

THE GOVERNMENT MINUTE

in response to the

**REPORT OF
THE PUBLIC ACCOUNTS COMMITTEE
No. 78A**

of April 2023

5 July 2023

**THE GOVERNMENT MINUTE IN RESPONSE TO THE
PUBLIC ACCOUNTS COMMITTEE REPORT NO. 78A
DATED APRIL 2023**

**REPORT ON THE RESULTS OF VALUE FOR
MONEY AUDITS (Report No. 78)**

Chapter 1 – Management of the development at Anderson Road project

The Government accepts the views and recommendations made by the Audit Commission (Audit) and the Public Accounts Committee (PAC) on the management of the development at Anderson Road project and has actively taken actions as appropriate. The progress made is reported below.

Public consultations and coordination among government departments in the planning and implementation of the development at the Anderson Road Project

2. In the implementation of a public works project relating to public housing development, the Housing Bureau (HB), as the policy bureau, will actively supervise the Civil Engineering Development Department (CEDD) during their implementation of the public works project in relation to the public housing development. There are clear guidelines within the government to delineate the work between HB and CEDD. During the implementation of the public works project, HB and CEDD have been maintaining close communication. Upon completion of the detailed design, other preparatory work required and consultation with the Panel on Housing of the Legislative Council (LegCo), HB together with CEDD, will submit funding request to the Public Works Subcommittee for support and the Finance Committee (FC) of LegCo for approval. After the commencement of the public works project, HB will continue to monitor the progress of the public works project so as to complete the project on time and within the approved estimate.

3. Specifically, HB will require CEDD to report regularly on the progress and expenditure of public works projects, and will also hold regular meetings in order to identify potential uncertainties as early as possible and handle important issues immediately. HB also requires CEDD to provide sufficient justifications and consult HB before making critical decisions. In order to take a more proactive role in supervision, HB has requested CEDD to include the reporting of prospective matters in the regular reports, such as the views received during the implementation of projects as well as CEDD's responses, any variation orders that would potentially lead to cost overrun or programme delays, and claims involving a relatively substantial amount submitted by contractors, etc., so as to allow HB to make early comments and provide guidance and plan for formulation of the most cost-effective solution.

4. As in the past, HB will provide guidance to CEDD on certain controversial district issues. In the implementation of public housing development projects in recent years, the Housing Department (HD) and CEDD generally consult the relevant District Councils or district organisations together. This arrangement helps coordinate district consultation and strengthen communication with local communities. Depending on the situation, CEDD would brief the public on the project scope at different stages of the project, including consulting the relevant District Councils, organising public engagement activities and workshops, meeting with local residents and collecting public views via the internet, etc., in order to better understand the views of various stakeholders and reflect them in the project designs and contract arrangements.

5. Under the development at Anderson Road project, CEDD adopted the excision contract clause, which was a standard contract clause of the Development Bureau (DEVB), to cater for potential design changes of the footbridges. Under the excision contract clause, the Government reserved the right to omit the relevant works under the contract without the need to compensate the contractor. However, in order for the Government to address the views of the public during the course of construction, the scope of the footbridge system had to be revised and expanded to include additional footbridge decks and lift towers, which led to additional expenditure. Nevertheless, the works project was still able to be completed within the approved project estimate without cost overrun.

6. When implementing the works projects, all the concerned government departments will keep in close contact and communicate on the suitable public housing supporting facilities, and facilitate the early confirmation of development parameters of the project sites. CEDD has conducted consultation exercises and further strengthened the communications with the public, and endeavoured to consolidate public views to finalise the design before tendering, so as to reduce the risks arising from significant design changes after the contract is awarded. In the event that the scope of certain parts of a project cannot be ascertained or may be varied before the award of contract, CEDD will liaise with the relevant policy bureau to discuss appropriate solutions, including the introduction of suitable contract provisions, detailing the additional expenditure covered by the contingencies in the funding application paper so as to minimise the risk of over-spending if such changes emerge in the future.

