

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEM AND EQUIPMENT

Universities

The Chinese University of Hong Kong

41EF – Conversion of Residences Nos. 5 to 9 into 590 student hostel places

42EF – Conversion of Residence No. 1 into academic support facilities

Members are invited to recommend to the Finance Committee to approve a new commitment of \$49.99 million in money-of-the-day prices for the conversion of five blocks of former staff quarters of the Chinese University of Hong Kong into 590 student hostel places and one block of former staff quarters into academic support facilities.

PROBLEM

The Chinese University of Hong Kong (CUHK) requires hostel accommodation to meet students' demand. CUHK also has a shortfall in academic support facilities and needs additional space to meet academic objectives. At the same time, there is a need to optimise the use of vacant staff quarters arising from the implementation of the Home Financing Scheme for eligible staff in University Grants Committee-funded institutions (the UGC HFS).

PROPOSAL

2. On the advice of the Director of Architectural Services (D Arch S),

/and

and with the support of the Secretary for Education and Manpower, the Secretary-General, University Grants Committee (SG, UGC) proposes to create a new commitment of \$49.99 million in money-of-the-day (MOD) prices for CUHK to carry out the following two capital works projects -

	\$ million (MOD)
(a) 41EF - Conversion of Residences Nos. 5 to 9 into 590 student hostel places	25.01
(b) 42EF - Conversion of Residence No. 1 into academic support facilities	24.98
Total	<hr/> 49.99 <hr/>

PROJECT SCOPE AND NATURE

41EF – Conversion of Residences Nos. 5 to 9 into 590 student hostel places

3. The project involves conversion of five existing staff quarter blocks (94 units) of CUHK at Residence Nos. 5 to 9 into 590 student hostel places. Conversion works include the fitting-out of the five existing blocks, based on the concept of several students sharing communal living, washing, cooking and studying facilities in a group within the confines of a quarter. A site plan is at Enclosure 1 for Members' reference. CUHK plans to commence the conversion works in September 2000 for completion in March 2001.

42EF – Conversion of Residence No. 1 into academic support facilities

4. The project involves conversion of one existing staff quarter block of CUHK (14 units) at Residence No. 1 to provide net useable floor area of some 1 750 square metres for academic support facilities, including temporary offices, a resources centre/archives, and research/reading/meeting areas, etc. A site plan is at Enclosure 2 for Members' reference. CUHK plans to commence the conversion works in September 2000 for completion in July 2001.

/JUSTIFICATION

JUSTIFICATION

Surplus quarters arising from the introduction of UGC HFS

5. The Administration and the UGC-funded institutions have anticipated decreasing demand for staff quarters as a result of the implementation of HFS UGC, and have agreed on arrangements to dispose of such quarters in such manner that would yield the greatest public benefits.

6. In respect of CUHK, over 69 quarters in six quarter blocks have become surplus as a result of the implementation of UGC HFS. Since these quarters are situated within the CUHK campus, there is limited scope for turning the quarters into rentable premises to generate rental proceeds for sharing between the institution and Government pursuant to the agreed arrangement. The institution therefore wishes to pursue alternative disposal plans for these surplus quarters to optimise their use.

41EF – Conversion of Residences Nos. 5 to 9 into 590 student hostel places

7. In December 1996, the Government promulgated a new policy for the provision of publicly-funded student hostel places at UGC-funded institutions. It represents Government's efforts to enhance the quality of university education by fostering hostel life. This will sharpen student's communication skills, nurture their leadership quality, encourage independent thinking and promote participation in community affairs. Under this policy, all undergraduates will have the opportunity to stay in hostels for at least one year and all research postgraduates, non-local students and those undergraduates whose daily travelling time exceeds four hours will be provided with hostel places.

8. CUHK currently has 4 284 hostel places (2 035 publicly-funded and 2 249 privately-funded). Finance Committee approved funding of \$185.97 million in February 1997 to provide another 900 places under project **32EF**. The project is scheduled for completion in April 2002. In line with Government's promulgated policy mentioned in paragraph 7 above, an additional 757 hostel places have to be provided. CUHK therefore proposes to convert five surplus staff quarter blocks viz. Residences Nos. 5 to 9 into 590 student hostel places. This will put the quarters into good use and at the same time provide the required hostel places in a cost-effective manner.

