Submission from Buildings Department Local Building Surveyors' Association dated 14 March 2016
- LC Paper No. CB(1)688/15-16(01) -- Submission from The Hong Kong Institute of Surveyors dated 14 March 2016)

11. Members noted the submissions from The Hong Kong Institute of Architects, Buildings Department Local Building Surveyors' Association and The Hong Kong Institute of Surveyors.

(Post-meeting note: A soft copy of the submission from The Hong Kong Institute of Surveyors was circulated to members vide LC Paper No. CB(1)688/15-16(01) by email on 15 March 2016.

The other two submissions were circulated to members before the meeting.)

12. PS/DEV(W) briefed members on the Administration's proposal to create a supernumerary Government Engineer (D2) post for establishing a Project Cost Management Office ("PCMO") under the Works Branch of the Development Bureau ("DEVB(WB)") for about three years up to 31 March 2019 to draw up construction cost control and cost reduction initiatives, and to re-grade two D1 posts (i.e. the post of Chief Assistant Secretary (Works)1 from Chief Geotechnical Engineer to Chief Engineer, and the post of Chief Assistant Secretary (Works)5 from Chief Engineer to Chief Geotechnical Engineer). The details of the proposal were given in the Administration's paper (LC Paper No. CB(1)653/15-16(03)).

13. With the aid of a powerpoint presentation, Chief Assistant Secretary (Works)1, Development Bureau, elaborated on the background and justifications for the proposal, the composition of the proposed PCMO and its main duties and responsibilities.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)685/15-16(01) by email on 15 March 2016.)

Need for establishing the proposed dedicated office

14. Ir Dr LO Wai-kwok said that he supported the proposal as it would help promote cost control and cost reduction measures in capital works projects. Noting that under the proposal, PCMO would be established for a period of about three years, he enquired whether the office would continue its operation thereafter to sustain its efforts. Mr CHAN Kam-lam said that it was appropriate for the Administration to enhance its cost control efforts and roll out measures to reduce unnecessary project design and contractual requirements under a "no-frills" principle.

15. Mr Albert CHAN and Mr CHAN Chi-chuen opined that the Administration was late in putting forth the proposal, given that tender prices for works contracts and prices of construction materials might have moved down from the peak. Mr CHAN Chi-chuen enquired whether the proposal was worked out merely for the purpose of implementing the relevant initiative mentioned in the 2016 Policy Address and the 2016-17 Budget Speech, and how the Administration would evaluate the future performance of PCMO in the event that the overall public works expenditure did move down after the establishment of the proposed office.

16. Mr TANG Ka-piu said that having regard to the high estimated cost of a recent project to expand the floor area of a public library cum Heritage and Cultural Showroom in Lamma Island, he did not subscribe to the view that the tender prices for public works projects had moved down.

17. PS/DEV(W) replied that the tender prices for public works contracts had not come down yet, though there were signs of a more moderate trend of increase recently. According to the forecasts provided by the Construction Industry Council, there would still be an increase in the construction volume in the future 5 years. Given that the overall construction expenditure would remain high in the coming few years, and major capital works projects relating to the ten-year Hospital Development Plan, the proposed railway schemes recommended under the Railway Development Strategy 2014, the ten-year supply target of 460 000 housing units, etc., were already in the pipeline, the Administration believed that there would still be considerable pressure on the construction costs, and it was appropriate to take forward the proposal.

18. Mr Albert CHAN was concerned whether the construction expenditure could be maintained at a stable and reasonable level in future, say between \$180 billion and \$200 billion per year. He requested the Administration to provide information on its forecast annual expenditure on public works projects in the coming five years, forecast annual construction expenditure of the private sector in the coming five years, and details of new large-scale projects included in these forecasts.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)816/15-16(01) on 19 April 2016.)

19. Mr CHAN Kin-por held the view that the proposal was worth pursuing, taking into consideration that the amount of savings in the public works expenditure achieved through implementing the proposal might outweigh the cost of the proposal. He enquired about the Administration's contingency plan in the event of failure to obtain the Finance Committee's ("FC") funding approval for the proposal within the current LegCo term, and whether the Administration would redeploy existing resources to take up the work of PCMO temporarily until the funding approval was granted. Mr TANG Ka-piu enquired whether it was possible for the Administration to submit some proposals for works projects that had adopted the cost control measures formulated by PCMO (if set up) to FC for consideration before the end of the current LegCo term.

20. PS/DEV(W) replied that although the existing Programme Management Section ("PMS") in DEVB(WB) had started some preparatory work related to cost control, little progress could be made because the PMS staff were already fully engaged in their respective duties. It was necessary to implement the proposal in order to carry out the work of the proposed PCMO comprehensively, and to show that the Administration had the determination to strengthen cost control. He hoped that after setting up PCMO, the Administration could still have the opportunity to brief the Panel on the proposals on the cost control measures worked out by the office within the current session.

21. Mr Alvin YEUNG queried whether it was necessary to establish the proposed office and whether it should be the consultants engaged in public works projects to be responsible for controlling the costs of individual projects. Dr Kenneth CHAN and Mr CHAN Chi-chuen opined that the Administration did not need to establish a dedicated office in order to enhance cost control of public works projects. The Administration should have made reference to the cases of cost overrun in public works projects in recent years, and formulated effective cost control measures for implementation on a project-by-project basis. Dr CHAN said that instead of pursuing the proposal, the Administration should address public concerns on the lack of accountability over project cost overrun.

