

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Medical Subventions

5MF – Redevelopment of Yan Chai Hospital

Members are invited to recommend to Finance Committee –

- (a) the upgrading of part of 5MF, entitled “Redevelopment of Yan Chai Hospital – preparatory works” to Category A at an estimated cost of \$20.7 million in money-of-the-day prices; and
- (b) the retention of the remainder of 5MF in Category B.

PROBLEM

Blocks C, D, E and F at Yan Chai Hospital (YCH) are dilapidated and substandard. Their capacity is inadequate to meet the increasing demand for healthcare services in the community due to physical and space constraints.

/PROPOSAL

PROPOSAL

2. The Secretary for Health, Welfare and Food proposes to upgrade part of **5MF** to Category A at an estimated cost of \$20.7 million in money-of-the-day (MOD) prices for the preparatory works up to the pre-contract stage for the redevelopment of the YCH.

PROJECT SCOPE AND NATURE

3. The scope of **5MF** comprises –
- (a) Stage I – preparatory works, covering -
 - (i) site investigations;
 - (ii) building survey; and
 - (iii) consultancy services for outline sketch design, detailed design, as well as tender documentation and assessment for the main works in Stage II.
 - (b) Stage II – main works, covering -
 - (i) phase 1 which involves the demolition of Blocks C and D for construction of a new building to accommodate the community health and wellness centre, and ancillary facilities including a central pharmacy, a registration and business unit, a medical record unit, a maintenance unit and car park; and
 - (ii) phase 2 which involves the demolition of Blocks E and F to provide landscaped area and parking facilities after the existing outpatient and associated ancillary facilities have been moved to the new community health and wellness centre upon its completion.

4. We propose to upgrade the preparatory works as described in paragraph 3(a) above to Category A at an estimated cost of \$20.7 million in MOD prices. The proposed preparatory works are targeted to commence in August 2007 for completion in early 2010. Subject to the outcome of the detailed design, the main works as described in paragraph 3(b) above are estimated to cost about \$400 million. Since we have to conduct site investigation and complete detailed design as well as tender documents before we can embark on the main works, we plan to seek funding for the main works separately in 2009-10. The existing site plan of YCH and the tentative site plan of YCH¹ upon completion of the main works are at Enclosures 1 and 2 respectively.

JUSTIFICATION

Substandard building conditions

5. Over the years, YCH has grown from a two-block hospital to the current one with seven blocks. Among these seven blocks, Blocks C and D have been in use for 33 years and Blocks E and F for 23 years. These four hospital blocks, with a total floor area of 22 210 square metres (m^2), have become old, dilapidated and outdated over the years. Due to physical and space constraints of the buildings, YCH has not been able to fully develop and meet the increasing demands of the community to deliver comprehensive and integrated healthcare services.

Inadequate clinical space and rising demand for service

6. At present, YCH, being one of the hospitals in the Kowloon West hospital cluster, provides comprehensive in-patient and out-patient services mainly to the population in the Kwai Tsing and Tsuen Wan Districts. In 2005-06, the total number of attendance at the General Practice Clinic (GPC) and Specialist Out-patient Clinic (SOPC) of YCH was 71 754 and 162 060 respectively; whereas the total number of admission of in-patient and day-patient to YCH was 42 939. The clinical space provision at the existing GPC and SOPC at Blocks E and F is grossly inadequate and the two Clinics are currently much overcrowded. The existing facilities are substandard in terms of space, provision and design to meet the high service demand and present-day service requirements.

/7.

¹ The site plan is tentative which may be modified by the consultant in the light of findings from the preparatory works.

7. Population in the Kwai Tsing and Tsuen Wan Districts has increased by about 116 600, from 695 300 in 1991 to 811 900 in 2006. According to the latest population projection of the Planning Department, the population in the two districts is expected to further increase to about 815 000 upon completion of the new community health and wellness centre in 2012. The increasing demand for healthcare services from the ageing community further exerts pressure on the need for improvements to the YCH. However, given the inadequate space and outdated design of the four building blocks, it is not possible for YCH to upgrade its services within the existing building framework.

Redevelopment of YCH

8. We therefore propose to redevelop the four hospital blocks to meet the increasing service demand and upgrade the hospital to meet prevailing standards in respect of out-patient service. Subject to detailed design, we are considering increasing the total floor area for out-patient services at YCH at the new building, so as to enhance the capacity of the GPC and SOPC to 74 000 and 210 000 attendance per year respectively. The enhanced capacity of the two Clinics will be able to cope with the increased demand from the community upon completion of the redevelopment project.

