

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 703 – BUILDINGS

Environmental Hygiene – Retail markets and cooked food centres

23NM – General improvement works at Ngau Tau Kok Market and Cooked Food Centre

Members are invited to recommend to Finance Committee the upgrading of **23NM** to Category A at an estimated cost of \$58 million in money-of-the-day prices for carrying out general improvement works at the Ngau Tau Kok Market and Cooked Food Centre, Kwun Tong.

PROBLEM

We need to upgrade the existing provisions of the Ngau Tau Kok Market and Cooked Food Centre (CFC) to meet the latest statutory requirements. We also need to improve the existing condition of the Market and CFC with a view to providing a better trading environment and enhancing the viability of the venue.

PROPOSAL

2. The Director of Architectural Services (D Arch S), with the support of the Secretary for Health, Welfare and Food, proposes to upgrade **23NM** to Category A at an estimated cost of \$58 million in money-of-the-day (MOD) prices for carrying out general improvement works at the Ngau Tau Kok Market and CFC, Kwun Tong.

/PROJECT

PROJECT SCOPE AND NATURE

3. The scope of **23NM** comprises –
- (a) upgrading of fire services installations;
 - (b) provision of barrier-free access to meet current statutory requirements, including modification of an existing lift into a lift suitable for use by disabled persons;
 - (c) upgrading of the mechanical ventilation system; and
 - (d) refurbishment works including replacement of internal finishes in common areas, improvement of lighting, signage, plumbing and drainage system, replacement of existing skylights, waterproofing to the roof and fixed tables in the seating area of the CFC area.

Layout plans for the ground floor, the first floor and the second floor are at Enclosures 1 to 3 respectively. A computer rendered drawing of the Ngau Tau Kok Market and CFC is at Enclosure 4. We plan to start the proposed works in December 2004 for completion in February 2006.

JUSTIFICATION

4. The Ngau Tau Kok Market and CFC, built in 1981 with a new wing added in 1991, currently has 452 market stalls and 21 cooked food stalls. It has been in use for about 23 years and is a major market in Kwun Tong.

5. The Ngau Tau Kok Market and CFC falls short of current standard in respect of fire services installations and the provision of barrier-free access. Regular and scheduled maintenance works have been conducted to ensure the smooth operation of the facilities, but no major improvement works have been undertaken since commissioning of the Market and CFC in 1981. The existing internal finishes and building services equipment of the Market and CFC have been subject to normal wear and tear. It is necessary to upgrade the conditions of the Ngau Tau Kok Market and CFC to improve its trading environment and to enhance its viability.

/FINANCIAL

FINANCIAL IMPLICATIONS

6. We estimate the capital cost of the project to be \$58 million in MOD prices (see paragraph 7 below), including \$50 million for the market portion and \$8 million for the CFC portion. Detailed breakdown is as follows –

| | \$ million | |
|--|-------------------|----------------------------|
| (a) Building | 32.0 | |
| (b) Building services | 18.5 | |
| (c) Consultants' fees for construction stage | 4.5 | |
| (i) contract administration | 2.7 | |
| (ii) resident site staff costs | 1.8 | |
| (d) Contingencies | 5.5 | |
| Sub-total | 60.5 | (in September 2003 prices) |
| (e) Provision for price adjustment | (2.5) | |
| Total | 58.0 | (in MOD prices) |

D Arch S proposes to engage consultants to undertake contract administration and site supervision of the project. A breakdown of the estimate for consultants' fees by man-months is at Enclosure 5. The total floor area of the Ngau Tau Kok Market and CFC is about 10 066 square metres (m²). The estimated construction unit cost, represented by the building and the building services costs, is \$5,017 per m² of floor area in September 2003 prices. D Arch S considers this unit cost reasonable as compared with similar Government projects.

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

/2004 – 05

| Year | \$ million (Sep 2003) | Price adjustment factor | \$ million (MOD) |
|-----------|--------------------------|-------------------------------|---------------------|
| 2004 – 05 | 5.0 | 0.97150 | 4.9 |
| 2005 – 06 | 30.0 | 0.95450 | 28.6 |
| 2006 – 07 | 15.4 | 0.95450 | 14.7 |
| 2007 – 08 | 10.1 | 0.96643 | 9.8 |
| | 60.5 | | 58.0 |

8. We have derived the MOD estimates on the basis of the Government's latest forecast of trend rate of change in the prices of public sector building and construction output for the period 2004 to 2008. We intend to award the contract on a lump-sum basis because we can clearly define the scope of works in advance, leaving little room for uncertainty. The contract will not provide for price adjustments because the contract period will not exceed 21 months.

