

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 – BUILDINGS

Government Offices – Intra-governmental services

74KA – Construction of West Kowloon Government Offices

Members are invited to recommend to the Finance Committee the upgrading of **74KA** to Category A at an estimated cost of \$4,742.5 million in money-of-the-day prices for the construction of West Kowloon Government Offices.

PROBLEM

There are insufficient government-owned premises in Kowloon to meet the Government's office accommodation requirements.

PROPOSAL

2. The Director of Architectural Services, with the support of the Secretary for Financial Services and the Treasury, proposes to upgrade **74KA** to Category A at an estimated cost of \$4,742.5 million in money-of-the-day (MOD) prices for the construction of West Kowloon Government Offices (WKGGO) in Yau Ma Tei.

/PROJECT

PROJECT SCOPE AND NATURE

3. The project site occupies an area of about 10 900 square metres (m²) at 11 Hoi Ting Road, Yau Ma Tei. The proposed scope of works comprises the construction of a government office building with two blocks to provide a total net operational floor area (NOFA¹) of around 50 500 m² to accommodate the following facilities –

- (a) government offices for –
 - (i) seven departments (around 46 400 m² in NOFA), namely the Buildings Department (BD), Civil Engineering and Development Department (CEDD), Lands Department (LandsD), Leisure and Cultural Services Department (LCSD), Government Property Agency (GPA), Social Welfare Department (SWD) and Transport Department (TD); and
 - (ii) contingency (around 2 200 m² in NOFA) to meet future additional office space requirements and allow for refinements at the design and construction stages;
- (b) a student health service cum special assessment centre and a government dental clinic for civil servants under the Department of Health (DH) (around 1 400 m² in NOFA); and
- (c) ancillary facilities for property management (around 500 m² in NOFA).

An underground car park with a total of 92 parking spaces and a public art display area will also be provided.

/4.

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

4. We will adopt a “high and low blocks” design for the proposed WKGO. It will consist of a high block of 17 storeys and a low block of 15 storeys above ground plus a two-storey basement. A site plan, layout plans, a sectional plan, an artist’s impression and a barrier free access plan for the project are at Enclosures 1 to 7. The construction works will be carried out in two phases as part of the site will only be available at a later stage. Subject to the funding approval of the Finance Committee (FC), we plan to commence construction in the second half of 2015 for completion in early 2019.

JUSTIFICATION

Government accommodation policy

5. It is the Government’s policy to accommodate its offices in government-owned properties as circumstances permit and relocate non-location-bound government offices out of high value areas. In accordance with this policy and to help alleviate the shortage of government-owned office accommodation, we propose to construct the proposed WKGO in Yau Ma Tei.

Need for reprovisioning government offices

6. The proposed WKGO will be used primarily (about 58% of the total NOFA) for reprovisioning government offices accommodated in leased premises in Wan Chai, Tsim Sha Tsui, Mong Kok and Kwun Tong. The premises to be released will help increase the supply of commercial floor area in various districts, especially the central business districts. The estimated annual savings in rental expenditure will be about \$160 million (as at December 2014 prices).

7. In addition, part of WKGO (about 22% of the total NOFA) will be used for reprovisioning some of the government offices currently accommodated in the three government office buildings at the Wan Chai waterfront. WKGO will be the first replacement building to be implemented for the relocation of these three office buildings, a large-scale exercise involving 29 departments, 175 000 m² of office space and more than 10 000 staff. The exercise will be carried out in phases as it takes time to reprovision all the departments involved. Upon their relocation by phases, we will arrange to lease out the vacated floor space to help increase the supply of Grade A office space in the Wan Chai area.

8. WKGO will also be used (about 12% of the total NOFA) for reprovisioning some of the government offices accommodated in the Yau Ma Tei Multi-storey Carpark Building (YMTMSCB), which will be demolished to make way for the construction of the Central Kowloon Route (CKR). The proposed CKR will connect West Kowloon with Kowloon Bay and Kai Tak Development in East Kowloon, and strategically divert traffic away from the east-west corridors in Kowloon. The government offices to be reprovisioned from YMTMSCB to WKGO will continue to deliver public services to local residents in the district.

Provision of public services

9. A new student health service cum special assessment centre to serve the Kowloon West area will be set up in WKGO. The centre will provide the following services to primary and secondary students enrolled in the Student Health Service of DH –

- (a) services to meet health needs at various stages of their development, including screening related to growth, nutrition, blood pressure, vision, hearing, spine, psychological health and behaviour;
- (b) detailed assessment and follow-up for students identified with health problems;
- (c) individual health counselling; and
- (d) health education.

