

NOTE FOR FINANCE COMMITTEE

New Implementation Programme to Retrofit the Particulate Traps onto Pre-Euro Diesel Light Vehicles

PURPOSE

This paper informs Members of the new installation programme for the particulate traps onto pre-Euro diesel vehicles.

BACKGROUND

2. On 12 May 2000, Members approved the creation of a new commitment of \$50,880,000 under Head 44 Environmental Protection Department Subhead 700 General other non-recurrent for providing a one-off grant to assist vehicle owners to retrofit their pre-Euro diesel light vehicles with particulate traps.

3. The Administration's proposal as set out in FCR(2000-01)11 was to proceed with the tendering in June, complete the evaluation and award the contracts by October and start the installation programme in December this year. Members asked the Administration to look into the possibility of advancing the installation programme to start in September and report back.

NEW IMPLEMENTATION PROGRAMME

4. The Administration has reviewed the implementation programme. We will now proceed with the tendering in early June. On grounds of urgency, we will shorten the tendering period from 42 to 21 days. We will also shorten the time for evaluation the tenders and award the contracts in July. Allowing six weeks for the contractors to gear up, the installation programme will start in September this year.

In response to the concern of some Members over price competition in the non-exclusive tendering exercise, we will state in the tender document that the Government intends to award contracts to the three lowest compliant bids and to set the level of the grant per particulate trap on par with the lowest bid price received. Government will nevertheless reserve the right to award contracts to more than three compliant bidders. This will allow flexibility to extend the pool of contractors to further increase consumer choice if and when we are satisfied that the lowest bid price is truly competitive and the level of the government grant thus based represents value for money.

Environment and Food Bureau
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