22. Miss CHAN Yuen-han said that it was necessary for the Administration to control the costs of public works projects, and enquired whether, instead of establishing the proposed dedicated office, the Administration could redeploy existing staff from relevant government departments to form a cross-departmental group to handle cost control matters.

23. PS/DEV(W) replied that the proposal was aimed at establishing a multi-disciplinary office under DEVB(WB) to draw up cost control measures and cost reduction initiatives. After the establishment of PCMO, individual government departments would continue to deploy staff to monitor the costs of individual public works projects. The existing PMS in DEVB(WB), which was currently responsible for monitoring the implementation of Capital Works Programme, would be re-organized and subsumed under PCMO.

Duties and responsibilities of the proposed office

24. Mr YIU Si-wing and the Deputy Chairman said that they supported the establishment of the proposed PCMO to control the costs of public works projects. Mr YIU said that according to the Administration, the proposed PCMO would adopt three-pronged approaches to enhance project cost control, i.e. comprehensively reviewing existing works policies and requirements; closely scrutinizing project estimates; and enhancing project management of public works projects. He enquired whether there would be overlapping responsibilities between the PCMO staff and the officers deployed to oversee individual public works projects. PS/DEV(W) replied that the proposed PCMO would be an office with an establishment of about 15 officers and some of the posts would be existing ones. Their duties and responsibilities would not overlap with those of other government officials.

25. Ir Dr LO Wai-kwok said that according to the Administration, the annual capital works expenditure would maintain at a level of about \$70 billion in the next few years. He considered that the investment amount was at a reasonable level and was not a historical peak. He enquired whether the proposed PCMO would formulate measures to address the possible problems arising from the tightening construction labour situation in the coming few years.

26. PS/DEV(W) replied that one of the three-pronged approaches to be adopted by the proposed PCMO for enhancing cost control measures was to review the existing guidelines for implementing public works with a view to trimming unnecessary requirements. The Administration noted that the supply of construction workers in the next few years would remain tight, and would continue to encourage public works contractors to enhance design standardization, mechanization and construction by prefabrication as part of the labour saving measures. To help relieve the pressure on the demand for workforce, a short-term tenancy site in Tsing Yi had been leased out for providing a prefabrication yard for cutting and bending steel reinforcement bars.

27. The Deputy Chairman was concerned whether the Administration's initiative to enhance design standardization would compromise other design objectives of public works projects. PS/DEV(W) replied that the proposed PCMO would review relevant guidelines to rationalize the design of public works projects under a "no-frills" principle so as to reduce costs. In so doing, the office would not compromise the quality of works and design of projects.

28. Mr Albert HO enquired whether the proposed PCMO would monitor the cost-effectiveness of individual public works projects and assess project risks on a project-by-project basis. Mr WU Chi-wai said that relevant

government departments usually worked out the cost estimate for a public works project based on the previous cost estimate that had been prepared for similar projects. He referred to the powerpoint presentation materials which stated that PCMO would strengthen vetting and review of preliminary cost estimation, and enquired whether the proposed office would study new approaches and methodologies for enhancing the accuracy of project cost estimation.

29. PS/DEV(W) replied that under the existing practice, apart from making reference to the cost estimates for similar projects, the Administration had also adopted the "estimating using risk analysis" approach in the preparation of project cost estimates. The proposed PCMO would study how to enhance the accuracy of the existing project cost estimation methodology, and would seek to improve works departments' skills and knowledge of project management.

30. Taking in view that the currently limited number of prequalified tenderers for public works projects might give rise to problems of bid-rigging, Mr WU Chi-wai enquired whether the proposed PCMO would formulate preventive measures against the problems. PS/DEV(W) replied that the Administration had established lists of approved contractors for public works for the purpose of tendering. The proposed PCMO would review the relevant guidelines for maintaining the lists with a view to encouraging participation and also ensuring that contractors interested in undertaking public works would be included in the lists in a timely manner.

31. The Deputy Chairman enquired whether the costs of works projects carried out by the Administration were in general higher than those undertaken by the private sector, and whether the proposed PCMO would formulate measures to narrow down the difference. PS/DEV(W) replied that the costs of public works projects were in general comparable to those of private-sector works projects. For some individual projects undertaken by the private sector, the costs might be higher than those of similar public works projects.

32. Dr Elizabeth QUAT opined that the existing procedures for minor public works such as installation of a rain shelter were complicated, hence leading to higher project costs. The Administration should simplify the procedures. She cited a case in which the Administration did not accept a request for installing street lamps in an area planted with many trees, and opined that the Administration should review the relevant design and construction standards. PS/DEV(W) replied that Dr QUAT's views had been

noted. He advised that one of the responsibilities of PCMO was to review the existing public works procedures to remove duplications among them.

