

**For Discussion**  
**16 November 2012**

**Legislative Council Panel on Transport**

**Traffic Improvements to Tuen Mun Road Town Centre Section**

**PURPOSE**

This paper seeks Members' views on our proposal to increase the approved project estimate (APE) of **819TH** (Traffic Improvement to Tuen Mun Road Town Centre Section) by 153.5 million from \$1,814.4 million to \$1,967.9 million in money-of-the-day (MOD) prices.

**BACKGROUND**

2. In June 2009, the Finance Committee (FC) of the Legislative Council approved the upgrading of **819TH** to Category A at an estimated cost of \$1,814.4 million in MOD prices. The approved scope of **819TH** comprises –

- (a) widening of the Tuen Mun Road Town Centre Section (TMRTCS) between Yan Oi Town Square and Wong Chu Road of approximately 1.5 kilometres (km) length from a dual two-lane carriageway to a dual three-lane carriageway;
- (b) resurfacing of existing section of Tuen Mun Road (TMR);
- (c) construction of a single-lane flyover of approximately 450 metres (m) length, which extends from Tuen Hing Road and runs along Tsing Hoi Circuit to merge eventually with the TMR Kowloon-bound carriageway;

- (d) reconstruction of the slip road of the existing Wong Chu Road of approximately 80 m length to facilitate proper merging with the new flyover mentioned in item (c) above;
- (e) demolition and reconstruction of four existing footbridges and provision of two temporary footbridges during the construction period;
- (f) improvement of three existing traffic light signal-controlled junctions along Castle Peak Road (CPR) between Tuen Hing Road and Hoi Wing Road;
- (g) installation of the following along the carriageway –
  - (i) vertical noise barriers of about 340 m length and 5 m height;
  - (ii) cantilevered noise barriers of about 650 m length and 5.5 m to 8m height with bend ranging from 3 m to 7 m;
  - (iii) semi-enclosures of about 800 m length and 6 m to 8 m height; and
  - (iv) full-enclosures of about 920 m length and 6 m to 8 m height;
- (h) provision of a traffic control and surveillance system;
- (i) associated civil, structural, landscaping, geotechnical works, and works on re-provisioning of existing facilities, environmental mitigation, drainage, road lighting, water mains and traffic aids etc; and

- (j) implementation of an environmental monitoring and audit programme for the works mentioned in item (a) to (i) above.

———— A plan showing the proposed works is at **Enclosure**.

## **PROGRESS OF WORKS**

3. The project mainly covers the widening of the TMRTCS between Yan Oi Town Square and Wong Chu Road from a dual two-lane carriageway to a dual three-lane carriageway. It aims to improve the traffic conditions on the TMRTCS in order to cope with the existing congested traffic and the anticipated traffic growth.

4. The Highways Department (HyD) commenced the construction works in December 2009. The works progress was in general satisfactory. Up till September 2012, the HyD had substantially completed the construction of footbridges, the foundation works for noise barriers/enclosures and part of the road widening works.

5. The HyD was also constructing the new flyover, which extends from Tuen Hing Road and runs along Tsing Hoi Circuit to merge eventually with the TMR Kowloon-bound carriageway. The improvement works for various existing traffic light signal-controlled junctions nearby, namely junctions of CPR/Tuen Hing Road, CPR/Tsing Hoi Circuit and CPR/Hoi Wing Road, were substantially completed by the HyD. Such works aim to increase flow capacities of the roads and hence improve the traffic flow between CPR and TMR.

6. The four existing footbridges being affected by the road widening works, namely Yan Oi Footbridge, Yan Ching Footbridge, Siu On Footbridge and Chi Lok Footbridge, were undergoing demolition to facilitate the carrying out of the works, and would be reconstructed after completion of works. Amongst them, Yan Ching Footbridge and Chi Lok Footbridge have been reconstructed and opened for public use.

7. The remaining works mainly cover the installation of noise

barriers/enclosures, construction of the flyover and the slip road, re-provisioning works for footbridges and landscaping works. The construction is expected to complete by December 2013 as scheduled.

## **INCREASE IN PROVISION FOR PRICE ADJUSTMENT**

8. After carefully reviewing the financial position of the project, we consider it necessary to increase the APE of **819TH** by \$153.5 million (in MOD prices) in order to cover the extra cost required due to the increase in provision for price adjustment.

9. According to existing Government practice, monthly payments to contractors for most construction contracts are adjusted to cover the market fluctuation in labour and material costs, which are known as contract price fluctuation (CPF) payment. When we sought funding approval from FC for **819TH** in 2009, we followed the forecast of the trend rate of change in the prices of public sector building and construction output in March 2009, as well as the anticipated project cash flow, and allowed for a provision of \$173.2 million for price adjustment in the original APE.

10. Upon review of the latest situation, the CPF payment is expected to increase by \$153.5 million from \$173.2 million to \$326.7 million. This is because with reference to the updated forecast on the trend rate of change in the prices of public sector building and construction output, the rate of change for 2012 and beyond has been revised from 2-3% increase per annum in the forecast of June 2009 to 7 % and 6<sup>1</sup>% increase per annum. The latest cashflow is outlined in paragraph 13.