7. For public works projects in recent years, CEDD has requested the consultants to study the procurement options and prepare reports during the feasibility study stage and the investigation and design stage to record in detail the procurement considerations and the final adopted options for future reference.

Estimation and control of project costs

8. For works projects implemented in recent years, CEDD has conducted consultation exercises, and endeavoured to complete consolidating public views to finalise the design before tendering so as to minimise variations during construction. When estimating the project contingency provisions, works departments will conform to DEVB's Technical Circular (Works) No. 22/93 "Estimating using Risk Analysis" to estimate the contingency sum based on the uniqueness and risk factors of each project. CEDD has followed the latest guideline to adopt the parallel tendering arrangement, i.e. to commence tender invitation or consultancy selection exercises prior to securing funding. The returned tender price will be reflected in the funding application paper. The arrangements can provide a more concrete project estimate to the FC and can reduce the risk of cost overrun.

Contract management of the project

9. Currently, in addition to the daily site inspections by frontline resident works supervisors appointed by CEDD and supervisory staff of the contractor, resident site supervisory staff (including engineer and inspector of works) and site representatives and safety officers of contractor will jointly inspect the construction sites and activities every week to ensure that the works are carried out safely in accordance with the contract requirements. Any areas which require improvement will be recorded and closely followed up until the follow-up works are properly completed. In addition, a Site Safety Management Committee, comprising site management staff, management staff of the contractor and representatives of CEDD, is formed to review potential safety hazards, conduct risk assessment and formulate appropriate safety measures during the construction works. The Committee also conducts monthly site inspections to ensure that the construction works are carried out in accordance with safe construction practices.

10. When implementing other works projects in future, CEDD will closely monitor the performance of contractors, directorate staff will also intervene as early as possible if any problem is found, with a view to ensuring that the works (including the defects rectification works) can be completed on time.

11. When handling the assessment of contractors' claims in works contracts by consultants in future, CEDD will ensure that the consultants to list in detail the incidents and assessments involved for CEDD's information and record. The issue was raised in the post-completion reviews.

12. Under the DEVB's contractor management mechanism, works departments are required to closely monitor the performance of contractors during the construction period and conduct quarterly performance appraisals for contractors in areas such as progress of works, site safety, environmental protection measures, company organisation structure, general responsibilities and resource input. Poor performance will result in a lower score in the assessment report and

affect the contractor's chances of being awarded new public works contracts in future. In addition, if a contractor's performance continues to be unsatisfactory, the Government may take regulatory actions under the mechanism, including suspension of the contractor's tender status or even removal of the contractor from the Approved List of Public Works Contractors. DEVB will review the performance assessment mechanism from time to time to meet the needs of public works projects.

13. Drawing on the experience of the development at Anderson Road project, CEDD will monitor the performance of contractors of various public works projects more closely. Directorate officers will also intervene as early as possible when there are problems with the contractors' performance. Where necessary, CEDD will take appropriate regulatory actions against the contractors in accordance with the DEVB's contractor management mechanism, so as to urge the contractors to take immediate improvement measures to ensure timely completion of the works.

Management of Footbridges A to D and post-completion review

14. The Highways Department (HyD) has commissioned the Electrical and Mechanical Services Department (EMSD) to provide repair and maintenance services for the electrical and mechanical works of the lifts at Footbridges A to D. EMSD has taken a series of measures to continuously enhance the repair and maintenance of the lifts, and will also regularly review and update the terms of the repair and maintenance contracts for lifts to enhance the quality of repair and maintenance services. HyD will continue to work with EMSD to closely monitor the performance and operation of the lifts at Footbridges A to D, and closely liaise with relevant departments in taking forward follow-up actions as appropriate, with a view to maintaining reliable and efficient lift services.

15. The Transport Department will, in collaboration with the relevant government departments, keep under review the usage of Footbridges A to D, taking into account the usage of supporting transport facilities for local residents.

16. CEDD has included the post-completion reviews of projects as a standing item on the agenda of CEDD executive management meeting to monitor the progress of the post-completion reviews on a regular basis to ensure that the reviews are completed in a timely manner.

