

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 – BUILDINGS

Environmental Hygiene – Retail markets and cooked food centres

15NM –Retro-fitting of air-conditioning to Yue Wan Market and Cooked Food Centre, Chai Wan

Members are invited to recommend to Finance Committee the upgrading of **15NM** to Category A at an estimated cost of \$68.8 million in money-of-the-day prices for retro-fitting air-conditioning to the Yue Wan Market and Cooked Food Centre, Chai Wan.

PROBLEM

The mechanical ventilation system in the Yue Wan Market and Cooked Food Centre, Chai Wan needs upgrading to maintain viability of the stalls therein.

PROPOSAL

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for Health, Welfare and Food, proposes to upgrade **15NM** to Category A at an estimated cost of \$68.8 million in money-of-the-day (MOD) prices for retro-fitting air-conditioning to the Yue Wan Market and Cooked Food Centre, Chai Wan.

/PROJECT.....

PROJECT SCOPE AND NATURE

3. The scope of **15NM** comprises –
- (a) provision of air-conditioning to the Yue Wan Market and Cooked Food Centre;
 - (b) upgrading of electrical and building services works, including the construction of new transformer rooms and installation of Closed Circuit Television system;
 - (c) upgrading of fire services installation to meet current statutory requirements;
 - (d) provision of barrier-free access to meet current statutory requirements;
 - (e) refurbishment of the market, including replacement of internal finishes to common area, segregation of poultry-selling area, improvement of refuse collection area, lighting, plumbing and drainage system; and
 - (f) refurbishment of the cooked food centre, including replacement of internal finishes, addition of toilets, provision of additional sitting area, and improvement of lighting, plumbing and drainage system.

———— A site plan is at Enclosure 1; three-dimensional perspective drawings of the
———— proposed air-conditioned Yue Wan Market and Cooked Food Centre are at
Enclosure 2; and a floor plan of the cooked food centre is at Enclosure 3. We plan
to start the proposed works in October 2003 for completion in December 2004.

JUSTIFICATION

4. The Yue Wan Market and Cooked Food Centre was built in 1978, providing 412 market stalls and 20 cooked food stalls. At present, it is provided with simple mechanical ventilation devices including ceiling fans, oscillating fans and fresh air ducts.

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5. The existing ventilation system is inadequate to cope with the rising expectations of market lessees and members of the public who are pursuing a better and more comfortable working and shopping/dining environment. Over the past few years, the Yue Wan Market and Cooked Food Centre have been losing their competitiveness and stall operators finding their operations increasingly difficult.

6. Efforts to improve the mechanical ventilation system of the building were found to be ineffective due to its relatively low headroom and the congested market layout. The presence of residential buildings around the Yue Wan Market and Cooked Food Centre has also made it impossible for the introduction of natural ventilation to supplement the mechanical ventilation system. Under such circumstances, the provision of air-conditioning to the Yue Wan Market and Cooked Food Centre is considered necessary to bring improvement to the working and shopping/dining environment for stall lessees and their customers thereby enhancing viability of the Market and Cooked Food Centre.

FINANCIAL IMPLICATIONS

7. We estimate the capital cost of the project to be \$68.8 million in MOD prices (see paragraph 8 below), made up as follows –

	\$ million	
(a) Building	23.0	
(b) Building services	39.0	
(c) Consultants' fees for construction stage –	5.2	
(i) contract administration	3.4	
(ii) resident site staff costs	1.8	
(d) Contingencies	6.7	
Sub-total	73.9	(in September 2002 prices)
(e) Provision for price adjustment	(5.1)	
Total	68.8	(in MOD prices)

/Due.....

Due to insufficient in-house resources, D Arch S proposes to engage consultants to supervise the proposed works. A breakdown of the estimate for consultants' fees by man-months is at Enclosure 4. The total floor area to be air-conditioned is about 5 246 square metres. D Arch S has confirmed that the estimated cost (per unit area) of retro-fitting air-conditioning for this project is comparable to that of other similar projects implemented by the Government.

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

Year	\$ million (Sept 2002)	Price adjustment factor	\$ million (MOD)
2003 – 04	9.0	0.94300	8.5
2004 – 05	47.0	0.93003	43.7
2005 – 06	11.0	0.93003	10.2
2006 – 07	6.9	0.93003	6.4
	73.9		68.8

9. We derived the MOD estimates on the basis of the Government's latest forecast of trend labour and construction prices for the period 2003 to 2007. We will deliver the works through a fixed-price lump-sum contract because the contract period will be less than 21 months and we can clearly define the scope of works in advance.

