

**For information**

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

**Follow-up to meeting on 14 January 2019**

**Update on the Development of Zone 2 of West Kowloon Cultural District**

**(a) In the funding proposal to be submitted to the Public Works Subcommittee, (i) a detailed breakdown of the estimated cost (i.e. about \$17.5 billion in money-of-the-day prices) of the proposed remaining works of the Integrated Basement ("IB") for West Kowloon Cultural District (WKCD), including, among others, the consultants' fees and West Kowloon Cultural District Authority's (WKCDA) in-house management cost; and (ii) a table setting out the major scope of works, site area, latest works progress and construction costs approved so far of the respective stages of works of IB for WKCD.**

(i) We estimate the cost of the proposed works to be \$17,472.3 million in MOD prices, broken down as follows –

	<b>\$ million (in MOD prices)</b>
(a) Consultants' fees for detailed design and tender, and site investigation works for Zones 2BC of IB	150.4
(b) Foundation works for IBZ2	5,023.6
(c) Essential basement structure and associated works for IBZ2	7,381.1
(d) Underground road in IBZ2	1,599.8
(e) Necessary environmental mitigation measures, and related monitoring and	105.6

auditing works for items (a) to (d) above

(f)	Consultants' fees for construction works –	188.8
(g)	Remuneration of RSS	1,087.1
(h)	In-house management cost payable to WKCDA for the entrusted works	347.5
(i)	Contingency	1,588.4
	Total	<hr/> \$17,472.3

A more detailed breakdown will be provided in the funding proposal to be submitted to the Public Works Subcommittee.

- (ii) The table setting out the major scope of works, site area, latest works progress and construction costs approved so far of the respective stages of works of IB for WKCD is shown below –

<b>Project</b>	<b>Major Scope of Works</b>	<b>Site Area</b>	<b>Latest Works Progress</b>	<b>Approved Project Estimates (in money-of-the-day prices)</b>
Integrated Basement for West Kowloon Cultural District – first and second stages of design, site investigation and construction works	Project scope mainly comprises construction of foundations for underground road and protection works for the existing Airport Express Tunnels in Zone 3A, design of essential basement structure for Zone 3B, construction of underground road and protection works for the existing Airport Express Tunnels in Zone 3A, construction of foundations for Zone 3B, design and site investigation of essential basement structure and associated works for Zone 2A and preliminary design and site investigation of essential basement structures for Zone 2BC.	Zone 3A: 28,000m <sup>2</sup>  Zone 3B: 26,000m <sup>2</sup>	Construction works for Zones 3A and 3B have commenced for substantial completion in 2019. Preliminary design for Zones 2A and 2BC was substantially completed in end of 2018 while detailed design for Zone 2A would be substantially completed in end of 2019.	\$2,919.5 million
Integrated Basement for West Kowloon Cultural District – third stage of construction works	Project scope mainly comprises the remaining foundation works, essential basement structure, underground road and protection works for the existing Airport Express Tunnels, drainage box culvert in Zone 3B and remaining works for the remaining section of underground road in Zone 3A.	Zone 3A: 28,000m <sup>2</sup>  Zone 3B: 26,000m <sup>2</sup>	The first and second major works contracts covering, amongst others, essential basement structures and underground road for Zone 3B, commenced in January and November 2018 respectively for substantial completion in phases by around 2022.	\$3,178.4 million

**(b) The role and responsibilities of the relevant government bureaux/departments (b/ds) and WKCDA in monitoring the relevant works of IB for WKCD.**

The role and responsibilities of Home Affairs Bureau, Civil Engineering and Development Department (CEDD), Building Department (BD) and WKCDA in monitoring the relevant works of IB for WKCD are as follows:

In monitoring the relevant works of IB, Home Affairs Bureau (HAB) in close liaison with CEDD and WKCDA, formulates the overall development strategy of the IB, taking into account the land availability and phased implementation of arts and cultural facilities in WKCD. With reference to government projects of similar nature, HAB and CEDD share practices and experiences with WKCDA to optimise the development proposal in terms of budget and programme and achieve the development schedule for Zone 2 of IB.

