

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 – BUILDINGS

Civil Engineering - Land Development

775CL – The demolition of existing structures on Sites A and B1 of the Sung Wong Toi Vehicle Repair and Maintenance Workshop

Members are invited to recommend to the Finance Committee the upgrading of **775CL** to Category A at an estimated cost of \$99.3 million in money-of-the-day prices.

PROBLEM

We need to demolish the existing structures on Sites A and B1 of the Sung Wong Toi Vehicle Repair and Maintenance Workshop in order to release the government land concerned for more gainful use.

PROPOSAL

2. The Director of Architectural Services, with the support of the Secretary for Development, proposes to upgrade **775CL** to Category A at an estimated cost of \$99.3 million in money-of-the-day (MOD) prices for the demolition of existing structures on Sites A and B1 of the Sung Wong Toi Vehicle Repair and Maintenance Workshop.

PROJECT SCOPE AND NATURE

3. The scope of **775CL** comprises –

- (a) demolition of a single-storey structure and a 3-storey building on Site A and a 4-storey building on Site B1;

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- (b) decontamination works at Site B1;
- (c) removal/diversion of any existing underground services and tanks;
- (d) formation of the levels of Sites A and B1 to match with the existing level of external paving; and
- (e) fencing off Sites A and B1 along site boundaries upon completion of demolition works.

_____ A site and location plan of the project and photos of existing structures are at Enclosures 1 and 2 respectively.

4. Subject to the approval of the Finance Committee in this legislative session, we plan to commence the proposed demolition works by end of 2016 for completion by the third quarter of 2018.

JUSTIFICATION

5. The vehicle repair and maintenance workshop was built for the Electrical and Mechanical Services Department (EMSD) in 1963. It occupied Sites A and B1 with an area of 2 800 square metres (m²) and 8 700 m² respectively for providing vehicle repair and maintenance services to government bureaux and departments. The workshop has now been vacated¹ while Site B1 is currently used by the Fire Services Department and the Highways Department for storage purposes.

6. The demolition of the structures on Site A is necessary for the development of public housing on the site to meet the pressing need for housing and the housing supply target announced in the 2014 Policy Address. Upon completion of the demolition works at Site A, which will take around 14 months, the site will be returned to the Lands Department (LandsD) by the third quarter of 2018 for handing over to the Hong Kong Housing Authority for public housing development in 2019. The housing development is expected to provide 600 public housing units for a population of about 1 700 in 2023.

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¹ The vehicle repair and maintenance services were moved to the new EMSD Headquarters at Kowloon Bay in 2005. The site has been put for temporary use from 2005 till now.

7. The demolition works at Site B1 will make way for future developments such as electricity substation as well as waterfront related commercial, cultural and leisure facilities in accordance with respective zoned uses under the approved Kai Tak Outline Zoning Plan No. S/K22/4. A small portion of the site serving as the vehicular entrance to Site B1 is currently zoned “Comprehensive Development Area (CDA)” which is intended for comprehensive development/redevelopment of the area for residential and/or commercial uses with the provision of waterfront promenade, open space and other supporting facilities. A relevant zoning plan is at Enclosure 3. Upon completion of the demolition works at Site B1, which will take around 19 months, it will be handed over to LandsD by the second quarter of 2018.

FINANCIAL IMPLICATIONS

8. We estimate the capital cost of the project to be \$99.3 million in MOD prices (please see paragraph 10 below), broken down as follows –

		\$ million	
(a)	Site works	9.8	
(b)	Building demolition works	27.1	
(c)	Removal of substructure and filling up existing basement	19.7	
(d)	External works	9.0	
(e)	Consultants' fees for	3.2	
	(i) contract administration	2.9	
	(ii) management of resident site staff (RSS)	0.3	
(f)	Remuneration of RSS	6.7	
(g)	Contingencies	7.6	
	Sub-total	83.1	(in September 2015 prices)
(h)	Provision for price adjustment	16.2	
	Total	99.3	(in MOD prices)

9. We plan to engage consultants to undertake contract administration and site supervision for the project. A detailed breakdown of the estimate for consultants' fees and resident site staff costs by man-months is at Enclosure 4. The total floor area to be demolished is about 16 495 m². The estimated unit cost for building demolition works is \$1,643 per m² of floor area in September 2015 prices. We consider this unit cost reasonable as compared with that of similar projects undertaken by the Government.