Progress in implementing recommendations of Audit and PAC

17. The progress of actions taken by the Government to implement the recommendations of Audit and PAC is set out in Enclosure.

Encl.

**Management of the development at Anderson Road project
Progress in implementing Audit's and PAC's Recommendations**

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Part 2: Design of footbridge system under the project		
Page 32 of the PAC Report	<p>PAC strongly urges that in implementing future works projects –</p> <p>(a) The Housing Bureau (HB) should take a more proactive role as a lead project manager in supervising the relevant departments from the planning stage through to project completion, ensuring the efficiency and efficacy for a works project;</p>	<p>(a) HB, as the policy bureau, will actively supervise the Civil Engineering Development Department (CEDD) during their implementation of the public works project in relation to the public housing development. There are clear guidelines within the government to delineate the work between HB and CEDD. During the implementation of the public works projects, HB and CEDD have been maintaining close communication. Upon completion of the detailed design, other preparatory work required and consultation with the Panel on Housing of the Legislative Council (LegCo), HB together with CEDD, will submit funding request to the Public Works Subcommittee for support and the Finance Committee (FC) of LegCo for approval. After the commencement of the public works project, HB will continue to monitor the progress of the public works project so as to complete the project on time and within the approved estimate. Specifically, HB will require CEDD to report regularly on the progress and expenditure of public works projects, and will also hold regular meetings in order to identify potential uncertainties as early as possible and handle important issues immediately. HB also</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(b) HB, the Housing Department (HD) and CEDD should work in close collaboration with each other while making necessary adjustments to the schedule or budget of a public housing development project to suit the local needs; and</p>	<p>requires CEDD to provide sufficient justifications and consult HB before making critical decisions. In order to take a more proactive role in supervision, HB has requested CEDD to include the reporting of prospective matters in the regular reports, such as the views received during the implementation of projects as well as CEDD's responses, any variation orders that would potentially lead to cost overrun or programme delays, and claims involving a relatively substantial amount submitted by contractors, etc., so as to allow HB to make early comments and provide guidance and plan for formulation of the most cost-effective solution.</p> <p>(b) The government has formulated a number of measures to strengthen collaboration among different departments in order to effectively solve some cross-departmental problems, or set common goals systematically and compare different options, such as setting up a cross-departmental project steering group, or holding value management workshops. The relevant arrangements have also been stipulated in CEDD's "Engineering and Associated Consultants Selection Board Handbook" and "Project Administration Handbook for Civil Engineering Works". HB will continue to proactively participate in relevant discussions in order to resolve the issues as soon as possible. According to the need of individual projects, HB, HD and CEDD will closely collaborate with each other through regular</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(c) HD and CEDD should make greater collaborative efforts in conducting district consultations on public housing development projects so as to better assess the needs.</p>	<p>cross-departmental meetings, exchange information on the project and progress of the public housing development project, so that adjustments can be made to the design parameters, schedule or budget of the public works project to suit the local needs. During project implementation, CEDD will consult the relevant District Councils and organise public engagement activities and workshops in a timely manner, brief the public on the project scope and incorporate public views.</p> <p>(c) As in the past, HB will provide guidance to CEDD on controversial district issues. In the implementation of public housing development projects in recent years, HD and CEDD generally consult the relevant District Councils or district organisations together. This arrangement helps coordinate district consultation and strengthen communications with local communities. Depending on the situation, CEDD would brief the public on the project scope at different stages of the project, including consulting the relevant District Councils, organising public engagement activities and workshops, meeting with local residents and collecting public views via the internet, etc., in order to better understand the views of various stakeholders and reflect them in the project designs and contract arrangements.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Para. 2.26 of the Audit Report</p>	<p>Audit has recommended that, in implementing site formation and infrastructure works projects in future, the Director of Civil Engineering and Development should –</p> <p>(a) finalise the design of works (e.g. footbridges) before tendering of contracts, taking into account views from stakeholders and findings of relevant studies (e.g. traffic review study), with a view to avoiding significant design changes after award of contracts and claims from contractors arising therefrom.