

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 - BUILDINGS

Environmental Hygiene - Retail markets and cooked food centre

13NM - Conversion of Centre Street Market in Sai Ying Pun – phase 2

Members are invited to recommend to Finance Committee the direct injection of **13NM** to Category A at an estimated cost of \$77.1 million in money-of-the-day prices for Phase 2 of the conversion of Centre Street Market in Sai Ying Pun.

PROBLEM

The existing facilities in Centre Street Market cannot meet the present service requirements of the public.

PROPOSAL

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for the Environment and Food, proposes to directly inject **13NM** to Category A at an estimated cost of \$77.1 million in money-of-the-day (MOD) prices for Phase 2 of the conversion of Centre Street Market (CSM) in Sai Ying Pun.

PROJECT SCOPE AND NATURE

3. The project comprises the following improvement works to the existing CSM -

- (a) conversion and upgrading of the existing market facilities. Works include re-construction of market stalls and cooked food stalls, provision of air-conditioning, installation of escalators, a passenger lift and improvement of the exhaust system of the cooked food stalls as well as the drainage, illumination and signage of the premises;
- (b) upgrading of the existing refuse collection point (RCP) and public toilet facilities including the provision of toilet facilities for disabled persons;
- (c) construction of a pedestrian footbridge linking up CSM and the new Sai Ying Pun Market (SYPM) across Centre Street; and
- (d) improvement of the amenity area located on the roof of the market.

4. A site plan is at Enclosure 1 for Members' reference. We plan to start the conversion works in March 2000 for completion in September 2002. To ensure that the market stalls can continue business during the works period, we will carry out the works by phases in different parts of the market. The existing market stalls have been resited temporarily to the eastern part of the market.

JUSTIFICATION

5. The proposed conversion works will significantly improve the general condition of CSM. It accommodate existing stalls in the market and provide room for resiting the licensed on-street hawkers in the vicinity, thus bringing an overall improvement to the local environment. CSM and SYPM will in future complement each other, with the former selling commodities like fruits, flowers, dry goods, and the latter selling mainly wet goods. The proposed pedestrian footbridge will link up the two markets and provide convenient access to market-goers.

6. The existing RCP located on the ground floor of CSM is small (about 100 square metres). Loading and unloading of refuse can only take place in the street. We therefore propose to take this opportunity to enlarge the RCP to about 220 square metres by relocating the adjacent public toilet to the western side of the

market building. This will provide adequate space for refuse collection vehicles to load and unload refuse within the premises and result in marked improvements to the surrounding environment. We will also take this opportunity to upgrade the toilet facilities by constructing a new public toilet with, amongst others, facilities for disabled persons.

7. The small sitting-out area (SOA) on the roof of the market has a street frontage at Second Street and is well patronized by the local residents. Its facilities have been in use for more than 15 years and they are old and worn out. We therefore propose to carry out some improvement works to the SOA by replacing all its benches, repainting and touching up the area and providing additional plants.

FINANCIAL IMPLICATIONS

8. We estimate the capital cost of this project to be \$77.1 million in MOD prices (see paragraph 10 below) made up as follows –

	\$ million
(a) Building	32.7
(b) Building services	20.9
(c) Drainage and external works	4.5
(d) Consultants' fees for contract administration	4.0
(e) Electrical and Mechanical Services Trading Fund (EMSTF) charges for project management ¹	0.2

/(f)

¹ Since the establishment of the EMSTF on 1 August 1996 under the Trading Funds Ordinance, government departments are charged for design and technical consultancy services for electrical and mechanical installations provided by EMSTF. Services rendered in this project include contract administration of the closed circuit television system and public address system. The figures above are based on estimates prepared by the Director of Architectural Services. The actual cost for the service charges is subject to further negotiation between the Government and the EMSTF.

		\$ million	
(f)	Contingencies	6.9	
	Sub-total	69.2	(at December 1998 prices)
(g)	Provisions for price adjustment	7.9	
	Total	77.1	(in MOD prices)

A breakdown by man months of the cost estimates for consultants' fees is at Enclosure 2.

9. The construction floor area (CFA) of **13NM** is 4 870 square metres. The construction unit cost of the superstructure, represented by building and building services costs, is \$11,006 per square metre at December 1998 prices. This compares favourably with similar projects built by the former Municipal Councils.

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

Year	\$ million (Dec 1998)	Price adjustment factor	\$ million (MOD)
2000 – 2001	15.1	1.05814	16.0
2001 – 2002	37.5	1.11104	41.7
2002 – 2003	15.8	1.16660	18.4
2003 – 2004	0.8	1.22493	1.0
	69.2		77.1

11. We derived the MOD prices on the basis of Government's latest forecast of trend labour and construction prices for the period 2000 to 2004. We

/will

will tender the contract on a lump-sum basis with provision for price fluctuations, as the construction period is longer than 21 months.

