

For discussion

LegCo Panel on Food Safety and Environmental Hygiene

Retro-fitting of Air-conditioning and/or General Improvement Works to 19 Existing Markets and/or Cooked Food Centres

PURPOSE

This paper serves to –

- (a) brief Members on the progress of the 19 projects on retro-fitting of air-conditioning (A/C) systems and/or general improvement works in existing markets and/or cooked food centres (CFC); and
- (b) seek Members' views on the way forward for retro-fitting of A/C systems in Yue Wan Market and CFC and Bowrington Road CFC which have already obtained funding approval and for the remaining projects, eight of which are required to be submitted to the Public Works Subcommittee (PWSC) for consideration.

BACKGROUND

2. Since the dissolution of the two Provisional Municipal Councils (PMC) on 1 January 2000, we regularly reported progress and discussed the proposed way forward for the remaining ex-PMC projects, including the retro-fitting of A/C systems and/or general improvement works¹ for 19 existing markets and/or CFCs, at meetings of the Subcommittee to Follow up the Outstanding Capital Works Projects of

¹ General improvement works include (a) essential works that must be carried out to meet the prevailing building/statutory requirements (e.g. fire services upgrading and provisions of barrier free access) and (b) general works to maintain/upgrade the market/CFC so as to improve the environmental hygiene and shopping environment.

the Former Municipal Councils (the Subcommittee)². On the basis of the outcome of the consultation with stall lessees of the 19 markets and/or CFCs (**Annex A**), we informed the Subcommittee that we would undertake A/C retro-fitting and general improvement works in the following three markets and four CFCs since at least 85%³ of their stall lessees supported the works and agreed to pay the recurrent cost in operating and maintaining the A/C systems -

- (a) Bowrington Road (BR) CFC;
- (b) Yue Wan (YW) Market & CFC;
- (c) Fa Yuen Street (FYS) Market & CFC;
- (d) Shek Wu Hui (SWH) CFC; and
- (e) San Hui (SH) Market.

As for the remaining markets/CFCs with a net support rate below 85%, we proposed to proceed with general improvement works which would improve hygienic conditions and the physical/shopping environment.

LATEST DEVELOPMENT

3. We obtained funding approval of \$24.2 million and \$68.8 million in money-of-the-day (MOD) prices from the Finance Committee in May 2003 for undertaking the A/C retro-fitting projects and general improvement works in BR CFC and YW Market & CFC respectively. The third funding application for undertaking similar works in FYS Market & CFC did not have a smooth sailing at the PWSC meeting in May 2003. While PWSC supported the proposed works in FYS Market, some Members had strong reservations with providing A/C for FYS CFC (at a total cost of \$30.1 million or \$2 million per CFC stall including over \$1 million for the A/C works) and queried the cost-effectiveness and rationale for undertaking such works. It was felt that this work amounts to an implicit subsidy to CFC stall lessees and poses unfair competition to

² The Subcommittee was dissolved in June 2003 and advised the Government to forward all outstanding issues pertaining to the ex-PMC projects to the relevant LegCo Panels.

³ Net support rate has excluded those stall lessees who have indicated support for the project with conditions/requests that the Government could not entertain.

caterers operating in private premises. We withdrew the funding request for FYS Market & CFC for further deliberation. The Government has yet to seek funding approvals for the remaining two A/C retro-fitting projects (i.e. SWH CFC and SH Market).

COST FACTOR

4. Relevant information on cost breakdown for individual A/C retro-fitting and/or improvement works projects for the 19 projects are at **Annex B**. Retro-fitting of A/C systems in the seven markets/CFCs is very costly, accounting for more than 50% of the total estimated cost of the proposed projects (except for the SH Market) since new plant rooms and air-ducts have to be built for the A/C systems. While the estimated capital cost of A/C works per stall for the three markets (i.e. YW Market, FYS Market, SH Market) ranges from \$90,000 to \$178,000, the cost of A/C works per stall for the four CFCs (BR CFC, YW CFC, FYS CFC, SWH CFC) is much higher, ranging from \$790,000 to \$1.4 million. This is mainly because CFCs have much fewer stalls than markets though the floor space is similar. In terms of use of public funds, it would always be much more cost-effective to retro-fit A/C systems in markets rather than CFCs.

5. In general, the community is likely to benefit more from retro-fitting of A/C systems in markets than CFCs since public markets continue to play a dominant role in the supply of fresh provision/food supply and are much more frequently patronized. CFCs have fewer patrons than markets since members of the public have a wider variety of choices of eating establishments in the private sector.

AUDIT REPORT No. 41

6. The Director of Audit conducted a study on public markets managed by the Food and Environmental Hygiene Department (FEHD) last year and examined, amongst other things, the retro-fitting of A/C systems in markets. In its Report No. 41 released in October 2003, the

Audit Commission concluded that its findings “do not seem to support the belief that providing air-conditioning systems can significantly improve the viability of public markets. Provision of air-conditioning alone cannot enliven or revitalize a market. Other important factors, including the price, variety, and quality of the commodities offered for sale, the standards of cleanliness, and the location of the market also affect the business of the market stalls.” (extracted from paragraph 5.15 of the Report). The Audit Commission recommended (paragraph 5.16 of the Report) that FEHD should critically reassess the need for retro-fitting of A/C systems in public markets, taking into account the following factors -

- (a) evidence indicating that the retro-fitting of A/C systems improves the viability of a market has yet to be found;
- (b) some stall lessees prefer operating in a low-cost business environment without A/C; and
- (c) there is a risk that the stall vacancy rate of the market may increase upon completion of the A/C retro-fitting works and consequently FEHD’s share of the recurrent cost of A/C in respect of vacant market stalls will increase.

