For discussion
on 11 November 1998

PWSC(98-99)39

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT
Medical Subventions
44MM - Refurbishment to MacLehose Medical Rehabilitation Centre

Members are invited to recommend to Finance Committee the approval of a commitment of $56.63 million in money-of-the-day prices for carrying out refurbishment works to the MacLehose Medical Rehabilitation Centre.

PROBLEM

The physical conditions and facilities of the MacLehose Medical Rehabilitation Centre (MMRC) need improvements to meet the present day requirements for the provision of quality rehabilitation care.

PROPOSAL

2. The Hospital Authority (HA), supported by the Secretary for Health and Welfare, proposes to create a commitment of $56.63 million in money-of-the-day (MOD) prices to refurbish MMRC to improve its physical conditions and facilities.

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PROJECT SCOPE AND NATURE

3. Under the proposed refurbishment project, various general repairs and improvement works will be carried out to the MMRC, including -

(a) general repairs and refurbishment works such as refurbishment to the external building facade, internal redecoration and replacement of windows and doors;

(b) repairs to and replacement of defective plumbing and drainage system, and refurbishment of toilets located at G/F to 5/F;

(c) replacement of lifts;

(d) repairs to the central air-conditioning system and installation of air-conditioning system for the ward areas;

(e) replacement of the nurse call bell system; and

(f) upgrading of security, external lighting and TV antenna reception systems.

The detailed scope of works and their estimated costs are set out at Enclosure 1.

JUSTIFICATION

4. The MMRC was built in 1984. Over the years, only routine maintenance and minor repair works were carried out to the building and its internal areas. No internal redecoration to the ward areas have been carried out in the past 14 years. As a result of prolonged usage and natural wear and tear, the physical conditions of the building and its internal areas have been deteriorating and certain facilities and equipments of the centre are reaching the end of their serviceable life. The major problems are -

(a) the external building facade is in need of general repair and refurbishment. Some internal areas are in poor conditions and some urgent repairs are required. For example, the teak wood floor is coming off in pieces and some windows and doors are broken;

/(b) .....

(b) the plumbing and drainage systems are approaching the expiry of their serviceable life. Leakage and blockage of the systems are recurring at increasing frequencies. The patients' toilets are in unsatisfactory conditions;

(c) the four existing lifts are reaching the end of their serviceable life and need to be replaced to improve the operational efficiency of the hospital;

(d) the central air-conditioning system which serves only limited areas of the hospital is not functioning properly. Replacement of the air-handling units and associated ductwork is required. Moreover, the physical environment of the general wards which are not currently air-conditioned is in need of improvement; and

(e) the outdated nurse call bell system is not adequate to meet the present day requirements for the provision of quality care. Moreover, maintenance of such system is getting increasingly cost ineffective and difficult due to the unavailability of spare parts for replacement.

5. In general, the MMRC building has been running down over the years. The problems described above have adversely affected the operational efficiency and hindered the delivery of quality service to patients. High maintenance costs are incurred to keep the building and building services installation serviceable. The proposed improvement works are therefore necessary to bring the facilities and services up to present day standards, to improve operational efficiency and to provide a safe and comfortable physical environment for patients and staff.

FINANCIAL IMPLICATIONS

6. HA, in consultation with the Director of Architectural Services (D Arch S), estimates the total project cost to be $56.63 million in MOD prices (see paragraph 7 below), made up as follows -

		$ million	
(a)	Building	19.49	
(b)	Building services	22.48	
(c)	Consultants' fees	2.30	
(d)	Contingencies	2.97	
	Sub-total	47.24	(at December 1997 prices)
(e)	Inflation allowance	9.39	
	Total	56.63	(in MOD prices)

A breakdown of the estimated consultants' fees is at Enclosure 2.

7. Subject to Members' approval, we will phase the expenditure as follows -

Year	$ million (Dec 1997)	Price adjustment factor	$ million (MOD)
1999 - 2000	14.30	1.12890	16.14
2000 - 01	19.17	1.19663	22.94
2001 - 02	12.67	1.26843	16.07
2002 - 03	1.10	1.34454	1.48
	47.24		56.63

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8. We derived the MOD estimate on the basis of the Government's latest forecast of trend labour and construction prices over the period 1999 to 2003. HA will tender the works under a fixed-price lump-sum contract for the whole project.

9. HA estimates the additional annually recurrent expenditure arising from the project to be $0.42 million at 1998-99 prices.

PUBLIC CONSULTATION

10. As this is a refurbishment project to be carried out within the boundaries of MMRC, we consider that public consultation is not necessary.

