

LCQ1: Construction works for Hung Hom Station platform under Shatin to Central Link

Following is a question by the Hon Tony Tse and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 20):

Question:

Following press reports last month that the Hung Hom Station extension works of the Shatin to Central Link (SCL) project had works quality problem, the MTR Corporation Limited (MTRCL) admitted that its staff members had detected, on five occasions during their inspections between August and December 2015, non-compliant works, which included steel bars having been cut short and not screwed into couplers to the required depth. In this connection, will the Government inform this Council:

(1) as the aforesaid works quality problem was detected on as many as five occasions within five months, whether it knows why MTRCL still maintained that its frontline staff members were not required to notify its Board of Directors and the Government of such problems on the grounds that they were not "persistent";

(2) as the Government undertook in 2015, in response to an expert panel's report on the works delays and cost overruns of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project, that it would improve the monitoring and reporting work of railway projects, of the details of the monitoring and reporting mechanism; whether the Government has deployed staff to conduct regular inspections on the SCL project and perform random checks at the "hold points"; if so, of the reasons why the aforesaid works quality problem still occurred; if not, the reasons for that; and

(3) apart from holding MTRCL accountable for the aforesaid works quality problem, whether the Government will also pursue the responsibilities of the main contractor and its sub-contractors concerned, and impose penalties on them?

President,

My consolidated reply to the various parts of the Hon Tony Tse's question is as follows:

We are very concerned about the reported incident of the cutting of steel reinforcement bars at the platform of Hung Hom Station under the Shatin to Central Link (SCL) project. We received the report submitted by the MTR Corporation Limited (MTRCL) on June 15. The report states that the statements

given by one of the sub-contractors of Leighton Contractors (Asia) Limited (Leighton) are not consistent with those given to the MTRCL by Leighton, who has strenuously denied the allegations. The MTRCL did not express any opinion on this matter. According to the information provided by the MTRCL separately to the HyD, the HyD considers that the matter may involve criminality and the HyD has therefore referred the matter to the Police for follow-up action. The Government has no comment on this matter at this stage. As regards other contents and technical information in the report, the HyD will thoroughly examine and request the MTRCL to make clarifications or provide supplementary information if necessary.

The HyD has already required the MTRCL to employ an independent third-party expert to carry out load tests. At the same time, the Chief Executive announced on June 12 the decision on the setting up of a Commission of Inquiry under the "Commission of Inquiry Ordinance" (Cap. 86), to conduct an independent and comprehensive investigation, in order to allay the concerns of the public.

The report submitted by the MTRCL on June 15 does not elaborate the rationale for not reporting to its board and the Government when the frontline staff of the MTRCL discovered the problem in quality of the works. The HyD has reminded the MTRCL that, being the project manager of the SCL project, the MTRCL has to strictly comply with the responsibility under the Entrustment Agreement, including verification of the facts of all related issues, and ensure the quality of works of the SCL.

The MTRCL was entrusted by the government to design, construction and commissioning of the SCL project. According to the Entrustment Agreement signed between the MTRCL and the Government, the MTRCL warrants that the Entrustment Activities shall be carried out with the skill and care reasonably to be expected of a professional, including the assurance of quality of works up to the standards required. The HyD, with the assistance of its Monitoring and Verification (M&V) Consultant, is responsible for verifying whether the MTRCL has complied with its responsibility as the project manager under the Entrustment Agreement. The HyD and the M&V Consultant visit the sites of SCL regularly. In general, about six to eight works contracts are visited in a month and the works contract of Hung Hom Station is visited about once in every three months. However, as the above monitoring and verification role that HyD is assuming is to check the checker, that is, verifying whether the MTRCL has implemented the relevant procedures according to its specified requirements; the HyD generally does not check at the "hold point" on site and the MTRCL is responsible for such checking.

On structural safety, depending on whether the project is located within unleased land or leased land, the design and construction of the SCL project is governed by different mechanisms. Regardless of the type of mechanism, structural safety requirements of the project also have to be on par with the requirements of works supervision under the Buildings Ordinance (Cap. 123).

Tapping the experiences learnt from the incident of the XRL project, the

HyD has implemented the following measures since mid-2014 progressively to strengthen the monitoring of expenditure, financial position and progress of the SCL project:

- (i) deployed additional staff since mid-2014 of the SCL project team of the Railways Development Office of the HyD to strengthen monitoring works;
- (ii) submitted monthly progress reports of the SCL project to the Transport and Housing Bureau and adopted a "traffic signal" system to express precisely and concisely the progress and the financial status of the project;
- (iii) the MTRCL should give a briefing on the change in financial reserve under the works contract, particularly where substantial sum is involved. The MTRCL shall brief the Deputy Director or above of the HyD for changes involving large sums;
- (iv) arranged the M&V consultant appointed by the HyD to attend monthly Project Steering Committee meetings under the chairmanship of the Director of Highways; and
- (v) established a working group with the HyD, the M&V consultant and the MTRCL to review regularly the programme and progress of the SCL in detail, with focus on critical works procedures.

Since June 2014, the Government and the MTRCL have submitted quarterly reports on the works progress to the Subcommittee on Matters relating to Railways (RSC) of the Legislative Council, and attended the RSC meetings in response to queries from the members.

The SCL project is still in progress. When the project is completed, the MTRCL shall submit the required documents and the completion report (including the test report and inspection records) to the Government for examination and confirmation. In addition, the HyD, in collaboration with the M&V consultant and relevant government departments, participates the pre-handing over inspection of the MTRCL before the relevant works are handed over to the Government.

The expansion works of Hung Hom Station under the SCL project is carried out under Works Contract No. 1112 signed by the MTRCL and Leighton. In accordance with the Entrustment Agreement, the MTRCL is required to ensure that the contractors and subcontractors employed are of a level of qualification which is consistent with those required by the MTRCL for implementing ordinary railway projects. The MTRCL, as the project manager, shall ensure all the design requirements are reflected in the works contracts signed with the contractors and sub-contractors in order to ensure the quality of works comply with the requirements of the Entrustment Agreement and the works carried out by the contractors and subcontractors are in compliance with the standards during construction.

In addition, if any serious violation involving safety and quality is found, the Building Department may consider taking legal or disciplinary actions against the relevant persons according to the Building Ordinance.