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by Post

2 June 2021

Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

(Attn: Ms. Wendy JAN)

Dear Sirs,

Public Accounts Committee

Consideration of Chapter 6 of the Director of Audit's Report No. 76

**Site formation and associated infrastructure works for development
near Choi Wan Road and Jordan Valley**

With reference to your letter dated 1 June 2021 attaching the enquiries of the Public Accounts Committee on Chapter 6 of the subject Audit Report, we provide our written responses to and/or information on the issues set out in the **Appendix**. The soft copy (in Microsoft Word format) of the responses will be emailed to you separately.

Yours faithfully,



(Victor CHAN)

for Director of Civil Engineering and Development

Encl.

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PAC's Enquiries	CEDD's Responses
<p>1) According to the response from the Director of Civil Engineering and Development dated 26 May 2021 on question no. 3, Contractor A was granted 422 days of extension of time and had not claimed for additional costs compensation and the Government had not incurred extra cost either. Does it mean that the consultant and the resident site staff also would not receive extra payment / compensation due to the extension of time to the completion of Works?</p>	<p>In Contract A, Contractor A was granted 422 days of extension of time, of which 211 days were due to inclement weather, and the remaining 211 days of extension of time was due to encountering unforeseeable and complex ground conditions, including adversely-oriented rock joint and unexpectedly hard rock, which required longer time to handle. Regarding the 422 days of extension of time, Contractor A had not claimed for additional costs compensation. Hence, as far as Contract A is concerned, the Government had not paid extra cost to Contractor A due to the 422 days of extension of time.</p> <p>On the other hand, the Government engaged consultants to administer Contract A and employ the resident site staff (RSS) to supervise the construction works throughout the whole construction period, and paid consultants for the consultants' fees and RSS salary according to the provisions stipulated in the consultancy agreement. Since Consultant X had not claimed for additional consultants' fee due to the extension of contract period of Contract A and the RSS salary was paid on a monthly basis according to the remuneration mechanism stipulated in the consultancy agreement, the consultants and RSS did not receive extra payment or compensation for the extension of contract period of Contract A.</p>

**Note by Clerk, PAC: See Appendix 15 to this Report for the reply dated 26 May 2021 from Director of Civil Engineering and Development.*