Implementation of the indicative cost system

33. Noting that the Administration would roll out an indicative cost system for public works projects, Mr CHAN Kam-lam and Mr CHAN Hak-kan enquired about the implementation of the initiative. PS/DEV(W) replied that the Administration would adopt the indicative cost system for the Government's building projects such as schools, office buildings, and government staff quarters. Except for special circumstances and projects that had entered the design stage, the unit costs of all new building projects must be lower than the relevant cost benchmarks. The Administration believed that if the indicative cost system could be successfully implemented in future, it might be an example for the private building sector to follow. Deputy Secretary (Works)2, Development Bureau ("DS(W)2/DEV"), advised that the proposed PCMO would develop the cost benchmarks by making reference to the returned tender prices for the past building projects and their designs, as well as all relevant factors affecting the costs of building projects. If the unit cost of a proposed building project exceeded the relevant benchmark, the project proponent would be required to explain the reasons for the difference.

34. Taking in view that PCMO would not be a cross-bureaux or cross-departmental office under the proposal, Mr CHAN Hak-kan enquired whether the office would have the power to request the bureau/department concerned to change the design of a public works project for the purpose of meeting the relevant cost benchmark. PS/DEV(W) replied that the proposed PCMO would coordinate cross-bureaux and cross-departmental efforts to use cost as one of the major drivers for project implementation, and would report the progress of its work to the Financial Secretary on a regular basis. In response to Mr CHAN Hak-kan's enquiry on whether it was the proposed PCMO or the Financial Secretary to make the decision to allow or disallow a project which did not meet the cost benchmark, DS(W)2/DEV advised that the Administration had yet to work out such details.

35. Dr Elizabeth QUAT enquired whether the cost benchmarks would be made public in future. PS/DEV(W) replied that the proposed PCMO would work out technical guidelines for the indicative cost system and would upload the guidelines to the relevant website.

36. Mr CHAN Kam-lam said that some public works projects were implemented by means of design-and-build contracts, under which the

design and construction of the projects were undertaken by contractors. He enquired whether the Administration would continue to adopt the design-and-build mode as one of its procurement approaches for public works projects after implementation of the cost benchmarks. PS/DEV(W) replied that after the cost benchmarks had been put in place, the Administration would continue to adopt design-and-build contracts as one of the procurement modes. Regardless of the procurement mode of a project, the project proponent would be required to make reference to the indicative costs during the project design stage.

Public works projects under the purview of the proposed office

37. Dr Elizabeth QUAT enquired whether the proposed PCMO would be involved only in building projects. PS/DEV(W) replied that PCMO would proactively vet and review over 300 capital works projects still in the planning and design stage to achieve cost reduction for these projects, and some of these projects were not building projects.

38. Mr TANG Ka-piu asked whether the about 300 capital works projects included projects for constructing transport infrastructure. He said that there was a lack of government officials with engineering background in the Transport and Housing Bureau ("THB") and the Highways Department ("HyD"). A media report had pointed out that it was currently a requirement of contractors of public works projects to engage independent quantity surveyors in buildings works to deal with tendering matters, but the same requirement was not adopted for public works projects for constructing transport infrastructure. He enquired whether and how the engineering professionals in the proposed PCMO would take part in the management of the projects under the purview of THB and HyD. PS/DEV(W) replied that some of the 300 projects were under the purview of THB. All of these projects, whilst they were in the planning and design stages, would be reviewed by PCMO in stages. The proposed PCMO might engage consultants including quantity surveyors in its work if necessary.

39. Mr WU Chi-wai enquired whether and how design standardization, mechanization and construction by prefabrication would be adopted for the about 300 projects under planning and design. Mr YIU Si-wing enquired whether PCMO would review the costs of the public works projects which had completed the planning and design stage. PS/DEV(W) replied that while the proposed PCMO would focus its efforts on new public works projects, it would also review the costs of the existing projects when PCMO became aware that there would be very substantial alterations to their designs.

40. In response to Mr TANG Ka-piu's enquiry on whether the progress of the about 300 projects would be affected in the event that the Administration could not secure the funding approval for the proposal in time, PS/DEV(W) replied in the negative.

Effectiveness of the proposal in enhancing project cost control

41. Miss CHAN Yuen-han cited the implementation of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project as an example and opined that the cost overrun of the project was attributable to, among others, the inadequate monitoring of the project. To enhance cost control, apart from establishing the proposed PCMO, the Administration should put in place measures to strengthen accountability of government officials in monitoring the expenditures of approved public works projects. Mr YIU Si-wing enquired whether the proposed PCMO would deal with failure of officials in preventing the expenditure of a public works project from going out of control.

42. Mr CHAN Chi-chuen said that the Administration had a duty to monitor the implementation and expenditures of public works projects, and failure of some government officials in controlling project costs should not be a valid ground for the Administration to create the proposed new posts. He enquired whether PCMO would evaluate whether there was dereliction of duties on the part of individual government bureaux/departments in respect of cost control over public works.

43. PS/DEV(W) replied that while he was not in a position to comment on the accountability issues of government officials involved in individual public works projects, the Administration all along did not evade its responsibility for project delays or cost overrun. He advised that the proposed PCMO would devise and promote cost management policies in respect of capital works projects, but would not assume an auditing role.

