

Briefing notes of cost differences

Project : Public Housing Development at Tung Chung Area 133B
PQS: Currie & Brown (China) Limited

Project Code : IS30NR

DDRP(2)

	DDRP(2)	BC
Foundation Contract	Tender-in Date	Aug-2024
Building Contract	Tender-in Date	Jan-2026
	Aug-2024	Apr-2026

Construction of 4 Nos. 32 to 36 Domestic Storeys Site Specific PRH/GSH Blocks

- APB (at June 2023 CCY price level adjusted to tender-in date) **4,053.774 M**
- This DDRP(2) Cost Estimate (as June 2024 price level adjusted to tender-in date) **3,639.858 M**
- DDRP(2) Cost Estimate < APB by **(413.916) M** -10.21%

• Main reasons for difference from APB : -

(\$M) **(\$M)**

- (1) Omission of development contingencies including the related Other Project Costs **(185.806)** -4.58%
- (2) Updating from June 2023 Construction Cost Yardstick (CCY) to June 2024 CCY including the related Other Project Cost **160.284** 3.95%
- (3) Revised programme (tender-in date) including the related Other Project Costs **(28.697)** -0.71%
- (4) Updated foundation cost based on awarded contract sum **(402.243)** -9.92%

Cost difference = [\$687.766M (based on awarded contract sum) - \$1,090.009M (BC estimate)] x 1.000000 (adjustment to tender-in date)
= -\$402.243M

- (5) Design development of domestic blocks **91.455** 2.26%
- (i) Increase in CFA by 5,677m2 due to design development **71.345**

Flat type	Total No. (BC Paper)	Total No. (DDRP(2))	Difference
Type B (27.2 m2)	496	432	-64
Type C (36.1 m2)	1,200	1,064	-136
Type D (44.0 m2)	752	952	200
Total	2,448	2,448	0

(BC estimate = 142,977m2 CFA, DDRP(2) estimate = 148,654m2 CFA)

	Total m2 CFA (BC Paper)	Total m2 CFA (DDRP(2))	Difference
Domestic flat unit	89,899	92,049	2,150
Domestic common area	40,388	42,897	2,509
Roof	2,490	2,487	(3)
Podium	10,200	11,221	1,021
Total	142,977	148,654	5,677

Cost difference = [\$1,732.711M (DDRP(2) estimate) - \$1,666.111M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$71.345M

- (ii) Revised allowance for storey height below 40 storeys **2.244**

Cost difference = [\$51.699M (DDRP(2) estimate) - \$49.604M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$2.244M

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(5) Design development of domestic blocks (Cont'd)

- (iii) Revised allowance for adoption of Modular Integrated Construction (MiC) **3.888**

(BC estimate = 1,296no., DDRP(2) estimate = 1,296no.)

(Increase CFA for MiC block: BC estimate = 75,180m2 CFA, DDRP(2) estimate = 77,168m2 CFA)

Cost difference = [\$140.873M (DDRP(2) estimate) - \$137.244M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$3.888M

- (iv) Revised allowance for congested site **1.606**

Cost difference = [\$39.795M (DDRP(2) estimate) - \$38.296M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$1.606M

- (v) Revised allowance for domestic block sitting on podium and transfer structure over PTI **10.640**

Cost difference = [\$181.072M (DDRP(2) estimate) - \$171.140M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$10.640M

	BC paper (\$M)	DDRP2 (2) (\$M)	Difference (\$M)
Block 2 & 3	80.099	84.001	3.902
Block 1	14.625	15.096	0.471
Transfer structure above PTI	76.416	81.975	5.559
Total	171.140	181.072	9.932

Note:

Block 2 & 3 sitting on 6 storeys of podium

Block 1 sitting on 2 storeys of podium

- (vi) Adjustment for fitting out for EMO **0.200**

Increase in CFA by 18m2 due to design development

(BC estimate = 434m2 CFA, DDRP(2) estimate = 452m2 CFA)

Cost difference = [\$4.689M (DDRP(2) estimate) - \$4.502M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$0.200M

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DDRP(2) Cost Estimate < APB	by	(413.916)	M -10.21%

• Main reasons for difference from APB : -

(\$M) (\$M)

(5) Design development of domestic blocks (Cont'd)

(vii) Addition of Lean bench in lifts for domestic block 2.143

(BC estimate = 0no., DDRP(2) estimate = 20no. as advised by BSE)

Cost difference = [$\$2.000M$ (DDRP(2) estimate) - $\$0.000M$ (BC estimate)] x 1.071250 (adjustment to tender-in date) = $\$2.143M$

(viii) Addition of double railing for well-being design 0.204

(BC estimate = 0m, DDRP(2) estimate = 268m)

Cost difference = [$\$0.190M$ (DDRP(2) estimate) - $\$0.000M$ (BC estimate)] x 1.071250 (adjustment to tender-in date) = $\$0.204M$

(ix) Omission of internal finishes at plant room and BS cabinet & ducts (0.814)

Cost difference = [$\$0.760M$ (DDRP(2) estimate) - $\$0.000M$ (BC estimate)] x 1.071250 (adjustment to tender-in date) = $\$0.814M$

