NOTE FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

Supplementary information on 703CL – Development of EcoPark in Tuen Mun Area 38

INTRODUCTION

In considering the paper referenced PWSC(2005-06)49 on the above project on 15 February 2006, the Public Works Subcommittee requested and the Administration agreed to review the level of consultants' fees for site supervision for the proposed project and report on the outcome before the relevant Finance Committee meeting.

THE ADMINISTRATION'S RESPONSE

2. As a ground breaking project to jump start a circular economy in Hong Kong, the EcoPark is a multi-disciplinary project which covers a wide range of works including architectural, building and civil works, electrical and mechanical installations, architectural and building services as well as marine frontage and cargo handling facilities. The construction of this complex project will require supervision by professional and technical staff with sufficient knowledge and experience in various fields on the site. Also, as the primary aim of the EcoPark is to encourage the environmental and recycling industries to recover and recycle local waste products for reuse, the EcoPark will set an example and take the lead in incorporating green features and recyclable materials in its design and construction. These include the use of rubber tyre derived materials for asphalt road surfaces, recycled aggregates for sub-base and recycled glass for paving blocks and bedding materials; just to name a few. These works are not common in ordinary civil engineering works projects and will demand careful on-site scrutiny of the qualities of the recyclable materials to be used and extra effort in the control of their workmanship. Added to the complexity of the project is the need to develop the EcoPark in phases to allow tenants to occupy lots to build their plants early. Subject to the demand, the second phase of the project may need to be advanced. As such, an important function of the site supervision staff will be to attend to interface issues to ensure timely completion of the project with minimum disruption to the tenants. All these account for the project's slightly higher site supervision cost as compared to an average civil engineering project.

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3. As explained to the Members at the meeting, the estimated cost for contract administration and site supervision as set out in the PWSC paper is equal to 12% of the estimated total construction cost. This is equivalent to 11% of the estimated total project cost and is marginally higher than the **average** 10% for civil engineering projects. However, if one takes into account the scale, nature and complexity of these civil engineering projects, a higher-than-average on-cost is not uncommon and can be found in some other similar civil engineering projects.

4. Notwithstanding the above, in view of the views and concerns expressed by some Members, we have critically reviewed the works programme and site supervision arrangements and have come to the conclusion that there are areas that may further optimise the use of on-site supervision staff during the construction period. Consideration will be given to phasing site staff employment to match with the works programme and workload, employing multi-skilled professional and technical staff to enhance manpower utilisation, and more extensive use of remote sensing and monitoring equipment for site monitoring. By adopting these measures and arrangements, we may be able to reduce the site supervision cost. We however do not propose to change the cost estimate in order to provide some room to cope with possible unforeseen circumstances under a tight programme. Nevertheless, we are mindful of the concerns of the Members and will undertake to carry out all necessary measures to minimise the site supervision cost of the project and to monitor the situation closely.

Environment, Transport and Works Bureau
March 2006