

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 – BUILDINGS

Support – Intra-governmental services

68GI – Relocation of the Printing Workshop of Government Logistics Department

Members are invited to recommend to Finance Committee the upgrading of **68GI** to Category A at an estimated cost of \$365.1 million in money-of-the-day prices for the relocation of the Printing Workshop of Government Logistics Department.

PROBLEM

We need to relocate the office and Printing Workshop of the Printing Division of the Government Logistics Department (GLD), which are currently located in a relatively high value area, for more effective use of land resources.

PROPOSAL

2. The Director of Architectural Services, with the support of the Secretary for Financial Services and the Treasury, proposes to upgrade **68GI** to Category A at an estimated cost of \$365.1 million in money-of-the-day (MOD) prices for the relocation of the Printing Workshop of GLD.

/PROJECT

PROJECT SCOPE AND NATURE

3. We propose to relocate the Printing Workshop of GLD from Cornwall House at Taikoo Place, Quarry Bay to the Government Logistics Centre (GLC) at Chai Wan. The project comprises the refurbishment of the entire 6/F, 8/F and 9/F, as well as part of 10/F of GLC (involving 8 994 square metres (m²) in net operational floor area¹ (NOFA)) for reprovisioning the Printing Workshop and associated alteration works in other floors to meet the operational needs of the Printing Workshop. The proposed works would provide the following facilities for the Printing Workshop –

- (a) fully air-conditioned/ventilated workshops for printing machineries;
- (b) a paper testing laboratory;
- (c) a paper store;
- (d) a computer-to-plate platemaking room;
- (e) administrative facilities (e.g. offices);
- (f) installations including emergency generator, waste paper extraction system with air filtration unit, volatile organic compounds abatement installation, etc.;
- (g) gangway and other ancillary facilities² including a central compressor room, a dangerous goods store, temporary chemical stores, etc.; and
- (h) loading/unloading bay.

/4.

¹ NOFA is the floor area actually allocated to the users of a building for carrying out the intended activities. Unlike the construction floor area which takes into account all areas within the building structure envelope, NOFA does not include areas for toilets, lift lobbies, stair halls, public/shared corridors, stairwells, escalators and lift shafts, pipe/services ducts, refuse chutes and refuse rooms, balconies, verandas, open decks and flat roofs, parking spaces, loading/unloading areas, mechanical plant rooms, etc.

² Ancillary facilities and gangway required to support the operation of the Printing Workshop will take up about 850m² floor area which is not accountable as NOFA.

4. A site plan, layout plans, a sectional drawing and a barrier-free access plan are at Enclosures 1 to 6 respectively. Subject to funding approval of the Finance Committee (FC), we plan to start the refurbishment works in November 2013 for completion in August 2015, including a three-month period for relocation of printing machines. As the relocation of printing machines will be conducted by phases, it will not significantly affect the provision of printing services.

JUSTIFICATION

5. The Printing Workshop has been located at Cornwall House since 1985 and is now occupying the 10th floor to 13th floor. It provides printing services, including pre-press, printing and finishing operations, to government departments. Major facilities include printing machineries, finishing machineries and offices, etc. Over the years, Taikoo Place has transformed from an industrial area to a commercial area. In view of Government's accommodation policy to relocate government offices with no location requirements out of high value areas for more effective use of land resources, we consider it necessary to relocate the Printing Workshop away from Quarry Bay.

6. GLC is located at the waterfront of Chong Fu Road in Chai Wan which is zoned as "Government, Institution or Community" (G/IC). The surrounding area is mainly for G/IC or industrial use. At present, GLC is mainly used for storage and distribution of government supplies, and the paper store of the Printing Workshop is located in GLC. As part of its operation, the Printing Division has to transport paper from GLC at Chai Wan to the Printing Workshop in Cornwall House at Quarry Bay and the delivery team stationed at GLC has to pick up the printed products from the Printing Workshop for delivery to departments concerned. Co-location of the Printing Workshop, paper store and delivery team under one roof in GLC can bring about synergy and further enhance operational efficiency.

7. To make way for the Printing Workshop, GLD will re-engineer and consolidate the current uses at GLC. Some of the existing space at the affected floors has been on loan to individual government departments for storage use on a temporary basis. The departments concerned will re-provision the affected storages to other accommodations and the relevant re-provisioning costs will either be absorbed by the departments concerned or charged against Subhead 3101GX - Minor Building Works (Block Vote).

/FINANCIAL

FINANCIAL IMPLICATIONS

8. We estimate the capital cost of the project to be \$365.1 million in MOD prices (please see paragraph 9 below), broken down as follows –

	\$ million	
(a) Site works	5.8	
(b) Building	149.0	
(c) Building services	97.1	
(d) Additional energy conservation measures	4.0	
(e) Furniture and equipment ³	5.4	
(f) Consultants' fees for	7.1	
(i) contract administration	6.5	
(ii) management of resident site staff	0.6	
(g) Remuneration of resident site staff	5.7	
(h) Relocation of printing machines and installation of new waste paper extraction system ⁴	7.2	
(i) Contingencies	25.6	
	<hr/>	
Sub-total	306.9	(in September 2012 prices)
(j) Provision for price adjustment	58.2	
	<hr/>	
Total	365.1	(in MOD prices)

/We

³ The estimated cost of furniture and equipment is based on an indicative list of items required.

