

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

**Report on Exercise of Delegated Financial Authority
for the Quarter Ended 30 June 2022**

PURPOSE

This paper informs Members of the delegated financial authority exercised in the quarter ended 30 June 2022.

BACKGROUND

2. The delegated financial authority to officers of the Housing Department (HD) was approved by the Finance Committee (FC) in 2020. Quarterly reports are submitted to FC on the delegated financial authority (DFA) exercised by –

- (a) Chairman of the Housing Department Tender Board (HDTB), on the advice of HDTB; and
- (b) HD officers at D3 level or above.

EXERCISE OF DELEGATED FINANCIAL AUTHORITY

3. The approvals given by Chairman of HDTB and by officers at D3 level or above for the quarter ended 30 June 2022 are set out in the following annexes –

- (a) **Annex 1** Summary of the exercise of DFA;
- (b) **Annex 2** Items approved by Chairman of HDTB, on the advice of HDTB;

- (c) **Annex 3** Items approved by HD officers at D3 level or above; and
- (d) **Annex 4** Major contract variations of \$5M or more in value.

PUBLIC REACTION/PUBLICITY

- 4. No publicity will be arranged for the information in this paper.

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/4-10/83/76(B)
(Corporate Services Division)
Date of Issue : 23 September 2022

**Summary of the Exercise of Delegated Financial Authority
(for the quarter ended 30 June 2022)**

- (i) Items approved by 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 \$ |
|--|------------------------|--------------------------------|
| | <u>34</u> | <u>1,408,381,038</u> |

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

| | Number of approvals | Total amount approved \$ |
|-----------------------------|------------------------|--------------------------------|
| Reduction in Project Budget | <u>3</u> | <u>1,587,943,000</u> |
| Other items | <u>23</u> | <u>154,303,762</u> |

- (iii) Major contract variations (\$5M or more in value) approved (details set out in **Annex 4**)

| | Number of approvals | Total amount approved \$ |
|--|------------------------|--------------------------------|
| | <u>3</u> | <u>91,400,000</u> |

Items approved by Chairman of the Housing Department Tender Board (HDTB) on the advice of HDTB
under Delegated Financial Authority
(for the quarter ended 30 June 2022)

| Serial No. | Description of Items Approved | Name of Tenderer/Counterparty | Amount (\$) |
|---|--|--|-------------|
| (I) Works and Works Related Services | | | |
| 1 | Tender for fire services and water pump installation for construction of public housing developments at Kai Tak Sites 2B5 and 2B6 | ATAL Engineering Limited | 47,700,000 |
| 2 | Tender for term contracts for slope maintenance and improvement works (2022-2025) for | | |
| | - Region A | Kwan On Construction Company Limited | 45,030,000 |
| | - Region B | China Geo-Engineering Corporation | 44,145,090 |
| | - Region C | Fraser Construction Company Limited | 47,124,000 |
| | - Region D | Pan Kee Limited | 45,039,500 |
| 3 | Tender for lift installation for construction of public housing development at Long Bin Phase 1 | Hitachi Elevator Engineering Company (Hong Kong) Limited | 46,909,088 |
| 4 | Tender for provision of body-shopped works supervisors II (construction) (batch 27) | Ample Surveyor Services Limited | 45,923,370 |
| 5 | Tender for lift installation for construction of public housing developments at Kai Tak Sites 2B5 and 2B6 | Hitachi Elevator Engineering Company (Hong Kong) Limited | 36,683,900 |
| 6 | Tender for fire services and water pump installation for construction of public housing development at Sheung Shui Areas 4 and 30 Site 1 Phase 1 | Lee Yu Kee Fire Protection Limited | 32,600,000 |
| 7 | Tender for lift installation for construction of public housing development at Sheung Shui Areas 4 and 30 Site 2 Phase 2 and footbridge works at Ching Hong Road North Phase 3 | KONE Elevator (HK) Limited | 28,325,000 |
| 8 | Tender for fire services and water pump installation for construction of public housing development at Anderson Road Quarry Site R2-8 | Far East Engineering Services Limited | 27,670,000 |
| 9 | Tender for electrical installation for construction of public vehicle park at Sheung Shui Areas 4 and 30 Site 2 Phase 1 | Shun Hing Engineering Contracting Company Limited | 23,000,000 |
| 10 | Tender for fire services and water pump installation for construction of public housing development at Anderson Road Quarry Site R2-5 | Webster Engineering Company | 21,740,000 |
| 11 | Tender for lift installation and maintenance for construction of public housing development at Sheung Shui Areas 4 and 30 Site 1 Phase 1 | | |
| | - Installation | } KONE Elevator (HK) Limited | 20,427,000 |
| | - Maintenance | | 22,736,960 |
| 12 | Tender for lift installation for construction of public housing development at Hiu Ming Street | Mitsubishi Elevator Hong Kong Company Limited | 20,286,000 |

