

'\$175m agreed for fitting of stadium

By SO LAI-FUN

THE Urban Council yesterday agreed to pay \$175 million to fit out the Hong Kong Stadium, even though it may not get the money back within six years.

Councillors were told that 75 per cent of the contracts had been let before overall approval from the council was granted, prompting some members to worry that more funds might have to be channelled to meet the bill.

Some were concerned the contracts had not been let on a fixed-price basis, allowing the contractors to claim further expenses.

However, despite the potential risk, the council endorsed \$125 million for the fitting out cost, in addition to \$50 million approved in May.

The request was deferred by councillors two weeks ago, when it was revealed the cost was 50 per cent more than the estimate.

A working party was then set up to seek explanation from the management of the fitting out project, Wembley International.

After listening to the management's explanation last Thursday, the majority of the members agreed to recommend to the council a ceiling of \$175 million for the cost.

But working party member Wong Siu-ye, who voted against the proposal yesterday, questioned whether



Ronald Leung

the sum could be recovered in six years as forecast by the management.

He was dissatisfied that 75 per cent of the fitting-out contracts were agreed and signed prior to approval for the overall cost being obtained from the council, making it very difficult for them to reject the funding.

"I think most members were forced to endorse the plan. It is a challenge to the authority of the council and to the interest of the public at large," said Mr Wong.

"I would like to know who authorised the management to sign the contract."

He thought the council had been misled by the Government into believing the fitting out would be financed by the Royal Hong Kong Jockey Club. He asked the club to pay the additional cost.

Meeting Point's Fred Li

Wah-ming also opposed the request, saying there was no guarantee it could be recovered, and that there was a potential for the management to call for further adjustment.

He was disappointed the working party had passed the recommendation in only one meeting.

Urban Council chairman Ronald Leung Ding-bong, also a member of the supervisory body of the construction project, said they were constrained by need to have the stadium ready by next March, as any delay would lead to a cost increase exceeding the Jockey Club's \$850 million provision.

He said they had allowed the management to approve the contracts because they were not experienced.

Some small contracts were linked to larger contracts and it was hard to endorse them one by one. But he thought they had monitored the project carefully.

They had pruned the cost estimate of \$283 million proposed by Wembley to \$160 million in July.

He conceded it would be optimistic to expect all the money back in six years - all the council could do was maximise its gains from fees for using the facility.

He also admitted it was impossible to ask the Club to pay the extra money, but he would try to negotiate with the Government to meet the additional cost.