11. We have absorbed \$93.3 million in the provision of \$130.3 million for the project contingencies in the original APE to cater for the higher-than-expected tender price. Project contingencies of \$37.0 million are required to be retained to cater for any unexpected expenditure in the

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<sup>1</sup> The price deflators for public sector building and construction output adopted for the original funding application approved by FC in June 2009 are 2.0% per annum between 2009 and 2013 and 3.0% per annum for 2014 and beyond, while the actual price deflators between 2009 and 2011 are 3.1%, 2.9% and 5.7% respectively, and the latest figures/assumptions are 7% in 2012 and 6% per annum between 2013 and 2017.

remaining works. Hence, the remaining amount in the APE is insufficient to cover the additional cost of \$153.5 million required due to the increase in the provision of price adjustment.

## REVIEW OF FINANCIAL POSITION

12. After reviewing the financial position of **819TH**, we consider that it is necessary to increase the APE by \$153.5 million from \$1,814.4 million to \$1,967.9 million in MOD prices in order to ensure adequate funds are available to cover the cost of the project.

<b>Factors</b>	<b>Proposed increased amount in MOD prices (\$ million)</b>	<b>% of the total increased amount</b>
<b>Increase due to -</b>		
increase in provision for price adjustment of APE	153.5	100
Total increase	153.5	100

## FINANCIAL IMPLICATIONS

13. Subject to FC's approval, we will phase the expenditure as follows –

<b>Year</b>	<b>\$ million (in MOD prices)</b>
Up to 31 March 2012	609.2
2012 – 2013	470.6
2013 – 2014	665.8
2014 – 2015	204.9
2015 – 2016	14.4
2016 – 2017	3.0
	1,967.9

14. The proposed increase in the APE will not give rise to any additional recurrent expenditure.

## **PUBLIC CONSULTATION**

15. During the course of construction, the HyD has maintained liaison with the Traffic & Transport Committee and the Environment, Hygiene & District Development Committee and the Working Group on Tuen Mun Greening under the Tuen Mun District Council, as well as the local community, to timely report the works progress and the associated temporary traffic arrangements. HyD will continue to liaise with the Tuen Mun District Council and the local community.

