

NOTE FOR FINANCE COMMITTEE

Report on 289EP – A 36-classroom primary school at Pokfield Road, Kennedy Town

INTRODUCTION

This note informs Members of the Administration's decision not to proceed with the construction of a 36-classroom primary school at Pokfield Road, Kennedy Town, out of cost-effectiveness considerations.

BACKGROUND

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for Education and Manpower (SEM), proposed to upgrade **289EP** to Category A for the construction of a 36-classroom primary school at Pokfield Road, Kennedy Town, for the conversion of an existing bi-sessional school into whole-day operation. At the Public Works Subcommittee meeting on 26 June 2002, the item was voted on and endorsed. On 15 July 2002, the Finance Committee (FC) approved the upgrading of **289EP** to Category A at an estimated cost of \$163 million in money-of-the-day prices comprising about \$157 million for construction works and \$6 million for other expenditure items such as consultancy and furniture and equipment.

TENDER RETURN

3. Subsequent to FC's approval, we invited tenders for the construction of **289EP** and received 15 tenders. The lowest and the highest tenders were about 20% and 78% higher than the estimated cost respectively. The difference between the tender outturn and the estimate was mainly due to the much higher-than-expected excavation rates for the hand-dug caisson required. With the limited number of workers experienced with hand-dug caissons remaining in the industry, the tender for caissons may have allowed a higher risk factor to cater for this specialised foundation system and the related stringent safety and environmental requirements.

4. For safety reasons, in 1993 the Administration banned hand-dug caissons, except under special circumstances. For this steeply sloping site at Pokfield Road, D Arch S considered hand-dug caissons to be the only practical foundation system. In view of the shortage of readily available sites in the Central and Western District for school development for implementing whole-day primary schooling, we decided to proceed with the project. In estimating the project cost, as no other data more current than those for hand-dug caisson projects prior to the ban were available, D Arch S has adopted advice from local piling contractors in estimating \$157 million as the cost of the project requiring hand-dug caissons. Members may wish to note that this is some 70% higher than the average construction cost for school of the same type and size.

5. In view of the high tender outturn as compared with D Arch S's initial estimate, the project was considered not cost-effective. After consulting the school sponsor concerned, SEM decided to abort the project. Funding spent under block vote for the pre-construction work was \$2.2 million and no funding approved under **289EP** has been used.

ALTERNATIVE PROPOSAL

6. The school sponsor has accepted an alternative school site at the junction of Victoria Road and Pok Fu Lam Road in the Southern District in lieu of the Pokfield Road site for conversion of its existing two bi-sessional schools into whole-day operation. The proposed 36-classroom primary school on the replacement school site is now under planning for completion in May 2007. We will seek funding approval from FC in due course.

Education and Manpower Bureau
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