#### 香港特別行政區政府 保安局



#### The Government of the Hong Kong Special Administrative Region Security Bureau

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Council Business Division Legislative Council Secretariat Legislative Council Complex 1 Legislative Council Road Central, Hong Kong (Attn: Mr Raymond SZETO)

17 December 2018

Dear Mr SZETO,

# Construction of Disciplined Services Quarters for the Fire Services Department at Pak Shing Kok, Tseung Kwan O and

Construction of Departmental Quarters for Customs and Excise Department at Tseung Kwan O Area 123 (Po Lam Road)

At the Finance Committee meeting on 29 June 2018, Hon CHU Hoi-dick, Hon AU Nok-hin and Hon CHAN Chi-chuen requested the Government to provide supplementary information on the two subject quarters construction projects. We, having consulted the Architectural Services Department and the Customs and Excise Department, now reply as follows:

## Average construction cost of quarters

In terms of money-of-the-day prices and total project cost, the disciplined services quarters for the Fire Services Department at Pak Shing Kok, Tseung Kwan O has an average construction cost of \$3,258 per square foot, while the departmental quarters for Customs and Excise Department at Tseung Kwan O Area 123 (Po Lam Road) has an average construction cost of \$4,031 per square foot. In the past 10 years, the average construction costs of the awarded contracts of other

quarters projects range from \$2,024 to \$4,354 per square foot (in money-of-the-day prices).

According to the written reply from the Transport and Housing Bureau to the Legislative Council in April 2017, the average construction costs of construction floor area (CFA) of the public rental housing (PRH) projects and the Home Ownership Scheme (HOS) projects range from \$1,169 to \$2,083 per square foot and \$1,679 to \$2,509 per square foot respectively (excluding consultants' fees and the Hong Kong Housing Authority's (HA) direct costs and overheads). Those projects were completed or to be completed by the HA during the period from 2016/17 to 2020/21.

The scale of development of PRH and HOS projects is generally larger than that of disciplined services quarters projects. While they all utilise prefabricated components to reduce costs and construction time, quarters projects are nevertheless constrained by their smaller total floor area and fewer number of units when compared to public housing, therefore the total fixed costs of quarters projects cannot be spread over as many units as in the case of public housing, and this will affect their average construction costs. Besides, disciplined services quarters will generally include furniture and equipment costs (e.g. wardrobe), as well as some basic domestic appliances (e.g. water heater), and these will also increase construction costs. Therefore, the construction costs of public housing and quarters projects cannot be directly compared.

On the other hand, each construction project has its own unique aspects. The construction cost of the disciplined services quarters for the Fire Services Department at Pak Shing Kok, Tseung Kwan O, for example, is mainly affected by the geotechnical works, road widening works, drainage works, etc. The construction cost of the departmental quarters for Customs and Excise Department at Tseung Kwan O Area 123 (Po Lam Road) is mainly affected by site formation and geotechnical works of a relatively large scale, drainage works, noise mitigation measures.

## Indicative cost system

The indicative cost system has been put in place for several major categories of new government buildings, including schools, disciplined services quarters and office buildings. Unless there are sufficient reasons, works departments will be required to ensure that the unit construction costs are below the indicative costs (for both construction costs and building services fees) in order to achieve cost control during the design stage. When developing the relevant cost benchmarks, the Project Cost Management Office will make reference to the returned tender prices for the past building projects and their designs, as well as

other relevant factors affecting the costs of building projects. The indicative costs are subject to regular review and adjustments.

The unit construction costs of both the disciplined services quarters for the Fire Services Department at Pak Shing Kok, Tseung Kwan-O and the departmental quarters for Customs and Excise Department at Tseung Kwan O Area 123 fulfil the indicative cost requirements of the Project Cost Management Office.

## Waiting time for the quarters of the Customs and Excise Department

The waiting time for disciplined services quarters counts from the date an officer is eligible for quarters until the time when a quarter unit is first allocated to him or her. The waiting time is affected by a number of factors, including whether the officer is receiving other housing benefits, the recruitment plan of the department, the retirement trend, and the number of applications for quarters. An applicant's priority of allocation is also affected by his or her years of service, number of family members, pay point, etc., and these factors will change over time.

As at 1 April 2018, the average waiting time for the rank and file quarters of the Customs and Excise Department is 6.2 years. Taking reference from the first rank and file quarters allocation exercise of the Customs and Excise Department in 2018, the longest and shortest waiting time are 10 years and half a year respectively (counting from the date the concerned officers are eligible for quarters).

Yours sincerely,

(Hansel Wong)

for Secretary for Security

c.c. Secretary for Financial Services and the Treasury (Attn: Miss June HO)

Director of Fire Services

(Attn: Mr Andy YEUNG)

Commissioner of Customs & Excise

(Attn: Mr NGAN Hing-cheung)

Director of Architectural Services

(Attn: Mr Michael LI)

Director of Planning

(Attn: Ms Donna TAM)