(x) Rounding adjustment (0.001)

(6) Design development of integrated carpark (11.981) -0.30%

(i) Decrease in CFA by 161m2 due to design development (1.776)

(BC estimate = 16,508m2 CFA, DDRP(2) estimate = 16,347m2 CFA)

Cost difference = [$\$168.292M$ (DDRP(2) estimate) - $\$169.950M$ (BC estimate)] x 1.071250 (adjustment to tender-in date) = $\$1.776M$

(ii) Revised allowance for congested site (0.035)

Cost difference = [$\$3.366M$ (DDRP(2) estimate) - $\$3.399M$ (BC estimate)] x 1.071250 (adjustment to tender-in date) = $\$0.035M$

(iii) Omission of allowance for carpark higher headroom (10.169)

(BC estimate = 4.13m headroom, DDRP(2) estimate = 3.6-3.7m headroom)

Cost difference = [$\$0.000M$ (DDRP(2) estimate) - $\$9.493M$ (BC estimate)] x 1.071250 (adjustment to tender-in date) = $\$10.169M$

(iv) Rounding adjustment (0.001)

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- **Main reasons for difference from APB : -**

(\$M) **(\$M)**

- (7) Design development of open carpark **0.506** 0.01%

- (i) Increase in area by 297m2 due to design development **0.506**

(BC estimate = 196m2, DDRP(2) estimate = 493m2)

Cost difference = [\$0.784M (DDRP(2) estimate) - \$0.312M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$0.506M

- (8) Not used

- (9) Design development of kindergarten **1.671** 0.04%

- (i) Increase in CFA by 67m2 due to design development **1.671**

(BC estimate = 882m2 CFA, DDRP(2) estimate = 949m2 CFA)

Cost difference = [\$22.104M (DDRP(2) estimate) - \$20.544M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$1.671M

- (10) Design development of external works, soft landscaping works and others **(11.080)** -0.27%

- (i) Increase in CFA by 4,964m2 due to design development **7.709**

(BC estimate = 168,444m2 CFA, DDRP(2) estimate = 173,408m2 CFA)

	HA'S CFA (m2)	Total CFA (m2)	HA'S CFA (%)
BC Estimate	160,367	168,444	95.205%
DDRP(2)	165,950	173,408	95.699%

Cost difference = [\$213.909M (DDRP(2) estimate) - \$206.713M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$7.709M

- (ii) Revised allowance for congested site **0.153**

Cost difference = [\$4.278M (DDRP(2) estimate) - \$4.135M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$0.153M

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DDRP(2) Cost Estimate < APB	by (413.916) M -10.21%

- Main reasons for difference from APB : -

(\$M) (\$M)

(10) Design development of external works, soft landscaping works and others (Cont'd)

(iii) Revised project adjustment for external works (refer to detailed estimate for external works (Est_form 19))	(17.912)
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Cost difference = [-\$43.657M (DDRP(2) estimate) - -\$26.936M (BC estimate)] x 1.071250 (adjustment to tender-in date) = -\$17.912M

Cost difference (\$M) (HA Portion)	
Covered walkways	(9.556)
Irrigation	(3.428)
Pavilions / pergolas / shelters	(1.897)
Others	(3.031)
Total	(17.912)

(iv) Adjustment for soft landscape works and other separate contracts	0.150
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Cost difference = [\$27.350M (DDRP(2) estimate) - \$27.210M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$0.150M

(v) Adjustment for temporary transformer and switch room (Building Contract)	0.002
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Cost difference = [\$0.418M (DDRP(2) estimate) - \$0.416M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$0.002M

(vi) Adjustment for temporary transformer and switch room based on awarded foundation contract sum	(1.493)
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Cost difference = [\$0.000M (DDRP(2) estimate) - \$1.419M (BC estimate)] x 1.052500 (adjustment to tender-in date) = -\$1.493M

(vii) Adjustment for Refuse Handling System	0.310
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Cost difference = [\$7.545M (DDRP(2) estimate) - \$7.256M (BC estimate)] x 1.071250 (adjustment to tender-in date) = \$0.310M

(viii) Rounding adjustment	0.001
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DDRP(2) Cost Estimate < APB		by	(413.916) M	-10.21%
• Main reasons for difference from APB : -				
		(\$M)	<u>(\$M)</u>	
(11)	Decrease in allowance for Contract Technical Assistants		(0.234)	-0.01%
(12)	Corresponding decrease in Other Project Costs (Items 4 to 11)		(8.298)	-0.20%
(13)	Decrease in allowance for Consultant Fees		(19.493)	-0.48%
		Total Cost Difference =	(413.916)	
		% decrease =	-10.21%	

Cost breakdown for domestic portion

		No. of flat	2,448
		<u>DDRP(2) adjusted to tender-in date</u>	
<u>Item</u>	<u>Cost heads per flat</u>		<u>%</u>
a.	Foundation	251,668	19.23%
b.	Building (incl. building services)	942,242	72.01%
c.	External Works	65,725	5.02%
d.	Refuse Handling System	3,302	0.25%
e.	Other Separate Contracts	13,575	1.04%
f.	Other Project Costs	31,913	2.45%
Total :		1,308,425	100.00%
Cost per flat :		1.308M	