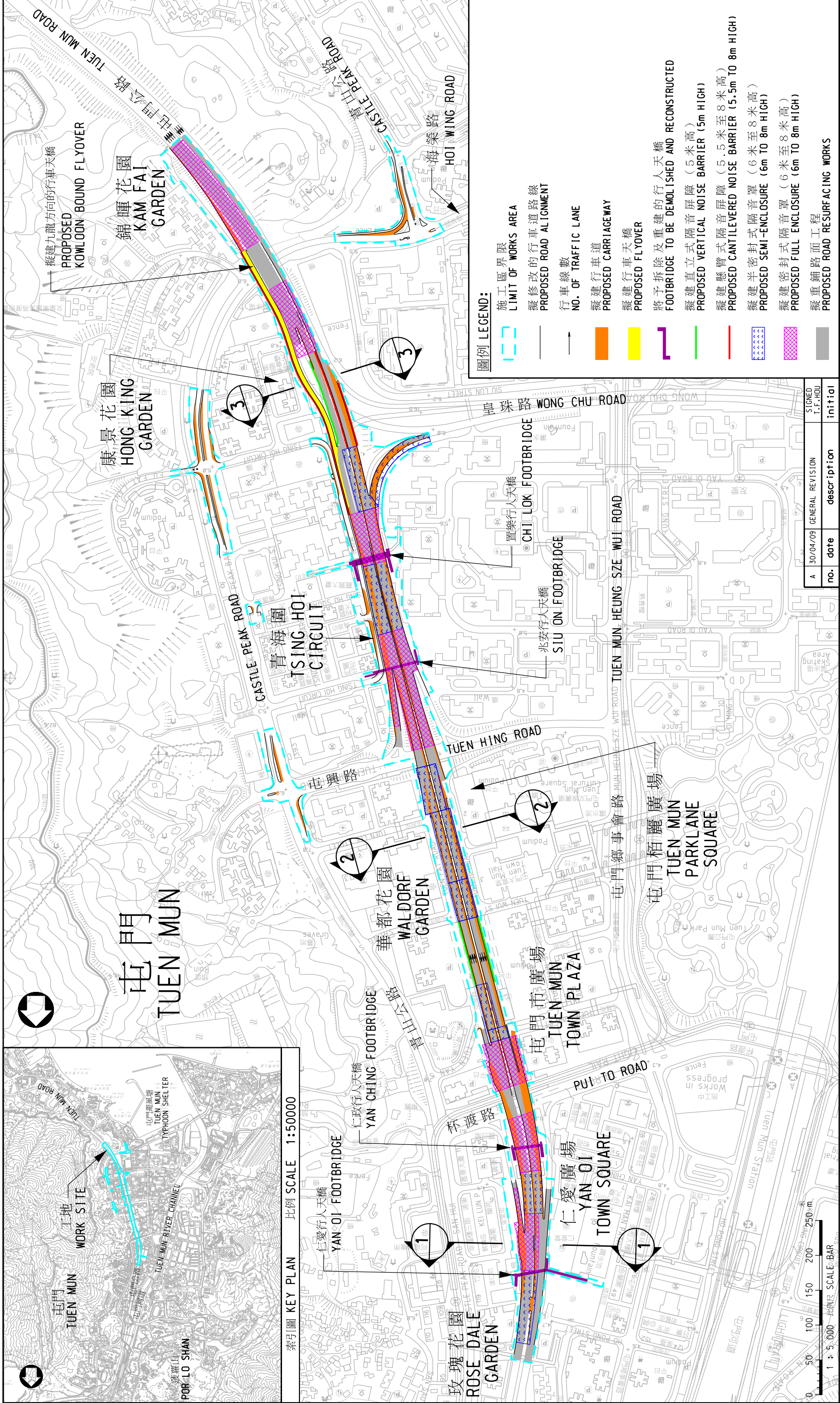
## **WAY FORWARD**

16. Subject to the support of the Panel, we intend to submit the proposal to the Public Works Subcommittee on 19 December 2012 and, if approved by the Subcommittee, we intend to seek approval from the Finance Committee of the Legislative Council on 11 January 2013 for the funding application.

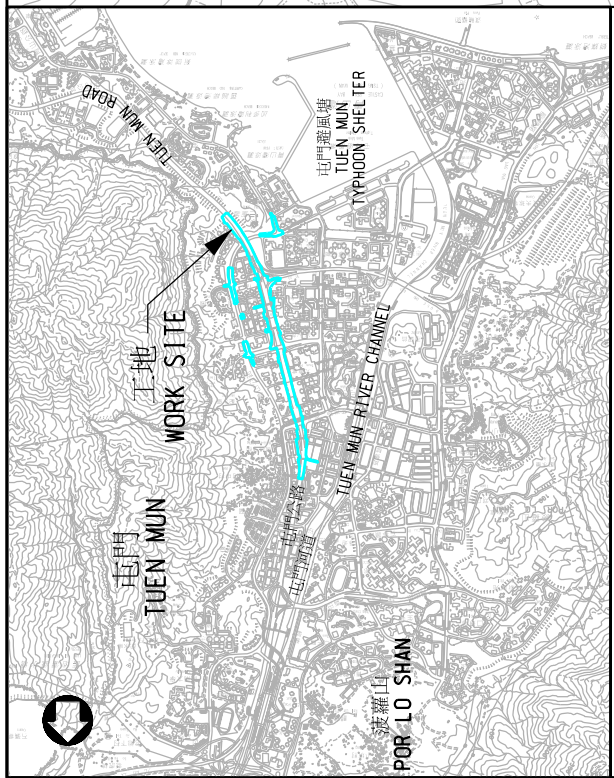
## **ADVICE SOUGHT**

17. Members are invited to comment on and support our funding proposal.

**Transport and Housing Bureau  
November 2012**



- 圖例 LEGEND:**
- 施工區界限  
LIMIT OF WORKS AREA
  - 擬修改的行人道路線  
PROPOSED ROAD ALIGNMENT
  - 行車線數  
NO. OF TRAFFIC LANE
  - 擬建行車道  
PROPOSED CARRIAGEWAY
  - 擬建行車天橋  
PROPOSED FLYOVER
  - 將予拆除及重建的行人天橋  
FOOTBRIDGE TO BE DEMOLISHED AND RECONSTRUCTED
  - 擬建直立式隔音屏障 (5米高)  
PROPOSED VERTICAL NOISE BARRIER (5m HIGH)
  - 擬建懸臂式隔音屏障 (5.5米至8米高)  
PROPOSED CANTILEVERED NOISE BARRIER (5.5m TO 8m HIGH)
  - 擬建半密封式隔音罩 (6米至8米高)  
PROPOSED SEMI-ENCLOSURE (6m TO 8m HIGH)
  - 擬建密封式隔音罩 (6米至8米高)  
PROPOSED FULL ENCLOSURE (6m TO 8m HIGH)
  - 擬重鋪路面工程  
PROPOSED ROAD RESURFACING WORKS



索引圖 KEY PLAN 比例 SCALE 1:50000

no.	date	description	SIGNED T.F.HOU	initial
A	30/04/09	GENERAL REVISION	14/04/09	
			14/04/09	

繪圖 drawn	W.L.LAM	繪圖編號 plan no.	HMW6819TH-SP0002-A	比例 scale	1:5000
批准 approved	C.K.WONG	圖則所有 COPYRIGHT RESERVED			
覆核 checked	W.C.CHAN				
設計 designed	T.F.HOU				
SIGNED	14/04/09	SIGNED	14/04/09		

工務計劃項目第819TH號 - 屯門公路市中心段交通改善工程 - 平面圖  
PWP ITEM NO. 819TH - TRAFFIC IMPROVEMENTS TO TUEN MUN ROAD TOWN CENTRE SECTION  
- LAYOUT PLAN



HIGHWAYS DEPARTMENT HONG KONG

主要工程管理處  
MAJOR WORKS PROJECT MANAGEMENT OFFICE

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