7. At the public hearing of the LegCo Public Accounts Committee (PAC) on Audit Report No. 41 last December, this observation of the Audit Commission was discussed and FEHD was asked to critically reassess the cost-effectiveness in retro-fitting A/C systems in public markets.

WAY FORWARD FOR A/C RETRO-FITTING PROJECTS

8. We consider it necessary to undertake the general improvement works in the three markets and four CFCs and recommend that they should proceed as scheduled. On the other hand, in view of the huge cost of the A/C retro-fitting projects in these markets/CFCs and the Audit Commission’s observations, Members are invited to comment on

the way forward for the A/C works. Detailed background on these projects and relevant factors are set out below -

a) Bowrington Road (BR) CFC and Yue Wan (YW) Market & CFC

9. The Finance Committee already gave funding approval for the A/C retro-fitting and general improvement works in BR CFC and YW Market & CFC in May 2003. The estimated costs of the two projects are as follows -

Markets/CFCs (designed capacity)	CFC Stalls		Market Stalls	
	Estimated Total Cost	Estimated Average Cost Per Stall	Estimated Total Cost	Estimated Average Cost Per Stall
BR Market (299 stalls)/ CFC (12 stalls)	\$24.2M (including \$16.8M for A/C works)	\$2M (including \$1.4M for A/C works)	\$9M ⁴	\$30,000
YW Market (412 stalls - reduced to 382 after improvement works)/ CFC (20 stalls)	\$23.7M (including \$15.8M for A/C works)	\$1.2M (including \$0.79M for A/C works)	\$45.1M (including \$35.2M for A/C works)	\$120,000 (including \$92,000 for A/C works)

10. Members may wish to take into account the following factors in commenting on the way forward for these two projects -

- (i) BR CFC – fully occupied since its commissioning in 1979. Retro-fitting of A/C system should not be a critical factor for improving its viability although it would help create a more comfortable environment for both stall lessees and patrons;
- (ii) YW Market & CFC – YW CFC fully occupied since its commissioning in 1979 and, hence, again retro-fitting of A/C system should not be a critical factor for improving its viability. YW Market has an occupancy rate of 67% as at December 2003 with 135 vacant stalls (2 fish, 7 meat, 8 poultry, 1 fruit, 64 wet goods, 50 dry goods, 2 siu mei/lo mei

⁴ Estimated cost for general improvement works for BR Market is \$9M and hence would be covered under Architectural Services Department's block vote. No need to seek funding approval from Finance Committee.

and 1 others). Our assessment is that while the A/C works would improve the shopping environment and may attract more visitors to the Market, it might not help lower the vacancy rate of YW Market, bearing in mind that most vacant stalls are small ones designated for selling wet/dry goods and the strong competition posed by the air-conditioned Chai Wan Market located 300 metres away and other shopping outlets in the neighbourhood; and

- (iii) the decision on the A/C retro-fitting projects for BR CFC and YW CFC would have important implications for similar works in the other two CFCs (namely FYS CFC and SWH CFC) which have yet to secure funding approval from the Finance Committee.

b) Fa Yuen Street (FYS) Market & CFC

11. To address PWSC's concerns (paragraph 3 above), we have drawn up three options for trimming down the cost of CFC works for consultation with CFC stall lessees in June 2003 (details at Annex C). Option 2, which deletes the A/C system but upgrades fire services installation and adds water scrubber system for the kitchen ventilation system, gained the highest support rate (8 stalls or 53% of CFC stall lessees). Under this option, the estimated cost of the works at CFC would be reduced from \$30.1 million to \$2.9 million (cost per CFC stall reduced from \$2 million to \$190,000), lowering the total estimated cost of the entire project to \$55 million.

12. When we reported this to the Food and Environmental Hygiene Committee (FEHC) of the Yau Tsim Mong District Council in August 2003, most Members had strong views against Option 2 due to the deletion of the A/C retro-fitting works to the CFC portion. It was felt that the wishes of the trade and local needs were not fully comprehended. The FEHC passed the motion that "if the (FYS) CFC was not to be retro-fitted (with A/C), the (FYS) Market should not be retro-fitted (with A/C) as well, and FEHD should propose alternative measures to improve the ventilation condition of the market and CFC".