9. At present, the annual recurrent expenditure for the Ngau Tau Kok Market and CFC is \$7.6 million. We estimate the annual recurrent expenditure upon completion of the project to be \$8.6 million.

PUBLIC CONSULTATION

10. The Legislative Council Panel on Food Safety and Environmental Hygiene discussed a range of market improvement works including this project in March 2004 and indicated support for us to proceed with the project. We also briefed the Environment and Hygiene Committee of the Kwun Tong District Council on the development of the project in September 2003 and the Committee supported the implementation of the proposed improvement works.

/ENVIRONMENTAL

ENVIRONMENTAL IMPLICATIONS

11. The project is not a designated project under the Environmental Impact Assessment Ordinance. It will not cause long-term environmental impacts. 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.

12. 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.

13. 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. We will record the disposal, reuse and recycling of C&D materials for monitoring purposes.

14. We estimate that the project will generate about 1 150 cubic metres (m³) of C&D materials. Of these, we will reuse about 980 m³ (85.2%) as fill in public filling areas¹, and dispose of the remaining 170 m³ (14.8%) at landfills. The notional cost of accommodating C&D waste at landfill sites is estimated to be \$21,250 for this project (based on a notional unit cost² of \$125/m³).

/LAND

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.

LAND ACQUISITION

15. The project does not require land acquisition.

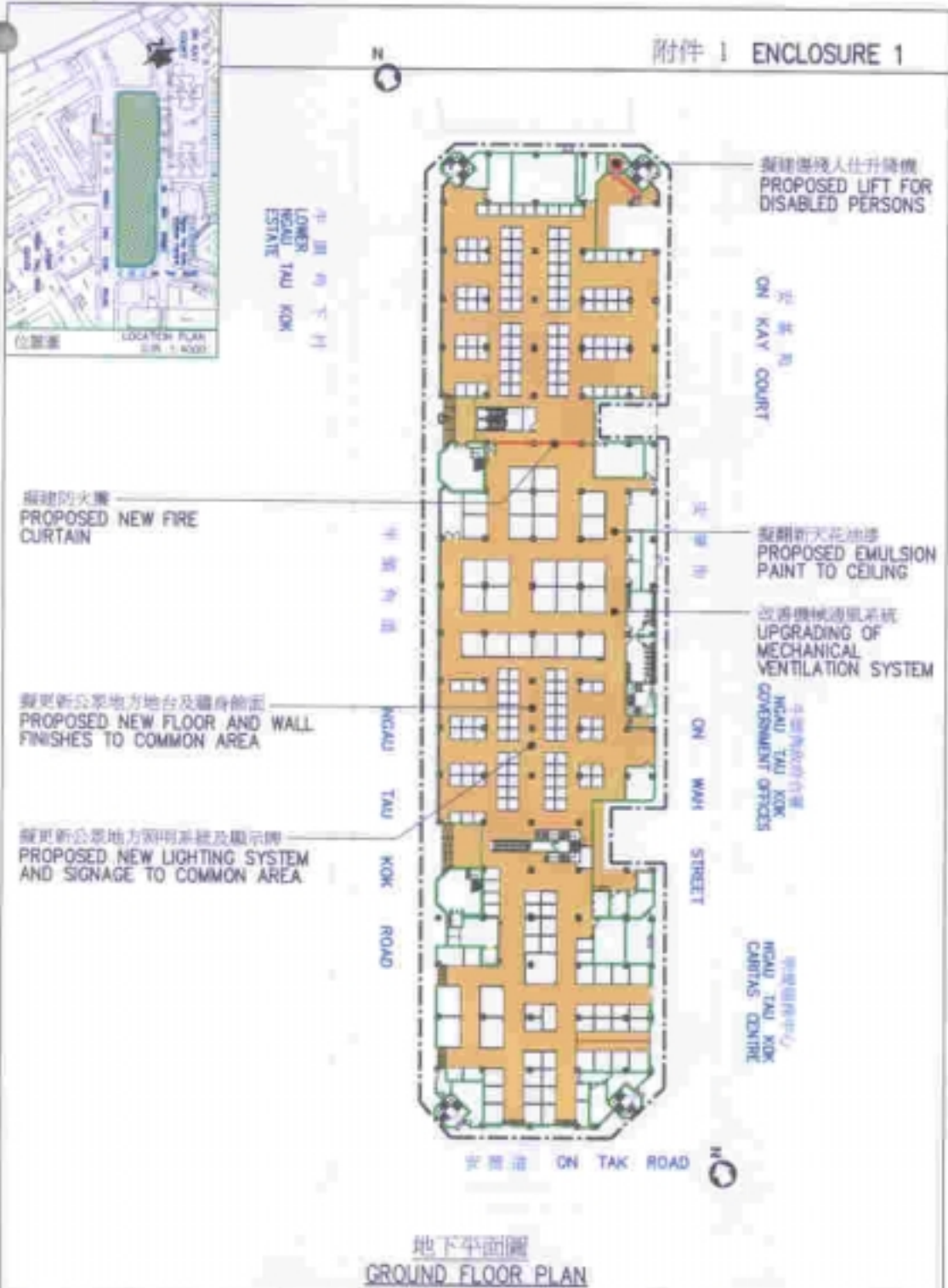
BACKGROUND INFORMATION


16. We upgraded **23NM** to Category B in October 2001. The original project scope covered the retro-fitting of air-conditioning system which was subsequently excluded as only 51% of the market lessees and 80% of the CFC lessees supported the proposed retro-fitting of air-conditioning and the sharing of the recurrent running cost of the proposed system. We engaged consultants to undertake detailed design and tender documentation of the project at a total cost of \$3.4 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.

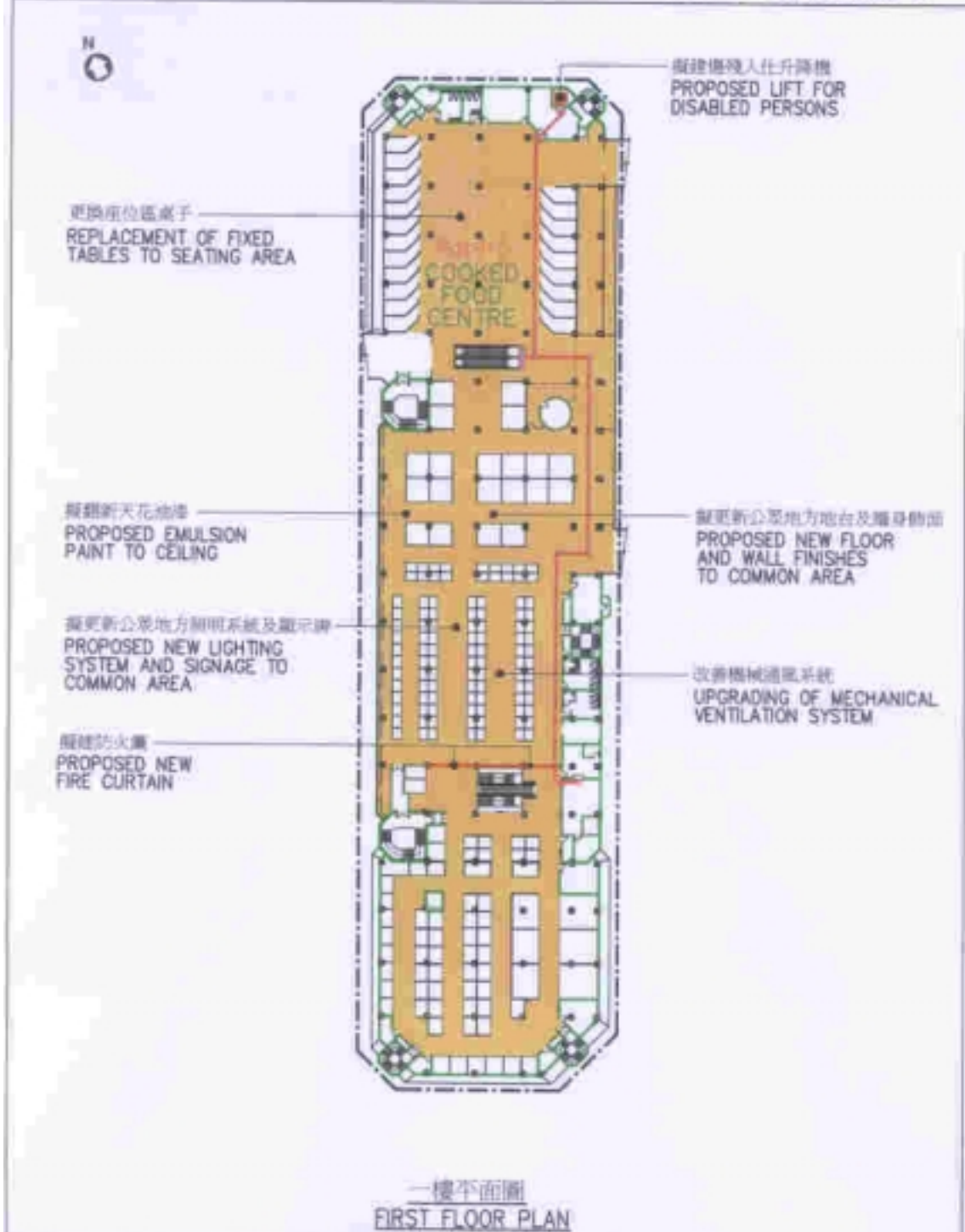
17. The proposed general improvement works will not involve any tree removal or planting proposals.