⁴ It is estimated that \$4.8 million is required for relocation of the delicate printing machines. Specialized services are required in the removal, transport, reassembling and testing of the machines before the printing machines can be put into normal operation in the new premises. Separately, \$2.4 million is required for installation of the new waste paper extraction system.

We propose to engage consultants to undertake contract administration and site supervision of the project. A breakdown of the estimates for consultants' fees and resident site staff costs by man-month is at Enclosure 7. The construction floor area (CFA) of **68GI** is about 12 951 m². The estimated construction unit cost, represented by the building and the building services costs, is \$19,002 per m² of CFA in September 2012 prices. We consider this cost comparable to that of similar government projects.

9. Subject to funding approval of FC, we will phase the expenditure as follows –

Year	\$ million (Sept 2012)	Price adjustment factor	\$ million (MOD)
2013 – 14	5.0	1.06225	5.3
2014 – 15	100.0	1.12599	112.6
2015 – 16	145.0	1.19354	173.1
2016 – 17	35.0	1.26516	44.3
2017 – 18	15.0	1.34107	20.1
2018 – 19	6.9	1.41147	9.7
	306.9		365.1

10. We have derived the MOD estimates on the basis of the Government's latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period from 2013 to 2019. We will award the contract on a lump-sum basis because we can clearly define the scope of the works in advance. The contract will provide for price adjustments.

11. We estimate the annual recurrent expenditure arising from the project to be \$0.56 million.

12. This relocation proposal may have an effect on the administration cost of the relevant departments/bureaux but it is not feasible to assess the impact, if any, on the fees and charges. Any cost changes would be taken into account in fee review exercise for the relevant services.

PUBLIC CONSULTATION

13. We consulted the Food, Environment and Hygiene Committee (the Committee) of the Eastern District Council on 10 January 2013. Members generally raised no objection to the project but suggested the Government should conduct a traffic impact assessment (TIA) to assess the traffic condition in that area upon the relocation of Printing Workshop to GLC. In response to Members' request, we conducted a TIA which concluded that the operation of the Printing Workshop would have minimal impact on the traffic of the area⁵. We reported the findings to the Committee at its meeting on 21 March 2013. Members supported the relocation proposal.

14. We consulted the Legislative Council Panel on Financial Affairs on 8 April 2013. Members generally supported the project. As requested by the Panel, we have consulted the Transport and Housing Bureau (THB) which advised that the planning of the Siu Sai Wan Line is currently at the conceptual stage. The actual alignment would be subject to further detailed design should the railway scheme be taken forward. As there are clear operational needs for GLC and it has been in existence since 1996, the proposed relocation project will not add to the planning constraint that the Government will have to take into account, among other things, if and when it decides to proceed with the Siu Sai Wan Line.

/ENVIRONMENTAL

⁵ According to the TIA which used the traffic forecast in 2018 for assessing the junction capacity, all junctions will be operating satisfactorily with ample capacity. The junctions in the vicinity will still have spare capacity after the Printing Workshop is in full operation. (Note: The year for the traffic forecast was set in accordance with the guidelines issued by the Transport Department on the conduct of TIA. According to the guidelines, the design year for traffic forecast should be set at least three years after the planned completion of the development. Since the relocation of Printing Workshop to GLC is scheduled for 2015, we therefore take 2018 as the design year for this TIA report.)

ENVIRONMENTAL IMPLICATIONS

15. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). The project will not cause long term environmental impacts. We have included in the project estimates the cost to implement suitable mitigation measures to control short-term environmental impacts. During construction, we will control noise, dust and site runoff nuisances to levels within established standards and guidelines through the implementation of mitigation measures as required.

16. At the planning and design stages, we have considered measures to reduce the generation of construction waste where possible (e.g. using more prefabricated building elements including dry-wall partitioning, proprietary fittings and fixtures). In addition, we will require the contractor to reuse inert construction waste on site or in other suitable construction sites as far as possible, in order to minimize the disposal of inert construction waste at public fill reception facilities⁶. We will encourage the contractor to maximise the use of recycled / recyclable inert construction waste to further reduce the generation of construction waste.

17. At the construction stage, we will require the contractor to submit for approval a plan setting out the waste management measures, which will include appropriate mitigation means to avoid, reduce, reuse and recycle inert construction waste. We will ensure that the day-to-day operations on site comply with the approved plan. We will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. We will control the disposal of inert construction waste and non-inert construction waste at public fill reception facilities and landfills respectively through a trip-ticket system.

/18.

⁶ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

18. We estimate that the project will generate in total about 4 793 tonnes of construction waste. Of these, we will deliver 3 169 tonnes (66.1%) of inert construction waste to public fill reception facilities for subsequent reuse. We will dispose of the remaining 1 624 tonnes (33.9%) of non-inert construction waste at landfills. The total cost for accommodating construction waste at public fill reception facilities and landfill sites is estimated to be around \$0.29 million for this project (based on a unit cost of \$27 per tonne for disposal at public fill reception facilities and \$125 per tonne at landfills⁷).

