

**Memorandum for the Finance Committee of
the Hong Kong Housing Authority**

**Report on Exercise of Delegated Financial Authority
for the Quarter Ended 30 June 2014**

PURPOSE

This paper informs Members of the delegated financial authority exercised during the quarter ended 30 June 2014.

BACKGROUND

2. The delegated financial authority to officers of the Housing Department / Authority was approved by the Finance Committee (FC). Quarterly reports are required to be submitted to the FC on the delegated financial authority exercised by the Chairman of the Housing Department Tender Board (HDTB) on the advice of HDTB and officers at D3 level or above.

EXERCISE OF DELEGATED FINANCIAL AUTHORITY

3. The approvals given by the Chairman of HDTB on the advice of HDTB and by officers at D3 level or above for the quarter ended 30 June 2014 are set out in the annexes-

- (i) Summary of the exercise of delegated financial authority –
Annex 1
- (ii) Items approved by the Chairman of HDTB on the advice of
HDTB – **Annex 2**
- (iii) Items approved by officers at D3 level or above – **Annex 3**
- (iv) Major contract variations of \$5M or more approved under
Table E or F of the Delegated Financial Authority – **Annex 4**

PUBLICITY

4. No publicity for this paper is considered necessary.

INFORMATION

5. This paper is issued for Members' information.

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Secretary, Finance Committee
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File Ref. : HD1-2/FPD/4-10/83/44(B)
(Corporate Services Division)
Date of Issue: 12 September 2014

**Summary of the Exercise of Delegated Financial Authority
(for the Quarter Ended 30 June 2014)**

- (i) Items approved by the Chairman of the Housing Department Tender Board (HDTB) on the advice of HDTB (details set out in **Annex 2**)

Number of approvals	Total amount approved
<hr/>	<hr/>
\$	
22	967,426,212
<hr/> <hr/>	<hr/> <hr/>

- (ii) Items approved by officers at D3 level or above (details set out in **Annex 3**)*

Number of approvals	Total amount approved
<hr/>	<hr/>
\$	
14	82,914,149
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* Official entertainment expenses have not been included because of the small amount involved.

- (iii) Major variations (i.e. \$5M or more) approved under Table E or F of Delegated Financial Authority (details set out in **Annex 4**)

Number of approvals	Total amount approved
<hr/>	<hr/>
\$	
2	4,400,000
<hr/> <hr/>	<hr/> <hr/>

**Items Approved by the
Chairman of the Housing Department Tender Board (HDTB) on the advice of HDTB
under Delegated Financial Authority
(for the Quarter Ended 30 June 2014)**

