土木工程拓展署 CEDD Civil Engineering and

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Ms Shirley CHAN

16 January 2024

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

Dear Ms CHAN,

Follow-up to the Public Accounts Committee Report No. 78A

Management of the development at Anderson Road project

I refer to your letter dated 8 January 2024 on the captioned subject.

In order to enable more reliable project estimates, the Government has been adopting in recent years the parallel tendering arrangement, i.e. to commence tender invitation or consultancy selection exercises prior to securing funding, and the returned tender price will be reflected in the funding application paper. The arrangement can provide a more concrete project estimate to the Finance Committee and effectively reduce the risk of cost overrun.

When estimating the project contingency provisions, works departments have been conforming to the Development Bureau (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, which has been effective all along. Nevertheless, in order to keep monitoring the performance of projects in a more effective manner, DEVB is comprehensively reviewing the existing project surveillance

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system for the public works projects, among which includes studying on the latest assessment method, exploring into the extensive adoption of digital technologies and big data for estimation of project contingency provisions. DEVB is striving to complete the above review within 2024.

Yours sincerely,

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for Director of Civil Engineering and Development

c.c.

Secretary for Development Secretary for Housing Secretary for Financial Services and the Treasury Director of Audit