

For discussion
on 23 September 1998

PWSC(98-99)18

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 707 - NEW TOWNS AND URBAN AREA DEVELOPMENT
Kowloon Development
Civil Engineering - Land development
**469CL - South East Kowloon development at Kai Tak Airport - early
development package**

Members are invited to recommend to Finance
Committee -

- (a) the upgrading of part of **469CL**, entitled "South East Kowloon development at Kai Tak Airport - site investigations and consultants' fees", to Category A at an estimated cost of \$109.8 million in money-of-the-day prices; and
- (b) the retention of the remainder of **469CL** in Category B.

PROBLEM

We need to carry out site investigations and detailed design of infrastructure for housing development in the north apron area of Kai Tak Airport (NAKTA).

/PROPOSAL

PROPOSAL

2. The Director of Territory Development (DTD), with the support of the Secretary for Planning, Environment and Lands, proposes to upgrade part of **469CL** to Category A at an estimated cost of \$109.8 million in money-of-the-day (MOD) prices for site investigations and the engagement of consultants to undertake detailed design of infrastructure for housing development in NAKTA.

PROJECT SCOPE AND NATURE

3. We upgraded part of **469CL** to Category A in February 1998 for decontamination and site preparation works at NAKTA. The remaining works under **469CL** comprise the provision of infrastructure including roads, drainage, sewerage and a water supply system in NAKTA.

4. The part of the project we now propose to upgrade to Category A covers the site investigation works in NAKTA and the detailed design, including preparation of tender documents and assessment of tenders, of the following works -

- (a) construction of about 4 kilometres of box culvert and 0.8 kilometres of open channel to replace the existing Kai Tak Nullah;
- (b) construction of a sewage pumping station and about 3 kilometres of rising mains to convey sewage to the existing To Kwa Wan sewage treatment plant;
- (c) construction of roads and associated drainage, sewerage and watermains in the northern part of NAKTA;
- (d) upgrading and extension of Sung Wong Toi Road and associated drainage, sewerage and watermains;
- (e) landscaping works in NAKTA; and
- (f) provision of necessary environmental protection measures.

We also propose to include in the project a cultural heritage impact assessment for investigating the need of salvaging cultural remains at the Kai Tak airport site.

JUSTIFICATION

5. After the cessation of operation of the Hong Kong International Airport at Kai Tak (Kai Tak Airport) in July 1998, we plan to develop NAKTA in phases, mainly for housing development, to accommodate a population of about 130 000.

6. According to the current public housing development programme, the Director of Housing plans to commence housing construction in the northern part of NAKTA in November 1999 with a target population intake starting in early 2003. The housing development will progressively take place from the north to the south of NAKTA. In order to provide the necessary supporting infrastructure to tie in with the very tight housing development programme in the northern part of NAKTA, we need to start the site investigations and the detailed design of the infrastructural works in January 1999 for completion in phases from August 2000 to June 2002. This will enable the construction works of the infrastructure to proceed in phases commencing in September 2000 for full completion in 2006.

7. Due to insufficient in-house resources, DTD proposes to engage consultants to supervise the site investigation works and to carry out the detailed design.

FINANCIAL IMPLICATIONS

8. We estimate the capital cost of the project to be \$109.8 million in MOD prices (see paragraph 9 below), made up as follows -

	\$ million
(a) Site investigations	14.7
(b) Consultants' fees for	65.0

(i)	supervision of site investigations	2.0	
(ii)	detailed design	58.0	
(iii)	preparation of tender documents and assessment of tenders	5.0	
(c)	Cultural heritage impact assessment	0.3	
(d)	Contingencies	8.0	
	Sub-total	88.0	(at December 1997 prices)
(d)	Inflation allowance	21.8	
	Total	109.8	(in MOD prices)

A breakdown by man months of the estimate for the consultants' fees is at the Enclosure.

