

立法會

公營房屋建築問題專責委員會

第六十九次研訊的逐字紀錄本

日期： 2002年5月28日(星期二)

時間： 下午2時30分

地點： 立法會會議廳

出席委員

劉健儀議員, JP (主席)

何俊仁議員(副主席)

何鍾泰議員, JP

李卓人議員

涂謹申議員

陳鑑林議員

楊孝華議員, JP

鄧兆棠議員, JP

麥國風議員

劉炳章議員

缺席委員

呂明華議員, JP

陳婉嫻議員, JP

黃宜弘議員

石禮謙議員, JP

余若薇議員, SC, JP

證人

公開研訊

房屋署署長

苗學禮先生, JP

房屋署助理署長(優質居所)

馮宜萱女士

Legislative Council

Select Committee on Building Problems of Public Housing Units

Verbatim Transcript of the Sixty-ninth Hearing
Held on Tuesday, 28 May 2002, at 2:30 pm
in the Chamber of the Legislative Council Building

Members present

Hon Miriam LAU Kin yee, JP (Chairman)
Hon Albert HO Chun-yan (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon CHAN Kam-lam
Hon Howard YOUNG, JP
Dr Hon TANG Siu-tong, JP
Hon Michael MAK Kwok-fung
Hon LAU Ping-cheung

Members absent

Dr Hon LUI Ming-wah, JP
Hon CHAN Yuen-han, JP
Dr Hon Philip WONG Yu-hong
Hon Abraham SHEK Lai-him, JP
Hon Audrey EU Yuet-mee, SC, JP

Witnesses

Public hearing

Mr J A MILLER, JP
Director of Housing
Housing Department

Ms Ada FUNG Yin-suen
Assistant Director/Quality
Housing Department

主席：

歡迎各位出席立法會公營房屋建築問題專責委員會的公開研訊。我希望提醒各位，整個研訊的過程，必須有足夠的法定人數，即連主席在內，共5名委員。在研訊過程以外的場合披露研訊上提供或將會在研訊上提供的證據，是不會受到《立法會權力及特權條例》的保障，因此，傳媒與公眾人士，應就自己的法律責任，如有需要的話，徵詢法律意見。

委員會今天是就如何改善公營房屋質素的50項措施，向房屋署索取證供。出席研訊的是房屋署署長苗學禮先生及房屋署助理署長(優質居所)馮宜萱女士。

現在邀請證人苗學禮先生及馮宜萱女士。

(苗學禮先生及馮宜萱女士進入會議廳)

苗學禮先生及馮宜萱女士，多謝你們出席今天的研訊。

首先，我想指出專責委員會的目的，是依照立法會透過決議案所委派的任務，傳召證人作供，委員會不會就任何人，包括所傳召證人的法律權利或責任作出裁決。如果在委員的提問或證人的答覆中，提述到法院尚待判決的案件，並且可能妨害這些案件的話，我作為委員會的主席，有權禁止此類提述。

本委員會決定所有證人都需要宣誓作供，我將以專責委員會主席的身份為證人監誓。苗學禮先生，你曾在去年4月21日、24日及28日出席本專責委員會的研訊，當時你已作出宣誓。我想再提醒你，你會繼續在宣誓下作供。馮女士，你可以選擇用手按聖經以宗教式宣誓，或以非宗教式宣誓，請依照放在你面前的誓詞宣誓。

房屋署助理署長(優質居所)馮宜萱女士：

本人馮宜萱，謹對全能天主宣誓，我所作的證供全屬真實，及為事實之全部，並無虛言。

主席：

多謝你，馮女士。各位委員，Mr MILLER要求在回答問題前，作出口頭陳述。

Mr MILLER, you may now proceed with your oral statement.

Mr J A MILLER, Director of Housing:

Thank you, Madam Chair. Thank you for the opportunity to say a few words on our various reforms.

We have already circulated a detailed paper setting out the progress in the implementation of the 50 initiatives proposed by the Housing Authority in its "Quality Housing – Partnering for Change" consultative document. Many of these initiatives were subsequently endorsed by the Construction Industry Review Committee, and the paper cross-refers to that Committee's report where appropriate.

In brief, we have implemented all the initiatives, which it is possible for us to act on independently. In particular, we have stepped up supervision and policing of our projects. I do not propose to recite the list of improvements here, rather I prefer to focus on what is still to be done. The initiatives which remain to be implemented are:

- the transfer of responsibility for Building Control over Housing Authority projects to the Buildings Department;
- the setting up of a Construction Industry Workers Registration Scheme;
- the setting up of an Organised Specialist Sub-contractors Registration System; and
- adjustments to the Housing Authority's Building Committee and List Management Committee.

The first of these is a complex issue and will require amendment to legislation. Pending this, as Members, I think, are aware, we have established an Independent Checking Unit in the Housing Department, with the assistance of colleagues from the Buildings Department. This is functioning well, but it is a temporary arrangement, and I would like to say a few more words on this subject in a moment.

The setting up of a Construction Industry Workers Registration Scheme and an organised Specialist Sub-contractors Registration System are, I believe, essential pre-requisites for lifting the overall quality of the industry's workforce and their sense of pride in what they do. However, both require industry-wide agreement and for this we are dependent on the work of the Provisional Construction Industry Coordination Board. As regards the fourth item, adjustments to the Housing Authority's Building Committee and List Management Committee, these have been held in abeyance, pending the outcome of the Government's review of the institutional framework for public housing.

To come back to the subject of building control, I would like to make two points in re-emphasizing the importance which I attach to this item. The first point is philosophic: the public has, I believe a right to expect that there should be only one standard for building safety in Hong Kong and only one Authority to enforce it. The setting up of the Independent Checking Unit in the Housing Department meets the first of these conditions, but not the second. It can therefore be only an interim measure.

The second point concerns sanctions against those who flout the regulations and potentially endanger public safety. To my mind this cannot be simply a contractual matter. This cannot be something for which some small fine or forfeit, whether in terms of temporary loss of tendering opportunities, or other short-term disciplinary measure, is appropriate. This is a serious matter deserving of criminal sanction. At present, building industry professionals working on private sector projects are liable to such a sanction. Those working on HA projects, whether public or private sector employees, are not. That cannot be right.

In this context, I note that already a dozen building industry professionals, mainly engineers, were sentenced to imprisonment, for terms of up to three years and eight months, as a result of piling incidents, during the same time as the problems which we encountered. I think that underlines the point. In terms of the mix of carrots and sticks proposed by the HA in its reform document, this is clearly a very big missing stick. The sooner it is put in place, the better.

Madam Chair, at this juncture I would like to stress that our pursuit of improvements has not stopped with the publication of the Housing Authority's reform document, rather we regard it as a starting point. The reforms proposed by the HA involved both treatment of immediate symptoms, as well as a serious attempt to understand and treat the causes of the wider malaise within the construction industry. Early on in this saga, in a Housing Panel Meeting in this Chamber before this Select Committee was established, I posed the question: what is it about construction, which generates such a lack of trust? Which other industry is so litigious, hiring specialist claims lawyers to fire off letters to the client even before the ink is dry on the contract?

In the Housing Authority's reform document we used the word "Partnering" to characterize a joint desire to change the basis of the traditional relationship between the Housing Authority as client and the contractors and consultants who work with us. With the support of the industry, we have introduced "partnering" arrangements on HA projects. We have had some success, some limited success. The limitations are partly human ones. They relate to long-established attitudes; progress on this front will require cultural change by all parties. However, the limitations are also contractual.

The two factors defining the relationship between client and contractor are first, the method of procurement, and second, the form of the contract. In free and open discussion with our partners, it became apparent that risks were inequitably shared between client and contractor. This was particularly the case with piling contracts. As you know, the Housing Authority moved quickly to rectify the position, as is mentioned in the paper already tabled.

Superstructure contracts do not involve the same degree of risk as those for sub-structures. Nevertheless, simple economics manifestly still apply. If I might quote from that great nineteenth century figure, John Ruskin: "It is unwise to pay too much, but it is worse to pay too little. When you pay too much, you lose a little money – that is all, when you pay too little, you sometimes lose everything, because the thing you bought was incapable of doing the thing it was bought to do. The common law of business balance prohibits paying a little and getting a lot – it cannot be done. If you deal with the lowest bidder, it is well to add something for the risk you run. And if you do that, you will have enough to pay for something better. "

Now the Housing Authority is already to some degree selective about those with whom it does business, and, contrary to popular belief, it does not automatically always award contract to the lowest bidder. Nevertheless, the traditional public sector procurement philosophy has always tended to be price-led. The industry has responded well to calls for improvements to quality, and it has been a particular source of satisfaction to all concerned that flats constructed during the "peak" have attracted remarkably few complaints after occupation. Even so, two points are clear:

- first, as we further tighten and elaborate our systems of supervision, quality control and independent audit, the law of diminishing returns begins to operate;
- secondly, for as long as a contractor's profit is the client's loss and vice versa, there can be no sense of common purpose.

With these points firmly in mind, we looked to overseas experience, we very quickly found that we were not the first to have asked the questions I posed earlier. Exactly the same questions were posed by Sir Michael Latham in the United Kingdom, when he was commissioned to review the industry's problems there in the early nineties. There was a general sense of dissatisfaction in the UK among client, contractor and consultants. The industry collectively spent more on lawyers, courts, claims and disputes than it did on research and development. United Kingdom Treasury research at the same time established that almost all public sector contracts – building contracts were delivered late and over-budget, and tended to incur heavier than anticipated maintenance expenses.

The result had been a radical reform to public sector procurement practice in the United Kingdom, and reduced costs.

In November 2000, following further discussion with our partners, we announced our intention to follow this example and move towards more appropriate procurement systems, systems which fundamentally change our relationship with our partners, and which are designed:

- to share risk and reward;
- to spread that risk and reward equitably through the supply chain;
- to reward excellence at all levels;
- to ensure site safety;
- to lift the status of the workforce through investment in new skills;
- to encourage design innovation;
- to offer incentives for technical innovation;
- to share the savings achieved through value engineering;
- to avoid disputes; and
- to ensure speedy settlement at the end of contract.

These things obviously are easier said than done, but work is already well advanced. An essential component of such arrangements is a more selective approach to choice of building contractors and the Housing Authority has already established a "Premier League". We will shortly be seeking the Housing Authority's Building Committee's agreement to invite contractors in that League to bid for the first project to be let on what is termed a "Guaranteed Maximum Price", open book basis. Under this arrangement, contractors will be involved in each project from the design stage, and will have every incentive to innovate, to propose ways of producing savings and to secure quality. I regard this initiative as particularly important, given the current depressed state of the industry.

In advance of this, we have reviewing one other aspect of our procurement arrangements and that is our listing system for approved suppliers. In the past, with a high degree of standardization, the Housing Authority has sought to maintain quality by operating a listing system for approved suppliers of a large number of components. In some cases there have been abuses, and disciplinary measures have been necessary. For the future, however, I believe this approach has largely outlived its usefulness.

As we move deliberately away from an overly-standardized approach to design and towards a more site-specific approach, we will be opening up the lists of products and suppliers. Subject to broader quality specifications, we will be giving both our designers and our contractors greater latitude in choice of materials and components. Using the proposed new procurement arrangements, the UK experience suggests strongly that this will result in both better quality and significant savings.

Madam Chair, none of this in any way detracts from the need for continuous review of and improvements to our methods of project management, supervision and auditing, nor the need for discussion with and training of our staff. Their skills and their professionalism, their experience and their vigilance remain our first line of defence, and we will continue to invest in them.

Finally, if I may say, a few words about corruption. My policy is zero tolerance and constant vigilance. Where suspicions are aroused, whether by internal audits or complaint, we work closely with colleagues in the ICAC to identify and remove bad apples, be they public or private sector employees. We also continue to work closely with colleagues in the ICAC to eradicate opportunities for corruption by constant scrutiny of our design specification, procurement, supervisory and checking systems.

Madam Chair, in closing I would like to place on record my sincere thanks to the Hong Kong Construction Association, the Professional Institutes and the many members of the CIRC and Provisional Board, who have given and continue to give freely of their time and experience in helping devise and take forward our reforms. Thank you.

Chairman:

Thank you very much, Mr MILLER.

Mr MILLER and Ms FUNG, may I first of all pose the following question to you: could you please tell us whether the improvement initiatives proposed by the Housing Department are basically addressing the problems arising from the several incidents, in particular the Tin Chung Court and the Yuen Chau Kok incidents or whether they are aimed at solving the building problems of public housing at an institutional level from a macro perspective? Whose views of the Housing Department were consulted before formulating the improvement initiatives, apart from those associations mentioned in the last paragraph of Mr MILLER's oral statement?

Mr J A MILLER:

Thank you, Madam Chair.

Chairman:

Mr MILLER.

Mr J A MILLER:

I think the simple answer is the second of your two-part question. Obviously the reform document started as a reaction to quite specific problems and, to that degree, some of the recommendations in the original reform document deal with what one might call "the symptoms" of what we have encountered but, even within that reform document as we drafted it and as we consulted with the industry and those who work with the industry, it became apparent that we had to deal with rather more than just symptoms. We had to look for root causes.

Root causes, I have described here in my opening statement, as being partly to do with the economics of our relationship as a Housing Authority with our contractors and consultants; in addition to addressing problems which have been identified by various independent reports in the way that the Housing Authority and the Department have organised themselves in the past. So there are, if you like, two parts to this, possibly three parts.

One is the longer term contractual aspect; one is a look at the organisation of the Authority's or Department's systems; and the other is the wider industry reform which was picked up and elaborated in the CIRC report.

In answer to the second part of your question – who have we consulted? There is a list, I think, attached to the original reform document and its elaborated form which, I think, was published in April 2000, that contains all of those with whom we consulted. In short, they involve all of the professional associations, the Hong Kong Construction Association, various academic bodies, various non-professional associations who are associated with the industry and, at the time we first started the consultation, we invited anybody who had an interest to write in. Clearly, we have also consulted in some detail with our own staff and staff associations.