44. Mr James TIEN said that he supported the proposal and considered it appropriate for the Administration to enhance its cost control measures. He commented that the practice adopted by the Administration to obtain the funding approval for a public works project prior to commencing the tender exercise for the project was not desirable because contractors could make reference to the approved cost estimate for the project when preparing their tender bids for the project. He expected that the proposed PCMO would put in place measures to address this problem.

45. Mr CHAN Han-pan said that filibustering conducted by some LegCo Members and judicial review proceedings had caused delays to the implementation of some public works projects. He enquired whether the proposed PCMO would establish a mechanism to deal with these issues.

46. PS/DEV(W) replied that one approach adopted by the Administration to reduce delays in the commencement of a public works project was to conduct the tender exercise for the project prior to making the funding application. Such an approach would also facilitate more accurate estimation of the project cost. Mr CHAN Han-pan requested the Administration to provide assessment on how the implementation of public works projects had been delayed by judicial review proceedings, and the impact of the delays on project costs.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)816/15-16(01) on 19 April 2016.)

47. Mr LEUNG Kwok-hung said that unlike an injunction, judicial review proceedings would not cause delays to the relevant public works projects. The cost overrun in the Liantang/Heung Yuen Wai Boundary Control Point project was related to the Administration's failure in obtaining accurate information on ground conditions. Mr Albert CHAN said that the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link project had experienced cost overrun, but it had not been subjected to judicial review proceedings or filibustering in LegCo.

48. Dr KWOK Ka-ki said that the recent cases of cost overrun in public works projects were mainly resulted from the difference between the accepted tender price for the project concerned and the approved project estimate. In these cases, contractors of public works projects could make claims on the difference, and so the Administration would seek approval from FC for increasing the approved project estimate. He enquired whether and how the proposed PCMO would prevent the recurrence of similar cases in future.

49. Mr James TIEN opined that the Administration had failed to prevent cost overrun in public works projects because conventional public works contracts did not clearly spelt out the responsibilities of the contractors for extra project costs arising from unforeseen circumstances such as adverse weather conditions, etc. He considered that the proposed PCMO should be staffed by professionals with engineering and legal background, and should

review the requirements set out in public works contracts with a view to protecting public funds.

50. PS/DEV(W) replied that since 2009, works departments had adopted the New Engineering Contract ("NEC") form in some public works contracts. In particular, the NEC open book target cost form, apart from integrating partnering features in its provisions, would also require, among others, the contractor to share the saving between the actual project cost and the final target cost, hence encouraging the contracting parties to achieve a common goal of completing the works at a lower cost and in a shorter construction period, and help eliminate possible claims by contractors. To limit the financial liability, the Administration might stipulate that it only shared the overspending up to a stated percentage above the final target cost.

51. Mr Alvin YEUNG enquired whether the proposed PCMO had the power to reject contractors' claims for the difference between the target cost of a public works contract and the actual project cost. PS/DEV(W) replied that compensation issues arising from a public works project such as claims submitted by contractors would have to be handled by the relevant government department according to the relevant provisions in the contracts.

52. In response to Mr YEUNG's enquiry on whether the use of the NEC form would discontinue in the event that the Administration could not secure the funding approval for the proposal, PS/DEV(W) advised in the negative. He said that the trial use of the NEC form would be extended to public works projects at estimated costs of more than \$1 billion. The proposed PCMO would evaluate the merits and demerits of adopting the NEC form as one of the procurement approaches for large-scale public works projects.

Staffing of the proposed office

53. The Chairman said that the Capital Works Programme covered a wide spectrum of projects, including not only civil engineering projects, but also building works and other projects. The Administration's proposal to appoint a Government Engineer to lead the proposed PCMO would give an impression that the office aimed at controlling the cost of civil engineering projects only. PS/DEV(W) replied that the proposed PCMO would be a multi-disciplinary team comprising professionals from the Engineer, Quantity Surveyor and Architect grades. Taking into consideration that the officer leading the team should have good experience in project management, the Administration believed that the proposed office should be headed by a Government Engineer.

54. The Chairman opined that the proposed multi-disciplinary office should be led by an officer who had experience and skills in planning and implementing different types of capital works projects. The Administration's choice of an officer for appointment to the position should be based on merits. The Chairman requested the Administration to provide a written response in respect of the submissions from The Hong Kong Institute of Architects dated 11 March 2016 (LC Paper No. CB(1)682/15-16(01)), Buildings Department Local Building Surveyors' Association dated 14 March 2016 (LC Paper No. CB(1)682/15-16(02)), and The Hong Kong Institute of Surveyors dated 14 March 2016 (LC Paper No. CB(1)688/15-16(01)).

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)816/15-16(01) on 19 April 2016.)

