

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Housing Authority

**Secretary's Report - Committee Work
(June to August 1997)**

Purpose

This paper summarises the work of the Housing Authority's Committees for the period from 1 June 1997 to 31 August 1997.

(1) BUILDING COMMITTEE

Housing Authority Contracts Approved

2. During the period, 84 contracts were approved. Contracts approved during this period totalled \$ 8,018,073,000.

Client Briefs, Control Plans, Project Estimates, Scheme Designs and Project Budgets

(Papers No. BC 102/97, BC 103/97, BC 104/97, BC 105/97, BC 106/97,
BC 117/97, BC 118/97, BC 134/97, BC 135/97, BC 136/97)

3. During the period, the Committee considered and approved the proposed/revised client briefs, control plans, project estimates, scheme designs and/or project budgets for -

- (a) Redevelopment of Kwai Fong Estate Phase 6
- (b) Development of Cheung Sha Wan West Public Rental Housing Estate Phases 1,2 and 3
- (c) Redevelopment of Shek Lei Estate
- (d) Development of Tin Shui Wai Areas 105 and 106
- (e) Rental Estate & HOS Development at Tseung Kwan O Area 74 Phases 1, 2, 3 and 4
- (f) Vertical Interim Housing Development at Tuen Mun Area 29 Phases 1 and 2
- (g) Redevelopment of Pak Tin Estate Phase 3
- (h) Po Lam Road Housing Development
- (i) Additional Office Accommodation in Redevelopment of Upper Wong Tai Sin Estate Phase 4
- (j) Development of Tin Shui Wai Area 110

Monthly Progress Report - June 1997 to August 1997
(Papers No. BC 98/97, BC 115/97 and BC 128/97))

4. As at 31 August 1997, a total of 8,814 rental and HOS flats were completed between June and August 1997.

Others

Enhancement of Project Management and Organization Structure of Development & Construction Branch

(Paper No. BC 99/97)

5. Members noted the paper.

Proposed New Development Projects to be Outsourced to Architectural and Associated Consultants in 1997/98

(Paper No. BC 100/97)

6. Members approved to outsource of the proposed ten projects to Architectural and Associated Consultants in 1997/98.

Lift Incident at Hiu Lai Court

(Paper No. BC 107/97)

7. Members decided that in addition to the recommendations of the paper, Kone should also not be awarded any contracts for new lifts for a period of six months. Members also agreed that sanction on award of contracts in addition to tendering opportunity should also be considered in future similar cases.

Review of the Alternative Tender B in Housing Authority Building Contracts

(Paper No. BC 116/97)

8. Members endorsed the recommendations of the paper to continue Tender B on more simple sites and a review should be conducted in not more than six months, for a firm recommendation on whether Tender B was to be retained. Members also agreed that consultation with the industry be carried out to explore mutually beneficial ways of improving construction performance on the Authority's projects.

Review of the Lift Installation Period

(Paper No. BC 123/97)

9. Members noted the paper.

Development of Tiu Keng Leng - Proposed Entrustment of Site Formation Work (2) to mass Transit Railway Corporation

(Paper No. BC 129/97)

10. Members endorsed the entrustment of Modified Site Formation Work(2) to Mass Transit Railway Corporation and the extension of the Site Formation Work (1) contract by entering into a supplemental agreement with the Contractor with increase of Approved Contract Sum.

Proposed Production of Precast Concrete Facades Outside Hong Kong

(Paper No. BC 131/97)

11. Members approved off-site suppliers to manufacture Precast Concrete Facades (PCF) outside Hong Kong and the concurrent establishment of a list of Approved Suppliers for PCF.

Implication on Housing Department Designs Arising from the New Disability Legislation

(Paper No. BC 132/97)

12. Members endorsed the proposed revisions to Housing Authority designs for compliance with the new Disability Legislation.