10. Other convenient front-line public services provided in WKGO will include an SWD office for processing applications for Comprehensive Social Security Assistance, Old Age Allowance and Old Age Living Allowance, a BD office for processing applications concerning minor works, and LandsD's counter service for the sale of maps and land survey information.

/FINANCIAL

FINANCIAL IMPLICATIONS

11. We estimate the capital cost of the project to be \$4,742.5 million in MOD prices (please see paragraph 13 below), broken down as follows –

	\$ million
(a) Site works	10.1
(b) Piling ²	258.7
(c) Basement ³	138.5
(d) Building ⁴	1,967.7
(e) Building services ⁵	903.2
(f) Drainage	8.3
(g) External works	43.4
(h) Energy conservation, green and recycled features	63.9
(i) Furniture and equipment ⁶	41.4
(j) Consultants' fees for	9.2
(i) contract administration	4.5
(ii) management of resident site staff (RSS)	4.7
(k) Remuneration of RSS	30.2

(l)

² Piling works cover the construction of piles and all related tests and monitoring.

³ Basement works comprise construction of basement enclosure, water proofing and excavation works.

⁴ Building works cover construction of superstructure of the building.

⁵ Building services works cover the electrical installations, ventilation and air-conditioning installations, fire services installations, lifts and escalators and other specialist installations.

⁶ The estimated cost of furniture and equipment is based on an indicative list of items.

		\$ million
(l)	Contingencies	347.5
		<hr/>
	Sub-total	3,822.1 (in September 2014 prices)
(m)	Provision for price adjustment	920.4
		<hr/>
	Total	4,742.5 (in MOD prices)

12. We propose to engage consultants to undertake contract administration and site supervision for the project. A detailed breakdown of the estimates for the consultants' fees and RSS costs by man-months is at Enclosure 8. The construction floor area (CFA) of this project is around 89 180 m². The estimated construction unit cost, represented by the building and the building services costs, is \$32,192 per m² of CFA in September 2014 prices. We consider this construction unit cost comparable to that of similar projects built by the Government.

13. Subject to funding approval, we will phase the expenditure as follows –

Year	\$ million (Sept 2014)	Price adjustment factor	\$ million (MOD)
2015 – 2016	180.0	1.05725	190.3
2016 – 2017	560.0	1.12069	627.6
2017 –2018	950.0	1.18793	1,128.5
2018 –2019	1,300.0	1.25920	1,637.0
2019 –2020	400.0	1.33475	533.9
2020 –2021	240.0	1.40483	337.2
2021 –2022	130.0	1.47507	191.8
2022 – 2023	62.1	1.54882	96.2
		<hr/>	<hr/>
		3,822.1	4,742.5
		<hr/>	<hr/>

/14.

14. 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 2015 to 2023. We will deliver the project through a design-and-build contract and 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.

15. We estimate the annual recurrent expenditure arising from this project to be around \$67.7 million.

PUBLIC CONSULTATION

16. We consulted the Yau Tsim Mong District Council (YTMDC) and various local stakeholders (including a residential estate and two nearby schools) on the project. At the YTMDC meeting on 12 December 2013, members gave support for the project, but expressed some concerns over possible environmental and traffic impacts.

17. Taking into account the views and concerns of YTMDC, we will closely monitor the situation during the construction period and set up a task force comprising representatives of YTMDC, nearby schools and the contractor to monitor the construction works and ensure that all the necessary arrangements are put in place to minimise any adverse impact on the surrounding environment.

18. We also consulted the Legislative Council Panel on Financial Affairs on 7 February 2014. Members supported the project and did not raise any objections to submitting the funding proposal to the Public Works Subcommittee for examination.

ENVIRONMENTAL IMPLICATIONS

19. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). The project will not cause any long term environmental impact. We have included in the project estimates the cost to implement suitable mitigation measures to control short-term environmental impacts.

20. During construction, we will control noise, dust and site run-off nuisances to levels within established standards and guidelines through the implementation of mitigation measures in the relevant contract. These include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities, frequent cleaning and watering of the site, and the provision of wheel-washing facilities.

21. At the planning and design stages, we have considered measures to reduce the generation of construction waste where possible (e.g. using metal site hoardings and signboards so that these materials can be recycled or reused in other projects). In addition, we will require the contractor to reuse inert construction waste (e.g. use of excavated materials for filling) on site or in other suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste to public fill reception facilities⁷. We will encourage the contractor to maximise the use of recycled or recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

22. 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 where practicable 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, mixed inert and non-inert construction waste and non-inert construction waste at public fill reception facilities and landfills respectively through a trip-ticket system.

