

**Legislative Council Meeting of 10 January 2001**  
**Motion Debate on “Strategic Sewage Disposal Scheme”**

**Progress Report**

**INTRODUCTION**

This progress report informs Members of the latest position on the Administration’s follow-up actions in response to a motion as amended on the Strategic Sewage Disposal Scheme (SSDS) which was carried in the Legislative Council meeting of 10 January 2001.

**THE MOTION**

2. The motion as amended and carried in the Legislative Council meeting of 10 January 2001 is as follows -

“That, as the Government ignored public opinions and the professional advice of green groups when it formulated the Strategic Sewage Disposal Scheme (“the Scheme”), and a series of errors have arisen since the commencement of the Phase I projects, causing substantial losses to the economy, environment, people’s livelihood and society, such as the continuous increase in construction costs of the projects due to repeated delays and the unusual ground settlement in Tseung Kwan O affecting many buildings and causing losses to the public, this Council expresses deep regret and urges the Government to:

- (a) conduct a serious and thorough investigation to ascertain if there was any dereliction of duties on the part of the departments, officials, consultancy firms and contractors then responsible for the Scheme;
- (b) expeditiously conduct an independent investigation to assess the impacts of the unusual ground settlement on the relevant buildings and residents and the losses they suffer;

- (c) make reasonable arrangements for or offer compensation to the groups or individuals who have suffered consequential losses;
- (d) provide a 20-year guarantee for the structure of the housing estates affected by land subsidence, such as Tong Ming Court and Beverly Garden, and shoulder the maintenance responsibilities arising from the unusual ground settlement;
- (e) extend the period of back assignment at the original price for the flats affected by land subsidence from two years to three years;
- (f) re-allocating residents who have back-assigned their flats affected by land subsidence the priority green form, green form or white form status to which they were originally entitled;
- (g) enhance the transparency of the process for selecting environmental consultancy firms so as to avoid any conflict of interest and enhance their accountability, with a view to ensuring the standard of the consultancy studies;
- (h) conduct an overall risk assessment of the proposals made by the International Review Panel regarding the remaining works of the Scheme; and
- (i) widely consult the public and green groups.”

## **LATEST POSITION OF THE ADMINISTRATION’S FOLLOW-UP ACTIONS**

### **Investigation on SSDS**

3. The Administration agreed that there were useful lessons to be learned from the implementation of the SSDS (now renamed as the Harbour Area Treatment Scheme (HATS)) stage I works. It would draw on this experience in implementing future large-scale Government projects. However, it should be pointed out that the stage I works and the arbitration proceedings with the first tunnel contractor are still on-going. Completion of the arbitration proceedings would help identify responsibility for the problems that emerged during implementation of the stage I works. The Administration further notes that the Public Accounts Committee intends to review the project when the stage I works are completed.

## **Compensation to parties affected by the unusual settlement in Tseung Kwan O**

4. We understand the anxiety of the Tseung Kwan O residents who were affected by the unusual settlement. Inspections conducted by relevant Government departments have confirmed that all the buildings in the affected area are safe. For the defects that might be caused by the unusual settlement in the open areas within the affected housing estates, i.e. Beverly Garden and Tong Ming Court, the developer of the estate and Housing Department are carrying out the necessary remedial works. Since the release of the investigation report on the unusual settlement in late November last year, representatives of relevant Government departments have also attended several residents' meetings to explain the content of the investigation report.

5. As regards the requests made by the estate residents to the Government, which have generally encompassed items (b) to (f) of the carried motion, the Administration is still examining those requests. The Administration is endeavouring to complete its examination of these requests within the shortest possible time and will revert to LegCo and the residents of Tong Ming Court and Beverly Garden as early as practicable.

