

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 – BUILDINGS

Environmental Hygiene – Retail markets and cooked food centres 27NM –Retro-fitting of air-conditioning to Fa Yuen Street Market and Cooked Food Centre, Mong Kok

Members are invited to recommend to Finance Committee the upgrading of **27NM** to Category A at an estimated cost of \$79.0 million in money-of-the-day prices for retro-fitting air-conditioning to and undertaking general improvement works at the Fa Yuen Street Market and Cooked Food Centre, Mong Kok.

PROBLEM

The mechanical ventilation system and physical facilities in the Fa Yuen Street Market and Cooked Food Centre (CFC), Mong Kok need upgrading so as to provide a better trading environment and enhance the 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 **27NM** to Category A at an estimated cost of \$79.0 million in money-of-the-day (MOD) prices for retro-fitting air-conditioning to and undertaking general improvement works at the Fa Yuen Street Market and CFC, Mong Kok.

/PROJECT

PROJECT SCOPE AND NATURE

3. The scope of 27NM comprises –
- (a) provision of air-conditioning to the Fa Yuen Street Market and CFC;
 - (b) upgrading of electrical and building services works at the Market and CFC;
 - (c) upgrading of fire services installation and provision of barrier-free access at the Market and CFC to meet current statutory requirements;
 - (d) refurbishment of the Market, including replacement of internal finishes to common area, segregation of poultry-selling area, provision of individual scalding facilities, refurbishment of toilets, improvement of lighting, signages and drainage system; and
 - (e) refurbishment of the CFC, including enlargement and reconfiguration of the existing layout, replacement of internal finishes, refurbishment of toilets, provision of sitting area, and improvement of lighting, signages and drainage system.

———— A site plan is at Enclosure 1; a three-dimensional perspective drawing of the
———— internal view of the CFC is at Enclosure 2; and the floor plans of the Market and
———— CFC are at Enclosures 3 and 4 respectively. We plan to start the proposed works
in December 2003 for completion in February 2005.

JUSTIFICATION

4. The Fa Yuen Street Market and CFC was built in 1988 with 170 market stalls and 22 cooked food stalls. At present, it is provided with simple mechanical ventilation devices including ceiling fans, oscillating fans and fresh air ducts. The façade of the Market and CFC is provided with louvers and windows to facilitate natural ventilation.

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5. The Market and CFC is suffering from poor natural ventilation due to the high density of surrounding buildings and the waste heat discharged from the air-conditioning units of these buildings. Deterioration in performance of the existing mechanical ventilation system has further aggravated the conditions of the Market and CFC. It is therefore considered necessary to retrofit an air-conditioning system thereat so as to cope with the rising expectations of the tenants and members of the public for a more comfortable working and shopping/dining environment.

6. The Market and CFC also fall short of present-day standards in respect of fire services installation and the provision of barrier-free access. Despite regular maintenance and repair works, the existing internal finishes and building services installations of the Market and CFC have been subject to normal wear and tear. It is therefore necessary to upgrade these facilities as well. The provision of air-conditioning to and the general improvement works at the Market and CFC are expected to enhance the latter's viability and attractiveness to the public.

FINANCIAL IMPLICATIONS

7. We estimate the capital cost of the project to be \$79.0 million in MOD prices (see paragraph 8 below), made up as follows –

	\$ million	
(a) Building	40.5	
(b) Building services	31.0	
(c) Consultants' fees for construction stage –	5.7	
(i) contract administration	3.5	
(ii) resident site staff costs	2.2	
(d) Contingencies	<u>7.7</u>	
Sub-total	84.9	(in September 2002 prices)

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(e) Provision for price adjustment	(5.9)
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Total	79.0 (in MOD prices)
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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 5. The total floor area to be refurbished is about 5 350 square metres. D Arch S has confirmed that the estimated cost (per unit area) of 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	5.0	0.94300	4.7
2004 – 05	56.0	0.93003	52.1
2005 – 06	18.0	0.93003	16.7
2006 – 07	5.9	0.93003	5.5
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	84.9		79.0
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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.