Annex 2
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Serial No.	HDT Paper No.	Description of Items Approved	Name of Tenderer/Counterparty	Amount (\$)	Financial Instruction No. 5 of 2012/13 Annex 2 Item No.
(I) Works and Works Related Services					
1	93/2014	Tender for redecoration of Lai King Estate (Contract No. 20139611)	Union Contractors Limited	Non-recurrent : 17,113,238	B.1
2	91/2014	Tender for the electrical installation for conversion of Chai Wan Factory Estate to public rental housing and demolition of blocks 1, 2, 3 & 12 and a school in Pak Tin Estate (Sub-contract to contract no. 20130485)	REC Engineering Company Limited	Non-recurrent : 14,877,000	B.1
3	75/2014 (Revised)	Tender for replacement public transport interchange and associated works at Kiu Cheong Road East, Ping Shan (Contract No. 20130520)	Harvest Civil Engineering Co., Ltd.	Non-recurrent : 12,100,000	B.1
Sub-total				44,090,238	
(II) Supplies and Other Services					
4	82/2014	Extension of property management agency service contract for the Domain, Yau Lai Shopping Centre and Shopping Spine (Contract No. PM20110012) (1.7.2014 - 30.6.2016)	Hong Yip Service Company Limited	Recurrent: 66,122,303	B.4
5	66/2014	Second contract extension of property services contract for Yat Tung (I), Yat Tung (II), Kam Peng, Lung Tin, Ngan Wan Estates and residual services for Peng Lai Court (Contract No. PM20080013) (1.7.2014 - 30.6.2015)	Good Excel Property Consultants Ltd.	Recurrent: 62,129,928	B.4
6	69/2014 (Revised)	Second contract extension of property services contract for Tin Yiu (I), Tin Yiu (II), and Shui Pin Wai Estates (Contract No. PM20080014) (1.7.2014 - 30.6.2015)	Modern Living Property Management Limited	Recurrent: 52,798,751	B.4
7	94/2014	Tender for security service contract for Shek Kip Mei Estate (Contract No. KS20140019) (1.8.2014 - 31.7.2020)	Nice Property Management Limited	Recurrent: 49,077,204	B.4
8	62/2014	Tender for security service contracts for Lok Wah (North) Estate (Contract No. KS20130859) (1.6.2014 - 31.5.2020) Wo Lok Estate (Contract No. KS20130858) (1.6.2014 - 31.5.2020) Lam Tin Estate (Contract No. KS20130860) (18.6.2014 - 17.6.2020)	Onward Security Company Limited	Recurrent: 42,971,371 Recurrent: 47,934,216	B.4
9	78/2014	Tender for security service contract for Ap Lei Chau Estate (Contract No. KS20130937) (1.7.2014 - 30.6.2020)	Nice Property Management Limited	Recurrent: 29,093,700	B.4
10	84/2014 (Revised)	Extension of property services contract for Ko Cheung and Yau Mei Courts (Contract No. PM20100010) (1.7.2014 - 30.6.2016)	Unimax Property Consultancy Limited	Recurrent: 44,435,160	B.4
11	63/2014	Tender for cleansing service contract for Shek Pai Wan Estate (Contract No. KS20130823) (1.6.2014 - 31.5.2020)	Sunbase International Properties Management Ltd.	Recurrent: 41,068,426	B.4
12	55/2014 (Revised)	Tenders for Batch 2 architectural services agreements for public housing developments Public rental housing developments - - Pak Tin Estate Phases 7, 8, 10 and 11 (Agreement No. CB20130609) - Shek Kip Mei Estate Phases 3, 6 and 7 (Agreement No. CB20130734) - North West Kowloon Reclamation Site 6 Phases 1, 2 and 3 (Agreement No. CB20130752) Home Ownership Scheme developments - - Wo Sheung Tun Street, Fo Tan, Shatin (Agreement No. CB20130757) - Fat Tseung Street West (Agreement No. CB20130751)	Hong Kong Commercial Cleaning Services Limited	Recurrent: 39,081,600	B.4
			CYS Associates (Hong Kong) Limited	Non-recurrent: 35,612,190	B.4
			Chau Lam Architects and Associates Architects & Engineers (H.K.) Ltd	Non-recurrent: 17,280,000	B.4
			Andrew Lee King Fun & Associates Architects Limited	Non-recurrent: 39,008,000	B.4
			K & W Architects Ltd	Non-recurrent: 16,000,000	B.4
			P & T Architects and Engineers Limited	Non-recurrent: 13,257,000	B.4
13	60/2014 (Revised)	Tender for property management agency service contract for Kwai Chung Shopping Centre and non-domestic premises (Contract No. PM20130702) (1.6.2014 - 31.5.2016)	Synergis Management Services Limited	Recurrent: 31,054,104	B.4
14	79/2014 (Revised)	Tender for security service contract for Wah Fu (II) Estate (Contract No. KS20130862) (1.7.2014 - 30.6.2020)	Unimax Property Consultancy Limited	Recurrent: 30,669,264	B.4
15	96/2014	Tender for cleansing service contract for Tin Yan Estate (Contract No. KS20140043) (1.8.2014 - 31.7.2020)	Man Shun Hong Kong & Kln. Cleaning Company Limited	Recurrent: 30,369,600	B.4

Items Approved by the
Chairman of the Housing Department Tender Board (HDTB) on the advice of HDTB
under Delegated Financial Authority
(for the Quarter Ended 30 June 2014)