**Items approved by Chairman of the Housing Department Tender Board (HDTB) on the advice of HDTB
under Delegated Financial Authority
(for the quarter ended 30 June 2022)**

| Serial No. | Description of Items Approved | Name of Tenderer/Counterparty | Amount (\$) |
|---|---|--|-------------|
| 13 | Tender for lift installation for construction of public housing development at Anderson Road Quarry Site R2-8 | Mitsubishi Elevator Hong Kong Company Limited | 18,678,017 |
| 14 | Tender for lift installation for construction of public housing development at Anderson Road Quarry Site R2-5 | KONE Elevator (HK) Limited | 14,345,000 |
| 15 | Tender for underground utilities investigation term contracts (UUITC) (2021/22 to 2023/24) | | |
| | - UUITC A | Waterland Detection Engineering Limited | 12,100,326 |
| | - UUITC B | Castco Testing Centre Limited | 9,535,768 |
| 16 | Tenders for 2020 and 2021 batch 3 engineering services agreements on structural and geotechnical design for public housing developments | | |
| | - Site A of Wang Chau Phase 1 | C M Wong & Associates Limited | 11,000,000 |
| | - Site B of Wang Chau Phase 1 | C M Wong & Associates Limited | 10,000,000 |
| | - Mei Tin Estate Phase 4 | C M Wong & Associates Limited | 6,191,120 |
| | - Wah Fu North and Wah Lok Path, Pok Fu Lam South | APT Engineering Consultant Limited | 5,944,945 |
| | - Wu Shan Road | Wong Pak Lam & Associates Consulting Engineers & Architects Ltd. | 5,920,000 |
| | | Sub-total | 649,055,084 |
| (II) Supplies and Other Services | | | |
| 17 | Extension of property management agency service contract for Domain, Shopping Spine and Yau Lai Shopping Centre | Hong Yip Service Company Limited | 90,545,952 |
| 18 | Extension of carpark management contracts in | | |
| | - Kowloon East Region | Wilson Parking (Holdings) Limited | 79,809,652 |
| | - Hong Kong Island and Island Region | Yue Xiu APT Parking Limited | 58,657,336 |
| | - Kowloon West and Sai Kung Region | Yue Xiu APT Parking Limited | 53,687,752 |
| 19 | Tender for cleansing service contract for Tin Yan Estate | Hong Shing HK Clean Co | 46,696,896 |
| 20 | Security service contract for Tin Shui (I) & (II) Estate : first contract extension | Guard City Limited | 39,971,876 |
| 21 | Tender for property management agency service contract for Kwai Chung Shopping Centre and non-domestic premises | Nice Property Management Limited | 38,721,216 |
| 22 | Cleansing service contract for Kwai Chung Estate : first contract extension | Chun Wui Kee Company Limited | 38,233,392 |

**Items approved by Chairman of the Housing Department Tender Board (HDTB) on the advice of HDTB
under Delegated Financial Authority
(for the quarter ended 30 June 2022)**