This is not something which simply stops with the original consultation. What we have tried to engender as part of the reform, both within the department and with our contractors and consultants, is an ongoing learning process. When we encounter problems, we encourage all parties to address them. That is part of the partnership approach. In my own visits to sites, we have joint meetings of both my own staff and the consultants and contractors' staff in which we sit down and we say, "What have we learned from this project?" This I regard as something which one has to keep doing, so we try to engender a culture of continuous learning rather than simply say, "Well, we've dealt with the problem.

Let's move on." It is not an area where I think we can simply say, "We'll shut the book and stop." Thank you.

主席：

Thank you, Mr MILLER. 何鍾泰議員。

Ir Dr Hon Raymond HO Chung-tai:

Thank you, Madam Chair. I would like to ask Mr MILLER about certain opinions expressed by some organisations or individuals. I would like to put to you the first one, for instance, some have suggested that the Housing Authority should not really assume the role of services and product provider but rather it should focus on the role of financing and monitoring because the Housing Authority, as it is, if it is simply involved in both, it could result in a certain amount of conflict of interest. What is your opinion, Mr MILLER?

Mr J A MILLER:

Madam Chair, am I entitled to offer an opinion as opposed to answering the question in fact?

Chairman:

You are here in your position as a representative.

Mr J A MILLER:

I am not reluctant to answer. Do not misunderstand me. I just wished to make sure I was entitled.

Chairman:

I think you should respond in your official capacity and not your personal view.

Mr J A MILLER:

Thank you. I think at the root of the question, if I understand Dr HO correctly, is a perception that over time, the government's intervention in the marketplace has become overly large and the organisation which is responsible for implementing policy has grown with it. I have to say I agree with that. Part of the long-term housing strategy has been to gradually reduce the government's role in direct provision. This is a point on which both the Chief Secretary and the Secretary of Housing have commented over the last 2 or 3 years, that gradually we should move away from the simple provision of bricks and mortar and substitute various forms of financial subsidies.

I think it is common international experience that where a large public sector organisation intervenes in a large way in the economy, then you get severe dependencies between that organisation and bits of the industry with which it interfaces. I think we have quite clear examples of that. One of the consequences of that is that once you decide that you need to reverse out of this position, you have to do so in a gradual way because it will take time for your partner to adjust to the new position. Government has already made some announcements about its intentions to move away from direct provision and towards financial subsidies. That translates into a reduced production by the Housing Department of, for example, Home Ownership Scheme Units. Yes, to that extent I agree with you, Sir.

Ir Dr Hon Raymond HO Chung-tai:

Mr MILLER, in fact, this is a very wide subject. Perhaps we could focus on small number of areas, so that we can go into them a bit more deeply. Firstly, are you saying that you should continue to be involved in policy decisions or involved in making proposals to government in respect of housing policies? That is the first one.

Secondly, will you be more involved in ensuring the end products are in line with certain results of your R & D (Research and Development) efforts, so that you can even take the lead of the construction industry in the future because of the amount of housing construction that you are undertaking?

Chairman:

Mr MILLER.

Mr J A MILLER:

To answer the first question, housing policy is set by Central Government. The macro housing policy is set by Central Government, not by the Housing Authority and not by the Housing Department. The Housing Authority or the Department are the delivery agents for government's housing policy.

As to the second point, for as long as the Housing Authority and the Department are responsible for significant volumes of housing production – historically it has been two out of every three new housing units built and as long as we are responsible for even half of that, then clearly we owe it to the community to set a lead in terms of standards, a lead in terms of technical innovation. I think the records show that, for example, in the area of mechanisation and in the areas of modernisation, as I said previously in this Select Committee, the Authority has traditionally led.

Ir Dr Hon Raymond HO Chung-tai:

If I just take you a little bit further on the second area. If you have your usual resources to undertake more R & D work so that you can establish more, for instance, initial data, in that case you can produce better products in the end. Would that be one of the areas you would be looking at?

Mr J A MILLER:

Yes. I think there are two ways in which we can do that. The first one is research. I made the point just now that in the UK they found they were spending more on lawyers and claims in litigation than they were on R & D as an industry. I think you would, without too much research, probably find exactly the same thing in Hong Kong. That was one of the reasons the Authority proposed the establishment of a research fund and voted \$20 million to it. That, I think, is very necessary.

There is another area. In the past, where the Authority has hired outside consultants, it has tended to do so for what one might call "purely supervisory work" and I have to say I think that's not really value-adding. If we are going to hire outside expertise then we should be hiring that outside expertise for the value added of new design and innovation.

Chairman:

Mr HO.

Ir Dr Hon Raymond HO Chung-tai:

Mr MILLER, can I go on to ask you for your opinion on certain people's proposals and suggestions that, perhaps you should allow the private sector to take part in certain of your projects, so that they can bring in their own ideas and their own efforts to supplement yours or, in a way, to have some competition with yours so that certain improvements can be achieved in the end. Would you be considering this in the future?

Mr J A MILLER:

Yes, we have. In the past, government has already done that. One of the objectives of the introduction of the Private Sector Participation Scheme back in the early 80's was, in fact, to try and get a degree of competition in the design of Home Ownership Scheme standard flats. More recently, as a very deliberate act, the Housing Authority opened a project to community wide competition and the aim there was to try and help us lift the game as a community, not just the Authority. We had pursued for several years in the interests of both achieving

uniform standards and of reducing costs. We had pursued a policy of standardisation. I think the consensus, both within the community at large and within the industry, is that, the process has been taken about as far as it usefully can and there is already quite a lot of criticism about an overly standardised field to the production. So we have deliberately gone about seeking new input through this first competition.

The maximum price tender – open book arrangements, which I described in my opening remarks, are designed to take that further. We want to bring the private sector into the contract for each project prior to the design stage, so that we will get input from the industry in terms of technical innovation, buildability, in terms of design, right at the beginning and to use that to drive a process of improvement both to standard, quality and cost-savings. It has been tried successfully in the UK. There are some examples in the private sector in Hong Kong of that type of arrangement. I see no reason why it should not also succeed in the public sector.

Ir Dr Hon Raymond HO Chung-tai:

Mr MILLER, some people have also suggested that you should consider privatising your own design team, so that in the end your design team would have to compete for your own work, so that you can achieve the best results in terms of costs and quality. Would you agree with that?

Chairman:

Mr MILLER.

Mr J A MILLER:

As I've said earlier, when you've built up a large machine and that machine has an interface with a very large part of the industry, one has to be careful about how quickly one adjusts it. The sort of measures I have just described are a process of adjustment, just beginning. Thank you.

Ir Dr Hon Raymond HO Chung-tai:

Mr MILLER, would you also be considering the opinions of your own staff in this respect because they may consider some loss in the sense of security in their employment because in the end, they may have to go out to do this at the risk of losing their own employment in the end?

Chairman:

Mr MILLER.

Mr J A MILLER:

In all of these reforms, we have discussed intensively with our staff and we'll continue to do so.

Ir Dr Hon Raymond HO Chung-tai:

Thank you, Madam Chair.

主席：

Thank you. 下一位是陳鑑林議員。

陳鑑林議員：

多謝主席。署長，我希望瞭解，房屋署在出現建築問題後，已採取了一系列措施來解決內部管理，以及一些與顧問公司、建築公司的關係。我想瞭解的是，在推出這些計劃之前，房屋署有否與你們經常強調所謂“夥伴關係”的幾個部分的私人建築商，或顧問公司進行詳細溝通？

Chairman:

Mr MILLER.

Mr J A MILLER:

Thank you, Chairman. The simple answer is "Yes". Before we published the reform document in the year 2000, we had a period of approximately 4 months in which we consulted widely with our partners. It was a salutary experience. I think at the start there was a certain reluctance or shyness on the part of our partners to be frank, but I think as the process went on, and as Rosanna WONG encouraged them, and as I encouraged them, the exchanges became more and more frank. There was an understanding that we meant business, and by the end of the day, there were some really quite candid comments being made about the way the Authority had previously conducted its business; about the way our own staff had behaved; about the general dissatisfaction on the part of all those involved, with what had become confrontational situations on site; a recognition that things had got unhealthy.

It was, therefore, when we put the reform document out to consultation, the industry welcomed it. Since then, we've introduced, as I said, almost everything which we said we would, in that report, and a few other things. We've obviously changed our opinion in some areas as we moved along. We continue to get feedback from our partners. We haven't been able to introduce partnering

arrangements with all projects. Bearing in mind that when we started we were in the middle of the peak, an enormous peak, of production; and you cannot simply change the engine while it's driving downhill at a high speed. We had to do it as the new contracts came in.

I think if you do an honest survey of our partners, as we've tried to do, you'll find a 50-50 response, and that reflects the fact that these measures have been introduced progressively. The tail end of the old contracts is less satisfactory than the contracts which have been let more recently. But even then, with some of the old contracts which got into difficulties for one reason or another, we've done our best to work with our partners to solve their problems. This was particularly the case with piling contracts where the Authority recognised that the previous contract form was unduly punitive in terms of, for example, liquidated damages; and where contractors had difficulties, we therefore eased those liquidated damages and helped them through to the end of the project.

I said in my opening statement that we've had some limited success. I think that's about it. We're making progress. There's quite a lot more to do. Thank you.

陳鑑林議員：

主席，剛才……

Chairman:

Perhaps, may I interject here? 我可否在此提問一個問題？

I just wish you, Mr MILLER, to tell us whether you sought understanding from the professional bodies, and also your partners, so to speak, on your inability to apply the new concept to existing contracts. Did you attempt to seek that understanding? The reason why I ask this is that we have been seeing a number of these professional bodies and they seem to give us the impression that there is a lot of skepticism about this new concept called "partnering"; and if there is such skepticism amongst those who are supposed to be your partners, then I don't think your new concept can apply.

Mr J A MILLER:

Madam Chair, I've said in my opening statement that partnering is not a panacea, and until we change fundamentally the basis on which we procure, then we're not going to be making as much progress as we should. But, yes, we have tried to work with the professional associations.

If we look at – take the example of Consultant Architects, when the Authority was faced with this massive peak of production, it deliberately took a decision to try and outsource the excess production to Consultant Architects. The experience has not been a happy one for all. The performance of the larger firms has been what one might expect, a good bell curve – very good, not so good, awful. The experience in the smaller firms has been remarkably good. That's a generalisation, but for many of the firms involved, this was a first-time experience of working with the Authority on public housing projects; and for all of those, it was a learning experience. Some, to be frank, came in with a pre-conceived idea that "it's only public housing", and that somehow standards would not be quite the same as were expected in private sector construction. It took them a little while to wake up to the fact that we expected high standards. For them, that was a difficult learning experience; for others, we had no difficulty at all.

I think it's very difficult to generalise about the experience all the way through this process. There are some with whom we've had serious problems, and certainly the loudest complaints have come from them.

主席：

陳鑑林議員。

陳鑑林議員：

主席，署長，相信你亦記得，在7個工程項目內，曾做過一些所謂效能管理的研究。我希望瞭解一下，這些研究對你們建立夥伴關係的幫助有多大？剛才主席亦作出少許跟進，很多顧問公司及承建商對於夥伴關係的實行，其實覺得互相之間的信任不是很建立。就這個study，對你們的幫助究竟有多大？

Chairman:

Mr MILLER.

Mr J A MILLER:

It has been an enormous help. I don't think you can solve problems without first admitting they exist; and the first stage of the reform, in simply talking to all our partners, was a general confessional. We were all admitting that these problems exist, and looking for ways to improve on them. As I've said, we have to take it further, and to my mind, the most important incentive, as opposed to stick, if you're taking things further, is to look harder at our methods of procurement.

Chairman:

Just one point. The question is posed in Cantonese; the answer comes in English. We understand, Mr MILLER, that you are conversant in both English and Chinese, but the interpreter has difficulty.

Mr J A MILLER:

I'm going to apologize. I'm sorry.

Chairman:

I think the best way, in order for the translation to take place...

Mr J A MILLER:

To slow down.

Chairman:

Because we're speaking two languages, one Cantonese, one English; for the question to be asked and the translation, allow a bit of time for the translation to filter through first, before you put in your answer. Similarly, if you answer in English, and Mr CHAN or some other Member wishes to ask further questions, allow time for the translation to take place.

Mr J A MILLER:

My apologies. Please accept this.

主席：

陳鑑林議員。Yes, Mr MILLER?

Mr J A MILLER:

Could I ask Ms FUNG to elaborate on the point?

Chairman:

OK. Ms FUNG?

馮宜萱女士：

我以中文回答陳議員的問題。陳議員所提及這7個工程項目是效能管理的工作坊，這類效能管理工作坊，一般是用於一些較早期的項目，在設計階段已引入各個不同的單位，甚至設計師、或有關部門、或有些承建商一同參與，並提供意見；及早將整個設

計符合各類不同的問題，及早有一個共識。這是用於比較複雜，而且需要(譬如管業、承建商)多一點參與。

剛才提到合作關係，我們另有一類稱為“夥伴合作工作坊”，現行的合約內有提到。這些工作坊，我們希望不是偏離合約條文，而是根據合約，怎樣令到各個合作夥伴，一同用一個機制來迅速解決問題。例如前線的同事，雙方有哪些問題提出了而無法解決的，一段時間之後，便提升至上一級迅速解決。這是現行的做法。

第二，在一個工程項目開始時，作為業主、工程小隊、承建商、分判商及安全主任一同考慮，該項目須符合哪些質素要求？有哪些地方是大家需要一同關注，例如地盤佈局、安排，各類大小問題，也有一個共識。

另外，我們會引入(譬如廉政公署)來講解一些關於防貪指引，務求整個小隊，也有共同合作的精神，將工程完成，令到業主滿意。大家有問題亦不會收起來，當問題出現後才互相指責，將這個文化改變。我們沿用的合約，一般來說屬於對抗性，工程小隊、工程師、建築師向承建商責難，提出哪些不足之處、不對或錯誤之處。但在新文化下，我希望大家可以合作，並不是偏離合約，而是有問題時，及早提出，不要待最後才提出來。我們的用意便是這樣。

在這合作坊的模式下，一般而言，我們進行了一段時間後，都有一個跟進時間，即參考他們的效果如何？合作方面是否比以前好？是否有改變？一般而言，超過半數的，是合作性比以前更高。所以，這可以說是有效的；也有一些人表示沒有意見或覺得與以前差不多，可能以前這是一向在合作方面也不錯的。所以，此類工作坊，可以推介給更多的新項目。

在2001年8月開始，已全線推行此類工作坊，但有一些以前未完成的工程，則沒有引進該工作坊，畢竟這些工程已經接近尾聲，因此，沒有顧及到此類工程。但在這些情況下，大家本着一個共同目標，一同將工程順利完成，各位可以看到，即使在高峰期產量時，我們的項目或建築項目，都可以盡量依期完成，亦可以確保質素。所以，在一定程度上，我們可以說，這個工作文化是行之有效。

主席：

陳鑑林議員。

陳鑑林議員：

主席，我們知道房屋署現已試行一個調解糾紛主任的機制。我希望瞭解，該機制的運作情況如何？該機制運作後，相對以往房屋署與承建商發生糾紛時，處理的效率是否已改善了很多？之間會否出現甚麼問題？是否可以作出回應？

Chairman:

Mr MILLER.