23. We estimate that the project will generate in total about 204 040 tonnes of construction waste. Of these, we will reuse about 9 340 tonnes (4.6%) of inert construction waste on site and deliver 173 680 tonnes (85.1%) of inert construction waste to public fill reception facilities for subsequent reuse. We will dispose of the remaining 21 020 tonnes (10.3%) 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 about \$7.3 million for this project (based on a unit charge rate of \$27 per tonne for disposal at public fill reception facilities and \$125 per tonne at landfills as stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation).

/HERITAGE

⁷ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N). Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

HERITAGE IMPLICATIONS

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

LAND ACQUISITION

25. The project does not require any land acquisition.

ENERGY CONSERVATION, GREEN AND RECYCLED FEATURES

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

- (a) water-cooled chillers (fresh water cooling tower);
- (b) automatic demand control of chilled water circulation system;
- (c) demand control of fresh air supply with carbon dioxide sensors;
- (d) solar hot water system; and
- (e) photovoltaic system.

27. For greening features, we will provide greening on rooftop and facades of the building (including vertical greening), as well as other landscape features in appropriate areas for environmental and amenity benefits.

28. For recycled features, we will adopt a rainwater recycling system for landscape irrigation with a view to conserving water.

29. The total estimated additional cost for adoption of the above features is around \$63.9 million (including \$22.64 million for energy efficient features), which has been included in the cost estimate of this project. The energy efficient features will achieve 11.4% energy savings in the annual energy consumption with a payback period of about eight years.

/BACKGROUND

BACKGROUND INFORMATION

30. We upgraded **74KA** to Category B in October 2005. Between end 2012 and early 2013, we engaged a term contractor to undertake site investigation, consultants to undertake various services, including utility mapping, topographical and tree survey, traffic impact assessment, preliminary technical assessment and microclimate study. The total estimated cost of the works and consultancy services undertaken is about \$4.7 million. We charged this amount to block allocation Subhead 3100GX “Project feasibility studies, minor investigations and consultants’ fees for items in Category D of the Public Works Programme”. The contractors and consultants have completed all the above consultancy works and services.

31. Of the 33 trees within the project boundary, all of them are not important trees⁸. Subject to finalization of the building design and landscape treatment to address comments of relevant technical departments after the contract is awarded, we propose to fell all the 33 trees and incorporate planting proposals as part of the project, including estimated quantities of 65 trees, 30 000 shrubs, 105 000 groundcovers, 5 000 climbers and around 85 m² of grassed area.

32. We estimate that the proposed works will create about 1 200 jobs (1 140 for labourers and another 60 for professional / technical staff) providing a total employment of 41 800 man-months.

URGENCY

33. We invited tenders for the design and construction of WKGO in June 2014. Tender validity will expire on 25 June 2015.

Financial Services and the Treasury Bureau
April 2015

⁸ “Important trees” refer to trees in the Register of Old and Valuable Trees, or any other trees that meet one or more of the following criteria –

