

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 – BUILDINGS

Posts, Telecommunications and Power – Post offices

23PP – Reprovisioning of the Hongkong Post's Headquarters

Members are invited to recommend to the Finance Committee the upgrading of **23PP** to Category A at an estimated cost of \$1,600.9 million in money-of-the-day prices.

PROBLEM

We need to construct a building on a Government, Institution or Community (G/IC) site at Wang Chin Street, Kowloon Bay as a postal complex to reprovision the Hongkong Post's Headquarters (HKP HQs) currently housed in the General Post Office (GPO) Building in Central, and accommodate some out-housed units and a new delivery office.

PROPOSAL

2. Director of Architectural Services, with the support of the Secretary for Commerce and Economic Development and the Secretary for Development, proposes to upgrade **23PP** to Category A at an estimated cost of \$1,600.9 million in money-of-the-day (MOD) prices for the construction of a postal complex in Kowloon Bay to accommodate the HKP HQs and other postal facilities.

/PROJECT

PROJECT SCOPE AND NATURE

3. The project site occupies an area of about 3 950 square metres (m²) at Wang Chin Street, Kowloon Bay, to accommodate the HKP HQs, some out-housed units and a new delivery office. The proposed scope of works under **23PP** is to construct a 8-storey high new building with a basement level, to house the following facilities –

- (a) Headquarters (HQs)' offices including various divisions of Business Development Branch and Corporate Development Branch, some sections of Postal Services Branch, External Affairs Division, Financial Services Division, other HQs units, as well as Postal Gallery for philatelic/historic display and public education, to be relocated from the existing GPO Building;
- (b) Kowloon Bay Post Office, to be relocated from Sheung Yuet Road;
- (c) Bulk Airmail Centre, to be relocated from Tsuen Wan;
- (d) Post Office Staff Training Centre, to be relocated from Cheung Sha Wan;
- (e) a new Kowloon Bay Delivery Office, to provide daily mail delivery service to the district as well as the newly developed Kai Tak area and;
- (f) ancillary facilities such as conference/meeting rooms, reception areas, a building management office, a security guard room, server rooms, a service maintenance workshop, vehicles parking spaces, loading/ unloading platforms, passenger lifts and cargo lifts, etc.

4. Subject to the funding approval of the Finance Committee, we plan to commence construction of the proposed project in the third quarter of 2018 for completion in the first quarter of 2022. The new postal complex is expected to commence operation around the fourth quarter of 2022.

5. A location plan, a site plan, floor plans, sectional plans, an artist's impression and a barrier-free access plan for the project are at Enclosures 1 to Enclosure 13.

/JUSTIFICATION

JUSTIFICATION

6. The GPO Building, which started operation in 1976 in Central, accommodates both the HKP HQs and district-tied postal facilities. It is currently situated in part of the new Central harbourfront (Site 3) to the south of Lung Wo Road. The Urban Design Study for the New Central Harbourfront completed by the Planning Department in 2011 after several rounds of public engagement exercises recommended Site 3 to be used comprehensively for commercial development mainly for office and retail uses with the provision of a continuous landscaped pedestrian deck linking core areas of Central with the harbourfront, public open space and other supporting facilities.

7. According to the latest review of the land requirement for Grade A offices and others completed in January 2017 to support the updating of the territorial development strategy under the Hong Kong 2030+ Study, we are running short of Grade A offices in Central Business Districts (CBDs). After taking into account major planned and on-going projects in CBDs, there remains a space shortfall of 0.48 million m² gross floor area (GFA) by 2023 and 1.06 million m² GFA by 2041. The Government will increase supply of Grade A offices in CBDs by putting up commercial sites for sale through open tender. As part of this strategy, the Government is taking forward the development of Site 3 in accordance with the recommendations of the UDS. To implement the UDS design concept and optimise the development potential of Site 3, postal facilities currently in the GPO building would need to be relocated.

8. In support of the future development of Site 3, the units and offices of HKP HQs are proposed to be relocated to a G/IC site in Kowloon Bay located next to the existing Central Mail Centre. The consolidation of the HQs units into the new complex will enhance synergy and efficiency in HKP's operations. As for district-tied postal facilities in the GPO Building, namely a Delivery Office, Speedpost Section, Counter Office and the Post Office Box Section, they will be re-provisioned within Site 3 to maintain services for the Central district.

/9.

9. We will also co-locate in the new complex some units of HKP currently out-housed in leased premises (i.e. Kowloon Bay Post Office at Sheung Yuet Road in Kowloon Bay, the Bulk Airmail Centre in Tsuen Wan and the Post Office Staff Training Centre in Cheung Sha Wan) as well as a new Kowloon Bay Delivery Office. The new Delivery Office is designed to cope with the anticipated demand for mail delivery service arising from the growing population and commercial activities in the future Kai Tak Development and Kowloon East. Relocating offices from leased accommodation is expected to enhance the efficiency of resource utilisation.

FINANCIAL IMPLICATIONS

10. We estimate the capital cost of the project to be \$1,600.9 million in MOD prices (please see paragraph 12 below), broken down as follows –

	\$ million (in MOD prices)
(a) Site works	10.4
(b) Piling ¹	181.1
(c) Basement	85.5
(d) Building ²	762.2
(e) Building services ³	304.7
(f) Drainage	6.3
(g) External works	25.9
(h) Additional energy conservation, green and recycled features	20.9
(i) Furniture and equipment ⁴	38.1
(j) Consultants' fees	17.7
(i) contract administration	17.1
(ii) management of resident site staff (RSS)	0.6

/\$ million

¹ Piling works cover the construction of piles and all related tests and monitoring.

² Building works cover construction of substructure and superstructure of the building.

³ Building services works cover the electrical installations, ventilation and air-conditioning installations, fire services installations, lifts and escalators and other specialist installations.

⁴ The estimated cost is based on an indicative list of furniture and equipment.

		\$ million (in MOD prices)
(k)	Remuneration of RSS	2.6
(l)	Contingencies	<u>145.5</u>
	Total	<u>1,600.9</u>

11. We propose to engage consultants to undertake contract administration and site supervision of the project. A detailed breakdown of the estimate for consultants' fees and RSS costs by man-months is at Enclosure 14. The construction floor area (CFA) of **23PP** is about 25 750 m². The estimated construction unit cost, represented by the building and building services costs, is \$41,433 per m² of CFA in MOD prices. We consider this construction unit cost comparable to that of similar projects built by the Government.

12. Subject to funding approval, we plan to phase the expenditure as follows –

Year	\$ million (MOD)
2018 – 19	73.6
2019 – 20	183.0
2020 – 21	325.3
2021 – 22	619.9
2022 – 23	147.2
2023 – 24	120.7
2024 - 25	85.1
2025 – 26	<u>46.1</u>
	<u>1,600.9</u>

13. We have derived the MOD estimates on the basis of the Government's latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period 2018 to 2026. Subject to funding approval, we will deliver the construction works through a lump sum contract because we can clearly define the scope of works in advance. The contract will provide for price adjustments.

/14.

14. We estimate that there will be an additional annual recurrent expenditure to be borne by Highways Department, Leisure and Cultural Services Department and Food and Environmental Hygiene Department arising from this project at about \$260,000 for the maintenance of pavement, lighting, greening, routine cleaning of the publicly accessible footpath and green areas around the building. As regards the building, the reprovisioning, which is being provided to HKP on a cost neutral basis, will not give rise to any additional annual recurrent expenditure for HKP. Hence, there will be no adverse cost implications for the Post Office Trading Fund.

PUBLIC CONSULTATION

15. We consulted the Kwun Tong District Council on 1 November 2016 on the proposed works project. The meeting noted the Government's proposal.

