

## ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

### HEAD 703 – BUILDINGS

#### Government Offices – Intra-governmental services

#### 141KA – Expansion of the Legislative Council Complex

Members are invited to recommend to the Finance Committee to increase the approved project estimate of **141KA** by \$391.2 million from \$1,171.4 million to \$1,562.6 million in money-of-the-day prices.

### PROBLEM

The approved project estimate (APE) of **141KA** is not sufficient to cover the costs of the works under the project.

### PROPOSAL

2. The Director of Architectural Services, with the support of the Director of Administration, proposes to increase the APE of **141KA** by \$391.2 million from \$1,171.4 million to \$1,562.6 million in money-of-the-day (MOD) prices.

### PROJECT SCOPE AND NATURE

3. In September 2021, the Finance Committee (FC) approved the upgrading of **141KA** to Category A at an estimated cost of \$1,171.4 million in MOD prices. The approved project scope of **141KA**, which remains unchanged, comprises –

/(a) .....

- (a) the addition of new floors of offices and ancillary facilities for Members and the Legislative Council Secretariat (Secretariat) on top of the existing roof of the High Block of the Complex, entrance forecourt on G/F and terrace on 1/F facing Tim Mei Avenue; and
- (b) the conversion/refurbishment and reinstatement works to the existing Complex, including –
  - (i) the areas on 1/F to 10/F for the necessary connection with the new expansion portion;
  - (ii) the areas on 9/F and 10/F, which will be affected by the construction works of the new expansion portion; and
  - (iii) the existing Member's offices and facilities on 5/F to 8/F and some of the existing Secretariat's offices and facilities on 1/F to 3/F, which will be vacated upon completion of the new expansion areas, for accommodating offices of the Secretariat and other facilities.

## JUSTIFICATION

4. The returned tender prices for the works are higher than the sum earmarked in the APE. Following a detailed review of the financial position of the project, it is considered necessary to increase the APE of **141KA** by \$391.2 million from \$1,171.4 million to \$1,562.6 million in MOD prices to cover the additional costs. Details of the proposed increase in the APE are set out in the following paragraphs.

### Higher-than-expected tender prices

5. Architectural Services Department (ArchSD) invited tenders for the proposed works in November 2021. The returned tender prices are found higher than the sum earmarked in the original APE, although ArchSD has already factored into the estimate the uniqueness of the project and the associated constraints. The returned tender prices of **141KA** have basically reflected the current market situation. The higher-than-expected price level is primarily attributed to the comparatively higher market pricing of major works and installations, and the higher premium in view of the risk factors caused by the complexity and challenges in implementing insitu expansion works, including, inter alia –

/(i) .....

- (i) the difficulty of the proposed works to be conducted insitu is unique and unprecedented. As the legislature of the Hong Kong Special Administrative Region, the Legislative Council (LegCo) needs to discharge its constitutional functions. It is of utmost importance that LegCo businesses have to be conducted continuously and undisruptedly throughout the entire construction period of **141KA**. Special arrangements, in respect of working hours for construction, site management and construction methods, etc., need to be put in place by the contractor to ensure that the daily operation of LegCo and public services in the LegCo Complex will not be affected, with any disruption caused by the construction works kept to the minimum;
- (ii) the extremely stringent limitation on the work arrangements and the extensive amount of works allowed to be only conducted during night-time throughout the construction period further aggravate the complexities and escalate the costs. In order to ensure LegCo's normal operations be undisrupted, the contractor may only carry out works after completion of LegCo businesses and meetings for the day and before operations start in the next morning. Day-time work could only be conducted on Saturdays, Sundays and LegCo's recess period scattered in different months of the year;
- (iii) when carrying out construction works inside the LegCo Complex, additional and comprehensive protection measures, fast turnaround every morning as well as highly efficient and effective site coordination will be required to ensure the normal operation of LegCo, and to provide a safe and reasonable working environment for Members, staff and other Complex users throughout the construction period; and
- (iv) the need to complete the project within an extremely compressed timeframe (i.e. the first phase of construction works to be completed within three years by mid-2025). In fact, when consulting the then-FC on 10 September 2021, Members had expressed their wish of expediting the project so that all Members could be housed under the same roof as soon as practicable with the facilities enhanced to facilitate Members' effective discharge of their constitutional duties.