42EF – Conversion of Residence No. 1 into academic support facilities

9. Separately, CUHK also sees a need for additional space to accommodate academic facilities. This need is supported by the findings of the consultancy study commissioned by the UGC on the space and accommodation requirements of the UGC-funded institutions. The UGC therefore supports CUHK's proposal to convert 14 units in Residence No. 1 into open plan office/works space to provide net useable floor area of some 1 750 square metres to accommodate academic support facilities for the fields of Journalism and Communication, Joint Laboratory for Geoinformation Science, Social Work, Geography, Psychology, Architecture, Statistics, Chinese Medicine, Molecular Biotechnology and Business Administration. We support this proposal having regard to CUHK's need for additional space, and the benefits this proposal will bring in terms of optimising the use of surplus staff quarters.

FINANCIAL IMPLICATIONS

10. We estimate the capital costs of projects **41EF** and **42EF** to be \$25.01 million and \$24.98 million respectively in MOD prices (see paragraph 12 below), made up as follows -

	41EF \$ million	42EF \$ million	
(a) Demolition	0.25	0.70	
(b) Building	4.57	7.88	
(c) Building services	15.57	8.43	
(d) External works	3.31	1.23	
(e) Consultants' fees	1.02	0.82	
(f) Furniture and equipment	5.14	3.34	
(g) Contingencies	2.99	2.24	
Sub-total	32.85	24.64	(in December 1999 prices)

/(h)

		41EF \$ million	42EF \$ million	
(h)	Provision for price adjustment	0.49	0.34	
	Total	33.34	24.98	(in MOD prices)
(i)	Less contribution by CUHK (at 25% of the total estimated project cost)	8.33	NA ¹	
	Total	25.01	24.98	(in MOD prices)

11. The construction floor areas of **41EF** and **42EF** are 18 703 square metres and 2 964 square metres respectively. The unit costs of conversion for **41EF** and **42EF**, represented by building and building services costs, are \$1,077 and \$5,503 per square metre respectively in December 1999 prices. D Arch S considers the estimated unit costs comparable with similar projects. A detailed breakdown by man months of the estimates for the consultants' fees is at Enclosure 3.

12. Subject to Members' approval, CUHK will phase the expenditure of **41EF** and **42EF** as follows -

Year	\$ million (Dec 1999)		Price adjustment factor	\$ million (MOD)	
	41EF	42EF		41EF	42EF
2000 - 01	22.02	17.00	1.00000	22.02	17.00

/2001 - 02

¹ Under the current policy, UGC-funded institutions are required to fund 25% of the total project cost for hostel projects. This arrangement is not applicable to other building projects.

Year	\$ million (Dec 1999)		Price adjustment factor	\$ million (MOD)	
	41EF	42EF		41EF	42EF
2001 - 02	10.82	7.64	1.04500	11.32	7.98
	<u>32.85</u>	<u>24.64</u>		<u>33.34</u>	<u>24.98</u>

13. We derived the MOD estimates on the basis of the Government's latest forecast of trend labour and construction prices for the period 2000 to 2002. CUHK will tender the works under fixed-price lump-sum contracts as the scope of work of the two projects is clearly defined and leaves little room for uncertainty.

14. The proposed two projects have no additional annually recurrent financial implications. Project 41EF has no impact on tuition fees. Following the established practice for UGC-funded institutions, CUHK will operate the student hostels on a self-financing basis through charges levied on hostel places.

15. Under the agreed arrangements for disposal of surplus quarters arising from the UGC HFS, the institutions will continue to manage the surplus quarters and may turn them into rentable premises. In the cost and benefit analysis for the implementation of the UGC HFS, it is assumed that the benefits from such surplus quarters will accrue to Government in the form of Government sharing a portion of the notional rental income, at 70% of the rateable value of the premises in respect of publicly-funded quarters. However, the Administration is prepared to be flexible to the extent of not applying the rental sharing arrangement where the surplus quarters are to be put to alternative usage yielding greater public benefits.

PUBLIC CONSULTATION

16. We consider public consultation unnecessary as the proposed conversion works will be carried out within the campus of CUHK.

ENVIRONMENTAL IMPLICATIONS

17. CUHK considers that the two conversion projects would not have any long-term adverse environmental impact. During conversion works, the university will control noise, dust and site run-off nuisances within the established standards and guidelines through the implementation of mitigation measures in the relevant works contracts. These include the use of noise suppression baffles and silencers, wheel washing facilities and dust suppression equipment as well as regular watering of the site.

