

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3632)

Head: (39) Drainage Services Department

Subhead (No. & title): Not specified

Programme: (1) Stormwater Drainage

Controlling Officer: Director of Drainage Services (MOK Wing-cheong)

Director of Bureau: Secretary for Development

Question:

The Drainage Services Department (DSD) is responsible for carrying out drainage improvement works, for example under drainage improvement projects, throughout the territory to enhance the capacity of the stormwater collection system. Would the Government inform this Committee:

1. of the respective annual numbers of drainage improvement projects whose completion dates were postponed due to project delay throughout the territory in the past 5 years;
2. of the respective annual numbers of drainage improvement projects taken back for retendering due to works uncompleted throughout the territory in the past 5 years (please set out their project number and location);
3. of the procedures under which the DSD will take measures to urge the contractors causing project delays to complete the remaining works as soon as possible;
4. whether the DSD will, in accordance with works contracts, seek damages from the contractors causing delays to part of the works, together with the additional costs arising from recommencement of works; if so, of the details; if not, of the reason(s);
5. of the respective amounts of money that had to be claimed for damages for project delays and the additional costs arising from recommencement of works in the past 5 years;
6. of the percentage of successful claims for the damages for project delays and the additional costs arising from recommencement of works, and of the total amount of money successfully recovered in the past 5 years; and
7. in view of some project delays arising from, for instance, projects being taken back due to uncompleted works, of the improvement measures that the DSD takes to ensure that such delays are minimised?

Asked by: Hon LEUNG Hei, Edward (LegCo internal reference no.: 147)

Reply:

The DSD has been striving to enhance the drainage capacity of stormwater drainage facilities throughout the territory. Replies to the questions raised by the Legislative Councillor are as follows:

- 1 to 3. In the past 5 years, there was one DSD drainage improvement project whose completion date was postponed due to project delay resulting from the poor performance of the contractor concerned. The project in question was under

Contract No. DC/2018/01, the scope of which included carrying out drainage improvement works on Fei Tsui Road in Chai Wan, Chi Man Street in Ho Man Tin and at a location near Castle Peak Road (San Tin Section) in San Tin. In April 2022, after the court made a winding-up order against the contractor concerned, the DSD immediately terminated the works contract and invited tenders for the remaining works. The new Contract No. DC/2021/11 commenced in November 2022 and is expected to be completed in phases from the second half of 2024 onwards.

- 4 to 6. While the legal proceedings concerning the contractor responsible for Contract No. DC/2018/01 in liquidation are still ongoing, the Government has instituted the relevant proceedings with the provisional liquidator concerned to claim compensation and recover additional costs arising from project delay and recommencement of the remaining works. As the relevant proceedings are still ongoing, the amount of money involved cannot be disclosed for the time being.
7. The Government has established an effective mechanism for procuring public works and managing contractors. By following clear guidelines and procedures for tender invitations and evaluations, the Government will be able to identify capable and competent contractors to carry out works. On project management, DSD project teams have been closely monitoring contractors' works progress and construction methods, while requesting contractors to submit and update their works schedules on a monthly basis. Moreover, contractors' performance will be reported on a quarterly basis and the relevant records will affect their chance of contract awarding in future. If there are any delays found, project teams will immediately take follow-up action by requesting contractors to take remedial measures and closely monitoring the implementation of remedial measures to ensure that projects are completed on schedule.

- End -