### **Adjustments in the budget for partial offsetting of additional costs**

6. Having critically reviewed the tender submission including the proposed risk mitigation and management measures, and with more certainty of the price of the works as reflected in the returned tender, it is considered that the contingencies allowed in the original APE (i.e. \$106.4 million) could be reduced by \$53.2 million. The sum thus released will contribute to offsetting part of the increase in estimated project cost.

**/Summary .....**

### Summary of Review Results

7. A summary of the proposed increase of \$391.2 million for **141KA** is as follows –

Factors	\$ million (in MOD prices)
<b>Increase due to –</b>	
(a) Higher-than-expected tender prices before partial offsetting	444.4
<b>Partly offset by –</b>	
(b) Adjustment of contingencies	53.2
Proposed increase (a – b)	391.2

### FINANCIAL IMPLICATIONS

8. Subject to funding approval, we forecast that the phasing of the revised expenditure will be as follows –

Year	\$ million (in MOD prices)
2022 – 23	73.1
2023 – 24	352.9
2024 – 25	443.2
2025 – 26	253.9
2026 – 27	168.5
2027 – 28	128.6
2028 – 29	120.1

/Year .....

Year	\$ million (in MOD prices)
2029 – 30	22.3
	<hr/>
	1,562.6
	<hr/>

9. The proposed increase in the APE will not give rise to any additional recurrent expenditure.

### **PUBLIC CONSULTATION**

10. We consulted The Legislative Council Commission on 16 May 2022. The Commission supported the submission of the funding proposal for the increase in APE to the Public Works Subcommittee for consideration.

### **BACKGROUND INFORMATION**

11. In September 2021, the FC approved the upgrading of **141KA** to Category A at an estimated cost of \$1,171.4 million in MOD prices.

12. As the proposed increase in the APE does not involve any change to the approved project scope, the previous considerations on environment implications, heritage implications, land acquisition, energy conservation and green features, tree removal or planting proposal, creation of job opportunity, etc. are also unchanged and remain valid.

13. Subject to the funding approval by the FC for the proposed increase in APE from \$1,171.4 million to \$1,562.6 million, the original project programme in the previous approved PWSC paper (PWSC(2021-22)27) remains unchanged. The PWSC paper PWSC(2021-22)27 is at **Enclosure 1**.

For discussion  
on 25 August 2021

PWSC(2021-22)27

## **ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE**

### **HEAD 703 – BUILDINGS**

**Government Offices – Intra-governmental services**

**141KA - Expansion of the Legislative Council Complex**

Members are invited to recommend to the Finance Committee the upgrading of **141KA** to Category A at an estimated cost of \$1,171.4 million in money-of-the-day prices.

### **PROBLEM**

We need to meet the accommodation demands of 20 additional Members (from the existing 70 to 90 Members) in the Seventh Legislative Council (LegCo) and relieve the acute shortage of office space in the LegCo Complex (Complex).

### **PROPOSAL**

2. The Director of Architectural Services, with the support of the Director of Administration, proposes to upgrade the capital works project **141KA** to Category A at an estimated cost of \$1,171.4 million in money-of-the-day (MOD) prices for the expansion of the Complex.

**/PROJECT .....**

## PROJECT SCOPE AND NATURE

3. The project site is within the land boundary of the existing Complex. The proposed project scope, involving an addition of net operating floor area (NOFA)<sup>1</sup> of about 7 800 square metres (m<sup>2</sup>) and reshuffling/reinstatement of the existing areas of about 6 600 m<sup>2</sup>, comprise –

- (a) the addition of new floors of offices and ancillary facilities for Members and the LegCo Secretariat (Secretariat) on top of the existing roof of the High Block of the Complex, entrance forecourt on G/F and terrace on 1/F facing Tim Mei Avenue; and
- (b) the conversion/refurbishment and reinstatement works to the existing Complex, including –
  - (i) the areas on 1/F to 10/F for the necessary connection with the new expansion portion;
  - (ii) the areas on 9/F and 10/F, which will be affected by the construction works of the new expansion portion; and
  - (iii) the existing Member's offices and facilities on 5/F to 8/F and some of the existing Secretariat's offices and facilities on 1/F to 3/F, which will be vacated upon completion of the new expansion areas, for accommodating offices of the Secretariat and other facilities.