16. We also consulted the Panel on Economic Development of Legislative Council on 21 July 2017. The Panel was generally supportive of the reprovisioning proposal. Supplementary information requested by Panel Members was submitted to the Panel on 31 August 2017.

ENVIRONMENTAL IMPLICATIONS

17. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). The project will not cause long-term environmental impacts. We have included in the project estimates the cost to implement suitable mitigation measures to control short-term environmental impacts.

18. During construction, we will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the relevant contract. These include the use of silencers, mufflers, acoustic linings or shields and the building of barrier walls for noisy construction activities, frequent cleaning and watering of the site, and the provision of wheel-washing facilities.

/19.

19. At the planning and design stages, we have considered measures to reduce the generation of construction waste where possible (e.g. using metal site hoardings and signboards so that these materials can be recycled or reused in other projects). In addition, we will require the contractor to reuse inert construction waste (e.g. use of excavated materials for filling within the site) on site or in other suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste at public fill reception facilities⁵. We will encourage the contractor to maximise the use of recycled or recyclable inert construction waste, as well as the use of non-timber formworks to further minimise the generation of construction waste.

20. At the construction stage, we will also require the contractor to submit for approval a plan setting out the waste management measures, which will include appropriate mitigation means to avoid, reduce, reuse and recycle inert construction waste. We will ensure that the day-to-day operations on site comply with the approved plan. We will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. We will control the disposal of inert construction waste and non-inert construction waste at public fill reception facilities and landfills respectively through a trip-ticket system.

21. We estimate that the project will generate in total 51 300 tonnes of construction waste. Of these, we will reuse 3 900 tonnes (7.6%) of inert construction waste on site and deliver 45 100 tonnes (87.9%) of inert construction waste to public fill reception facilities for subsequent reuse. In addition, we will dispose of 2 300 tonnes (4.5%) of non-inert construction waste at landfills. The total cost for accommodating construction waste at public fill reception facilities and landfill sites is estimated to be \$3.7 million for this project (based on a unit charge rate of \$71 per tonne for disposal at public fill reception facilities and \$200 per tonne at landfills as stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N)).

HERITAGE IMPLICATIONS

22. This project will not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites and buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

/LAND

⁵ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N). Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

LAND ACQUISITION

23. The project does not require any land acquisition.

ENERGY CONSERVATION, GREEN AND RECYCLED FEATURES

24. This project will adopt various forms of energy efficient features and renewable energy technologies, in particular –

- (a) water-cooled chillers with variable speed drive;
- (b) heat pump for space heating and dehumidification;
- (c) LED light fittings;
- (d) solar hot water system; and
- (e) photovoltaic system.

25. For green features, we will provide soft landscape and vertical greening at appropriate locations for environmental and amenity benefits.

26. For water conservation, we will adopt a rainwater harvesting system for landscape irrigation.

27. The total estimated additional cost for adoption of the above features is around \$20.9 million (including \$8.4 million for energy efficient features), which has been included in the cost estimate of the project. The energy efficient features will achieve 10.8% energy savings in the annual energy consumption with a payback period of about ten years.

/BACKGROUND

BACKGROUND INFORMATION

28. We upgraded **23PP** to Category B in September 2015. We engaged consultants to undertake various services, including risk assessment, ground investigation, utility mapping, traffic study, Building Environmental Assessment certification, topographical survey, detail design, quantity surveying services and tender documentation. The total cost of these works and services of \$8.4 million was funded under block allocation **Subhead 3100GX** “Project feasibility studies, minor investigations and consultants’ fees for items in Category D of the Public Works Programme”. All these works and services have been completed except tender documentation which is in progress.

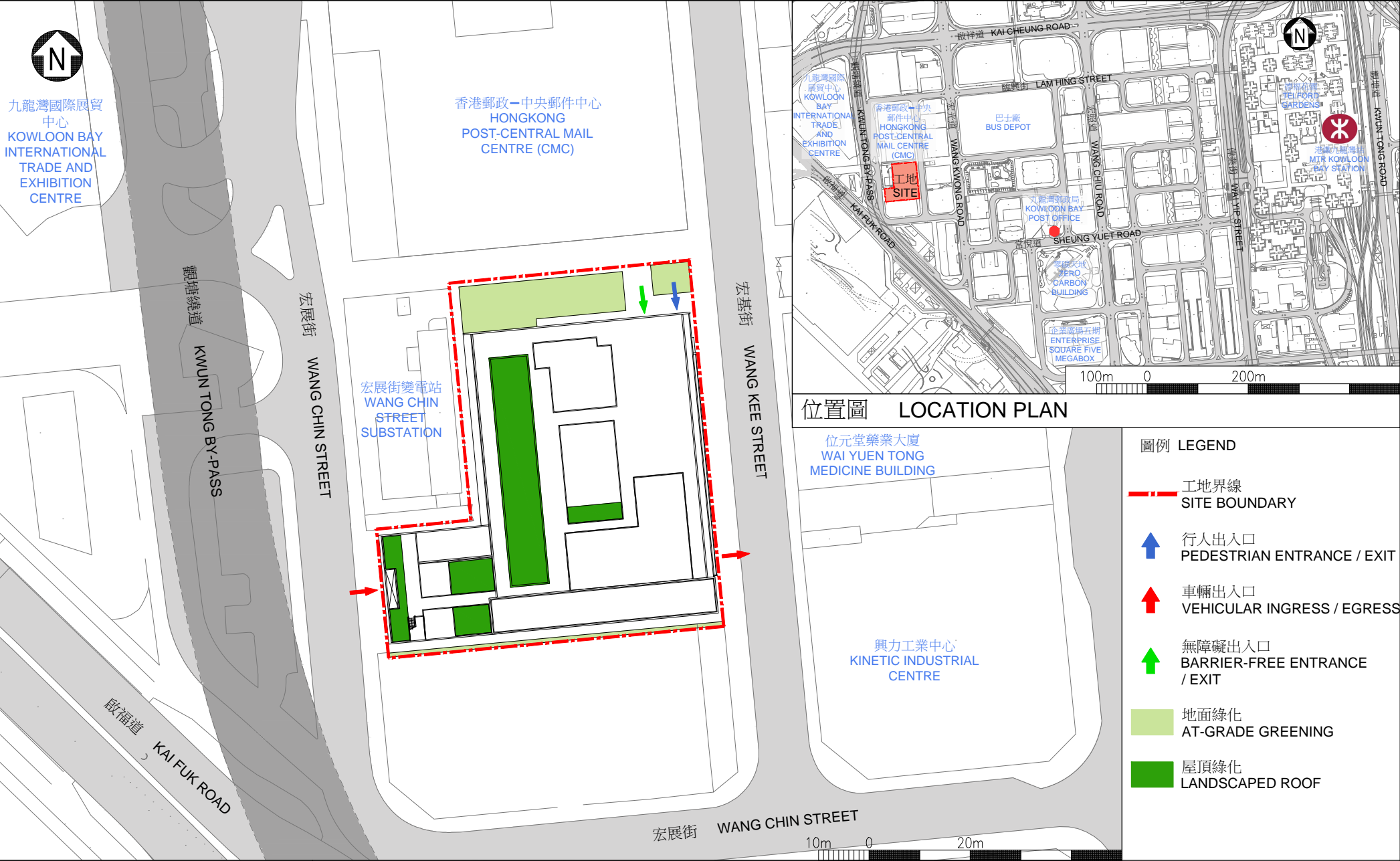
29. Of the 19 trees within the site boundary of the project, nine trees will be preserved, three trees will be felled and seven trees will be transplanted off-site, subject to finalisation of design. All trees to be removed are not important trees⁶. We will incorporate planting proposals as part of the project, including the planting of 12 trees, 800 shrubs and 3 000 groundcovers, and 1 000 m² of grassed area.

30. We estimate that the proposed works will create about 580 jobs (530 for labourers and 50 for professional or technical staff) providing a total employment of 12 900 man-months.