13. We need to resolve the difference in opinion between the FEHC, which is adamant that A/C should be provided in FYS CFC, and PWSC/CFC stall lessees who have major reservations in / are agreeable to dropping the A/C works. Members may wish to take into account the following factors in commenting on the proposed way forward -

- (i) as we could not reduce the estimated cost of the A/C retro-fitting works in the CFC, the PWSC is most likely to raise, again, questions on cost-effectiveness again should we make a re-submission, particularly in the light of Audit Report No.41's findings/recommendations;
- (ii) whether we should adopt a consistent approach and drop the A/C retro-fitting works in BR CFC and YW CFC;
- (iii) FYS CFC has a steady occupancy rate of around 70% and there is no evidence to suggest that existing stalls have viability problems⁵. We have doubts whether the A/C project could further help improve significantly the CFC's viability, given the huge presence of restaurants in the neighbourhood; and
- (iv) given the FEHC's strong views, we would have to drop the A/C retro-fitting works in the FYS Market as well if we were to drop the A/C retro-fitting works in the FYS CFC and instead explore alternative means to improve ventilation.

c) Shek Wu Hui (SWH) CFC

14. SWH CFC, with 27 occupied stalls and one vacant stall as at December 2003, serves only breakfast/lunch/afternoon tea but not dinner. Peak patronage is around lunch hours (with around 500 patrons on a Sunday and 340 patrons on weekdays/Saturday at noontime) but

⁵ At present, only 15 stalls out of the 22 stalls at the FYS CFC have been occupied. Under the proposed project, the number of CFC stalls would be reduced to 15. As all the 15 stalls would be taken up by the existing tenants, there would not be vacant stalls under the new proposal.

patronage drops sharply after 4:00 pm (to below 60). The estimated cost of retro-fitting of A/C system and general improvement works for SWH CFC is on the high side of \$64.7 million (average estimated cost per stall is about \$2.3 million inclusive of around \$1.4 million for retro-fitting the A/C system) as we need to build additional plant rooms, undertake structural strengthening and modification works, and overhaul the CFC layout.

15. Members may wish to take into account the following factors in considering the way forward for this project -

- (i) whether we should apply a consistent approach to SWH CFC in case the A/C retro-fitting works for the other three CFCs have been dropped;
- (ii) out of the four CFCs, it is the least cost-effective in retro-fitting A/C system at SHW CFC since, unlike the other three CFCs, its stall lessees do not serve dinner due to commercial reasons; and
- (iii) the SWH CFC does not appear to have viability problems since it has only one vacant stall; and even if there are viability problems, we doubt whether the provisioning of A/C at the SWH CFC would be critical bearing in mind the abundant supply of restaurants in the neighbourhood.

d) San Hui (SH) Market

16. While the SH Market has attained a net support rate of 85.4% for the proposed A/C retro-fitting works, we have yet to reach agreement with stall lessees on the revised market layout plan which has already been endorsed by the Tuen Mun District Council. Subject to the resolution of the market layout, we would finalize the scope of works and seek necessary funding approval for the project. The project estimate covering both A/C retro-fitting and general improvement works is \$124.5 million (average estimated unit cost per market stall is about \$0.38 million).

17. SH Market has an occupancy rate of 76% with 79 vacant stalls (6 meat, 1 fruit, 13 vegetable, 20 wet goods, 39 dry goods) as at December 2003. We are not optimistic that the retro-fitting of A/C system would help improve significantly the viability of the Market or would enhance its occupancy rate bearing in mind most vacant stalls are small ones designated for selling wet/dry goods.

WAY FORWARD FOR THE REMAINING MARKETS/CFCs WITH NET SUPPORT RATE BELOW 85%

18. Regarding the remaining 15 markets and/or CFCs with a net support rate below 85%, we propose to proceed with, where necessary, essential improvement works in accordance with the latest building/fire safety requirements and other general improvement works (e.g. upgrading of existing ventilation and/or drainage systems, replacement of floor and wall finishes in common areas, lighting improvement, etc) that would help improve the physical conditions and/or trading environment, having regard to the remaining operating life of the systems, viability of the market and cost-effectiveness of such investments.

19. In the past, we often encountered objections from stall lessees on selected items in our proposed projects due to concerns about disruption to their business over the works period. Bearing in mind co-operation of stall lessees would be critical for the smooth implementation of works and the need to minimize disruption to their business, we plan to confine our works, if so required, to just essential general improvement works (e.g. those relating to food/structural/fire safety and environmental hygiene). Non-essential works would only be implemented if they are agreeable to the majority of affected stall lessees.

20. In view of the current stringent financial position and having regard to the general conditions of the markets/CFCs, we consider that there is no pressing need to undertake major improvement works at three of the markets and/or CFCs at this stage, namely To Kwa Wan Market, Tsuen King Circuit Market, and Kwun Chung Market & CFC. We would however continue to undertake routine maintenance works in these

markets/CFCs and keep in view the need to implement general improvement works later.

21. The proposed scope of works, views of stall lessees on the proposed works and the tentative PWSC submission schedule (if applicable) and tentative implementation programmes for all markets and/or CFCs are at **Annex D**.

ADVICE SOUGHT

22. Members are invited to note the proposed PWSC submission schedule for projects costing over \$15 million and to comment on the proposed way forward for the projects, in particular -

- (i) whether we should continue proceeding with the tender and contract arrangement in respect of projects on A/C retro-fitting and general improvement works in the BR CFC and YW Market & CFC in the light of Audit Commission's recommendations and deliberations at the PAC Public Hearing in December 2003 (*paragraph 10*);
- (ii) whether we should proceed with A/C retro-fitting and general improvement works in other markets and/or CFCs (including the FYS Market & CFC, the SWH CFC, and the SH Market) that have already attained a net support rate of 85% or more (*paragraphs 13, 15 and 17*); and
- (iii) for markets/CFCs with less than 85% net support rate, undertaking only essential general improvement works and subject to the agreement of the majority of stall lessees, non-essential general improvement works (*paragraphs 18 – 20*), except for To Kwa Wan Market, Tsuen King Circuit Market and Kwun Chung Market & CFC.