</p>	<p>In September 2007, CEDD adopted the parallel tendering arrangement to invite tenders for the design of three sets of footbridges under Contract A based on the gazetted locations of the three footbridges, and in parallel, applied for funding from LegCo for the works. In response to a Member's request for a review of the footbridge system, the Government, in order to commence the works as soon as possible to increase the supply of public housing, considered it necessary to commence the site formation works on time so that the formed building platforms could be handed over to HD for public housing construction in batches starting from the end of 2011, and undertook to review the footbridge system proposal in parallel. The Government has since honoured its undertaking by reviewing the design of the footbridge system and revising the design of the existing footbridges to increase the number of footbridges to four during the construction period.</p> <p>For projects implemented in recent years, CEDD would obtain public views on the project through various channels, including consultation with the relevant District Councils, organising public engagement activities, workshops, meeting with local residents to enhance communication, and collecting public views through the internet, etc. CEDD would brief the public on the contents and progress of the project at different stages of the project as necessary to incorporate public views, so as to better gauge the views of various stakeholders and reflect them in the project design and contractual arrangements, and invite tenders only after the project design has been completed and coordinated with</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>HD, so as to reduce the risks arising from significant design changes after the contract is awarded.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>
<p>Para. 2.26 of the Audit Report</p> <p>Page 32 of the PAC Report</p>	<p>Audit has recommended that, in implementing site formation and infrastructure works projects in future, the Director of Civil Engineering and Development should –</p> <p>(b) where the details of some works (e.g. footbridges) could not be finalised under a time-critical project, critically consider the measures for addressing the matter (including the contract arrangement for phasing of works and the provision of appropriate contract clauses) with a view to mitigating the risks arising from significant design changes after contract award (e.g. substantial works variations, contractual claims and disputes, and interfacing problems between contracts); and</p> <p>(c) document the justifications for the adoption of contract arrangement (e.g. using a single contract or multi-contract arrangement).</p> <p>PAC strongly urges that in implementing future works projects –</p> <p>(d) CEDD should document the justifications for the adoption of contract arrangement; and</p>	<p>CEDD adopted the excision contract clause, which was a standard contract clause of the Development Bureau (DEVB), in the development at Anderson Road project for footbridge works which had the potential to be modified. Under the excision contract clause, the Government reserved the right to omit the relevant works under the contract without the need to compensate the contractor. However, in order for the Government to address the views of the public during the course of construction, the scope of the footbridge system had to be revised and expanded to include additional footbridge decks and lift towers, which led to additional expenditure. Nevertheless, the works project was still able to be completed within the approved project estimate, without cost overrun.</p> <p>In the implementation of works projects, all relevant government departments keep in close contact, communicate on the suitable public housing supporting facilities, and facilitate the early confirmation of development parameters of the project sites. CEDD also conducts consultation exercises and further strengthened the communication with the public, and endeavours to consolidate public views to finalise the design before tendering, so as to reduce the risks arising from significant design changes after the contract is awarded.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
	<p>(e) the risk management of works projects should be strengthened, and in relation to those projects the implementation of which have not been finalized at the time the tender documents are issued, CEDD should discuss with DEVB to include suitable provisions in the works contracts to reduce the Government's exposure to subsequent cost increases arising from delays and variations of works.</p>	<p>In the event that the scope of certain parts of a project cannot be ascertained or may be varied before the award of contract, CEDD will liaise with the relevant policy bureau to discuss appropriate solutions, including the introduction of suitable contract provisions, detailing the additional expenditure covered by the contingencies in the funding application paper so as to minimise the risk of over-spending if such changes emerge in the future.</p> <p>The Government will learn from experience from the Anderson Road project and works departments will take full account of the views expressed by stakeholders before deciding the contractual arrangements in future. Given the complexity of different parts of a project and the interplay between them, works departments will carefully weigh different options and factors (e.g. manpower requirements, site access, adequacy of sites, the need for phased site acceptance and phased completion of works, and the possible impact if one of the contracts is delayed, etc.) before deciding the contractual arrangements, with a view to achieving the target within a manageable time and cost frame. Works departments will maintain close communication with bureaux at all times and provide full justification for consultation with bureaux when dealing with important decisions.</p> <p>For public works projects in recent years, CEDD has requested the consultants to study the procurement options and prepare reports during the feasibility study stage and the investigation and design stage of the projects to record in detail the</p>