12. We estimate the additional annually recurrent expenditure for the project to be \$3.3 million.

PUBLIC CONSULTATION

13. The former Provisional Urban Council (PUC) consulted the Central and Western Provisional District Board in June 1998. District Board Members supported the project and urged that the proposed conversion works be implemented after the completion of the new SYPM. The former PUC also consulted the stall holders of CSM in June 1998 and they supported the project. The Administration consulted the LegCo Subcommittee to Follow up on Outstanding Capital Projects of the Two Provisional Municipal Councils for Inclusion into Government's Public Works Programme on 1 February 2000 and Members did not raise any questions on the proposal to inject this project into the Public Works Programme (PWP) as a Category A item.

ENVIRONMENTAL IMPLICATIONS

14. The Director of Environmental Protection completed an environmental review for the project in December 1999. The findings indicate that the proposed works will not cause any long term environmental impact. For short term impacts, we will control noise, dust and site run-off nuisance during construction through the implementation of mitigation measures in relevant contracts. These will include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities; frequent cleaning and watering of the site, wheel washing facilities, dust suppression equipment, the provision of temporary drainage within the site, and the adequate maintenance of any existing site drainage.

15. We estimate that about 400 cubic metres of construction and demolition waste will be disposed of at landfills and 600 cubic metres of public fill will be delivered to public filling areas. In the planning and design stages, we considered ways of reducing the generation of construction and demolition materials as far as possible. The relevant contractor will be required to submit a waste management plan to the Architect for approval with appropriate mitigation measures, including the allocation of an area for waste segregation. We will ensure

/that

that the day-to-day operations on site comply with the waste management plan submitted. The contractor is also required to re-use as far as possible the excavated material as filling materials on site or on other sites, in order to minimize the disposal of public fill to public filling areas. To further minimize the generation of construction and demolition materials, the contractor will be encouraged to use non-timber formwork, hoarding and other temporary works. We will also require the contractor to separate public fill from construction and demolition waste by category on site to facilitate re-use/re-cycling in order to reduce the generation of such waste. We will control the disposal of construction and demolition material to a designated public filling facility and / or landfills through a trip ticket system, and record the disposal, re-use and re-cycling of construction and demolition materials for monitoring purposes.

LAND ACQUISITION

16. The project does not require land acquisition.

BACKGROUND INFORMATION

17. At the Legislative Council's Public Works Sub-committee meeting of 8 December 1999 and Finance Committee meeting of 17 December 1999, the Administration agreed to set aside funding for 12 projects which had received funding approval from the two former Provisional Municipal Councils but had not yet been contracted out and to fast-track their direct injection into the PWP as Category A items. Phase 2 of the conversion of CSM is one of the 12 projects.

18. CSM is situated in Sai Ying Pun and lies diagonally opposite SYPM across Centre Street. The conversion of CSM and the in-situ redevelopment of the old SYPM are integral parts of a plan to improve the market facilities in Sai Ying Pun.

19. In 1993, the former Urban Council completed Phase 1 of the conversion works of CSM. The works included mainly the installation of a Mechanical Economic Air Treatment System and the construction of additional market stalls for temporarily resiting all the market lessees/hawkers from the old SYPM then due for redevelopment because of its dilapidated condition. Upon the completion of the new SYPM was in August 1999, the former PUC resited the meat, poultry, fish and vegetable stalls in CSM to the new market.

20. We now plan to proceed with Phase 2 conversion of CSM to improve the market so that it can meet present service requirements. The proposed scope of development is the same as that previously approved by the former PUC in 1998. The estimated cost of \$77.1 million is the same as that approved by the former PUC after discounting the 16% on-cost charged by the Architectural Services Department. There is a slight adjustment to the planned project commencement date from January 2000 to March 2000 and the planned completion date from June 2002 to September 2002, as compared with the original programme approved by the former PUC in 1998.

21. Consultants engaged by Architectural Services Department have completed the necessary detailed design work and have prepared the requisite tender documentation. The cost of \$2.0 million was charged to block allocation **Subhead 3100GX** "Project feasibility studies, minor investigations and consultants' fees for items in Category D of the PWP".

Environment and Food Bureau
February 2000

(PWSC0230/WIN 9)

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in Sai Ying Pun – phase 2**

DETAILS OF CONSULTANTS' FEES

Breakdown of estimates of consultants' fees

Consultants' staff costs		Estimated man months	Average MPS* salary point	Multiplier factor	Estimated fee (\$million)	
Contract administration						
(a)	Architectural discipline	Professional	10.6	40	2.4	1.6
		Technical	7.9	16	2.4	0.4
(b)	Quantity surveying discipline	Professional	6.0	40	2.4	0.9
		Technical	9.9	16	2.4	0.5
(c)	Structural engineering discipline	Professional	2.4	40	2.4	0.4
		Technical	4.0	16	2.4	0.2
Total					4.0	

MPS = Master Pay Scale

Notes

1. A multiplier factor of 2.4 is applied to the average MPS point to arrive at the full staff costs including the consultant's overheads and profit, as the staff will be employed in the consultant's offices. (At 1.4.1998, MPS point 40 = \$62,780 p.m. and MPS point 16 = \$21,010 p.m.)
2. The consultants' fees for the work during the construction stage formed an optional part of the lump sum price quoted by the consultants selected to carry out the detailed design and tender documentation mentioned in paragraph 21 of the paper. Subject to Members' approval to upgrade **13NM** to Category A, the Director of Architectural Services will direct the necessary works to be carried out.