

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

發展局(規劃地政科)

香港花園道美利大廈

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5 December 2008

Clerk to the Panel
LegCo Panel on Development
Legislative Council Secretariat
3/F, Citibank Tower
3 Garden Road, Central
(Attn.: Ms Anita Sit)
Fax : 2869 6794

Dear Ms Sit,

Panel on Development
Follow-up to meeting on 25 November 2008

7343CL - Central Reclamation Phase III - engineering works

At the meeting of the Legislative Council Panel on Development on 25 November 2008, the Administration was requested to provide more detailed explanation for and breakdown of the additional costs required for the subject project. A detailed comparison of the approved project estimate and the revised project estimate in money-of-the-day prices in both English and Chinese versions is attached. The Administration will also include this information in the submission to the Public Works Subcommittee of the Finance Committee for discussion at its meeting on 15 December 2008.

Yours sincerely,

(Ivan CHEUNG)
for Secretary for Development

c.c. PM/HKI&I, CEDD
(Attn : Mr C K Hon)

(Fax no.: 2116 0318)

Internal

PAS(PL)2

7343CL – Central reclamation phase III – engineering works

A comparison of the APE and the revised project estimate in MOD prices is as follows –

	(A)	(B)	(C)	(C) – (A)
	Approved Estimate	Revised Estimate (based on tender sum)	Latest Estimate	Difference
\$ million (in MOD prices)				
(a) Reclamation	456.0	359.0	402.5	(53.5)
(b) Seawalls	444.0	511.0	511.0	67.0
(c) Road works	115.0	75.7	75.7	(39.3)
(d) Depressed road and underpass	149.0	55.5	55.5	(93.5)
(e) Public transport interchanges	32.0	23.0	23.0	(9.0)
(f) Footbridge and covered walkway	90.0	74.3	74.3	(15.7)
(g) Sewerage and drainage works in reclamation area	43.0	45.1	45.1	2.1
(h) Box culverts	254.0	226.3	226.3	(27.7)
(i) Hinterland drainage improvement	32.0	24.1	40.8	8.8
(j) Berthing facilities for Chinese People's Liberation Army Forces	39.0	37.8	37.8	(1.2)
(k) Ferry piers and public piers	442.0	349.0	349.0	(93.0)
(l) Waterfront pumping station structures for future developments	44.0	71.0	71.0	27.0
(m) Reprovisioning of government cooling water pumping systems	271.0	177.6	177.6	(93.4)
(n) Reprovisioning of private cooling water pumping systems	348.0	311.8	311.8	(36.2)
(o) Relocation of government helipad and PCWA	116.0	44.3	44.3	(71.7)
(p) Landscaping works	56.0	72.3	72.3	16.3
(q) Protection Works for the reclamation	-	-	1600.0	1600.0
(r) EM&A programme	15.0	12.4	18.5	3.5
(s) Consultants' fee	325.0	325.0	440.0	115.0
(i) Construction stage	44.0	44.0	56.0	
(ii) Resident site staff	273.0	273.0	376.0	
(iii) Electrical and Mechanical Services Trading Fund charges	8.0	8.0	8.0	
(t) Employment of NCSC staff	20.0	20.0	25.0	5.0
(u) Provision for price adjustment	(58.5)	(58.5)	910.0	968.5
(v) Contingencies	329.0	329.0	250.0	(60.2) ¹ (18.8) ²
Total:	3,561.5	3,085.7	5,761.5	2,200.0

¹ Reduction in contingencies for additional reclamation and hinterland drainage improvement works.

² Drawdown from contingencies to meet expenditure for the Protection Works and higher-than-expected price fluctuation payment.

2. As regards (a) (Reclamation), the total decrease of \$53.5 million includes –

- (i) the decrease of \$97.0 million due to lower-than-expected rates submitted by the contractor; and
- (ii) the increase of \$43.5 million due to additional dredging and associated filling work for the reclamation when compared with the originally estimated dredging profile.

3. As regards (b) (Seawalls), the increase of \$67.0 million is due to higher-than-expected rates submitted by the contractor.

4. As regards (c) (Road works), the decrease of \$39.3 million is due to lower-than-expected rates submitted by the contractor.

5. As regards (d) (Depressed road and underpass), the decrease of \$93.5 million is due to lower-than-expected rates submitted by the contractor.

6. As regards (e) (Public transport interchanges), the decrease of \$9.0 million is due to lower-than-expected rates submitted by the contractor.

7. As regards (f) (Footbridge and covered walkway), the decrease of \$15.7 million is due to lower-than-expected rates submitted by the contractor.

8. As regards (g) (Sewerage and drainage works in reclamation area), the increase of \$2.1 million is due to higher-than-expected rates submitted by the contractor.

9. As regards (h) (Box culverts), the decrease of \$27.7 million is due to lower-than-expected rates submitted by the contractor.

10. As regards (i) (Hinterland drainage improvement), the total increase of \$8.8 million includes –

- (i) the decrease of \$7.9 million due to lower-than-expected rates submitted by the contractor; and
- (ii) the increase of \$16.7 million is due to design revisions of some box culvert and manholes to suit the site constraints arising from very congested underground utilities in roads of heavy traffic.

11. As regards (j) (PLA Berth), the decrease of \$1.2 million is due to lower-than-expected rates submitted by the contractor.
12. As regards (k) (Ferry piers and public piers), the decrease of \$93.0 million is due to lower-than-expected rates submitted by the contractor.
13. As regards (l) (Waterfront pumping station structures for future developments), the increase of \$27.0 million is due to higher-than-expected rates submitted by the contractor.
14. As regards (m) (Reprovisioning of government cooling water pumping systems), the decrease of \$93.4 million is due to lower-than-expected rates submitted by the contractor.
15. As regards (n) (Reprovisioning of private cooling water pumping systems), the decrease of \$36.2 million is due to lower-than-expected rates submitted by the contractor.
16. As regards (o) (Relocation of government helipad and PCWA), the decrease of \$71.7 million is due to lower-than-expected rates submitted by the contractor.
17. As regards (p) (Landscaping works), the increase of \$16.3 million is due to higher-than-expected rates submitted by the contractor.
18. As regards (r) (EM&A programme), the total increase of \$3.5 million includes –
 - (i) the decrease of \$2.6 million due to lower-than-expected rates submitted by the contractor; and
 - (ii) the increase of \$6.1 million due to extended construction period up to mid-2011 for completing the Protection Works.
19. As regards (s) (Consultants' fee), the total increase of \$115.0 million is to cover consultants' fee for construction stage and resident site staff for the extended construction period up to mid-2011 for completing the Protection Works.
20. As regards (t) (Employment of NCSC staff), the increase of

\$5.0 million is to continue employment of NCSC staff for the management of the project for the extended construction period up to mid-2011 for completing the Protection Works.

21. As regards (u) (Provision for price adjustment), the increase of \$968.5 million is due to the upsurge in contract price fluctuation payment (CPF) during the construction period. The breakdown of the increase is:

- \$58.5 million – for replenishing the negative price adjustment provision in the original APE.
- \$910.0 million – the estimated total price fluctuation payment for the project comprising:
 - (a) CPF payment made up to end October 2008: \$392.0 million; and
 - (b) CPF payment for the remaining work within the original scope of the project : \$518.0 million.

22. As regards (v) (Contingency), in view of a substantial part of the construction works have not been completed, it is considered prudent to maintain \$250.0 million as contingency.