

Legislative Council
Panel on Home Affairs and Panel on Development
Joint Subcommittee to Monitor the Implementation of the
West Kowloon Cultural District Project

Follow-up to meeting on 14 December 2015

Further discussion on the integration and connectivity of the West Kowloon Cultural District (WKCD) with its neighbouring districts

The Administration/West Kowloon Cultural District Authority (WKCDA) were requested to provide the following information –

- (a) **the provisions included in the agreement(s) entered into between the Administration and WKCDA in relation to the works entrusted to WKCDA which sought to safeguard the Government's as well as public interests in the event of any cost overrun of the entrusted works.**

The Government and WKCDA place great emphasis on the need for adopting effective measures to monitor and control the cost of the entrusted works with a view to minimising cost overrun. Such measures, as included in various existing entrustment agreements signed between the Government and WKCDA, are categorised as follows –

- (A) Regular Reporting from WKCDA
- (B) Joint Monitoring by Government and WKCDA
- (C) Cost Control for Authorised Expenditure
- (D) Cost Control for Changes Initiated by WKCDA
- (E) Cost Control for Assessment / Recommendation on Claims
- (F) Cost Control for Postponement or Abandonment
- (G) Dispute Resolution

The gist of the key provisions under each category of measures is listed in **Appendix I**.

- (b) the pedestrian links being/planned to be provided to connect WKCD with its adjoining developments (e.g. Austin Station, the West Kowloon Terminus and Kowloon Station/The Elements shopping mall) and the provision of barrier-free facilities at such developments.**

The Home Affairs Bureau together with WKCDA has regularly reported to the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project (the Joint Subcommittee) the details and progress of the proposed pedestrian links from the neighbouring districts to WKCD. Details of the existing and planned pedestrian connections are shown in Annexes A and B to LC Paper No. CB(2)1952/13-14(01), which was discussed at the Joint Subcommittee meeting held on 7 July 2014. The said Annexes are attached at **Appendix II**. Further updates were presented at the Joint Subcommittee meetings held on 12 January and 24 November 2015.

Among the planned pedestrian links, the proposed Artist Square Bridge is now at the final design stage. The proposed Bridge was gazetted under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) on 29 January 2016 for public consultation. No objection was received during the gazettal period and the authorisation notice was gazetted on 15 April 2016. We will consult the Joint Subcommittee in the first quarter of 2017 on the funding application for the proposed Bridge, a public infrastructure work item, before seeking Finance Committee's approval. Further details can be found in the paper on "Update on the Progress of Hardware Development in the West Kowloon Cultural District" for discussion at the Joint Subcommittee meeting to be held on 30 May 2016.

In accordance with government practices/guidelines and Building Regulations, barrier-free facilities are provided/have been planned in the developments adjoining WKCD such as Austin Station, West Kowloon Terminus and Kowloon Station/The Elements shopping mall as well as the proposed WKCD developments and pedestrian linkages.

**Home Affairs Bureau
West Kowloon Cultural District Authority
May 2016**

Gist of Key Provisions under Each Category of Measures

(A) Regular Reporting from WKCDA

- (a) WKCDA shall provide to Government monthly progress reports on the progress and programme of the Entrusted Works.
- (b) WKCDA shall provide monthly financial statements for each item of the Entrusted Works in accordance with the Cost Control / Cost Reporting Procedures.
- (c) WKCDA shall provide details demonstrating how it proposes to carry out the Entrusted Works in accordance with the Baseline Programme, or such extended Programme as may be agreed with Government.
- (d) WKCDA shall review the Baseline Programme quarterly and incorporate into the Baseline Programme any changes in the scope of the Entrusted Works and any changes to programme timing to be made in accordance with the Entrustment Agreement.

(B) Joint Monitoring by Government and WKCDA

- (a) A liaison committee consisting of representatives of Government and WKCDA shall be set up as necessary to obtain further information and to monitor progress on any of the issues identified.