ENVIRONMENTAL IMPLICATIONS

11. In February 1997, HA completed a Preliminary Environmental Review (PER) of this project and concluded that, given its nature, size and location, implementation of the project would have limited potential for adverse impacts on the environment. The Director of Environmental Protection vetted the PER and agreed that an Environmental Impact Assessment report would not be necessary.

12. During construction, HA will control noise, dust and other nuisances to within established standards and guidelines through the implementation of appropriate mitigation measures in the contract.

LAND ACQUISITION

13. This project does not require land acquisition.

BACKGROUND INFORMATION

14. MMRC was built in 1984 by the Hong Kong Society for Rehabilitation. The Centre has 150 medical rehabilitation beds and offers comprehensive rehabilitation programmes for all types of patients with physical

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disability. The range of rehabilitation programmes include medical and nursing care, physiotherapy, occupational therapy, prosthetics and orthotics, speech therapy, clinical psychology, as well as medical social services. The patient-related areas are located at G/F to 4/F. Accommodation above 4/F is being used for various purposes such as office, storage, and quarters and will not be covered by the scope of the project unless where necessary for building services installations.

15. Subject to Members' approval, we plan to start the refurbishment works in May 1999 for completion in September 2001.

Health and Welfare Bureau
November 1998

(PWSC0027/WIN1)

Enclosure 1 to PWSC(98-99)39

44MM - Refurbishment to MacLehose Medical Rehabilitation Centre

Detailed Scope of Works

	Work Description	Building Works ($M)	Building Services Works ($M)	Total Amount ($M)
1.	General repairs, internal redecoration, replacement of windows and doors of wards, office, carpark area and gymnasium at G/F to 5/F of the building.	14.162	5.609	19.771
2.	Replacement of four nos. of lifts.	0.708	5.210	5.918
3.	Replacement of air-handling units, fan coil units and other major components of the central air-conditioning system and installation of air-conditioning system for the general wards.	0.558	4.469	5.027
4.	Replacement and repair of defective plumbing and drainage system.	0.341	3.431	3.772
5.	Refurbishment of lavatories from G/F to 5/F.	1.511	0.104	1.615
6.	Upgrading of security system and external lighting improvement.	0.379	1.024	1.403
7.	Replacement of nurse call bell system.	0.103	1.042	1.145
8.	Repair of defective roof area.	0.432	0.208	0.640
9.	General refurbishment to the external facade of the whole centre and the backyard area	0.536	0	0.536
10.	Replacement of filtration plants and associated piping and facilities of the hydropool.	0.048	0.479	0.527

11.	Upgrading of public TV antenna reception system.	0.010	0.104	0.114
12.	Contractor's setting up costs such as provision of site offices and work areas, etc.	0.697	0.804	1.501
	Total of builder's work and building services work excluding preliminaries (at Dec 97 price level)	**19.485 (say $19.49M)**	**22. 484 (say$22.48M)**	**41.969 (say $41.97M)**

		$M (Dec 97 prices)
(a)	Building	19.49
(b)	Building Services	22.48
(c)	Consultants' fees	2.30
(d)	Contingencies	2.97
	Total	**47.24**