9. In addition, in line with modern healthcare concepts and to meet demand from the local community, the opportunity is taken to redevelop the four blocks along the concept of a community health and wellness centre, to provide new facilities of standards pertinent to a modern community hospital. The concept of a community health and wellness centre aims to provide community-focused and patient-centred services, which recognise the need of individual patients in providing healthcare, acknowledge the importance of psycho-social elements in patients' health, as well as the continuity of healthcare at different stages of life. In sum, the community-based delivery model of the concept can provide "one-stop" integrated services for patients. The concept can be realised at the redeveloped block in YCH with the proposed establishment of three component centres, namely –

(a) Health Resource Centre

The Health Resource Centre provides health resources and information for integrated rehabilitation services to patients, aiming to build up a district-based "safe and healthy city". Apart from health education provided to patients of chronic illness, the centre also facilitates the conduct of patient group activities and thus promotes maintenance rehabilitation.

/(b)

(b) Primary Care Centre

The Primary Care Centre aims to provide primary life-long healthcare services to individuals at different stages of life. These could possibly include pre-natal assessment and post-natal care services to promote maternity health for mother and children; infant and child services to provide assessment and early intervention of diseases; adolescent services and early intervention centre for young psychotropic drug users; well-women services; and geriatric counseling services for age-related illnesses. The existing GPC at YCH and community nursing services will also be reprovisioned at the centre.

(c) Specialist Care Centre

The Specialist Care Centre provides assessment and stabilisation services for patients suffering from chronic diseases, such as diabetes, hypertension, and chronic obstructive airway diseases, in an ambulatory setting. The centre will also provide day surgery and endoscopic services to reduce reliance on expensive in-patient services. The existing SOPC at YCH will also be reprovisioned in this centre.

10. As outlined in paragraph 9 above, the services to be provided in the proposed community health and wellness centre include health promotion, illness prevention, curative intervention of illness and rehabilitation of chronic illness, all of which focus on promoting healthy ageing in the young and maintaining active living in the elderly. These services will complement the existing in-patient and day hospital services at YCH (which is mainly provided in Block B and the Multi-Services Complex) by reducing avoidable hospitalisation and fostering re-integration of patients with chronic disability into the community. With an ageing population, the major concern in healthcare provision in Hong Kong has been gradually shifting from acute episodic illnesses to illnesses of chronic disabling and relapsing nature. The services to be provided in the newly redeveloped YCH will therefore be able to address the changing service demand.

FINANCIAL IMPLICATIONS

11. The Hospital Authority (HA), in consultation with the Director of Architectural Services, estimates the cost of the proposed preparatory works to be \$20.7 million in MOD prices, made up as follows –

/(a)

	\$ million
(a) Consultants' fees for	17.5
(i) Outline Sketch Plan	3.3
(ii) Detailed Design	10.3
(iii) Tender Documentation	3.9
(b) Site Survey & Investigation	2.4
(c) Building & Utility Surveys	0.6
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Sub-total	20.5 (in September 2006 prices)
(d) Provision for price adjustment	0.2
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Total	20.7 (in MOD prices)

— A breakdown by man-months of the estimate of consultants' fees is at Enclosure 3.

12. Subject to Members' approval, HA will phase the expenditure as follows –

Year	\$ million (Sept 2006)	Price adjustment factor	\$ million (MOD)
2007 – 08	3.0	0.99900	3.0
2008 – 09	10.0	1.00649	10.1
2009 – 10	7.5	1.01656	7.6
	<hr/>		<hr/>
	20.5		20.7
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13. We have derived the MOD estimate on the basis of the Government's latest forecasts of trend labour and construction prices for the period 2007 to 2010. The HA will tender the site investigation works under a fixed-price lump-sum contract without provision for price fluctuation, as the scope of works can be clearly defined in advance and the works period will not exceed 21 months.

/14.

14. The proposed preparatory works will not give rise to any additional

recurrent expenditure.

PUBLIC CONSULTATION

15. HA briefed the Tsuen Wan District Council on 25 July 2006 on the proposed works. Members of the District Council supported the proposed project.

16. We consulted the Legislative Council Panel on Health Services on 11 December 2006. Members of the Panel supported the proposed project although they asked for elaboration on the project as well as utilisation of obstetric and gynaecology services in the Kowloon West Cluster. Members also asked the HA to consider providing such services in YCH. We have provided members with the requested information on 30 March 2007.