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		<p>procurement considerations and the final adopted options for future reference.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>
Page 33 of the PAC Report	<p>PAC urges CEDD to –</p> <p>(a) discuss with DEVB the need to review the methodology for calculating contingency provisions to enable a more reliable project estimates;</p> <p>(b) adopt parallel tendering for the procurement of all works contracts and works-related consultancies to facilitate timely delivery of capital works projects and reduce the risk of cost overrun; and</p> <p>(c) learn lessons from the Project failures observed by Audit to step up the monitoring over the delivery progress of works projects for better cost control.</p>	<p>In recent years, the Government has adopted parallel tendering arrangements, i.e. the selection of works tenders or consultants will commence before securing funding, and the tender return price will be reflected in the funding application document. The arrangements can provide a more concrete project estimate to the FC and can reduce the risk of cost overrun.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>
Part 3: Contract management		
Para. 3.14 of the Audit Report	<p>Audit has recommended that, in implementing works projects in future, the Director of Civil Engineering and Development should –</p> <p>(a) remind CEDD contractors to –</p> <p>(i) take adequate protective measures for working on slopes (particularly for works close to or at the slope edge near public area);</p>	<p>Currently, in addition to the daily site inspection by frontline resident works supervisors appointed by CEDD and supervisory staff of contractor, resident site supervisory staff (including engineer and inspector of works) and site representatives and safety officers of contractor will jointly inspect the work processes on site on a weekly basis to ensure that the works are carried out safely and in accordance with the contract requirements, and that any areas requiring improvement are recorded and followed up until the</p>

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Page 34 of the PAC Report	<p>(ii) provide appropriate training to enhance safety awareness of their staff; and</p> <p>(b) remind CEDD staff and consultants to –</p> <p>(i) follow the guidelines on temporary drainage provisions and precautionary measures against severe rainfall during site formation works and construction of reinforced fill structures.</p> <p>PAC urges CEDD, in implementing future works projects, to –</p> <p>(a) ensure that adequate protective measures are in place to protect workers working in and residents living near the construction sites; and</p>	<p>follow-up work is properly completed. In addition, a Site Safety Management Committee, comprising site management staff, management staff of the contractor and representatives of CEDD, has been established under the contract to review potential safety hazards during project implementation, conduct risk assessments and to formulate corresponding safety measures. The committee will also conduct monthly site inspections to ensure that the project is carried out in accordance with safe construction practices.</p> <p>In general, the terms of public works contracts require the contractor to take protective measures for the works to be carried out in accordance with the methods agreed by the site supervisory staff and the relevant technical guidelines as applicable. At present, the Geotechnical Engineering Office (GEO) of CEDD will remind works departments and the engineering industry of the recommendations of the technical guidelines before the onset of the rainy season each year to design suitable temporary drainage arrangements and provide adequate preventive and mitigation measures to prevent landslides caused by improper temporary drainage arrangements during site formation and construction of reinforced earth structures. The site supervisory staff will ensure that the contractor has designed appropriate temporary drainage facilities in accordance with the guidelines and will monitor the proper implementation of temporary drainage arrangements during routine site inspections. If the contractor's performance in implementing the temporary drainage arrangements is unsatisfactory, the</p>
Page 34 of the PAC Report	<p>PAC notes that –</p> <p>(a) CEDD will conduct in April 2023 a pilot scheme of a study on a smart monitoring system for slope drainage channel to enhance the effectiveness of slope drainage facilities.</p>	<p>the contractor's performance in implementing the temporary drainage arrangements is unsatisfactory, the</p>

