

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 - BUILDINGS

Support - Others

166GK – Customs examination facilities for Container Terminal No. 9, Tsing Yi

Members are invited to recommend to Finance Committee the upgrading of **166GK** to Category A at an estimated cost of \$61.2 million in money-of-the-day prices for the construction of proposed Customs examination facilities for Container Terminal No. 9, Tsing Yi.

PROBLEM

There will be no operational facilities for the Commissioner of Customs and Excise to carry out customs control efficiently on containerised cargoes passing through Container Terminal No. 9 (CT9) and to provide centralized customs services to traders and cargo operators concerned.

PROPOSAL

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for Trade and Industry, the Secretary for Security and the Secretary for the Treasury, proposes to upgrade **166GK** to Category A at an estimated cost of \$61.2 million in money-of-the-day (MOD) prices for the construction of Customs examination facilities for CT9, Tsing Yi.

PROJECT SCOPE AND NATURE

3. The scope of the project comprises the construction of -
- (a) a two-storey office block providing office space and ancillary facilities (with a gross floor area of 766 square metres);
 - (b) cargo examination platform facilities with eight docks;
 - (c) dog kennels;
 - (d) a parking and manoeuvring area for about 12 container trucks; and
 - (e) 14 parking spaces for traders and operational vehicles.

The site will also be equipped with an X-ray machine, a closed circuit television system, a public announcement system and floodlighting. The project will occupy a site of about 4 258 square metres at the junction of Cheung Fai Road and Cheung Tat Road on Tsing Yi Island. Part of the site is under the existing Tsing Kwai Highway structure.

4. The site plan is at Enclosure 1 for Members' reference. We plan to start construction works in November 2000 for completion in April 2002.

JUSTIFICATION

5. The purpose of the project is to enable the Customs and Excise Department (C&ED) to provide efficient centralized customs services including cargo examination by appointment, manifest screening, licence/permit processing and cargo examination to terminal operators, traders, shipping companies and cargo forwarders based in CT9. The terminal, comprising four container vessel berths and two feeder berths, will have an estimated annual handling capacity of 2.6 million Twenty-foot Container Equivalent Units and is being constructed on the south-eastern shore of Tsing Yi Island to cope with the continuous increase in container traffic in Hong Kong. The first berth is expected to come into operation around May 2002 and the last one around November 2004. Customs facilities should be conveniently located near CT9 and made available at the time of commencement of operation of the first berth. We consider the proposed site at

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the junction of Cheung Fai Road and Cheung Tat Road most suitable because it is planned for Government, institution or community use in close proximity to CT9, and is bound by sea-frontage and high-rise industrial development.

6. At present, Container Terminal Nos. 1 to 8 in Kwai Chung are provided with the services mentioned in paragraph 5 above from a Customs office and a Customs Cargo Examination Compound near Container Terminal No. 7. At these facilities, traders can proceed with cargo clearance procedures almost immediately after collecting their containers from the terminals in Kwai Chung. Shipping companies and agents are also able to submit shipping documents such as manifests, licences and permits to Customs office for inspection conveniently. Since CT9 is located in Tsing Yi, it is essential to establish a similar well-equipped office and examination facilities in its proximity. Failure to do so means the customs services for CT 9 will have to be carried out in the existing facilities in Kwai Chung. This will inevitably create considerable additional traffic pressure at the Kwai Chung Container Port area and its vicinity. Such an arrangement would be uneconomical for container traffic operators and inconvenient to the public.

FINANCIAL IMPLICATIONS

7. We estimate the capital cost of the project to be \$61.2 million, in MOD prices (see paragraph 8 below), made up as follows –

	\$ million
(a) Site works and formation	1.5
(b) Geotechnical works	1.0
(c) Building	22.2
(d) Building services	11.6
(e) Drainage and external works	10.3
(f) Furniture and equipment	4.6

	\$ million	
(g) Electrical and Mechanical Services Trading Fund (EMSTF) charges for project management/contract administration ¹	0.5	
(h) Contingencies	5.2	
Sub-total	56.9	(in December 1999 prices)
(i) Provision for price adjustment	4.3	
Total	61.2	(in MOD prices)

The construction floor area of **166GK** is 2 310 square metres. The construction unit cost of the superstructure, represented by building and building services costs, is \$14,632 per square metre in December 1999 prices. The construction unit cost is comparable to that for similar government building projects.

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

Year	\$ million (Dec 1999)	Price adjustment factor	\$ million (MOD)
2000 - 01	5.4	1.00000	5.4
2001 - 02	32.9	1.04500	34.4
2002 - 03	10.1	1.10770	11.2
2003 - 04	5.8	1.17416	6.8

/2004 - 05.....

¹ Since the establishment of the EMSTF on 1 August 1996 under the Trading Funds Ordinance, Government departments are charged for design and technical consultancy services for electrical and mechanical installations provided by the EMSTF. Services rendered for this project include project management and contract administration for the provision of electrical and mechanical facilities. The figures above are based on estimates prepared by the Director of Architectural Services. The actual cost for the service charges is subject to further discussion between the Government and the EMSTF.