ENVIRONMENTAL IMPLICATIONS

17. This is a non-designated project under the Environmental Impact Assessment Ordinance. Consultants engaged by HA completed a Preliminary Environmental Review (PER) for the proposed redevelopment of YCH in July 2001. The PER concluded and the Director of Environmental Protection agreed that the project would not cause long-term environmental impact and that an Environmental Impact Assessment was not necessary.

18. The proposed preparatory works will not cause any adverse environmental impact. HA will implement standard environmental pollution control measures to manage the environmental impact of the site investigation works.

19. The site investigation works will only generate a very small amount of construction and demolition (C&D) materials. The HA will require the consultants of detailed design works to implement measures to minimise the generation of C&D materials and to reuse / recycle C&D materials as much as possible in the future implementation of construction contracts.

/LAND

LAND ACQUISITION

20. The proposed preparatory works and main works do not require land acquisition.

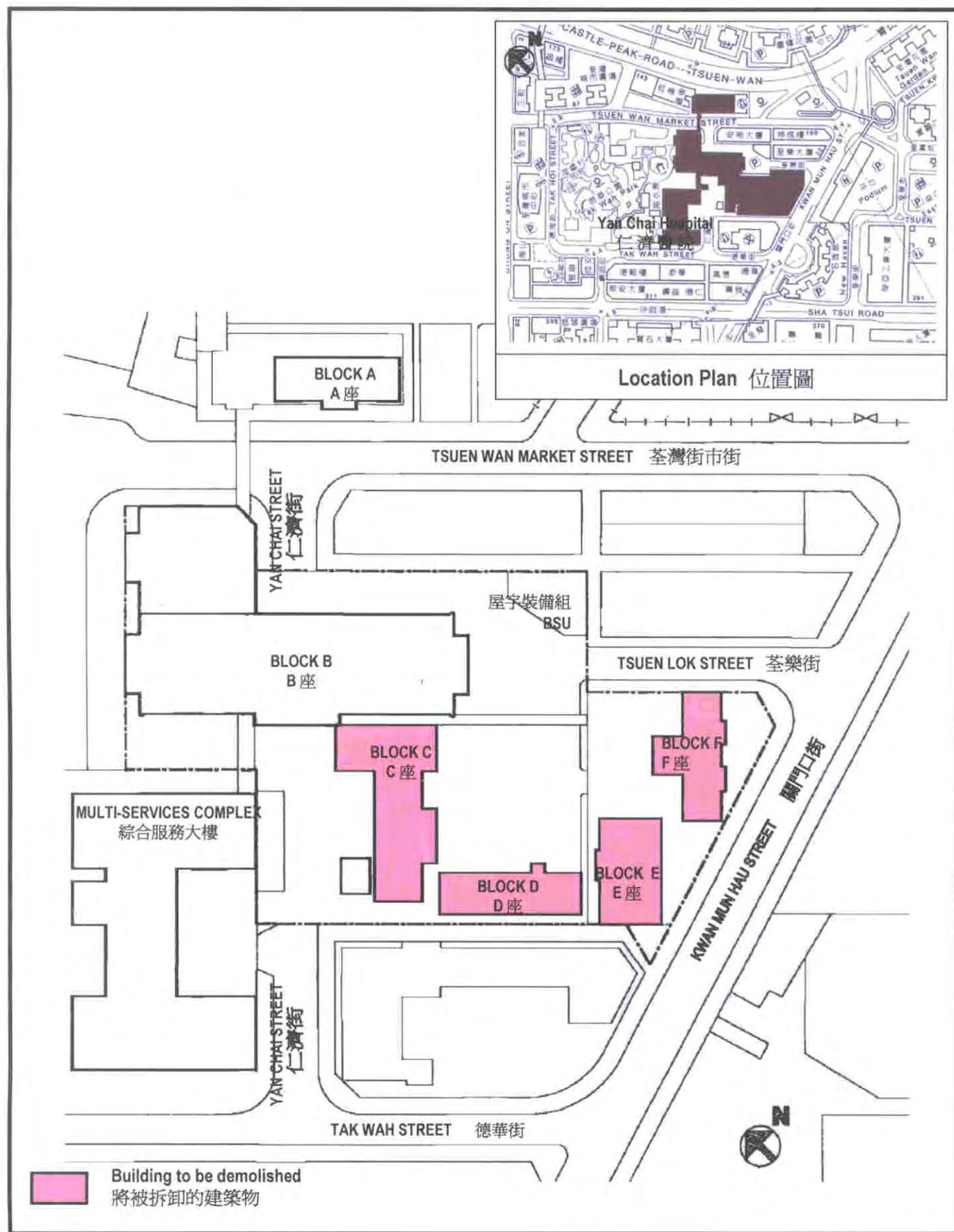
BACKGROUND INFORMATION

21. YCH was founded in 1973 by the Yan Chai Hospital Board. It is a community hospital with 800 in-patient beds that runs a 24-hour accident and emergency department and provides a comprehensive range of acute, extended care, ambulatory and community medical services, including medicine, surgery, orthopaedics and traumatology, paediatrics, ear, nose and throat, infirmary, and intensive / coronary care services.