Mr J A MILLER:

I'll say a few words first, and again I'll ask Ms FUNG to supplement. The purpose of introducing this type of dispute settlement, the advisory system, is to try and reduce the costs of litigation and arbitration which frankly become excessive over time. If the relationship is confrontational, then at the end of the day there is going to be a protracted dispute; both parties are going to have to pay additional costs, and you may end up two or three years down the track before the contracts are settled. To my mind this is totally unhealthy – point 1. Point 2: on the ground, while the arguments are going on, you'll get delays. That's quite clear.

The advisory system has been used in other parts of the world. It has been used elsewhere in Hong Kong. Our experience so far has been quite encouraging. Essentially if any party to the project feels aggrieved and feels they're not getting the treatment they deserve, or they're not getting sensible decisions quickly enough, they can escalate this and bring in the adviser.

This is not a contractual thing. It's ex-contractual. It is advisory. It's not binding, but we have found, along with the partnering arrangements, that it is helping to, if you like, lubricate the system. I think as our partners become more familiar with it, they'll find it a very useful avenue for taking things forward.

Ms FUNG.

主席：

馮女士。

馮宜萱女士：

我希望再作少許補充。我們的調解糾紛，是有幾個試點推行，我們沿用一個調解糾紛的顧問制度，即在合約內常設一個顧問。

如果每月的例會有問題無法解決，需要用這個顧問時，便會引進來協助雙方盡快將問題及糾紛調解。就這方面，我們暫時有幾個試點正在推行，也有一些成效，可以讓其他工務工程參考。其他工程也有類似的機制。正如署長剛才提到，可避免一些大量的糾紛需要調解。

另外有些現行、或已接近完工、或不是這些試點的項目，如果出現糾紛，我們會成立一些調解糾紛小組，即由內部設立小組機制，希望迅速協助雙方面解決及調解糾紛，例如打樁工程、建築工程，希望盡快協助他們將糾紛或爭議點解決。我們在2000年後，已設立了該機制。

主席：

陳鑑林議員。

陳鑑林議員：

主席，這些所謂advisors，通常由你們自己內部的人士擔任，還是由外界人士擔任？

主席：

馮女士。

馮宜萱女士：

如果是顧問方面，則由外界人士去做，這是第三者，一個獨立的人士，我們會沿用建築署的名冊。調解糾紛小組，則由我們自己部門較高級的同事擔任，他們可以就整個事件來看，如果需要用酌情權，則可以有一個較靈活、彈性的處理方法。

主席：

陳鑑林議員。

陳鑑林議員：

主席，我知道其中一個建立夥伴的措施，是需要加強顧問評估機制。我希望瞭解，該機制與以前的機制有何分別？評估機制亦兼顧客觀標準，到底這些客觀標準，包括了哪些因素？

Chairman:

Mr MILLER or Ms FUNG?

馮宜萱女士：

多謝主席。就客觀標準，我們與業界(即我們的顧問)確實商量了很長時間，由2000年至2001年尾，大家才算滿意，2002年開始推行。就客觀因素而言，以前我們較量化，由審查小隊巡視各個項目的顧問，有哪方面不妥善，並評估分數，因此，將它量化成為一個分數，作為評核。

就這方面，我們知道業界有很多意見。於是我們一直將這個模式改變，即不是用量化方式，指出有哪方面不妥善的問題，然後進行評核，而是用一個比較客觀、具體的評核，或盡量信賴工程策劃小組作評核，不是多用審核組的分數作為評估。

大致上，我們這方面與各類業界顧問，包括建築師、工程師，有一個很長時間的磋商過程，今年年初已面世。

主席：

多謝，馮女士。下一位是涂謹申議員。

涂謹申議員：

我希望重複。我不明白署長就陳鑑林議員提問的回應，是否可以再詳細解釋？我不是太明白。

主席：

是否指對顧問評估的機制？

涂謹申議員：

因為你提到以前的做法是有一隊人去作評估，現在的做法不一樣。請問分別在哪裏？

馮宜萱女士：

其實是以前是tick完之後，計一個分數，有哪方面不足及得到怎樣的分數，再加上工程策劃小組對他日常的工作表現的評核，兩個分數加起來，便有一個較量化的分數。

我們改進之後，便不用這一套，即不用審查小組去地盤或去公司評估，不用這個報告來計分。該報告只是參考性質，即不是用一個量化制度去作評核，而多數要依賴工程策劃小組，對他日常的工作方面表現的評核，即是否理想？是否依時？是否依照標準去做？這樣一個較概念化的評核。對於這個制度，我們需要與業界商量，但現在已圓滿解決。

涂謹申議員：

但是我不明白，新的制度為何會較為客觀？以前的制度，如果計分可能較客觀；至於新制度，整體可能“功”則會多些計分，以前是計“過”，即不妥善的地方才計分。我是否可以這樣理解？

主席：

馮女士。

馮宜萱女士：

概念上可以這樣理解，即以前比較着重有哪些過失，現在則功過都較平衡。

主席：

涂謹申議員。

涂謹申議員：

我們知道採購顧問服務稱為“兩個信封”，或可稱為“雙軌制度”。技術與價錢的比重，考慮因素為8：2，技術為八成。但有一些說法則認為，由此技術水平似乎普遍相差不太遠，或不太容易在開始時看到有相差，因為其實你就以往他做過的項目，來推算某一個計劃，加上現在他某個建議；但價錢是佔二成，實際上，這個比例是最主要的考慮。究竟完成技術評估後，技術分數的差別，會否最終列為總分？還是根本上，過了這part之後，只會考慮價錢方面？

Chairman:

Mr MILLER.

Mr J A MILLER:

I'll answer first, if I may. I'm conscious that there was considerable dissatisfaction with the 50-50 system which was operating in 97-98. Prior to that it was a negotiated fee system which applied, I think, in the two cases which the Committee has looked at. The modified two-envelope system, which we've referred to, is now a 70-30 split for standard design; 80-20 for non-standard design. The principal modification is that we only open the fee envelope for the top three technical score tenders. Everybody else we ignore. It's early days yet. We have only had, I think, four projects so far.

But it is quite an interesting result in that in all the successful cases, the tenders went to the tenderer with the highest or second-highest technical score. So quite clearly the technical side is outweighing pure price. Obviously we will continue to watch this, and we will be continuing to consult with the professional institutes, sharing our experience with them on this.

主席：

涂謹申議員。

涂謹申議員：

另一個看法就是，就顧問方面，只是最高分的三個，你才考慮他們的價格，他們應該是相當高水平的，他既是高水平，你如何確保他所聘請的員工，有足夠的實際經驗？員工的實際經驗，是否屬於技術水平的評分，或你們如何確保這方面？

Chairman:

Ms FUNG.

馮宣萱女士：

我可以解釋有關技術評分的部分，譬如以聘請建築師為例，大約可以有50%的技術評分，是在設計方面的。譬如有6個投標者，初步評核不會知道哪一個人是哪一間公司，全部是不記名，是不知名的，這是要確保客觀性。

另一部分就是考慮在工程內由哪些人擔任，例如誰是總建築師，誰是高級建築師及建築師？各人有多少年的工作經驗，或有哪些經驗是與我們的要求相若，該部分會另有一個評分，將這兩部分的評分相加，才是一個總技術評分。所以，在員工的經驗及資歷方面，在評分內可以說是足夠，是已經包含了。

有了評分之後，在整個技術評分內才選擇最高分的3間顧問公司，然後開啟他們的第二個信封(即價格的信封)，將2個80：20的比例相加而成一個總分，這樣才決定由哪一間顧問公司負責該項工程。

在我們的幾個項目內，所聘用的都是技術綜合評分最高分的，所以不會有所謂“價低者得”的問題存在。

主席：

涂謹申議員。

涂謹申議員：

假設他有一個相當有資歷或很好的負責人，或是一組人，你會否問他們，尤其是最高的一個，他會負責幾個項目？他會否只是“掛名”，所有的文件都願簽名負責，他願意去“搏”。你會否提問這個問題？

主席：

馮女士。

馮宣萱女士：

這是一個相當仔細的問題，我可以粗略作答。在填報的人員或人手方面，我們會看那些人員在這個項目，每星期用多少小時來工作，同時負責多少項工程，如果認為他不可以應付，我們不會接受。

主席：

你會要求他說出：他同時正負責多少項工程？

馮宣萱女士：

是的，譬如有哪些工程尚未完成，還在開工，這些也會考慮的。

主席：

如果這人將來或者在工作過程中，突然不做了，這樣是否可以轉換人手？譬如他得到一張標書，然後表示另有其他事情做，不做這工程了，找其他人來代替。可否這樣做呢？

馮宣萱女士：

這就要視乎當時的情況是如何。

主席：

但制度是否容許這樣？你交給他的時候，是相信他會做，但沒有規定他一定要做完，例如中途他提出不做，是否有機制讓你們可以確保他一定會做下去，或是怎樣的呢？

馮宣萱女士：

例如私人公司的顧問，亦有機會離職的，這要視乎當時的情況如何。當然，負責人(即總建築師一類的人員)，我們則不希望轉換，但如果他所聘用的人員真是離職，也要讓他有一個補充，由另一個資歷相若的人去做這項工程。

主席：

涂謹申議員。

涂謹申議員：

在Mr MILLER證人陳述書的第12C段，我看到在過往2年，有2次QS(工料測量顧問).....

主席：

Quantity surveying，即工料測量。

涂謹申議員：

他的投標相當低，於是沒有給他中標。如果以剛才的概念，意思是否即使他進入三甲，但開信封後發覺他的價格相當低或“離譜”，那時還有一個機制，不會接受他的標書。我希望理解：是否這個意思？

主席：

馮女士，Mr MILLER？

Mr J A MILLER:

In general terms, regardless of whether it is the contractors or consultants, if in the opinion of the department professionals or myself, the bids which come in

for any contract are preemptively low, then we would draw that to the attention of the Tender Board, with a recommendation that it be excluded. That's practical common sense.

Chairman:

So you do look at the price first?

Mr J A MILLER:

No. We're talking about the 80-20 split per consultant. We open the top three technical bids first, and then look at price. But if, in those circumstances, we found that technically, the superior bid was there with a \$1 price, then we would throw it out.

涂謹申議員：

這是奇怪的。如果在技術方面，他已進入前三甲(他一定是可以進入前三甲，因為機制是這樣做的)，如果他的價格相當低，那你們會採用甚麼方式？是否會向他提問：為何價格如此低？或是覺得他的價格相當低，低至“離譜”，我就害怕起來，寧可不要了。做法是如何的呢？

Chairman:

Mr MILLER.

Mr J A MILLER:

I think it's common sense, common business sense. If somebody says they're going to charge you a dollar, then you should expect they will only give you a dollar's worth of quality, frankly. We wouldn't accept it. That's practical common sense. The system is based on the assumption that all of our professional partners will behave professionally in putting in their bids. If they don't, then we treat them accordingly.

涂謹申議員：

我主要的問題是：你有否向他提問？副主席曾經提問過，如果你不向他提問，或許在某些情況下，他可能會有一些薪酬低、能力高的員工，可能會有的。或他在某些時間，可以特別供應得到(不論是物料或其他方面)，所以，如果不向他提問，立刻以 **common sense** 來評估——那一定是不可能的。我希望清楚地知道這點。

主席：

馮女士。

馮宣萱女士：

或者由我解釋詳細的運作，當然我們會參考他們的綜合評分最高分的投票者，如果他的價格，與其餘的價格相比，是特別低、會有不合理之處，我們會與他們面談，問他在甚麼地方、甚麼原因致使價格如此低？如果答案是沒有工作，既然有員工，所以低價我也會做，只是為求中標，這樣，我們未必會接受。

如果經我們計算過，連成本亦無法取回，與其讓他做，不如給一個有合理價格、技術評分比他高的顧問做，雖然價格比他高，我們亦會給一個可以有能力做這個項目的顧問去做。這種情況出現兩次後，業界已知道，不可以靠一個十分低的標價，去“博”中我們的合約，這樣便無須大家“割喉式”來競爭，主要的問題在此。

他們試過兩次後，價格相當不合理，雖然價格低，但亦無法中標，這樣他就會有一個訊息，業界就會知道，要提供一個合理的價格，不會用一個所謂“價低者得”的原理去運作。

QS(工料測量)方面，剛才提到比例是70：30，而非80：20，方面，這樣，比例相對地不會那麼重；在這方面，我們會看技術方面，他的水平如何、價格如何？我們會作一個合理的評核，這須用一些專業人士當時的判斷，而不是盲目地將分數相加，最高分的，便自然中標，不會出現這情況。

主席：

如果出現這種情況，由於投標者所出的價格不合理地低，你們便取消他的資格，這樣會發生甚麼事情？會否多考慮另一個，還是在餘下的兩個中選擇？

馮宣萱女士：

這樣便會按技術方面，再加上價格的評核，以最高分數的第二位作為中標者。

主席：

即是選擇其餘兩位，不會再從較後的名次中選擇另一位？

馮宣萱女士：

我可以補充的是，工料顧問與建築師、工程師不同，即使不是選最首3名(這與另外的甄選不同)，假如他的技術評分是低於某種水平，那我們便連第二個信封也不開，如果技術評分無法達到我們起碼的要求，我們不會打開價格的信封。

主席：

涂謹申議員。

涂謹申議員：

反過來，我覺得要小心處理。你剛才提到你問他：為何價格會如此低，他就提到因為沒有工作做。假設：例如一些“過江龍”，他們有很高水準，因為想打開市場，打好名堂，於是可能在開始時，未必可以把握價格，總之，有工作做便可以，因此以低價投標。

在開始時，他可能真是未有其他工作，如果房署就這方面覺得相當重要，是否無端端地便沒有這些投標？所以，我就考慮到所謂低價格的限度，譬如你自己 in-house 都有一些水平，究竟到了哪個限度，你就會取消他的資格，是否沒有編制的呢？

Chairman:

Mr MILLER.