18. As the two projects involve little structural/partitioning change, the volume of construction and demolition (C&D) materials likely to be generated is not substantial. CUHK estimates that about 1 910 cubic metres of C&D waste will be disposed of at landfills. Ways of minimising the generation of C&D materials were considered at the planning and design stages. Where practicable, CUHK will reuse the public fill generated from the projects either on site or at other construction sites on the campuses. The university will require the contractor to submit a waste management plan for approval and will ensure that day-to-day operations on site comply with the approved plan. The waste management plan will include appropriate mitigation measures, including an on-site area for waste segregation and the sorting of the C&D materials by category. This will facilitate reuse/recycling to reduce the generation of waste. The reused/recycled materials shall include paper/cardboard, timber and metal. The university will also encourage the contractor to use non-timber hoarding as far as practicable. The institution will control the disposal of C&D materials at designated public filling facilities and/or landfills through a trip-ticket system and shall record the disposal, reuse and recycling of C&D materials for monitoring purposes.

LAND ACQUISITION

19. The two projects do not require land acquisition.

BACKGROUND INFORMATION

20. With the endorsement of the Executive Council and approval by Finance Committee of the Legislative Council vide FCR(98-99)30 in September 1998, the UGC Home Financing Scheme was introduced with effect from 1 October 1998 as the only form of housing benefit available to newly appointed eligible staff of the UGC-funded institutions, and an irrevocable option for serving

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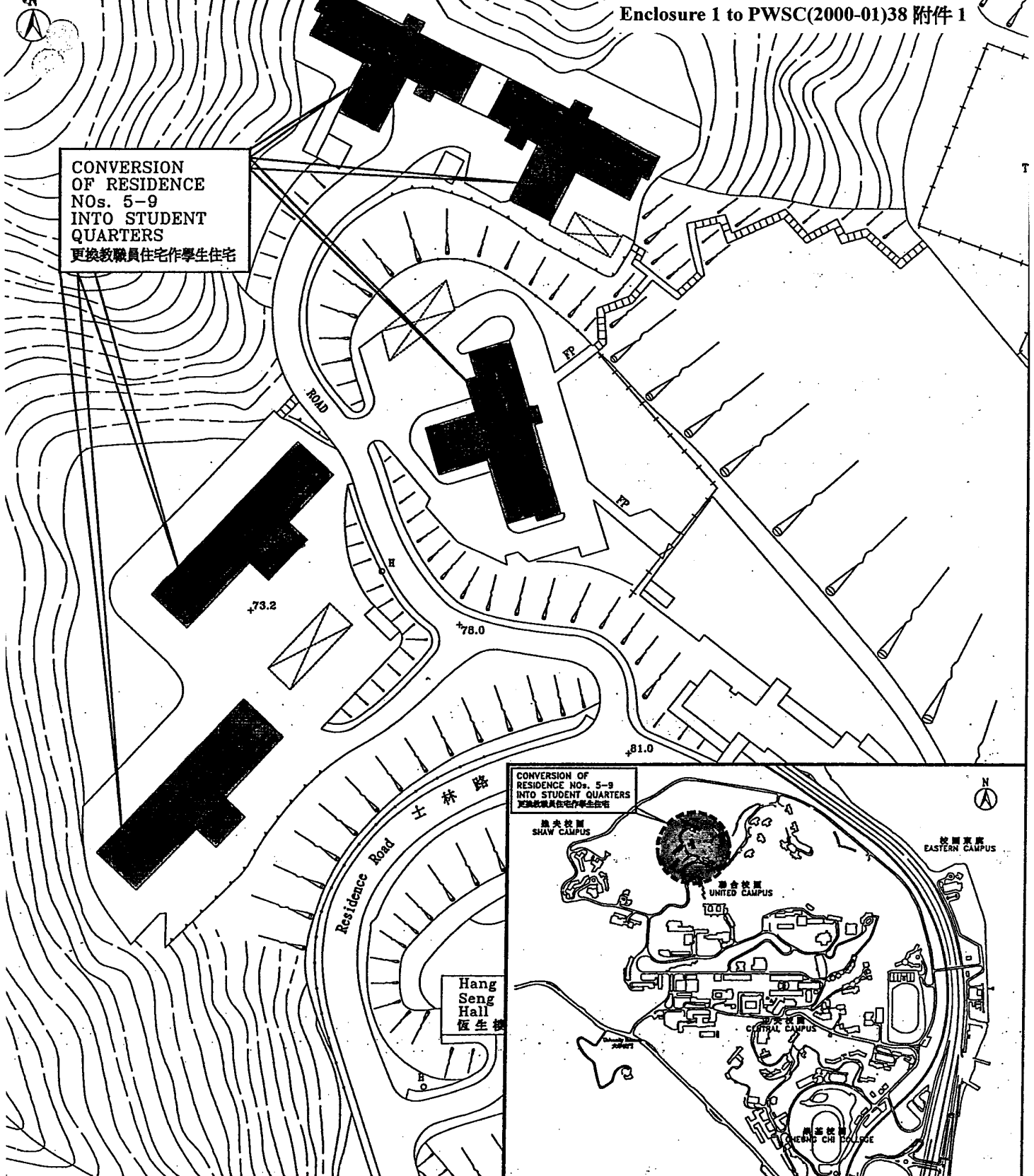
staff. The Administration and the UGC-funded institutions have agreed on arrangements to disposal of surplus quarters arising from the introduction of the UGC HFS, whereby the institutions will continue to manage the quarters and may turn them into rentable premises or propose alternative disposal plans for the Administration's consideration. To ensure that surplus quarters are disposed of or converted in ways that yield the greatest public benefits, the Administration has set up a Task Force on Usage of UGC-funded Institutions Surplus Staff Quarters to consider and advise on proposals from institutions. The Task Force has supported the two proposed projects to convert surplus staff quarters of CUHK into student hostel accommodation and office/workplace to meet academic objectives. The Administration has briefed the Legislative Council (LegCo) Panel on Education in February 2000 and LegCo Panel on Financial Affairs in May 2000 on the conversion proposal(s) as part of our long-term plans to optimise the use of surplus quarters arising from the UGC HFS. The proposals were supported in principle.