HERITAGE IMPLICATIONS

19. This project will not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites or buildings, sites of archaeological interest and government historic sites identified by the Antiquities and Monuments Office.

LAND ACQUISITION

20. This project does not require any land acquisition.

ENERGY CONSERVATION, GREEN AND RECYCLED FEATURES

21. This project will adopt various forms of energy efficient features and renewable energy technologies, in particular –

- (a) water cooled air-conditioning system with high efficiency water cooled chiller;
- (b) demand control of chilled water circulation system;
- (c) demand control of fresh air supply with carbon dioxide sensors; and
- (d) Solar hot water system.

/22.

⁷ This estimate has taken into account the cost of developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost of existing landfill sites (which is estimated at \$90 per m³), nor the cost to provide new landfills (which is likely to be more expensive) when the existing ones are filled.

22. The total estimated additional cost for adoption of the energy conservation measures is about \$4.0 million (including \$3.4 million for energy efficient features), which has been included in the project estimates of the project. The energy efficient features will achieve 10.6% energy savings in the annual energy consumption with a payback period of about 4.9 years.

BACKGROUND INFORMATION

23. The total floor area of the existing Printing Workshop (including ancillary facilities and gangway) at Cornwall House, together with the paper store at GLC is about 10 300 m².

24. The Printing Workshop of GLD has all along been adopting green printing measures in conformity with the requirements under the ISO 14001 Environmental Management System. The chemical waste generated during printing production is collected by chemical waste collectors licensed under the Waste Disposal (Chemical Waste) (General) Regulation and delivered for proper disposal at licensed facilities. Industrial effluent is discharged in accordance with the standards set down in the discharge licence granted by the Environmental Protection Department under the Water Pollution Control Ordinance. We will continue to adopt these measures upon relocation of the Printing Workshop to GLC.

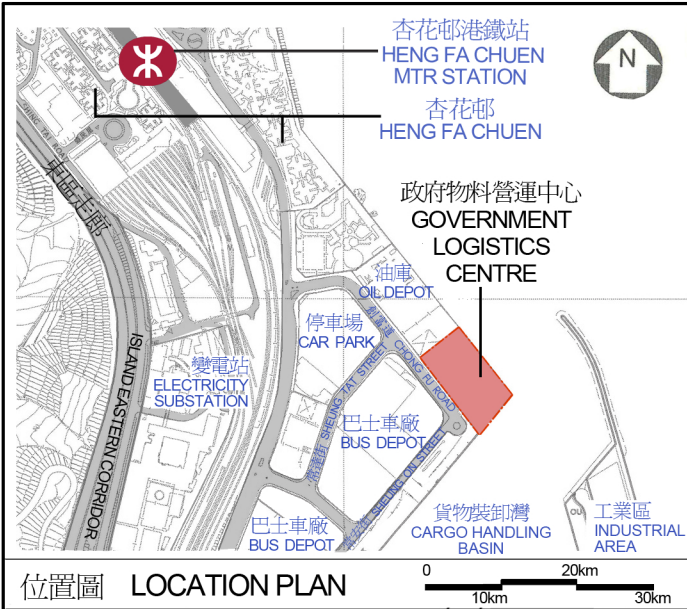
25. We upgraded **68GI** to Category B in September 2010. We employed an architectural consultant to undertake detailed design in August 2011. We also employed a quantity surveying consultant to prepare the tender documents in March 2012. We charged the total cost of \$7.4 million to block allocation **Subhead 3100GX** "Project Feasibility Studies, Minor Investigations and Consultants' Fees for Items in Category D of the Public Works Programme". The architectural consultant has completed the detailed design. The quantity surveying consultant is finalising the tender documents.

26. The proposed works will not involve any tree removal or planting proposal.

/27.

27. We estimate that the proposed works will create about 355 jobs (about 322 for labourers and 33 for professional/technical staff), providing a total employment of about 5 790 man-months.