(C) Cost Control for Authorised Expenditure

- (a) The Authorised Expenditure for the Entrusted Works shall be as stipulated in the Entrustment Agreement.
- (b) WKCDA may authorise expenditure within the Authorised Expenditure for the Entrusted Works, in accordance with the Cash Flow Estimate for the relevant period for each agreement and contract, subject to compliance with the Cost Control / Cost Reporting Procedures.

(C) Cost Control for Authorised Expenditure (cont'd)

- (c) The Authorised Expenditure and the relevant Cash Flow Estimate for each agreement and contract in relation to the Entrusted works shall be agreed between Government and WKCDA prior to award of each agreement and contract. Any proposed changes to the Authorised Expenditure and Cash Flow Estimate, including those for each agreement and contract, shall be agreed between Government and WKCDA.
- (d) The Authorised Expenditure and the relevant Cash Flow Estimate, including those for each agreement and contract, shall not be adjusted to allow for the inclusion of any claims raised by the consultant(s) and contractor(s) as a result of any delay, omission or default on the part of WKCDA and/or delay due to works not forming part of the Entrusted Works.

(D) Cost Control for Changes Initiated by WKCDA

- (a) If WKCDA wishes to initiate any variation to the Entrusted Works, WKCDA shall submit to Government in accordance with the Cost Control / Cost Reporting Procedures for prior agreement any such proposed variations as soon as reasonably practical and provide the necessary drawings and calculations amended to effect the proposed variations, except in the case of variations required for safety or emergency reasons.
- (b) Change Forms raised for changes initiated by WKCDA will be issued to Government who will arrange for authorisation of the change in accordance with the Government's procedures.
- (c) Approval procedure for changes to the Entrusted Works initiated by WKCDA with estimated value > HK500,000 -
 - (i) Where the need for a change to the Entrusted Works included in any contract is identified as having an estimated cost greater than HK\$500,000, then the Government's authorisation to the change will be sought by raising a Change Form. Prior approval is not required in cases where instructions need to be issued for reasons of safety or in case of emergency.

(D) Cost Control for Changes Initiated by WKCDA (cont'd)

- (ii) The Change Form proposal will provide the following information:-
- a detailed description of the change including drawings and/or sketches where appropriate;
 - reasons for the proposed change including comment on alternatives investigated, if appropriate;
 - appraisal of the likely effects on the contract programme;
 - time scale for approval/rejection of proposed change;
 - a detailed cost estimate clearly stating the source of the estimated costs and any assumptions and qualifications on which it is based, and
 - an estimate of the risks and strategic considerations included.
- (iii) WKCDA will seek the Government's approval to the change by submitting to Government a Change Form proposal together with details of the apportioned costs to be paid by Government.
- (iv) Government will obtain internal authorisation and advise WKCDA whether approval or otherwise is given to the change.
- (v) Where the change has been approved by Government, WKCDA will issue an instruction to the consultant / contractor. A copy of the instruction will be passed to Government by WKCDA.
- (vi) Where the estimated final value or determination of the final value of an approved change differs significantly from the original authorised estimate or where the apportionment of costs is amended, the change in value will be reported to Government by way of a revised Change Form.
- (vii) Where Government disputes responsibility to contribute to the cost of the proposed change, the decision will be raised directly with WKCDA and the matter will be resolved under the provisions of the Entrustment Agreement.
- (viii) If the matter is resolved on the basis that Government will contribute, WKCDA will process the Change Form as noted in Clause (c)(v) above.

(D) Cost Control for Changes Initiated by WKCDA (cont'd)

- (d) Authorisation procedure for changes to the Entrusted Works initiated by WKCDA with estimated value $<$ or $=$ HK\$500,000 –
- (i) Prior authorisation is not required for individual changes with a value less than or equal to HK\$500,000. However such changes must be reported to Government retrospectively, and the accumulated value taking into account the proposed changes shall not exceed the Cash Flow Estimate for the respective agreement or contract agreed between Government and WKCDA.
 - (ii) To comply with the requirement in item (i) above, WKCDA will monitor the estimated value of site instructions and variations and raise a Change Form to accord with the provision noted above.
- (e) Reporting requirements for changes to the Entrusted Works initiated by WKCDA
- (i) The estimated cost of any change will be reported as a potential cost in WKCDA's monthly financial statement for the Entrusted Works apportioned to Government and WKCDA as appropriate.
 - (ii) When a change which relates to the Entrusted Works has been authorised by WKCDA, then the estimated cost will be transferred to an authorised cost in WKCDA's report.