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

Year	\$ million (Sept 2015)	Price adjustment factor	\$ million (MOD)
2016 – 17	1.0	1.05775	1.1
2017 – 18	25.0	1.12122	28.0
2018 – 19	38.0	1.18849	45.2
2019 – 20	11.0	1.25980	13.9
2020 – 21	5.0	1.33539	6.7
2021 – 22	3.1	1.40549	4.4
	<hr/> 83.1 <hr/>		<hr/> 99.3 <hr/>

11. We have derived the MOD estimates on the basis of the Government's latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period from 2016 to 2022. We will deliver the proposed works through a lump-sum contract because the scope of the works can be clearly defined in advance. The contract will provide for price adjustments.

12. The proposed project has no recurrent financial implications.

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PUBLIC CONSULTATION

13. We consulted the Housing and Infrastructure Committee of Kowloon City District Council regarding the project in January 2016. Members have no objection to the proposed works.

14. We consulted the Legislative Council Panel on Development regarding the project on 15 March 2016. Panel Members supported the proposed works. Some Panel Members requested supplementary information about the rezoning plan for a small portion of land near the vehicular entrance on Site B1, the asbestos investigation and abatement works at the project sites, and provisions in the works contract(s) concerning the disposal of construction waste. Supplementary information is provided under paragraphs 7, 16 and 19 of this paper.

ENVIRONMENTAL IMPLICATIONS

15. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). We have engaged a consultant to carry out a Preliminary Environmental Review (PER) for the project. The PER has concluded and the Director of Environmental Protection (DEP) agreed that the project would not have long-term adverse environmental impact. We have included in the project estimates the cost to implement suitable mitigation measures to control short-term environmental impacts during demolition.

16. We have also prepared an Asbestos Investigation Report (AIR) and Asbestos Abatement Plan (AAP) and have agreed the findings with DEP. As the AIR identified some asbestos containing materials (ACM) at the plant rooms and functional areas of the existing buildings on Site A and Site B1, we will remove and dispose of the ACM in accordance with the AAP and the requirements under the Air Pollution Control Ordinance and Waste Disposal Ordinance prior to the demolition of the existing buildings. The removed ACM will be disposed of at designated landfills.

17. The majority of decontamination works for Site A and Site B1 have been completed by EMSD with the approval of Remediation Report by DEP in 2012 except for one location at Site B1 with a small extent of contaminated soil due to obstruction by underground structures. We have prepared a Land Contamination Review Report (LCRR) for the completion of the decontamination works at Site B1 and have agreed the remediation proposal with DEP. We will carry out remediation works in accordance with the LCRR and the relevant cost has been included in the project estimates.

18. We have considered suitable measures including selective demolition and on-site sorting of waste in the planning and design stages to reduce the generation of construction waste where possible. In addition, we will require the contractor to reuse inert construction waste on site or in other suitable construction sites as far as possible (e.g. using suitable excavated materials for filling within the site, and using metal site hoardings and signboards so that these materials can be recycled or reused in other projects), in order to minimise the disposal of inert construction waste to public fill reception facilities². We will encourage the contractor to maximise the use of recycled/ recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

19. At the start of demolition stage, we will require the contractor to submit a waste management plan (WMP) setting out the waste management measures for our approval. The WMP will include appropriate mitigation measures to avoid, reduce, reuse and recycle inert construction waste. We will ensure that the day-to-day operations on site comply with the approved WMP. We will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. We will monitor the contractor's compliance of construction waste disposal under the contract through a trip-ticket system and ensure that the disposal of inert construction waste and non-inert construction waste would be delivered to the designated public fill reception facilities and landfills respectively as specified in the tender documents. We will record the disposal, reuse and recycling of construction waste for monitoring purposes.

20. During demolition, we will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the contract. These include but are not limited to the use of silencers, mufflers, acoustic lining or shields for noisy demolition activities, frequent cleaning and watering of the site, and the provision of wheel-washing facilities to minimise dust generation.