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		<p>Government will reflect such performance in the contractor's quarterly performance appraisal reports, which will affect the contractor's chance of being awarded new public works contracts in future.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>
<p>Para. 3.14 of the Audit Report</p>	<p>Audit has recommended that, in implementing works projects in future, the Director of Civil Engineering and Development should remind CEDD staff and consultants to –</p> <p>(b)(ii) make better estimate of piling works involved in ordering works variations.</p>	<p>Currently, GEO of CEDD is conducting a pilot scheme to produce a digital 3D model of all the land investigation records to analyse the characteristics, depth and location of different soils and rocks, so that the industry can have more accurate geological information at the preliminary design stage of geotechnical works and be better prepared for the land investigation works required at the subsequent detailed design stage.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>
<p>Para. 3.14 of the Audit Report</p> <p>Page 34 of the PAC Report</p>	<p>Audit has recommended that, in implementing works projects in future, the Director of Civil Engineering and Development should –</p> <p>(b)(iii) closely monitor the defects rectification works of contractors and take necessary measures to ensure the timely completion of such works.</p> <p>PAC urges CEDD, in implementing future works projects, to –</p> <p>(b) closely monitor the progress of defects rectification works of contractors and consider drawing up relevant checklists to facilitate monitoring.</p>	<p>The relevant defects rectification works were completed in 2020. The unsatisfactory performance of the contractor in this aspect was duly reflected in the relevant contractor's performance reports.</p> <p>When implementing other works projects in future, CEDD will closely monitor the contractor's performance. Directorate staff will intervene as soon as problems are identified to ensure that the works, including the defects rectification works, are completed on time.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
Para. 3.23 of the Audit Report	<p>Audit has recommended that the Director of Civil Engineering and Development should –</p> <p>(a) ensure that all the landscape softworks and establishment works (including the defects rectification works, inspection and handover procedures with the maintenance department) under Contract A are completed as scheduled; and</p> <p>(b) finalise the account of Contract A as soon as possible.</p>	<p>Upon completion of the vegetation maintenance work and handover to the Highways Department (HyD) for maintenance in mid-2022, CEDD finalised the account of Contract A in the third quarter of 2022.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>
<p>Para. 3.23 of the Audit Report</p> <p>Page 34 of the PAC Report</p>	<p>Audit has recommended that the Director of Civil Engineering and Development should –</p> <p>(c) in implementing works projects in future, remind CEDD consultants to properly document their assessment of contractors' claims.</p> <p>PAC urges CEDD, in implementing future works projects, to –</p> <p>(c) maintain proper documentation with justifications on the relevant decisions/assessments made by project consultants on contractors' claims.</p>	<p>When handling the assessment of contractors' claims by consultants in future, CEDD will ensure that the consultants to list in detail the incidents and assessments involved for CEDD's information and record. The issue was raised in the post-completion reviews.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>
Page 34 of the PAC Report	<p>PAC urges CEDD, in implementing future works projects, to –</p> <p>(d) discuss with DEVB further enhancements to the existing contractor performance management mechanism (for example, introducing penalty measures as appropriate), with a view to effectively dealing with those contractors with persistent sub-standard performance.</p>	<p>Under the DEVB's contractor management mechanism, works departments are required to closely monitor the performance of contractors during the construction period and conduct quarterly performance appraisals for contractors in areas such as progress of works, site safety, environmental protection measures, company organisation structure, general responsibilities and resource input. Poor performance will result in a lower score in the tender assessment</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>report and will affect the contractor's chance of being awarded new public works contracts in future. In addition, if a contractor's performance continues to be unsatisfactory, the Government may take regulatory actions under the mechanism, including suspension of the contractor's tender status or even removal of the contractor from the Approved List of Public Works Contractors. DEVB will review the performance assessment mechanism from time to time to meet the needs of public works projects.</p> <p>Drawing on the experience of the development at Anderson Road project, CEDD will monitor the performance of contractors of various public works projects more closely. Directorate officers will also intervene as early as possible when there are problems with the contractors' performance. Where necessary, CEDD will take appropriate regulatory actions against the contractors in accordance with the DEVB's contractor management mechanism, so as to urge the contractors to take immediate improvement measures to ensure timely completion of the works.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>
Part 4: Management of footbridges A to D and post-completion review		