4. A location and site plan and a sectional drawing for the project are at **Enclosures 1 to 2** respectively. The proposed works will be carried out in two phases, i.e. about three years for the works stated in paragraphs 3(a), 3(b)(i) and 3(b)(ii) above (Phase 1), followed by about nine months for the remaining works stated in paragraph 3(b)(iii) after the necessary decanting for commencing the /works .....

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<sup>1</sup> NOFA is the floor area allocated to the users of a building for carrying out the intended activities. Unlike the construction floor area (CFA) which takes into account all areas within the building structure envelope, NOFA does not include areas for the basic facilities (if any) such as toilets, lift lobbies, stair halls, public or shared corridors, stairwells, escalators and lift shafts, pipe or services ducts, barrier-free access facilities, gender mainstreaming facilities, refuse rooms, flat roofs, car parking spaces, loading and unloading areas and mechanical plant rooms, etc.

works (Phase 2).<sup>2</sup> Subject to the funding approval from Finance Committee (FC), we target to commence the proposed works in the second quarter of 2022.

## JUSTIFICATION

5. Pursuant to the Decision made by the National People's Congress on 11 March 2021 on Improving the Electoral System of the Hong Kong Special Administrative Region, the number of Members of LegCo will increase from the existing 70 to 90 in the Seventh LegCo. However, the existing office space on Members' floors and the associated supporting facilities in the Complex can only cater for 75 Members. Meanwhile, the Secretariat has been facing serious shortage of office space. The situation will worsen if the additional Members are to be provided with offices in the Complex. To meet the accommodation demands of additional Members and relieve the acute shortage of office space in the Complex, it is proposed that the expansion plan of the Complex as included in the original **63KA** "Tamar Development Project"<sup>3</sup> be implemented as soon as possible.

6. At present, there are 75 standard offices (about 61 m<sup>2</sup> each in NOFA) on five Members' floors (6/F to 10/F) in the Complex, which can be used as Members' offices. With the substantial increase in the number of Members from 70 to 90 in the Seventh LegCo, 15 additional Members' offices have to be provided in the Complex. To better support Members to perform their constitutional duties, more conference venues and ancillary facilities are needed for holding committee meetings or other events of the Council, and more meeting rooms should be provided for use by individual Members.

7. Since the Complex commenced operation in 2011, the number of the Secretariat staff has substantially increased. Due to the shortage of office space in the Complex, at present as many as 150 staff members of the Secretariat are accommodated outside the Complex, with their offices scattering on four different floors in the Queensway Government Offices (QGO). Currently, the office area

/occupied .....

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<sup>2</sup> Phase 1 will include provision of additional Member's offices and Secretariat's offices and additional Member's meeting rooms. Phase 2 will include provision of a new conference venue, enhancement of public education facilities and provision of more meeting and multi-purpose venues.

<sup>3</sup> According to LegCo Paper Nos. PWSC(2006-07)15 and PWSC(2009-10)73, The LegCo Commission had agreed that an area of 2 300 m<sup>2</sup> (in NOFA) would be required for an increase of every 15 LegCo seats in future. Arrangement for the total potential expansion of no more than 9 200 m<sup>2</sup> (2 300 m<sup>2</sup> x 4) had been planned and specified in the tender document of the Tamar Development Project.



occupied by the Secretariat in QGO amounts to 2 379 m<sup>2</sup> in NOFA. The separation of these offices from the Complex has compromised the operational efficiency of the Secretariat and its services to Members. It also falls short of the objective of building the Complex to house all offices of Members and the Secretariat and LegCo's facilities under one roof. It is anticipated that the significant increase in the number of Members in the Seventh LegCo will further aggravate the shortage of space for the Secretariat.