| Serial No. | Description of Items Approved | Name of Tenderer/Counterparty | Amount (\$) |
|-------------------|--|---|------------------------------|
| 23 | Tender for property management agency contracts for - Ching Fu Court - Kam Chun Court | Kong Shum Union Property Management Company Limited Guardian Property Management Limited | 36,365,106 32,811,780 |
| 24 | Security service contract for Wah Fu (I) Estate : first contract extension | Unimax Property Consultancy Limited | 31,716,262 |
| 25 | Security service contract for Choi Hung Estate : first contract extension | Hong Kong Guards Limited | 30,678,480 |
| 26 | Security service contract for Wo Lok Estate : first contract extension | Guard City Limited | 26,696,628 |
| 27 | Security service contract for Shek Kip Mei Estate : first contract extension | Creative Property Services Consultants Limited | 26,649,600 |
| 28 | Provision of public liability insurance for the Hong Kong Housing Authority and Housing Department, property services agents and minor maintenance and improvement works contractors | Bank of China Group Insurance Company Limited | 24,159,165 |
| 29 | Security service contract for Lok Wah (North) Estate : first contract extension | Kai Fu Property Services Company Limited | 23,241,417 |
| 30 | Security service contract for Ap Lei Chau Estate : first contract extension | Unimax Property Consultancy Limited | 22,481,595 |
| 31 | Security service contract for Lam Tin Estate : first contract extension | Nice Property Management Limited | 16,942,924 |
| 32 | Security service contract for Wah Fu (II) Estate : first contract extension | Unimax Property Consultancy Limited | 15,680,599 |
| 33 | Cleansing service contract for Wan Tsui Estate : first contract extension | Li Hing Environmental Services Co. Limited | 13,470,806 |
| 34 | Cleansing service contract for Lam Tin Estate : first contract extension | Li Hing Environmental Services Co. Limited | 12,107,520 |
| | | Sub-total | 759,325,954 |
| | | Grand Total | 1,408,381,038 |

**Items approved by officers at D3 level or above
under Delegated Financial Authority
(for the quarter ended 30 June 2022)**

Annex 3
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| Serial No. | Description of Items Approved | Name of Tenderer/Counterparty | Amount (\$) |
|---|--|---|-------------|
| (I) Works and Works Related Services | | | |
| 1 | Building services engineering services for public housing development at Site A of Wang Chau Phase 1 | WSP Hong Kong Limited | 8,573,440 |
| 2 | Supply and installation of split type room cooler term contract 2022/23 to 2023/24 | | |
| | - Term contract 1 | Alpha Appliances Limited | 8,528,370 |
| | - Term contract 2 | Shun Hing Electronic Trading Co., Limited | 6,265,840 |
| 3 | Building services engineering services for public housing development at Wu Shan Road | Ove Arup & Partners Hong Kong Ltd. | 8,500,800 |
| 4 | Tender for machine-room-less lift installation for construction of public housing development at Kai Tak Sites 2B5 and 2B6 | Mitsubishi Elevator Hong Kong Company Limited | 8,387,000 |
| 5 | Quantity surveying services agreement for Wu Shan Road (foundation and building works) | WT Partnership (HK) Limited | 8,265,030 |
| 6 | Lift modernisation for Ngan Hung, Ngan Yat and Ngan Yuet Houses in Ngan Wan Estate | Otis Elevator Company (H.K.) Limited | 7,505,740 |
| 7 | Operation and maintenance of Automated Refuse Collection System for Shek Pai Wan Estate | Associated Engineers, Limited | 7,200,000 |
| 8 | Redecoration of Ko Yee Estate | United Construction Company Limited | 6,880,000 |
| 9 | Provision of professional services for Alteration & Addition, Minor Works and Mandatory Building Inspection Scheme for | | |
| | - KC and WTT Region | } Prudential Surveyors International Limited | 6,666,786 |
| | - TNS and T&Y Region | | 4,587,264 |
| 10 | Building services engineering services for public housing development at Site B of Wang Chau Phase 1 | J. Roger Preston Limited | 6,482,650 |
| 11 | Building services engineering services for public housing development at Wah Lok Path, Pok Fu Lam South | P&T (M&E) Limited | 5,980,000 |
| 12 | Tender for machine-room-less lift installation and maintenance for construction of public housing development at Hiu Ming Street | | |
| | - Installation | } KONE Elevator (HK) Limited | 5,374,000 |
| | - Maintenance | | 4,082,120 |
| 13 | Redecoration of Chun Shing Factory | United Construction Company Limited | 5,280,000 |

**Items approved by officers at D3 level or above
under Delegated Financial Authority
(for the quarter ended 30 June 2022)**