Commerce and Economic Development Bureau
January 2018

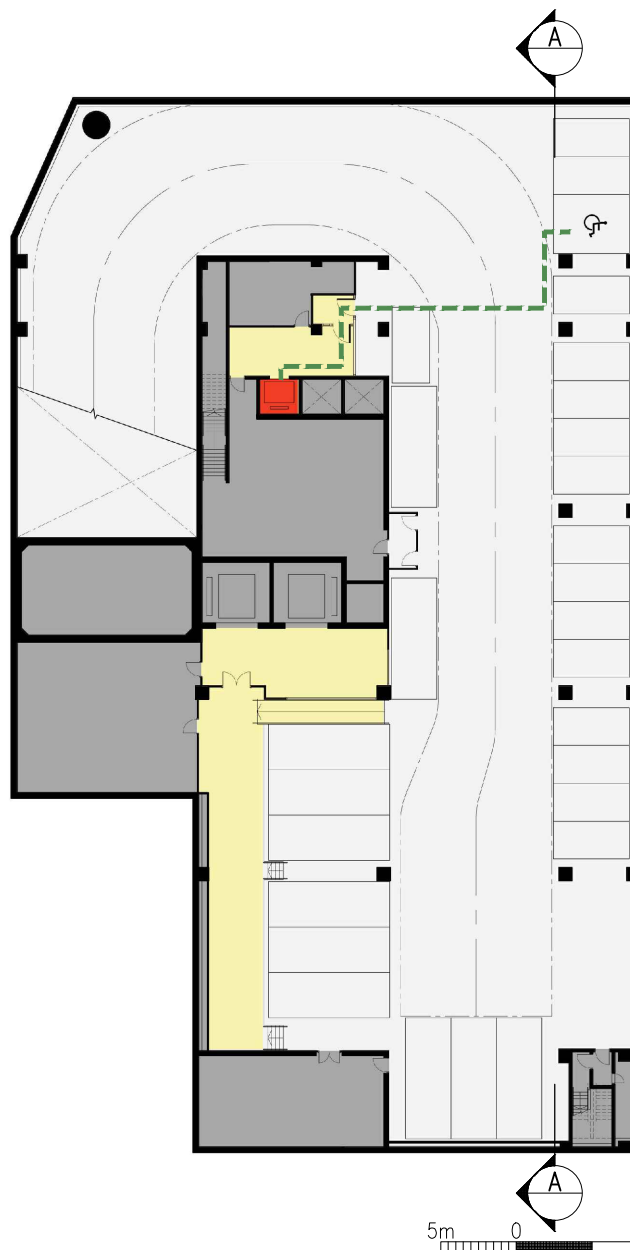
⁶ “Important trees” refer to trees in the Register of Old and Valuable trees, or any trees that meet one or more of the following criteria—

- (a) trees of 100 years old or above;
- (b) trees of cultural, historical or memorable significance, e.g. Fung Shui tree, tree as landmark of monastery or heritage monument, and trees in memory of an important person or event;
- (c) trees of precious or rare species;
- (d) trees of outstanding form (taking account of overall tree sizes, shape and any special features) e.g. trees with curtail like aerial roots, trees growing in unusual habitat; or
- (e) trees with trunk diameter equal or exceeding 1.0 metre (m) (measured at 1.3m above ground level), or with height/canopy spread equal or exceeding 25 m.



工地平面圖
SITE PLAN

23PP
重置香港郵政總部
REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



圖例 LEGEND

- 無障礙通道
BARRIER-FREE ACCESS
- 公用地方
COMMON AREA
- 逃生樓梯, 運貨走廊, 運貨電梯, 機房
ESCAPE STAIRCASES, SERVICE CORRIDOR, SERVICE LIFT, PLANT ROOMS
- 暢通易達升降機
ACCESSIBLE LIFT

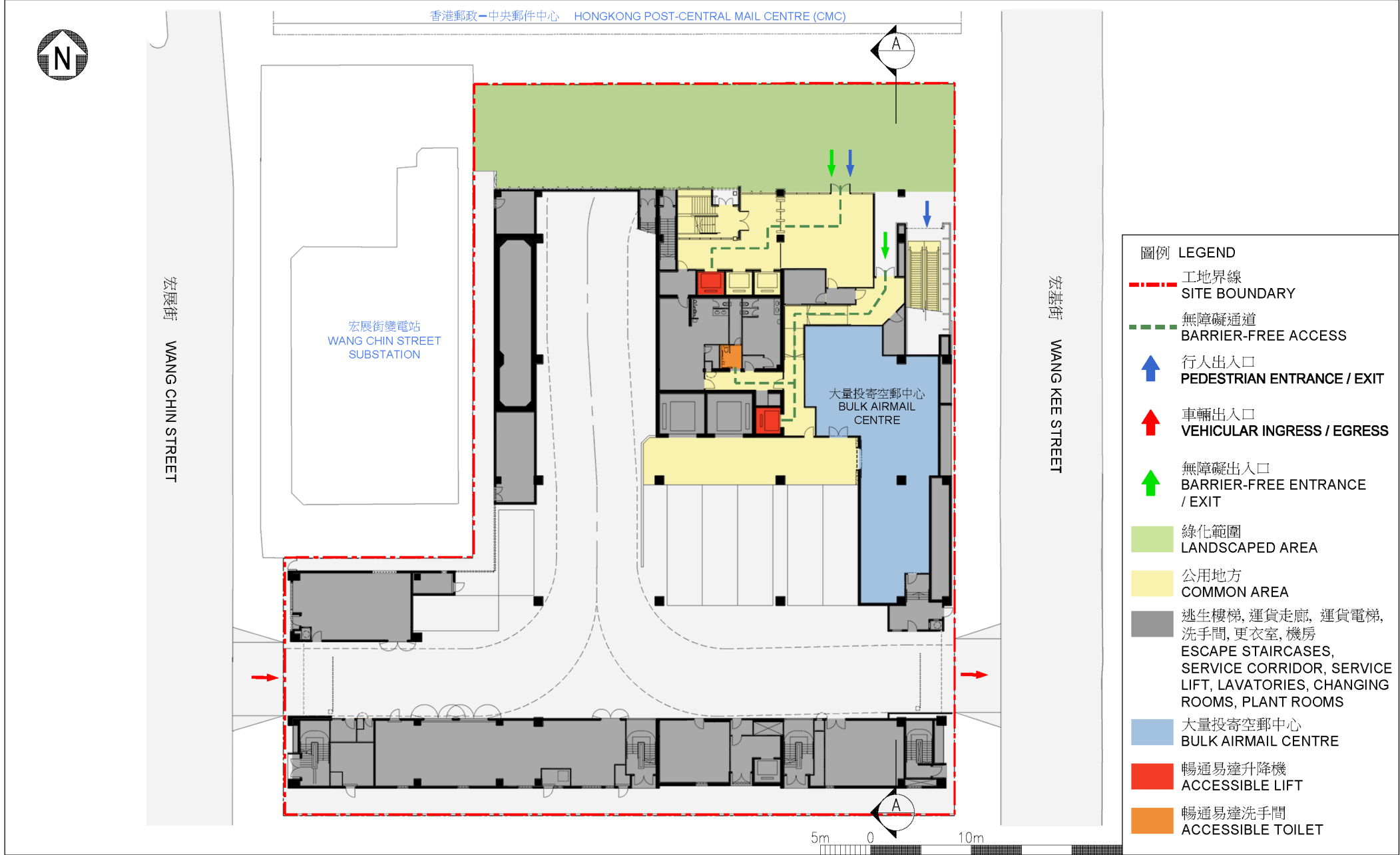
5m 0 10m

地庫平面圖
BASEMENT FLOOR PLAN

23PP
重置香港郵政總部
REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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地下平面圖
G/F FLOOR PLAN