Financial Services and the Treasury Bureau
April 2013



工地平面圖 SITE PLAN

68GI
名稱：搬遷政府物流服務署印刷工場
TITLE: RELOCATION OF THE PRINTING WORKSHOP OF GOVERNMENT LOGISTICS DEPARTMENT



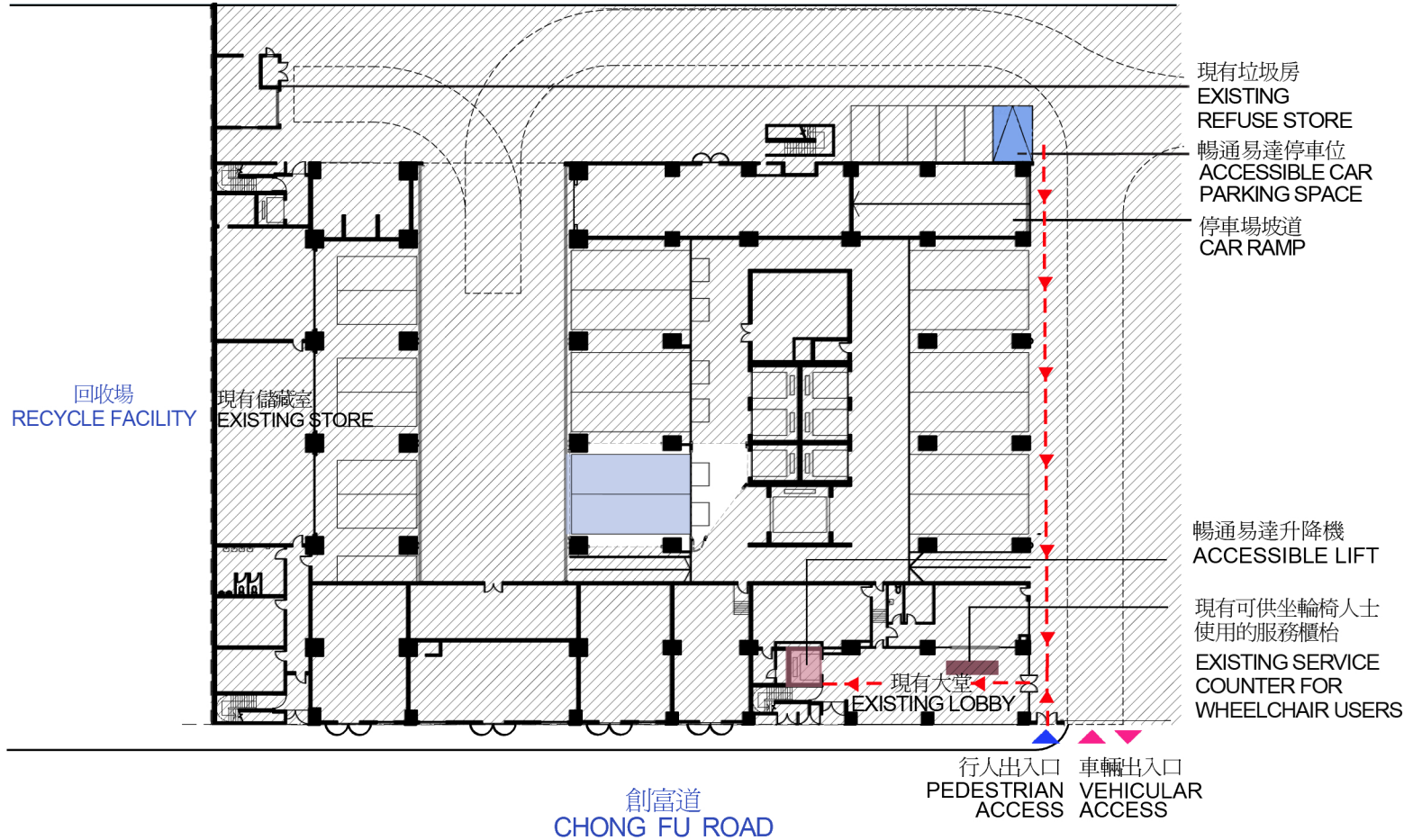
建築署
ARCHITECTURAL SERVICES DEPARTMENT

圖例 LEGEND

印刷工場專用裝卸貨區
LOADING & UNLOADING BAY EXCLUSIVELY
FOR PRINTING WORKSHOP

現有設施
EXISTING FACILITIES

無障礙通道
BARRIER-FREE ACCESS



地下平面圖 GROUND FLOOR PLAN

68GI

名稱：搬遷政府物流服務署印刷工場

TITLE: RELOCATION OF THE PRINTING WORKSHOP OF GOVERNMENT LOGISTICS DEPARTMENT

比例 SCALE

0 2m 4m 10m 20m



建築署

ARCHITECTUREAL SERVICES DEPARTMENT

圖例 LEGEND

印刷工場
WORKSHOP FOR
PRINTING MACHINERIES

普通儲藏室
GENERAL STORE ROOM

化學物品儲藏室
CHEMICAL STORE

紙倉
PAPER STORE

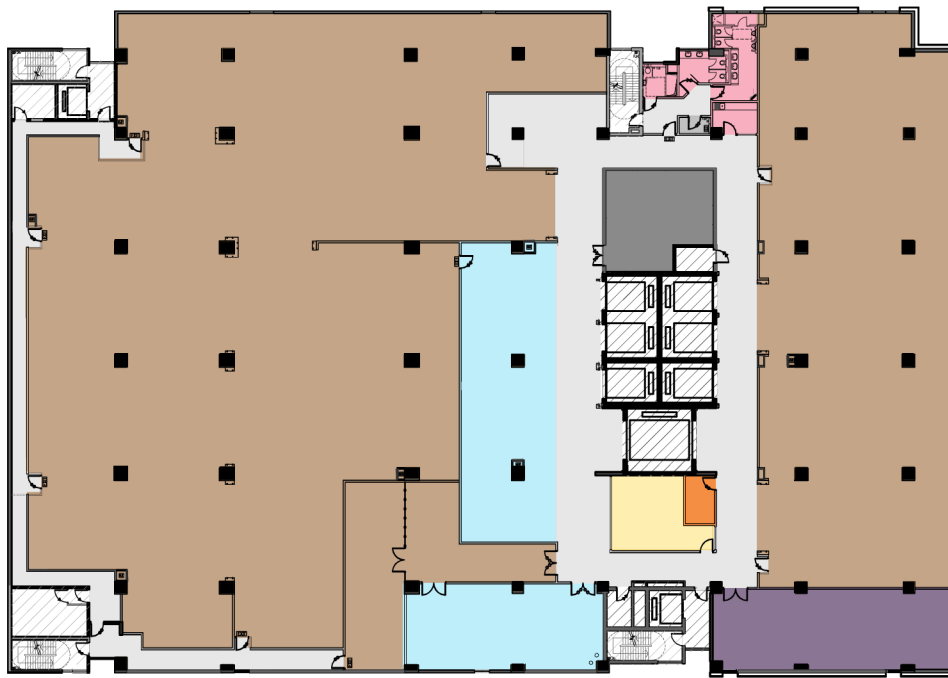
洗手間, 更衣室, 茶水間
TOILET, CHANGING ROOM & PANTRY

