

機電工程署 EMSD

香港特別行政區政府 機電工程署
香港九龍啟成街3號
Electrical and Mechanical Services Department
Government of the Hong Kong Special Administrative Region
3 Kai Shing Street, Kowloon, Hong Kong
www.emsd.gov.hk

Our reference 本署檔號：EMSD CRA/4-35/2/1 Part 4(E.7)(L/M)

Telephone 電話號碼：2808 3847

Your reference 來函檔號：CB4/PAC/R71

Facsimile 圖文傳真：2890 7493

By Fax (2543 9197)

31 December 2018

Public Accounts Committee, Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

(Attn.: Mr Anthony CHU)

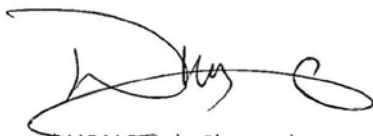
Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 71
Procurement of Operational Equipment by the Hong Kong Police Force

Thank you for your letter of ref. CB4/PAC/R71 dated 17 December 2018 requesting our response to Question 10 listed in the Appendix of the letter.

Please find our response to Question 10 in the attached Annex 1.

Yours sincerely,



(WONG Sek Cheung)
for Director of Electrical and Mechanical Services

Encl

- c.c. Secretary for Security (Fax no. 2877 0636)
- Secretary for Financial Services and the Treasury (Fax no. 2537 3210)
- Commissioner of Police (Fax no. 2866 2579)
- Director of Government Logistics (Fax no. 2116 0183)
- Director of Audit (Fax no. 2583 9063)

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 71
Procurement of Operational Equipment by Hong Kong Police Force
Response from the EMSD

For the Electrical and Mechanical Services Department (EMSD)

Part 3: Procurement of police vehicles

- 10) *According to paragraphs 3.17 and 3.18, in March 2016, the Government Logistics Department ("GLD") awarded a contract (Contract F) at a cost of \$69.3 million for the supply of 129 large police vans to be delivered by two consignments, i.e. 66 and 63 by June and August 2017 respectively. However, up to September 2017, only 48 vans had been delivered and there were defects found in the delivered vans. Of the eight vehicle procurement contracts awarded to this contractor, five (including Contract F) had experienced delays in vehicle delivery. Up to September 2018, 124 vans had been delivered and the remaining five vans were rejected by the Electrical and Mechanical Services Trading Fund ("EMSTF") because of quality issues. What measures have been/will be taken by the Administration to ensure contractors' capability of due performance of multiple government contracts awarded? According to paragraph 3.20(a), after re-inspection by EMSTF, 124 delivered vans were found to require retrofit work due to defective retractable side steps and bumper cracks. Up to October 2018, some retrofit work was still in progress. What actions have been/will be taken by the Administration to speed up the retrofit work?*

To safeguard the government interests on multiple government contracts awarded, EMSD has requested the contractor to submit a works program at the commencement of each contract to provide milestones on major production and modification activities so as to keep track on the contractor's performance. In addition, EMSD has conducted regular site inspections, factory acceptance tests of sample vehicles and final quality checking of each vehicle before it was delivered to user department.

All 129 large police vans under Contract F were delivered to Hong Kong Police Force (HKPF) on or before 13 November 2018. In relation to the delay of vehicle delivery, EMSD has exercised the contract term to impose liquidated damages on the contractor and would deduct up to 10% of the unit price for each delayed vehicle.

To ensure contractors' capability of due performance of multiple government contracts, EMSD will, in conjunction with the Government Logistics Department, introduce additional tender requirements such as a higher contract deposit, provision of advance payment bond for milestone payments and devising appropriate payment schedule for accepted deliverables at different contract milestones to better protect the Government's interests.

As for the 124 delivered vans¹ found to require retrofit work on retractable side step and bumper component during the warranty period, EMSD has developed a works program to keep track of the retrofitting progress, which has taken into account the requirement to minimise disruption to the user's operation. Up to 27 December 2018, retrofit work of retractable side steps for 124 vans and bumper components for 90 vans were completed respectively. EMSD will continue to closely monitor the bumper retrofit work on the remaining 34 vans scheduled for completion by end of January 2019. It is the contractor's obligation under the contract to rectify any defect found in the warranty period. EMSD continues to strictly follow the contractual provisions in handling such defects.

¹ Under Contract F, 124 out of 129 large police vans were found requiring retrofit work. The remaining 5 vans had already applied the re-designed kit on the retractable side step and new fitting method on the bumper component when they were delivered to HKPF.