

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 – BUILDINGS

Environmental Hygiene – Retail Markets and Cooked Food Centres 27NM – General Improvement to the Fa Yuen Street Market and Cooked Food Centre

Members are invited to recommend to Finance Committee the upgrading of **27NM** to Category A at an estimated cost of \$47.6 million in money-of-the-day prices for carrying out general improvement works to the Fa Yuen Street Market and Cooked Food Centre, Mong Kok.

PROBLEM

We need to upgrade the existing provisions of the Fa Yuen Street Market (the Market) and Cooked Food Centre (CFC) to meet the latest statutory requirements relating to fire services and barrier-free access. We also need to improve the existing condition of the Market and CFC after nearly 20 years of wear and tear.

PROPOSAL

2. The Director of Architectural Services, with the support of the Secretary for Food and Health, proposes to upgrade **27NM** to Category A at an estimated cost of \$47.6 million in money-of-the-day (MOD) prices for carrying out general improvement works to the Market and CFC.

/PROJECT

PROJECT SCOPE AND NATURE

3. The scope of 27NM comprises –
- (a) upgrading of fire services installation including modification of an existing lift into a fireman's lift;
 - (b) provision of barrier-free access which is in line with current statutory requirements including provision of ramps and tactile warning strips for use by persons with disability;
 - (c) refurbishment works including replacement of internal finishes in common areas, lime-wash of ceiling, improvement of general lighting, mechanical ventilation system, kitchen exhaust system, drainage system and signage, demolition/conversion/refurbishment of vacant stalls, refurbishment of toilets; and
 - (d) addition of canopy outside CFC and a new staircase leading from 2/F to CFC at 3/F including associated re-roofing works.

———— The layout plans for the Market and CFC are at Enclosures 1 to 4 respectively and a
———— computer rendered drawing for the proposed works is at Enclosure 5.

4. We plan to start the proposed works in August 2008 for completion in November 2009. During this period, we shall arrange temporary closure of the Market by zones so as to minimise disruption to the normal operation of the Market and inconvenience caused to the public. The affected stall lessees will have to suspend business for a few days. However, for food safety consideration, it is necessary to close the whole CFC by about a month for the improvement works. We have consulted the stall lessees and the latter have expressed their preference for closing the CFC in the summer for the works to take place. The work schedule has been suitably worked out to fit in with the summer closure. Rental waiver/reduction for the affected stall lessees will be considered in accordance with Government's general guidelines for granting rental concession to stall lessees affected by market improvement works.

/JUSTIFICATION

JUSTIFICATION

5. The Market and CFC, built by the former Urban Council in 1988, has a total of 166 market stalls and 22 cooked food stalls respectively. With the passage of time, it has fallen short of the current standards in respect of fire services installations and provision of barrier-free access. While regular and scheduled maintenance works have been conducted over the years, the existing internal finishes and building services installations now need to be upgraded after nearly 20 years of wear and tear.

FINANCIAL IMPLICATIONS

6. We estimate the capital cost of the project to be \$47.6 million in MOD prices (see paragraph 7 below), including \$29.2 million for the Market portion and \$18.4 million for the CFC portion. Detailed breakdown is as follows –

	\$ million	
(a) Building	25.0	
(b) Building services	12.0	
(c) Drainage	1.0	
(d) Consultants' fees for construction stage –	4.3	
(i) contract administration	1.5	
(ii) site supervision	2.8	
(e) Contingencies	<u>4.1</u>	
Sub-total	46.4	(in September 2007 prices)
(f) Provision for price adjustment	<u>1.2</u>	
Total	<u>47.6</u>	(in MOD prices)

/We

We propose to engage consultants to undertake contract administration and site supervision of the project. A breakdown of the estimate for consultants' fees is at Enclosure 6. The total floor area to be refurbished is about 5 900 square metres (m²). The estimated construction unit cost, represented by the building and the building services costs, is \$6,271 per m² of floor area in September 2007 prices. We consider this unit cost reasonable as compared with similar projects implemented by the Government.