Year	\$ million (Dec 1999)	Price adjustment factor	\$ million (MOD)
2004 - 05	2.7	1.24461	3.4
	<hr/> 56.9 <hr/>		<hr/> 61.2 <hr/>

9. We derive the MOD estimates on the basis of the Government's latest forecast of trend labour and construction prices for the period 2000 to 2005. We will tender the contract on a fixed-price lump-sum basis with no provision for price fluctuation because we can clearly define the scope works in advance, leaving little room for uncertainty.

10. We estimate the annually recurrent expenditure of the project to be \$47.0 million. The amount comprises \$2.6 million for maintenance expenses for the proposed facilities and replacement of equipment and furniture; and \$44.4 million for staff and other operating costs for providing the cargo clearance services mentioned in paragraph 5 above.

PUBLIC CONSULTATION

11. We consulted the Kwai Tsing District Board in April 1997. Members of the Board had no comments on the proposal.

ENVIRONMENTAL IMPLICATIONS

12. Consultants engaged by D Arch S completed a Preliminary Environmental Review (PER) of the project in April 1997 and concluded that the project would have no long term environmental impact. The Director of Environmental Protection vetted the PER and agreed that an Environmental Impact Assessment would not be necessary. We will implement suitable mitigation measures in the design of the building to control potential noise and exhaust emission impacts from nearby road traffic, including the provision of noise insulation and air-conditioning, and appropriate setback of fresh air intakes. During construction, we will control noise, dust and site run-off nuisances through the implementation of mitigation measures in the relevant works

contracts. These will include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities as well as frequent cleaning and watering of the site.

13. We estimate that some 1 500 cubic metres of construction and demolition (C&D) waste will be disposed of at landfills and 500 cubic metres of public fill will be delivered to public filling areas. Ways of minimizing the generation of C&D materials were considered at the planning and design stages. We will require the contractor to implement necessary measures to minimize the generation of C&D materials and to reuse and recycle such materials. We will control the disposal of C&D materials to designated public filling facilities and/or landfills through a trip-ticket system, and record the disposal, reuse and recycling of C&D materials for monitoring purposes.

LAND ACQUISITION

14. The project does not require land acquisition.

BACKGROUND INFORMATION

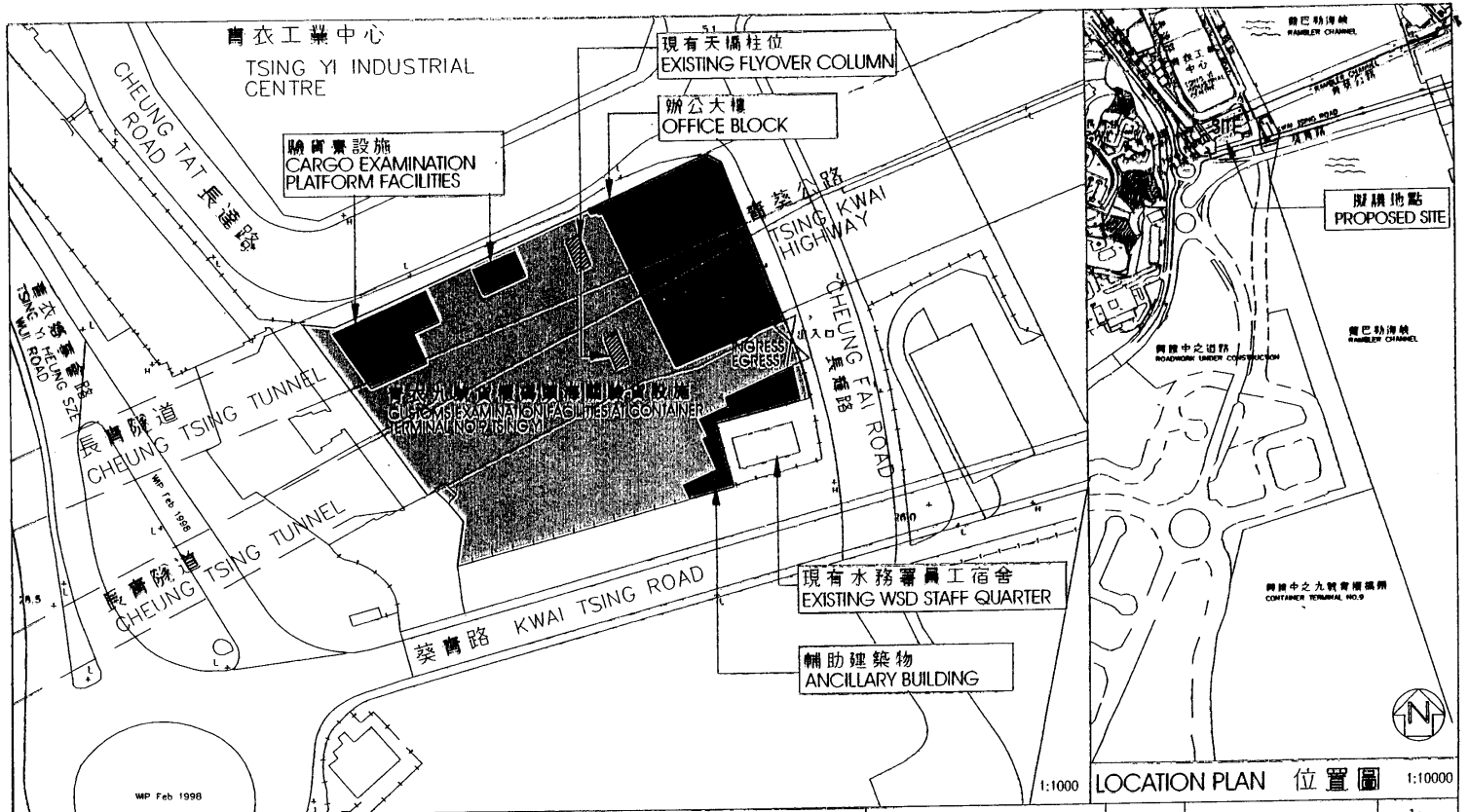
15. We upgraded **166GK** to Category B in August 1997. We engaged a consultant to carry out topographical survey and employed a term contractor to carry out site investigation in December 1999 at a total cost of \$210,000 under block allocation **Subhead 3100GX** "Project feasibility studies, minor investigations and consultants' fees for items in Category D of the Public Works Programme". Consultants completed the topographical survey and site investigation in January 1999 and April 1999 respectively. D Arch S has substantially completed the detailed design of the project using in-house staff resources. We also commenced the preparation of tender document using in-house staff resources. The tender document is expected to be completed by end June 2000.

