



中華人民共和國香港特別行政區政府總部教育統籌局
Education and Manpower Bureau
Government Secretariat, Government of the Hong Kong Special Administrative Region
The People's Republic of China

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5 December 2008

Miss Odelia Leung
Clerk to Panel on Education
Legislative Council
Jackson Road
Central, Hong Kong

Dear Miss Leung,

Panel on Education
List of follow-up actions

At the meeting on 10 November 2008, Members asked for further information on capital works projects for University Grants Committee (UGC)-funded institutions, including –

- (a) the original and latest estimates of the 12 capital works projects for the institutions to implement the new academic structure, the reasons for any increases in the estimated costs and the parties concerned for shouldering the additional costs; and
- (b) the land sites identified for the construction of additional facilities and buildings required for the UGC-funded institutions in support of the new academic structure.

The original estimated costs and the latest projected costs/ project estimates of the 12 capital works projects for the UGC-funded institutions to implement the new academic structure are at Annex A. The original estimated costs were made in 2004 and 2005 by the UGC-funded institutions based on the

prevailing market price at the time for planning purpose. The projected costs have been updated from time to time during the detailed design process of the projects, as and when updated information was available, such as site investigation results. The latest projected costs/ project estimates in Annex A were derived in September 2008 based on the available information, including the prevailing market rates.

When compared with the original estimated costs, the latest projected costs/ project estimates of the 12 projects have increased by about 70%. The adjustments were mainly attributed to the significant increases in construction material prices and changes in market sentiments from the date of the original estimated costs in 2004 and 2005. Following steady increases in construction material prices since 2004, there was an accelerated increase from mid-2007 onwards. For example, the Architectural Services Tender Price Index for the third quarter of 2008 has increased by almost 100% compared to the third quarter of 2004.

In some cases, the projected costs may need to be adjusted after site investigation data is available and with the completion of detailed design. For instance, additional site formation works including slope upgrading works, or deep foundation requiring longer piles may be required to meet the site constraints. The UGC-funded institutions would in such cases give careful consideration at the detailed design stage to ensure that the increase in projected costs is genuinely necessary and reasonable. The above efforts will ensure that funding proposals are based on the most up-to-date project estimates.

The land sites of the 12 projects are at Annex B. Seven of the projects are within campus and five are located at sites outside campus.

I should be grateful if you could circulate the above information to Members for their reference.

Yours sincerely,



(Amy Wong)

for Secretary for Education

cc: SG,UGC (Attn: Mrs. Dorothy Ma)

Original and Latest Estimated Costs of the 334-related Capital Works Projects of the UGC-funded Institutions

(\$ million)

Institution	Project name	Original Estimated Cost	Projected Cost ^a	Latest Project Estimate ^b	
		(in Sept. 2004 or 2005 prices ^c)	(in Sept. 2008 prices)	(in Sept.2008 prices)	(in MOD prices) ^b
CityU	Academic and Administration Building	571.0 ^d	978.9	-	-
HKBU	Baptist University Road Campus Development, Phase I	239.7	-	380.9 ^e	425.5 ^e
LU	New Academic Block	72.7	-	132.5	142.6
	New Student Hostel	49.3 ^d	-	91.4	98.4
PolyU	Phase 8 Development	760.4 ^d	1,303.6	-	-
CUHK	An Integrated Teaching Building	114.5	199.4	-	-
	Centralized General Research Lab Complex (Block 1) at Area 39	255.6	445.2	-	-
	Extension to the existing University Library	161.6	281.5	-	-
	Student Amenity Centre	107.7	-	188.9	206.5
HKUST	New Academic Building	384.2	669.2	-	-
	Extension to the existing Academic Building	80.4	-	110.7	116.1
HKU	Centennial Campus Phase I	630.0	1,097.4	-	-
Total ^f		3,427.0	4,975.2	904.4	989.1

Abbreviation

CityU - City University of Hong Kong; HKBU - The Hong Kong Baptist University; LU - Lingnan University; PolyU - The Hong Kong Polytechnic University; CUHK - The Chinese University of Hong Kong; HKUST - The Hong Kong University of Science and Technology; HKU - The University of Hong Kong

^a Seven of the projects (at a total cost of \$4,975.2 million) are still at detailed design stage. Estimation of the projected costs has taken into account the changes in market prices and sentiments from the date of the original cost estimates in 2004 and 2005, as well as new development from the detailed design process. The estimated costs are presented in September 2008 prices such that the projects costs can be readily compared at the same price level. The cost estimates of these projects will be reviewed and updated to reflect the latest market rates before the funding submissions to the Legislative Council are finalised.

^b These five projects have been submitted to the Panel on Education or Public Works Subcommittee (PWSC), and the latest project estimates have taken into account the current economic situation and prevailing construction prices. The funding submissions to the PWSC will be converted to the money-of-the-day (MOD) prices using Government's latest forecast of trend rate of change in the prices of public sector building and construction output, which are expected to increase by 4% per annum over the period from 2008 to 2018.

^c The projects of CityU, HKBU and PolyU are shown in September 2005 prices level according to the revised proposals submitted by the institutions.

^d Apart from meeting the additional needs arising from "3+3+4" in 2012/13, the projects of CityU, LU (hostel) and PolyU also include provision for meeting their immediate shortfall and hence the project estimates are shown according to the proposals of the expanded scope.

^e The project was combined with Baptist University Road Campus Development Phase II project, which is for meeting immediate space shortfall, in October 2008. The total amount sought from Finance Committee is \$945.1 million in MOD prices.

^f The total amount also includes the funding required for meeting the immediate shortfall of CityU, LU (hostel) and PolyU. If for "3+3+4" purpose only, the original and latest projected cost is around \$2.9 billion (in 2004/2005 prices) and \$4.9 billion (in 2008 prices) respectively.

Land sites of the capital works projects

Institution	Project name	Location
CityU	Academic and Administration Building	Within campus
HKBU	Baptist University Road Campus Development, Phase I	Within campus
LU	New Academic Block	Outside campus ^
	New Student Hostel	Outside campus ^
PolyU	Phase 8 Development	Outside campus #
CUHK	An Integrated Teaching Building	Within campus
	Centralized General Research Lab Complex (Block 1) at Area 39	Outside campus *
	Extension to the existing University Library	Within campus
	Student Amenity Centre	Within campus
HKUST	New Academic Building	Within campus
	Extension to the existing Academic Building	Within campus
HKU	Centennial Campus Phase I	Outside campus @

^ The site is at Tuen Kwai Road adjacent to the University campus.

The site is at the junction of Chatham Road South and Princess Margaret Road.

* The site is at Area 39, Pak Shek Kok.

@ The site is at the western side of the campus.

Abbreviation

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HKBU - The Hong Kong Baptist University

LU - Lingnan University

PolyU - The Hong Kong Polytechnic University

CUHK - The Chinese University of Hong Kong

HKUST - The Hong Kong University of Science and Technology

HKU - The University of Hong Kong