23PP
重置香港郵政總部
REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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圖例 LEGEND

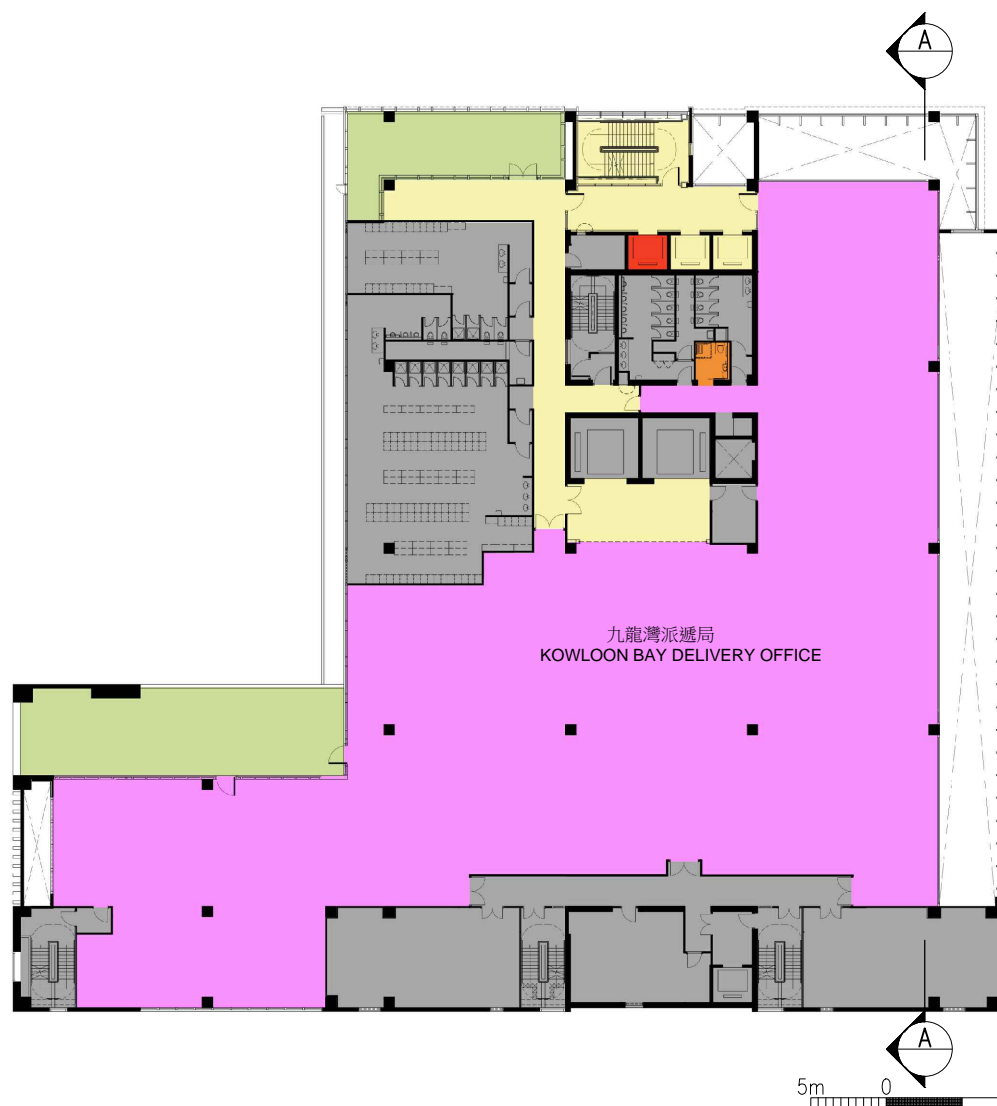
- 無障礙通道
BARRIER-FREE ACCESS
- 公用地方
COMMON AREA
- 逃生樓梯, 運貨走廊, 運貨電梯,
洗手間, 機房
ESCAPE STAIRCASES,
SERVICE CORRIDOR, SERVICE
LIFT, LAVATORIES, PLANT
ROOMS
- 大量投寄空郵中心
BULK AIRMAIL CENTRE
- 郵展廊
POSTAL GALLERY
- 九龍灣郵政局
KOWLOON BAY POST OFFICE
- 暢通易達升降機
ACCESSIBLE LIFT
- 暢通易達洗手間
ACCESSIBLE TOILET

一樓平面圖
1/F FLOOR PLAN

23PP
重置香港郵政總部
REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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圖例 LEGEND

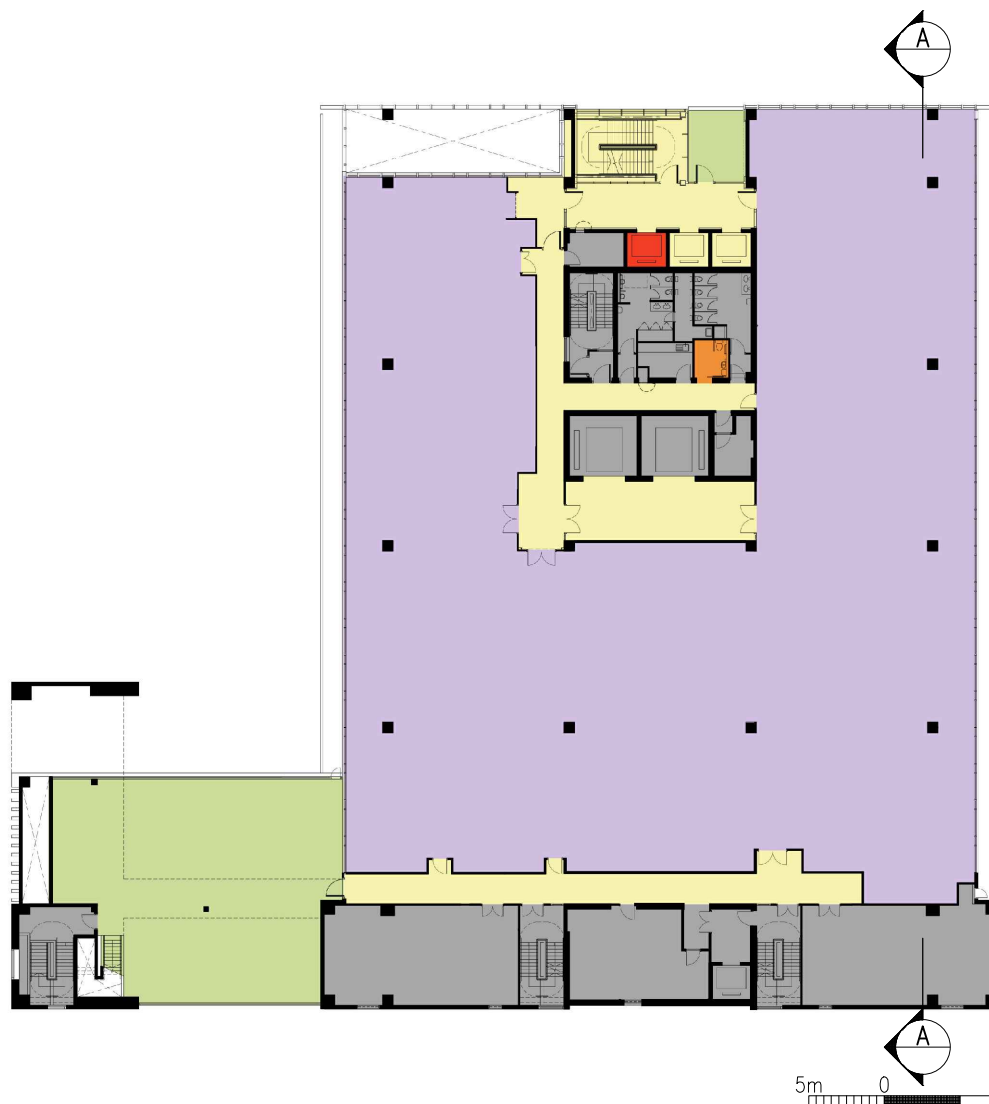
- 綠化範圍
LANDSCAPED AREA
- 公用地方
COMMON AREA
- 逃生樓梯, 運貨走廊, 運貨電梯,
洗手間, 更衣室, 機房
ESCAPE STAIRCASES,
SERVICE CORRIDOR, SERVICE
LIFT, LAVATORIES, CHANGING
ROOMS, PLANT ROOMS
- 九龍灣派遞局
KOWLOON BAY DELIVERY
OFFICE
- 暢通易達升降機
ACCESSIBLE LIFT
- 暢通易達洗手間
ACCESSIBLE TOILET