Flooding at Mei Chung Court in Shatin Area 4D Phases 1 and 2

(Paper Nos. BC 138/97 and HOC 57/97)

13. Members noted the paper.

Current Management Transformation Initiatives for Building Maintenance Works

(Paper No. BC 139/97)

14. Members noted the paper.

Tai Hing (Engineers & Builders) Ltd. - Status and Options of Remedies for New Works Contract

(Paper No. BC 140/97)

15. Members endorsed the proposed remedies for completing the outstanding works as described in the paper.

Appeal from Messrs. Levett & Bailey Chartered Quantity Surveyors (LB)

(Paper No. BC 145/97)

16. A Review Panel meeting was held on 11 August 1997 to hear the appeal lodged by LB. Members concurred with the Review Panel's recommendation to lift the LB's suspension on 21 August 1997.

(2) MANAGEMENT AND OPERATIONS COMMITTEE

Domestic Rents for New Estates

(Paper No. MOC 76/97)

17. Members approved the proposals as enumerated below -

- (a) that Tin Shui Wai district be separated from the banding of Yuen Long/Tuen Mun districts and form a banding of its own to reflect the increased estate value of the former;
- (b) that the rents for new flats in Tin Wan Phases 1 and 3, Hong Tung (Sai Wan Ho Infill Site), Wah Kwai (Wah Kwai Infill Site), Tsui Ping North Phase 11 (Tsui Ping Infill Site), Ping Tin (Lam Tin Phase 4) and Wan Hon (Wan Hon Street Infill Site) be fixed at \$63.4/sq.m. ;
- (c) that the rent for Kwai Chung Phase 1 be fixed at \$61.2/sq.m.;
- (d) that the rents for Sheung Tak Phases 3 and 4 be fixed at \$55.4/sq.m.;
and

- (e) that a territory-wide revision of the best rent levels for all districts be made, as follows -

District	Revised Best Rent \$/sq.m.
Urban	63.4
Shatin/Tsuen Wan/Kwai Chung	61.2
Tsing Yi/Tai Po/Tseung Kwan O/Ma On Shan	55.4
Fanling/Sheung Shui/Tung Chung	44.8
Tin Shui Wai	42.2
Yuen Long/Tuen Mun	39.6
Islands	36.4
Converted Blocks (Urban)	42.3
Converted Blocks (Tsuen Wan/Kwai Chung)	40.4

(3) DEVELOPMENT COMMITTEE

Surrender of Crown Leases/Conditions of Grant held in respect of Rental Estates in return for Vesting Orders

(Paper No. DC 29/97)

18. Subject to the approval of the Housing Authority, Members agreed to withhold action at this stage on the surrender of Crown Leases for those rental estates which are held under Crown Leases/Conditions of Grant.

(4) COMMERCIAL PROPERTIES COMMITTEE

Viability Testing for Commercial Premises

(Paper No. CPC 29/97)

19. Members approved the revised arrangements for the viability testing of commercial property investment.

Improvement of Retail Facilities in Tai Yuen Estate, Tai Po
(Paper No. CPC 30/97)

20. Members approved a proposal for the improvement of retail facilities in Tai Yuen Estate.

Termination of Carpark Management Contracts No. S112/96 and S113/96
(Paper No. CPC 36/97)

21. Members decided to suspend Kwik Park Ltd. from retendering for the two carpark management contracts. The Department was requested to re-examine the requirement for a Minimum Guaranteed Amount and termination clause for future carpark management contracts.

Arrangements for Tenants Affected by Clearance of Shun Kei Factory Estate, Tsuen Wan
(Paper No. CPC 43/97)

22. Members approved the following arrangements for Shun Kei Factory tenants -

- (a) give notice to quit under the tenancy agreement; existing rents to be frozen pending clearance;
- (b) pay an ex-gratia allowance, equivalent to 15 months' current rent; and
- (c) pay a special allowance of \$11,150 per unit.

Renewal of Liquefied Petroleum Gas (LPG) Supply Arrangement for Wah Fu (II) Estate
(Paper No. CPC 44/97)

23. Members approved the renewal of the LPG agreement for Wah Fu (II) Estate with Shell Hong Kong Ltd. (Shell) at nil premium subject to Shell relocating the plant free of cost to the Authority.

(5) HUMAN RESOURCES COMMITTEE

Human Resources Management Plan

(Paper No. HRC 34/97)

24. Members endorsed the draft Human Resources Management Plan of the Housing Authority and the HRM principles, objectives and strategies stated therein.