機房
E & M SERVICE ROOM

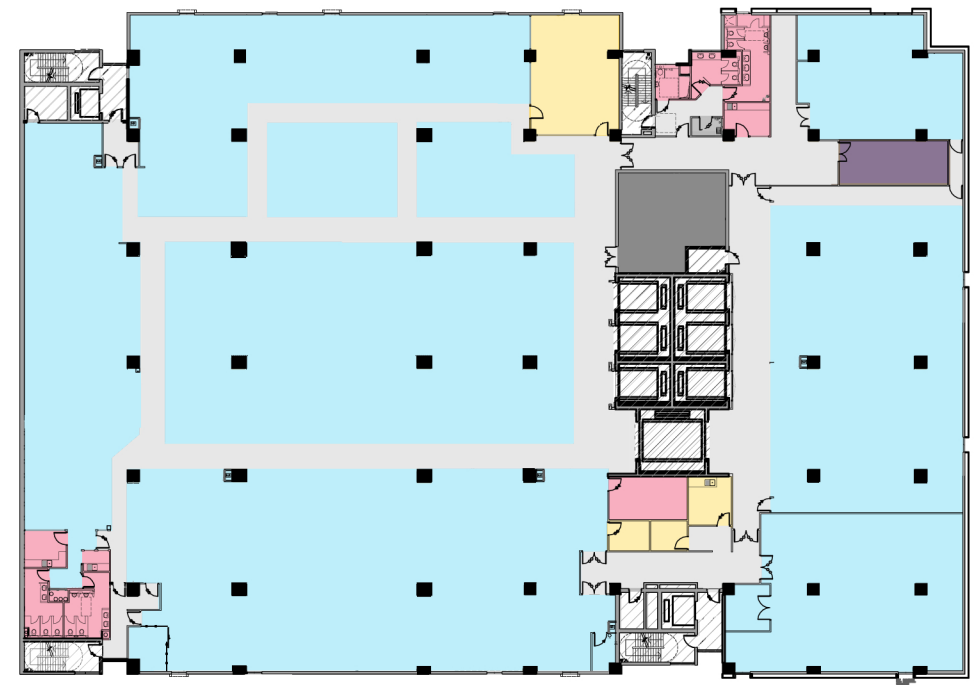
辦公設施
ADMINISTRATIVE FACILITIES

行人通道
CIRCULATION

現有設施
EXISTING FACILITIES



六樓平面圖
6th FLOOR PLAN



八樓平面圖
8th FLOOR PLAN

六樓及八樓平面圖 6th & 8th FLOOR PLAN

68GI

名稱：搬遷政府物流服務署印刷工場

TITLE: RELOCATION OF THE PRINTING WORKSHOP OF GOVERNMENT LOGISTICS DEPARTMENT

比例 SCALE

0 2m 4m 10m 20m

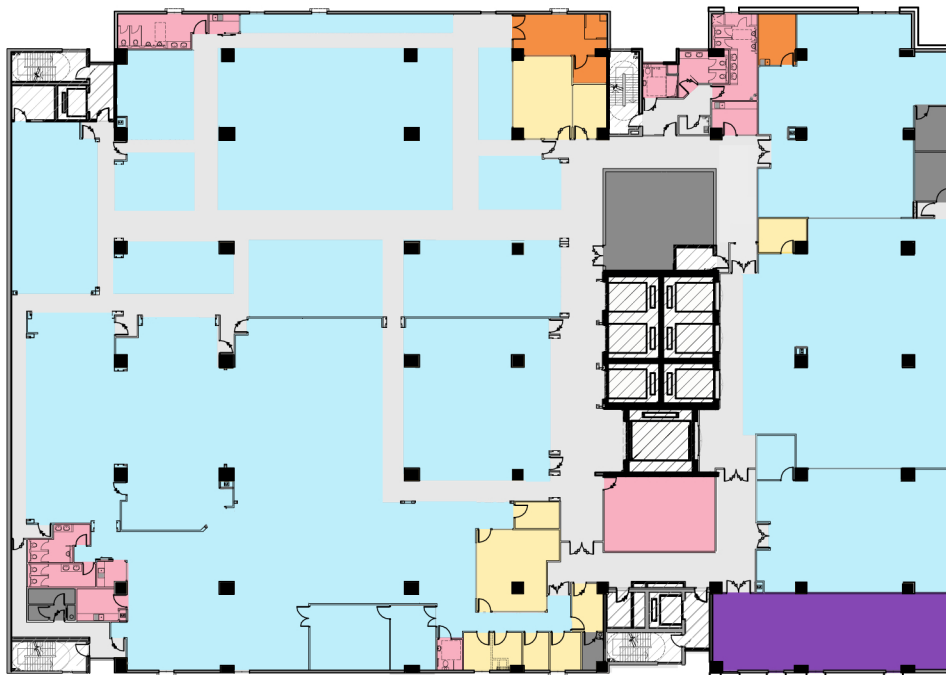


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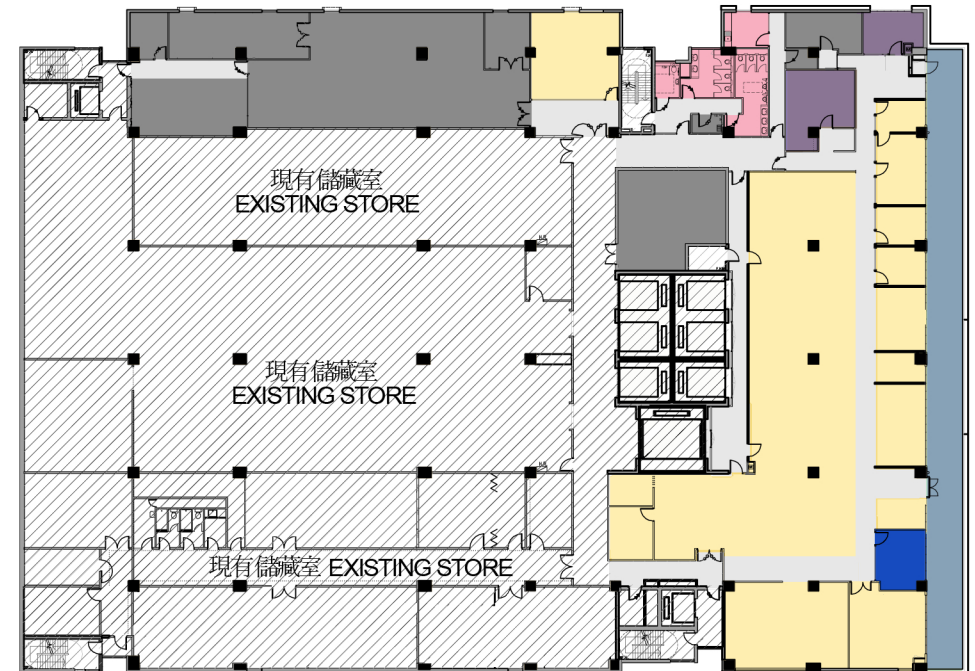
ARCHITECTURAL SERVICES DEPARTMENT

圖例 LEGEND

- | | | | |
|--|---|---|---|
|  印刷工場
WORKSHOP FOR
PRINTING MACHINERIES |  普通儲藏室
GENERAL STORE ROOM |  化學物品儲藏室
CHEMICAL STORE |  行人通道
CIRCULATION |
|  辦公設施
ADMINISTRATIVE FACILITIES |  洗手間, 更衣室, 茶水間
TOILET, CHANGING ROOM & PANTRY |  紙張檢測實驗室
PAPER TESTING LABORATORY |  機房
E & M SERVICE ROOM |
|  紙倉
PAPER STORE |  紙倉 (機密紙倉)
PAPER STORE (SECURITY PAPER) |  陽台
ACCESSIBLE ROOF |  現有設施
EXISTING FACILITIES |