Health, Welfare and Food Bureau
Food and Environmental Hygiene Department
February 2004

Retro-fitting of A/C and General Improvement Works to 19 existing Markets and / or Cooked Food Centres
Outcome of Consultation with Stall Lessees

	Market/CFC	No. of occupied stall	No. of Letter of Intent returned		No. of lessees supporting the proposed works and agreeing to pay A/C recurrent cost	
			No.	%	No.	%
Hong Kong Region						
1.	Bowrington Road Market	259	228	88	110	42.5 (*29.3%)
	Bowrington Road Market CFC	12	12	100	12	100
2.	Yue Wan Market	296	281	94.9	266	89.9 (*89.2%)
	Yue Wan Market CFC	20	20	100	17	85
3.	Aberdeen Market	279	221	79.2	53	19 (*15.1%)
	Aberdeen Market CFC	10	10	100	1	10
4.	Sheung Wan Market	161	161	100	4	2.5
Kowloon Region						
5.	Fa Yuen Street Market	161	160	99.4	139	86.3
	Fa Yuen Street Market CFC	15	15	100	15	100
6.	Ngau Chi Wan Market	359	329	91.6	86	24
	Ngau Chi Wan Market CFC	14	13	92.9	9	64.3
7.	Ngau Tau Kok Market	404	376	93.1	215	53.2 (*51%)
	Ngau Tau Kok Market CFC	20	19	95	17	85 (*80%)

	Market/CFC	No. of occupied stall	No. of Letter of Intent returned		No. of lessees supporting the proposed works and agreeing to pay A/C recurrent cost	
			No.	%	No.	%
8.	Po On Road Market	411	331	80.5	71	17.3 (*16.3%)
	Po On Road Market CFC	17	15	88.2	6	35.3 (*0%)
9.	Kwun Chung Market	151	151	100	0	0
	Kwun Chung Market CFC	12	12	100	0	0
10.	To Kwa Wan Market	243	243	100	22	9.1
The New Territories						
11.	San Hui Market	260	253	97.3	222	85.4
12.	Shek Wu Hui Market CFC	27	27	100	23	85.2
13.	Tung Yick Market	268	268	100	189	70.5 (*61.6%)
14.	North Kwai Chung Market	222	222	100	32	14.4 (*13.1%)
15.	Yeung Uk Road Market	323	236	73.1	34	10.5 (*9.3%)
16.	Sai Kung Market	151	151	100	100	66.2 (*29.1%)
17.	Wing Fong Street Market	114	114	100	25	21.9 (*20.2%)
18.	Tsuen Wan Market	385	205	53.2	52	13.5 (*9.6%)
19.	Tsuen King Circuit Market	140	129	92.1	3	2.1

Note :

The figures in (*) show the net support rates for individual markets/CFCs i.e. the support rate excluding those stall lessees who have indicated support for the project with requests or conditions that the Government could not entertain.

Information on 19 Projects on A/C Retro-fitting and / or General Improvement Works to Existing Markets and / or CFCs

(A) Markets and CFCs with a net support rate of 85% or above

S/N	Name of Market/CFC (Year of Commissioning)	Total Floor Area to be air- conditioned (in m ²)	Existing Provision		No. of Stalls upon Completion of the Improvement Works	Cost Breakdown [#] (in \$ million)			Project Cost (in \$ million)	Estimated Cost/m ² (in \$)	Estimated Cost/stall (in \$ million)
			Total No. of Stalls	No. of Occupied Stalls (as at 31.12.2003) (Vacant stalls) (Occupancy Rate)		A/C Work (Cost /stall)	EW *	GI *			
1.	Bowrington Road Market CFC (1979)	964	12	12 (0) (100%)	12	16.8 (1.40)	4.0	3.4	24.2 (APE)	25,100	2.017
2.	Yue Wan Market (1979)	3726	412	277 (135) (67%)	382	35.2 (0.09)	3.9	6	45.1 (APE)	12,100	0.118
	Yue Wan Market CFC (1979)	1520	20	20 (0) (100%)	20	15.8 (0.79)	2.6	5.3	23.7 (APE)	15,600	1.185

Note :

- The cost apportionment is for indicative purpose only.

*EW - Essential works (including fire services upgrading and provisions of barrier free access)