(E) Cost Control for Assessment / Recommendation on Claims

(a) Procedure for claims

- (i) All claims notified by the consultant/contractor which relate to the Entrusted Works, other than those claims which are wholly the result of an act or omission or default of WKCDA, will be notified to Government at the time the claim is registered by WKCDA (or its Contract Administrator) irrespective of whether there is sufficient information to assess the validity of the likely cost / time effect.
- (ii) Pending completion of assessment of a claim related to the Entrusted Works, a copy of all correspondence between the Authority (or its Contract Administrator) and the consultant / contractor will be passed to Government for information, by WKCDA.
- (iii) Where the claim relates to the Entrusted Works, prior to replying to its Contract Administrator's referral, WKCDA will raise a Change Form proposal which will include WKCDA's (or its Contract Administrator's) assessment report and WKCDA's recommended course of action in relation to the claim and submit it for the Government's authorisation.
- (iv) Where Government considers that WKCDA's (or its Contract Administrator's) assessment or WKCDA's recommendation is not appropriate, the reason for disagreement shall be stated, and the matter be resolved between Government and WKCDA in accordance with the provisions of the Entrustment Agreement.
- (v) Where it is decided that a claim should be the subject of negotiation between WKCDA and the consultant / contractor, Government will not be directly involved in negotiations. WKCDA will represent Government and keep the Government apprised of the progress of the negotiations with any proposed agreement being notified to Government.

(E) Cost Control for Assessment / Recommendation on Claims (cont'd)

- (vi) All claim settlements and the treatment of damages agreed by WKCDA on an extra-contractual basis will be the subject of a supplemental agreement. In drafting a supplemental agreement, WKCDA will consult with Government as to the contents in so far as they relate to the Entrusted Works. The Government's entitlement to damages will not be forfeited under the terms of the supplemental agreement without the prior written consent of Government, which consent shall not be unreasonably refused.
- (vii) Where WKCDA's (or its Contract Administrator's) final recommendation in relation to a claim differs significantly from any previously reported interim estimate or the authorised amount, the change will be reported to Government by way of a revised Change Form prior to agreement with the consultant / contractor.
- (viii) WKCDA will provide a monthly financial statement to Government setting out WKCDA's (or its Contract Administrator's) current estimate of the additional cost and/or extension of time likely to arise in relation to each claim.

(b) Reporting requirements for claims

- (i) A schedule of claims relating to the Entrusted Works will be included in WKCDA's monthly financial statement submitted by WKCDA to Government.
- (ii) The figures to be inserted under the consultant / contractor's claimed amount and the apportioned WKCDA's (or its Contract Administrator's) estimated claim entitlements as approved under the Management of Change Procedures of WKCDA and authorised amount will be updated monthly.

(F) Cost Control for Postponement or Abandonment

- (a) The Entrusted Works or any section or any part thereof may be postponed or abandoned by agreement between WKCDA and Government, subject to the mutual agreement between Government and WKCDA regarding meeting all costs arising from the contractual liabilities which would be the responsibility of WKCDA as part of its obligations under any construction contract and/or agreement to carry out the Entrusted Works so abandoned or postponed, provided such costs shall not have been covered by any payment already made under the Entrustment Agreement.
- (b) In the event of any abandonment pursuant to Clause (a) above, upon expiry of twenty eight (28) days after the agreement of such abandonment, the respective obligations of WKCDA and Government under the Entrustment Agreement that directly relate to such abandonment, save as expressly provided for otherwise in the Entrustment Agreement, shall forthwith be extinguished.