21. CUHK has substantially completed the detailed design for projects **41EF** and **42EF** using in-house staff resource. An allocation of \$400,000 is funded from the block allocation **Subhead 8100EX** of the Capital Works Reserve Fund for the engagement of consultants to prepare tender documentation. CUHK now proposes to proceed with the conversion works.

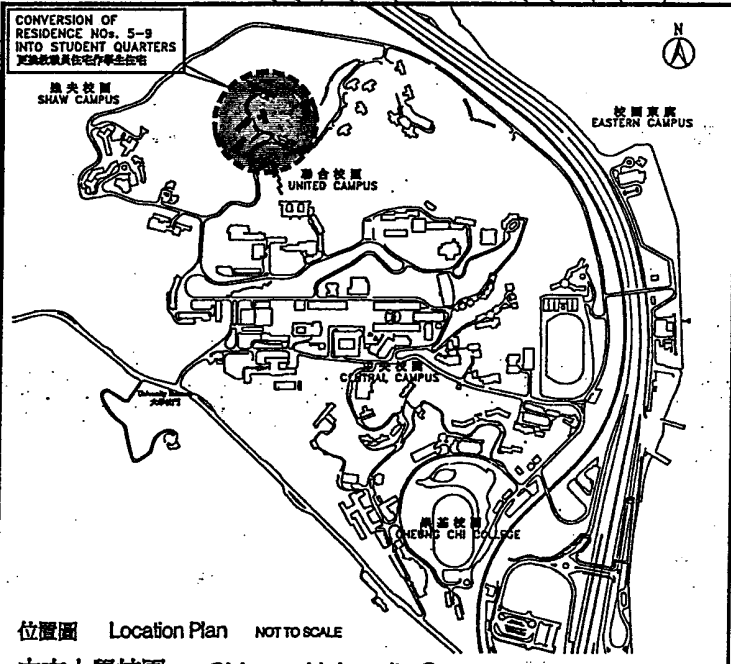
22. We estimate that the proposed works of **41EF** and **42EF** will create about 130 jobs, with a total of 1 080 man months, comprising six professional staff, ten technical staff, and 114 labourers during the construction period.

Education and Manpower Bureau
May 2000

CONVERSION
OF RESIDENCE
NOs. 5-9
INTO STUDENT
QUARTERS
更換教職員住宅作學生住宅



LAYOUT PLAN
比例尺 SCALE 1 : 1000




位置圖 Location Plan NOT TO SCALE
中文大學校園 Chinese University Campus

**41EF - CONVERSION OF RESIDENCES
NOS. 5 TO 9 INTO 590 STUDENT
HOSTEL PLACES**

改建教職員宿舍第五苑至第九苑
以提供 590 個學生宿位

REVISIONS 修訂		
No.	Description	Date



Campus Development Office, CUHK
香港中文大學·校園發展處

Drawn by 製圖	C.WONG	Date 日期	5 OCT 99
Checked by 審核	P.GIAN	Scale 比例	As shown
CAD Ref 電腦記錄	R5R6R7R8	Drawing No. 圖號	8/F-21

