

(Translation)

香港特別行政區政府  
The Government of the Hong Kong Special Administrative Region

運輸及房屋局

香港九龍何文田佛光街 33 號



Transport and Housing Bureau

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本局檔號 Our Ref. HD 4-2/PS1/1-5511/4 (2016/17) II

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5 December 2016

Mr Derek Lo  
Clerk to Legislative Council Panel on Housing  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road, Central  
Hong Kong

Dear Mr Lo,

**Legislative Council Panel on Housing and Panel on Development  
Joint Meeting on 29 November 2016**

I enclose the supplementary information requested by Members  
at the meeting on 29 November 2016 for Members' reference.

Yours sincerely,

( Original Signed )

( Jerry Cheung )

for Secretary for Transport and Housing

## **Legislative Council Panel on Housing and Panel on Development**

**Joint Meeting on 29 November 2016**

### **Supplementary Information**

#### **Purpose**

At the joint meeting of Legislative Council Panel on Housing and Panel on Development on 29 November 2016, Members requested the Government to provide supplementary information regarding the public housing development at Wang Chau and other issues. This paper provides the relevant information.

**Regarding the Non-compliance of the "Confidentiality" and "Conflict of Interest" Provisions in Consultancy Agreements of Ove Arup & Partners Hong Kong Ltd ("OAP"), details about the Administration's setting up of the Consultants Review Committee, its investigation into the non-compliance and how it reached the decision on the penalty for OAP**

#### **Setting up of Consultants Review Committee**

2. The Consultants Review Committee (CRC) of the Civil Engineering and Development Department (CEDD) is a standing committee formed in accordance with the Development Bureau Technical Circular (Works) No. 3/2016 (Technical Circular) issued by the Development Bureau. The CRC is composed of the Deputy Director of CEDD as the chairperson, with a chief engineer and a senior engineer as the members.

#### **Work on OAP Incident**

3. The major duties of the CRC are to review the performance of the consultants providing consultancy services to the department, endorse Performance Reports and make supplementary comments if necessary. For the OAP incident, the CRC endorsed the Performance Reports prepared by the project office managing the concerned consultancy agreement. The Performance Reports confirmed that OAP did not comply with the terms of the consultancy agreement in seeking prior approval for undertaking a private development project, and did not follow strictly

the company's internal procedures in preventing improper use of information, resulting in information obtained from the government consultancy agreement being quoted in the planning application of the private development project. After adequately considering the above situation and obtaining the approval from the Engineering and Associated Consultants Selection Board (EACSB), the CRC invoked suspension on OAP from bidding for all categories of consultancy agreements under the jurisdiction of the EACSB for three months as regulating action in accordance with the Technical Circular.

#### Correspondence between CEDD and OAP

4. Regarding the Members' request for disclosing the correspondence between CEDD and OAP on this incident, since the correspondence contains third party information, we may not be able to provide the correspondence for the Members' reference due to the rule of "confidentiality" to be complied by the contractual parties. However, as we understand the Members' concern on this incident, a summary of the correspondence between CEDD and OAP is attached for the Members' reference (please refer to **Annex**).

#### **Lobbying Conducted by Housing Department**

5. At the press conference on 21 September 2016, the Secretary for Transport and Housing clearly explained details about the informal consultation and lobbying conducted by the Housing Department and relevant Government departments with local representatives for the public housing development at Wang Chau during the period from July 2013 to March 2014, including the attendees and their views. The Government also further explained about these four informal consultation and lobbying sessions in the press statement on 25 October 2016. In response to a written question from Hon CHU Hoi-dick at the Legislative Council sitting on 2 November 2016, the Secretary for Development also mentioned about these informal consultation and lobbying and reiterated that public consultation would not be replaced by informal lobbying.

6. The relevant press statements and transcripts of the press conference were passed to the Legislative Council for Members' reference on 14 November 2016 (see LC Paper No. CB(1)126/16-17(01)).

## **Planning Application by a Private Development for a Site Adjacent to Wang Chau Phase 1**

7. Our response to media enquiries on 13 November 2016 clearly stated Housing Department's stance on the planning application by a private development for a site in the locality of the public housing development at Wang Chau. When Planning Department consulted various departments on the application, Housing Department indicated that it would not be acceptable for the proposed vehicular access of the private development to encroach into the boundary of Phase 1 public housing development at Wang Chau; and the original road design of Phase 1 had not taken into account the private development. The relevant press statements were passed to the Legislative Council for Members' reference on 14 November 2016 (see LC Paper No. CB(1)126/16-17(01)).

**Development Bureau  
Transport and Housing Bureau  
December 2016**

**Summary of Correspondence between Civil Engineering and Development  
Department (CEDD) and Ove Arup & Partners Hong Kong Ltd (OAP)**

<b>Time Period</b>	<b>Brief Description</b>
<b>Sept 2015 to June 2016</b>	<p>CEDD inquired and OAP responded to the following key points:</p> <ul style="list-style-type: none"> <li>• Any conflict of interest for undertaking the private development</li> <li>• Use of restricted information in the private development application</li> <li>• Measures to prevent improper use of data</li> <li>• Infrastructural works design at Wang Chau Phase 1</li> </ul>
<b>June 2016 to Early Nov 2016</b>	<ul style="list-style-type: none"> <li>• Consolidating information and findings by CEDD</li> <li>• Representations by OAP on the incident</li> <li>• Forming views on OAP's non-compliance of the terms of the consultancy agreement by CEDD</li> <li>• Recommending to take regulating actions process according to DEVB TC(W) No. 3/2016 by CEDD</li> </ul>