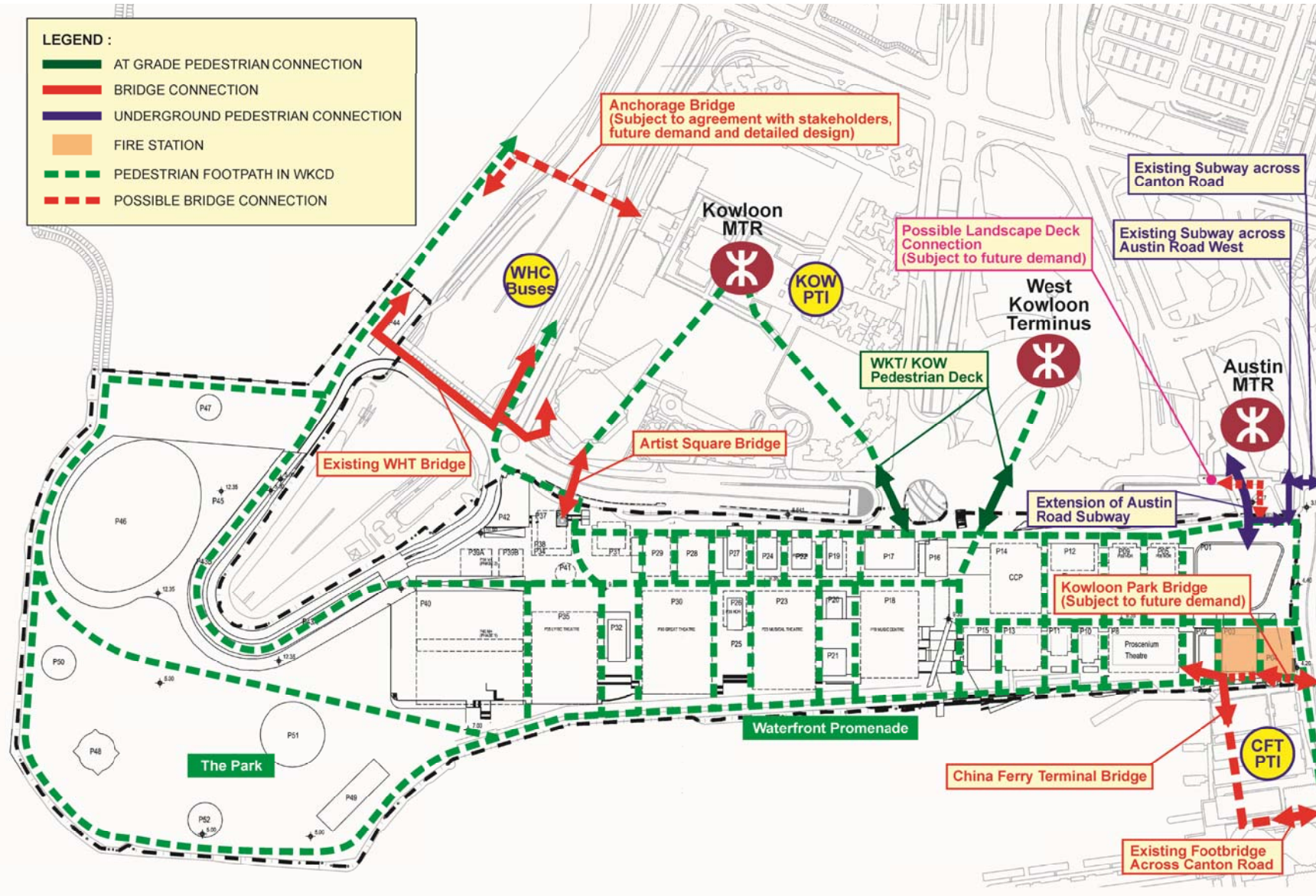
(G) Dispute Resolution

- (a) In the event of any dispute or difference, arising from or connected with the Entrustment Agreement, a committee shall be formed consisting of WKCDA's Executive Director, Project Delivery and the Government's representative (the "Senior Executives Committee").
- (b) All disputes shall be referred to and settled by the mutual agreement of the members of the Senior Executives Committee, who shall state their mutual decision in writing and give notice of the same to WKCDA and Government.