<p>Para. 4.12 of the Audit Report.</p>	<p>Audit has recommended that the Director of Highways should, in collaboration with the Director of Electrical and Mechanical Services, continue to closely monitor the proper functioning of the lifts at Footbridges A to D (particularly the lifts at Footbridge A which had</p>	<p>HyD has commissioned the Electrical and Mechanical Services Department (EMSD) to provide the repair and maintenance services of the lifts at Footbridges A to D, and will continue to work closely with EMSD in monitoring the operation of the lifts.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Para. 4.14 of the Audit Report</p> <p>Page 35 of the PAC Report</p> <p>Pages 35 and 36 of the PAC Report</p>	<p>comparatively more suspension cases on average) and take enhancement measures as necessary.</p> <p>Audit has recommended that –</p> <p>(b) the Director of Highways should, in collaboration with the Director of Electrical and Mechanical Services, keep monitoring the performance of the lifts at Footbridges A to D to maintain reliable and efficient services.</p> <p>PAC urges that –</p> <p>(a) EMSD and HyD should closely monitor the proper functioning of lifts at Footbridges A to D and take enhancement measures as necessary to facilitate the residents.</p> <p>PAC notes that –</p> <p>(a) EMSD has taken six key measures to enhance repair and maintenance of the lifts installed at Footbridges A to D; and</p> <p>(b) the median suspension time for lift service at Footbridges A to D in 2022 was less than two hours, which was reduced from less than three hours as recorded from 2019 to 2021.</p>	<p>EMSD has also adopted the following enhancement measures to continuously enhance the repair and maintenance of the lifts –</p> <p>(a) Conduct special inspections: Apart from the registered lift maintenance contractors, EMSD has separately engaged an independent registered lift engineer to conduct random inspections of the lifts, and carry out special inspections when necessary;</p> <p>(b) Regular review of the stock of spare parts: The lift maintenance contractors will regularly review the stock of spare parts and has procured more spare parts in order to shorten the time required for repair and maintenance of lifts. In addition, EMSD has been monitoring and inspecting the maintenance performance of the contractors and reviewing the operating condition of the lifts, and will upgrade the relevant lift equipment as necessary;</p> <p>(c) Enhancing the Remote Lift Monitoring System for real-time monitoring of lift failures: EMSD has enhanced the Remote Lift Monitoring System to monitor lift failures (e.g. during flooding, activation of alarm, etc.) in real-time. The failure signals will be sent to the maintenance contractors and will also be recorded in EMSD's server for analysis of outage data and monitoring of the performance of the maintenance contractors;</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>(d) Strengthening communication with the public: EMSD has strengthened communications with the public, including instructing maintenance contractors to affix maintenance notices at conspicuous locations inside the lifts to inform the public of the weekly inspection schedules and maintenance works, and actively liaise with the District Council members concerned to explain matters related to repair and maintenance of lifts. In addition, maintenance works will be carried out during non-peak hours;</p> <p>(e) Adopting the Digital Log-books System for Lifts and Escalators: EMSD has adopted the newly launched Digital Log-books System for Lifts and Escalator (the System) for the 17 lifts of footbridges at the development at Anderson Road project to replace the conventional paper log-books since December 2022, thereby enhancing the overall effectiveness of lift management and reliability of services. Through the mobile application or online platform of the System, all stakeholders including the maintenance contractor, HyD and EMSD, can download and view in real-time the past and latest works information of the lifts. EMSD's Trading Fund is currently collecting the maintenance data such as the cause and frequency of breakdown, and maintenance time etc. through the digital log-book. Such data will be analyzed for monitoring the performance of the contractor and continuously improving the quality of lift services; and</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
		<p>(f) Installation of the intelligent predictive maintenance system: In March 2022, the maintenance contractor concerned had completed the installation of the intelligent predictive maintenance system for the lifts at Footbridge D, such that EMSD can monitor the lifts remotely and analyse the operation of motors, thereby enabling fault prediction and preventive maintenance, so as to reduce the frequency and time required for repair and maintenance works. In view of the satisfactory performance of the intelligent predictive maintenance system, EMSD has completed the installation of the intelligent predictive maintenance system for Footbridges A, B and C in March and April 2023 respectively.</p> <p>EMSD is regularly reviewing and updating the terms of the repair and maintenance contracts for lifts to enhance the quality of repair and maintenance services. EMSD will continue to monitor the performance of the lifts at Footbridges A to D, and closely liaise and collaborate with relevant departments for taking forward follow-up actions as appropriate, with a view to maintaining reliable and efficient lift services.</p> <p>As this recommendation has already been implemented and will be carried out on an ongoing basis, we recommend deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Para. 4.14 of the Audit Report</p> <p>Page 35 of the PAC Report</p>	<p>Audit has recommended that –</p> <p>(a) the Commissioner for Transport should, in collaboration with the relevant government departments, keep under review the usage of Footbridges A to D, including the adequacy of pedestrian capacity.</p> <p>PAC urges that –</p> <p>(b) TD should, in collaboration with relevant government departments, review the usage of Footbridges A to D, taking into account the adequacy of supporting transport facilities for local residents; and</p>	<p>The Transport Department (TD), in collaboration with the relevant government departments, has reviewed the usage of Footbridges A to D in 2022 and implemented the following traffic and transport improvement measures in March 2023 –</p> <p>(a) Added a new bus stop for several bus routes at Shun On Road near the downhill side of Footbridge D and erection of new pedestrian directional signs at On Yan Street for redistribution of the pedestrian flows; and</p> <p>(b) Modified the existing lift programmes from energy-saving mode to demand mode with a view to reducing lift waiting time.</p> <p>TD will, in collaboration with the relevant government departments, keep under review the usage of Footbridges A to D, after the completion of nearby developments including community facilities and schools and the above improvement measures, and pursue appropriate supporting transport facilities as well as traffic and transport improvement measures, including adjusting public transport services, to match the needs of local residents when necessary.</p> <p>As the recommendation has been implemented and will be carried out on an on-going basis, we suggest deleting this part from the next progress report.</p>