Annex 2
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Serial No.	HDT Paper No.	Description of Items Approved	Name of Tenderer/Counterparty	Amount (\$)	Financial Instruction No. 5 of 2012/13 Annex 2 Item No.
16	59/2014	Extension of security service contract for Lok Wah (South) Estate (Contract No. KS20100076) (1.6.2014 - 31.5.2017)	Dragon Guard Security Limited	Recurrent: 23,770,260	B.4
17	56/2014	Tenders for Batch 2 engineering services agreements for public housing developments Structural and geotechnical design for the public rental housing developments - - Pak Tin Estate Phases 7, 8, 10 and 11 (Agreement No. CB20130583) - Shek Kip Mei Estate Phases 3, 6 and 7 (Agreement No. CB20130580) Structural, geotechnical and civil design for the public rental housing development - - Northwest Kowloon Reclamation Site 6 Phases 1, 2 and 3 (Agreement No. CB20130588) Structural and geotechnical design for the Home Ownership Scheme development - - Wo Sheung Tun Street, Fo Tan (Agreement No. CB20130578) Structural, geotechnical and civil design for the Home Ownership Scheme development - - Fat Tseung Street West (Agreement No. CB20130587)	P & T Architects and Engineers Limited Ove Arup & Partners Hong Kong Ltd. WSP Hong Kong Limited URS Hong Kong Limited Ho Tin & Associates Consulting Engineers Limited	Non-recurrent: 12,300,000 Non-recurrent: 12,882,850 Non-recurrent: 22,840,000 Non-recurrent: 6,583,000 Non-recurrent: 4,140,000	B.4
18	98/2014	Tender for public liability insurance for the Hong Kong Housing Authority and Housing Department (1.7.2014 - 30.6.2016)	Bank of China Group Insurance Company Limited	Recurrent: 22,770,000	B.4
19	64/2014	Tender for cleansing service contract for Lam Tin Estate (Contract No. KS20130824) (18.6.2014 - 17.6.2020)	Hong Kong Commercial Cleaning Services Limited	Recurrent: 20,727,936	B.4
20	97/2014	Extension of security service contracts for Lai Kok Estate (Contract No. KS20110014) (1.8.2014 - 31.7.2017) Lai On Estate (Contract No. KS20110015) (1.8.2014 - 31.7.2017)	Guard City Limited Nice Property Management Limited	Recurrent: 19,772,949 Recurrent: 14,177,959	B.4
21	100/2014 (Revised)	Slope maintenance term agreement (2014-2017): - Region A (Agreement No. CB20139274) (24.7.2014 - 23.1.2017) - Region B (Agreement No. CB20139275) (24.7.2014 - 23.1.2017)	AECOM Asia Company Limited Fugro (Hong Kong) Limited	Recurrent: 16,073,500 Recurrent: 16,403,175	B.4
22	57/2014	Tenders for Batch 2 building services engineering services agreements for public housing developments Public rental housing developments - - Pak Tin Estate Phases 7, 8, 10 and 11 (Agreement No. CB20140025) - Shek Kip Mei Estate Phases 3, 6 and 7 (Agreement No. CB20130930) - North West Kowloon Reclamation Site 6 Phases 1 to 3 (Agreement No. CB20130876) Home Ownership Scheme developments - - Wo Sheung Tun Street, Fo Tan (Agreement No. CB20130909) - Fat Tseung Street West (Agreement No. CB20140100)	Meinhardt (M&E) Limited WSP Hong Kong Limited Mott MacDonald Hong Kong Limited Wong & Ouyang (Building Services) Limited	Non-recurrent: 16,000,000 Non-recurrent: 5,618,600 Non-recurrent: 14,390,200 Non-recurrent: 2,852,728 Non-recurrent: 4,070,000	B.4
				Sub-total	923,335,974
				Grand Total	967,426,212

**Items Approved by Officers at D3 level or above
under Delegated Financial Authority
(for the Quarter Ended 30 June 2014)**