8. The term of the Seventh LegCo will start in January 2022. Both the Government and the Legislature consider it important to bring all LegCo Members under the same roof within the next LegCo term. Besides, it is considered more cost-effective and the security could be better ensured for LegCo to operate from its own premises. To address the serious accommodation shortfall as explained above, there is an imminent need for implementing the expansion plan of the Complex as soon as possible.

## FINANCIAL IMPLICATIONS

9. We estimate the capital cost of the project to be \$1,171.4 million in MOD prices, broken down as follows –

	<b>\$ million (in MOD prices)</b>
(a) Site works	5.1
(b) Building <sup>4</sup>	590.1
(c) Building services <sup>5</sup>	370.6
(d) Drainage	1.1
(e) External works	6.0

/(f) .....

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<sup>4</sup> Building works cover construction of the new expansion portion, demolition, alteration and addition works to the existing Complex.

<sup>5</sup> Building services works cover electrical installation, ventilation and air-conditioning installation, fire services installation, lift installation and other miscellaneous installations.

		<b>\$ million (in MOD prices)</b>
(f)	Additional energy conservation and green features	10.3
(g)	Furniture and equipment (F&E) <sup>6</sup>	73.1
(h)	Consultants' fees for	6.2
	(i) contract administration	5.7
	(ii) management of resident site staff (RSS)	0.5
(i)	Remuneration of RSS	2.5
(j)	Contingencies	106.4
Total		1,171.4

10. We propose to engage consultants to undertake contract administration and site supervision for the project. A detailed breakdown of the estimate for consultants' fees and RSS costs by man-months is at **Enclosure 3**. The construction floor area (CFA) of this project is about 23 860 m<sup>2</sup>. The estimated construction unit cost, represented by the building and building services costs, is \$40,264 per m<sup>2</sup> of CFA in MOD prices. We consider this unit cost comparable to that of similar projects built by the Government.

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

Year	<b>\$ million (in MOD prices)</b>
2022 – 23	54.9
2023 – 24	265.0
	<b>/Year .....</b>

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<sup>6</sup> The estimated cost is based on an indicative list of F&E required.

Year	\$ million (in MOD prices)
2024 – 25	332.7
2025 – 26	190.5
2026 – 27	126.3
2027 – 28	101.4
2028 – 29	94.3
2029 – 30	6.3
	<hr/> 1,171.4 <hr/>

12. 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 from 2022 to 2030. We will deliver the construction works through a design and build contract and award the contract on a lump-sum basis as the scope of the works can be clearly defined in advance. The contract will provide for price adjustment.

13. We estimate the annual recurrent expenditure arising from the project to be about \$17.53 million.

## **PUBLIC CONSULTATION**

14. We consulted The LegCo Commission on 10 May and 16 August 2021. The Commission supported the project and submission of the funding proposal to the Public Works Subcommittee for consideration.

## **ENVIRONMENTAL IMPLICATIONS**

15. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). It has limited potential for giving rise to long-term adverse environmental impacts. We have included in the project /estimates .....

estimates the costs to implement suitable mitigation measures during construction to control the short-term environmental impacts.

16. At the planning and design stages, we have considered measures to reduce the generation of construction waste wherever 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. demolition materials) 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 facilities (PFRFs)<sup>7</sup>. We will encourage the contractor to maximise the use of recycled or recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

17. At the construction stage, we will require the contractor to submit for approval a plan setting out the waste management measures, which will include appropriate mitigation measures 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 PFRFs and landfills respectively through a trip-ticket system.

18. As the continued operation of LegCo in its legislative session will have to be maintained throughout the construction period, special care and attention will be required to avoid or minimize the possible environmental nuisance affecting the operation of the Complex with appropriate construction management, mitigation and protection measures. In this connection, in order to achieve the project programme stated in paragraph 4 above, construction activities anticipated to generate noises of higher levels will need to be carried out outside the hours of LegCo's operation. Application to the Environmental Protection Department for granting the necessary Construction Noise Permit to allow the carrying out of noisy works at night time and during Sundays and public holidays will be necessary.

/19. ....