*GI - Other general improvement works

APE - Approved project estimate

S/N	Name of Market/CFC (Year of Commissioning)	Total Floor Area to be air- conditioned (in m ²)	Existing Provision		No. of Stalls upon Completion of the Improvement Works	Cost Breakdown [#] (in \$ million)			Project Cost (in \$ million)	Estimated Cost/m ² (in \$)	Estimated Cost/stall (in \$ million)
			Total No. of Stalls	No. of Occupied Stalls (as at 31.12.2003) (Vacant stalls) (Occupancy Rate)		A/C Work (Cost /stall)	EW *	GI *			
3.	Fa Yuen Street Market (1988)	3 860	170	155 (15) (91%)	165	29.4 (0.17) [30.6] [32.6] [32.5]	3.5 [3.5] [3.5] [3.5]	16 [16] [16] [16]	48.9 [50.1] ^{Option 1} [52.1] ^{Option 2} [52.0] ^{Option 3}	12,700 [13,000] [13,500] [13,500]	0.296 [0.304] [0.316] [0.315]
	Fa Yuen Street Market CFC (1988)	1 490	22	15 (7) (68%)	15	15.4 (1.02) [10.1] [1.1] [1.1]	1.4 [1.4] [1.6] [1.6]	13.3 [8.2] [0.2] [4.0]	30.1 [19.7] ^{Option 1} [2.9] ^{Option 2} [6.7] ^{Option 3}	20,200 [13,200] [1,900] [4,500]	2.007 [1.313] [0.193] [0.447]
4.	San Hui Market (1982)	4 800	333	254 (79) (76%)	331	41.8 (0.13)	62.2	20.5	124.5	25,900	0.376
5.	Shek Wu Hui Market CFC (1994)	2 750	28	27 (1) (96%)	28	39.0 (1.39)	3.1	22.6	64.7	23,500	2.311

Note :-

- The cost apportionment is for indicative purpose only.

*EW - Essential works (including fire services upgrading and provisions of barrier free access)

*GI - Other general improvement works

APE - Approved project estimate

(B) Markets and CFCs with a net support rate below 85%

S/N	Name of Market/CFC (Year of Commissioning)	Total Floor Area to be refurbished (in m ²)	Existing Provision		No. of Stalls upon Completion of the Improvement Works	Cost Breakdown# (in \$ million)		Project Cost (in \$ million)	Estimated Cost/m ² (in \$)	Estimated Cost/stall (in \$ million)
			Total No. of Stalls	No. of Occupied Stalls (as at 31.12.2003) (Vacant stalls) (Occupancy Rate)		EW *	GI *			
1.	Aberdeen Market (1983)	5 575	331	249 (82) (75%)	331	5.5	18.4	23.9	4,290	0.072
	Aberdeen Market CFC (1983)	385	10	8 (2) (80%)	10	0.1	3.2	3.3	8,570	0.33
2.	Ngau Chi Wan Market (1986)	5 986	405	343 (62) (85%)	405	6.3	37.7	44.0	7,350	0.109
	Ngau Chi Wan Market CFC (1986)	578	15	14 (1) (93%)	15	1.0	8.0	9.0	15,570	0.600
3.	Ngau Tau Kok Market (1981)	7 452	452	370 (82) (82%)	450	6.2	44.0	50.2	6,740	0.112
	Ngau Tau Kok Market CFC (1981)	868	21	19 (2) (90%)	21	0.7	10.2	10.9	12,560	0.519
4.	Tung Yick Market (1991)	8 530	454	263 (191) (58%)	447	3.0	26.0	29.0	3,400	0.065
5.	Po On Road Market (1988)	10 060	696	388 (308) (56%)	696	12.6	36.2	48.8	4,850	0.070
	Po On Road Market CFC (1988)	1 940	35	15 (20) (43%)	35	3.0	13.2	16.2	8,350	0.463
6.	North Kwai Chung Market (1984)	2 873	228	211 (17) (93%)	228	2.8	2.5	5.3	1,840	0.232
7.	Yeung Uk Road Market (1990)	9 953	334	323 (11) (97%)	334	8.1	5.9	14.0	1,400	0.419
8.	Sai Kung Market (1985)	2 900	217	156 (61) (72%)	217	13.3	0.7	14.0	4,830	0.065

Note :-

- The cost apportionment is for indicative purpose only.

*EW - Essential works (including fire services upgrading and provisions of barrier free access)

*GI - Other general improvement works

APE - Approved project estimate

S/N	Name of Market/CFC (Year of Commissioning)	Total Floor Area to be refurbished (in m ²)	Existing Provision		No. of Stalls upon Completion of the Improvement Works	Cost Breakdown [#] (in \$ million)		Project Cost (in \$ million)	Estimated Cost/m ² (in \$)	Estimated Cost/stall (in \$ million)
			Total No. of Stalls	No. of Occupied Stalls (as at 31.12.2003) (Vacant stalls) (Occupancy Rate)		EW *	GI *			
9.	Wing Fong Street Market (1982)	1 450	119	95 (24) (80%)	119	12.5	0.3	12.8	8,830	0.108
10.	Tsuen Wan Market (1981)	4 161	403	351 (52) (87%)	397	7.9	7.0	14.9	3,580	0.038
11.	Tsuen King Circuit Market (1990)	3 500	248	127 (121) (51%)	248	6.3	3.2	9.5	2,710	0.038
12.	Sheung Wan Market (1989)	6 670	206	186 (20) (90%)	202	5.9	7.2	13.1	1,960	0.065
13.	Kwun Chung Market (1991)	5 860	200	134 (66) (67%)	200	3.0	10.0	13.0	2,220	0.065
	Kwun Chung Market CFC (1991)	1 640	19	9 (10) (47%)	19	0.2	0.8	1.0	610	0.053
14.	To Kwa Wan Market (1984)	3 400	278	237 (41) (85%)	278	2.9	6.2	9.1	2,680	0.033
15.	Bowrington Road Market (1979)	3 258	299	241 (58) (81%)	298	3.5	5.5	9.0 (APE)	2,760	0.030

Note :-

- The cost apportionment is for indicative purpose only.