7. Subject to approval, we will phase the expenditure as follows –

Year	\$ million (Sep 2007)	Price adjustment factor	\$ million (MOD)
2008 – 09	4.0	1.00750	4.0
2009 – 10	23.0	1.01758	23.4
2010 – 11	7.0	1.02775	7.2
2011 – 12	7.0	1.03803	7.3
2012 – 13	5.4	1.05619	5.7
	46.4		47.6

8. We have derived the MOD estimates on the basis of the Government's latest forecast of trend rate of change in the prices of public sector building and construction output for the period 2008 to 2013. We intend to award the contract on a lump-sum basis because we can clearly define the scope of works in advance. The contract will not provide for price adjustments because the contract period will not exceed 21 months.

9. We estimate that, upon completion of the project, the annual recurrent expenditure for running the Market and CFC will be \$5.3 million.

/PUBLIC

PUBLIC CONSULTATION

10. The Market and CFC was one of the 19 markets / CFCs earmarked by the former Municipal Councils for retro-fitting of air-conditioning system and/or general improvement works. Whilst the Government is responsible for the project costs for installing the air-conditioning system, the recurrent cost such as electricity charges are borne by the stall lessees. The support of the affected stall lessees is therefore essential to the smooth implementation of the air-conditioning retro-fitting works. To ensure that the retro-fitting works have the support of the vast majority of the affected stall lessees, support from 85% or more of the stall lessees for the retro-fitting works and payment of the recurrent air-conditioning charges is necessary before the works are carried out.

11. In 2002, a survey was conducted among the stall lessees of the Market and CFC on the proposed air-conditioning retro-fitting works. At that time, 86% of the lessees supported the project. On this basis, a submission was made to Legislative Council's Public Works Subcommittee (PWSC) in May 2003 to recommend proceeding with the air-conditioning retro-fitting and other general improvement works for the Market and CFC. Divergent views were expressed by the PWSC. Whilst some Members supported the proposal, others expressed strong reservations about using substantial public money to provide air-conditioning for the CFC and criticised that it might be unfair to restaurants and fast food shops operating in the neighbourhood of the CFC. As a result, the matter was re-considered / discussed at different forums, including the Legislative Council Panel on Food Safety and Environmental Hygiene (Panel), the Yau Tsim Mong District Council (YTMD), and with the stall lessees concerned. Again, divergent views were expressed by different parties on the proposed air-conditioning retro-fitting works.

12. Accordingly, in 2005 and 2006, another round of survey was conducted among the stall lessees concerned. In this survey, tenants' support for air-conditioning retro-fitting works dropped significantly – from 86% in 2002 to 40% in 2005 for market tenants and from 100% in 2002 to 71% in 2006 for CFC tenants.

/13.

13. In November 2006, we presented the above results to the Food and Environmental Hygiene Committee of the YTMDC which raised no objection to our proposal to proceed with general improvement works only for both the Market and CFC. We further consulted the stall lessees on the revised scope of improvement works (which include only the general improvement works but not the air-conditioning retro-fitting works) at a meeting of the Market Management Consultative Committee (MMCC) in September 2007. They had no objection to the revised scope of works. We circulated an information paper to the Panel in January 2008 on the revised scope of works for this project. Panel members did not raise any objection to the proposal.

ENVIRONMENTAL IMPLICATIONS

14. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499) and will not cause long-term environmental impact.

15. We have included in the project estimate the cost of implementing suitable mitigation measures to control short-term environmental impacts. These include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities, and frequent cleaning and watering of the site.

16. We have considered measures (e.g. the use of prefabricated building elements such as steel frame construction and ductworks, proprietary toilet partitions and counter top to reduce temporary formwork and construction waste) in the planning and design stages to reduce the generation of construction waste where possible. We will reduce demolition by retaining the existing construction and structures of the Market as far as possible to minimise off-site disposal. In addition, we will require the contractor to reuse inert construction waste (e.g. broken concrete) on site or in other suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste to public fill reception facilities¹. We will encourage the contractor to maximise the use of recycled or recyclable inert construction waste, as well as the use of non-timber formwork to further minimize the generation of construction waste.

/17.

¹ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

17. We will also require the contractor to submit for approval a plan setting out the waste management measures, which will include appropriate mitigation means 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 to public fill reception facilities and landfills respectively through a trip-ticket system.