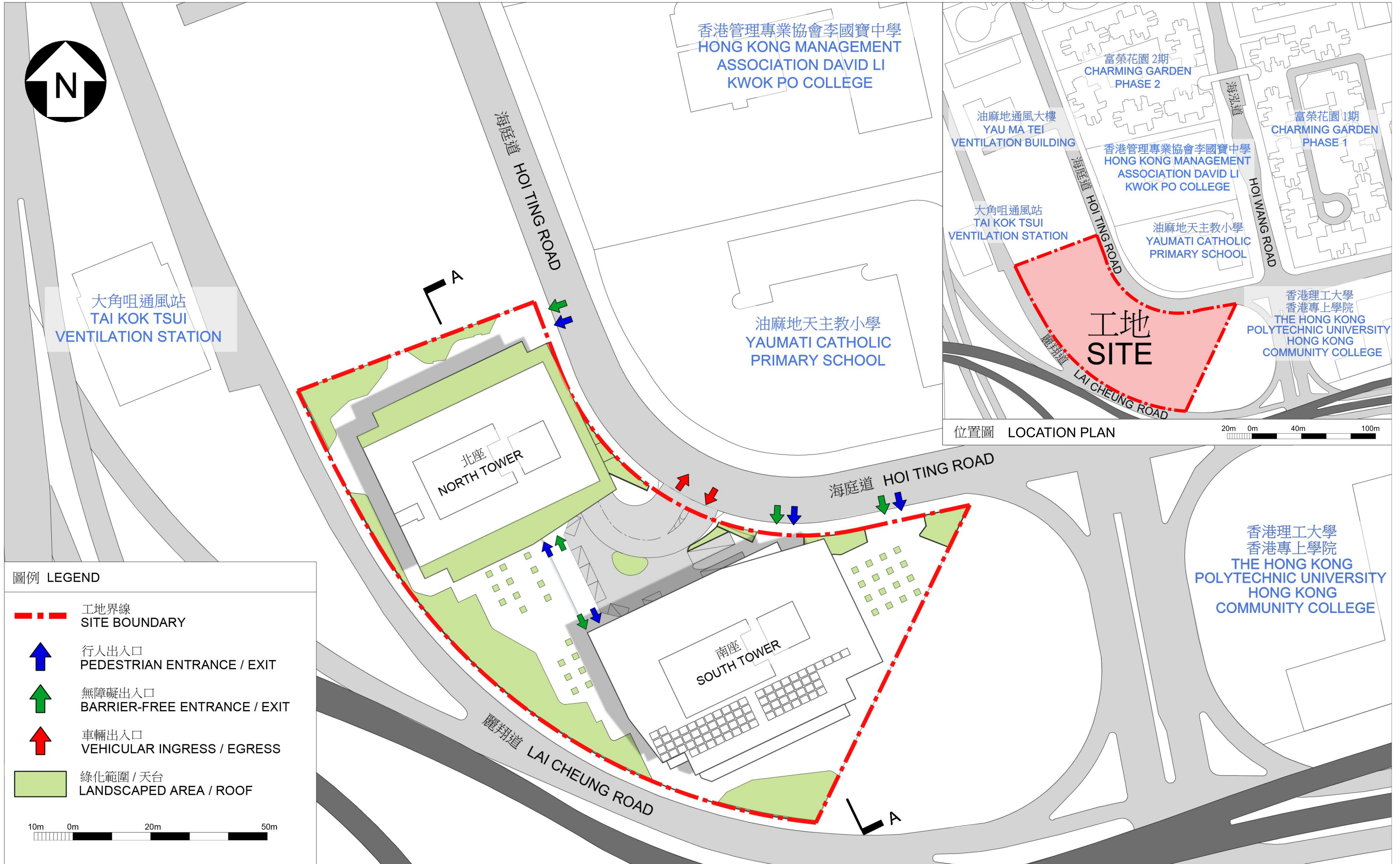
Trees of 100 years old or above;

(a) Trees of cultural, historical or memorable significance e.g. Fung Shui trees, trees as landmark of monastery or heritage monument, and trees in memory of an important person or event;

(b) Trees of precious or rare species;

(c) Trees of outstanding form (taking account of overall tree sizes, shape and any special features) e.g. trees with curtain like aerial roots, trees growing in unusual habitats; or

(d) Trees with trunk diameter equal or exceeding 1.0 metre (m) (measured at 1.3 m above ground level), or with height or canopy spread equal or exceeding 25 m.



圖例 LEGEND

- 工地界線
SITE BOUNDARY
- 行人出入口
PEDESTRIAN ENTRANCE / EXIT
- 無障礙出入口
BARRIER-FREE ENTRANCE / EXIT
- 車輛出入口
VEHICULAR INGRESS / EGRESS
- 綠化範圍 / 天台
LANDSCAPED AREA / ROOF

10m 0m 20m 50m

工地平面圖
SITE PLAN

74KA
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CONSTRUCTION OF WEST KOWLOON GOVERNMENT OFFICES



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圖例 LEGEND

- - - 工地界線
SITE BOUNDARY
- ↑ 行人出入口
PEDESTRIAN ENTRANCE / EXIT
- ↑ 無障礙出入口
BARRIER-FREE ENTRANCE / EXIT
- ↑ 車輛出入口
VEHICULAR INGRESS / EGRESS
- - - 無障礙通道
BARRIER-FREE ACCESS
- ♿ 暢通易達洗手間
ACCESSIBLE TOILET
- ♿ 暢通易達升降機
ACCESSIBLE LIFT
- 共用地方
COMMON AREA
- 機房
PLANT ROOM
- 綠化範圍
LANDSCAPED AREA
- - - 垂直綠化
VERTICAL GREENING