Mr J A MILLER:

It's a hypothetical question, but it's a perfectly valid one. Every Tender Board faces that kind of decision, especially when the economy is not doing very well. Every Tender Board has to make up its own mind on the best professional advice it can get. I was fascinated in looking at the UK experience. The local government, until the early 1990s, was legally bound to take the lowest bid, regardless. We all know that that can be suicidal. We think we owe it to the public to take a responsible view, whether it is for consultants or contractors. The Authority traditionally has taken that view. We've modified the system; we've improved the system under the reform package, and we are excluding more lowest bids than we used to. Even in the past we have excluded preemptively low bids. Thank you.

主席：

涂謹申議員。

涂謹申議員：

另外有一些是直接聘用(direct appointment)的，我想提問的是，這是否有些準則？在哪方面才會直接聘用？在第12段關於責任方面，你曾提到可改善line of command，那是怎樣實行的？可否就這方面詳細地解釋？

Chairman:

Paragraph 12d of your written statement.

Mr J A MILLER:

Thank you. There's been debate on this subject over time. In the past, the Authority has opted for a system where consultants can choose their own sub-consultants. The complaint, the strongly voiced complaint in our consultation within the industry, has been that that has allowed a process of fee bidding informally to go on at this next layer down. Those who have been on the receiving end of that fee bidding process feel that it has not been healthy. We've therefore changed it.

主席：

涂謹申議員。

涂謹申議員：

這是否意味，如果是某個顧問合約或建築合約，會否盡量令他(與那組公司)有機會取得contract，我不是很明白，那是用甚麼標準來決定直接聘用？

主席：

Mr MILLER或馮女士？

馮宣萱女士：

我在此作一些資料性的補充，即技術方面如何運作。以往我們都用建築師為首的“顧問聘用制度”，這制度以往成為不少人所詬病——如何確保他所聘用的結構工程師或機電工程師具備最好的質素？由於將整個工程全包，即使價格加上技術，也不一定聘到最好的顧問，而業界亦有很多機構(包括公營、私營)，都是用直接聘用顧問建築師、工程師的制度。所以，我們在去年9月開始，在聘用新顧問時，都用了直接聘用的制度。

涂謹申議員：

意思是否不用投標了？

馮宣萱女士：

同樣需要投標，但是獨立投標，即不需要由建築師連同兩個工程師一起投標。

Mr J A MILLER:

The old system, we would hire one consultant, and we depend on that consultant to provide all of the sub-consultants. Two problems with that, one is you don't have direct control; the other is discretion of informal precluding.

主席：

如果獨立地找建築師及工程師，會否出現協調的問題？

馮宣萱女士：

這正是我們在這個模式內要小心處理的一部分，當然我們會篩選工程師、建築師，找最適合做那項工程，問他們是否有意思投標，然後再揀選6個顧問投標，當然亦會提供一些名單讓他們參考，問他們可否與名單內的人合作。我們清楚知道這些資料，便不必擔心日後大家會否不能合作。在這方面，包括公營、私營機構，也是用這個模式運作，大家都認為可以運作，不會出現不合作的情形。

Mr J A MILLER:

The industry advice, Madam Chair, is that it's preferable to what we had, and that in most cases, sensible professionals would work together in a perfectly normal and professional way. There might be exceptional circumstances because of some historic dispute that might render them unhappy bedfellows. In normal circumstances, this is the industry norm and they prefer it that way. Thank you.

主席：

Thank you. 涂謹申議員。

涂謹申議員：

主席，我最後提問的是，現在提到的直接聘用，是否因為有業界人士覺得不應該由建築師牽頭，但實際上，一般都是由建築師牽頭的。

主席：

馮女士。

馮宣萱女士：

作為一個項目的統籌人，建築師在這方面的責任，是責無旁貸的，不論是直接聘用或要負責其餘顧問工程師，在工作的職能方面，這是沒有分別的，即兩者不應該有所分別的。至於前者是否一定找到最佳人選幫他完成這個項目呢？則並不一定，因為他可能會再找一些顧問工程師，再去“格價”，那麼，他所聘請的人是否最好？至於我所聘用的每個工程師、建築師，都是在技術上可以令我們放心的人員，而價格亦合理。既然工作、職能不變，都是用合理的費用，以這樣合作方式做，應該會更加順利。

涂謹申議員：

主席，我希望再提問一個問題。如果你的制度不是直接聘用，而是用一組人，然後按這樣“埋單”，由他告知你他們是甚麼人，在某程度來說(由2000年到現在，已有9個月時間)，你會否發現，在cost方面有任何不同變化？因為我想到直接聘用，是否較為昂貴？

主席：

馮女士。

馮宣萱女士：

自從去年9月開始，我們只出過兩項工程的標，因為近期我們比較少。第一個工程出標後，未評標之前，那塊地已由政府收回，即沒有批出去。另一個標則剛剛收回來，剛進行了評核，正好有一個結果。由2000年8月開始，採用“雙軌投標”制之後，價格的走勢已上調，採取直接聘用制，與以前的價格相比，則是相若的。

涂謹申議員：

我希望你能在一段時間後作出檢討，當然，在成本效益方面，是從整體考慮的。

Mr J A MILLER:

Madam Chair, all of these measures will be under constant review. Thank you.

主席：

Thank you. 李卓人議員。

李卓人議員：

多謝主席。在整個“短樁”聆訊內，我們聽到不少關於“價低者得”的問題，很多時，“價低者得”之後，某些承建商可能為了趕工、遷就價格、避免賠償等問題，便偷工減料，然後希望瞞天過海，似乎“價低者得”是一個相當重要的問題。

苗學禮署長在他的“開場白”(我不清楚苗學禮署長是否在某程度上，總結了他的個人感受，或是提出整件事的一個結論)，你quote了John Ruskin、一個經濟學家的說法，簡單來說，就是便宜沒有好，如果價格稍為昂貴，有時亦非壞事，如果過於便宜，你就會賠本，最後是物非所值，產品本身最後失去價值，你是否覺得，這總結了你對整個“短樁”事件的個人感受？我不清楚你為何會提到這一句？

跟進這個總結，房委會其中一個改善措施，就是拒絕過低的標書，我想清楚知道，是否整個事件的教訓，就是總結了當時你們在這方面的一點，即過於貪圖便宜？

Chairman:

Mr MILLER.

Mr J A MILLER:

Madame Chair, my compliments first to the Honourable Member for his excellent translation. The second procedural point: I believe I'm not here to offer matters of opinion but as a witness. However, I have previously, on the 21st of April last year, expressed a very firm opinion about the common denominator involved in the more serious piling scams. This quote does not

reflect my opinion of criminal behaviour. It reflects my opinion of what best public procurement practice should be. Thank you.

李卓人議員：

主席。你是否認為購買服務，應該以這樣作為一個最好做法，是否在某個程度上，亦承認以前房委會的做法不是最好的？

Mr J A MILLER:

No, Madam Chair. As I've said –sorry, I need to pause for translation.

Chairman:

Yes. I think you can start now.

Mr J A MILLER:

Madam Chair, as I have said on a number of occasions, contrary to popular public opinion, the Housing Authority has not simply taken a price-led approach to procurement. I have said that there are improvements which could be made to the way in which the Authority procures its partner services, but as a matter of historic record, since 95-96, in the works tenders, the Housing Authority has not taken the lowest bid in 10% of cases. Since we introduced the reforms in April 2000, that figure has gone to 20%*. Thank you.

主席：

李卓人議員。

李卓人議員：

主席，我希望把以前的問題暫且擱置。我希望提問關於以後的問題。無論如何，房委會其中一個改善措施，就是會拒絕過低的標價。你們亦提到在2000年4月批出的31份建築合約內，有6份不是批給最低標的；在這6項工程的標書，你們經常提到的pre-tender estimate，是因為低於若干而被拒絕，你們的標準範圍如何？是否與pre-tender estimate作比較，並作為拒絕最低標的一個準則？

Chairman:

Mr MILLER.

* 證人其後澄清：“The 20% referred to above relates to building tenders.”

Mr J A MILLER:

From memory, Madam Chair, I think one of the six was ruled out on technical grounds of the financial standing of the company. I think four of the others went to the second lowest as a result of the Preferential Tender Award System scoring rather than any other factor. It was not simply ruling them out because we thought the price was too low. These were technical adjustments on review of either the financial standing or the performance of the tenderers by the Building Committee.*

Chairman:

I think, Mr MILLER, we want to understand more about how you are treating this item called "price" because we have heard earlier on that you ruled out those bids that are unreasonably low. That we understand, but of the remaining bids that you do look at, do you compare the prices there with your pre-tender estimate? Because we are concerned that there may be a scenario where actually all the prices are much lower than your pre-tender estimate, although it may not be unreasonably low. So how do you deal with such circumstances?

Mr J A MILLER:

In fact, I tried to answer that question earlier. All of the consideration of tenders, whether it is for building contracts or for consultant services or for the supply of sub-contracted products such as fire services and so on, are reviewed by our Quantity Surveyors. They are given, if you like, a technical screening first. They are also then looked at by Quantity Surveyors, either in-house or contracted out, to establish whether or not there are any obvious errors in terms of pricing relative to known market price of the goods we are buying. Clearly there is a rough knowledge within the market-place by Quantity Surveyors of what certain products are going to cost; and if there are glaring errors, then we would revert to the tenderer and give him an opportunity to explain himself.

Having said that, once we have got through that process of technical review and Quantity Surveyor's examination, we still need to look at whether or not the bids are either competitive or what one might call "pre-empted". Now, in most cases, a Quantity Surveyor will use his words carefully and will say, "This is a highly competitive bid." On the other hand, it may be that there is such a huge variation in terms of individual items in the tender between two tenderers, that any sensible man is going to raise the question, "Well, surely, this can't be right."

* 證人其後澄清：“Of the six building tenders not awarded to the six lowest, three were due to the operation of the Preferential Tender Award System, one due to the financial standing of the tenderer, one due to adverse performance and one due to risk management consideration.”

There are grey areas between that. As I've said earlier, at the end of the day, the Tender Board has to make a judgment. Is the tender price being offered by your partner realistic? If it is not realistic, then you are duty-bound not to accept it.

主席：

李卓人議員。

Hon LEE Cheuk-yan:

Madam Chair, that exactly is my question. How do you define realistic and unrealistic? Do you compare it with a pre-tender estimate? Say, if it's below the pre-tender estimate by, say, 20%, then it is unrealistic or in any item, not just the pre-tender estimate. Maybe Mr MILLER has mentioned, actually any item whereby you felt it was unrealistic, then you will raise the question to the Tender Board that this may be unrealistic, but how do you define "unrealistic" and the margin by which you define it?

Chairman:

Mr MILLER.

Mr J A MILLER:

We don't define it mathematically. But if you know that a pre-tender estimate is X and if everybody comes in with X minus 5%, then clearly the Quantity Surveyors are going to look at what's happening in the market-place. If their assessment is that the tender price has, in fact, moved 5% between the time that the pre-tender estimate was drawn up and the time that the tender was submitted, then fine. One would look at all of those bids and say whether they are realistic; they are competitive.

If, on the other hand, one of the tenders is coming in at X minus 15%, 20%, and all of the others grouped around a much narrower margin, then we will have to ask a question about that exception. It comes down at the end of the day to professional judgment, but it is informed judgment, not simply arbitrary.

主席：

李卓人議員。

Hon LEE Cheuk-yan:

What is the difference between the present system and the previous system? Because theoretically with the previous system, you also have QS to go for a

technical screening. Does that mean the only difference now you are saying is that the Tender Board will exercise more judgment when you look at a tender than previously?

Chairman:

And how do you define "more judgment"?

Hon LEE Cheuk-yan:

And how do you define "more judgment"?

Chairman:

Mr MILLER.

Mr J A MILLER:

I think one can safely say, given the experience of the last few years, everybody, including myself, would be more cautious. But having said that, one of the chief differences on the work side is the better operation of the Preferential Tender Award System, i.e. not the disincentives but the incentives for better performance. Obviously we are running a publicly accountable open system and, even so, the Authority needs to choose its partners more carefully.

The introduction of the Preferential Award System after discussion with the industry, after the introduction of a much more objective scoring system, is paying dividends. We are finding that it produces a much clearer definition of who is performing well, and we are finding that we are not getting so many grumbles from those who are affected by these choices.

主席 :

馮女士。

Ms Ada FUNG Yin-suen:

May I offer just a very brief supplement on this very interesting topic for discussion. In fact when we assess the tenders, we are not purely looking at the price. There are other non-price factors, such as risks, technical and financial, and when it comes to the financial side, we will adopt the Preferential Tender Award System where we count 80% for the price and 20% for their previous performance based on the PASS assessment. So basically this is what we have introduced.

But I think one very important point underpinning this whole system is how do we choose our partners? So in the year 2000, we have established our own

list of piling contractors; and earlier on this year, we've established our list of ground investigation contractors as well. By doing so, we have a better control on our partners, as to how they perform on the work they are doing for us by regular monitoring, and we can have a kind of listing arrangement whereby they will not be allowed to tender or be demoted, so on and so forth. By doing so, we can have better control over who we can get for partners as a pre-tender exercise before they are permitted to tender. Whereas for building contractors, we have had this list established since 1990, and we introduced the Preferential Tender Award System in 1999. So it is the whole 9 years of the assessment where we have a solid background on data about how they behaved and how they performed before we launched the system. But for the others, like M & E, Buildings Services and also for piling and ground investigation, we've just started, so give us some more time.