18. We estimate that the project will generate in total about 928 tonnes of construction waste. Of these, we will deliver 780 tonnes (84%) of inert construction waste to public fill reception facilities for subsequent reuse. In addition, we will dispose of 148 tonnes (16%) of non-inert construction waste at landfills. The total cost for accommodating construction waste at public fill reception facilities and landfill sites is estimated to be \$39,560 for this project (based on a unit cost of \$27/tonne for disposal at public fill reception facilities and \$125/tonne² at landfills).

HERITAGE IMPLICATIONS

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

LAND ACQUISITION

20. The project does not require any land acquisition.

/BACKGROUND

² This estimate has taken into account the cost of developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost of existing landfill sites (which is estimated at \$90/m³), nor the cost to provide new landfills (which is likely to be more expensive) when the existing ones are filled.

BACKGROUND INFORMATION

21. We upgraded **27NM** to Category B in October 2001. The original project scope covered the retro-fitting of air-conditioning system which was subsequently excluded as only 40% of the market lessees and 71% of the CFC lessees supported the proposed system and the sharing of recurrent running cost. We engaged consultants to undertake detailed design and tender documentation of the project at a total cost of \$3.6 million and charged this amount to block allocation **Subhead 3100GX** "Project feasibility studies, minor investigations and consultants' fees for items in Category D of the Public Works Programme". The consultants are finalising detailed design and tender documents.

22. The proposed general improvement works will not involve any tree removal. There are approximately 200 numbers of flowering shrubs to be planted.

23. We estimate that the proposed works will create about 89 jobs (76 for labourers and another 13 for professional/technical staff) providing a total employment of 1 100 man-months.