10. We estimate the additional annual recurrent expenditure arising from this project to be \$3.24 million.

PUBLIC CONSULTATION

11. At a meeting of the Legislative Council "Subcommittee to follow up on the outstanding capital works projects of the former municipal councils" held on 19 February 2003, we briefed Members on our plan to proceed with the retro-fitting of air-conditioning to the Yue Wan Market and Cooked Food Centre.

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The Sub-committee noted that this project was supported by more than 85% of the stall lessees in the Market and Cooked Food Centre. We also consulted the Eastern District Council on 21 February 2002 which showed strong support for the project.

ENVIRONMENTAL IMPLICATIONS

12. The project is not a designated project under the Environmental Impact Assessment Ordinance. It will not cause long term environmental impact. We have included in the project estimates the cost to implement 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.

13. At the planning and design stages, we have considered measures to reduce the generation of construction and demolition (C&D) materials. D Arch S has introduced more prefabricated building elements into the project design to reduce temporary formwork and construction waste. These include dry-wall partitioning and proprietary fittings and fixtures. In addition, we will require the contractor to use metal site hoardings and signboards so that these materials can be recycled or reused in other projects.

14. D Arch S will require the contractor to submit a waste management plan (WMP) for approval. The WMP will include appropriate mitigation measures to avoid, reduce, reuse and recycle C&D materials. D Arch S will ensure that the day-to-day operations on site comply with the approved WMP. D Arch S will control the disposal of public fill and C&D waste to designated public filling facilities and landfills respectively through a trip-ticket system. D Arch S will require the contractor to separate public fill from C&D waste for disposal at appropriate facilities. D Arch S will record the disposal, reuse and recycling of C&D materials for monitoring purposes. We estimate that the project will generate about 1 316 cubic metres (m³) of C&D materials. Of these, we will reuse about 1 106 m³ (84%) as fill in public filling areas¹, and dispose of 210 m³ (16%) at landfills. The notional cost of accommodating C&D waste at

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¹ A public filling area is a designated part of a development project that accepts public fill for reclamation purposes. Disposal of public fill in a public filling area requires a licence issued by the Director of Civil Engineering.

landfill sites is estimated to be \$26,250 for this project (based on a notional unit cost² of \$125/m³).

LAND ACQUISITION

15. The project does not require land acquisition.

BACKGROUND INFORMATION

16. We upgraded **15NM** to Category B in October 2001. We engaged consultants to undertake detailed design and tender documentation at a total cost of \$5 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 have completed the detailed design and tender documents.

17. At the Public Works Subcommittee and Finance Committee meetings on 8 December 1999 and 17 December 1999 respectively, the Administration agreed to review the ex-Provisional Municipal Councils' (ex-PMC) projects under planning and to proceed with the well justified ones. **15NM** is one of the ex-PMC projects recommended for implementation upon completion of the Administration's review.

18. We estimate that the project will create some 115 jobs, comprising 15 professional/technical staff and 100 labourers, totalling 1 600 man-months.