Annex 3
(Page 2 of 3)

| Serial No. | Description of Items Approved | Name of Tenderer/Counterparty | Amount (\$) |
|---|---|--|-------------|
| 14 | Tender for machine-room-less lift installation and maintenance for construction of public housing development at Sheung Shui Areas 4 and 30 Site 2 Phase 2 and footbridge works at Ching Hong Road North Phase 3 | Chevalier (HK) Limited | 4,684,000 |
| | - Installation | | |
| | - Maintenance | | 3,828,480 |
| 15 | Tender for building services engineering services for additional public housing development at Mei Tin Estate Phase 4 | WSP Hong Kong Limited | 3,906,130 |
| 16 | Tender for machine-room-less lift installation and maintenance for construction of public housing development at Anderson Road Quarry Site R2-5 | Chevalier (HK) Limited | 3,714,000 |
| | - Installation | | |
| | - Maintenance | | 1,918,216 |
| 17 | Building services engineering services for public housing development at Wah Lok Path, Pok Fu Lam South | M & P Consulting Engineers (HK) Limited | 3,219,950 |
| 18 | Quantity surveying services agreement for re-measurement of provisional quantities for steel reinforcement for Diamond Hill CDA (SSF), Hin Fat Lane, Ko Shan Road and Tuen Mun Area 29 | Bridgewater & Coulton Limited | 2,612,000 |
| 19 | Public rental housing at Kwu Tung North Area 19 Phase 1A and Phase 1B, BEAM plus registration | Hong Kong Green Building Council Limited | 2,316,400 |
| | | Sub-total | 134,758,216 |
| (II) IT and Related Purchases / Services | | | |
| 20 | Provision of ProjectWise Subscription Licences and other related services of Drawing Management System for the Hong Kong Housing Authority | Global Technology Integrator Limited | 8,542,464 |
| 21 | Supply of software for supporting online database patching for e-services platform and HA-Cloud for the Hong Kong Housing Authority | Nexify Limited | 5,950,032 |
| 22 | Provision of enhancement services for adoption of Maintenance Data Collection System (MDCS) for the Drainage Enhancement and Repair Programme and related enhancements on MDCS for the Estate Management Division | Million Tech Development Limited | 1,571,050 |
| | | Sub-total | 16,063,546 |
| (III) Consultancy, Professional Advisory or Legal Services | | | |
| 23 | Tender for appointment of legal consultant for preparation of legal documentation for 5 projects under Housing Authority's 2023 sales scheme | Messrs. Baker & McKenzie | 3,482,000 |
| | | Sub-total | 3,482,000 |
| | | Total of items (1) to (23) | 154,303,762 |

**Items approved by officers at D3 level or above
under Delegated Financial Authority
(for the quarter ended 30 June 2022)**

| Serial No. | Description of Items Approved | Name of Tenderer/Counterparty | Amount (\$) |
|---|---|-------------------------------|----------------------|
| (IV) Reduction in Project Budget | | | |
| 24 | Reduction in project budget for the construction of public housing development at Hang Fu Street Tuen Mun Area 16 | - | 26,854,000 |
| 25 | Reduction in project budget for public housing development at Anderson Road Quarry Site R2-8 | - | 149,267,000 |
| 26 | Reduction in project budget for public housing development at Tung Chung Area 100 | | 1,411,822,000 |
| Total of item (24) to (26) | | | <u>1,587,943,000</u> |

**Major contract variations (\$5M or more in value) approved by
Chairman of the Housing Department Tender Board (HDTB) on the advice of HDTB or officers at D3 level or above
(for the quarter ended 30 June 2022)**

| Serial No. | Description of Items Approved | Original Contract Sum \$M (A) | Deemed ^(Note) Original Contract Sum \$M (B) | Cumulative Amount of Previous | | Variation Approved | | Revised Contract Sum \$M [(A) or (B)] + (C) + (D) |
|---|---|---|--|----------------------------------|-----------------------|--------------------|-----------------------|---|
| | | | | Variations Approved | | in this quarter | | |
| | | | | \$M (C) | % (C) / (A) or (B) | \$M (D) | % (D) / (A) or (B) | |
| (I) Works and Works Related Services | | | | | | | | |
| 1 | Variation and increase of contract value for foundation for public housing development at North West Kowloon Reclamation Site 1 (East) | 458.0 | - | - | - | 80.8 | 17.6% | 538.8 |
| 2 | Increase of contract value for electrical term maintenance contract (Kowloon West and Sai Kung Region) 2019/2022 for Housing Authority estates, areas and buildings | 117.1 | - | - | - | 17.0 | 14.5% | 134.1 |
| | | | | | Sub-total | 97.8 | | |
| (II) Supplies and Other Services | | | | | | | | |
| 3 | Variation of carpark management contracts in Kowloon East Region | 201.5 | - | 5.0 | 2.5% | -6.4 | -3.2% | 200.1 |
| | | | | | Sub-total | -6.4 | | |
| | | | | | Grand Total | 91.4 | | |

Note:

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.