Para. No.	Audit's/PAC's Recommendations	Progress to Date
<p>Para. 4.13 of the Audit Report</p>	<p>Audit has recommended that the Director of Civil Engineering and Development should take measures to ensure that drainage design of footbridges can cope with water dripping problems (e.g. from the planters after watering) in future works projects involving such works.</p>	<p>Improvement works have been carried out by CEDD at the dripping location to divert the water from the planter to the drainage channel of the footbridge.</p> <p>CEDD will pay attention to the works details in future in order to prevent the recurrence of the water dripping problem.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>
<p>Para. 4.20 of the Audit Report</p> <p>Page 35 of the PAC Report</p> <p>Page 36 of the PAC Report</p>	<p>As a post-completion review is a useful project management tool, Audit has recommended that the Director of Civil Engineering and Development should remind CEDD staff and consultants to conduct post-completion reviews on major works contracts in a timely manner.</p> <p>PAC urges that –</p> <p>(c) CEDD should conduct post-completion reviews on future major works contracts in a timely manner.</p> <p>PAC notes that –</p> <p>(c) to monitor the progress of post-completion reviews on major works contracts in future, CEDD has included the discussion of post-completion review in the standard agenda of its administration meetings to ensure timely completion of such reviews.</p>	<p>CEDD has included post-completion reviews as a standing item on the agenda of the CEDD Executive Management Meeting to regularly monitor the progress of post-completion reviews to ensure that they are completed in a timely manner.</p> <p>As the proposal has been implemented, we propose to delete this part in the next progress report.</p>