		No. of flat	2,448
		<u>BC 61/2023 adjusted to tender-in date</u>	
<u>Item</u>	<u>Cost heads per flat</u>		<u>%</u>
a.	Foundation	416,847	29.01%
b.	Building (incl. building services)	893,127	62.15%
c.	External Works	74,137	5.16%
d.	Refuse Handling System	3,451	0.24%
e.	Other Separate Contracts	14,341	1.00%
f.	Other Project Costs	35,047	2.44%
Total :		1,436,950	100.00%
Cost per flat :		1.437M	

Unit Cost of Carpark

		<u>Integrated Carpark Portion</u>	
		<u>DDRP(2)</u>	<u>BC 61/2023</u>
No. of space :		356 (including 22 motorcycles)	353 (including 22 motorcycles)
Cost per carpark space :		0.771M	0.998M
Average m2 CFA per space :		45.9	46.8

Consultant Fees and others

		BC 61/2023	DDRP(2)
		HK\$ (in Million)	HK\$ (in Million)
<u>(A) Construction - Other separate contracts - CTA</u>			
(1)	CTA – TO(A)	2.100	2.100
(2)	CTA - TO(SE) - piling	0.652	0.640
(3)	CTA - TO(SE) - building	4.152	3.930
(4)	CTA - Site Staff (BW)	3.100	3.100
(5)	CTA - Site Staff (WS)	1.900	1.900
(6)	CTA - (BSS)	9.310	9.310
CTA included in Other Separate Contract = HK\$		21.214	20.980
HA Fund Budget Cost =		4,053.774	3,639.858
% of CTA in HA Fund Budget Cost =		0.52%	0.58%

(B) Consultant Fees (architectural, engineering, DARA & other consultants)

(1)	Architect Bodyshops	9.000	-
(2)	Building Services Engineer Bodyshops	3.360	3.360
(3)	Labour Relations Officer (LRO) (piling)	0.446	0.428
(4)	Labour Relations Officer (LRO) (building)	3.000	3.000
(5)	DARA-Building	1.000	1.000
(6)	DARA-Piling	0.216	0.182
(7)	PSP - Arch	15.000	13.500
(8)	PSP - BSE	7.750	6.840
(9)	PSP - QS	12.200	13.069
(10)	PSP - SE	9.667	11.357
(11)	Seconded RE (Piling+Building)	13.810	10.672
(12)	Technical Competent Person TCP- ESS (T3) - Piling	8.491	8.491
(13)	Supervision of Precast Elements	25.650	20.960
(14)	Quality Supervision for Off Site Reinforcement Pre-fabrication (OSRP)	1.080	1.668
(15)	BEAM Consultant	0.500	0.500
(16)	BEAM Plus Registration and assessment	2.500	2.000
(17)	Air Ventilation Assessment (AVA) & Micro-climate Study	1.200	1.200
(18)	BIM Consultant	0.600	0.600
(19)	PSP - Partnering Workshop	0.400	0.400
(20)	Facilitators for Community Engagement	0.500	0.500
(21)	Art work curation	6.000	3.000
(22)	Facilitators for Post Completion Review	0.200	0.200
(23)	Intake Ambassador (ITA)	0.900	0.900
(24)	Final Inspection (PSP)	3.600	3.750
(25)	VO for technical study for section 16 amendment	1.500	1.500
(26)	Site Supervision (Landscape Soft Work)	1.500	1.500
Total Consultant Fees = HK\$		130.070	110.577
HA Fund Budget Cost =		4,053.774	3,639.858
% of Consultant Fees in HA Fund Budget Cost =		3.21%	3.04%

COMPARISON WITH PROJECT CONSTRUCTION COST CEILING

BC 61/2023

	(a)	(b)	(c)	(d)	(e)
Building Type	Project Construction Cost Ceiling (Paper No. SPC 32/2023)	DDRP(2) Project Construction Cost adjusted to Tender-in-date	Proposed Project Unit Construction Cost adjusted to Tender-in-date	June 2023 Project Yardstick Cost	June 2023 Project Yardstick Cost adjusted to Tender-in-date
	(\$/m2 CFA)	(\$/m2 CFA)	(\$/m2 CFA)	(\$/m2 CFA)	(\$/m2 CFA)
Domestic					
a. Total Site Development and Construction Cost	24,603	21,547	24,603	21,674	23,917
b. Building Construction Cost only	N/A	17,299	17,288	14,725	16,602
Car park					
a. Total Site Development and Construction Cost	21,332	16,781	21,332	19,078	20,991
b. Building Construction Cost only	N/A	12,533	14,017	12,129	13,676
Kindergarten					
a. Total Site Development and Construction Cost	36,050	31,161	36,050	N/A	N/A
b. Building Construction Cost only	N/A	26,914	28,735	N/A	N/A

	DDRP(2)	BC
Area per flat (m2 CFA)	60.7	58.4