

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 - BUILDINGS

Environmental Hygiene - Mixed amenity packages

11NG - Market and public toilet in Aldrich Bay Reclamation Area

Members are invited to recommend to Finance Committee the upgrading of **11NG** to Category A at an estimated cost of \$143.02 million in money-of-the-day prices for the construction of a market and a public toilet in Aldrich Bay Reclamation Area in Shau Kei Wan.

PROBLEM

The market facilities in Shau Kei Wan cannot meet service requirements.

PROPOSAL

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for the Environment and Food, proposes to upgrade **11NG** to Category A at an estimated cost of \$143.02 million in money-of-the-day (MOD) prices for the construction of a market and a public toilet on the first level of a Home Ownership Scheme (HOS) development in Aldrich Bay Reclamation Area in Shau Kei Wan.

/PROJECT

PROJECT SCOPE AND NATURE

3. The scope of the project comprises -
- (a) an air-conditioned market of 5 650 square metres in construction floor area (CFA) to accommodate a total of 130 market stalls as well as ancillary market facilities, such as market office, loading and unloading bays, refuse collection room, etc.; and
 - (b) a public toilet of 140 square metres in CFA located in the same building.

A site plan is at the Enclosure. Director of Housing (D of H) plans to start the construction works of **11NG** in March 2002 for completion in April 2006.

JUSTIFICATION

4. The proposed new market under **11NG** will serve the public rental housing and HOS estates in the Aldrich Bay Reclamation Area with a population of about 30 000. It will be used to re-provision the on-street licensed hawkers trading in Kam Wah Street, Tai Tak Street and Mong Lung Street in Shau Kei Wan. Their trading activities have created various problems such as environmental hygiene, street cleansing, noise, smell and street obstruction. The proposed market will help to improve the environment.

5. At present, there are about 190 on-street licensed hawkers trading in the three streets as mentioned in paragraph 4 above. Taking into consideration previous experience in respect of re-provisioning and also natural wastage, voluntary surrender of licence and the group bidding of the market stalls by the licensed hawkers, we believe that 130 market stalls is adequate to meet the re-provisioning requirements.

6. The proposed public toilet will serve market lessees and patrons, as well as offering facilities for the public, in particular commuters using the public transport terminus (PTT)¹ on the ground level of the HOS development.

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7. We intend to entrust the proposed works under **11NG** to the Housing Authority (HA) as part of the land grant conditions to enable the earliest completion of the works.

¹ The Finance Committee had approved funding for the PTT under **437CL** "Roadworks in Aldrich Bay Reclamation Area" on 18 September 1998. The construction programme of the PTT is the same as that for the market and public toilet to avoid interfacing problem.

FINANCIAL IMPLICATIONS

8. We estimate the capital cost of this project to be \$143.02 million in MOD prices (see paragraph 10 below), made up as follows -

	\$ million	
(a) Piling	28.00	
(b) Building	71.89	
(c) Building services	24.00	
(d) Drainage and external works	2.50	
(e) Furniture and equipment	0.01 ²	
(f) Contingencies	11.84	
(g) On-cost	2.76 ³	
	Sub-total	141.00 (in September 2001 prices)
(h) Provision for price adjustment	2.02	
	Total	143.02 (in MOD prices)

9. The CFA of **11NG** is about 5 790 square metres. The estimated construction unit cost, represented by building and building services costs, is \$16,561 per square metre of CFA in September 2001 prices. The estimated construction unit cost is comparable to that for other similar projects built by the Architectural Services Department for the former Provisional Urban Council.

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10. Subject to approval, we will phase the expenditure as follows -

² Based on the furniture and equipment provided in markets of similar size and scale (e.g. Quarry Bay Market and Electric Road Market).

³ There is a standard arrangement for the Government to pay HA a 2% on-cost for administrative and supervisory works (i.e. on items 8(a) to (d) and (f)) which the HA undertakes for the Government on an entrustment basis.

Year	\$ million (Sept 2001)	Price adjustment factor	\$ million (MOD)
2002 - 03	5.00	0.99700	4.99
2003 - 04	25.00	1.00398	25.10
2004 - 05	39.00	1.01101	39.43
2005 - 06	44.00	1.01808	44.80
2006 - 07	28.00	1.02521	28.70
	141.00		143.02

11. We derived the MOD estimates on the basis of Government's latest forecast of trend labour and construction prices for the period 2002 to 2007. D of H will tender the piling works under a fixed-price lump-sum contract because the contract period will be less than 21 months and it can clearly define the scope of works in advance, leaving little room for uncertainty. The main building works will be a lump-sum contract with provision for price fluctuation as the contract period will be more than 21 months.