HAB provides advice to WKCDA in developing procurement guidelines which cover basic principles and procedures, as well as the allocation of levels of responsibility for approvals and of financial authority levels in the procurement process. The objective is to ensure that the building projects procured, which also cover IB entrusted works to WKCDA, are fit-for-purpose and best value for money. Through regular and ad-hoc meetings with the management of WKCDA and attending meetings of the Development Committee of WKCDA, HAB monitors the progress and project cost of various WKCD projects, including the IB.

HAB also provides policy support for funding applications of IB and co-ordinates the work of departments with WKCDA, while the actual planning, detailed design and construction of the government-funded IB project are the responsibilities of CEDD. CEDD is responsible for overseeing the overall administration, planning, design, construction supervision of work packages, budgetary control, commissioning and project finalisation of IB project.

Given the high degree of integration and programme interdependence with WKCDA's facilities and topside developments leading to complex project interface issues, CEDD has entrusted in stages the design, site

investigation and construction of IB project to WKCDA. CEDD is responsible for the monitoring and scrutiny of the delivery of the entrusted works in accordance with the entrustment agreement between WKCDA and CEDD.

To resolve the complex project interface matters in respect of the design, construction, management, operation and maintenance of the various types of facilities, CEDD is responsible for the co-ordination and liaison with WKCDA and government b/ds. CEDD is responsible for planning and conducting public consultation as well as gazetting of the underground road; seeking funding approvals; procuring and steering other consultancy services and construction works; and providing professional advice and support to HAB, so as to ensure the timely delivery of IB project.

CEDD has established a system to monitor and scrutinise the delivery of the entrusted works by WKCDA. A Liaison Committee has been set up between CEDD and WKCDA with meetings generally convened on a monthly basis to monitor the programme, progress and financial status and to discuss key issues in relation to the entrusted works at high management level. In addition, CEDD and WKCDA meet regularly on a bi-weekly basis focusing to discuss and resolve technical, financial and interface problems.

Apart from the day to day communication with WKCDA, public utilities companies, relevant government b/ds and many other stakeholders, CEDD has attended the monthly progress meetings with WKCDA and their consultants and contractors for each of the major relevant consultancies and works contracts in order to monitor and scrutinise the implementation of the entrusted works in various aspects, including programme, progress, financial matters, site safety, quality and contractual matters.

CEDD has also carried out site inspections such as surprise checks, witnessing site tests and crucial construction activities, and spot check on compliance with contract requirements. In addition, CEDD has reviewed monthly reports and financial statements submitted by WKCDA in accordance with the entrustment agreement.

WKCD A is the party to directly engage, supervise and manage on a daily basis the consultants and contractors for the IB project to ensure the quality of works. WKCD A reviews the submissions from consultants and contractors, organises and chairs the monthly progress meetings with them in order to monitor and manage the entrusted works in the aspects of programme, progress, financial matters, site safety, quality and contractual matters. In accordance with the entrusted agreement with CEDD, WKCD A has to prepare and submit monthly progress and financial reports, review and update the baseline work programme quarterly to CEDD.

IB project entrusted to WKCD A which is integrated with the WKCD A's facilities and the topside developments, is subject to the control of the Buildings Ordinance. Through a centralised building plan processing system, BD will check the plans and collate comments from relevant government departments to ensure that all statutory standards, safety and other requirements can be followed. During works in progress, staff of the BD will monitor the construction sites. Upon completion of the building works, staff of BD will conduct random audit checks on site and examine the relevant certificates and test reports submitted to ensure that the building concerned is in compliance with requirements of the Buildings Ordinance and its subsidiary regulations before issuing an occupation permit.

**Home Affairs Bureau  
Civil Engineering and Development Department  
Buildings Department  
West Kowloon Cultural District Authority  
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