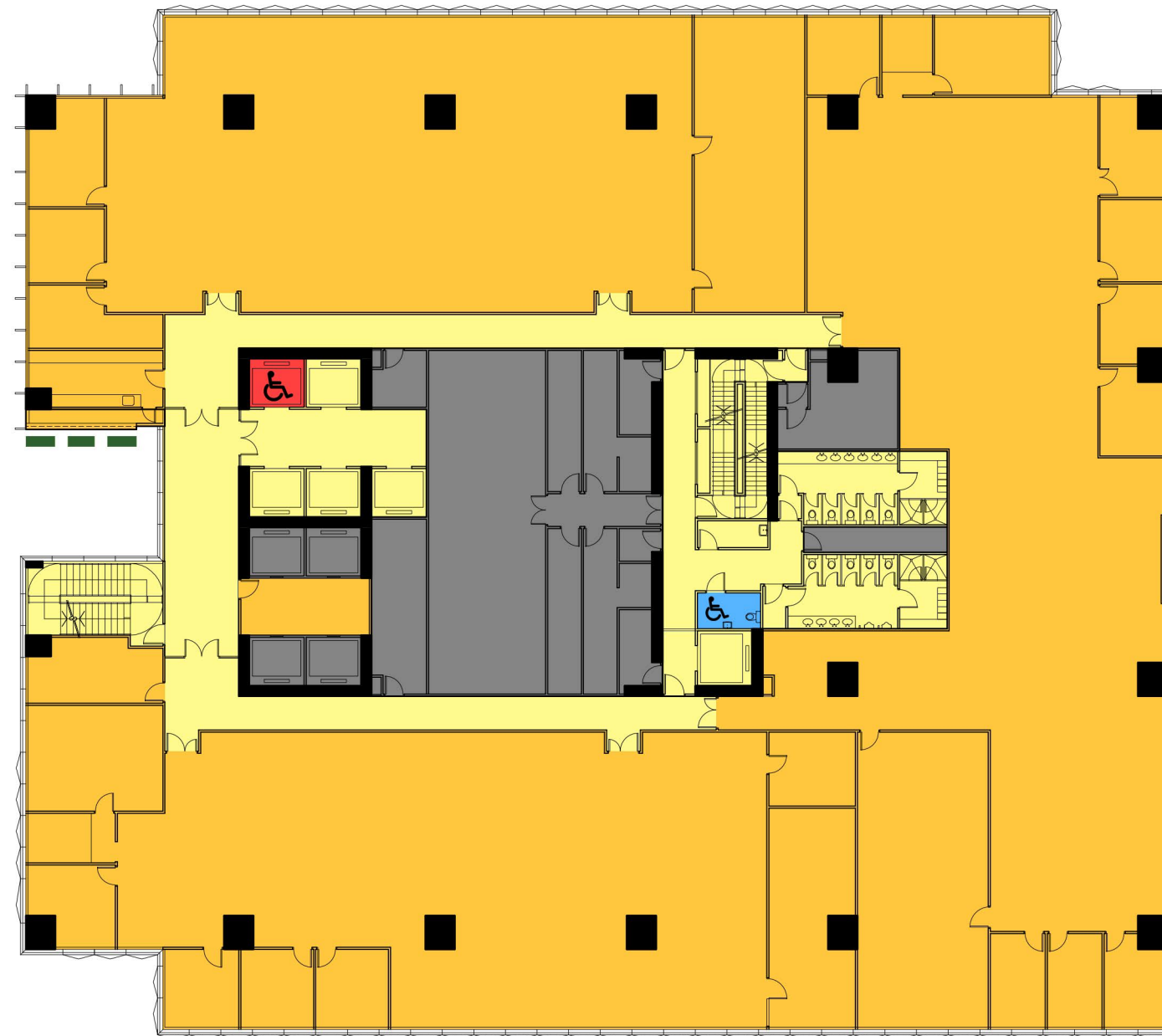


地下平面圖
GROUND FLOOR PLAN

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CONSTRUCTION OF WEST KOWLOON GOVERNMENT OFFICES



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圖例 LEGEND

-  辦公室
OFFICE AREA
-  共用地方
COMMON AREA
-  機房
PLANT ROOM
-  暢通易達洗手間
ACCESSIBLE TOILET
-  暢通易達升降機
ACCESSIBLE LIFT
-  垂直綠化
VERTICAL GREENING