Enclosure 2 to PWSC(98-99)39

44MM - Refurbishment to MacLehose Medical Rehabilitation Centre

Details of Estimated Consultants' Fees

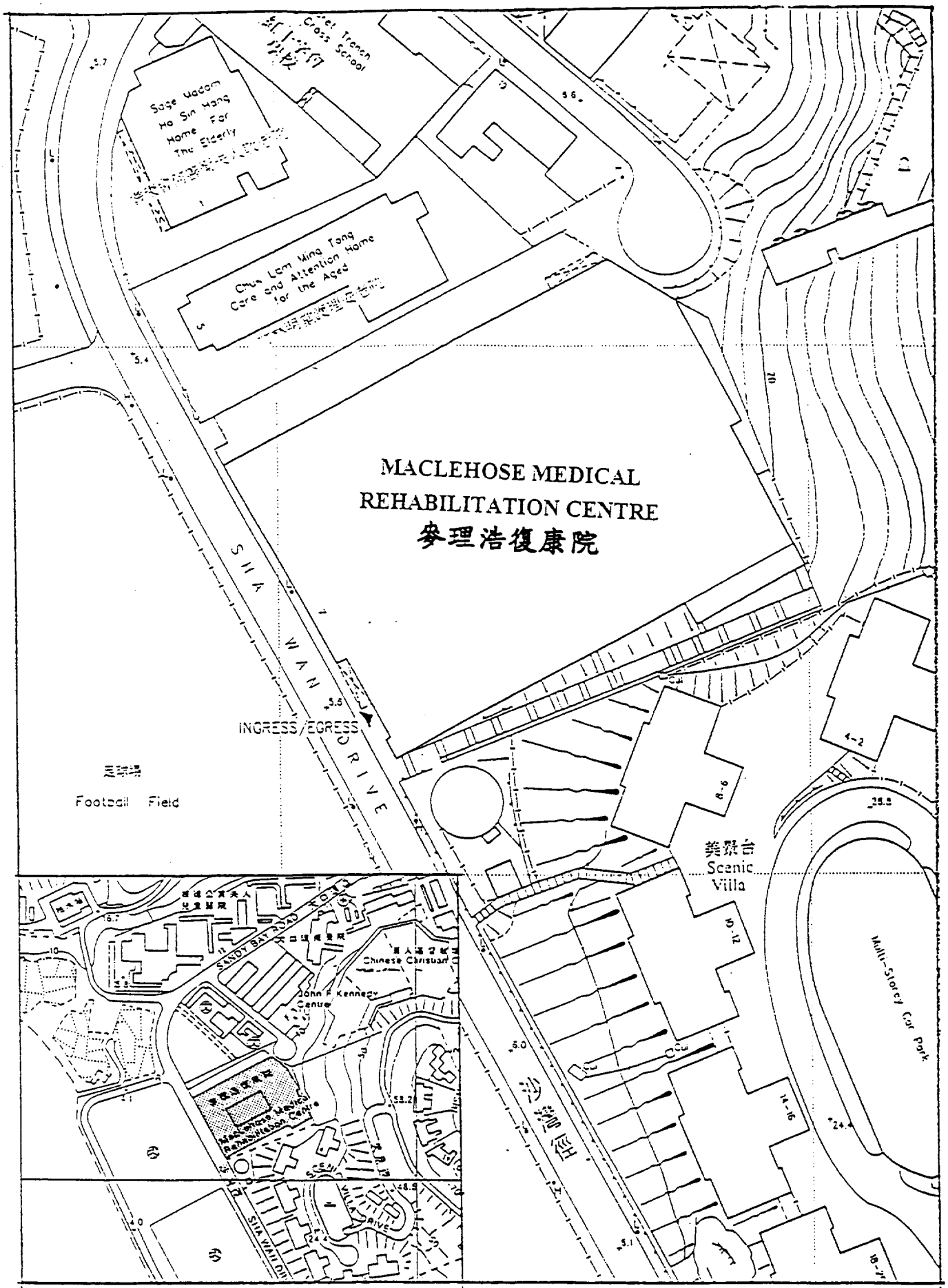
Consultants' staff costs			Estimated man months	Average MPS salary point	Multiplier factor	Estimated fee ($ million)
I.	**Quantity Surveying**					
(a)	Tender assessment	Professional	0.16	40	3.0	0.03
		Technical	0.55	16	3.0	0.03
(b)	Contract administration	Professional	0.52	40	3.0	0.09
		Technical	1.04	16	3.0	0.06
					Sub-total	0.21
II.	**Architectural**					
(a)	Tender assessment	Professional	0.88	40	3.0	0.16
		Technical	1.87	16	3.0	0.11
(b)	Supervision	Professional	5.26	40	2.1	0.65
		Technical	9.82	16	2.1	0.41
					Sub-total	1.33
III.	**Structural Engineering**					
(a)	Tender assessment	Professional	0.16	40	3.0	0.03
		Technical	0.52	16	3.0	0.03
(b)	Supervision	Professional	1.20	40	2.1	0.15
		Technical	1.99	16	2.1	0.08
					Sub-total	0.29
IV.	**Building Services Engineering**					
(a)	Tender assessment	Professional	0.33	40	3.0	0.06
		Technical	1.35	16	3.0	0.08
(b)	Supervision	Professional	1.99	40	2.1	0.25
		Technical	1.99	16	2.1	0.08

Sub-total	0.47
Total	2.30

Notes

1. A multiplier factor of 3 is applied to the average MPS point to arrive at the full costs including the consultants' overheads and profit, as the staff will be employed in the consultants' offices. A multiplier factor of 2.1 is applied to the average MPS point in the case of site staff supplied by the consultants (As at 1 April 1997, MPS point 40 = $59,210 per month and MPS point 16 = $19,860 per month).

2. The figures given above are based on estimates prepared by the Director of Architectural Services and Hospital Authority. The actual figures will be available upon finalisation of the accounts of the works contracts.



KEY PLAN 1 : 5000 | LOCATION PLAN 1 : 1000

8044MM 麥理浩復康院翻修工程