Submission of the funding proposal to the Establishment Subcommittee

55. The Chairman enquired whether members supported the submission of the proposal to the Establishment Subcommittee for consideration. He put the question to vote. At members' request, the Chairman ordered a division. The division bell was rung for five minutes. Twelve members voted for the question, six members voted against it, and no member abstained. The votes of individual members were as follows:

For

Mr CHAN Kam-lam
Mr CHAN Kin-por
Mr WU Chi-wai
Mr CHAN Han-pan
Mr LEUNG Che-cheung
Dr Elizabeth QUAT

Mr CHAN Hak-kan
Mr James TIEN
Mr YIU Si-wing
Miss CHAN Yuen-han
Miss Alice MAK
Ir Dr LO Wai-kwok

(12 members)

Against

Mr LEUNG Kwok-hung
Mr CHAN Chi-chuen
Dr KWOK Ka-ki

Mr Albert CHAN
Dr Kenneth CHAN
Mr Alvin YEUNG

(6 members)

Abstain

(0 member)

56. The Chairman concluded that the proposal was carried by a majority of members.

IV PWP Item 3775CL — Demolition of existing structures in Sites A and B1 of the Sung Wong Toi Vehicle Repair and Maintenance Workshop

(LC Paper No. CB(1)653/15-16(04) -- Administration's paper on 3775CL — The demolition of existing structures in Sites A and B1 of the Sung Wong Toi Vehicle Repair and Maintenance Workshop)

57. Members noted that the Administration planned to upgrade PWP Item No. 3775CL to Category A for the demolition of existing structures in Sites A and B1 of the Sung Wong Toi Vehicle Repair and Maintenance Workshop at an estimated cost of about \$103.2 million in money-of-the-day ("MOD") prices. Subject to the funding approval of FC, the Administration would commence the proposed demolition works by end of 2016 for completion by the third quarter of 2018.

(Post-meeting note: A soft copy of the powerpoint presentation materials on the proposed demolition works was circulated to members vide LC Paper No. CB(1)685/15-16(02) by email on 15 March 2016.)

58. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

Decontamination works at the project sites

59. Noting that the proposed project comprised decontamination works at Site B1 and removal/diversion of any existing underground services and tanks, Mr YIU Si-wing asked if the Administration had conducted any contaminated land assessment at the sites concerned and whether the project cost would cover the decontamination works. Given that the sites would be redeveloped for providing public housing and a park, Mr YIU and

the Chairman were concerned about the adverse impact of the residual contaminants at the project sites, if any, on the future users.

60. Principal Assistant Secretary (Works)4, Development Bureau ("PAS(W)4/DEVB"), explained that there was an underground oil tank, which should be removed, at Site A, and no contaminant had been detected at that site. Regarding Site B1, the Administration would carry out decontamination works for a borehole. Project Director 1, Architectural Services Department ("PD1/ASD") supplemented that experts had been engaged to conduct a contaminated land assessment at the project sites and the soil after decontamination would be used for backfilling. PD1/ASD further advised that the decontamination cost of about \$600,000 had been included in the project cost.

61. The Chairman and Mr YIU Si-wing were worried that the project cost would go up if the extent of soil contamination turned out to be greater than that anticipated based on the Administration's preliminary contaminated land assessment.

62. Assistant Director/1, Electrical and Mechanical Services Department, replied that after the Sung Wong Toi Vehicle Repair and Maintenance Workshop had been relocated out of Sites A and B1 in 2005, contamination assessment had been carried out. A total of 30 borehole locations had been taken across the entire project sites and small amount of contaminants was found in 10 borehole locations. Subsequent to the assessment, the Administration had carried out the necessary decontamination works at the project sites. The decontamination works were almost completed except for one location at Site B1, where such works could not be carried out due to obstructions by the existing structures.

63. Referring to the case of the ex-Kennedy Town Incineration Plant/Abattoir, in which the plant/abattoir had been closed for many years but the Administration had only submitted a funding proposal to the Panel about a year ago for the commencement of the ground decontamination works, Ir Dr LO Wai-kwok enquired about the standard procedure for undertaking ground decontamination works at public works project sites, in particular, whether the decontamination works would be carried out as early as possible once the sites were vacated.

64. PD1/ASD explained that as required by the Environmental Protection Department ("EPD"), a contaminated land assessment would be conducted on any buildings or sites suspicious of being polluted by hazardous

substances. Remedial measures would be undertaken to clean up the buildings or the sites concerned if contaminants were found.

65. Dr Kenneth CHAN sought details about the asbestos-containing materials at Site B1 of the proposed project and the asbestos abatement works.

66. PAS(W)4/DEVB advised that asbestos abatement works for government buildings would be carried out by designated contractors. PD1/ASD supplemented that the Administration had employed a registered asbestos consultant to conduct an asbestos investigation and the report indicated that the existing buildings contained asbestos. Once the works contract(s) of the proposed project was awarded, the contractor(s) concerned would be required to submit an asbestos abatement plan for the approval of EPD before the commencement of the asbestos abatement works. Dr Kenneth CHAN requested the Administration to provide details of the asbestos investigation and abatement works at the project sites.

(Post-meeting note: The Administration's supplementary information was given in LC Paper No. PWSC(2016-17)21, which was circulated to members on 13 May 2016.)

Disposal of waste generated during the demolition works

67. Mr Albert CHAN expressed grave concern about the improper dumping of construction waste in suburban areas, such as near the habitat of buffaloes in Pui O, and the lack of government control over the disposal of construction waste. He was worried that the proposed project would give rise to the same problems. The Chairman expressed a similar concern and opined that, to avoid improper disposal of construction waste by contractor(s), the works contract(s) should only be awarded to those contractor(s) which would dispose of the waste at the sites endorsed by the Administration.