*EW - Essential works (including fire services upgrading and provisions of barrier free access)

*GI - Other general improvement works

APE - Approved project estimate

**Options for Reducing Cost to Renovation Works
at Fa Yuen Street CFC**

Option 1

A/C retro-fitting and general improvement works⁽¹⁾ including fire services upgrading works will be carried out to the CFC but would do away with expansion of the seating area and the glass curtain wall in the original proposal, thereby trimming down the total project estimate⁽²⁾ from \$79 million to \$69.8 million with \$19.7 million for CFC (*capital cost per CFC stall trimmed down to \$1.3 million*).

Option 2

Only upgrading of fire services installation and addition of water scrubber system for the kitchen ventilation system will be carried out to the CFC but would drop the A/C system. The total project estimate⁽²⁾ is \$55 million with \$2.9 million for CFC (*capital cost per CFC stall reduced to \$0.19 million*).

Option 3

Both fire services upgrading and general improvement works⁽¹⁾ including installation of water scrubber system will be carried out to the CFC but not the retro-fitting of the A/C system. The total project estimate⁽²⁾ is revised to \$58.7 million with \$6.7 million for CFC (*capital cost per CFC stall is \$0.45 million*).

⁽¹⁾ General improvement works include improvement of internal finishes, lighting, drainage, signages, toilet refurbishment, etc.

⁽²⁾ The total project estimate includes the cost of A/C retro-fitting and general improvement works to the market portion.

**19 Projects on A/C Retro-fitting and / or
General Improvement Works to Markets and / or CFCs**

(Position as at 31.12.2003)

(A) Projects with a net support rate of 85% or above

S/N	Project Code and Title (Cost Estimate)	Proposed Scope of Works (All projects include upgrading of fire services installations and provision of barrier free access)	Tentative Implementation Programme [#]		Views of Stall Lessees to the Proposed Works
			Start Date	Completion Date	
1.	3024NM Retro-fitting of air-conditioning to Bowrington Road CFC (APE\$24.2m)	(a) Retro-fitting A/C system (b) Upgrading of electrical services including the construction of new transformer rooms (c) Upgrading of internal finishes (d) Improving drainage system	Nov 2004 (subject to discussion with stall lessees)	Jan 2006	Remarks :- Project upgraded to Category A Public Work Programme (PWP) on 16.5.2003
2.	3015NM Retro-fitting of air-conditioning to Yue Wan Market and CFC (APE\$68.8m)	(a) Retro-fitting A/C system (b) Upgrading of electrical and building services (c) Installing CCTV system (d) Replacing internal finishes to common area (e) Segregating the poultry-selling area (f) Improving refuse collection area (g) Improving general lighting (h) Improving plumbing and drainage system (i) Adding toilets to the CFC (j) Providing additional CFC seating area	Nov 2004 (subject to discussion with stall lessees)	Jan 2006	Remarks :- Project upgraded to Category A PWP on 16.5.2003

Note :

[#] Implementation programme of the proposed works will be subject to LegCo FS&EH Panel's view.

APE – Approved project estimate.

S/N	Project Code and Title (Cost Estimate)	Proposed Scope of Works (All projects include upgrading of fire services installations and provision of barrier free access)	Tentative Implementation Programme [#]		Views of Stall Lessees to the Proposed Works
			Start Date	Completion Date	
3.	3027NM Retro-fitting of air-conditioning to Fa Yuen Street (FYS) Market and CFC (\$79m)	<ul style="list-style-type: none"> (a) Retro-fitting A/C system (b) Upgrading of electrical and building services (c) Replacing internal finishes to common area of the market (d) Replacing internal finishes to the CFC (e) Segregating poultry-selling area and providing individual scalding facilities (f) Refurbishing toilets (g) Improving general lighting (h) Providing signages (i) Improving drainage system (j) Enlarging cooked food stalls and reconfiguring the existing CFC layout (k) Providing additional seating area in the CFC 	Apr 2005 (Tentative PWSC submission schedule : Nov 2004)	Jul 2006	<p>At the PWSC meeting in May 2003, Members considered that the project cost was on the high side and it was not cost-effective to retro-fit A/C for the CFC. Government subsequently worked out three options to reduce the CFC project cost and gauge the views of 15 CFC stallholders in June 2003 through questionnaire. We informed CFC operators of the survey results and consulted them again last August. Basically, they all supported the A/C retrofitting to the CFC, but having considered the views of PWSC, the A/C fee and the prevailing economic situation, they consented to Option 2 (i.e. not to provide A/C to CFC. Only fire services upgrading works and installation of water scrubber system for the CFC would be carried out).</p> <p>On 28.8.2003, the Food and Environmental Hygiene Committee of Yau Tsim Mong District Council (DC) passed a motion not to retro-fit A/C to the FYS Market if A/C was not provided to FYS CFC. We briefed the Market Management Consultative Committee (MMCC) in Sept. 2003 on the development but CFC representatives had not made specific comments.</p>

