

NOTE FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

Supplementary Information on

277CL – Tseung Kwan O development, phase II, remaining engineering works

INTRODUCTION

At the PWSC meeting on 19 December 2001, Members considered PWSC(2001-02)88 on **277CL** “Tseung Kwan O development, phase II, remaining engineering works” and requested the Administration to –

- (a) explore whether and how the project could be further expedited, having regard to the tentative implementation programme of **759TH** “Shenzhen Western Corridor (SWC)” project; and
- (b) provide a comparison between the project estimates stated in PWSC(2001-02)88 and that of the submission made in May 2001 (PWSC(2001-02)19).

THE ADMINISTRATION’S RESPONSE

Implementation programme of 277CL

2. The construction programme of the SWC project is not applicable to **277CL** for two reasons –

- (a) the majority of the construction works for SWC can be carried out concurrently at various locations in Deep Bay¹. However, the programme for **277CL** is already very tight and cannot be further shortened; and

/(b)

¹ The major construction works for SWC comprise the construction of a bridge across Deep Bay. The bridge works will involve the construction of foundations, piers and decking, all of which can be carried out concurrently at various locations in Deep Bay.

- (b) unlike SWC, the works under **277CL** require major interfaces with adjacent developments.

3. Implementation of **277CL** will involve construction of multi-layer vehicular bridges, utility diversions, roadworks and drainage works. These works will be carried out in a congested location where impact on the operation of the existing roundabout at Tseung Kwan O Tunnel Road/Wan Po Road/Po Shun Road (Roads T1/P1/P2) has to be minimised. We will also have to carry out comprehensive traffic diversion works at different stages. In the light of the above, we consider direct comparison of the implementation programme of **759TH** and **277CL** not practical.

4. We plan to start the construction works of **277CL** in April 2002 for completion in April 2005. This 36-month period includes a 6-month Extension of Time (EoT) to allow for inclement weather during construction and possible delay due to other unforeseeable factors. The Administration will ensure that the works and interfaces are well-coordinated. We will complete the project as early as practicable.

Cost estimate

5. A comparison between the project estimates for **277CL** in PWSC(2001-02)19 and that in PWSC(2001-02)88 is given at Enclosure 1. In terms of money-of-the-day (MOD) prices, we are seeking a provision of \$438.6 million, rather than \$456.0 million, due to the lower forecast of trend labour and construction prices from 2002 to 2007. However, in constant price terms, the estimate has been adjusted from \$418.0 million at September 2000 prices to \$434.5 million at September 2001 prices, representing a \$16.5 million increase. The increase is mainly attributable to the following –

- (a) additional works to relocate the proposed works area from Tseung Kwan O Area 40a, which is an existing MTRCL works area, to Area 45. This is necessary to minimise disturbance to residents of On Ning Garden (paragraphs 2 and 5, and part of paragraph 3 at Enclosure 1 refer);

/(b)

- (b) installation of extensive metallic hoardings and additional project publicity boards to reduce environmental impact during construction, promote site tidiness and provide more information to road users about the construction works (part of paragraph 3 at Enclosure 1 refers);
- (c) adjustment to the cost estimate for constructing the proposed flyovers, taking into account more updated information on the design and unit rates of works items (paragraph 4 at Enclosure 1 refers);
- (d) extension of the low noise road surfacing area at Wan Po Road (paragraph 6 at Enclosure 1 refers);
- (e) adjustments to consultants' fees due to refinements in the works mentioned above and salary increase in April 2001 (paragraph 7 at Enclosure 1 refers); and
- (f) corresponding adjustments to contingencies (paragraph 8 at Enclosure 1 refers).

Enclosure 1 to PWSCI(2001-02)47

277CL – Tseung Kwan O development, phase II, remaining engineering works

A comparison of the project estimates stated in PWSC(2001-02)19 and PWSC(2001-02)88 is as follows –

	<u>Estimates (\$ million)</u>		<u>Difference</u>
	As stated in PWSC(2001-02)19 (i)	As stated in PWSC(2001-02)88 (ii)	(ii) - (i)
(a) Earthworks	20.4	21.2	0.8
(b) Roadworks with associated footpaths and cycle tracks	49.4	53.3	3.9
(c) Vehicular bridges	103.7	109.8	6.1
(d) Pedestrian subways	2.4	2.4	-
(e) Drainage works	12.4	13.1	0.7
(f) Traffic control and surveillance facilities	18.0	18.0	-
(g) Landscaping works	7.5	7.5	-
(h) Noise mitigation measures	117.9	118.2	0.3
(i) noise enclosure	58.9	58.9	-
(ii) noise barrier	56.8	56.8	-
(iii) low noise road surfacing	2.2	2.5	0.3
(i) EM&A programme	8.3	8.3	-
(j) Consultants' fees	40.0	43.2	3.2
(i) construction stage	5.1	5.7	0.6
(ii) resident site staff costs	34.9	37.5	2.6

		<u>Estimate (\$ million)</u>		<u>Difference</u>
		As stated in PWSC(2001-02)19 (i)	As stated in PWSC(2001-02)88 (ii)	(ii) - (i)
(k)	Contingencies	38.0	39.5	1.5
	Sub-total ²	418.0	434.5	16.5
(l)	Provision for price adjustment	38.0	4.1	(33.9)
	Total ³	456.0	438.6	(17.4)

2. **As regards (a) (earthworks)**, the increase of \$0.8 million is to cover additional site formation costs for works area in Area 45.

3. **As regards (b) (roadworks with associated footpaths and cycle tracks)**, the increase of \$3.9 million is to cover additional construction costs for the reprovisioning of cycle track and provision of vehicular access to and from the works area at Area 45; increased length of construction access to proposed Bridge C due to release of Area 40a for landscape use; additional project publicity boards and additional metallic hoardings.

4. **As regards (c) (vehicular bridges)**, the increase of \$6.1 million is to cover the upward adjustment in cost for the proposed flyovers due to more updated information on the design and unit rates for the works.

5. **As regards (e) (drainage works)**, the increase of \$0.7 million is to cover the costs of drainage works at Area 45 and additional construction costs for access to the proposed Bridge C as mentioned in paragraph 3 above.

² The sub-total of the cost estimate in PWSC(2001-02)19 is at September 2000 prices and that in PWSC(2001-02)88 at September 2001 prices.

³ The total cost estimate is expressed in MOD prices after taking into account the provision for price adjustment.

6. **As regards (h) (noise mitigation measures)**, the increase of \$0.3 million is to cover the additional construction costs for the extension of low noise road surfacing area at Wan Po Road.

7. **As regards (j) (consultants' fees)**, the increase of \$3.2 million reflects adjustments in consultants' fees due to refinements in the works mentioned above and the salary increase in April 2001.

8. **As regards (k) (contingencies)**, the increase of \$1.5 million reflects adjustments to the cost of works and consultants' fees (items (a) to (j)). The same 10% contingencies have been used in both estimates.