九樓平面圖
9th FLOOR PLAN



十樓平面圖
10th FLOOR PLAN

九樓及十樓平面圖 9th & 10th FLOOR PLAN

68GI

名稱：搬遷政府物流服務署印刷工場

TITLE: RELOCATION OF THE PRINTING WORKSHOP OF GOVERNMENT LOGISTICS DEPARTMENT

比例 SCALE

0 2m 4m 10m 20m

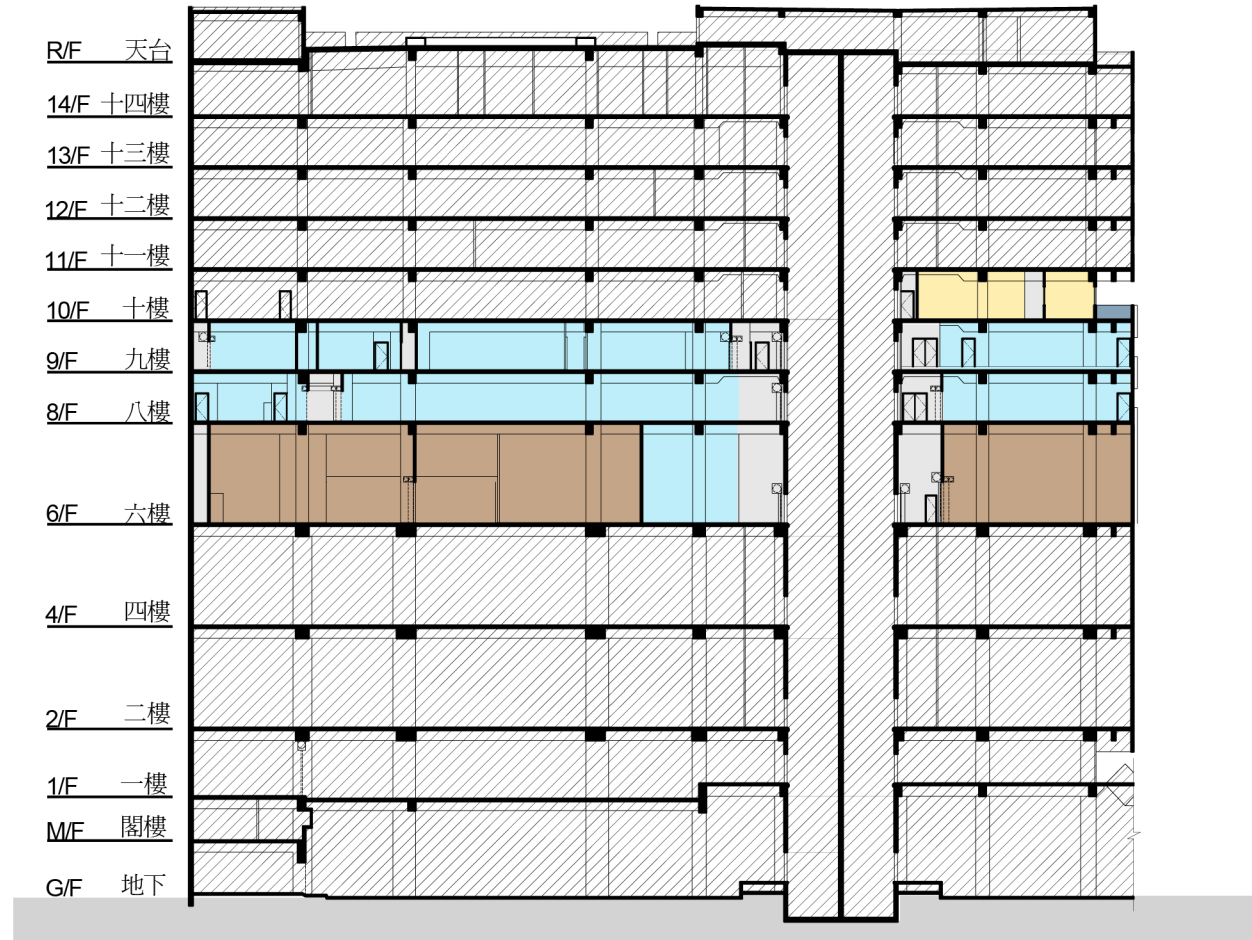


建築署

ARCHITECTURAL SERVICES DEPARTMENT

圖例 LEGEND

- 印刷工場
WORKSHOP FOR
PRINTING MACHINERIES
- 紙倉
PAPER STORE
- 辦公設施
ADMINISTRATIVE FACILITIES
- 陽台
ACCESSIBLE ROOF
- 行人通道
CIRCULATION
- 現有設施
EXISTING FACILITIES



