

NOTE FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

Supplementary information on Chinese University of Hong Kong 38EF - Engineering Building Complex, phase 2

INTRODUCTION

When Members considered paper PWSC(2001-02)1 on project **38EF** - Engineering Building Complex, phase 2 of the Chinese University of Hong Kong (CUHK) at the Public Works Subcommittee meeting on 18 April 2001, the Administration undertook to provide further information on -

- (a) the cost comparison with project **22EK** - Phase VI development of Hong Kong Polytechnic University (PolyU), which was upgraded to Category A in February 1997; and
- (b) the consultancy arrangements.

THE ADMINISTRATION'S RESPONSE

2. A cost comparison between **38EF** and **22EK**, in terms of construction unit cost and consultants' fees in September 2000 prices, is as follows -

Project No.	Building cost per square metre (a)	Building services cost per square metre (b)	Construction unit cost per square metre (a) + (b)	% of post-tender consultants' fees to estimated total project cost
38EF	\$7,722	\$5,994	\$13,716	3.83%
22EK	\$8,306	\$3,936	\$12,242	3.88%

3. **38EF** has a slightly higher construction unit cost than **22EK** having regard to the former's need to provide a clean room system that meets the special requirements of laboratories inside the building. If the cost of the clean room system is removed, the construction unit cost of **38EF** will be reduced from \$13,716 to \$12,376 per square metre, comparable to the \$12,242 per square metre for **22EK**.

4. A breakdown of the pre-tender consultancy fees for **38EF** chargeable to block allocation **Subhead 8100EX** "Alterations, additions, repairs and improvements to the campuses of the UGC-funded institutions" and the post-tender consultancy fees to be sought under **Head 708** "Capital Subvention and Major Systems and Equipment" in September 2000 prices is as follows -

	Lead Consultancy [Scale Fees] (\$ million)	Geotechnical Consultancy [Lump-sum] (\$ million)	Quantity Surveying [Competitive Bidding] (\$ million)	Others (\$ million)	Total (\$ million)
Date of appointing consultants	June 1998	December 1998	December 1998	To be appointed	-
Pre-tender consultancy fees	7.50	0.28	1.39	-	9.17 ¹
Post-tender consultancy fees -	4.04	0.15	0.75	3.70	8.64
(a) Assessment of tenders	0.58	0.02	0.10	-	0.70
(b) Contract administration	3.46	0.13	0.65	-	4.24
(c) Site supervision	-	-	-	3.54 ²	3.54
(d) Out-of-pocket expenses	-	-	-	0.16 ³	0.16

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¹ Excludes the \$700,000 site investigation work carried out by the contractor.

² Site supervisory staff to be recruited on contract term by CUHK using government salary scale.

³ Lithography and other direct expenses to be reimbursed on actual cost incurred.

5. CUHK appointed the lead consultant on a scale fee basis from a shortlist of three nominated candidates and the geotechnical consultant on a direct appointment lump-sum basis. The quantity surveying consultant was appointed under a competitive bidding system. The consultancy agreements covered both pre-tender and post-tender consultancy services which is a common practice to ensure project continuity and enhance accountability of services provided.

6. There is a break clause in the consultancy agreements with the lead and geotechnical consultants. In case funding is not available for the proposed works to proceed, CUHK has no obligation to pay the consultants for services not delivered, and may even terminate the contracts. However, if funding is available, CUHK will continue to engage the existing lead and geotechnical consultants for continuity and higher efficiency.

Education and Manpower Bureau
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