Annex I

Comment on HA Paper No. 24/2000 Enhancing Public Housing Quality -Implementation Plan by Mr Peter WONG Hong-yuen

I would like to comment on Paper HA 24/2000, particularly on the tendering process. I am strongly of the opinion that the existing tendering process whereby the lowest tender that seems to fit the tendering criteria gets the job almost regardless of the quality of the tenderer or the product has been a main contribution of the mess that we are in. The all powerful dictate of the Finance Bureau has been counterproductive in that anyone with a really good new idea will not put it forward because that idea would be either translated into the tender specifications immediately or soon after.

A great deal of thought and research goes into a new idea and the proposer has to have some means of getting his money back as well as make a reasonable return on the effort put in. The existing system would not give him that return and any international concern will turn its energy to another territory that is more conducive to giving that return. We must also remember that Hong Kong's market is not that large so that even if he was successful in winning the contract, the total return may not be that attractive.