18. We estimate that the proposed works will create about 115 jobs (100 for labourers and another 15 for professional/technical staff) providing a total employment of 1 450 man-months.


Health, Welfare and Food Bureau
June 2004

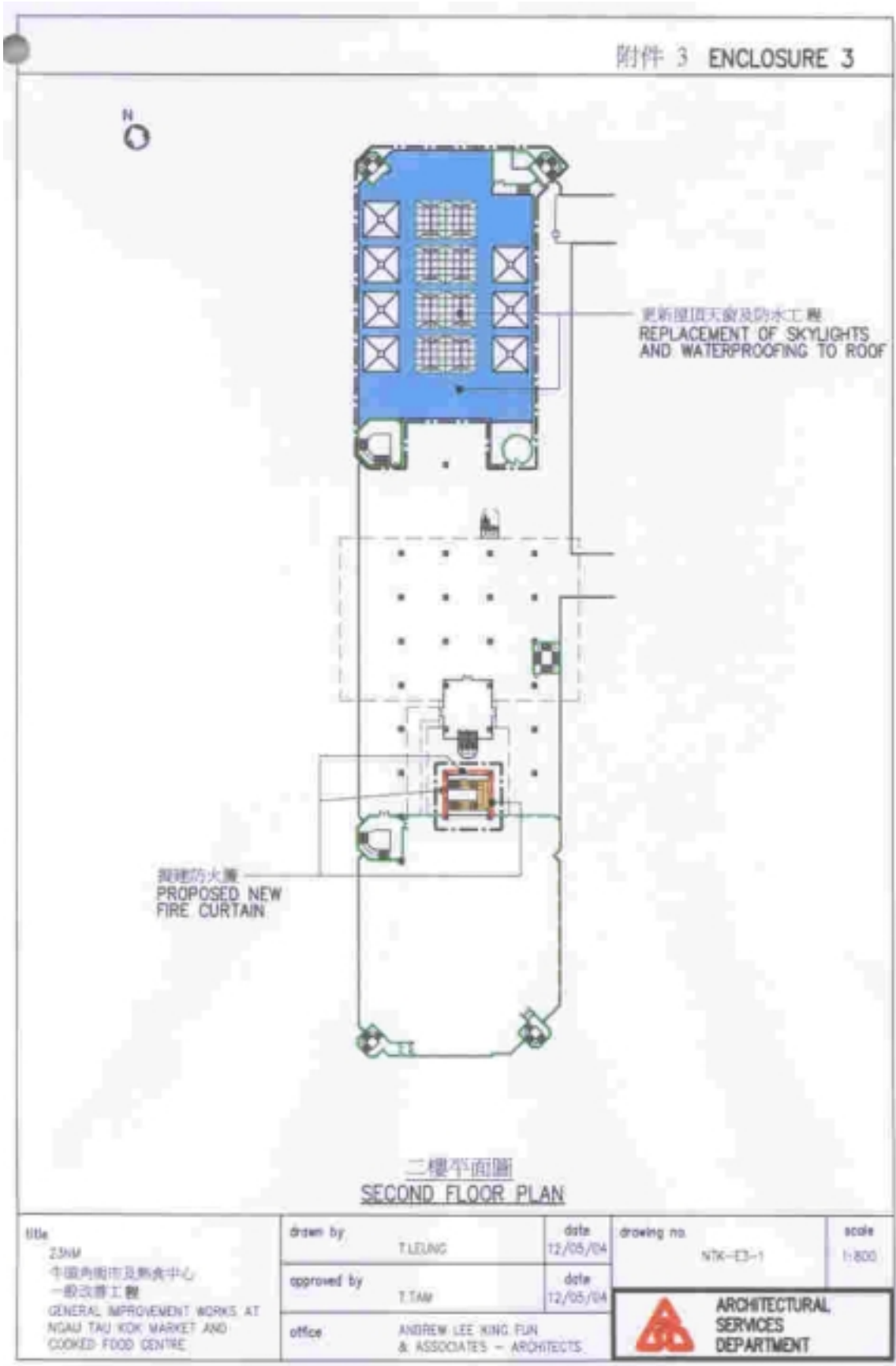


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|--|--|------------------|---|----------------|
| title 23NW 牛頭角街市及熟食中心 一般改善工程 GENERAL IMPROVEMENT WORKS AT NGAU TAU KOK MARKET AND COOKED FOOD CENTRE | drawn by T.LEUNG | date 12/05/04 | drawing no. NTK-EI-1 | scale 1:800 |
| | approved by T.TAM | date 12/05/04 |  ARCHITECTURAL SERVICES DEPARTMENT | |
| | office ANDREW LEE KIND FUN & ASSOCIATES - ARCHITECTS | | | |



一樓平面圖
FIRST FLOOR PLAN

| | | | | |
|--|--|------------------|---|----------------|
| title 231M 牛欄角街市及熟食中心 一般改善工程 GENERAL IMPROVEMENT WORKS AT NGAU TAU KOK MARKET AND COOKED FOOD CENTRE | drawn by T.LEUNG | date 12/05/04 | drawing no. NTK-E2-1 | scale 1:800 |
| | approved by T.TAM | date 12/05/04 |  ARCHITECTURAL SERVICES DEPARTMENT | |
| | office ANDREW LEE KING FUN & ASSOCIATES - ARCHITECTS | | | |





熟食中心電腦效果圖
COMPUTER RENDERED DRAWING OF COOKED FOOD CENTRE

擬建新公眾地方
地板及牆身飾面
PROPOSED NEW FLOOR AND WALL