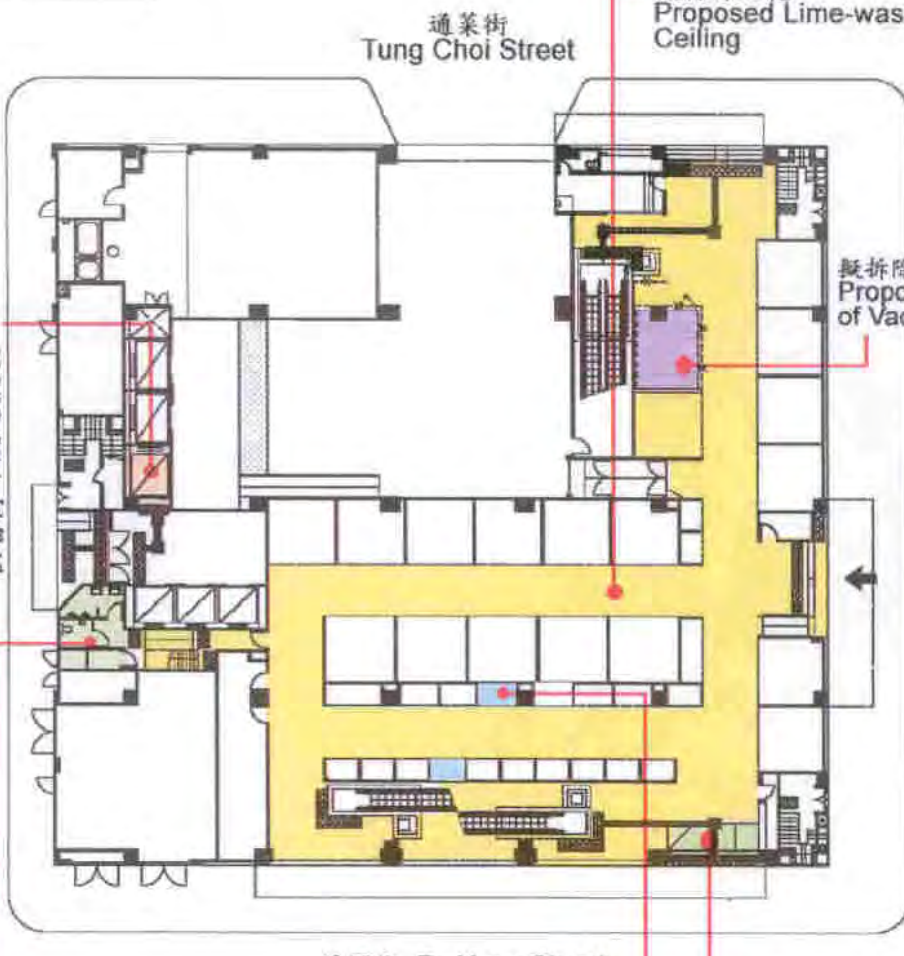
Food and Health Bureau
February 2008



- 擬更新公眾地方之地台及牆身飾面
Proposed New Floor and Wall Finishes in Common Area
- 擬改善公眾地方照明設備及指示牌
Proposed Improvement of Lighting and Signage in Common Area
- 擬改善機械通風系統
Proposed Improvement of Mechanical Ventilation System
- 擬粉飾天花
Proposed Lime-wash of Ceiling

擬更改消防員升降機
Proposed Modification of an Existing Lift into Fireman's Lift

夾層平面圖
Mezzanine Floor Plan




擬拆除空置攤檔
Proposed Demolition of Vacant Stall

擬翻新廁所
Proposed Refurbishment of Toilets

擬建新斜道
Proposed New Ramp

擬翻新空置攤檔
Proposed Refurbishment of Vacant Stalls

地下平面圖
Ground Floor Plan

title 花園街街市及熟食中心 一般改善工程 GENERAL IMPROVEMENT TO FA YUEN STREET MARKET AND COOKED FOOD CENTRE	drawn by PS SO	date 1/2/08	drawing no. AB6599/E01	scale 1:400
	approved Y. S. LEE	date 1/2/08	 ARCHITECTURAL SERVICES DEPARTMENT	
	office PROJECT MANAGEMENT BRANCH 3			