二樓平面圖
2/F FLOOR PLAN

23PP
重置香港郵政總部
REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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圖例 LEGEND

- 綠化範圍
LANDSCAPED AREA
- 公用地方
COMMON AREA
- 逃生樓梯, 運貨走廊, 運貨電梯,
洗手間, 機房
ESCAPE STAIRCASES,
SERVICE CORRIDOR, SERVICE
LIFT, LAVATORIES, PLANT
ROOMS
- 辦公室範圍
OFFICE AREA
- 暢通易達升降機
ACCESSIBLE LIFT
- 暢通易達洗手間
ACCESSIBLE TOILET

三樓平面圖
3/F FLOOR PLAN

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REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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圖例 LEGEND

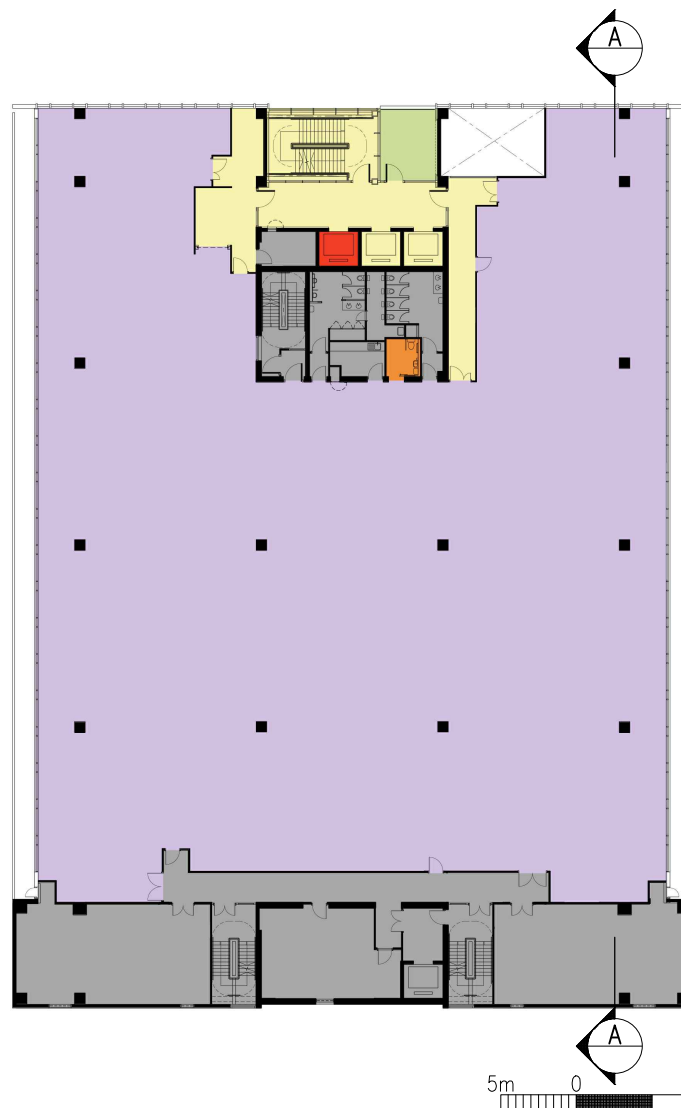
- 綠化範圍
LANDSCAPED AREA
- 公用地方
COMMON AREA
- 逃生樓梯, 運貨走廊, 運貨電梯,
洗手間, 機房
ESCAPE STAIRCASES,
SERVICE CORRIDOR, SERVICE
LIFT, LAVATORIES, PLANT
ROOMS
- 辦公室範圍
OFFICE AREA
- 職員訓練中心
STAFF TRAINING CENTRE
- 暢通易達升降機
ACCESSIBLE LIFT
- 暢通易達洗手間
ACCESSIBLE TOILET

四樓平面圖
4/F FLOOR PLAN

23PP
重置香港郵政總部
REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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圖例 LEGEND

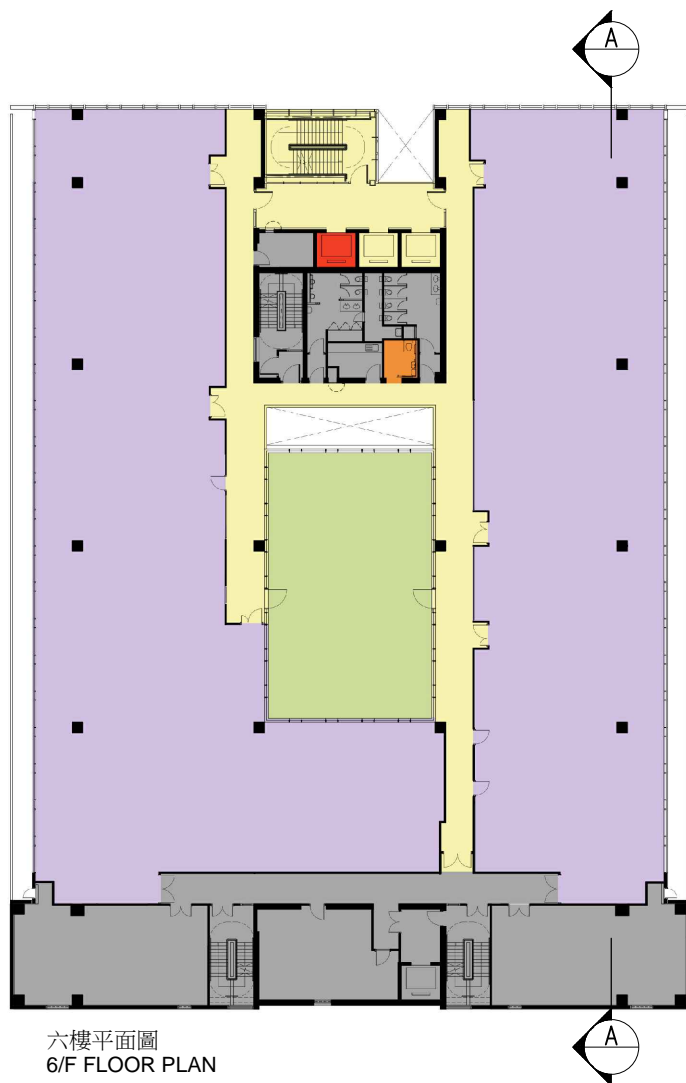
- 綠化範圍
LANDSCAPED AREA
- 公用地方
COMMON AREA
- 逃生樓梯, 運貨走廊, 運貨電梯,
洗手間, 機房
ESCAPE STAIRCASES,
SERVICE CORRIDOR, SERVICE
LIFT, LAVATORIES, PLANT
ROOMS
- 辦公室範圍
OFFICE AREA
- 暢通易達升降機
ACCESSIBLE LIFT
- 暢通易達洗手間
ACCESSIBLE TOILET