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10. At present, the annual recurrent expenditure for the Fa Yuen Street Market and CFC is \$6.18 million. We estimate the annual recurrent expenditure arising from the project to be in the region of \$8.63 million, including recurrent air-conditioning and maintenance costs of 2.1 million which will be borne by operators of the Market and CFC.

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 Fa Yuen Street Market and CFC. The Subcommittee noted that this project was supported by more than 85% of the stall lessees in the Market and CFC. We also consulted the Food and Environmental Hygiene Committee of Yau Tsim Mong District Council on 3 January 2002 which showed strong support for the project.

ENVIRONMENTAL IMPLICATIONS

12. The project is not designated under the Environmental Impact Assessment Ordinance. It will not cause long term environmental impact. We have included in the project estimate the cost of implementing 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 satisfactory waste management plan (WMP) covering measures to avoid, reduce, reuse and recycle C&D materials, and ensure day-to-day compliance with the approved WMP. The disposal of public fill and C&D waste to designated public filling facilities and landfills respectively will be controlled through a trip-ticket system. D Arch S will also require the contractor to separate public fill from C&D waste for

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disposal at appropriate facilities. We estimate that the project will generate about 650 cubic metres (m³) of C&D materials. Of these, we will reuse about 550 m³ (85%) as fill in public filling areas¹, and dispose of 100 m³ (15%) at landfills. The notional cost of accommodating C&D waste at landfill sites is estimated to be \$12,500 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 **27NM** to Category B in October 2001. We engaged consultants to undertake detailed design and tender documentation at a total cost of \$4.1 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.

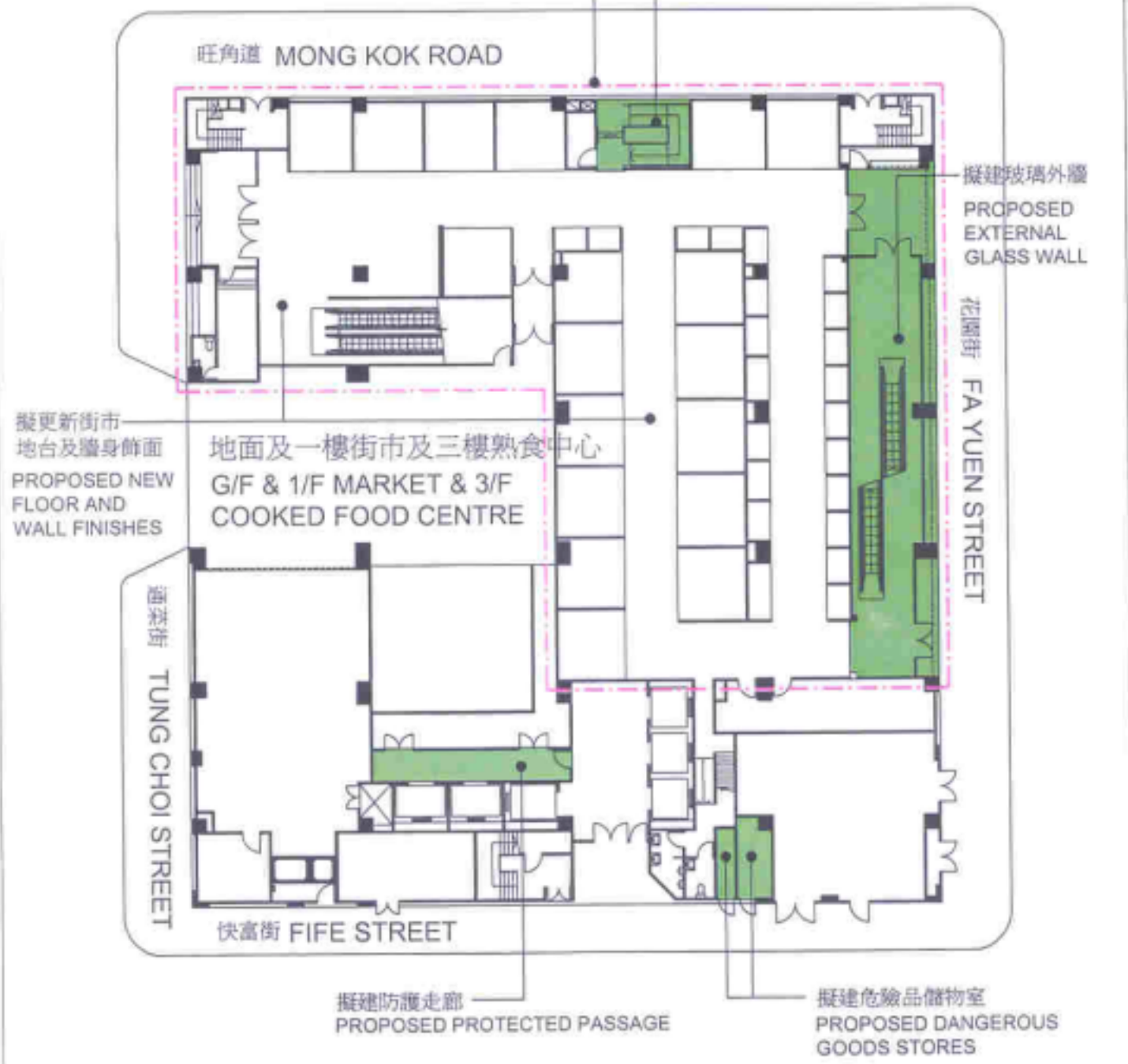
17. At the Public Works Subcommittee and Finance Committee meetings on 8 December 1999 and 17 December 1999 respectively, the Administration agreed to review the ex-Provisional Municipal Councils' (ex-PMC) projects under planning and to proceed with the well justified ones. **27NM** is one of the ex-PMC projects recommended for implementation upon completion of the Administration's review.