Proposed Changes in Manpower Budgetary Procedures

(Paper No. HRC 32/97)

25. Members endorsed the proposed changes in procedures for preparing manpower forecasts and budget of the Housing Authority.

Core Values and Team Alignment

(Paper No. HRC 35/97)

26. Members endorsed the programmes that drive and support Core Values and team alignment in HA as outlined in the paper.

Customer Service Framework and Training Strategy

(Paper No. HRC 36/97)

27. Members endorsed the proposed customer service framework and training strategy for improving customer service in HA and to support its core value of 'customer focused'.

Staff Incentive Scheme

(Paper No. HRC 31/97)

28. Members noted the various initiatives currently used in the Department to recognise staff's contributions and endorsed the new initiatives to motivate staff to give their best to enhance the Department's performance.

Vocational Training Strategy for Housing Manager Grade

(Paper No. HRC 37/97)

29. Members endorsed the proposed vocational training strategy for the Housing Manager grade to meet both job-specific and staff development needs for improving service delivery.

Establishment and Strength of the Housing Department

(Paper No. HRC 33/97)

30. Members noted the establishment and strength of the Housing Department in 1996/97.

Proposed Manpower Planning Parameters 1997/98 to 2001/02

(Paper No. HRC 45/97)

31. Members endorsed the revised manpower growth in 1997/98 and proposed growth for 1998/99 and noted the indicative manpower growth for 1999/00 to 2001/02.

(6) FINANCE COMMITTEE

Quarterly Internal Audit Report - May 1997 on Funds Management Operations

(Paper No. FC 39/97)

32. Members noted and discussed the paper.

Tender Evaluation Report on the Provision of Contract Internal Audit Service on Funds Management Operations for the Housing Authority

(Paper No. FC 40/97)

33. Members approved to award the contract for the provision of contract internal audit service on funds management operations for the Housing Authority to KPMG Peat Marwick.

Audit Reports discussed at the Housing Department Steering Committee on Management and Audit Studies Meeting held on 11 July 1997

(Paper No. FC 41/97)

34. Members noted and discussed the paper.

Review on Information Technology Strategy for Housing Department

(Paper No. FC 38/97)

35. Members approved to issue an open tender to engage external management consultant services to conduct a review on the Information Technology Strategy for Housing Department.

Implementation of the Housing Accounting and Financial Information System (HAFIS)

(Paper No. FC 37/97)

36. Members approved to -

- (a) implement the HAFIS at an estimated additional total five year costs of \$73 million;
- (b) accept ICL's proposal subject to successful negotiation at an one-off cost of approximately \$34.52 million, and an annual recurrent cost of \$ 2.51 million; and
- (c) delegate the authority to Director / Corporate Services to conclude the contract with ICL within the project financial limit.

(7) VISITS

37. During the period, the following visits were arranged for Housing Authority and Committee Members -
- (a) a visit for the Housing Authority Members on 5 June 1997 to Oi Man Estate Office to see the corporate image design of estate offices and to familiarize with the Maintenance Information System and Infrastructure Support System;
 - (b) visits for the Housing Authority and Commercial Properties Committee Members on 12 June 1997 to the newly-developed Tsz Wan Shan Shopping Centre and to Wong Tai Sin Shopping Centre to see its improvement works; and
 - (c) a visit for the Housing Authority and Building Committee Members on 23 August 1997 to Tsz Wan Shan, Sau Mau Ping and Ko Chiu Road construction sites to have an overview of the redevelopment.

(8) MEETING WITH CONCERN GROUPS

38. During the period, the Chairman of the Housing Authority had four meetings with concern groups. Members of the Management and Operations Committee held five meetings with concern groups to discuss housing issues.

(9) LIAISON WITH DISTRICT BOARDS

39. During the period under review, housing issues which received most attention from District Boards included the progress and arrangements of redevelopment/clearance/rehousing, maintenance and management. Other issues of great concern included Long Term Housing Strategy, installation of air conditioners, security installations, relief of overcrowding, merging of estate management and maintenance functions, implementation of the Housing (Amendment) Ordinance 1997, interim housing, rent assistance scheme.

40. A list of the housing matters discussed by each District Board and its committees during the period is at **Annex**.

Information

41. This paper is issued for Members' information.

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