21. We estimate that the project will generate in total 28 874 tonnes of construction waste. Of these, we will reuse 28 564 tonnes (98.9%) of inert construction waste on site. We will dispose of 310 tonnes (1.1%) of non-inert construction waste at the designated landfills. The total cost for accommodating construction waste at landfill sites is estimated to be about \$40,000 for this

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² Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N). Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

project (based on a unit charge rate of \$125 per tonne for disposal at landfills as stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N)).

HERITAGE IMPLICATIONS

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

LAND ACQUISITION

23. The project does not require any land acquisition.

BACKGROUND INFORMATION

24. We upgraded **775CL** to Category B in September 2014. We engaged consultants to undertake topographical survey, utility mapping, preliminary environmental reviews, detail design, site investigation and tender documentation. The total cost of the above-mentioned services is about \$4.3 million. We have 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 and contractors have completed all the above consultancy services and works. Tender preparation is in progress and targeted for invitation by the third quarter of 2016.

25. All the eight trees, including one important tree³, within the project site boundary will be preserved. The proposed demolition works will not involve any tree removal or planting proposal.

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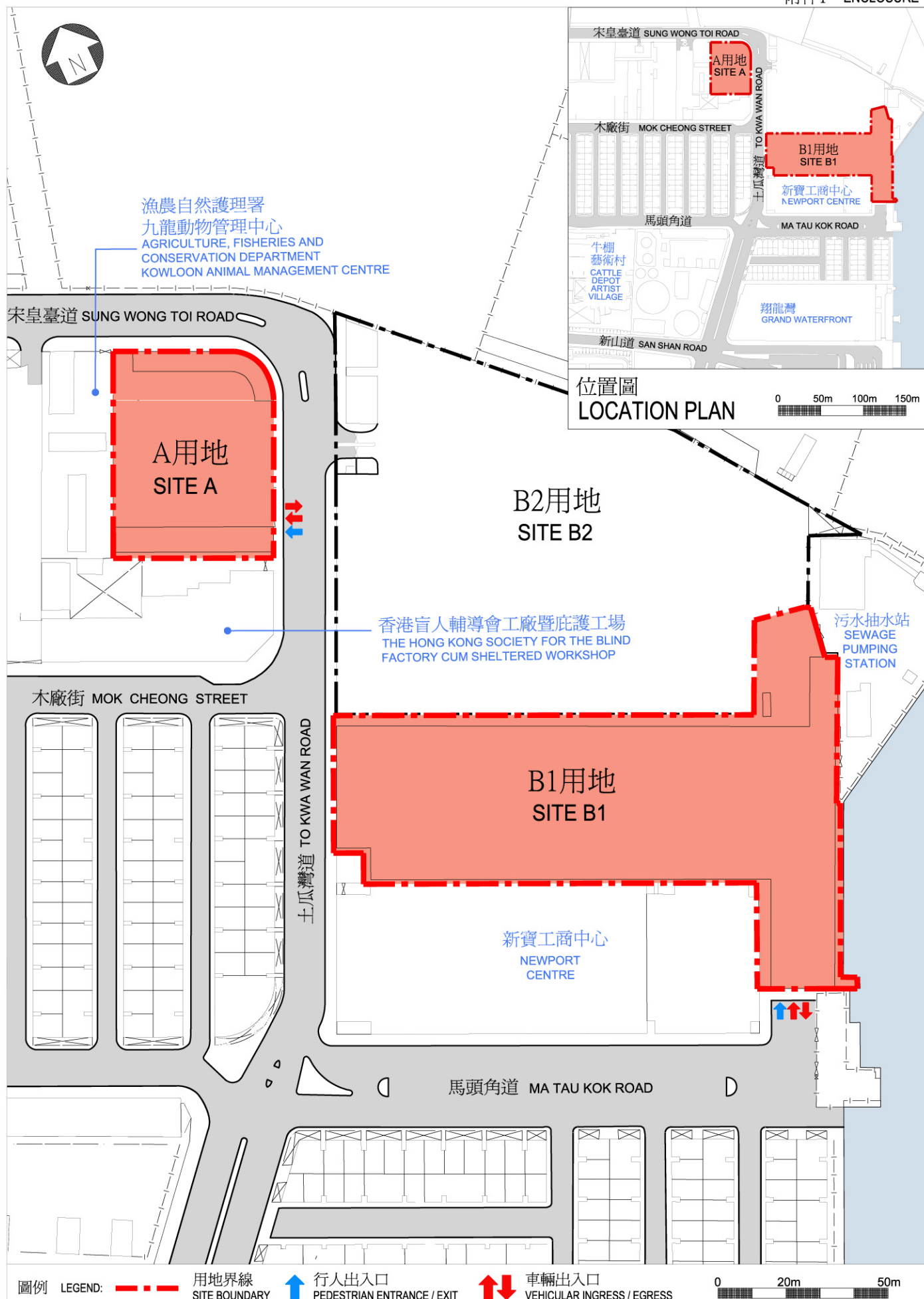
³ An “important tree” refers to trees in the Register of Old and Valuable Trees, or any other trees that meet one or more of the following criteria –