12. We estimate the additional annual recurrent expenditure of the project to be \$5.74 million.

PUBLIC CONSULTATION

13. We consulted the "Subcommittee to follow up on the outstanding capital works projects of the two Provisional Municipal Councils for inclusion into the Government's Public Works Programme" on 3 April 2000 with the recommendation to proceed with the market, public toilet and the PTT, and no adverse comment was received. We also consulted the Eastern District Council on 13 July 2000 and Members showed strong support for the project.

/ENVIRONMENTAL

ENVIRONMENTAL IMPLICATIONS

14. D of H completed a Preliminary Environmental Review (PER) for

the project in August 2000. The PER concluded that the project would have no long-term environmental impact. The Director of Environmental Protection vetted the PER and agreed that an Environmental Impact Assessment would not be necessary.

15. During construction, D of H will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the relevant contracts. These include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities, frequent cleaning and watering of the site, and the provision of wheel-washing facilities.

16. At the planning and design stages, D of H has considered measures to reduce the generation of construction and demolition (C&D) materials. D of H has introduced more prefabricated building elements into the project design to reduce temporary formwork and construction waste. These include dry-wall partitioning and proprietary fittings and fixtures. D of H will use suitable excavated materials for filling within the site to minimise off-site disposal. In addition, D of H will require the contractor to use metal site hoardings and signboards so that these materials can be recycled or reused in other projects.

17. D of H will require the contractor to submit a waste management plan (WMP) for approval. The WMP will include appropriate mitigation measures to avoid, reduce, reuse and recycle C&D materials. D of H will ensure that the day-to-day operations on site comply with the approved WMP. D of H will control the disposal of public fill and C&D waste to designated public filling facilities and landfills respectively through a trip-ticket system. The contractor will be required to separate public fill from C&D waste for disposal at appropriate facilities. D of H will record the disposal, reuse and recycling of C&D materials for monitoring purposes. We estimate that the project will generate about 5 800 cubic metres (m³) of C&D materials. Of these, we will reuse about 3 750 m³ (64.7%) on site, 1 150 m³ (19.8%) as fill in public filling areas⁴, and

/dispose

dispose of 900 m³ (15.5%) at landfills. The notional cost of accommodating C&D waste at landfill sites is estimated to be \$112,500 for this project (based on a notional unit cost⁵ of \$125/m³).

⁴ A public filling area is a designated part of a development project that accepts public fill for reclamation purposes. Disposal of public fill in a public filling area requires a licence issued by the Director of Civil Engineering.

⁵ This estimate has taken into account the cost for developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost for existing landfill sites (which is estimated at \$90 per/m³), nor the cost to provide new landfills

LAND ACQUISITION

18. The project does not require land acquisition.

BACKGROUND INFORMATION

19. We upgraded **11NG** to Category B in November 2001. D of H has engaged consultants to carry out a PER, detailed design, prepare tender documentation, and employed a term contractor to carry out site investigation of the project at a total cost of \$2.29 million. We will charge this amount to block allocation **Subhead 3100GX** "Project feasibility studies, minor investigations and consultants' fees for items in Category D of Public Works Programme". The consultants have completed the PER, substantially completed the detailed design of the piling works and main building works, and tender documentation of the piling works. The term contractor has also substantially completed the site investigation. The consultants are preparing the tender documentation of the main building works.

20. At the Public Works Subcommittee and Finance Committee meetings on 8 December 1999 and 17 December 1999 respectively, the Administration agreed to review those projects of the ex-Provisional Municipal Council (PMC) which were at early stage of planning and had not received all the necessary approvals from the two PMCs. **11NG** is one of those projects.

21. We estimate the proposed works under **11NG** will create some 140 jobs with a total of 3 300 man-months, comprising five professional staff, 10 technical staff and 125 labourers during the construction period.

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(which are likely to be more expensive) when the existing ones are filled. The notional cost estimate is for reference only and does not form part of this project estimate.