THB(T)259

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4043)

<u>Head</u>: (60) Highways Department

Subhead (No. & title): (-) Not Specified

<u>Programme</u>: (3) Railway Development

<u>Controlling Officer</u>: Director of Highways (Jimmy P M CHAN)

<u>Director of Bureau</u>: Secretary for Transport and Housing

Question:

Concerning the supervision of the construction and operation of Shatin to Central Link (SCL), will the Administration inform this Committee of the fund, manpower and resources allocated to execute the above works? Given the latest delays and overspending of the above project, does it mean that the Administration fails to allocate sufficient manpower and experts to supervise this project? Please also inform this Committee of the reasons for the delays and overspending which revealed at the very last stage which are totally against the principle of cost-effectiveness for the management and supervision of this project.

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 84)

Reply:

The Highways Department (HyD) is responsible for the monitoring and verification (M&V) of the works of the MTR Corporation Limited (MTRCL) in implementing the SCL project. As at March 2020, there are one Government Engineer, three Chief Engineers, 11 Senior Engineers, 19 Engineers and one Assistant Engineer in the Railway Development Office of HyD assisting one Principal Government Engineer in taking forward the SCL project. As they are existing staff resources of HyD and are also responsible for other projects, there is no separate breakdown of expenditure for SCL. HyD has employed consultants to assist in M&V works and the expenditure was about \$27.7 million in 2019-20.

Under the entrustment agreements of the SCL project, MTRCL is responsible for the construction, testing and commissioning of the works under the SCL project, as well as the provision of construction management and supervision services. MTRCL is the project manager who receives project management cost from the Government to, among others, employ the required manpower to manage the SCL project with the skill and care reasonably expected of a professional and competent project manager. It is MTRCL's duty to ensure that the contractor carries out the works in accordance with the contractual requirements and other relevant statutory provisions.

The progress updates of the SCL project have been regularly reported by the Government to the Legislative Council (LegCo) Subcommittee on Matters Relating to Railways since 4 July 2014, which had included events that would cause delay to the commissioning of SCL. Upon MTRCL's notification of the increase in entrustment cost of the main construction works of SCL in December 2017, HyD in collaboration with its M&V consultant had critically examined the justifications for the increase. A funding application, with detailed reasons for an increase to the approved project estimates for the main works of the SCL project under PWP Items 6061TR and 6062TR, is being considered by LegCo (LC Paper No. PWSC(2019-20)27).

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