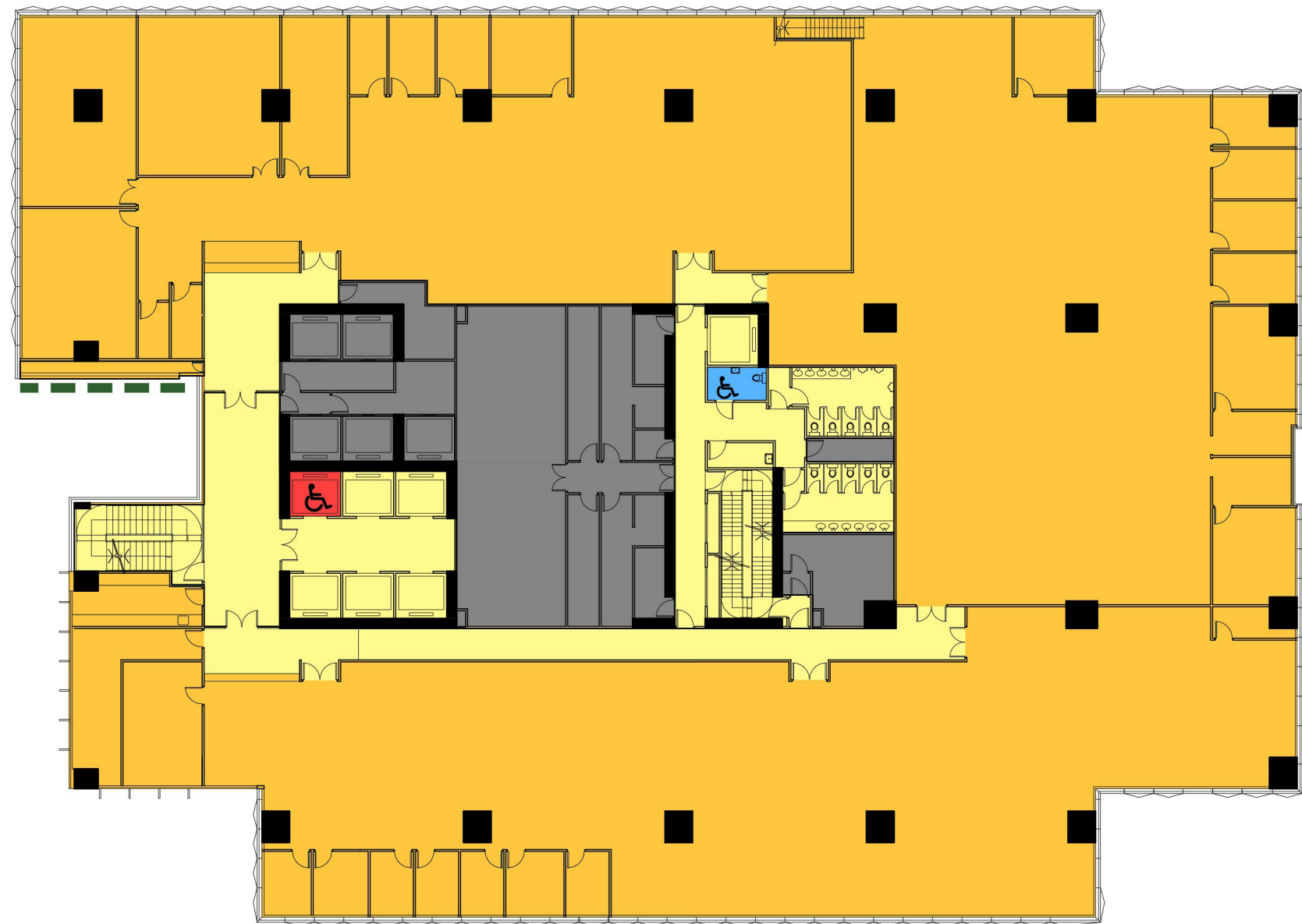


北座標準層平面圖
NORTH TOWER
TYPICAL FLOOR PLAN

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圖例 LEGEND

-  辦公室
OFFICE AREA
-  共用地方
COMMON AREA
-  機房
PLANT ROOM
-  暢通易達洗手間
ACCESSIBLE TOILET
-  暢通易達升降機
ACCESSIBLE LIFT
-  垂直綠化
VERTICAL GREENING