五樓平面圖
5/F FLOOR PLAN

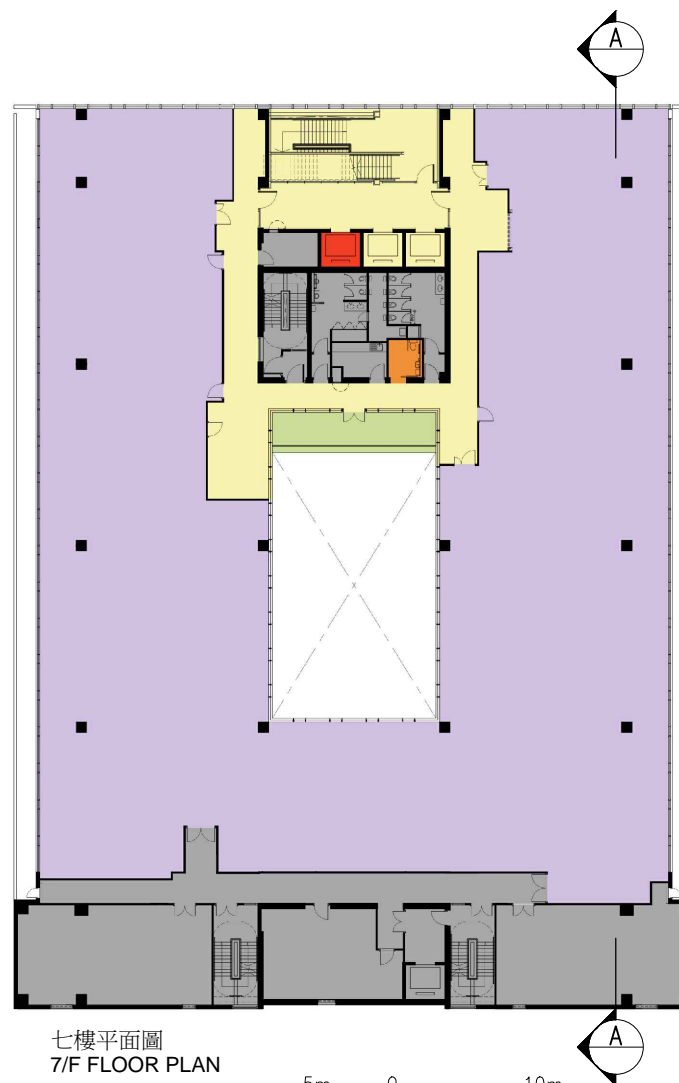
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REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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六樓平面圖
6/F FLOOR PLAN



七樓平面圖
7/F FLOOR PLAN

5m 0 10m

圖例 LEGEND

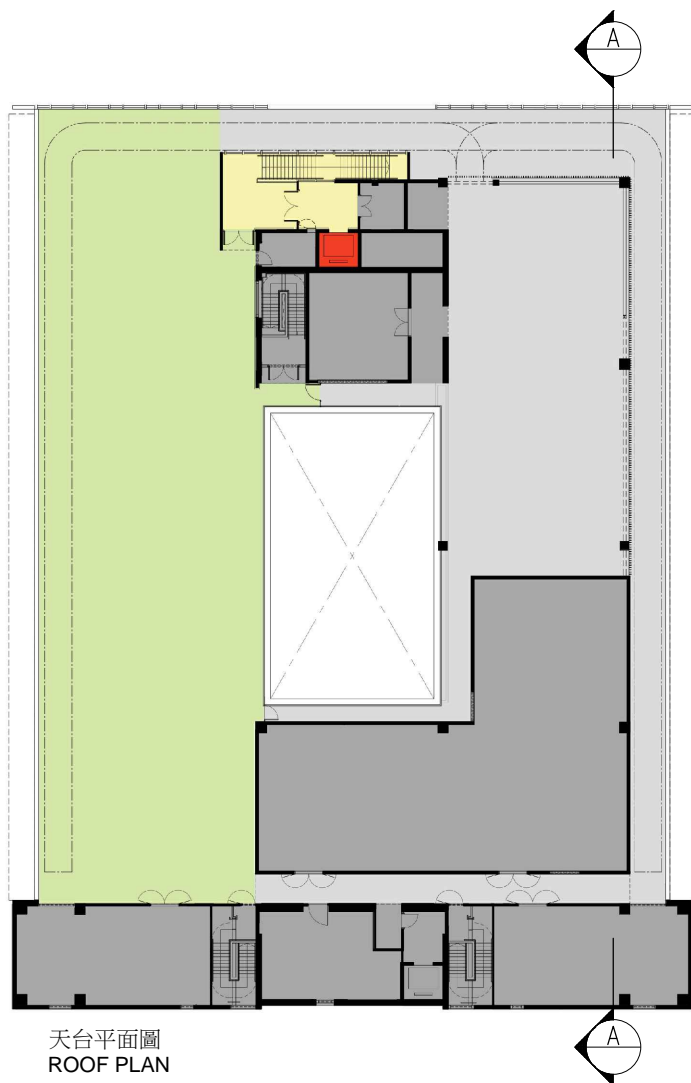
- 綠化範圍
LANDSCAPED AREA
- 公用地方
COMMON AREA
- 逃生樓梯, 運貨走廊, 運貨電梯,
洗手間, 機房
ESCAPE STAIRCASES,
SERVICE CORRIDOR, SERVICE
LIFT, LAVATORIES, PLANT
ROOMS
- 辦公室範圍
OFFICE AREA
- 暢通易達升降機
ACCESSIBLE LIFT
- 暢通易達洗手間
ACCESSIBLE TOILET

六樓及七樓平面圖
FLOOR PLAN OF 6/F AND 7/F

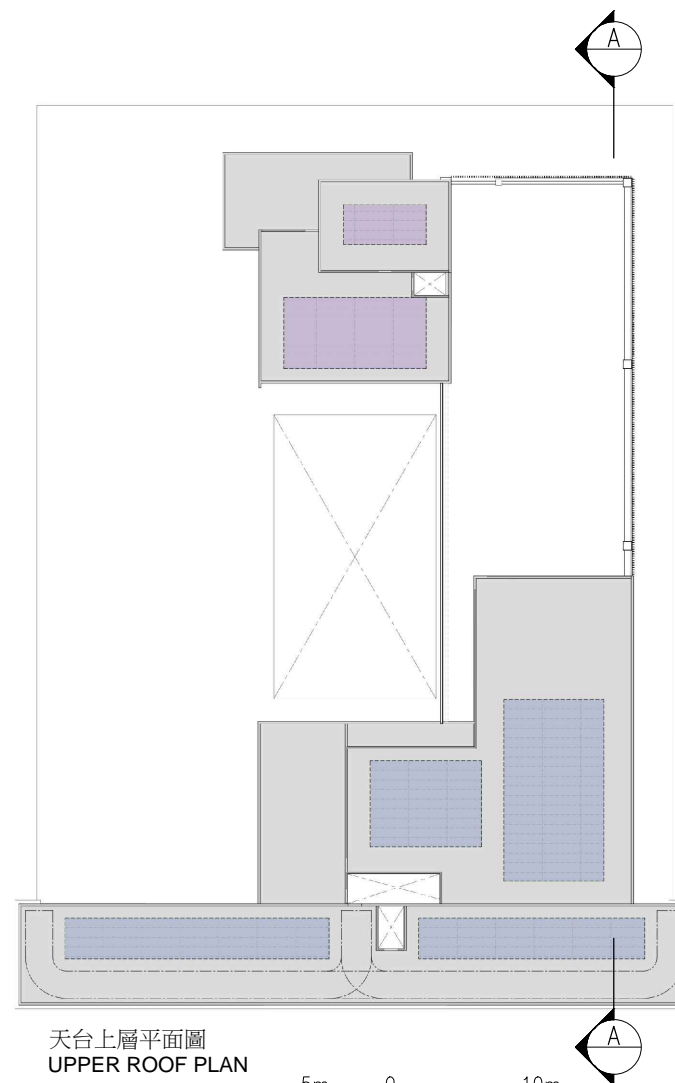
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REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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天台平面圖
ROOF PLAN