主席：

李卓人議員。

李卓人議員：

主席，剛才馮女士提到用 Preferential Tender Award System，亦提到用一個8:2的準則，即表現只有20%，其實亦相當注重價格方面，為何平衡是用20%和80%，即表現為何只佔20%這麼少？

主席：

馮女士。

馮宣萱女士：

就此問題，我作一個簡單的回應，這是一個平衡點。我們由1999年9月開始，採用這個比例後，發覺也行之有效。如果將比例加得太大，恐怕在評核分數及價格的比例上，未必對我們評標有最好的效果。

我們主要回應的是，甚麼稱為超低價標書？剛才苗學禮署長亦清楚地解釋，那就是根據我們工料測量師的評估，如果每個標書的價格都是普遍偏低，由於市場的價格是一齊下跌，那麼便不是一個超低價；但如果其中某個價格特別低，他所出的標書，我們會將之剔除。當然會與他們有一個討論的過程，然後再作決定，不是一見到價格特別低，便把它剔除，不是機械式去做這個工作。

李卓人議員：

主席，苗學禮署長提到某些人(輸了的人)對你們現有的制度提出批評，亦有人提出怨言(*grumble*)。始終某些顧問所關注的，就是你成立一個“優質承建商組別”(Premier League)的制度，實力雄厚的容易中標，那麼進入市場，便會越來越艱難。這方面你們如何作出平衡？

Chairman:

Mr MILLER.

Mr J A MILLER:

Chairman, if we are going to be more selective about those with whom we do business – or, quite clearly, there are going to be those who no longer do business with us – the way we select will be on the sustained quality of performance of our partners. There have been arguments advanced in the past that government, because it is big, because the program is big, should do more to encourage smaller new entrants and so on. I agree. We should and we should do that on smaller jobs. But when it comes to the big, heavy stuff, there's no point taking a risk with somebody who's new and hungry and possibly not very experienced and possibly hasn't got the best staff. That's not the sort of risk which an agency like the Authority should be taking. We should do things to encourage new entrants, and we will be doing that. But for the major stuff, I am convinced that we need something like the "Premier League" and, more important than that, we need the sort of procurement arrangements which I have described in my opening statement, i.e. those which bring the contractors into the process early on under a procurement system and a contract system which allows shared savings. The experience elsewhere has been that this both lifts quality and produces saving.

李卓人議員：

主席，剛才提到“Premier League”，實施推行這個制度後，其實有多少工程是由“Premier League”的承建商負責？是否全部已變成由他們負責，全部工程都由“Premier League”接來做？

Mr J A MILLER:

We tend to use it for more bigger and more complex projects, but when we interviewed applicants for the "Premier League", we asked them to commit to two particular things. The first was that they would be willing to experiment with new forms of procurement and, in particular, that they would be prepared to

go for what is known as "open book contracts", so that their books are open to us and the independent Quantity Surveyors, so it is a transparent exercise. Clearly, if we are going to experiment with different forms of procurement, as a responsible public agency, then it has to be a transparent process.

I have to say that this type of arrangement has been used in the private sector. It has been used on some private sector projects at the airport, for example. It has worked well, but it does require a culture change on the part of all parties and, with the greatest respect, it will require a certain open-mindedness on the part of the whole chain of public accountability agencies. We have, therefore, been consulting with the Director of Audit, Treasury, ICAC and so on in moving forward.

Chairman:

OK.

李卓人議員：

主席，就“open book contracting”的制度，可否多作解釋？我覺得剛才的問題，還沒有清楚地解釋，到底有多少工程是由“Premier League”負責，會否最後百分百的工程都是由“Premier League”負責？

主席：

回應似乎是大型工程就是由“Premier League”負責，如果小型工程，就有機會給小型公司。

李卓人議員：

可否澄清是否全部大型工程，都是百分百由“Premier League”負責？

Chairman:

Mr MILLER.

Mr J A MILLER:

I have to apologise in not answering that more specifically. We will be learning to walk before we start running. It will be a couple of experiments. We haven't set a fixed percentage. We want to see how it works first. It will be a minority of production.

Hon LEE Cheuk-yan:

Do you mean that the "Premier League" is only to be introduced into some experimental pilot projects and not to all the housing tenders?

Mr J A MILLER:

Essentially, yes. It does not mean that those same firms may not bid in open competition for other jobs.

Chairman:

Could you explain further the open book system?

Mr J A MILLER:

I will ask Ms FUNG to explain it. Some of the technical detail is quite interesting.

主席 :

馮女士。

Ms Ada FUNG Yin-suen:

Maybe I can just give a very brief explanation, bearing in mind that we are just learning how to adopt the system. The open book system is that for some of the sub-contract packages, the contractor will have to involve the Developer and the Consultants and the Architects and Quantity Surveyors in letting those tender packages for those sub-contracts, so it is transparent to all parties, first point. And where there are savings that can be achieved, then the savings will be shared between the employer and the contractor on an agreed split ratio. It is a kind of "pain shared, gain shared" approach, whereby there is an incentive to get the best value to the employer. So basically, the concept is like this.

As to the details, I think we will not be discussing it here. But the answer to Mr LEE's question about the "Premier League" and the number of contracts – when we first started to develop the system, the "Premier League" scheme, we are saying that about 10% of the annual production, or the annual number of contracts will be earmarked for exclusive tendering by the "Premier League" contractors. That means those which are exceptionally complicated and of a high technical risk and high financial value to the Housing Authority will be earmarked for them to bid. But apart from that, all the other new Works contracts will be going out in a similar manner as if they are normal, which means they will not have an exclusive right over the others in tendering. Although by virtue of their performance score, they may be authorised to bid.

They may win or they may not; so it depends. So we are not driving the others out of business. This is the first point.

The second point – we do encourage our partners to innovate and to get onto the League. So for those who are capable, they can always get in. They can apply or we can invite them to be included in the League, so there is no barrier to entry as such. It is a very open system. Thank you.

Mr J A MILLER:

Madam Chair.

Chairman:

Yes, Mr MILLER.

Mr J A MILLER:

If Members would like some brief papers describing how guarantee maximum price...

Chairman:

That would be very helpful.

Mr J A MILLER:

And how the open book tenders work, then we would be happy to provide them.

Chairman:

Yes, thank you.

李卓人議員：

主席，房署的文件亦提過新的PASS 2000 System去評核承建商，我希望提問這些與舊的有何分別？是否可以解釋？

主席：

馮女士。

馮宣萱女士：

就這問題，我作出簡單的介紹。我們希望有一個較客觀的評核，當然要更改一個機制，亦須不少時間。在2000年7月開始，我

們雖然用舊的PASS，但我們已引進一個獨立的評核小組，希望評核可以更加一致。之後，我們將這個制度試行推出，再加以改良，這制度已在今年初推出。

主席：

好的。我想現在是適當時候略作休息，希望今天我們能夠全節完成，現在開始休息至4時15分，大概7分鐘。

(研訊於下午4時07分休會)

(研訊於下午4時16分繼續)

主席：

李卓仁議員，你還有兩個問題要繼續提問，對嗎？我將時間交給你。

李卓仁議員：

多謝主席。有些團體給予證供時，曾建議用一個私人發展商的方法，就是更加靈活地進行一些工序，譬如現在房委會做完一個工序、便做第二個工序，時間可能會較長。有些團體建議由同一間公司，去負責superstructure和地基，於是，在地基工程進行期間，已可以開始進入做superstructure的事。有些團體如此建議，從而節省時間，工序之間會有更多靈活性，你們覺得這個建議是否可行？

Chairman:

Mr MILLER.

Mr J A MILLER:

Thank you, Madam Chair. I think in fairness this is an issue on which the industry is divided. Some of the smaller contractors, particularly the piling contractors, feel that the wholly integrated contract would work to their disadvantage. I have to say that my own view is that ultimately we should move in that direction, of having a single contract; and frankly, if we go the procurement route which I propose, then that will follow – a single contract embracing both the sub-structure and the superstructure.

There are certainly efficiencies in terms of time and probably costs which would result, but I think more important is that it produces a single point of

responsibility for the finished product, and avoids argument in the event of problems, between currently the two separate contractors. As I say, this is a matter on which some bits of the industry are not comfortable. We need to work gradually on it.

主席：

李卓仁議員。

李卓仁議員：

主席，在監管承建商方面，很多時是由項目工程師去寫考核報告，其實，現時在這方面，有否一些改進去令到考核報告更能反映到真正的表現？

Mr J A MILLER:

I think we've addressed that slightly earlier.

主席：

馮女士。

馮宣萱女士：

如果是打樁工程的評核，當然是由負責該項目的工程師去評核，現在我們有一套更加客觀的機制，就是採用類似在建築合約方面，即PASS的制度，用在打樁工程方面。同時，屋宇裝備分配工程也沿用了，這樣會有一個更客觀的，而不只是主觀的評核。

主席：

何俊仁議員。

Hon Albert HO Chun-yan:

Thank you, Madam Chair. Now, I would ask a question on the distribution of risk. It has been suggested that in order to have a fairer distribution of risk, the Housing Department would in due course conduct more extensive ground investigation. Will you please tell us how extensive the ground investigation will be, and how would such investigations benefit your partners, benefit the contractors?

Chairman:

Mr MILLER.

Mr J A MILLER:

Thank you, Chairman. Obviously the problems we had with a couple of piling sites made us focus first on the risks inherent in piling contracts, and we took a number of measures to spread the risk more evenly. These included introducing into contract better definitions of "unforeseeable ground conditions", making that a legitimate ground for extra time, and so on.

In the specific – to go to the specific question, we have in effect doubled the density, if you like, of ground investigation done on each site prior to the drawing up of the geological report and the letting of the contract. This will provide us in the first instance with a better picture of what the ground conditions are on a particular site, and will therefore provide the Geotechnical Engineers with far better data on which to base their recommendations for piling type.

Second part, we are now in more cases than not, employing an Engineer's design for the piling contracts, whereas in the past we relied on the Contractor's design. The borehole data, the log data, will be made available – is already made available – to the contractor and engineer.

主席：

何俊仁議員。

Hon Albert HO Chun-yan:

I understand that your Department would very often obtain the Foundation Advisory Report which would provide you with professional advice on certain precautions with regard to various types of piling work to be done. Now, it is your current practice, as I understand it, that you would only keep this Advisory Report to yourselves, and would not make it available to your partners. Do you think you should consider changing this practice?

Chairman:

Mr MILLER.

Mr J A MILLER:

I think I should clarify that. The Foundation Advisory Report is interpretative, and it is designed to assist the HA's engineers in assessing what type of piling foundation would be best for a particular project. However, all of the bore log data, as opposed to the report – all of the raw data – is made available to the tenderer for reference.

Hon Albert HO Chun-yan:

So in short, you would still maintain the view that the Foundation Advisory Report would only be kept to your own Department and won't be provided for the benefit of your partners?

主席：

馮女士。

Ms Ada FUNG Yin-suen:

Maybe I can supplement better on this point. Nowadays, as we use more and more Engineer's designs instead of the Contractor's design and build contracts, actually there is no need for the contractor to have a copy of this Foundation Advisory Report, because he will have what he needs in the tender already. For the remaining handful of projects where we still have the Contractor's design and build contracts, I think if we adopt the spirit of partnering in future, apart from purely giving them the site investigation reports, we may consider releasing that to them; but there should be a disclaimer clearly mentioning that that should not influence them in any way about the design.

What we intend is that since we move away from this approach anyway, this is not a very important point in the future.

Mr J A MILLER:

Madam Chair, I note that concern was expressed by Members on this point previously. I think we have to be careful on the legal point. We don't particularly want to get involved in complex arguments over liability on the basis of whether or not our interpretation was right and so on. In practice, because we've moved away from purely Contractor's design, I think the concern is rather less of a problem than it was in the past. As I have said, the raw data is there.

Hon Albert HO Chun-yan:

OK. We understand that, even with the benefit of advanced technology, it is still rather difficult to have an accurate assessment of the underground conditions. In order to reduce the risk of the piling contractors having to cut corners, the Housing Department has introduced the re-measurement method in place of the lump sum payment method in respect of piling contracts. What is the proportion of this re-measurement payment type of contracts, compared with the lump sum payment type of contracts?

Mr J A MILLER:

I don't have that figure to hand, obviously, as we introduced this progressively. I'm not sure if Ms FUNG has the figure.

主席 :

馮女士。

Ms Ada FUNG Yin-suen:

No. I think, off my head, I can't recall it. It's about 80% of our tenders being made on Engineer's design with re-measurement.

Hon Albert HO Chun-yan:

I see. So 80%?

Ms Ada FUNG Yin-suen:

Yes.

Chairman:

Mr MILLER.

Mr J A MILLER:

That's 80% of new contracts issued.

Hon Albert HO Chun-yan:

I see.

Mr J A MILLER:

If one looks at the quantum currently in place, 80% may not be accurate.

Hon Albert HO Chun-yan:

It has been suggested by some professional bodies that it is not unusual for the Housing Authority to change the design in the course of construction, so invariably time would have been wasted. It is suggested by them that there should be some more time given to them in between the time where the tender is awarded and the time for commencement of work, to enable them to have a better understanding of the ground conditions. The suggestion is that there should be at least half a month's period. What is your response to that? And also I understand that in the new proposal...

Chairman:

One and a half months.

Hon Albert HO Chun-yan:

One and a half months. Do you think it's feasible?

Chairman:

Mr MILLER.

Mr J A MILLER:

Thank you, Madam Chair. The answer is "Yes, I do". In the past the Authority has been very pressed for time. This was particularly the case six or seven years ago, when the market was moving in an erratic manner. With the wisdom of hindsight, I think we should take far more care with the riskiest part of the undertaking – and that's the underground part. I am perfectly receptive to the idea of allowing extra time.