FINISHES TO COMMON AREA



擬改善工程電腦效果圖
COMPUTER RENDERED DRAWING FOR PROPOSED IMPROVEMENT AND UPGRADING WORKS

| | | | | |
|---|-----------------------|------------------|---|--------------|
| title Z3M 牛頭角街市及熟食中心 一般改善工程 GENERAL IMPROVEMENT WORKS AT NGAU TAU KOK MARKET AND COOKED FOOD CENTRE | drawn by: T.LEUNG | date 12/05/04 | drawing no. NTK-E4-1 | scale NTS |
| | approved by: T.TAM | date 12/05/04 | ARCHITECTURAL SERVICES DEPARTMENT | |
| office ANDREW LEE KONG FUN & ASSOCIATES – ARCHITECTS | | | | |

**23NM – General improvement works at
Ngau Tau Kok Market and Cooked Food Centre**

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 | — | — | — | 1.3 |
| (Note 2) | Technical | — | — | — | 1.4 |
| (ii) Resident site staff costs | Technical | 60.5 | 14 | 1.6 | 1.8 |
| (Note 3) | | | | | |
| Total consultants' staff costs | | | | | 4.5 |

*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 January 2004, MPS point 14 = \$18,603 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/other improvement works to existing public markets and cooked food centres. The assignment will only be executed subject to Finance Committee's approval to upgrade **23NM** 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.