## **Enhance the transparency of the process for selecting consultancy firms so as to avoid any conflict of interest and enhance accountability of consultants with a view to ensuring the standard of consultancy studies**

6. The Administration maintains an open and transparent system for inviting bids from and the selection of works-related consultants. Departments regularly place a forecast of consultancy agreements to be tendered out on the Works Bureau's home-page (<http://www.wb.gov.hk/forecast/index.htm>). Based on their technical competence, past experience and performance in the relevant field, qualified consultants are invited to bid for these consultancy studies.

7. Prior to submission of their fee and technical proposals, the shortlisted consultants are informed of the assessment criteria, marking scheme and the names of contenders, including their sub-consultants. Upon completion of the

selection exercise, shortlisted consultants are given a summary of the technical mark and fee of each of the shortlisted consultants. The consultant selection procedures are also clearly stated in the Works Bureau Technical Circular No. 16/95 and the Handbook on Selection, Appointment and Administration of Engineering and Associated Consultants issued by the Engineering and Associated Consultants Selection Board (EACSB), which is the ultimate approval authority for awarding consultancy contracts. (The two documents can be accessed on the Internet at <http://www.wb.gov.hk/circulars/index.htm> and [http://www.info.gov.hk/ced/eng/publications/publications\\_f.htm](http://www.info.gov.hk/ced/eng/publications/publications_f.htm).)

8. The existing consultant selection procedures and the consultancy documents have also included provisions to avoid any conflict of interest. These include the following -

- (a) the consultancy brief issued by the managing department specifically requires consultants to declare any involvement or interest which might constitute any real and apparent conflict with the consultancy work concerned. Consultants who are considered to have conflict of interest would be excluded from the selection process;
- (b) department are also required to report any case of conflict of interest in its submission to the EACSB; and
- (c) the Conditions of Employment of a consultancy agreement specifically require a consultant to declare any real or apparent conflict of interest that might occur prior to entering into agreement as well as during the course of the agreement with the Government. The Conditions also do not allow the consultant to undertake any other services which could give rise to conflict of interest.

9. Consultants' performance is monitored by managing departments through their day-to-day contact, monthly progress meetings, working group meetings, steering group meetings, etc. Should a consultant's performance be considered unsatisfactory, the department would discuss the issue with the consultant firm including its top management with a view to improving its performance. The department would also issue written or verbal warnings, if necessary, to the consultants.

10. The performance of consultants is assessed by appraisal reports. When a consultant receives three consecutive "adverse" reports on an

assignment, it will not be recommended for undertaking a new assignment. The normal reporting period is six months, but the reporting interval shall be reduced to three months when an adverse report has been given in the last reporting period.

11. Departments also take into account the past performance of consultants in drawing up a shortlist of consultancy firms for invitation to submit bids.

### **Overall risk assessment of remaining stages of the HATS**

12. The Administration will evaluate in detail the engineering feasibility of the four options proposed by the International Review Panel (IRP) regarding the remaining stages of the HATS. An integral part of this process will be a risk assessment of the options. The final option identified for implementation will also be subject to further detailed risk assessment as the project develops.

### **Consultation with green groups and the public**

13. To take forward the recommendations of the IRP, we will undertake trials and studies to ascertain the technical, environmental and economic viabilities of their proposed options. We will set up a monitoring group to monitor the progress of studies and trials. We have already invited three local members of the IRP to join this group. We will also invite the Advisory Council on the Environment to nominate four members to join the group. Other members of the public will also be invited to join as members.

14. To promote public understanding of our work in the area of sewage treatment and to enable the public to contribute to the process of selecting options for HATS, we have issued a pamphlet setting out the recommendations of the IRP, our initial responses and our course of action. The public are welcome to offer us their views. We will continue to work closely with local experts, academics, green groups and professional bodies as well as informing and responding to the general public so as to ensure that the way forward for the subsequent stages of HATS will have broad-based support from the community.

## **CONCLUSION**

15. Members are requested to note the latest position of the Administration's follow-up actions in response to a motion as amended on the HATS on 10 January 2001 as set out in the preceding paragraphs.

**Environment and Food Bureau**

**20 March 2001**