- (a) trees of 100 years old or above;
- (b) trees of cultural, historical or memorable significance e.g. Fung Shui tree, tree as landmark of monastery or heritage monument, and trees in memory of an important person or event;
- (c) trees of precious or rare species;
- (d) trees of outstanding form (taking account of overall tree sizes, shape and any special features) e.g. trees with curtain like aerial roots, trees growing in unusual habitat; or
- (e) trees with trunk diameter equal to or exceeding 1.0 metre (m) (measured at 1.3m above ground level), or with height/ canopy spread equal to or exceeding 25m.

A common tree refers to trees not classified as “important tree”.

26. We estimate that the proposed works will create about 20 jobs (17 for labourers and three for professional or technical staff) providing a total employment of 500 man-months.

Development Bureau
May 2016



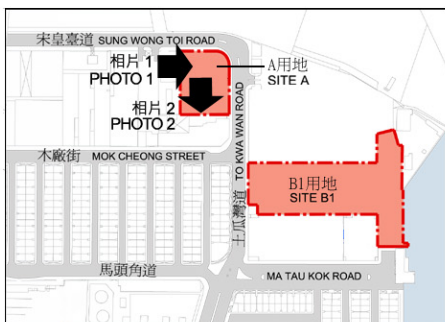
工地平面圖
SITE PLAN

775CL

拆卸宋皇臺汽車維修站A及B1用地的現有建築物
THE DEMOLITION OF EXISTING STRUCTURES ON SITES A AND B1 OF
THE SUNG WONG TOI VEHICLE REPAIR AND MAINTENANCE WORKSHOP