(G) Dispute Resolution (cont'd)

- (c) If the Senior Executives Committee shall fail to give the mutual decision referred to in Clause (b) above for a period of twenty eight (28) days after being requested to do so, such dispute(s) may be referred to mediation at the Hong Kong International Arbitration Centre (“HKIAC”) and in accordance with the HKIAC’s Mediation Rules current at the time that the dispute(s) are referred to mediation. If either Government or WKCDA do not wish the dispute(s) to be referred to mediation, or the mediation is abandoned by the mediator or is otherwise concluded or terminated without the dispute(s) being resolved, then such dispute(s) shall be referred to and determined by arbitration at the HKIAC and in accordance with the Domestic Arbitration Rules (2014) of the HKIAC. All the provisions in Schedule 2 to the Arbitration Ordinance (Cap. 609) shall apply to any arbitration instituted in accordance with this Clause.

Pedestrian Connections with the Adjoining Developments and Major Transport Nodes



Description of Each Connection

In order to maximise accessibility to WKCD and mobility in the district, the Xiqu Centre needs to be properly integrated with neighbouring community and activity nodes. The provision of the following planned connections will ensure easy access for both pedestrians and vehicles –

(A) Austin Road Pedestrian Linkage Systems

2. With the provision of escalators, lifts and staircases, the existing pedestrian subway across Austin Road West and Canton Road will be enhanced connecting the concourse level of MTR Austin Station and basement level of the Xiqu Centre. This will help ease the increased pedestrian traffic after the opening of the Xiqu Centre.

3. The landscape deck (being constructed under the XRL project) over Austin Road West for noise mitigation purpose would be converted to a pedestrian linkage connecting the ground level of Austin Road West. Through the pedestrian subway connection, it can connect with the ground level of Xiqu Centre, MTR Austin Station and Austin Road West.

(B) Lay-by at East Gate and Connection to At-grade Austin Road West

4. Two new slip roads are being constructed under the XRL project along Austin Road West to facilitate vehicles making U-turn. Additional lay-by will be constructed alongside the eastern slip road, forming the East Gate of WKCD, to allow direct access to the Xiqu Centre and support the pick-up/drop-off activities in WKCD.

(C) Kowloon Park Bridge

5. The existing Tsim Sha Tsui Fire Station Complex adjoining the Xiqu Centre on Canton Road will be relocated in stages. The first phase of the works, relocation of the Transformer Room block, is being arranged to complement the target completion of the Xiqu Centre in 2016/17.

6. Upon the relocation of the entire fire station complex in future, a new footbridge can be constructed to link WKCD directly to Kowloon Park across Canton Road. It can serve as an alternative route for passengers to access WKCD from MTR Tsim Sha Tsui Station via Kowloon Park Bridge. This potential connection is subject to future demand.

(D) China Ferry Terminal Bridge

7. Scheduled to open upon completion of the Waterfront Promenade of WKCD in the vicinity, the proposed footbridge will form part of the pathway linking the Waterfront Promenade with level 3 of China-Hong Kong City shopping mall and Kowloon Park. The provision of this footbridge will be subject to the future demand justification.

8. For enhancing the connectivity of the western end of WKCD, the following planned infrastructures will be provided to ensure easy access for both pedestrians and vehicles –