18. We estimate that the project will create some 135 jobs, comprising 15 professional/technical staff and 120 labourers, totalling 1 800 man-months.

Health, Welfare and Food Bureau
May 2003

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.


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.

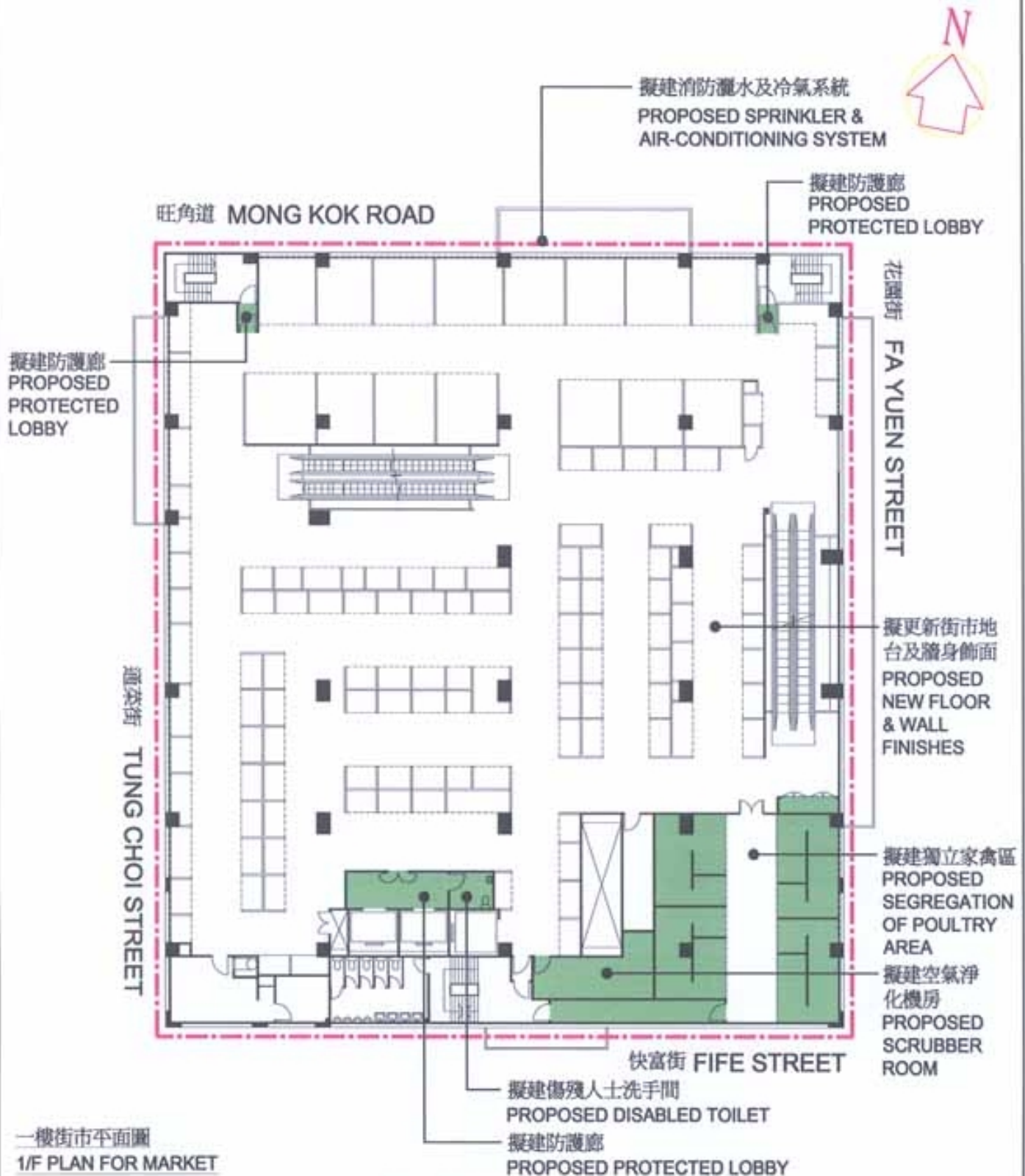


Title Q27M RETRO-FITTING OF AIR-CONDITIONING TO FA YUEN STREET MARKET & COOKED FOOD CENTRE, MONG KOK 旺角花園街街市及熟食中心 加裝空氣調節系統	drawn by Ahyin Tam	date 12.05.03	drawing no. AB/6599/FY/SK-01	scale 1:300
	approval Tseng Huei	date 12.05.03	 ARCHITECTURAL SERVICES DEPARTMENT	
	office DESIGN 2			




