

**Legislative Council Public Works Subcommittee
Meeting on 16 March 2017**

**781CL – Site Formation and Infrastructure Works For Public
Housing Developments at Area 54, Tung Chung**

Supplementary Information

PURPOSE

During the discussion regarding the captioned project (PWSC(2016-17)39 refers) at the Legislative Council Public Works Subcommittee meeting on 16 March 2017, Members requested the Administration to provide the following supplementary information –

- (a) explanation on the major differences between "New Engineering Contract" and conventional contract, thus considerations of using different form of engineering contract during implementation of public works projects; and
- (b) measures to be taken to allow cyclists to access Tung Chung Town Centre and MTR Station smoothly using the proposed cycle tracks under this project;

GOVERNMENT RESPONSES

2. The required information is set out below –

- (i) New Engineering Contract (NEC) form encompasses contract provisions to encourage contracting parties to adopt a partnering approach to take forward construction works. NEC form also improves the equitable sharing of risks between contracting parties, with a view to lowering the tender premium and construction cost. This contract form

attaches great importance on risk mitigation and effective management. It also embraces a collaborative risk management mechanism which helps to reduce project risk. This mechanism requires contracting parties to give early warnings on any risks as soon as they arise and work together to resolve such risks in a collaborative manner. Both parties have the obligation to notify each other if either of them becomes aware of any risk which could increase project cost and/or cause delay. Under this mechanism, contracting parties should attend coordination meetings to determine appropriate measures for risk mitigation. Therefore, NEC form can help improve the performance of construction contracts in terms of cost and time control.

Development Bureau and works departments have been promoting collaborative partnership to enhance management efficiency and cost-effectiveness of works contracts. Since 2009, we have commenced piloting the NEC form in public works contracts to encourage the works departments and the industry stakeholders, including consultants and contractors, to participate and build up the required knowledge and experience. In October 2016, Development Bureau has published the Practice Notes for NEC – Engineering and Construction Contract for public works projects in Hong Kong. Standard contract document templates are provided for reference by the works departments and the industry so as to encourage wider adoption of the NEC form in more public works projects of different nature. Depending on the special circumstances of individual projects, the NEC form is generally adopted in capital works contracts for public works projects managed by the works departments.

- (ii) We understand that a highly accessible cycle track network connecting local major access locations can facilitate local residents to cycle around local area. Therefore, under PWP Item No. 781CL, a cycle track with cycle parking area is proposed at the north of Ying Hei Road to connect the existing local cycle track network. Cyclists can make use

of the proposed cycle track and pedestrian crossing facilities under this project to reach Tung Chung Town Centre and MTR Station through the existing cycle track network. Cyclists would need to dismount their bicycles when passing pedestrian crossing at Wai Tung Road and pedestrian walkway near Tung Chung Development Ferry Pier. A route map is attached in Annex.

Transport and Housing Bureau
March 2017

