



ARCHITECTURAL SERVICES DEPARTMENT 建築署

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4 January 2019

Mr Anthony CHU
Clerk to the Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr CHU,

Public Accounts Committee
Consideration of Chapter 10 of the Director of Audit's Report No. 71
Hong Kong Velodrome and Hong Kong Velodrome Park

Thank you for your letter dated 14 December 2018 requesting response / information to facilitate the Public Accounts Committee's consideration of the above Chapter. Please find our reply in the Appendix.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Edward Tse'.

(Edward TSE)

for Director of Architectural Services

Encl. as stated

c.c. Director of Leisure and Cultural Services (fax no. 2691 4661)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Director of Audit's Report No. 71
Chapter 10 — Hong Kong Velodrome and
Hong Kong Velodrome Park
Responses from Architectural Services Department to
Public Accounts Committee

Part 2: Project Management

- 1) As per para. 2.8, to meet the tight development programme of the Project, Consultant X could not include all the detailed requirements for the installation of smoke ventilators into the tender drawings. Was Contractor A aware of this at the time of tendering? If yes, what was the estimate of the concerned fire services works and did it include the installation of smoke ventilators? If no, what was the subsequent additional cost involved?

Architectural Services Department (ArchSD)'s Response

Since the detailed requirements for the installation of the additional smoke ventilators had not been incorporated into the tender documents, all tenderers, including Contractor A, were not aware of its content during tender stage. The cost of this variation of works was \$4.2 million.

- 2) As per para. 2.14, Consultant X revised the architectural layout of the Hong Kong Velodrome (HKV) building before the issue of the tender for Contract A in September 2009 and there was consequential change in loading for structural elements. Why was Consultant X unable to incorporate the latest revision of the structural loading schedules into the tender documents? Why did Consultant X only provide the Contractor A with the revised structural loading schedules until 7 May 2010 via variation of works?

ArchSD's Response

Consultant X had revised the architectural layout of the Hong Kong Velodrome (HKV) building before the issue of tender in September 2009. The revision involved several structural changes requiring revision of structural calculations, which could not be finalized before the issue of the tender, and thus were not included in the tender documents. Soon after contract commencement, i.e. in April 2010, Consultant X provided

Contractor A with a revised set of structural loading schedules and issued an architect's instruction (AI) to Contractor A in May 2010 to cover the revision of structural loading schedules.

- 3) As per paragraphs 2.20 and 2.21, ArchSD awarded a lump sum contract (Contract A) to Contractor A. Contractor A agreed to undertake a specified amount of works for a lump sum price. However, 271 AIs covering 1,613 variation items and amounting to \$80.8 million (8% of the original contract sum of \$1,002.7 million) were made under Contract A. In the process of tendering, was there any tenderer whose tender price was higher than that of Contractor A but close to the final contract sum? Did Consultant X obtain approval from ArchSD for all variations that they ordered?

ArchSD's Response

ArchSD's tendering procedures and tender assessment process comply with the Stores and Procurement Regulations and relevant Technical Circulars promulgated by the Development Bureau. Apart from tender prices, the past performances of the tenderers in previous public works projects are also considered. Details of the tendering process and result of tender assessment are submitted to the Central Tender Board for approval before the contract is awarded. In this project, the successful tenderer's (Contractor A's) tender was the valid tender that obtained the highest overall score in the tendering exercise.

The tender prices of all tenderers in a tendering exercise are based on the same amount of works included in the same set of tender documents. They will not be able to foresee the variation of works arising after contract commencement. Therefore, regardless of whom the contract is awarded to, all tender prices do not include the cost of the variations of works arising after contract commencement. The variation of works will be measured and valued in accordance with the standard method of measurement and cost evaluation rules and procedures set out in the contract conditions and the associated costs will be reflected in the final contract sum. The costs of variation of works are assessed by an independent quantity surveyor in accordance with the contract provisions to ensure that the related expenditures are reasonable.

In this project, all variations of works issued by Consultant X were approved by ArchSD in accordance with the established mechanism, and the costs were assessed by the independent quantity surveyor.

- 4) As per para. 2.22, how will the bureau / department avoid variation of works in lump sum contracts to ensure fairness of tendering?

ArchSD's Response

ArchSD will remind its staff and consultants to finalize the design before inviting tenders as far as practicable so that relevant details can be incorporated into the tender documents as far as possible if the programme allows, thus minimizing subsequent variations of works. For unavoidable variations of works, the costs will be assessed in accordance with the contract provisions (see response to question (3) above) to ensure fairness of tendering.