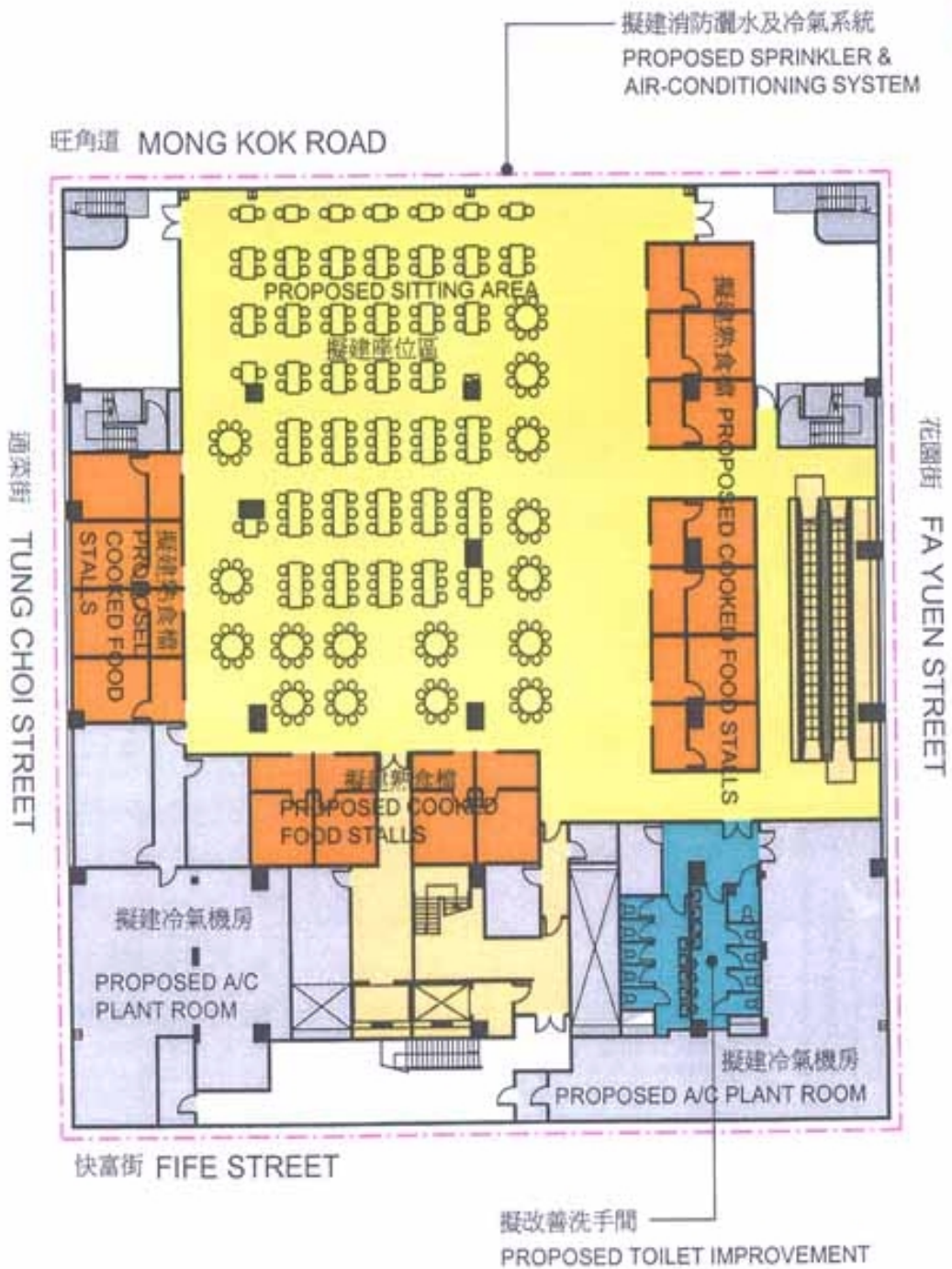
熟食檔舖面設計
 COOKED FOOD CENTRE STALL FRONT

Title 027NM RETRO-FITTING OF AIR-CONDITIONING TO FA YUEN STREET MARKET & COOKED FOOD CENTRE, MONG KOK 旺角花園街街市及熟食中心 加裝空氣調節系統	drawn by Ahyin Tam	date 12.05.03	drawing no. AB/6599/FY/SK-02	scale N.T.S.
	approval Tseng Huel	date 12.05.03	 ARCHITECTURAL SERVICES DEPARTMENT	
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一樓街市平面圖
1/F PLAN FOR MARKET

Title 027M RETRO-FITTING OF AIR-CONDITIONING TO FA YUEN STREET MARKET & COOKED FOOD CENTRE, MONG KOK 旺角花園街街市及熟食中心 加裝空調系統	drawn by Ahyin Tam	date 12.05.03	drawing no. AB/6599/FY/SK-04	scale 1:300
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三樓熟食中心平面圖
3/F PLAN FOR COOKED FOOD CENTRE

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**27NM – Retro-fitting of air-conditioning to
Fa Yuen Street Market and Cooked Food Centre, Mong Kok**

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	-	-	-	1.7
	Technical	-	-	-	1.8
(ii) Resident site staff costs	Technical	71.6	14	1.6	2.2
Total consultants' staff costs					5.7

*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 27NM 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.