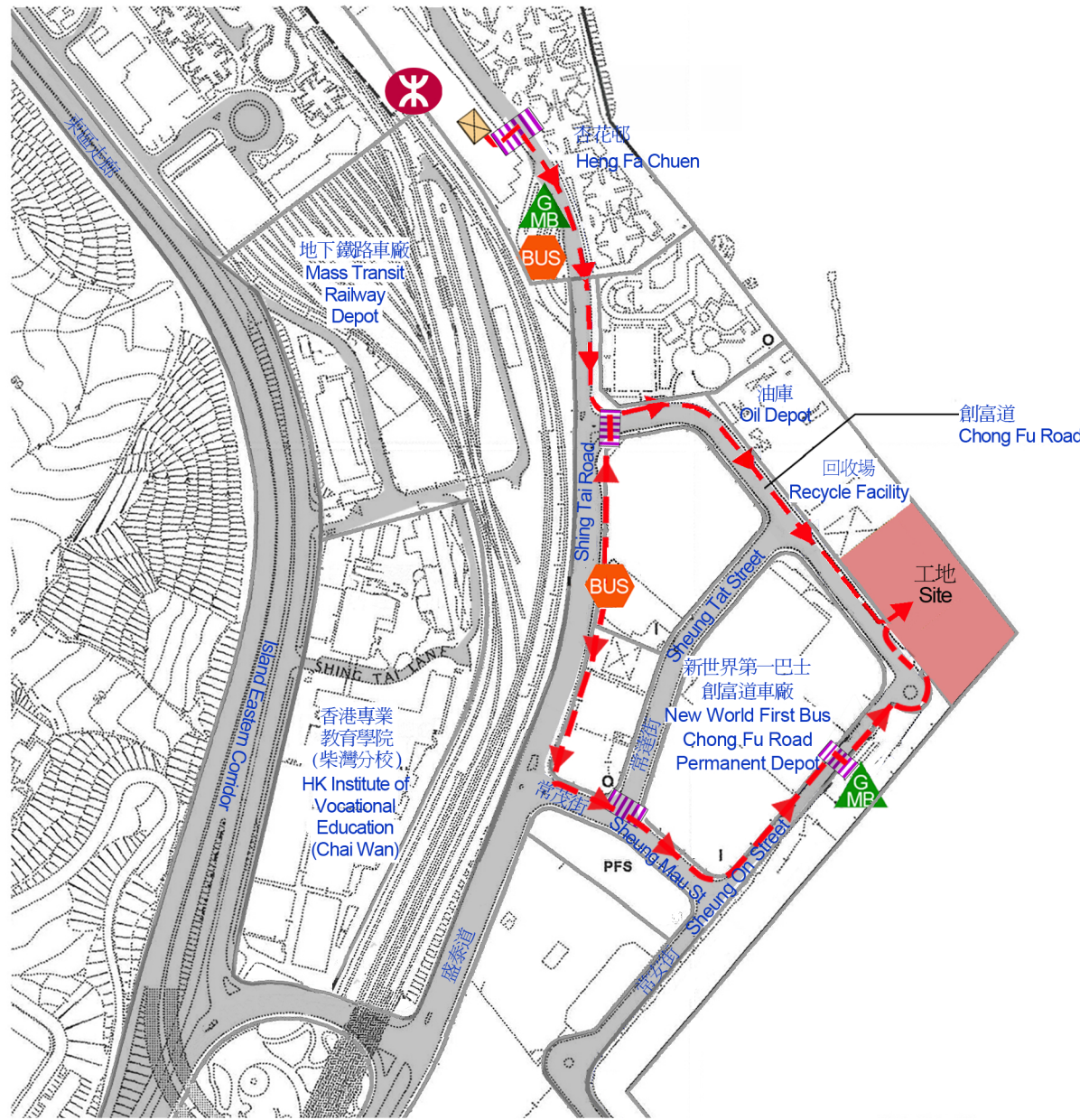
剖面圖 A-A SECTION A-A

68GI
名稱：搬遷政府物流服務署印刷工場
TITLE: RELOCATION OF THE PRINTING WORKSHOP OF GOVERNMENT LOGISTICS DEPARTMENT








比例 SCALE



建築署
ARCHITECTUREAL SERVICES DEPARTMENT



圖例 LEGEND

-  工地
SITE
-  無障礙通道
BARRIER-FREE ACCESS
-  巴士站
BUS STOP
-  專線小巴士
GMB STOP
-  港鐵站出入口
MTR STATION
-  路面行人過路處
AT GRADE PEDESTRIAN CROSSING
-  港鐵商場升降機
LIFT IN MTR MALL

無障礙通道平面圖 PLAN OF BARRIER-FREE ACCESS ROUTE

68GI

名稱：搬遷政府物流服務署印刷工場

TITLE: RELOCATION OF THE PRINTING WORKSHOP OF GOVERNMENT LOGISTICS DEPARTMENT

比例 SCALE

0 20m 40m 100m 200m



建築署

ARCHITECTUREAL SERVICES DEPARTMENT

**68GI – Relocation of the printing workshop of
Government Logistics Department**

**Breakdown of the estimates for consultants' fees and resident site staff costs
(in September 2012 prices)**

			Estimated man-months	Average MPS* salary point	Multiplier (Note 1)	Estimated fees (\$ million)
(a)	Consultants' fees for contract administration ^(Note 2)	Professional	–	–	–	4.0
		Technical	–	–	–	2.5
					Sub-total	6.5
(b)	Resident site staff (RSS) costs ^(Note 3)	Professional	35	38	1.6	3.7
		Technical	72	14	1.6	2.6
					Sub-total	6.3
Comprising –						
(i)	Consultants' fees for management of RSS					0.6
(ii)	Remuneration of RSS					5.7
					Total	12.8

* MPS = Master Pay Scale

Notes

1. A multiplier of 1.6 is applied to the average MPS salary point to estimate the costs of resident site staff supplied by the consultants. (As at now, MPS salary point 14 = \$22,405 per month and MPS salary point 38 = \$65,695 per month.)
2. The consultants' fees for contract administration are calculated in accordance with the existing consultancy agreement for the design and construction of **68GI**. The construction phase of the assignment will only be executed subject to Finance Committee's funding approval to upgrade **68GI** to Category A.
3. The actual man-months and actual costs will only be known after completion of the construction works.