68. PAS(W)4/DEVB replied that under the existing arrangements, the contractors were not required to specify where the construction waste would be disposed of. That said, the contractors had to submit a waste management plan ("WMP") setting out the waste disposal measures for the approval of EPD and comply with the requirements set out in the approved WMP. Moreover, the volume of construction waste generated during the demolition works would be kept at a minimal level and disposed of at the three landfills in the New Territories.

69. PD1/ASD added that the Administration would encourage the contractors to maximize the use of recycled/recyclable inert construction waste, and only about 1% of the non-inert construction waste under this project would be disposed of at the landfills. The Administration would also record the disposal, reuse and recycling of construction waste for monitoring purposes.

70. Mr Albert CHAN requested the Administration to provide information about whether it would incorporate provisions in the works contract(s) of the proposed project to require the contractor(s) to specify where the construction waste generated during the demolition works would be disposed of. He said that based on the understanding that the Administration would exercise control on where to dispose of the construction waste, he would support the submission of the funding proposal for the project to PWSC.

(Post-meeting note: The Administration's supplementary information on construction waste disposal was given in LC Paper No. PWSC(2016-17)21, which was circulated to members on 13 May 2016.)

Rezoning of Site B1

71. Referring to the portion of Site B1 currently zoned as "Comprehensive Development Area", Dr Kenneth CHAN asked about the action that the Administration would take to rezone it for the development of a metro park.

72. PAS(W)4/DEVB explained that Site B1 was mainly zoned "Government, Institution or Community" ("G/IC"), "Other Specified Uses" (commercial/cultural/leisure) and "Open Space". The portion of Site B1 that had been zoned G/IC would be used for housing an electricity substation, while the other portion of Site B1 zoned under "Other Specified Uses" would be used for waterfront-related commercial, cultural and leisure development. The area zoned "Open Space" was designated as part of a metro park. PAS(W)4/DEVB further explained that, to develop the metro park, the Administration would seek the Town Planning Board's approval for rezoning the portion of Site B1 currently zoned as "Comprehensive Development Area". He undertook to provide more information about the rezoning plan after the meeting.

(*Post-meeting note*: The Administration's supplementary information was given in LC Paper No. PWSC(2016-17)21, which was circulated to members on 13 May 2016.)

Submission of the funding proposal to the Public Works Subcommittee

73. Concluding the discussion, the Chairman said that while Panel members raised no objection to the Administration's submission of the funding proposal to PWSC for consideration, the Administration should provide the information requested by Panel members during the meeting in the discussion paper on the proposed project to be submitted to PWSC.

V PWP Item No. 350WF — Improvement of water supply to Sheung Shui and Fanling

(LC Paper No. CB(1)653/15-16(05) -- Administration's paper on 350WF — Improvement of water supply to Sheung Shui and Fanling)

74. Members noted that the Administration planned to upgrade PWP Item No. 350WF to Category A for the improvement of water supply to Sheung Shui and Fanling at an estimated cost of \$522 million in MOD prices. Subject to the funding approval of FC, the Administration planned to commence the proposed project in end-2016 for completion in early 2020.

(*Post-meeting note*: A soft copy of the powerpoint presentation materials on the proposed project was circulated to members vide LC Paper No. CB(1)685/15-16(03) by email on 15 March 2016.)

75. The Chairman reminded members that in accordance with Rule 83A of RoP of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

Scope of the proposed project

76. Mr Albert CHAN opined that, in anticipation of the increasing water demand arising from the developments in the North East New Territories ("NENT"), the Administration should consider expanding the scope of the proposed project, so that the water supply system would have sufficient capacity to cope with new water demand in future. He considered that it

would be more cost-effective to carry out expansion works for water supply facilities in Sheung Shui and Fanling in one-go than in phases.

77. Principal Assistant Secretary (Works)3, Development Bureau ("PAS(W)3/DEVB"), advised that the proposed project was to accommodate the new water demand arising from the public housing development at Queen's Hill, Fanling. The project site at Table Hill had been fully utilized for the construction of a new 24 000 cubic metres service reservoir. Therefore, for other new developments in NENT, which would give rise to additional water demand, the Administration would identify other sites to develop water supply facilities.

78. Dr Kenneth CHAN sought explanation from the Administration on whether the proposed project had taken into account possible changes in the scale of the public housing development at Queen's Hill.

79. PAS(W)3/DEVB replied that the proposed fresh water service reservoir at Table Hill, together with the four existing service reservoirs in Sheung Shui and Fanling, could cater for the water demand of a population of 370 000, including the demand of the 12 000 households in the new public housing development at Queen's Hill.

Use of reclaimed water for flushing

80. Noting that residents of Sheung Shui and Fanling were using fresh water for toilet flushing, Dr Kenneth CHAN asked if the Administration would help save fresh water resources by introducing a reclaimed water or salt water flushing system in the public housing development at Queen's Hill and then extending the system to other areas of Sheung Shui and Fanling.

81. PAS(W)3/DEVB advised that given that it was technically feasible to use reclaimed water for toilet flushing, the Administration had been taking steps to launch a reclaimed water flushing system. The service reservoir and the twin mains system under the proposed project would be designed with flexibility for conversion in stages to a reclaimed water flushing system in future. As regards the regulatory regime, the Waterworks Regulations (Cap. 102A) were under review to cater for the use of reclaimed water as the current Regulations only governed the use of fresh water and salt water for flushing but not reclaimed water.

