

Hong Kong Velodrome and Hong Kong Velodrome Park

The Audit Commission ("Audit") conducted a review of the Hong Kong Velodrome ("HKV") and the Hong Kong Velodrome Park ("HKVP"), covering the project management and the operation, maintenance and usage of facilities.

2. HKV and HKVP, which officially opened on 30 April 2014, are located in Tseung Kwan O and provide a variety of leisure and sports facilities for public use. To serve as a training base for the Hong Kong Cycling Team ("HKC Team"), HKV is equipped with cycling facilities meeting international competition standards, including a 250-metre long wooden cycling track that meets the Union Cycliste Internationale Category 1 standard. The Leisure and Cultural Services Department ("LCSD") was the client department and the Architectural Services Department ("ArchSD") was the works agent for the development of HKV and HKVP ("the Project"). ArchSD engaged two consultants¹ for the Project. In March 2010, ArchSD awarded a works contract ("the Contract") to a contractor ("the Contractor") for the implementation of the Project at a contract sum of \$1,002.7 million. The contract works were completed in December 2013 (about 12 months later than the original contract completion date of December 2012) and the final contract sum was \$1,063.9 million, representing an increase of \$61.2 million (6%) over the original contract sum.

3. Currently, HKV and HKVP are managed by LCSD. LCSD and its works agents (mainly ArchSD) are responsible for the maintenance of all internal/external facilities at HKV and HKVP.

4. The Committee noted the following findings from the Director of Audit's Report:

- during the Contract period, 271 architect's instructions covering 1 613 variation items and amounting to \$80.8 million were issued. Audit examination of 22 variation items with a value over \$1 million each and amounting to \$46 million in total revealed that:
 - (a) the detailed requirements for the installation of smoke ventilators at the multi-purpose arena (located at the main hall of HKV)

¹ A lead architectural consultant was engaged in April 2008 for detailed design, site investigation, preliminary environmental review, preparation of tender documents, and contract administration and site supervision work; and a quantity surveying consultant was engaged in July 2008 for preparation of tender documents and valuing the cost of works.

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under an approved fire engineering report for HKV of August 2009 had not been fully incorporated into the tender documents of the Contract issued in September 2009. As a result, ArchSD paid \$4.2 million to the Contractor for the variation item;

- (b) the structural loading schedules (which specified the loading of the structural elements such as columns and walls in the building) had not been updated correspondingly to match the revised architectural layout of the HKV building before the issue of the tender for the Contract. Subsequently, ArchSD paid \$1.1 million to the Contractor for the variation item; and
- (c) for 11 architect's instructions (each containing 1 to 20 variation items and at least a variation item with value over \$1 million) under the Contract, the estimated costs differed significantly from the actual costs (ranging from \$0.9 million to \$4.2 million);
- after holding at HKV the HKC Team's performance test in November 2013 and an international competition in January 2014, LCSD was informed that the cycling track which achieved the Union Cycliste Internationale Category 1 standard could not fully meet the training mode and practical needs of the HKC Team and needed to be further enhanced even though The Cycling Association of Hong Kong, China Limited had already been fully consulted during the planning, design and construction stages of the Project. Subsequently, the main hall (where the cycling track, arena and spectator stand facilities are located) in HKV was closed for two months for carrying out the cycling track surface enhancement at an additional cost of \$4.2 million in order to meet the requirements of The Cycling Association of Hong Kong, China Limited;
- variations to the net operational floor area of some items of more than 10% had not been approved by the Property Vetting Committee as required by the Accommodation Regulations of the Government;
- since the completion of HKV in December 2013 and up to June 2018, there were 129 water seepage cases in the main hall. After the completion of a series of rectification works between January 2017 and June 2018, there were still 28 water seepage cases in the main hall. These 28 cases involved 17 spots, of which eight (47%) spots with water seepage occurred more than once;

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- during the five site visits to HKVP between June and August 2018, Audit observed some cases of inadequacies, including:
 - (a) damaged benches and users riding in the skatepark without wearing head-protected safety helmets; and
 - (b) after days of heavy rain, accumulated stagnant water in the central lawn and less-than-satisfactory turf condition, which indicated that the drainage problem might have been left unresolved;
- as priority was given to the training needs of the HKC Team, the utilization rates (up to June 2018) for the following facilities in HKV had been on the low side since their commissioning in early 2014:
 - (a) cycling track were below 35%;
 - (b) fitness room ranged from 37% to 56% and had generally decreased from 56% in 2015 to 43% in 2018 (up to June 2018);
 - (c) activity rooms and dance room (measuring as a whole) ranged from 35% to 58% and were the second lowest among the six government sports centres in Tseung Kwan O area since 2015; and
 - (d) arena ranged from 67% to 74% and were the lowest among the six government sports centres in Tseung Kwan O area; and
- HKV is furnished with seven specific function rooms, which serve as supporting facilities when major international competitions are held at HKV and are available for booking by organizations and government bureaux/departments only. LCSD did not compile statistics on their utilization for other activities apart from 20 days during international competitions. During the three Audit site visits conducted respectively in May, July and August 2018, most of these specific function rooms were vacant.

5. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the incorporation of necessary requirements, and updates on building design and contract drawings into the tender documents before issuance of the tender; the tendering procedures; measures to minimize contract variations under a lump sum contract; consultation with major stakeholders

on their requirements for specialized sports facilities; compliance with requirements for changes in accommodation; measures to tackle the water seepage problem in the main hall of HKV; the maintenance and repair of facilities in HKVP; and measures to enhance the utilization of leisure and sports facilities in HKV. The replies from **Director of Architectural Services** and **Director of Leisure and Cultural Services** are in *Appendices 45* and *46* respectively.

6. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.