S/N	Project Code and Title (Cost Estimate)	Proposed Scope of Works (All projects include upgrading of fire services installations and provision of barrier free access)	Tentative Implementation Programme [#]		Views of Stall Lessees to the Proposed Works
			Start Date	Completion Date	
4.	3026NM Retro-fitting of air-conditioning to San Hui Market (\$124.5m)	(a) Retro-fitting A/C system (b) Replacing internal wall and floor tiles in common area (c) Segregating poultry-selling area (d) Improving refuse collection area (e) Improving general lighting (f) Improving plumbing and drainage system	Jun 2005 (Tentative PWSC submission schedule : Jan 2005)	Dec 2006	Stall lessees had different views on the revised layout of the market. Several meetings with stall lessees were held in July 2003 but failed to reach agreement on the revised layout. We consulted the Environment, Hygiene and District Development Committee EHDDC of Tuen Mun (TM) DC on a revised layout in Sept. 2003 and the latter suggested that the layout design be adopted. Arch SD is examining the feasibility of the proposal. Stall lessees of the seven affected fish stalls raised objection to the layout which has been endorsed by the TM DC on the grounds that their stalls would be affected. They recently proposed another layout for Government's consideration.
5.	3025NM Retro-fitting of air-conditioning to Shek Wu Hui CFC (\$64.7m)	(a) Retro-fitting A/C system (b) Enlarging stall size and re-configuring CFC layout (c) Retiling of dining area (d) Upgrading of electrical and building services (e) Improving general lighting (f) Improving signages (g) Improving plumbing and drainage (h) Refurbishing toilet facilities (i) Lime washing of ceiling (j) Repaving loading/unloading bay (k) Renovation to podium garden	Jun 2005 (Tentative PWSC submission schedule : Jan 2005)	Oct 2006	For hygiene reason, the whole CFC would have to be closed during the works period. Stall lessees requested that the closure period should be limited to 5.5 months from mid April 2004 to early October 2004.

(B) Projects with a net support rate below 85%

(i) With project estimates above \$15m and require PWSC submission :-

S/N	Project Code and Title (Cost Estimate)	Proposed Scope of Works (All projects include upgrading of fire services installations and provision of barrier free access)	Tentative Implementation Programme [#]		Views of Stall Lessees to the Proposed Works
			Start Date	Completion Date	
1.	3028NM General improvement works to Aberdeen Market and CFC (\$27.2m)	(a) Replacing internal wall and floor tiles in common area (b) Improving surface drainage system at basement level (c) Replacing four escalators (d) Improving ventilation system (e) Adding water scrubber system to the CFC (f) Improving general lighting (g) Providing new signages (h) Refurbishing market toilets and providing toilet facilities for people with a disability (i) Providing PA system	Oct 2004 (Tentative PWSC submission schedule : May 2004)	Oct 2005	Stall lessees have no adverse comment.
2.	3031NM General improvement works to Ngau Chi Wan Market and CFC (\$53m)	(a) Lime-washing of ceiling (b) Improving drainage system (c) Improving ventilation system (d) Improving general lighting (e) Providing new signages (f) Installing water scrubber system to refuse collection point (g) Renewing in-house water supply pipes (h) Upgrading ventilation system and installing water scrubber system for CFC	Dec 2004 (Tentative PWSC submission schedule : Jun 2004)	Feb 2006	Some stall lessees had strong objection to replacement of floor tiles which would require temporary suspension of business while others are concerned about possible ventilation problem caused by the provision of smoke lobbies at some locations. Stallholders and some Wong Tai Sin DC members remain keen on retro-fitting A/C to the Market and CFC.

S/N	Project Code and Title (Cost Estimate)	Proposed Scope of Works (All projects include upgrading of fire services installations and provision of barrier free access)	Tentative Implementation Programme [#]		Views of Stall Lessees to the Proposed Works
			Start Date	Completion Date	
3.	3023NM General improvement works to Ngau Tau Kok Market and CFC (\$61.1m)	(a) Lime-washing of ceiling (b) Repaving loading / unloading bays (c) Replacing internal wall and floor tiles in common areas (d) Improving drainage system (e) Improving ventilation system (f) Improving general lighting (g) Providing new signages (h) Renewing in-house water supply pipes	Dec 2004 (Tentative PWSC submission schedule : Jun 2004)	Feb 2006	Stall lessees were generally in support of the proposed works. Environment & Hygiene Committee of Kwun Tong DC endorsed the proposed scope of general improvement works.
4.	3020NM General improvement works to Tung Yick Market (\$29m)	(a) Replacing water proofing layer, floor tiles and internal wall tiles in common areas of 1/F (b) Improving general lighting (c) Providing new signages (d) Lime-washing of ceiling	Jan 2005 (Tentative PWSC submission schedule : Jun 2004)	Mar 2006	Stall lessees were briefed on the proposed improvement works. We would consult stall lessees concerned on the revised market layout later.
5.	3014NM General improvement works to Po On Road Market and CFC (\$65m)	(a) Providing individual scalding facilities (b) Lime-washing of ceiling (c) Replacing internal wall and floor tiles (d) Improving drainage system (e) Improving ventilation system (f) Improving general lighting	Sep 2005 (Tentative PWSC submission schedule : Mar 2005)	Jan 2007	Since about 50% of stall lessees objected to the proposed face-lifting works, the Government has agreed to scale down the scope of works accordingly. The Environment and Food Committee (EFC) of the Sham Shui Po DC also expressed similar concerns and urged the Government to take into account the views of stall lessees when taking forward the project. Pending availability of the revised layout on reduced scope of works, consultation with stall lessees will be conducted.

