

Legislative Council Panel on Housing Meeting

Public Works Programme Items No. B880CL and B883CL Site formation and infrastructure works for public housing developments in Eastern District

Supplementary Information

Purpose

At the Legislative Council (LC) Panel on Housing meeting held on 6 May 2024, Members discussed the captioned projects and requested the Government to provide supplementary information on the unit costs of works items of the two projects, namely **B880CL** “Site formation and infrastructure works for public housing development at A Kung Ngam Village, Eastern” and **B883CL** “Site formation and infrastructure works for public housing development near Chai Wan Swimming Pool, Chai Wan”, and how the relevant costs compared with prevailing market prices. Having consulted relevant departments, our consolidated reply is as follows.

Unit Costs of Works Items

2. In the estimation of construction cost of public works projects, we will make reference to the tender prices of recently awarded works contracts of similar nature, unit costs of similar types of works and the latest market situation, with due consideration of the nature, uniqueness, difficulty and complexity of the project itself to ensure a reasonable cost estimate.

3. To facilitate timely delivery of capital works projects and reduce the risk of cost overrun or unnecessary lock-up of public resources, we will adopt parallel tendering for the procurement of works contracts, i.e. to commence tender invitation prior to securing funding approval from LC Financial Committee (FC), and reflect the returned tender prices in the funding application paper. This arrangement can provide a more concrete project estimate to FC and reduce the risk of cost overrun.

4. As stated in the LC Paper No. CB(1)520/2024(04), we are preparing the tendering exercise for the two projects, **B880CL** and **B883CL**. It is therefore not appropriate to disclose the unit costs for specific works items of a particular project at this stage, lest it may give the potential tenderers a guiding factor in the preparation of their tender proposals, thus undermining the principle of competition in the tendering exercise. We will, upon receipt of tender returns, provide the relevant unit cost information for Members' reference before consulting the Public Works Subcommittee.

Housing Bureau
June 2024