

Legislative Council Panel on Development

PWP Item No. 702CL

– Kai Tak development – infrastructure works for developments at the former runway and south apron - landscaped elevated walkway to the new acute hospital

Follow-up Issues of the Meeting held on 23 March 2021

At the meeting on 23 March 2021, the Panel on Development discussed the proposal in LC Paper No. CB(1)666/20-21(05) on upgrading part of 702CL to Category A, for the construction of a landscaped elevated walkway (walkway) connecting to the new acute hospital (NAH) being developed at the Kai Tak Development Area. The Administration was requested to provide the following information:

- i. the comparison of the pre-tender cost estimates of public works projects made by the Administration and the price of the winning bids under the parallel tendering arrangement over the past three years.

This paper sets out the Administration's responses.

- i. To facilitate timely delivery of capital works projects and reduce the risk of cost overrun or unnecessary lock-up of public resources, the Government has issued internal guidelines in September 2020 requesting Controlling Officers to adopt parallel tendering for the procurement of all works contracts funded under the Capital Works Reserve Fund unless they have sought exemption from the relevant authority, i.e. to commence tender invitation in parallel with securing funding. The works contract will only commence after obtaining funding approval from the Legislative Council. The objective of parallel tendering is for early commencement of works contract after obtaining funding approval from the Legislative Council Finance Committee, and to reflect the returned tender price in the Approved Project Estimate as far as practicable.

- ii. In the past three years (from the first quarter of 2018 to fourth quarter of 2020), the East Development Office of the Civil Engineering and Development Department has let 8 public works contracts adopting parallel tendering. The accepted tender prices are all lower than the respective sums allowed in the Approved Project Estimates for the contracts due to competition under the prevailing market conditions.

Development Bureau

Civil Engineering and Development Department

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