Health, Welfare and Food Bureau
April 2003

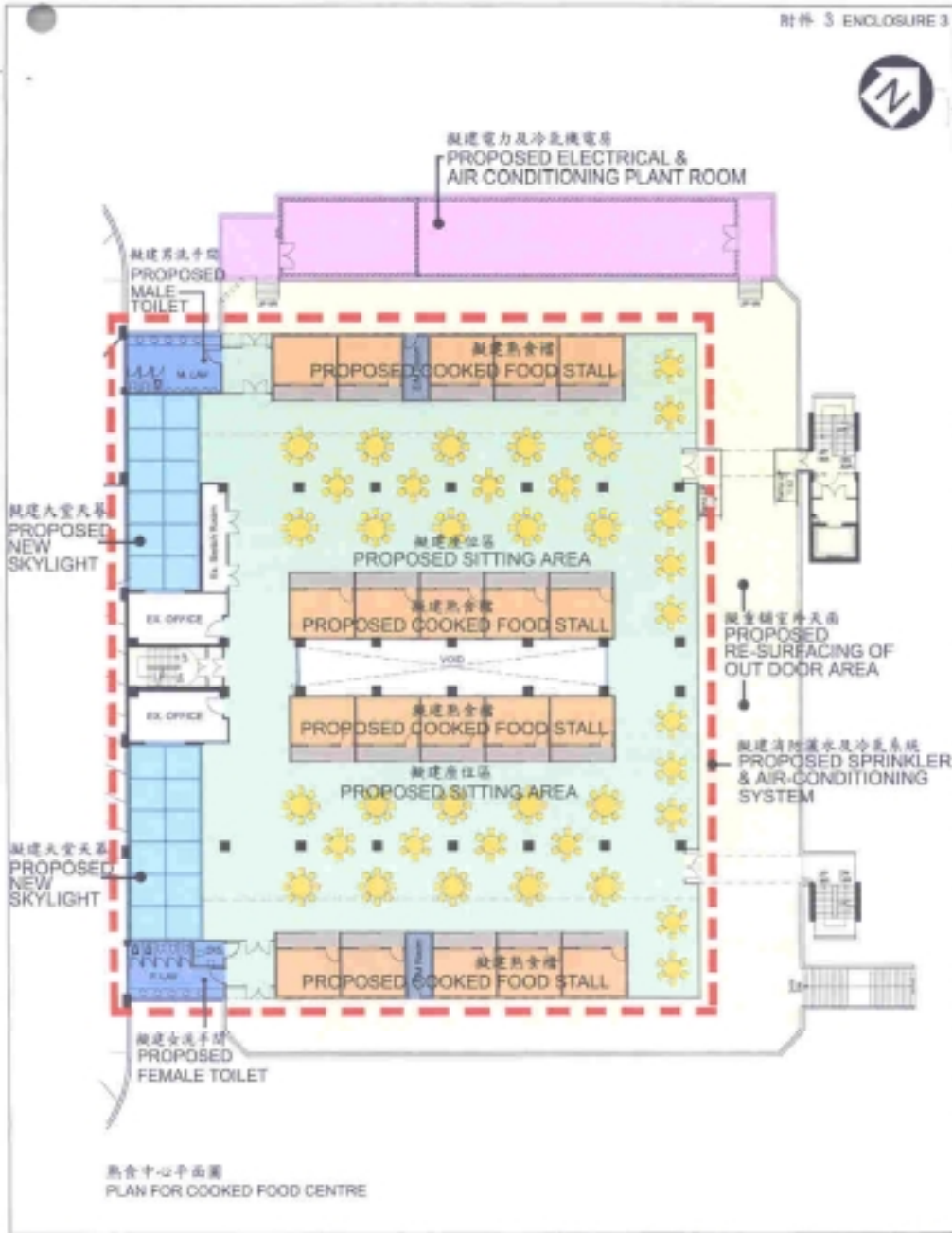
[PWSC-15NM.doc]

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



漁灣街市及熟食中心電腦效果图(外觀)
COMPUTER RENDERING DRAWING FOR YUE WAN MARKET AND COOKED FOOD CENTRE (EXTERNAL)

Title 18PM RETRO-FITTING OF AIR-CONDITIONING TO YUE WAN MARKET AND COOKED FOOD CENTRE, CHAI WAN 新灣漁灣街市及熟食中心加裝空調系統	drawn by	Thomas Yu	date	14.04.03	drawing no.	AB/9731/SK-02	scale	N.T.S.
	approval	Pamela Chiu	date	14.04.03	 ARCHITECTURAL SERVICES DEPARTMENT			
	office	WCVP International Limited						



熟食中心平面圖
PLAN FOR COOKED FOOD CENTRE

Title 15MM RETRO-FITTING OF AIR-CONDITIONING TO YUE WAN MARKET AND COOKED FOOD CENTRE, CHAI WAN 柴灣法環街市及熟食中心加裝空調系統	drawn by Jonathan Tse	date 14.04.03	drawing no. AB/9731/SK-03	scale 1:300
	approval Pamela Cilia	date 14.04.03	 ARCHITECTURAL SERVICES DEPARTMENT	
	office WCWP International Limited			

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Yue Wan Market and Cooked Food Centre, Chai Wan**

Breakdown of the estimate for consultants' fees

Consultants' staff costs		Estimated man- months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
(a) Consultants' fees for construction stage					
(i) Contract administration	Professional	-	-	-	1.6
	Technical	-	-	-	1.8
(ii) Resident site staff costs	Technical	58.6	14	1.6	1.8
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				Total consultants' staff costs	5.2 <hr/>

*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. (At 1.10.2002, MPS point 14 = \$19,195 per month.)
2. The consultants' staff cost for contract administration is calculated in accordance with the existing consultancy agreements for the provision of air-conditioning to existing public markets and cooked food centres. The assignment will only be executed subject to Finance Committee's approval to upgrade **15NM** 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.