Annex 3

Serial No.	Contract/ File Reference Number	Description of Items Approved	Name of Tenderer/Counterparty	Amount (\$)	Approving Officer	Financial Instruction No. 5 of 2012/13 Annex 2 Item No.
(I) Works and Works Related Services						
1	20130618	Tender for minor new soft landscape works term contract (2014-2016)	Tsui Yuen Garden	7,508,277	DD(DC)	B.1
2	MQ20139675	Quotation for re-roofing works at Sheung Yee House and annex block in Sheung Tak Estate (7.5.2014 - 9.8.2014)	Way Lo Engineering Company Limited	3,125,000	DD(EM)	C.1(a)
3	MQ20149204	Single quotation for relocation of Towngas risers installed in the enclosed balconies of domestic flats at Man Hong House of Model Housing Estate	The Hong Kong and China Gas Co. Ltd	2,950,480	DD(EM)	C.1(b)
			Sub-total	13,583,757		
(II) IT and Related Purchases/Services						
4	HAQ20130880	Tender for the provision of support, maintenance and other related services of the Works Frontend System for the Hong Kong Housing Authority	ELM Computer Technologies Limited	Non-recurrent: 2,990,000	} DD(EM)	B.2
				Recurrent: 5,656,800		
5	SQ320130776	Quotation for acquisition of 50 industrial grade personal digital assistants, related hardware and accessories for HOMES Mobile Site Inspection System	ELM Computer Technologies Limited	1,077,550	DD(DC)	C.2(b)
			Sub-total	9,724,350		
(III) Supplies and Other Services						
6	CB20140004	Quantity surveying services for So Uk Estate Phase 2 (Building Works)	Langdon & Seah Hong Kong Limited	9,200,240	DD(DC)	B.4
7	KS20110235	Extension of cleaning service contract for Wan Tsui Estate (1.4.2014 - 31.3.2016)	Chun Wui Kee Co. Ltd.	8,249,472	DD(EM)	B.4
8	CB20149065	Quantity surveying services for maintenance works under Property Service Administration Unit district term contract (Wong Tai Sin, Tsing Yi, Tsuen Wan and Islands (I)) and building services term maintenance contracts (1.7.2014 - 30.6.2017)	Beria Consultants Limited	7,821,830	DD(EM)	B.4
9	CB20149128	Agreement for provision of body-shopped building services engineers for maintenance / improvement works and services	Wong & Ouyang (Building Services) Limited	7,568,640	DD(EM)	B.4
10	CB20149083	Quantity surveying team services for maintenance and improvement works (2014/15) (1.7.2014 - 30.6.2015)	Rider Levett Bucknall Limited	6,268,000	DD(EM)	B.4
11	CB20140153	Quantity surveying services for Sheung Lok Street (combined site formation, foundation and building works)	WT Partnership (HK) Limited	5,937,680	DD(DC)	B.4
12	CB20149066	Quantity surveying services for maintenance works under district term contract (Wong Tai Sin, Tsing Yi, Tsuen Wan and Islands (I)) and building services term maintenance contracts (1.7.2014 - 30.6.2017)	Beria Consultants Limited	5,486,900	DD(EM)	B.4
13	CB20149064	Quantity surveying services for maintenance works under district term contract (Kowloon East (2)) and building services term maintenance contracts (1.7.2014 - 30.6.2017)	Bridgewater & Coulton Limited	4,344,280	DD(EM)	B.4
			Sub-total	54,877,042		
(IV) Others						
14	20060094	Excess of project budget for redevelopment of Shatin Pass Estate	-	4,729,000	DD(DC)	H.1(c)
			Sub-total	4,729,000		
			Grand Total	82,914,149		

**Major variations (i.e. \$5M or more) approved by
the Chairman of the Housing Department Tender Board (HDTB) on the advice of HDTB or Officers at D3 level or above under Table E or F of Delegated Financial Authority ^(Note 1)
(for the Quarter Ended 30 June 2014)**

Serial No.	Contract Number	Description of Items Approved	Original Contract \$M (A)	Deemed ^(Note 2) Original Contract Sum \$M (B)	Cumulative Amount of Previous Variations Approved		Variation Approved in this quarter		Revised Contract Sum \$M [(A) or (B)] + (C) + (D)	Approving Officer	Financial Instruction No. 5 of 2012/13 Annex 2 Item No.
					\$M (C)	% (C) / (A) or (B)	\$M (D)	% (D) / (A) or (B)			
Supplies and Other Services											
1	PM20110012	Variation of property management agency service contract for the Domain, Yau Lai Shopping Centre and Shopping Spine (Paper No. HDT 82/2014)	106.0		6.2	5.8%	9.7	9.2%	121.9	HDTB Chairman on the advice of HDTB	E4(a)(ii)
2	PM20080013	Variation of property services contract for Yat Tung (I), Yat Tung (II), Kam Peng, Lung Tin, Ngan Wan Estates and residual services for Peng Lai Court (Paper No. HDT 66/2014)	325.0	328.6			-5.3	-1.6%	323.3	HDTB Chairman on the advice of HDTB	F.4
						Sub-total	4.4				
						Total	4.4				

Notes:

- Table E covers authority for contract variations with additional cost implications while Table F covers authority for contract variations with reduced cost / no additional cost implications.
- It was approved by the Finance Committee on 20 September 2005 that any revised contract value approved by the highest approving authority (the Tender Committee or the HDTB Chairman on the advice of HDTB as applicable to each DFA item) is deemed to be the original contract value.