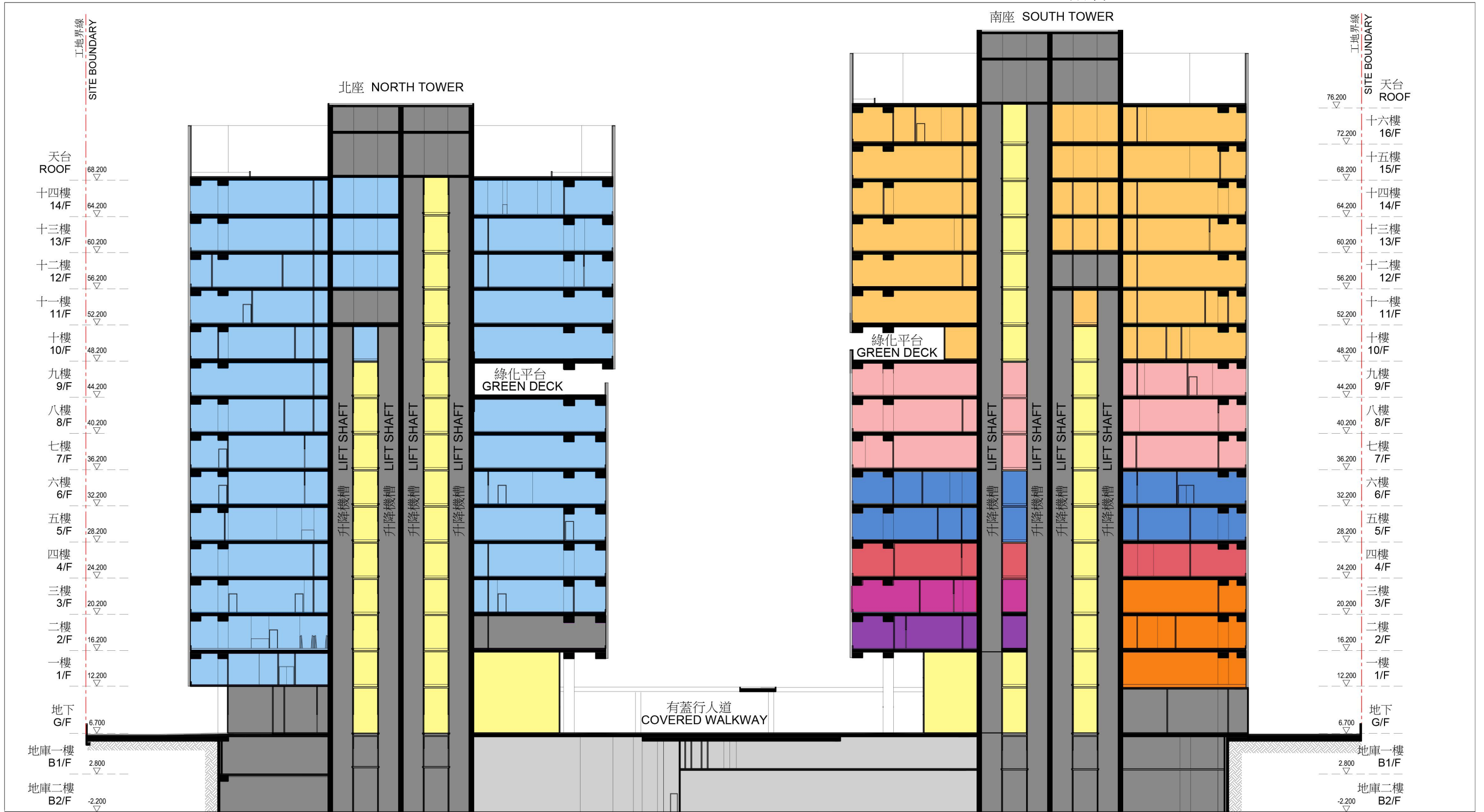


南座標準層平面圖
SOUTH TOWER
TYPICAL FLOOR PLAN

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圖例 LEGEND :

- | | | | | | |
|-----------------------------|-------------------------------------|---|--|---------------------------|------------------|
| 屋宇署
BUILDINGS DEPARTMENT | 運輸署
TRANSPORT DEPARTMENT | 土木工程拓展署
CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT | 康樂及文化事務署
LEISURE AND CULTURAL SERVICES DEPARTMENT | 共用地方
COMMON AREA | 機房
PLANT ROOM |
| 地政總署
LANDS DEPARTMENT | 政府產業署
GOVERNMENT PROPERTY AGENCY | 社會福利署
SOCIAL WELFARE DEPARTMENT | 衛生署
DEPARTMENT OF HEALTH | 地庫停車場
BASEMENT CARPARK | |



A-A 剖面圖
SECTION A - A

74KA
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CONSTRUCTION OF WEST KOWLOON GOVERNMENT OFFICES





PERSPECTIVE VIEW FROM WESTERN DIRECTION (ARTIST'S IMPRESSION)