22. YCH now has seven hospital blocks, namely Block A (opened in 1989), Block B (opened in 1993), Blocks C and D (opened in 1973), and Blocks E and F (opened in 1983). The Multi-Services Complex was completed under **4MF** in late 1998. It is a 13-storey joint-user building accommodating social welfare and rehabilitation services, a nursing home and 150 infirmary beds.

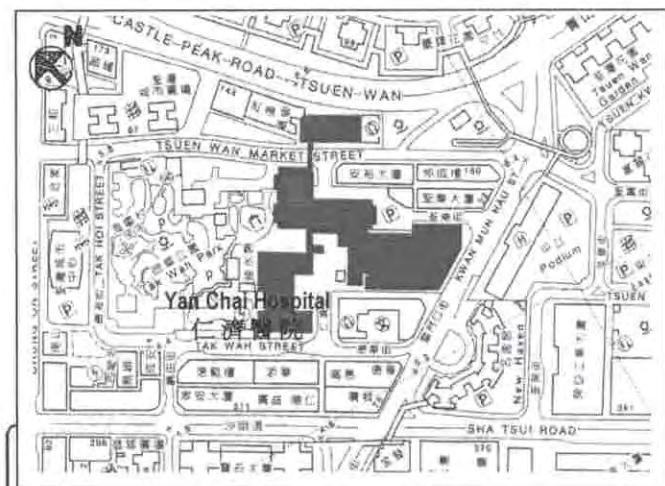
23. The proposed preparatory works will not involve any tree removal or planting proposals.

24. We estimate that the proposed preparatory works will create about 14 jobs (2 for labourers and another 12 for professional/technical staff) providing a total employment of 300 man-months.



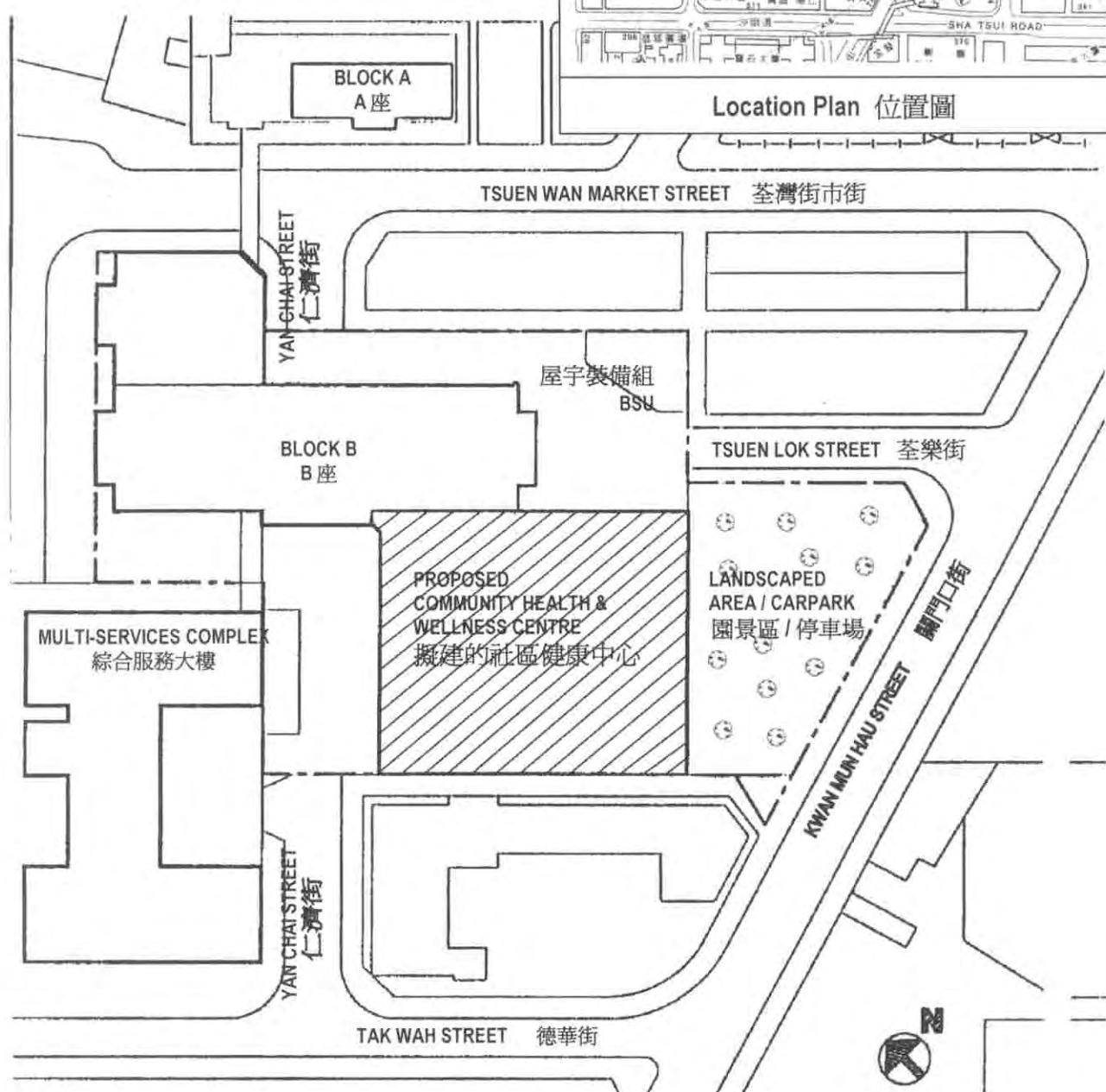
Existing Site Plan of Yan Chai Hospital (N.T.S.) 仁濟醫院現時平面圖 (不按比例)