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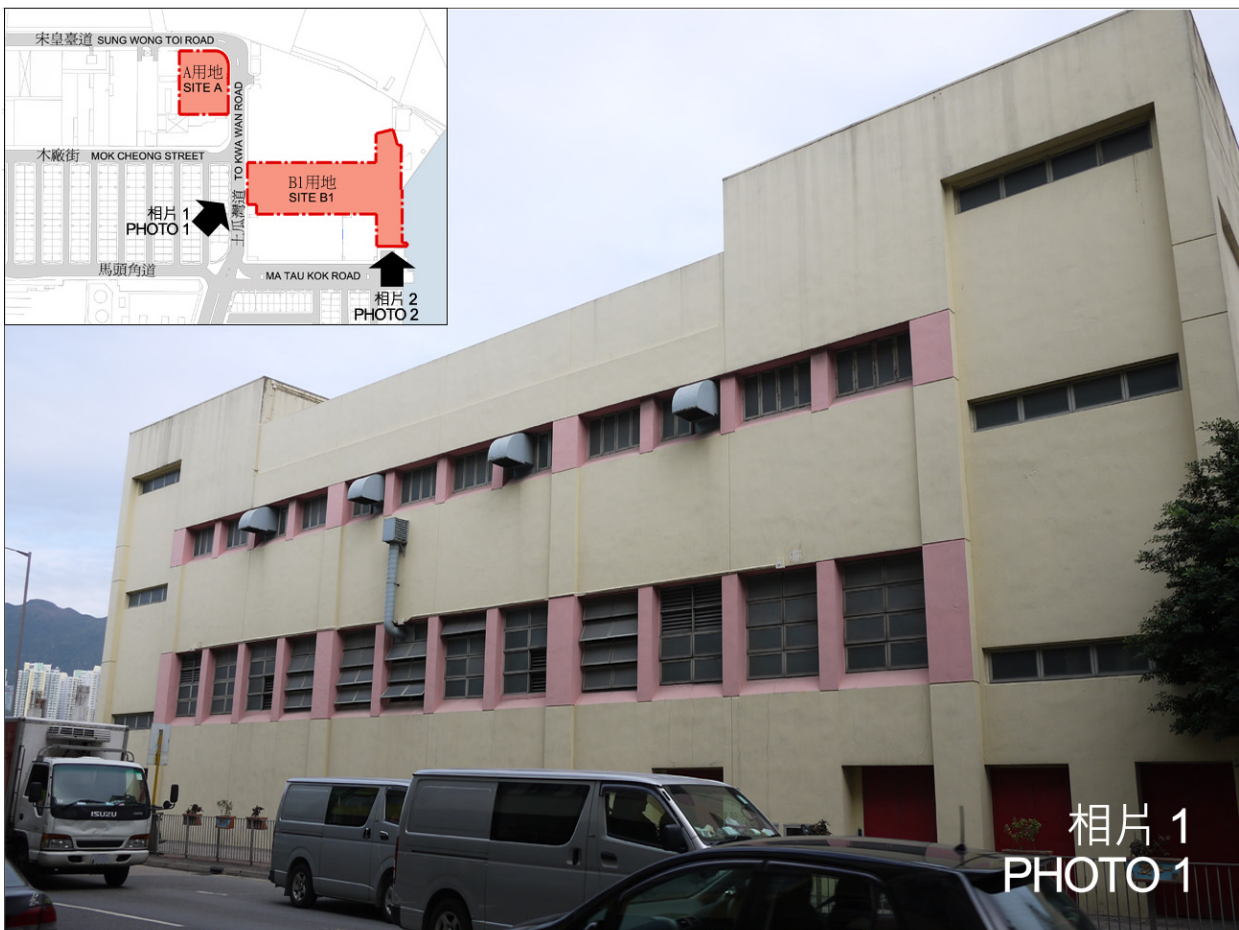
A用地現有
建築物相片
PHOTOS OF
EXISTING
STRUCTURES
ON SITE A