- 5) As per para. 2.25(b), Consultant X had confirmed with the Cycling Association of Hong Kong, China Limited (CAHK) on the surface material and design parameters for the cycling track. Nonetheless, there was wavy problem and the track surface performance was not up to the satisfaction of CAHK. Why?

ArchSD's Response

During the design stage, the ArchSD and Consultant X had confirmed with the CAHK about the requirements on surface materials and design parameters for the cycling track. CAHK confirmed that the compliance with the requirements of the Union Cycliste Internationale (UCI) for homologation as a UCI Category 1 standard was the technical requirements for the venue. When the HKV was completed, it fulfilled such requirements and was granted with a Category 1 standard by the UCI.

However, the Hong Kong Cycling Team and the professional cyclists of the Hong Kong International Track Cup gave comments to the Leisure and Cultural Services Department (LCSD) after using the cycling track in the venue after completion. Contractor A then carried out the track improvement works during the period from December 2013 to March 2014. After the improvement, CAHK was satisfied with the result.

- 6) As per para. 2.25(b) and 2.30(b), Consultant X had sought advice from CAHK in 2008 and 2009. Did Consultant X consult CAHK about on the requirements of the cycling track in order to meet their training mode and practical needs (e.g. that the track surface performance should be up to a level higher than that for the UCI Category 1 standard)?

ArchSD's Response

During the detailed design stage of the project, the ArchSD and Consultant X had already consulted the LCSD and CAHK about the detailed requirements on the cycling track. CAHK confirmed that the surface material and design parameters for the cycling track should comply with the requirements of UCI for homologation as a UCI Category 1 standard. When the venue was completed, it fulfilled such requirements and was granted with a Category 1 standard by UCI.

As regards the need to enhance track surface performance to a level higher than that for the UCI Category 1 standard, such request was received after the completion of the HKV. Then, ArchSD assisted in the arrangement of the track surface enhancement works, which was eventually completed in January 2015. Both the LCSD and the CAHK were satisfied with the result.

- 7) As per Table 4 of para. 2.36, in accordance with the as-built records of December 2013, the net operational floor area (NOFA) of the control room was 123m². However, in the Schedule of Accommodations (SoA) approved in September 2009, the NOFA was 10 m², with a difference of 1130%. Why?

ArchSD's Response

During the design and construction stages, the ArchSD and the LCSD had held multiple meetings to review the design of the internal spaces (including the control room and other facilities) to suit the operational needs and various functional requirements of sports associations, media and venue management etc. for holding large-scale international events. The event organizers and relevant departments need to conduct crowd management, lighting and audio controls, etc. in large-scale events. The area requirement of the control room therefore exceeded that of other ordinary recreational venues.

In the long process of coordination, many factors had been taken into consideration. The NOFA of certain accommodation had exceeded the approved SoA without going back to the Property Vetting Committee for approval. Since 2014, ArchSD has implemented enhancement measures by instituting more check points at different work stages of projects to remind project officers to follow up with user departments the discrepancies between user requirements and the approved SoA in a timely manner.

- 8) As per para. 2.37(e)(i), what was the reason that there were some items (such as the cycling track, the arena, the spectator stand, etc.) in the SoA with areas marked “as appropriate” and without area figures?

ArchSD’s Response

In the SoA submitted by a user department and approved by the Property Vetting Committee (PVC), it is PVC’s general practice that the areas of some facilities with specific functional and design requirements like cycling track, arena and spectator stand are marked “as appropriate”. In the planning of these types of facilities, the primary purpose is to fulfill their functional requirements instead of providing prescribed floor area. Therefore, there were no specific area figures in the approved SoA for these types of facilities.

Part 3: Operation and Maintenance of Facilities

- 9) As per para. 3.17, what effective measures will ArchSD take to tackle the water seepage problem in the main hall of the HKV?

ArchSD’s Response

To tackle the water seepage problem in the main hall, the ArchSD implemented a series of rectification works from May 2015 to January 2017. The situation in the main hall of the HKV was thereafter improved. The rectification works included installation of waterproof membrane and application of sealant and protective coating to help ensure water tightness at joints of the roof of the main hall. Drip trays were installed over the cycling track as a second line of defence. In collaboration with relevant parties, ArchSD would continue to monitor the situation, and ensure that the contractor will take effective measures to tackle the remaining water seepage cases.