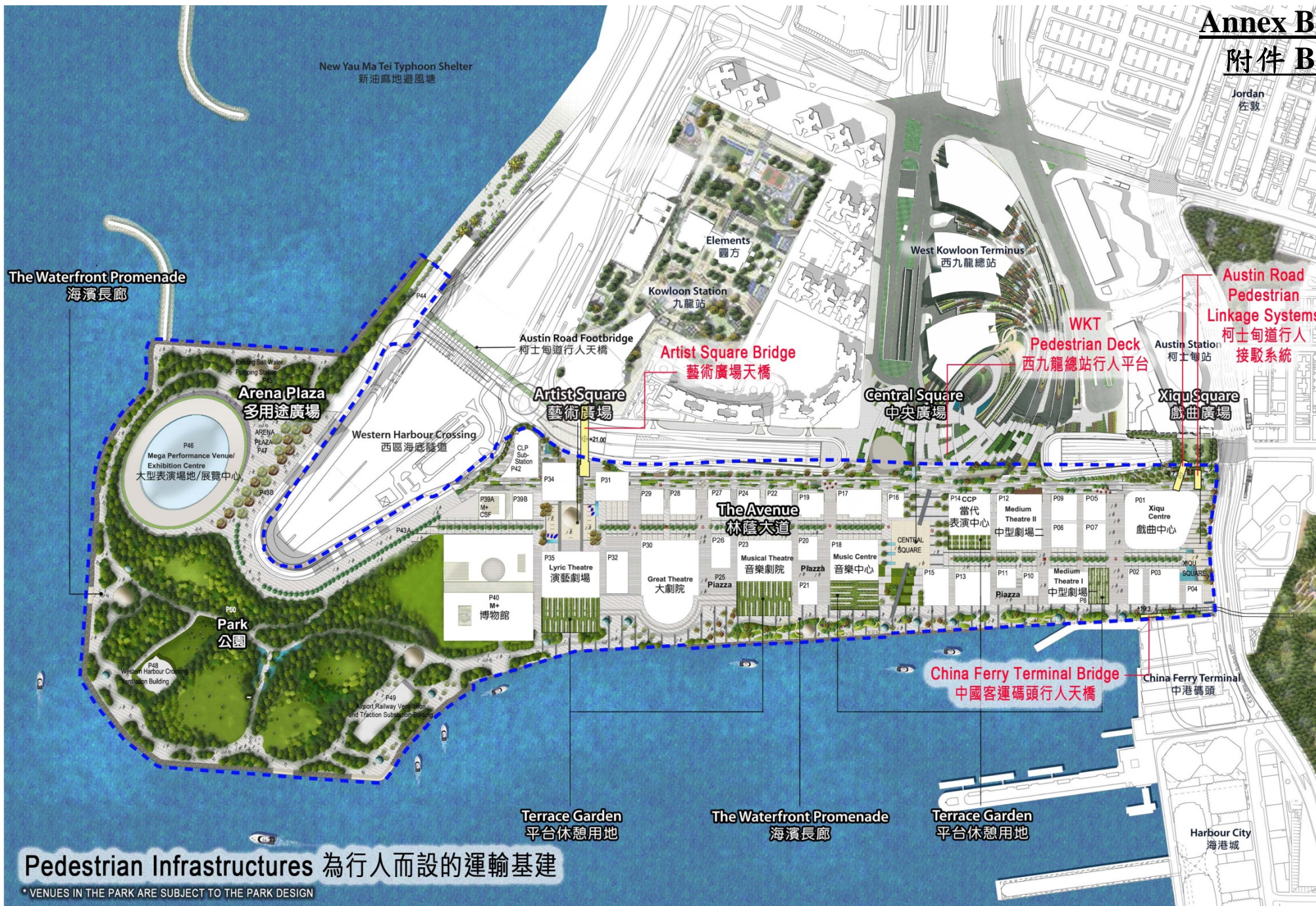
(E) Artist Square Bridge

9. The proposed Artist Square Bridge will be connecting the Elements Shopping Mall at +19.0mPD and Artist Square of WKCD, over Austin Road West. The bridge will become an iconic gateway to the Artist Square Development Area, accessing the M+, Lyric Theatre and office and residential developments adjoining the Square.

(F) At-grade road around the WHC tunnel portal

10. To serve the Park, future Mega Performance Venue/Exhibition Centre, HOR developments around the WHC portal and the existing Water Supplies Department Kowloon South No.2 Salt Water Pumping Station, a new at-grade road will be constructed to run along the outside perimeter of the WHC portal and connect to the waterfront area. The road will connect to both the at-grade and elevated junctions of Austin Road West and Nga Cheung Road. When completed, the road will serve as the main entrance to WKCD at the west end.

Annex B 附件 B



Pedestrian Infrastructures 為行人而設的運輸基建

* VENUES IN THE PARK ARE SUBJECT TO THE PARK DESIGN