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<sup>7</sup> PFRFs are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N). Disposal of inert construction waste at PFRFs requires a licence issued by the Director of Civil Engineering and Development.

19. During construction, we will control and properly mitigate the noise, dust and site run-off nuisances to not only within established standards and guidelines, but also strictly control and minimise the impact on the operation of LegCo, through the implementation of specific construction management and mitigation measures under the relevant contract requirements. These measures include the use of quiet powered mechanical equipment when carrying out the noisy works outside the operational hours of the Complex, specially provided noise barriers, silencers and mufflers for noisy construction activities, frequent cleaning of the site, and the provision of wheel-washing facilities to control dust generation.

20. We estimate that the project will generate in total about 8 220 tonnes of construction waste. Of these, we will deliver about 6 070 tonnes (73.8%) of inert construction waste to PFRFs for subsequent reuse. We will dispose of the remaining 2 150 tonnes (26.2%) of non-inert construction waste at landfills. The total cost for disposal of construction waste at PFRFs and landfill sites is estimated to be about \$0.9 million for the project (based on a unit charge rate of \$71 per tonne for disposal at PFRFs and \$200 per tonne at landfills as stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N)).

## **HERITAGE IMPLICATIONS**

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

## **LAND ACQUISITION**

22. The project does not require any land acquisition.

## **ENERGY CONSERVATION AND GREEN FEATURES**

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

- (a) demand control of supply air;
- (b) heat energy reclaim of exhaust air;

/(c) .....

- (c) energy efficient lift system; and
- (d) photovoltaic system.

24. For greening features, we will provide landscaping and greening features on various levels in the new expansion portion of the Complex as appropriate for environmental and amenity benefits.

25. The total estimated additional cost for the above features is around \$10.3 million (including \$2.6 million for energy efficient features), which has been included in the cost estimate of this project. The energy efficient features will achieve 11% energy savings in the annual energy consumption with a payback period of about eight years.

## **BACKGROUND INFORMATION**

26. In 2003, The LegCo Commission and the Administration agreed that the design of the Complex shall demonstrate flexibility to allow future expansion horizontally and/or vertically. In June 2006 and December 2009, FC approved the funding application for the design and construction of the Tamar Development Project which included the Complex. The relevant requirements and allowance for future expansion of the Complex (e.g. foundation and reserved space for major building services) were incorporated into the design and build contract of the Tamar Development Project.

27. The planning permission for the expansion of the Complex as part of the Tamar Development Project was approved by the Town Planning Board (TPB) in September 2009 on a scheme-basis. Upon completion of the Complex in 2011, with part of the planned expansion already implemented (including the existing Member's offices on 10/F), the remaining expandable area of the Complex is about 12 000 m<sup>2</sup> in gross floor area. The proposed capital works project **141KA** is based on the approved expansion plan of the Complex and within the planning parameters approved by TPB. It will achieve the maximum expandable allowance of the Complex upon its completion.

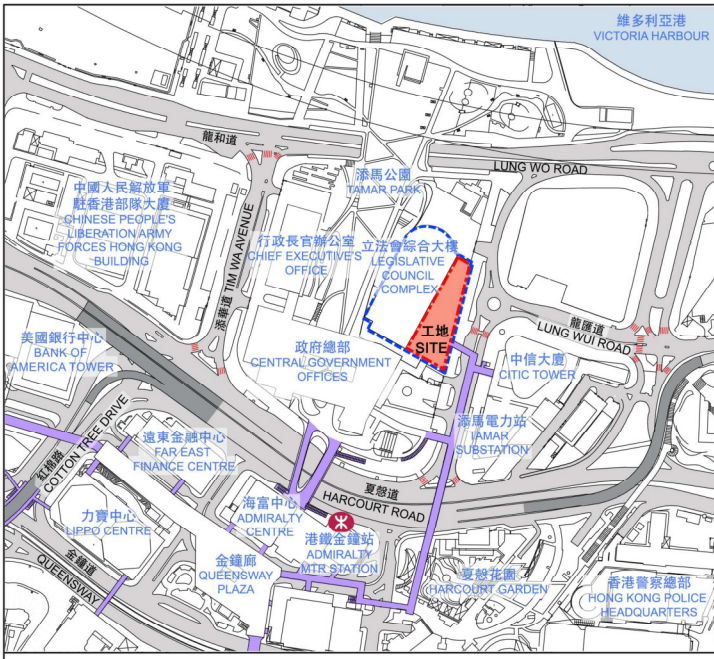
28. We upgraded **141KA** to Category B in July 2021. We engaged consultants to undertake quantity surveying consultant services at a total cost of \$1.7 million. The services provided by the consultants were funded under block allocation **Subhead 3100GX** “Project feasibility studies, minor investigations and consultants’ fees for items in Category D of the Public Works Programme”. The above consultancy services are in progress.