Hon Albert HO Chun-yan:

OK. It has also been suggested by one other expert who came to this inquiry that the Australian method of expert determination process should be adopted in place of the provision for liquidated damages. In case there is any delay, it should be resolved by the sort of expert determination. Now, what is your view on this proposal, if it is in compliance with you?

Mr J A MILLER:

Madam Chair, I have to confess that it's the first time I've heard that particular expression. What we've sought to do in our own reforms is to change the economics in the piling contracts so that the liquidated damages do not become so onerous as to become, "impossible", in the event that problems are encountered.

The other amendments to the contract, including allowance for overseeing ground conditions and so on, have radically reduced or radically altered the way in which risk is shared. I'm perfectly receptive, again, to looking at any further proposals for change. I think in the longer run, though, it's the change to procurement practice which is more important. Thank you.

Hon Albert HO Chun-yan:

Now, another question on sub-contracting: I understand that the Housing Authority has decided to tighten up control on sub-contracting, particularly in

respect of piling work. Are there any concrete measures that could be adopted, to ensure that the contractors would not be able to hide as the sub-contractor by various schemes?

Chairman:

Mr MILLER.

Mr J A MILLER:

Madam Chair, crime is not going to go out of fashion, but all that is humanly possible is being done to try and ensure that the multi-layer type of system is removed. I think the most important advance we can make – and for this we are dependent on the Provisional Board – would be the setting up of the register of specialist contractors, the sub-contractor system. However, in advance of that, as Ms FUNG pointed out earlier, we have already drawn up our own internal list of piling contractors, and we have introduced contractual arrangements with them, which require them to identify themselves, their operatives and their equipment. They have to own the equipment. It's not too difficult to identify equipment on site. If they don't own the equipment, then the question has to be asked, "What's it doing there?"

We think that those measures together in effect will preclude the sort of wholesale sub-contracting which previously concerned us.

Hon Albert HO Chun-yan:

So quite a lot of the screening work has to be done before awarding the tender, isn't it?

Mr J A MILLER:

Yes.

Chairman:

Can I seek clarification here concerning the time for construction of the sub-structure, because we are a bit confused here. Previously it was 9 months plus one, so it is altogether 10 months. The current arrangement – the revised arrangement is that you allow 12 months.

Mr J A MILLER:

Yes.

Chairman:

Then Mr HO's earlier question is "Would you be prepared to allow a further one and a half months between the award of the tender and the commencement of the construction?"

Mr J A MILLER:

Yes.

Chairman:

You said you were certainly amenable to that. So how does this all fit together? What time of time frame are we talking about for construction of the sub-structure?

Mr J A MILLER:

In practical terms, we're still talking about 9 plus 1 as being what one might call a standard.

Hon Albert HO Chun-yan:

I see.

Mr J A MILLER:

The reference I think announced in a previous session – to 12 months – relates to our experience since the establishment of the Independent Checking Unit; that internally more time is required for Engineer's designs to be processed by the equivalent of the Buildings Department within the Housing Department. That is something which sensible programming will accommodate. If we are to introduce an additional one and a half months as proposed earlier by Mr HO, then that would be in addition to the 9 plus 1, shall we say, rather than additional to the 12.

Chairman:

I see. OK. Thank you.

Hon Albert HO Chun-yan:

OK.

Mr J A MILLER:

In practice, Madam Chair, every contract is unique. When we have difficult sites, 9 plus 1 is irrelevant; but we use 9 plus 1 as merely a guideline.

Hon Albert HO Chun-yan:

Madam Chair, I would like to switch to another topic on the site supervision. In the paper entitled Enhancing Public Housing Quality, there are suggestions that the Housing Department would implement measures to ensure that all the site work would be under the supervision of competently experienced and qualified staff. Can you describe in more detail as to what measures would be put in place with regard to manpower and the assessment of the qualifications of these people, the site supervising staff?

Mr J A MILLER:

Are you referring to...

Chairman:

Site supervision.

Mr J A MILLER:

Are you referring to Housing Department staff?

Hon Albert HO Chun-yan:

Yes, Housing Department.

Mr J A MILLER:

The first point is clearly a training point. The problems which we encountered certainly highlighted a number of deficiencies and we are making amends for that by the introduction of additional training for staff.

The second is a matter of deployment. We are satisfied that, following the additional deployment of staff in early 2000, we fulfilled the pledge we made in the reform document to ensure that there were both adequate professional and technical staff deployed to all contracts then in train and that continues to be the position today.

It is a requirement for the Project Manager for all projects that he examines the project and ascertains the appropriate levels of experience and qualifications for staff who will be working with him on that project. Obviously that has to be audited as well and that has been done by my own internal audit set-up. So we are satisfied that internally we both have sufficient manpower and that they are appropriately trained and experienced for the jobs in hand.

Chairman:

Mr HO.

Hon Albert HO Chun-yan:

Thank you, Chairman. Now, in our inquiries, it has come to our notice that in the past where unfortunately some construction projects were entrusted to some site staff who were not sufficiently qualified or experienced to undertake the job. Now, especially in some projects, some site staff, such as Works Supervisors, were only employed for one project on an ad-hoc basis. So do you think that there should be some improvement in this arrangement, to ensure that these people would be sufficiently qualified and experienced?

Mr J A MILLER:

I think it's the specific incidents, which you referred to, are to be regretted. I think that the arrangements now in train for deployment and the responsibility given to Project Managers to vet, if you like, the qualifications of those working to them have avoided that problem. Certainly, an internal audit recently conducted has ensured that, in all cases, the appropriate level and qualification of staff were deployed. I do not know whether Ms FUNG wishes to supplement on that.

Chairman:

Ms FUNG.

Ms Ada FUNG Yin-suen:

Thank you, Madam Chair. I may just briefly supplement on the daily operation of how our site supervisory teams are working at the moment. We have already deployed professional engineers to all piling sites, and some of these will also be deployed to complicated complex building sites as well. That will strengthen our teams in terms of supervision and, furthermore, the Clerk of Works in charge of projects will always provide a kind of on-the-job training to his assistants and Work Supervisors, in addition to the training we give to new recruits as induction training or the regular kind of training given to them. So these will ensure that they will know what exactly is to be expected of the performance of contractors on site in terms of workmanship, material storage and so forth; and the team will work together as a whole.

For Work Supervisors, they may be just new recruits, but provided with training, and not only induction training but also on-the-job mentoring, the regular kind of mentoring as well, so we strengthen the entire system in operation on all fronts.

Hon Albert HO Chun-yan:

Would there still be hiring of site staff on an ad-hoc basis, one-off basis for out-sourced projects?

Mr J A MILLER:

As we come out of the peak of production of the building activity, we do not need to indulge in the sort of out-sourcing we previously had. So in normal circumstances the answer is "No." Were we suddenly have to increase the level of production again; then yes, we would have to take on additional contract staff. That does not seem likely in the foreseeable future.

Hon Albert HO Chun-yan:

OK.

Chairman:

May I ask whether you insist on the site staff having relevant experience because I think it's important to have the right qualifications and the right on-the-job training, but one of the problems encountered is that they do not have relevant experience. For example, with a particular type of piling, they may have piling experience of one type but not of the other, and it happens that this particular site is using the other type of piling and, therefore, the person does not have the relevant experience.

Mr J A MILLER:

In discussion with staff, there was a certain amount of debate over what the rights and responsibilities of specific staff were. In normal terms, we have a great schedule to allocate staff appropriately to two jobs, but we make it clear to the professionals responsible, in this case, the RSE responsible for the site. They do have a right to question the qualification and experience of staff, and if they feel they're not appropriate, then to demand that they be changed.

Chairman:

Thank you. Mr HO.

Hon Albert HO Chun-yan:

It has also been suggested by one professional body that future developments should be that the Housing Department should resort to new technology by bringing in more pre-fabricated parts for better quality control; and they would also bring in the incidental benefit of reducing manpower on site. What is your view on this?

Mr J A MILLER:

Madam Chair, the Authority has actually led the way in Hong Kong in terms of both mechanisation and off-site production of components for housing

production, and some of this work is now done off-shore, it is done in the Delta. We've always encouraged our contractors to put forward proposals for increasing the amount of pre-cast, pre-fabricated work. Over the last couple of years, we've seen some really quite ingenious proposals put forward. We have one project, for example in Tseung Kwan O, where the entire bathroom unit has been pre-fabricated off-site and then shipped in. We have some more radical proposals which are on display at the Integer Pavilion to which the Housing Authority contributed, and we have made it clear to all of our contractors – particularly the "Premier League" contractors – that if they have ideas for this type of off-site production, they should put them forward either at the tender stage or during construction. We are quite relaxed about it and within allowances to test them out.

I visited some of the off-site yards and there really is considerable ingenuity being employed in looking at ways of lifting the standard of industry and reducing the amount of wet trade operation on site. One other example which is very simple but which has proved very effective, in an environmental sense, in cleaning up our sites has been the off-site production of tiled panels for hanging in corridors. With one innovation, we have improved the quality of the tiling work in corridors, while at the same time, reducing the amount of wet work on-site radically.

Hon Albert HO Chun-yan:

How about the idea of having some material which has to be tested be subject to test before bringing it into the site, for instance, pre-test of the steel bars before taking them to the site to ensure that no sub-standard steel bars will not be used wrongfully by the workers?

Mr J A MILLER:

We have no difficulty with the idea of pre-delivery testing, but it still has to be supplemented by audit testing on-site to avoid any replacement.

Hon Albert HO Chun-yan:

I see, so technically it's not quite feasible?

Mr J A MILLER:

Technically, it is feasible to do it off-site but one would still have to double check on delivery...

Hon Albert HO Chun-yan:

I see.

Mr J A MILLER:

In case of a substitution.

Hon Albert HO Chun-yan:

I see. Now, about the idea of dedicated engineering inspectorate staff mentioned in the paper, can you tell us something more about this? For instance, is this only suitable for in-house or out-sourced project? What is the composition of this inspectorate staff? What is the duty and what sort of qualifications these people are responsible for, say, concrete testing, etc.?

Mr J A MILLER:

Madam Chair, can you refer me to the paragraph, please?

Chairman:

It's your paper enclosed with your letter dated 8th May, our reference SCI-H0270. And Mr HO is referring to the Annex – the implementation progress of the 50 quality housing initiatives. On page 6, reference is made to the dedicated engineering inspectorate staff. Have you got the position, Mr MILLER?

Mr J A MILLER:

Yes, that has already been done. In fact, to answer your previous question, and possibly because I wasn't sure it was something different. Following the discovery of the problems in 1999, almost as soon as the reform document was published, we deployed RSEs to all piling projects; that continues to be the case. We also deploy RSEs to complex superstructure projects as well.

Hon Albert HO Chun-yan:

Can you tell us something more about the qualifications of those staff responsible for, say, concrete testing, and explain to us in more detail about the mechanism of the working of this team?

Mr J A MILLER:

Concrete testing is done by accredited laboratories together with the Housing Department's own in-house laboratory.

Hon Albert HO Chun-yan:

Yes, but I thought you mentioned a competent person in the team.

Chairman:

Yes, we are trying to find the location of "competent person", but we are concerned about the concrete testing. We are not referring to the laboratory section but the checking of the concrete cores and checking of the sample chips.

Mr J A MILLER:

In piling contracts or in superstructure contracts?

Chairman:

In piling contracts.

Hon Albert HO Chun-yan:

In piling contracts, yes.

Chairman:

We're talking about the big...

Mr J A MILLER:

The diameter bored piles?

Chairman:

The diameter bored piles, yes.

Mr J A MILLER:

We've improved both the supervision and the testing of large diameter bored piles. There were problems in both public and private sectors on this, and the Buildings Department certainly intensified its own requirements for the private sector. We did the same thing, but I think we have gone slightly further than they have. We now have 100% sonic tubes for the large diameter bored piles and we have 100% interface coring which I think goes beyond the BD requirements.

Chairman:

But you still need somebody to check the chips, the rock chips?

Mr J A MILLER:

Yes.

Chairman:

I think reference was made in some document – we are still looking at the right location of that document; but we are concerned about the person who is supposed to check the quality of those rock chips.

Ms Ada FUNG Yin-suen:

Perhaps I could briefly supplement, Madam Chair. These will be done by engineers initially. They have to look at the chippings and identify whether they can satisfy the Specifications or not. But thereafter, some of these are just – similar checking will be done by site staff when they're available. It is very essential that these will be checked by engineers, whereas to establish a benchmark; and thereafter, say, in the same piles and same excavation that they'll have the similar kind of benchmark for the others.

Chairman:

So it is still a delegation process. The engineers will look at the chippings, set a benchmark and then the rest of the work will be done by others, so to speak competent persons.

Ms Ada FUNG Yin-suen:

Yes, bearing in mind we have Resident Engineers full time on-site nowadays. That is the first point. Madam Chair also asked whether we have any supervision on the concrete cubes. I think that's another part of the question as well.

For concrete, are you referring to cubes or cores? May I clarify this point first.

Hon Albert HO Chun-yan:

Cores.

Ms Ada FUNG Yin-suen:

Cores.

Hon Albert HO Chun-yan:

Yes. Concrete cores.

Ms Ada FUNG Yin-suen:

Concrete cores. Now, if it is interface cores, it is 100%. For the concrete cores; that means for the full length drilling, it would be 5%.

Hon Albert HO Chun-yan:

I see.

Chairman:

Sorry. May I interject here? We've found the location where the word "competent" appears. It's page 4 of the Annex that we referred to earlier, against Item 1.6 under A. The last sentence reads: "The employment of competent persons to inspect core samples and verify rock quality".

Mr J A MILLER:

Yes. I think it refers to the point which Ms FUNG just made; i.e. the engineer to establish the benchmark and then for subsequent tests to delegate to experienced site staff.

Hon Albert HO Chun-yan:

I think it's basically similar to the requirements set out in the manual, isn't it? The only difference is that you would expect that there would be strict adherence to this requirement.

Mr J A MILLER:

Strict adherence, plus the presence of the Resident Engineer to deploy in the...