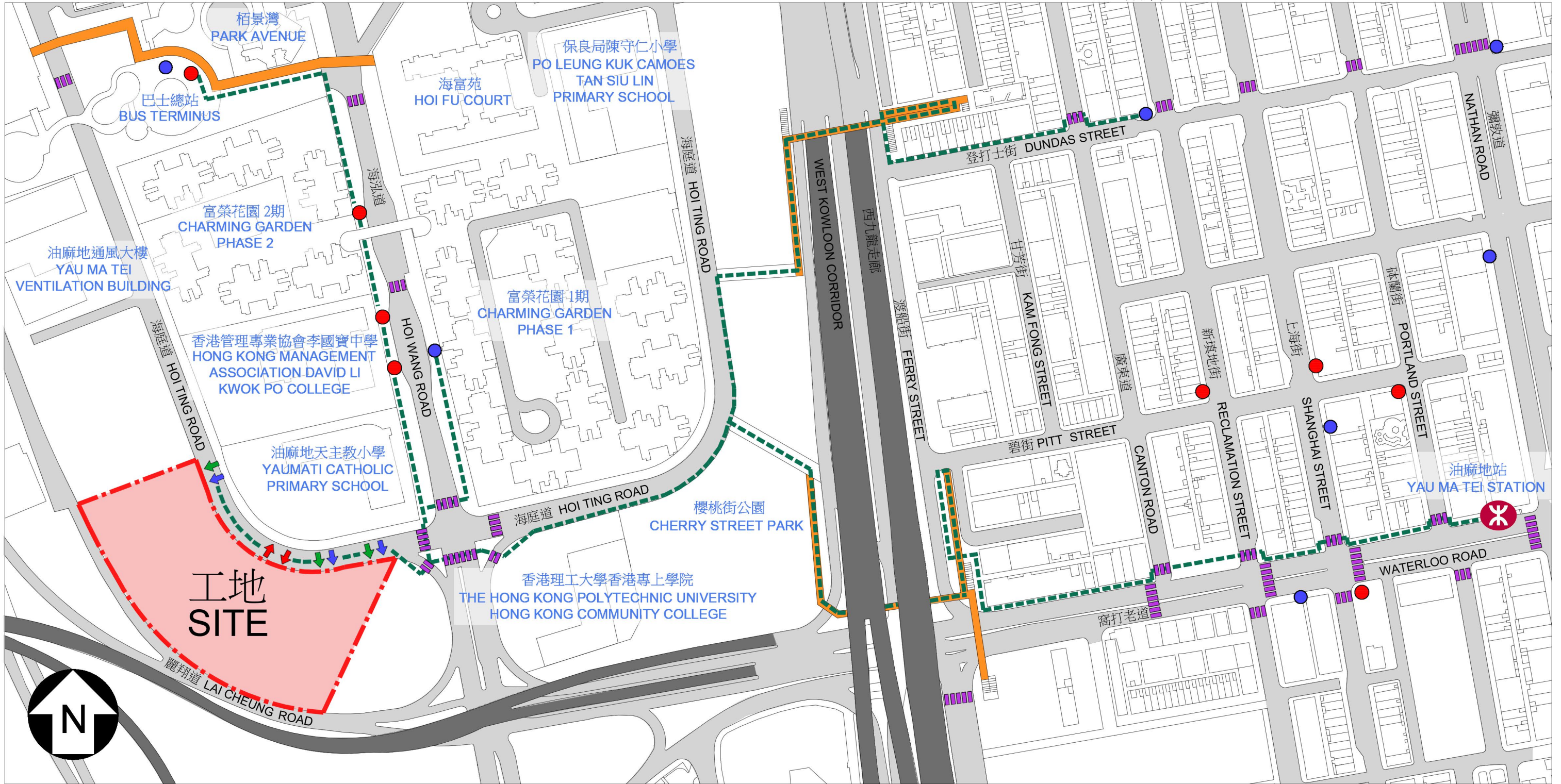
從西面望向大樓的構思透視圖

構思圖
ARTIST'S IMPRESSION

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圖例 LEGEND

-  行人出入口
PEDESTRIAN ENTRANCE / EXIT
-  無障礙出入口
BARRIER-FREE ENTRANCE / EXIT
-  車輛出入口
VEHICULAR INGRESS / EGRESS

-  工地界線
SITE BOUNDARY
-  無障礙通道
BARRIER-FREE ACCESS
-  現有行人過路處
AT-GRADE PEDESTRIAN CROSSING

-  現有巴士站
EXISTING BUS STOP
-  現有小巴士站
EXISTING MINIBUS STOP
-  港鐵站
MTR STATION

-  有蓋行人天橋/隧道
COVERED FOOTBRIDGE / TUNNEL



無障礙通道平面圖
PLAN OF BARRIER-FREE ACCESS

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74KA – Construction of West Kowloon Government Offices

Breakdown of the estimates for consultants' fees and resident site staff costs
(in September 2014 prices)

		Estimated man- months	Average MPS [*] salary point	Multiplier (Note 1)	Estimated fee (\$ million)
(a) Consultants' fees for contract administration (Note 2)	Professional	–	–	–	2.3
	Technical	–	–	–	2.2
				Sub-total	4.5
(b) Resident site staff (RSS) costs (Note 3)	Professional	140	38	1.6	16.0
	Technical	484	14	1.6	18.9
				Sub-total	34.9
Comprising –					
(i) Consultants' fees for management of RSS				4.7	
(ii) Remuneration of RSS				30.2	
				Total	39.4

* MPS = Master Pay Scale

Notes

1. A multiplier of 1.6 is applied to the average MPS salary point to estimate the cost of RSS supplied by the consultants (As at now, MPS salary point 38 = \$71,385 per month and MPS salary point 14 = \$24,380 per month).
2. The consultants' fees for contract administration are calculated in accordance with the existing consultancy agreement for the provision of quantity surveying services of 74KA. The assignment will only be executed subject to FC's funding approval to upgrade 74KA to Category A.
3. The actual man-months and actual costs will only be known after completion of the construction works.