天台上層平面圖
UPPER ROOF PLAN

5m 0 10m

圖例 LEGEND

- 綠化範圍
LANDSCAPED AREA
- 公用地方
COMMON AREA
- 逃生樓梯, 運貨走廊, 運貨電梯, 機房
ESCAPE STAIRCASES, SERVICE CORRIDOR, SERVICE LIFT, PLANT ROOMS
- 天台平台
FLAT ROOF
- 暢通易達升降機
ACCESSIBLE LIFT
- 太陽能板
SOLAR PANEL
- 光伏電池板
PHOTOVOLTAICS (PV) PANEL

天台及天台上層平面圖
FLOOR PLAN OF ROOF AND
UPPER ROOF

23PP
重置香港郵政總部
REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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最高建築高度限制
MAXIMUM BUILDING
HEIGHT LIMIT

40mPD

天台
R/F

七樓
7/F

六樓
6/F

五樓
5/F

四樓
4/F

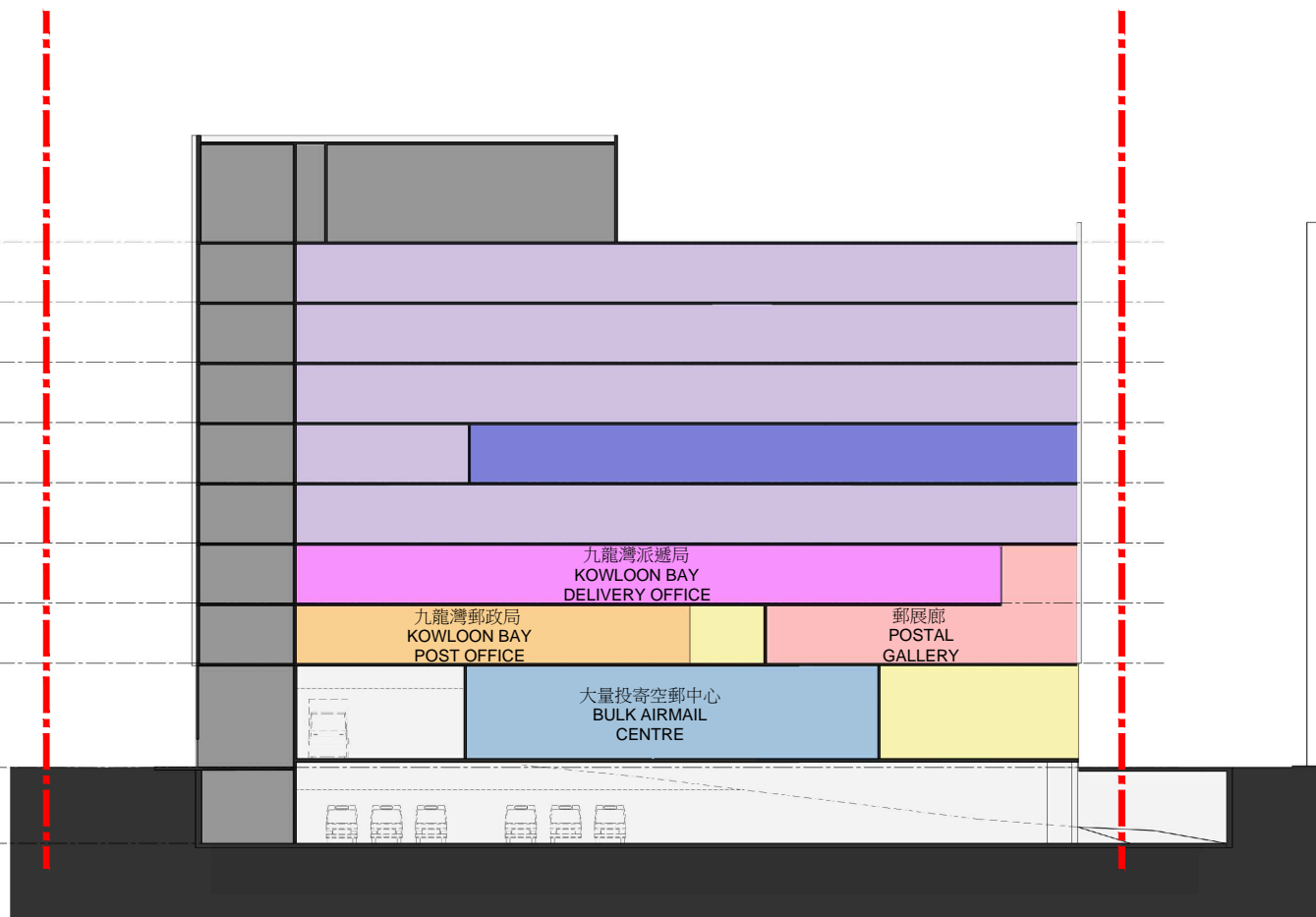
三樓
3/F

二樓
2/F

一樓
1/F

地下
G/F

地庫
B/F



圖例 LEGEND

- - - 工地界線
SITE BOUNDARY
- 公用地方
COMMON AREA
- 逃生樓梯, 運貨走廊, 機房
ESCAPE STAIRCASES,
SERVICE CORRIDOR, PLANT
ROOMS
- 大量投寄空郵中心
BULK AIRMAIL CENTRE
- 郵展廊
POSTAL GALLERY
- 九龍灣郵政局
KOWLOON BAY POST OFFICE
- 九龍灣派遞局
KOWLOON BAY DELIVERY
OFFICE
- 辦公室範圍
OFFICE AREA
- 職員訓練中心
STAFF TRAINING CENTRE