16. The site of **166GK** has been chosen given its convenient location. In determining the construction option for this project, we consider the construction of a two-storey office block for C&ED would optimise the site utilization in view of the severe site constraint arising from the existing Tsing Kwai Highway structure. Highways Department needs clearance of four metres from the soffit and two metres around columns and abutments to carry out the necessary maintenance on the highway structure. A section plan is at Enclosure 2 for reference.

17. The project will create some 75 jobs with a total of 1 135 man months comprising one professional staff, four technical staff and 70 labourers.

Trade and Industry Bureau
May 2000

(PWSC0280/WIN11)



Project 166 GK
title

青衣九號貨櫃碼頭海關驗貨設施
CUSTOMS EXAMINATION FACILITIES AT CONTAINER
TERMINAL NO.9 TSING YI

drawn by E.CHEUNG

date 19/04

drawing no.
AB/5617/XA01

scale
AS SHOWN

approved M.C.CHUNG

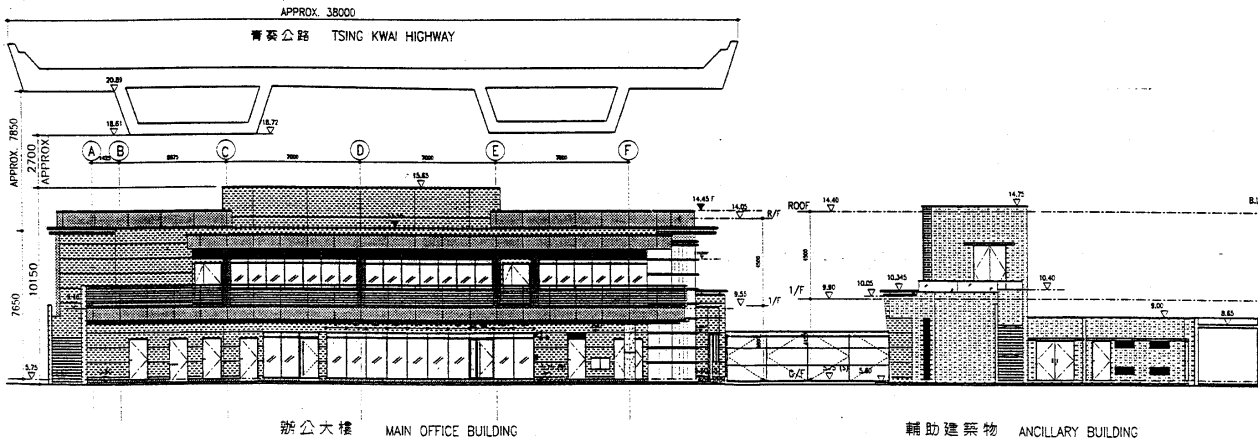
date 19/04

office
ARCHITECTURAL BRANCH



ARCHITECTURAL
SERVICES
DEPARTMENT

NOTES



西立面 WEST ELEVATION

no.	date	description
REVISION		
drawn	Samuel Lam	ALLAN
checked	ALLAN	ALLAN
approved		
Chief Architect	LAWREN	
Senior Architect	(UNDESIGNATED)	
Project Architect	ALAN	ALLAN
contract no.	S102	
file no.	M1X	
project no.	M01	
contract 青衣九號貨櫃碼頭 海關驗貨設施 CUSTOMS EXAMINATION FACILITIES FOR CONTAINER TERMINAL NO.9 TSING YI		
drawing title 西立面 WEST ELEVATION		
drawing no.	scale	
AB/5617/XA02	1:200	
office ARCHITECTURAL BRANCH		



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