

CONTROLLING OFFICER'S REPLY

THB(T)228

(Question Serial No. 4115)

Head: (60) Highways Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Railway Development
Controlling Officer: Director of Highways (Daniel K W CHUNG)
Director of Bureau: Secretary for Transport and Housing

Question:

In view of the delay and cost overruns in some railway infrastructure projects in the past year, will the Government allocate more resources to strengthen monitoring of the progress of these projects, as well as the communication with the public in relation to the progress?

Asked by: Hon CHAN Han-pan (Member Question No. 51)

Reply:

Railway projects currently underway include the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL Hong Kong section) and the Shatin to Central Link (SCL), both of which are implemented by adopting the concession approach. The Highways Department (HyD) deploys in-house staff resources, with the assistance of its monitoring and verification (M&V) consultant, to monitor the implementation of the XRL Hong Kong section and SCL projects.

In the light of the delay of the construction of the XRL Hong Kong section, the Chief Executive appointed in May 2014 an Independent Expert Panel (IEP) chaired by Mr Justice Hartmann to review the implementation of the XRL project. The report of the IEP, which was released in January 2015 by the Government, put forward recommendations to improve the monitoring work by the HyD on the XRL Hong Kong section project. Under the framework of the three-tiered monitoring mechanism (i.e. the Project Supervision Committee (PSC) chaired by the Director of Highways, the Project Co-ordination Meetings held by 1 officer at Assistant Director level of the HyD with the General Managers and Project Managers of the MTR Corporation Limited (MTRCL), and the Contract Review Meetings held by 1 officer at Chief Engineer level of the HyD with site supervision staff of the MTRCL) and risk-based approach, the dedicated division of the Railway Development Office (RDO) of the HyD has implemented the following measures to enhance the monitoring of the progress and financial status of the XRL Hong Kong section project since mid-2014 -

- (i) an increase in the number of staff in the dedicated division for the XRL Hong Kong

- section project under the RDO of the HyD from 13 to 18 (as at December 2016);
- (ii) submission of monthly progress reports to the Transport and Housing Bureau (THB) for the XRL Hong Kong section project with the adoption of “traffic light” system to facilitate THB’s understanding of current project status;
 - (iii) requesting the MTRCL to submit detailed reports on critical construction activities including the production rates of critical contracts;
 - (iv) monitoring of the achievement of milestones established by the MTRCL’s Independent Board Committee through the monthly progress reports and the PSC meetings chaired by the Director of Highways;
 - (v) liaising more closely with the MTRCL’s project team and requesting the MTRCL to provide more detailed information;
 - (vi) arranging the M&V consultant to attend the PSC meetings;
 - (vii) establishment of a working group amongst the HyD, the M&V consultant and the MTRCL with members from the respective specialised teams to review the programme and progress of the XRL Hong Kong section project in detail on a regular basis; and
 - (viii) arranging the M&V consultant to conduct more frequent audits on critical contracts and focused audits on individual important issues.

After the above measures being put in place, the MTRCL has taken forward the XRL project in accordance with the revised programme with the target commissioning date in the third quarter of 2018.

Apart from the three-tiered monitoring mechanism, the HyD has also adopted the above measures which are applicable to the SCL project since mid-2014. Since mid-2014, the number of staff in the dedicated division for the SCL project of the HyD has increased from 15 to 19 (as at December 2016) to strengthen monitoring of the project.

From the fourth quarter of 2014 onwards, the THB and the HyD also submit a quarterly report to the Subcommittee on Matters Relating to Railways of the Legislative Council on the construction progress and financial status of the XRL Hong Kong section and SCL projects.

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