With project estimates at \$15m or below and do not require PWSC submission :-

S/N	Name of Market/CFC	Proposed Scope of Works <i>(All projects include upgrading of fire services installations and providing barrier free access)</i>	Tentative Implementation Programme [#]		Views of Stall Lessees on the Proposed Works
			Start Date	Completion Date	
6.	North Kwai Chung Market <i>(\$5.3m)</i>	(a) Improving ventilation system (b) Improving general lighting (c) Providing new signages (d) Repaving staircase landings	Dec 2004	Aug 2005	Stall lessees had no objection to the proposed scope of improvement works but requested early improvement to the ventilation system.
7.	Yeung Uk Road Market <i>(\$14m)</i>	(a) Providing individual scalding facilities for each poultry stall and converting the existing communal scalding room into a storage room (b) Improving ventilation system (c) Improving general lighting (d) Providing new signages (for fire services only) (e) Providing toilet facilities on 2/F	Dec 2004	Aug 2005	MMCC meeting has yet to be held.
8.	Sai Kung Market <i>(\$14m)</i>	(a) Lime-washing of ceiling (b) Improving ventilation system (c) Providing new signages	Nov 2004	Jun 2005	MMCC was very concerned that construction of fire walls would worsen market ventilation and adversely affect business; and thus expressed strong objection. A Sai Kung DC member demanded that the project scope of upgrading the fire safety installation, in particular, the construction of fire-rated walls, be shelved.
9.	Wing Fong Street Market <i>(\$12.8m)</i>	(a) Lime-washing of ceiling (b) Improving ventilation system (c) Providing new signages	Jan 2005	Sep 2005	Stall lessees were briefed on the proposed scope of works and requested that works should be carried out in such a way that their business would not be hindered; and improvement works for ventilation should be carried out earlier.
10.	Tsuen Wan Market <i>(\$14.9m)</i>	(a) Repaving loading / unloading bays (b) Improving ventilation system (c) Improving general lighting (d) Providing new signages	Dec 2004	Aug 2005	MMCC meeting has yet to be held.

S/N	Name of Market/CFC	Proposed Scope of Works <i>(All projects include upgrading of fire services installations and providing barrier free access)</i>	Tentative Implementation Programme [#]		Views of Stall Lessees on the Proposed Works
			Start Date	Completion Date	
11.	Tsuen King Circuit Market <i>(\$9.5m)</i>	(a) Improving ventilation system (b) Improving general lighting (c) Providing new signages	Implementation of the proposed improvement works will be deferred to a later date subject to LegCo FS&EH Panel's view.		MMCC meeting has yet to be held.
12.	Sheung Wan Market <i>(\$13.1m)</i>	(a) Lime-washing of ceiling (b) Improving ventilation system (c) Improving general lighting (d) Providing new signages (e) Providing toilet for people with a disability on G/F and 1/F (f) Repairing the ramps in poultry stall section with durable and non-slippery material (g) Repairing the steps of staircases at main entrance (h) Providing PA system	Oct 2004	Jun 2005	Stall lessees had no adverse comment on the proposed works. Stall lessees and Western & Central DC requested that disruption of all proposed works, particularly the installation of fire curtain and compartment wall, to their normal business should be kept to the minimum. The construction works should not require any cessation of market business or relocation of market stalls. They also opined that the ventilation problem of the market should be resolved before kicking off the fire services installation works.
13.	Kwun Chung Market and CFC <i>(\$14m)</i>	(a) Lime-washing of ceiling (b) Improving drainage system (c) Providing new signages (d) Refurbishing market toilets on 1/F and 2/F (e) Installing a goods lift to connect G/F and lower level of 1/F to improve goods transportation (f) Installing fixed tables and chairs in the CFC	Implementation of the proposed improvement works will be deferred to a later date subject to LegCo FS&EH Panel's view.		MMCC opined that adequate and suitable facilities should be provided for disabled persons and; the two doors of the proposed new protected lobby near to the service lifts should be wholly or partly transparent.
14.	To Kwa Wan Market <i>(\$9.1m)</i>	(a) Repaving loading / unloading bays (b) Improving ventilation system (c) Improving general lighting (d) Providing new signages (e) Refurbishing the market toilets (f) Conducting water-proofing work to market ceiling (g) Replacing two grease traps at basement level	Implementation of the proposed improvement works will be deferred to a later date subject to LegCo FS&EH Panel's view.		Stall lessees have no adverse comment.

S/N	Name of Market/CFC	Proposed Scope of Works <i>(All projects include upgrading of fire services installations and providing barrier free access)</i>	Tentative Implementation Programme [#]		Views of Stall Lessees on the Proposed Works
			Start Date	Completion Date	
15.	Bowrington Road Market <i>(APE\$9m)</i>	(a) Improving the surface drainage in South Block (b) Improving ventilation system (c) Improving general lighting (d) Providing new signages (e) Expanding the surveillance area of the CCTV system (f) Improving the passenger lift in South Block (g) Improving/replacing the goods lift	Nov 2004	Jan 2006	Stall lessees have no adverse comment.