擬更新公眾地方之地台及牆身飾面
Proposed New Floor and Wall Finishes
in Common Area

擬改善公眾地方照明設備及指示牌
Proposed Improvement of Lighting
and Signage in Common Area

擬改善機械通風系統
Proposed Improvement of Mechanical
Ventilation System

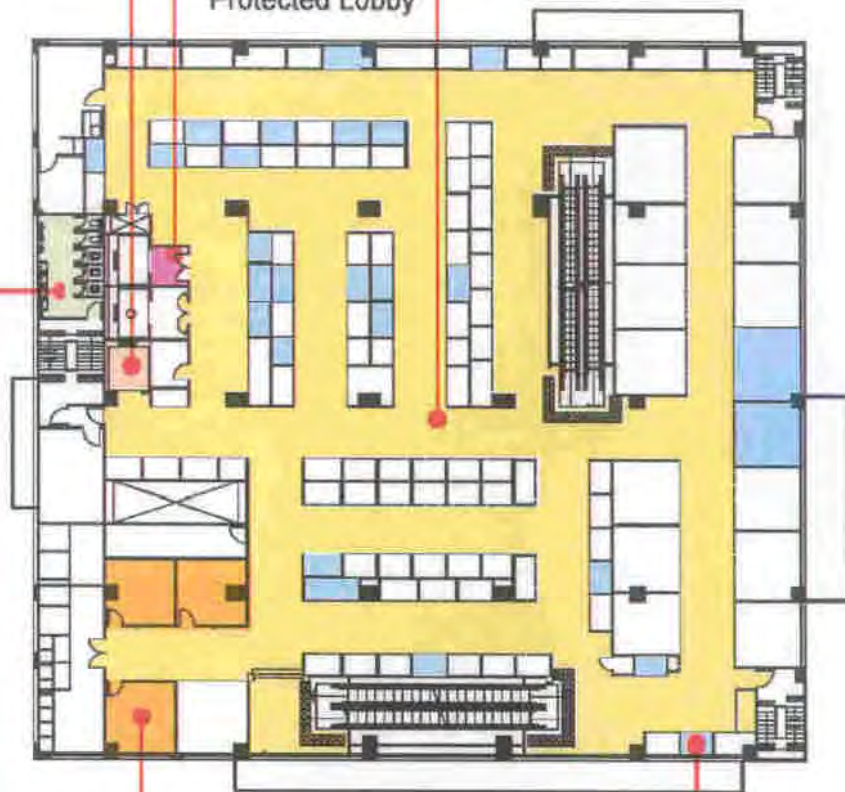
擬粉飾天花
Proposed Lime-wash of Ceiling

擬更改消防員升降機
Modification
of an Existing Lift
into Fireman's Lift

擬建防護門廊
Proposed New
Protected Lobby



夾層平面圖
Mezzanine
Floor Plan




擬更改空置攤檔
Proposed Conversion
of Vacant Stalls

擬翻新空置攤檔
Proposed
Refurbishment
of Vacant Stalls

擬翻新廁所
Proposed Refurbishment
of Toilets

一樓平面圖
First Floor Plan

title 花園街街市及熟食中心 一般改善工程 GENERAL IMPROVEMENT TO FA YUEN STREET MARKET AND COOKED FOOD CENTRE	drawn by PS SO	date 1/2/08	drawing no. AB8599/E02	scale 1:400
	approved Y. S. LEE	date 1/2/08	 ARCHITECTURAL SERVICES DEPARTMENT	
	office PROJECT MANAGEMENT BRANCH 3			