82. Dr Kenneth CHAN further opined that the Administration should amend the Waterworks Regulations as early as possible to help save fresh water resources. He also held the view that the Administration should make

a decision on the use of reclaimed water for flushing at this stage so that it would not be necessary to seek additional funds in future for the conversion of the proposed service reservoir and twin mains system from a fresh water flushing system to a reclaimed water system.

83. PAS(W)3/DEVB advised that the proposed service reservoir and twin mains system were so designed that no alteration works would be required for the conversion of them from a fresh water flushing system to a reclaimed water system.

84. Expressing concern on the use of fresh water for toilet flushing in the North District, Mr CHAN Hak-kan asked about the additional cost to be incurred for converting the proposed service reservoir and twin mains system from a fresh water flushing system to a salt water system, and the timetable for extending the salt water flushing system to the North District. Referring to the successful experience of the Administration's pilot scheme of using reclaimed water for flushing in some schools in the North District a few years ago, Mr CHAN sought clarification from the Administration on why it had not pointed out the need to amend the Waterworks Regulations to cater for the use of reclaimed water for flushing at that time.

85. PAS(W)3/DEVB replied that it was not cost-effective to extend the salt water flushing system to the North District as the district was not close to sea. By comparison, it was more cost-effective to use reclaimed water for flushing in the district. The pilot scheme referred to by Mr CHAN had demonstrated that the use of reclaimed water for toilet flushing was technically feasible. However, unlike the limited use of salt water, the reclaimed water after tertiary treatment was of high quality and could be used for a wide range of purposes. It was therefore necessary for the Administration to review the Waterworks Regulations to cater for possible uses of reclaimed water and to sanction unauthorized uses.

Impact of the proposed project on the villages nearby

86. Noting that the proposed project comprised laying of twin fresh water distribution mains but did not involve resumption of private land, Mr YIU Si-wing asked whether the fresh water distribution mains concerned would go through the village houses in the area. He also enquired if the proposed project would have any impact on the villages located along the said water mains.

87. Assistant Director/New Works, Water Supplies Department, replied that the proposed fresh water distribution mains would be laid along Man

Kam To Road and Jockey Club Road and would not go through villages. Moreover, the Administration had carried out a Traffic Impact Assessment for the proposed project and the assessment concluded that the construction works would not cause significant impact on the traffic in the area.

Disposal of construction waste

88. Mr Albert CHAN reiterated his views expressed during the discussion on the previous agenda item that the Administration should incorporate provisions in the works contract(s) of the proposed project to require the contractor(s) to specify where the construction waste generated during the construction works would be disposed of.

89. PAS(W)3/DEVB advised that the Administration would monitor the disposal of the construction waste. A trip-ticket system would be put in place to ensure the compliance of the contractor(s) with the relevant waste disposal requirements set out in the approved WMP.

Submission of the funding proposal to the Public Works Subcommittee

90. Concluding the discussion, the Chairman said that members had no objection to the Administration's submission of the funding proposal to PWSC for consideration.

VI PWP Item No. 765CL — Development of Anderson Road Quarry site

(LC Paper No. CB(1)653/15-16(06) -- Administration's paper on PWP Item No. 765CL — Development of Anderson Road Quarry site — Site formation and associated infrastructure works

LC Paper No. CB(1)653/15-16(07) -- Paper on the development of the Anderson Road Quarry site prepared by the Legislative Council Secretariat (Updated background brief))

91. Members noted that the Administration planned to upgrade part of PWP Item No. 765CL to Category A, for carrying out the site formation and associated infrastructure works for the proposed development at the Anderson Road Quarry site ("the Site") and phase 1 of the off-site pedestrian connectivity facilities, at an estimated cost of \$7,693.4 million in MOD prices. Subject to the funding approval of FC, the Administration planned to commence the proposed works in November 2016 for completion in February 2022.

(Post-meeting note: A soft copy of the powerpoint presentation materials on the proposed works was circulated to members vide LC Paper No. CB(1)685/15-16(04) by email on 15 March 2016.)

[At 11:53 am, the Chairman ordered that the meeting be extended for 15 minutes to 12:30 pm to allow sufficient time for members' deliberation on the subject.]

92. The Chairman reminded members that in accordance with Rule 83A of RoP of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

Housing mix

93. Mr Albert CHAN considered that the proposed private-to-subsidized housing ratio of 80:20 for the Site was too high, and a lower ratio say 60:40 should be adopted. He suggested that, in view of the inadequate supply of public rental housing ("PRH") units, more of such units should be provided at the Site to address the pressing needs of the community. Mr CHAN expressed dissatisfaction that some district councils did not support developments of PRH at some ex-PRH sites.

94. Deputy Secretary for Development (Planning and Lands)¹ ("DS(P&L)1/DEVB") advised that about 90% of the housing units in the Sau Mau Ping area, including Shun Tin Estate, Shun Lee Estate and Sau Mau Ping Estate, were public housing units. Upon the completion of the PRH development at Anderson Road for population intake starting from 2016-2017, the percentage of public housing in the Sau Mau Ping area would increase to about 93%. The Administration considered that the proposed private-to-subsidized housing ratio of 80:20 adopted for the Site was appropriate with regard to improving the housing mix in the area.