29. The proposed works will not involve any tree removal or planting proposals.

30. We estimate that the proposed works will create about 380 jobs (350 for labourers and 30 for professional/technical staff) providing a total employment of 8 400 man-months.

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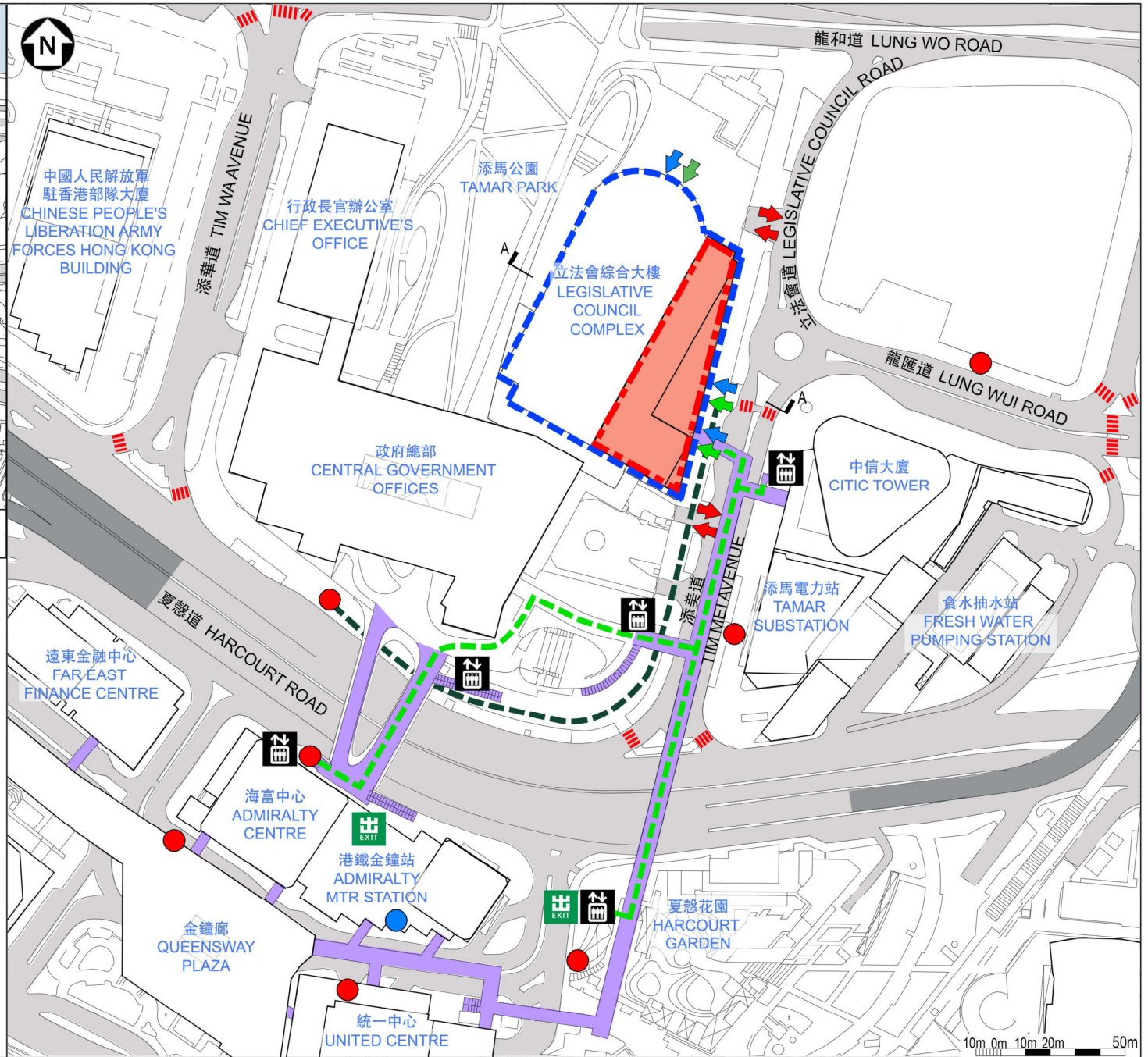
Administration Wing, Chief Secretary for Administration’s Office  
Legislative Council Secretariat  
August 2021