擬更改消防員升降機
Proposed Modification
of an Existing Lift into
Fireman's Lift

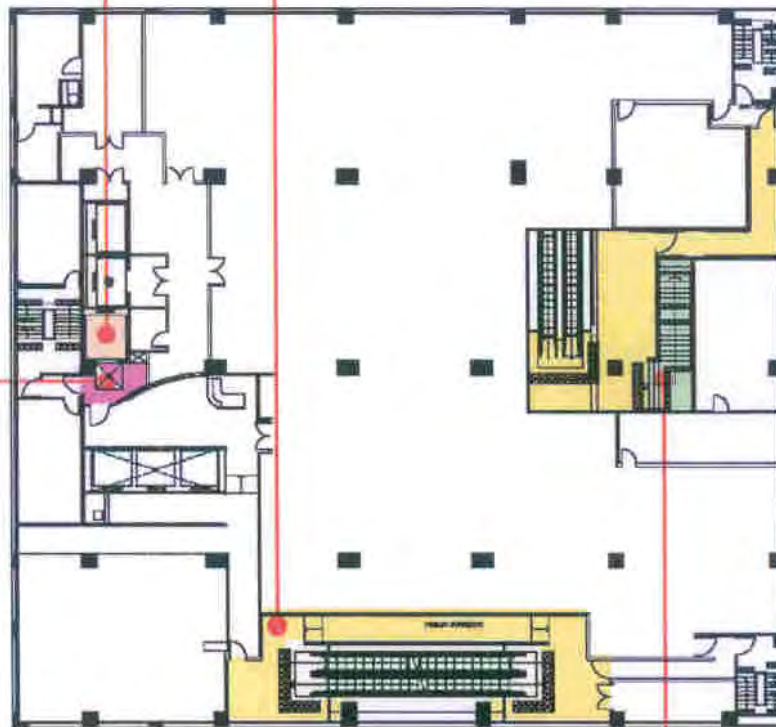
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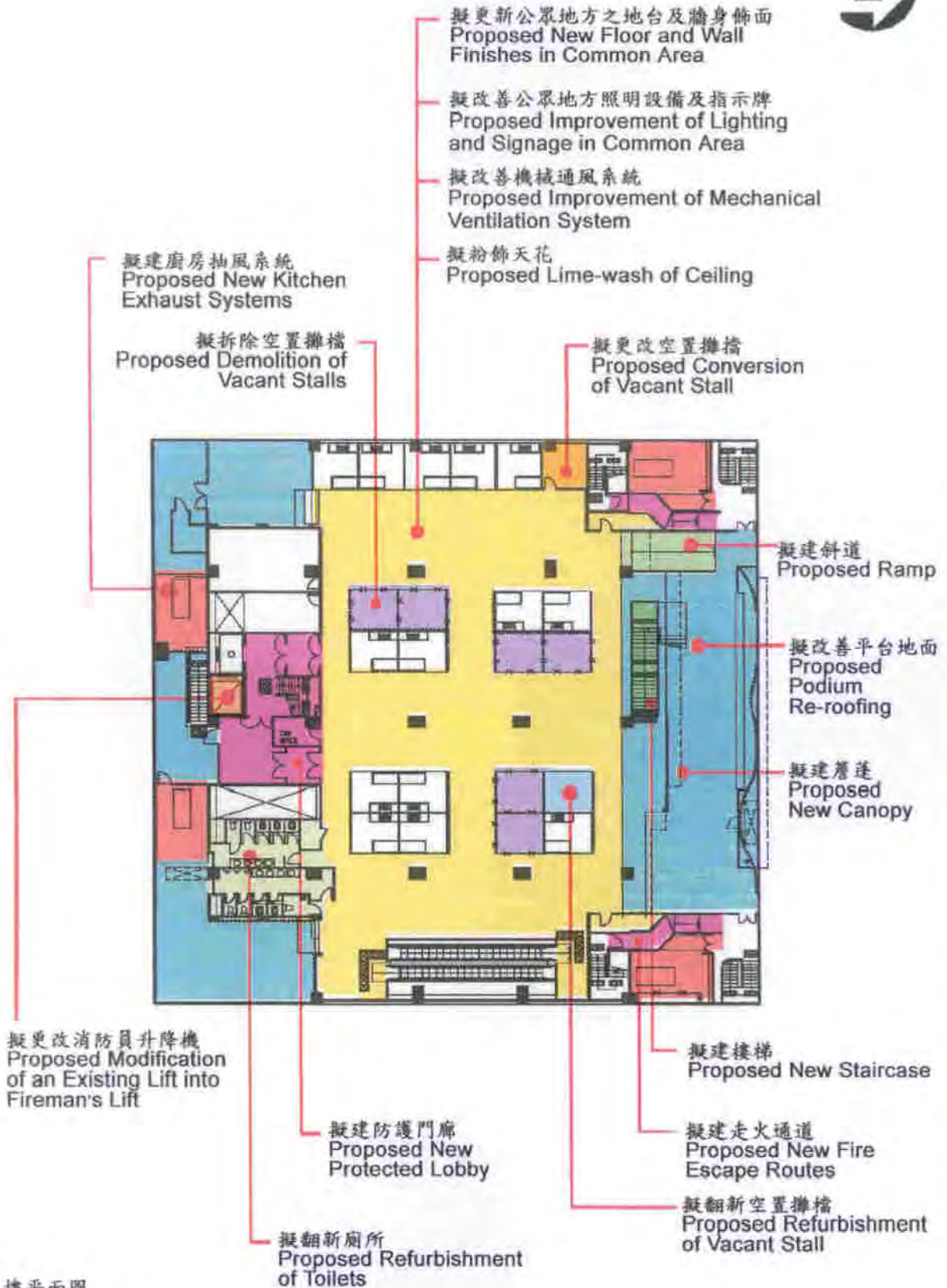
擬建防護門廊
Proposed New
Protected Lobby