95. Mr Albert CHAN was not convinced that more private housing units should be developed at the Site owing to the high percentage of public housing units in the Sau Mau Ping area or Kwun Tong. He considered that the Administration should pay heed to the overall demand for public housing in Hong Kong, rather than the housing mix in an area or a district, when determining the ratio of public housing in a new development area. He cited Tai Koo Shing as an example and queried why the Administration did not consider developing public housing estates in areas with only private housing to achieve a balanced housing mix.

96. Mr LEUNG Kwok-hung criticized the Administration for demolishing some large public housing estates, such as Valley Road Estate, North Point Estate, Wong Chuk Hang Estate and part of Ho Man Tin Estate, for private housing developments. He questioned whether the Administration would provide subsidized housing in those low-density residential areas like the Peak and Kowloon Tong to improve the housing mix.

97. DS(P&L)1/DEVB replied that, in line with the recommendations of the Long Term Housing Strategy Steering Committee, the public-to-private housing mix of 60:40 would be adopted as a general direction in the planning of new development areas and housing sites. However, the housing mix for an individual site or development project had to take into account the existing housing mix in the vicinity or the district. The proposed private-to-subsidized housing ratio of 80:20 for the Site had the support of the Kwun Tong District Council and the general public when the Administration conducted community engagement exercises for the proposed development. He further quoted the proposed public housing development in the western part of Kennedy Town as an example of the Administration's response to district aspirations for a more balanced mix of housing.

Traffic impact of the proposed works

98. Mr CHAN Hak-kan expressed concern on the impact of the proposed works at the Site on the traffic conditions of the Sau Mau Ping area, where the road network was already very busy. Project Manager (New Territories East), Civil Engineering and Development Department ("PM(NTE)/CEDD"), replied that, to minimize the traffic impact of the construction works, provisions would be incorporated in the contracts of the proposed works to prohibit all construction vehicles from entering the works site during rush hours.

99. Mr CHAN Hak-kan said that the Kwun Tong District Council had expressed concern on the problem of traffic congestion along Po Lam Road near Po Tat Estate during peak hours. He believed that the proposed private housing development at the Site would bring in more private cars, thus aggravating the road traffic congestion. He enquired how the Administration had addressed this issue.

100. PM(NTE)/CEDD replied that, according to the outcome of the traffic impact assessment conducted for the proposed development at the Site, about 70% of the traffic from the housing development at the Site would take the southern route via Po Lam Road and Tseung Kwan O Road, while the remaining 30% would take the northern route via New Clear Water Bay Road to other areas. Upon the commissioning of Tseung Kwan O-Lam Tin Tunnel, the traffic load for Tseung Kwan O Road and New Clear Water Bay Road would be relieved.

Provision of pedestrian connectivity facilities

101. Mr CHAN Hak-kan was concerned whether the pedestrian connectivity facilities such as lifts and escalators to be provided under the proposed works would be adequate to cater for the demand of the future population at the Site. He pointed out that there was a long queue for lifts in Kin Ming Estate in the early morning and many students had to spend a long time waiting for lift services to commute to schools. The Chairman enquired about the estimated waiting time for lift services during peak hours. Mr LEUNG Kwok-hung suggested that the Administration should provide escalators, which were more flexible and efficient than lifts in coping with large pedestrian flows, in public housing estates.

102. In response, PM(NTE)/CEDD said that the Administration had taken into account the anticipated pedestrian flow in the design of pedestrian connectivity facilities. For instance, the three passenger lifts to be provided under the proposed pedestrian connectivity facility near Hui Wah Building would have a design capacity of 2 210 persons per hour to cater for the demand of the residents. Escalators would also be provided on the nearby pedestrian connectivity facility as the alternative. The average waiting time for lift services would be reasonable.

Project implementation

103. The Chairman enquired whether the works contract for the proposed works, at an estimated cost of \$7,693.4 million, would be split and awarded

to different contractors. PM(NTE)/CEDD replied in the affirmative and advised that the proposed works, comprising different types of works, would be implemented under several contracts.

104. Pointing out that some large-scale projects had experienced huge cost overrun in recent years, the Chairman sought information about the cost control measures that would be taken for the proposed works. PM(NTE)/CEDD advised that the NEC form would be adopted for some contracts of the proposed works to manage project risks and prevent cost overrun. Some public works projects carried out under the NEC form had shown effective results in project management.

Submission of the funding proposal to the Public Works Subcommittee

105. The Chairman enquired whether members supported that the funding proposal be submitted to PWSC for consideration. At 12:25 pm, at the request of Mr CHAN Hak-kan, the Chairman ordered a division. The division bell was rung. The Chairman asked members whether they agreed to a further extension of the meeting to complete the voting. Mr LEUNG Kwok-hung raised objection. The Chairman said that he would consult members at the next meeting to be held on 26 April 2016 whether they supported the Administration's submission of the funding proposal to PWSC.

VII Any other business

106. There being no other business, the meeting ended at 12:30 pm.