Hon Albert HO Chun-yan:

Yes, now you use the Resident Engineer to make sure that a qualified competent person is always available.

Mr J A MILLER:

Yes, that is the biggest thing.

Hon Albert HO Chun-yan:

Yes, at all the critical stages.

Mr J A MILLER:

Yes.

Chairman:

Would you say that the competent person must necessarily be the Resident Engineer?

Ms Ada FUNG Yin-suen:

Madam Chair, I think he would be an engineer. He can be the Resident Engineer or the Project Engineer or Senior Engineer of the project.

Chairman:

So that competent person must be an engineer as against what previously happened, that the job ended with the Works Supervisor. That would not happen again?

Mr J A MILLER:

Yes.

Chairman:

Thank you.

Hon Albert HO Chun-yan:

I understand that there has been a review of the ISO 9000 and, subsequent to that, there are certain amendments to your manual, resulting in more delegation down the line. Now, in our inquiry into the four incidents in question, we have found that regrettably, sometimes the work was delegated down to the lowest level, namely the Works Supervisor, who sometimes is not experienced enough to handle the job properly.

My concern is whether, with this increased delegation, the problem will become more aggravated; there would be further delegation down to the lower level, such that even people like the Clerk of Works would treat themselves as only working in the office, looking at papers. How would you allay our concerns on this?

Mr J A MILLER:

I think the simplest way to say this is that you have to look at the whole of what is proposed, not just one part of it. Clearly the more significant change is the appointment of Resident Engineers to the sites. The general question of greater delegation throughout the system is designed to overcome problems of undue rigidity, which were also identified in various reports earlier on, to ensure that at an appropriate level, staff have the discretion to make decisions without unnecessary referral upwards. There is a learning process involved in all of that. If you're moving from what has been described as an unduly bureaucratic system to one which is more discretionary, then clearly all parties need a little time to adjust to it. I'm satisfied that that process is now well in train.

It is not the intention to delegate, as you put it, to the lowest common denominator, decisions which properly are the responsibility of professional persons.

Hon Albert HO Chun-yan:

Yes.

Ms Ada FUNG Yin-suen:

Madam Chair, may I supplement?

Chairman:

Ms FUNG.

Ms Ada FUNG Yin-suen:

In the course of the operation, these kinds of changes have been put in place, apart from delegation to the project team itself. In terms of the site supervision, we have in fact strengthened the need for more senior site staff, like a Project Clerk of Works who will go to walk a site with the Assistant Clerk of Works and also the Work Supervisors on a regular basis, first establishing benchmarks before sending them out to the inspection and; secondly, the routine, a kind of surveillance check and to discuss with them, what are the critical stages and points they have to be very careful about; and not just delegating it down to the Works Supervisory level, asking them to go on the frontline and do it on their own, all the time.

With these, we have strengthened our systems dramatically. It means they have to spend more time walking around the sites. Also, the Senior Clerk of Works are now employed to oversee all the projects in the district, whereas in the past we had to ask them to supervise, in addition one project as the Clerk of Works as well. In many of these areas, we have strengthened the system to ensure that the junior staff will not be there left alone on their own.

Chairman:

Mr MILLER.

Mr J A MILLER:

I think an additional point which was raised in the same context was that site staff felt they were becoming increasingly paper-bound; that there was too much bureaucracy in the system. Quite apart from the ISO 9000 you mentioned, since 1998 we've been through the manuals and the volume, there has been reduced by about 35%. In all my own site visits, I've encouraged both our own

staff and the Consultant Architects, plus the contractor, to continuously review whether or not any part of the paper process is really serving a useful function. Clearly as a public body, an accountable body, there has to be a degree of audit trail throughout the system, and that demands some paper. In the longer term we may solve some of that by IT, but so far, I think we've reduced it by about 35%.

That means, as Ms FUNG has just said, that staff who were not able to walk the site as often they wanted before, are now better able to do so.

Chairman:

Apart from reducing the paperwork and reducing the number of forms, you are carrying out some review to streamline the process even further. Is that so?

Mr J A MILLER:

Yes, that's correct.

Chairman:

If that is the case, then what is the timing?

Ms Ada FUNG Yin-suen:

In fact we have been rigorously reviewing the procedures now, after we've come off in a bunching, and our staff can now focus our attention to streamlining the manuals and the processes. The revised ISO system is likely to be introduced in October this year, so that we will be accrediting ourselves to ISO 9000, the year 2000 edition, which focuses more on the end product or the output rather than many of the detailed procedures.

In fact, we have already been reducing some of the checks and review our processes to allow ourselves not to be so paper-bound.

Hon Albert HO Chun-yan:

I see.

Ms Ada FUNG Yin-suen:

So that's in the year 2000, but now we may have a complete overhaul system very soon, and we'll be accrediting to this new system after the first audit trial by HKQAA, and the second and final assessment next year, before final accreditation, in about one year's time.

Hon Albert HO Chun-yan:

So it'll take about one year's time for the new system to phase in?

Ms Ada FUNG Yin-suen:

The phasing-in will start this October.

Hon Albert HO Chun-yan:

This October?

Ms Ada FUNG Yin-suen:

Yes, but we have to run for a while, have QAA to check it, and then there may be some fine-tuning before they come back again with the final assessment before we can get accreditation to the new system. This is our timetable, but to answer it in a very short way, we will be introducing it in October this year.

Chairman:

Mr HO.

Hon Albert HO Chun-yan:

Another problem we have come across, in the course of the inquiry, is about supervision of site work after 7 pm in the evening. Now, obviously site staff are reluctant to work after 7 pm, for the fear of offending any environmental protection legislation. On the other hand, we all know that concreting work has to be continued. If the concreting material is only brought to the site, say, at 3 pm to 4 pm, it will take maybe another 6 to 7 hours before the work can be completed.

After the occurrence of the incident in question, have you thought of any method to ensure that there will be continued site supervision after 7 pm, but at the same time without offending environmental issues? Have you really sat down with the Environmental Protection Department to see whether you can obtain available licences?

Chairman:

Mr MILLER.

Mr J A MILLER:

Madam Chair, we sat down with all parties. The Environmental Protection Department will make exceptions in exceptional circumstances, but it

will not make – quite rightly – generalised exceptions. We made it clear to our contractors that they are obliged, under the terms of the contract and law, to comply with the Noise Control Ordinance. In practical terms on site that means they must be competent in planning the progress of work on site – that is, they must plan the delivery times for their concrete such that it is possible to complete the concrete pours before 7 o'clock.

If they can't, there are certain consequences which are made quite clear to them. That is, if any concrete is poured after hours, then it is at their own risk and their own cost, because we will insist that anything which we discover to have been poured after work hours is subject to extreme test. There are very simple processes involved. It's not difficult to organise your work to ensure that you comply with the standing Ordinance. Everybody has to do the same thing.

If you break that rule, it is very obvious on the ground that you've broken that rule, because work which wasn't completed at 7 o'clock the day before is suddenly visible the day after. Quite clearly we would discourage that by going to extreme lengths and testing it.

Hon Albert HO Chun-yan:

So in other words...

主席：

馮女士。

Ms Ada FUNG Yin-suen:

Madam Chair, can I supplement on this point: I think Mr MILLER is very right in pointing out that contractors have been reminded not to breach the Noise Control Ordinance in the first instance; and furthermore, we have already lengthened the contract period by certain duration, by 1 month or 2 months, or a reasonable time for different contracts. So the need for working beyond 7 pm has been dramatically reduced.

Mr J A MILLER:

Madam Chair, if I may make one final point first, you mentioned concerns of staff about whether or not it was proper for them to be present if something was done after hours.

Hon Albert HO Chun-yan:

Yes.

Mr J A MILLER:

We have also made it clear to staff that if they need to be on site because there's a marginal slip in time – there's work which is in progress and it's not quite finished, and so on – then that's not a problem. They're entitled to claim overtime for being on site to ensure that that pour is finished. Even so, that work will be checked.

Hon Albert HO Chun-yan:

I see.

Ms Ada FUNG Yin-suen:

For those critical sites which will require 100% checking, there will be site staff supervising there until the end. That has been made very clear to colleagues concerned. Of course, we do not encourage working beyond permitted hours, but if there is any such need there will be somebody to supervise.

Chairman:

How do you make it clear to your colleagues? Is there a circular or something in writing?

Mr J A MILLER:

I believe circulars have been written, but also throughout this process of reform, there has been constant dialogue with staff about the critical areas, about what can be done and what cannot be done. They raised the concern in the first place, and we made it quite clear that they should not feel inhibited, by generalised rules about overtime, from doing sensible thing. But the most important thing is that the contractors must work by the book.

Hon Albert HO Chun-yan:

We are also concerned about the problem of controlling the transfer of building material in and from a building site. In the 50 measures, is there any item to deal with this?

Mr J A MILLER:

I can't remember off-hand whether within the 50 there is, but certainly we haven't stopped with the 50 measures. As problems become apparent, we've obviously followed both this inquiry and other inquiries, including inquiries by the ICAC, in trying to establish what may or may not have gone wrong on the site. We have followed up to try and ensure that such things do not recur.

Certainly after the case in Tung Chung when there were problems with the reinforcing bars, we have taken immediate measures to ensure that that does not happen again, with clear instructions to site staff on how they should behave.

I have to say, Madam Chair, without getting too philosophic, that there is a law of diminishing returns. You can tighten up a supervisory system; you can tighten up audit; you can tighten up and improve the systems. And we've done that. But beyond a certain level it becomes self-defeating. Let's take an extreme example, are you going to count in to the site every nut, bolt, rivet, bar, piece of concrete, electrical appliance, window frame and test every one of them as they go in. Obviously not. You have to rely on a certain amount of audit. There is a balance to be struck. And for as long as we contract out the tasks of construction, then we have to balance supervision plus audit and enforcement against the efficiency of the operation.

Chairman:

Mr HO.

Hon Albert HO Chun-yan:

Certainly I agree that mechanical and routine checking on all minute details would not be as useful as one would expect it to be, but obviously, after hearing from so many people during the inquiries, it seems that there are two important questions. One is risk assessment, under the standard nature of the risk; and secondly is audit. Random checking and random audit is of paramount importance. Have you ever addressed these two issues in great details?

Mr J A MILLER:

Yes, we have. We take the most precautions with the high risk items. The high risks are clearly items of reinforcement, concrete, things which by their nature become buried as the process of construction goes on. That is where the focus of our attention is. But the audit is essential and I note that in the case, for example, of the Shek Yam incident, the problems were picked up by the audit team.

主席 :

好。何鍾泰議員。

Ir Dr Hon Raymond HO Chung-tai:

I would like to cover a few areas very quickly. Earlier on, Mr MILLER, you told us that you would not stop thinking of corporatising part of your staff so that they would have to compete for the design work later on. But since the

several housing sites problems, particularly the ones that we are investigating, the staff have been affected, would you consult fully your staff first before you consider anything like privatisation of your Department?

Chairman:

Mr MILLER.

Mr J A MILLER:

Sir, at no point have I said that I intend to privatise the Works Division of my Department. There is a privatisation/outsourcing exercise in train which is related to the management and maintenance parts of the department, but at no point have I said I will privatise the works side. What I have said and what we have done is that work in excess of our capacity has been contracted out.

Ir Dr Hon Raymond HO Chung-tai:

I've asked an earlier question: Would you consider in accordance with some of the proposals made by some parties which came to our inquiries, that certain of your design staff could compete for your design work in the future?

Mr J A MILLER:

What we've done so far is, through the use of, in one case, competition and in the other through the deliberate employment of a private sector architect, we've encouraged a competition between public and private sector in the design of public housing. As we move forward, I think you will see that kind of competition, will continue. I think it is always good to test what we know we can do against what the private sector thinks they can do. That kind of exchange of ideas in a practical way using individual projects is a good way to move.

I am aware that in other parts of the world the sort of internal competition between semi-autonomous bits of an organisation has been fine with differing results. At the moment I have not contemplated doing it within the Department.

Ir Dr Hon Raymond HO Chung-tai:

In other words, Mr MILLER, you are now instituting these 50 measures for improving various aspects of your Housing Department work. What you need is further strengthening the morale of your staff. Will you not consider any other factor that would possibly adversely affect this morale aspect in the future, like privatisation?

Mr J A MILLER:

I think you have touched on a very valid point. The impact of the problem cases and all that followed on the morale on the professional staff of the Department was certainly severe and a key part of the reform program has been gradually pulling that back together. I think that has been done with some degree of success.

Ir Dr Hon Raymond HO Chung-tai:

Next, Mr MILLER, I would like to ask about things that you are contemplating at the moment, i.e. early participation of contractors and consultants in the new projects. That is, before any design is done, you would invite these companies to come along and express an interest to participate. Is that the case?

Chairman:

Mr MILLER.

Mr J A MILLER:

That's perhaps a somewhat over-simplified version of what is proposed. I have already volunteered that we would provide some basic information on guaranteed maximum price tender and open book tender and how we think that it should be run for the benefit of Members but perhaps that should be done outside the context of today's meeting. The aim is to secure innovation, efficiency and savings through getting the industry involved after the design stage starts.

Chairman:

Perhaps you can let us have a short paper on that one.

Mr J A MILLER:

I would be happy to.

Ir Dr Hon Raymond HO Chung-tai:

I would like, at this point in time, to relate this proposal to "Premier League" that we discussed earlier on. Very briefly, would you be concerned that, having installed this "Premier League" arrangement, gradually there would be a kind of monopoly of the industry, whether it is construction or design work, by certain premier companies, thus affecting the healthy growth of the industry as a whole?

Chairman:

Mr MILLER.

Mr J A MILLER:

In answer to an earlier question by the Honourable LEE Cheuk-yan, we made the point that initially we would be relying on our "Premier League" partners to help with essentially experiments on some larger and more complex projects, but that is a minority of projects. I hope that, as we encourage higher quality production by all of those with whom we do business, we will find that we eliminate the non-performing part of the industry.

Although, as a public organisation, I believe we should be as open as possible, I don't think that we would be responsible if we continue to employ people who do shoddy work. I have absolutely no compunction about de-listing those who do not perform. I do not think that will result in monopolisation of work. I think it will ensure that all of our partners are quality partners.