位置圖 LOCATION PLAN

圖例 LEGEND

- |  |   |  |  |
|--|---|--|--|
|  | 工地界線<br>SITE BOUNDARY                             |  | 行人天橋<br>FOOTBRIDGE                                       |
|  | 現有立法會綜合大樓<br>EXISTING LEGISLATIVE COUNCIL COMPLEX |  | 暢通易達升降機<br>ACCESSIBLE LIFT                               |
|  | 車輛出入口<br>VEHICULAR INGRESS / EGRESS               |  | 小巴士站<br>MINIBUS STOP                                     |
|  | 行人出入口<br>PEDESTRIAN ENTRANCE / EXIT               |  | 巴士站<br>BUS STOP  |
|  | 無障礙出入口<br>BARRIER-FREE ENTRANCE / EXIT            |  | 港鐵站出入口<br>MTR STATION ENTRANCE / EXIT                    |
|  | 地面行人過路處<br>AT-GRADE PEDESTRIAN CROSSING           |  | 無障礙通道 (行人天橋水平)<br>BARRIER-FREE ACCESS (FOOTBRIDGE LEVEL) |
|  |   |  | 無障礙通道 (街道水平)<br>BARRIER-FREE ACCESS (STREET LEVEL)       |



工地平面圖  
SITE PLAN

141KA  
立法會綜合大樓擴建計劃  
EXPANSION OF THE LEGISLATIVE COUNCIL COMPLEX

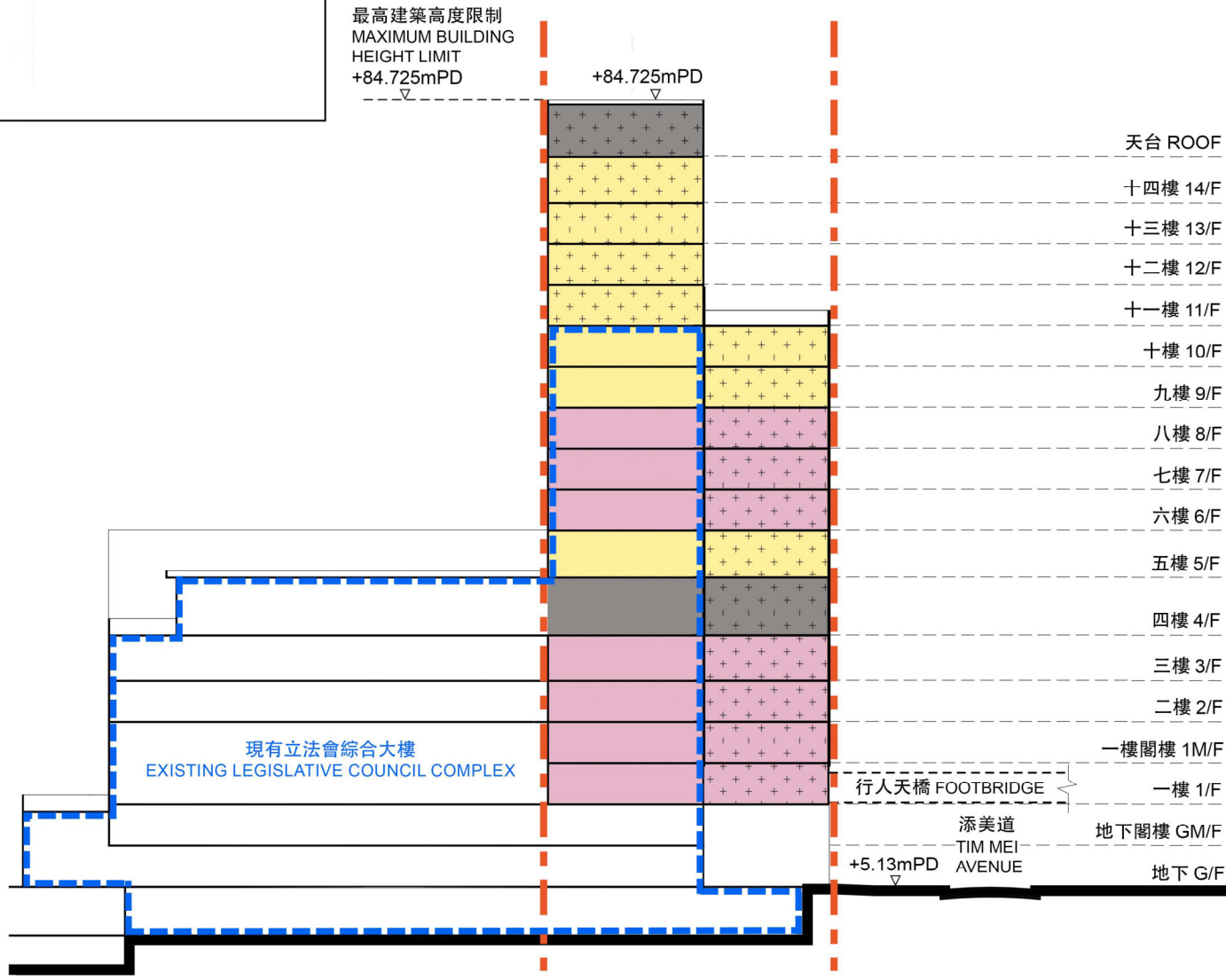


ARCHITECTURAL SERVICES  
DEPARTMENT 建築署



**圖例 LEGEND**

- 工地界線  
SITE BOUNDARY
- 現有立法會綜合大樓  
EXISTING LEGISLATIVE COUNCIL COMPLEX
- 立法會議員區域  
LEGISLATIVE COUNCIL MEMBERS AREA
- 立法會秘書處區域  
LEGISLATIVE COUNCIL SECRETARIAT AREA
- 機房  
PLANT ROOM
- 新擴建範圍  
NEW EXPANSION AREA



剖面圖 A-A  
SECTION A-A

141KA  
 立法會綜合大樓擴建計劃  
 EXPANSION OF THE LEGISLATIVE COUNCIL COMPLEX

**141KA – Expansion of the Legislative Council Complex**

**Breakdown of the estimates for consultants’ fees and resident site staff costs  
(in September 2020 prices)**

		Estimated man- months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
(a) Consultants’ fees for contract administration (Note 2)	Professional	–	–	–	2.6
	Technical	–	–	–	2.0
				Sub-total	4.6 #
(b) Resident site staff (RSS) costs (Note 3)	Professional	–	–	–	–
	Technical	50	14	1.6	2.4
				Sub-total	2.4
Comprising -					
(i) Consultants’ fees for management of RSS			0.4#		
(ii) Remuneration of RSS			2.0#		
				<b>Total</b>	<b>7.0</b>

\* 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 = \$30,235 per month).
2. The consultants’ fees for contract administration are calculated in accordance with the existing consultancy agreement for provision of contract administration and site supervision of **141KA**. The assignment will only be executed subject to the Finance Committee’s funding approval to upgrade **141KA** to Category A.
3. The consultants’ fee and staff cost for site supervision is based on the estimate prepared by the Director of Architectural Services. We will only know the actual man-months and actual costs 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 cost figures marked with # are shown in money-of-the-day prices in paragraph 9 of the main paper.