8005MF - Redevelopment of Yan Chai Hospital 仁濟醫院重建工程



Location Plan 位置圖

TSUEN WAN MARKET STREET 荃灣街市街



Proposed Site Plan of Yan Chai Hospital (N.T.S.) 仁濟醫院擬定平面圖 (不按比例)

8005MF - Redevelopment of Yan Chai Hospital 仁濟醫院重建工程

**5MF – Establishment of a community health and wellness centre
at Yan Chai Hospital**

Breakdown of the estimates for consultant's fees^(Note 1)

Consultants' staff costs		Estimated man-months	Average MPS* salary point	Multiplier (Note 2)	Estimated fees (\$ million)
A. Outline Sketch Plan					
(a) Architectural	Professional	8	38	2	0.9
	Technical	12	14	2	0.4
(b) Building services	Professional	6	38	2	0.7
	Technical	12	14	2	0.4
(c) Structural engineering	Professional	3	38	2	0.3
	Technical	6	14	2	0.2
(d) Quantity surveying	Professional	2	38	2	0.2
	Technical	6	14	2	0.2
(e) Project management	Professional	-	-	-	-
	Technical	-	-	-	-
				Sub-total	3.3
B. Detailed Design					
(a) Architectural	Professional	20	38	2	2.2
	Technical	48	14	2	1.7
(b) Building services	Professional	16	38	2	1.7
	Technical	32	14	2	1.2
(c) Structural engineering	Professional	8	38	2	0.9
	Technical	12	14	2	0.4
(d) Quantity surveying	Professional	6	38	2	0.7
	Technical	6	14	2	0.2
(e) Project management	Professional	12	38	2	1.3
	Technical	-	-	-	-
				Sub-total	10.3
C. Tender Documentation					

Consultants' staff costs			Estimated man-months	Average MPS* salary point	Multiplier (Note 2)	Estimated fees (\$ million)
(a) Architectural	Professional	4	38	2	0.4	
	Technical	12	14	2	0.4	
(b) Building services	Professional	4	38	2	0.4	
	Technical	12	14	2	0.4	
(c) Structural engineering	Professional	2	38	2	0.2	
	Technical	2	14	2	0.1	
(d) Quantity surveying	Professional	8	38	2	0.9	
	Technical	20	14	2	0.7	
(e) Project management	Professional	4	38	2	0.4	
	Technical	-	-	-	-	
					Sub-total	3.9
					Total consultants' staff costs	17.5

***MPS = Master Pay Scale**

Notes

- (1) The figures given above are based on estimate prepared by the HA. D Arch S has examined the figures and considered them reasonable. We will only know the actual man-months and actual fees after we have selected the consultants through the competitive bidding system.
- (2) A multiplier of 2.0 is applied to the average MPS point to estimate the full staff costs for the staff employed by the consultants. The staff costs include the consultants' overheads and profit. (As at 1 January 2007, MPS point 38 is \$54,255 per month and MPS point 14 is \$18,010 per month.)