Ir Dr Hon Raymond HO Chung-tai:

Mr MILLER, if nearly all of your projects are large ones, that would mean only a very minimal amount of work trickles through to the other smaller companies. That means you would just rely on the well-known brand names to do the work for you. Would there be any chance at all for those smaller companies?

Mr J A MILLER:

All of our projects are not large ones and, as I said in answer to an earlier question, we would be quite happy to keep our minds open and our lists open to new entrants in working on smaller projects.

Ir Dr Hon Raymond HO Chung-tai:

Another area I would like to touch on, Mr MILLER, is: Since the work is merely done by contractors, would you put more emphasis in stipulating qualified or adequately qualified and experienced people to be employed by the contracting companies before they are awarded the contracts? Could this be one of the considerations in the award of contracts?

Chairman:

I thought in an earlier answer, this was already answered as part of the technical assessment, the type of people that is being offered to do the job.

Ir Dr Hon Raymond HO Chung-tai:

What I mean is the number of qualified people in different disciplines in the tender documents to be included as part of your assessment.

Mr J A MILLER:

I think we have covered that already. I don't know if you are referring to QCEs.

Hon Albert HO Chun-yan:

No, not QCEs. Different disciplines or professionals, such as Qualified Engineers, Qualified Surveyors in the contractors' teams.

Chairman:

It will be as detailed as that, won't it?

Mr J A MILLER:

Essentially, yes.

Chairman:

That has been answered. Is that part of the technical assessment process?

Mr J A MILLER:

Yes.

Ir Dr Hon Raymond HO Chung-tai:

Have you asked a question on QC Engineers, impartial...

Chairman:

No.

Ir Dr Hon Raymond HO Chung-tai:

OK.

Chairman:

Perhaps we can refer briefly to that.

Ir Dr Hon Raymond HO Chung-tai:

Yes, just one simple question, actually. So far the QC Quality Control Engineer is employed by the contractor, but that would mean his work is not undertaken in an impartial way. Would you consider making any change to this, so that the QC Engineers employed by either the Housing Authority or the consultants, so that the work carried out by the QC Engineer is independent?

Mr J A MILLER:

Are you proposing that, Madame Chair, for the industry, public and private together, or just for the Housing Authority?

Ir Dr Hon Raymond HO Chung-tai:

I'm not making a proposal. I'm just asking whether you would consider making any arrangement to change this aspect, so that the QC Engineer is employed or paid for by the contractor?

Mr J A MILLER:

I think it comes back to the question of balance that I mentioned earlier. Under the current arrangements, we have contractors employ a QCE plus his own professional staff. We have our own professional staff or the consultants, professional staff involved in the supervision. That's already two teams of professional staff working together, watching each other's work, checking each other's work. I'm not sure what value-added work you would get out of having a third team of professional staff. Nor am I quite clear who you think would be employing them?

Ir Dr Hon Raymond HO Chung-tai:

It's the party who employed this QC Engineer that I'm talking about; whether he continues to be employed by the contractor. In that case, he'll have to more or less listen to the contractor more than the real employer, i.e. the Housing Department.

Mr J A MILLER:

But we've already had supervisory staff over there, whether they're in-house or consultant-employed. Maybe I'm misunderstanding you, but there is a system I'm aware of, in France, where as part of the building control system, the insurance companies employ professional surveyors of various disciplines to oversee the work, whether it's public or private. Until they are satisfied with both the design and the execution of the work, the client who is building, whether it's public or private sector, will not be able to get insurance for the final product.

That's somewhat different from the system which operates in Hong Kong, but perhaps that's what you had in mind.

Chairman:

I don't think that is what Mr HO had in mind. He has in mind the impartiality of the Quality Control Engineer. He believes that if the QCE can be somebody not engaged by the contractor, then that QCE will be more independent and therefore more impartial, therefore more vigilant, in ensuring quality.

Mr J A MILLER:

In the Hong Kong context, the parties are: the contractor's professionals, which include the QCE in this case; the client's professionals – our own supervisors, whether in-house or contract; and the Buildings Department. At the moment, we substitute for the ICU. That's already three sets of professionals. I query whether you need a fourth set. It's rather like having three surgeons watching over the first surgeon.

Ir Dr Hon Raymond HO Chung-tai:

I don't think Mr MILLER understands it. I will leave it for the time being. I will leave it, Chairman.

Chairman:

I think that's just what Mr MILLER's answer. You don't have to debate with him on this issue.

Ir Dr Hon Raymond HO Chung-tai:

No. That's right. I hope he understands it in the future. Thank you.

主席：

李卓人議員。

李卓人議員：

我想提問關於文件SCI-H0270附件第20頁，有關第三者監察第九支柱。就第三者監管方面，其實房署也成立了一項新措施，設立了獨立審查股，用來進行類似屋宇署的審查。我想聽取署長的解釋，成立審查股之後，有甚麼顯著的成效？會否多了一層審查，只浪費多些時間，或者填寫多些文件，審查的成效究竟如何呢？

Chairman:

Mr MILLER.

Mr J A MILLER:

Thank you, Madame Chair. As I said in my opening statement, the establishment of the Independent Checking Unit is essentially an interim arrangement. My strong preference, and the Housing Authority's clear view, is that ultimately building control for Housing Authority projects must revert to the Buildings Department.

In the meantime, the Independent Checking Unit has been established, and functions essentially as a mini Buildings Department within the Housing Department itself. Quite deliberately it has distanced itself from the design and supervisory professionals within the Department. They're required to interact with the Independent Checking Unit as if it were a Buildings Department. That has involved a learning process on both sides. I'm indebted to senior colleagues from the Buildings Department who have provided an advisory service within the ICU. The professional staff of the Department has quite rapidly got used to the new method of operation.

It has meant that there is some additional time taken in processing plans, and clearly moving forward. That additional time has to be factored into our programming for new public housing, but it is no different, in essence, from the time which a private sector developer has to allocate to securing approval from the Buildings Department. So I don't regard it in any sense as either additional or excessive paperwork. I regard it as something which is essential to ensuring that we satisfy the Building Regulations in their entirety, and they're seen to be so doing.

Chairman:

Mr MILLER, do you have any timetable whereby the interim measure will cease to be interim, and you will revert to the control of the Buildings Department?

Mr J A MILLER:

My personal timetable would be yesterday, but it is not within my control. It is not an easy question, Madam Chair. Quite apart from what would appear to be a simple legislative change, there are other parts in the government which would be affected by this type of arrangement. I understand that the Housing Bureau is consulting vigorously with them.

主席：

李卓人議員。

李卓人議員：

主席，署長可否再解釋困難何在？既然署長的主觀願望是昨天可以實施，把工作轉到屋宇署，他也提到一些複雜性的問題。是否可以再詳細解釋這些複雜性？或許委員會可以就複雜性的問題加以研究。

Mr J A MILLER:

The complication is historical. In the past the government has regarded itself as being exempt from the provisions of the Ordinance. That means everything which the government builds. Quite apart from the Housing Department, there is ASD, Works Departments and so on. They all need to be consulted on how this would impact on them. There is a separate problem, of course, of the professional staff who would be affected by this change. That consultation is proceeding in parallel. I think the legislative change itself would be remarkably simple. It is the preparation for it which has to take time.

In reality, purely from the point of view of the Housing Department, we do need time to adjust our own internal processes to fall 100% in line with the sort of processes which the ordinary developers and professional staff have traditionally had to follow, and to build up the reservoir of expertise, both in-house and within the Independent Checking Unit, such that that body of expertise can be transferred into the Buildings Department to manage the extra work.

主席：

李卓人議員。

李卓人議員：

主席，剛才提到可能會影響一些員工，是否與屋宇署看齊之後，便會有認可制度，即 Authorized person 制度，可能你們的員工便成為認可人士，他們也可能要負上一些刑事責任。就這方面，你們的諮詢情況怎樣？員工就這方面的抗拒會否很大呢？

Mr J A MILLER:

I think it's something which has to be talked through very gently, and it is being talked through very gently.

主席：

我相信這項課題，不如留待房屋事務委員會跟進，好嗎？

李卓人議員：

好的。

主席：

我們知道他正在做點工夫，但可能需要一點時間才可以做得到。

李卓人議員：

好的，主席。接着我想提問另一個問題，就是關於第八支柱，有關要求承建商提交監工計劃書。可否解釋這監工計劃書的內容？誰人負責去監管承建商，確保他依照計劃實行呢？如果並不依從，又有甚麼後果呢？

主席：

馮女士。

馮宣萱女士：

就這個問題，我先作一個很簡單的回應。首先，承建商應負責毫不間斷地管理地盤，即與屋宇署的條例相同。對我們來說，我們希望除了ISO本身之外，還有一套更加完善的制度，可以確保施工是合符規格。於是，我們讓他自己制訂一套地盤規格，就如何負責監工、監督、組織他的管理架構，例如有哪些工程師等人員負責在地盤監管，就如管工一樣，分別在每座或每行監管，這些包括對分判或前線工友的監管。

現在有3個試點正在進行中，如果行之有效，我才會將其推廣到更多地盤。這是屬於自願性質的。但我希望就強化專業水平的建築隊伍方面，可以幫助香港再向前邁進一步。

李卓人議員：

主席，就改善質素方面，你提及行業工人的問題。房署建議希望多一些行業工人(尤其是地盤監督人員)，是以月薪方式聘用。

我想知道，你們與承建商、夥伴商討時，他們是否同意這個安排？並且這個安排在整個建築行業的實際運作內，又是否可行？

主席：

馮女士。

馮宣萱女士：

這是一個很好的課題，都是整個行業須正視的問題。首先，我們與承建商方面不斷聯絡，我們已在管工級的人員推行，必需用月薪式聘用，我們已做了這一步。

至於其餘的工友又如何？這個問題我們亦有討論，應該就其可行性來看。承建商或會表示：有四座樓，其中兩座樓是某一個行頭用直聘(自己聘用工人)方式，但如果他沒有其他方面的人手，則一定要分判。所以，在這種情況下，根據香港現在的市道，是否應該全線推行？這個問題仍須考慮。因此，這方面可以靈活地處理，希望他們盡量會聘用一些長工，用長工制，而非日薪制的工人。我們在篩選“優異承建商”組別時，要他作出承諾，在其工程項目內，盡量聘用這類工人。我們暫時進展到這個階段，亦要視乎行業是否普遍接受這制度。我們需要靈活地處理，他也許有足夠工人在一個地盤做，所以未能到另外一個地盤做，因此，不可以硬性規定。

主席：

李卓人議員。

李卓人議員：

主席，我想提問最後一個問題。我們曾聽到建築師的意見，根據香港大學的調查，房委會用“標準設計”興建樓宇的成本，比用“非標準設計”的成本較高。我不清楚屋宇署是否知道這個調查？並且，你們是否同意有關結論？一般人看來，用“標準設計”，應該標準地進行，成本應較低。你是否同意這個調查？

Chairman:

Mr MILLER.

Mr J A MILLER:

Thank you for the question. Have Members read the report?

Chairman:

No, we have not, but it is forthcoming to us.

Mr J A MILLER:

I think Members should be aware that it was commissioned by the Association of Architects Practitioners (the AAP), who I think have appeared before this Committee and whose chairman, I think, is involved in one of the cases.

Chairman:

He's involved in one of the cases?

Mr J A MILLER:

Yes.

Chairman:

I see, but the Chairman did not appear before us, the Association did.

Mr J A MILLER:

I just wish to clarify.

Chairman:

Yes, we are aware of that.

Mr J A MILLER:

The report is fascinating. When we received it, our eyebrows were raised, because some of it seemed improbable, and we endeavoured to clarify some of the methodologies of the report. I have to say that to this day some of the questions remain unanswered. But one of the authors had very kindly agreed to brief the Building Committee on the report. The briefing was also fascinating.

In the first part, he regaled us with a lecture in economics without clarifying the details. I have to say that some of this was difficult to take seriously, but one has to take it seriously. There was a figure quoted that the average PSPS costs identified by the report was \$4,048 per GFA metre square. This is to be measured against the then standard costs advertised by respectable Quantity Surveyors of between \$7,609 for private sector production, so half of the allegation, if you like, was that PSPS projects were coming in at half the normal cost of production of ordinary quality private sector residential. This seemed to us to be a little bit improbable.

There were certain technical problems with the methodology which we have identified and we have produced a paper for Members of the Buildings Committee and we are quite happy to share that with Members.

Chairman:

So your short answer to the question is that you are aware of the report, but you do not agree with the findings because you disputed the methodology?.

Mr J A MILLER:

If I might, Madam Chair, at the end of the fascinating briefing, we asked the very specific question of the then gentleman and that was, "Have you tested this \$4,048 against the private sector contractor?" He ducked the question, first of all, and then he said something quite strange. He said, "Well, whatever price you ask them to build at, the industry would build for you." This struck me as somewhat undermining the scientific nature of the report.

Separately, the Housing Authority has commissioned its own report, as we promised in the reform document, to test our own costs against the private sector. That is also a Hong Kong University report – a Levett and Bailey report – and it demonstrates pretty conclusively that for our standard designs, the construction costs come in at generally between 30 to 45% below private housing. I think the principal problem, apart from the purely technical problem with the original Hong Kong University report, is that it unfortunately compares apples with pears. It is not a very sensible comparison.

I am trying to be polite, Madam Chair, and perhaps when you have seen the report and our technical demolition job, you'll realise that it is slightly odd.

Chairman:

We will bear your comments in mind when we read the report.

Mr J A MILLER:

Thank you.

主席：

如果委員們沒有其他提問，今天的研訊到此為止。多謝苗學禮先生及馮女士出席今天的研訊，日後如果委員會認為有需要的話，會再邀請兩位協助我們。多謝兩位出席。兩位證人現在可以退席。

Mr J A MILLER:

Thank you, Madam Chair.

Ms Ada FUNG Yin-suen:

Thank you, Madam Chair.

主席：

各位委員，今天的研訊到此為止。

(研訊於下午5時32分結束)