

NOTE FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

Supplementary Information on 312DS – Strategic Sewage Disposal Scheme Stage I : construction supervision of the main works

INTRODUCTION

In considering paper PWSC (1999-2000)39 on **312DS - Strategic Sewage Disposal Scheme Stage I: construction supervision of the main works** at the Public Works Subcommittee meeting held on 2 June 1999, Members requested the Administration to provide supplementary information on the total project estimates of the seven Strategic Sewage Disposal Scheme (SSDS) Stage I items mentioned in Enclosure 5 of the paper and their estimated final costs.

THE ADMINISTRATION'S RESPONSE

2. The SSDS Stage I items were originally funded under the Sewage Services Trading Fund (SSTF). With the impending closure of the SSTF on 31 March 1998, the Finance Committee on 27 February 1998 approved the creation and direct inclusion in Category A of the Public Works Programme of 24 items for the completion of outstanding works and the payment of contractual obligations under the Capital Works Reserve Fund (CWRF). These included the seven items mentioned in paragraph 1 above. We estimated the approved project estimates (APE) of the items by reducing the original project estimates under the SSTF by the anticipated expenditure on the items up to the closure of the SSTF.

3. As the works under the seven items are now nearing completion, their final costs have become more certain. We anticipate that the total sum of unused contingencies of these seven items will be about \$135.22 million. Detailed calculation of the anticipated cost reductions with the estimated final cost of each item are shown in the Enclosure.

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4. As the total cost reduction for the above items is greater than the proposed increase in APE of **312DS**, we anticipate that we will be able to complete the whole SSDS Stage I within the original overall estimate of \$8.2 billion.

Planning, Environment and Lands Bureau and
Works Bureau
June 1999

[INDS312-02.DOC]

Enclosure to PWSCI(1999-2000)13

Item No.	Project Title	(a)	(b)	(c)	(d)	(e)	(f)
		Project cost already charged to SSTF	APE under CWRF	Total Project Estimate	Estimated Final Cost	Cost Reduction	Cost Reduction as a % of Total Project Estimate
		(a)+(b)	(d)	(c)-(d)	(e)-(c)		
		(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	
287DS	SSDS Stage I: principal collection and treatment system – advance works	531.33	31.10	562.43	555.86	6.57	1.2%
288DS	SSDS Stage I: chemical dosing facilities	104.09	39.20	143.29	132.76	10.53	7.3%
304DS	SSDS Stage I: sewer tunnel system from Chai Wan and Tseung Kwan O to Kwun Tong	306.08	36.30	342.38	308.00	34.38	10.0%
305DS	SSDS Stage I: Stonecutters Island Sewage Treatment Works sludge treatment facilities	231.34	43.70	275.04	264.20	10.84	3.9%
306DS	SSDS Stage I: Stonecutters Island Sewage Treatment Works – sedimentation tanks (civil works)	347.63	24.50	372.13	365.56	6.57	1.8%
309DS	SSDS Stage I: upgrading existing preliminary treatment works	607.63	234.10	841.73	812.88	28.85	3.4%
311DS	SSDS Stage I: sewer tunnel system from Kwun Tong and Kwai Chung to Stonecutters Island	389.73	39.40	429.13	391.65	37.48	8.7%
Total Cost Reduction						<u>135.22</u>	