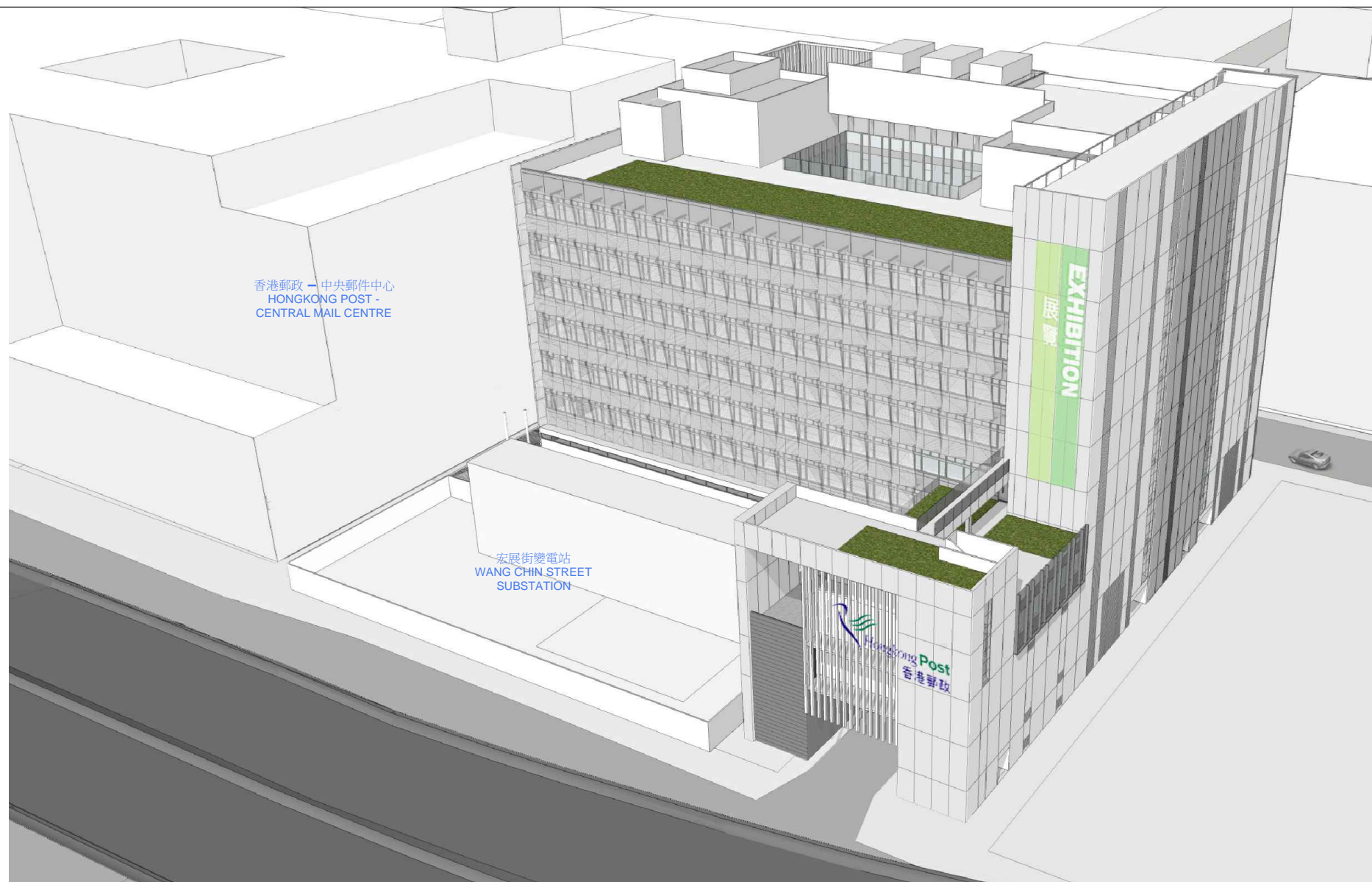
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A-A剖面圖
SECTION A-A

23PP
重置香港郵政總部
REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



ARCHITECTURAL
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從西南面俯瞰郵政總局的構思鳥瞰圖

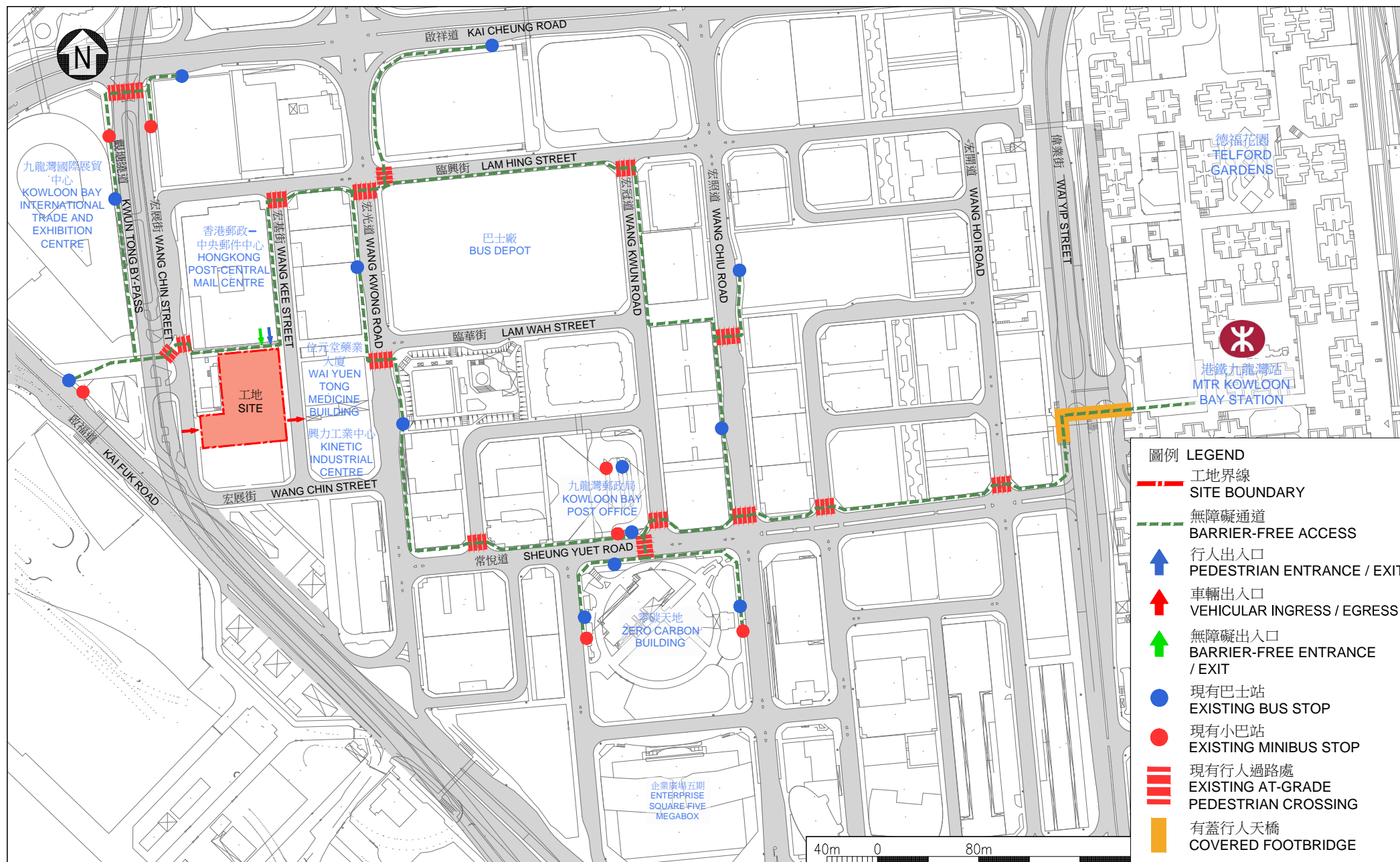
AERIAL VIEW FROM SOUTHWESTERN DIRECTION (ARTIST'S IMPRESSION)

構思圖
ARTIST'S IMPRESSION

23PP
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REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS



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無障礙通道平面圖
PLAN OF BARRIER-FREE
ACCESS

23PP
重置香港郵政總部
REPROVISIONING OF THE HONGKONG POST'S HEADQUARTERS

**ARCHITECTURAL
SERVICES
DEPARTMENT** 建築署

23PP –Reprovisioning of the Hongkong Post’s Headquarters**Breakdown of the estimates for consultants’ fees and resident site staff costs
(in September 2017 prices)**

		Estimated man- months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
(a)	Consultants’ fees for contract administration (Note 2)	Professional Technical	- -	- -	14.0 -
				Sub-total	14.0#
(b)	Resident site staff (RSS) costs (Note 3)	Professional Technical	- 59	- 1.6	- 2.6
	Comprising -				
(i)	Consultants’ fees for management of RSS		0.5#		
(ii)	Remuneration of RSS		2.1#		
				Total	16.6

* MPS = Master Pay Scale

Notes

1. A multiplier of 1.6 is applied to the average MPS salary point to estimate the cost of RSS supplied by the consultants (as at now, MPS salary point 14 = \$27,485 per month).
2. The consultants’ fees for contract administration are calculated in accordance with the existing consultancy agreement for provision of quantity surveying services for **23PP**. The construction phase of the assignment will only be executed subject to Finance Committee’s funding approval to upgrade **23PP** to Category A.
3. The actual man-months and actual costs will only be known after completion of the construction works.

Remarks

The cost figures in this Enclosure are shown in constant prices to correlate with the MPS salary point of the same year. The figures marked with # are shown in money-of-the-day prices in paragraph 10 of the main paper.