擬建樓梯
Proposed New Staircase

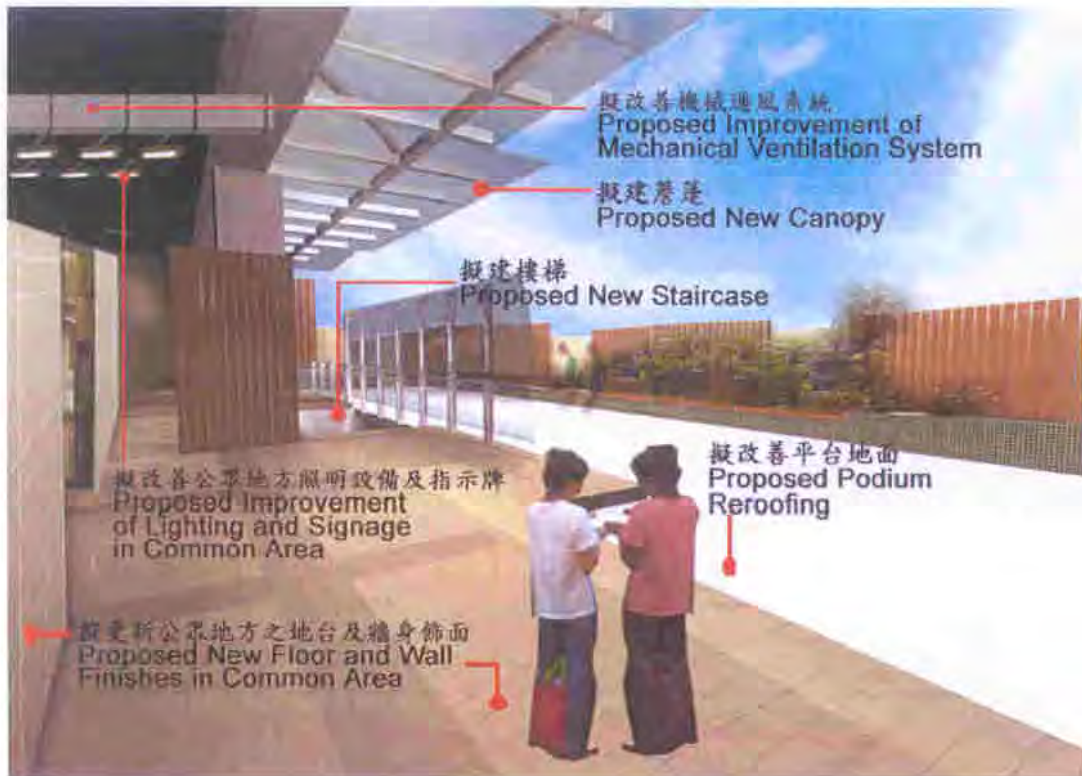
二樓平面圖
Second Floor Plan

title 花園街街市及熟食中心 一般改善工程 GENERAL IMPROVEMENT TO FA YUEN STREET MARKET AND COOKED FOOD CENTRE	drawn by PS SO	date 1/2/08	drawing no. AB6599/E03	scale 1:400
	approved Y. S. LEE	date 1/2/08	 ARCHITECTURAL SERVICES DEPARTMENT	
	office PROJECT MANAGEMENT BRANCH 3			



三樓平面圖
Third Floor Plan


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	approved Y. S. LEE	date 1/2/08	 ARCHITECTURAL SERVICES DEPARTMENT	
	office PROJECT MANAGEMENT BRANCH 3			



熟食中心電腦效果圖
Computer Rendered Drawing for Cooked Food Centre



擬改善工程電腦效果圖
Computer Rendered Drawing for Proposed Improvement Works

title 花園街街市及熟食中心 一般改善工程 GENERAL IMPROVEMENT TO FA YUEN STREET MARKET AND COOKED FOOD CENTRE	drawn by PS SO	date 1/2/08	drawing no. AB6599/E05	scale 1:400
	approved Y. S. LEE	date 1/2/08	 ARCHITECTURAL SERVICES DEPARTMENT	
	office PROJECT MANAGEMENT BRANCH 3			

**27NM –General improvement
to Fa Yuen Street Market and Cooked Food Centre**

Breakdown of the estimate for consultants' fees

		Estimated man- Months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
Consultants' staff costs					
Consultants' fees for construction stage					
(i)	Contract administration (Note 2)	Professional	-	-	0.8
		Technical	-	-	0.7
(ii)	Site supervision (Note 3)	Technical	92.9	14	1.6
Total					4.3

*MPS = Master Pay Scale

Notes

1. A multiplier of 1.6 is applied to the average MPS point to estimate the cost of resident site staff supplied by the consultants. (As at 1 April 2007, MPS point 14 = \$18,840 per month.)
2. The consultants' staff cost for contract administration is calculated in accordance with the existing consultancy agreements for other improvement works to existing public markets and cooked food centres. The assignment will only be executed subject to Finance Committee's approval to upgrade **27NM** to Category A.
3. The consultants' staff cost for site supervision is based on estimates prepared by the Director of Architectural Services. We will only know the actual man-months and actual costs after completion of the construction works.