**CONVERSION OF RESIDENCE NO.1
INTO ACADEMIC SUPPORT
FACILITIES**
更替第一苑住宅作支援教學設施

**HO
SIN-HANG
ENGINEERING
BUILDING**
何善衡工程學大樓

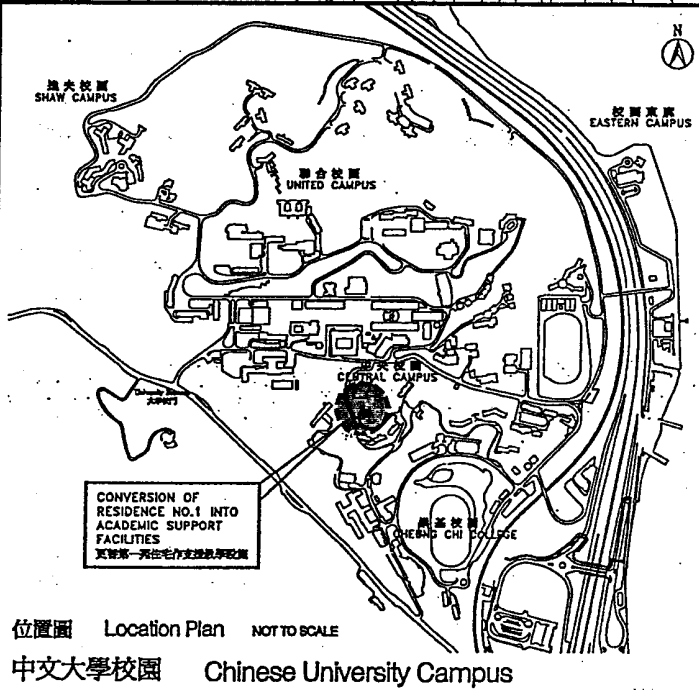
STAFF QUARTERS D
教職員宿舍D座

STAFF QUARTERS A
教職員宿舍A座

STAFF QTS. B
教職員宿舍B座

LAYOUT PLAN 規劃平面圖

比例尺 SCALE 1 : 1000



**42EF - CONVERSION OF RESIDENCES
NO 1 INTO ACADEMIC SUPPORT
FACILITIES**

改建教職員宿舍第一苑
以設置支援教學設施

REVISIONS 修訂

No.	Description	Date



Campus Development Office, CUHK
香港中文大學·校園發展處

Drawn by 製圖	C.WONG	Date 日期	26 JAN. 200
Checked by 審核	P.CHAN	Scale 比例	As shown
CAD by 電腦紀錄	MAPR1	Drawing No. 圖號	B/F-17

Chinese University of Hong Kong
41EF - Conversion of Residence No.5 to 9 into 590 student hostel places
42EF - Conversion of Residence No. 1 into academic facilities

Breakdown of Estimates for Consultants' fees

					41EF		42EF	
			Average MPS* salary point	Multiplier factor	Estimated man months	Estimated fees (\$million)	Estimated man months	Estimated fees (\$million)
Consultants' staff costs								
(a)	Tender assessment	Professional	40	2.4	0.2	0.03	0.2	0.03
		Technical	16	2.4	0.4	0.02	0.4	0.02
(b)	Contract administration	Professional	40	2.4	3.0	0.45	3.0	0.45
		Technical	16	2.4	2.0	0.10	-	-
(c)	Site supervision	Professional	40	1.7	1.8	0.19	1.5	0.16
		Technical	16	1.7	6.0	0.21	4.0	0.14
Consultants' staff costs						1.00		0.80
Out-of pocket expenses								
(a)	Lithography and other direct expenses					0.02		0.02
Total						0.02		0.02

* **MPS = Master Pay Scale**

Notes

1. Regarding the staff employed in the consultants' offices, a multiplier factor of 2.4 is applied to the average MPS point to arrive at the full staff costs including the consultants' overheads and profit (at 1.4 1999, MPS point 40 is \$62,780 per month, and MPS point 16 is \$21,010 per month). A multiplier factor of 1.7 is applied in the case of site staff supplied by the consultants.
2. Out-of-pocket expenses are the actual costs incurred. The consultants are not entitled to any additional payment for overheads or profit in respect of these items.
3. The figures given above are based on estimates prepared by the UGC and have been examined and accepted by the Director of Architectural Services.