775CL

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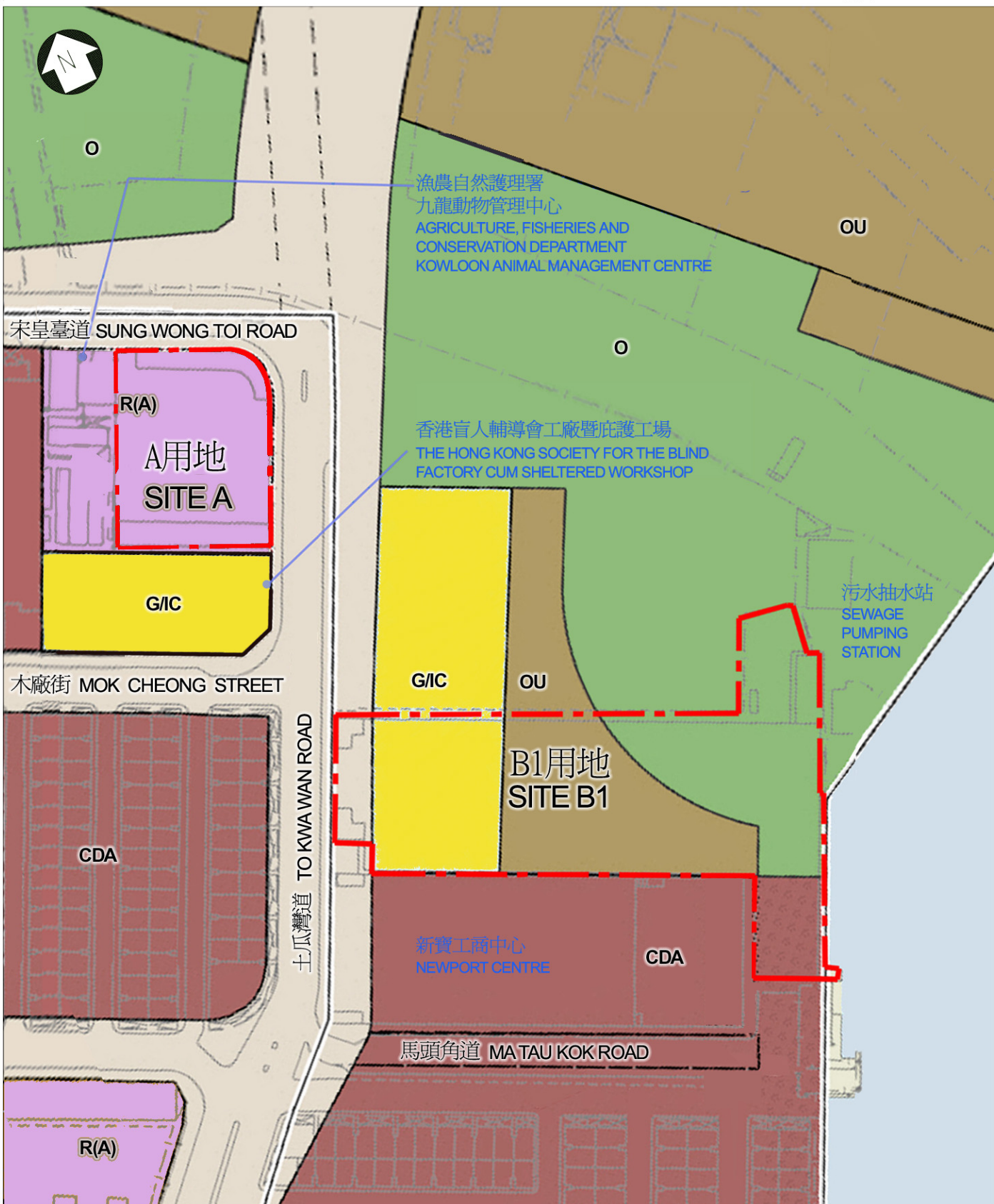
B1用地現有
建築物相片
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圖例 LEGEND:

--- 用地界線
SITE BOUNDARY

O : OPEN SPACE
休憩用地

CDA : COMPREHENSIVE
DEVELOPMENT
AREA
綜合發展區

G/IC : GOVERNMENT,
INSTITUTION OR
COMMUNITY
政府、機構或社區

OU : OTHER
SPECIFIED
USE
其他指定用途

R(A) : RESIDENTIAL
(GROUP A)
住宅(甲類)

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分區計劃圖
ZONING PLAN

**775CL – The demolition of existing structures on Sites A and B1 of
the Sung Wong Toi Vehicle Repair and Maintenance Workshop**

**Breakdown of the estimates for consultants' fees and resident site staff costs
(in September 2015 prices)**

		Estimated man- months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
(a) Consultants' fee for					
(i) Contract administration (Note 2)	Professional	—	—	—	2.0
	Technical	—	—	—	0.9
				Sub-total	2.9
(b) RSS costs (Note 3)					
	Professional	50	38	1.6	5.9
	Technical	26	14	1.6	1.1
				Sub-total	7.0
Comprising -					
(i) Consultants' fees for management of RSS				0.3	
(ii) Remuneration of RSS				6.7	
Total					9.9

* MPS = Master Pay Scale

Notes

1. A multiplier of 1.6 is applied to the average MPS salary point to estimate the cost of RSS supplied by the consultants. (As at now, MPS salary point 38 = \$74,210 per month and MPS salary point 14 = \$25,505 per month.)
2. The consultants' fee for contract administration is calculated in accordance with the existing consultancy agreement for provision of contract administration and site supervision services for **775CL**. The assignment will only be executed subject to Finance Committee's approval to upgrade **775CL** to Category A.
3. The actual man-months and actual costs will only be known after completion of the construction works.