9. Subject to approval, we will phase the expenditure as follows -

Year	\$ million (Dec 97)	Price adjustment factor	\$ million (MOD)
1998 - 1999	3.0	1.06000	3.2
1999 - 2000	25.0	1.14878	28.7
2000 - 2001	35.0	1.24642	43.6
2001 - 2002	20.0	1.35237	27.0
2002 - 2003	5.0	1.46732	7.3
	<u>88.0</u>		<u>109.8</u>

10. We have derived the MOD estimates on the basis of the Government's forecast of trend labour and construction prices for the period 1998 to 2003. We will award the proposed consultancy on a lump sum basis with provision for inflation adjustments as the consultancy period will exceed 12 onths. We will tender the site investigation works under a standard remeasurement contract because the quantities of works involved may vary depending on the actual ground conditions. The contract for the site investigation works will not provide for inflation adjustments as the contract period will not exceed 21 months.

11. The proposed consultancy has no annually recurrent financial implications.

PUBLIC CONSULTATION

12. The proposed consultancy and site investigations aim at enabling the provision of supporting infrastructure for the housing development in NAKTA. Since we will confine the infrastructure works to the airport site which will have restricted access and is separated from the existing urban areas by major highways, there will be minimal impact on the public.

13. We published the gazette of the Outline Zoning Plans on the whole South East Kowloon development on 4 September 1998.

14. We briefed the Legislative Council Panel on Planning, Lands and Works on the proposed project on 10 September 1998. Members noted the details of the project but requested additional information on the South East Kowloon development as a whole. We will brief the Panel in this respect on 17 September 1998.

ENVIRONMENTAL IMPLICATIONS

15. The proposed consultancy will not have any environmental implications. As part of the South East Kowloon Development Feasibility Study under **440CL**, we are conducting an Environmental Impact Assessment (EIA) in accordance with the EIA Ordinance to identify, predict and assess potential

environmental impacts. We will incorporate all the measures recommended in the EIA into the detailed design and relevant works contract.

/16.

16. The infrastructure package covered by the proposed consultancy includes a number of works which require an environmental permit under the EIA Ordinance. We shall apply for the environmental permit before construction of the relevant works.

LAND ACQUISITION

17. The proposed consultancy does not require any land acquisition.

BACKGROUND INFORMATION

18. We included **469CL** in Category B in September 1996.

19. On 27 February 1998, the Finance Committee approved the upgrading of part of **469CL** to Category A as **494CL** entitled "South East Kowloon development at Kai Tak Airport - decontamination and site preparation".

20. We plan to start the proposed consultancy and the site investigation works in January 1999 for completion in phases from August 2000 to June 2002 for construction works to proceed in phases commencing in September 2000. We plan to complete the construction works in phases from early 2003 to mid 2006 to tie in with the overall housing development programme in NAKTA.

**469CL - South East Kowloon development at Kai Tak Airport -
early development package**

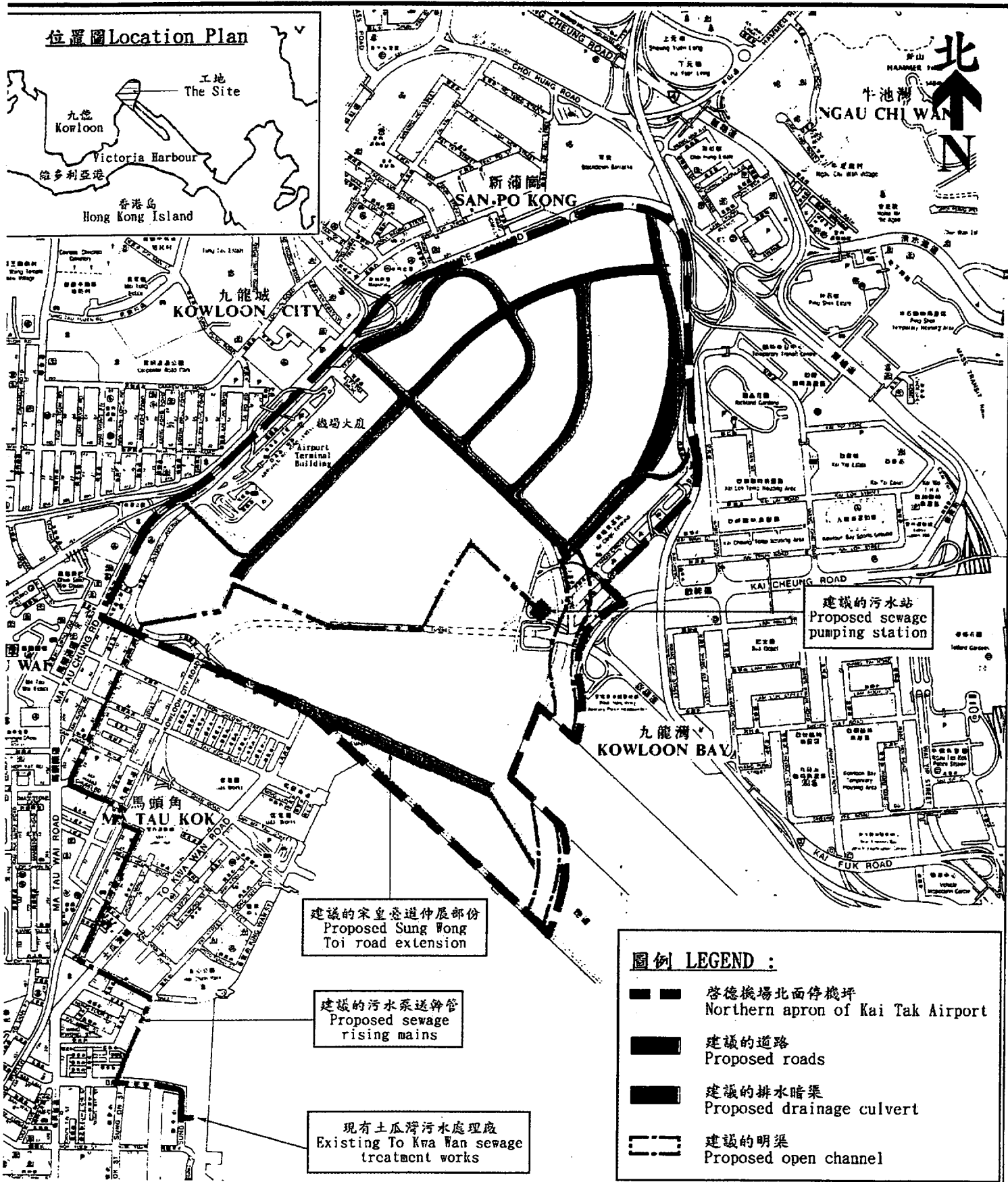
Breakdown of the estimate for consultants' fees

Consultants' staff costs			Estimated man months	Average MPS* salary point	Multiplier factor	Estimated fees (\$ million)
(a)	Supervision of	Professional	11	40	2.1	1.4
	site investigations	Technical	14	16	2.1	0.6
(b)	Detailed design	Professional	239	40	3.0	42.5
		Technical	260	16	3.0	15.5
(c)	Preparation of tender documents and assessment of tenders	Professional	20	40	3.0	3.6
		Technical	24	16	3.0	1.4
Total consultants' staff costs						65.0

*MPS = Master Pay Scale

Notes

- (1) A multiplier factor of 3 is applied to the average MPS point to arrive at the full staff costs including the consultants' overheads and profit, as the staff will be employed in the consultants' offices. A multiplier factor of 2.1 is applied to the average MPS point in the case of site staff supplied by the consultants. (At 1.4.97, MPS pt. 40 = \$59,210 p.m. and MPS pt. 16 = \$19,860 p.m.)
- (2) The figures given above are based on estimates prepared by the Director of Territory Development. We will only know the actual man months and fees when we have selected the consultants through the normal competitive bidding system.



一九九八至一九九九年工務小組委員會文件
PWSC Submission 1998-99

項目編號 item no.
469CL

圖則編號 drawing no.
K 109

比例 Scale :
1 : 15000

設計圖名稱 drawing title :

在啓德機場原址進行的九龍東南發展計劃 - 早期發展工程

South East Kowloon Development at Kai Tak Airport - Early Development Package

繪圖 drawn :
C F Ng

日期 date :
02.06.98

校核 checked :
P C Mok

日期 date :
02.06.98



拓展署
九龍拓展處

Kowloon Development Office
Territory Development Department