

File Ref : TBCR 10/1016/99

Legislative Council Panel on Transport

Subcommittee on matters relating to the implementation of railway development projects

Progress Report on the Shatin to Central Link

INTRODUCTION

This progress report informs Members of the latest situation regarding the bidding of the Shatin to Central Link (SCL).

BACKGROUND

2. The Railway Development Strategy 2000 (RDS-2000) announced last May recommends that the SCL and any other new rail projects, which are not natural extensions of any existing line, shall be subject to competitive bidding by both Railway Corporations on a level playing field basis.

3. Government therefore invited on 15 January both Railway Corporations to submit tenders for the SCL and the tender closed on 20 July 2001. Both Railway Corporations have submitted bidding proposals but no proposals were received from any third parties. We are still assessing the bids and aim to complete the assessment by the end of this year.

PROPOSALS BY TWO RAILWAY CORPORATIONS

4. To ensure a level playing field, we will select the SCL operator on the basis of proposals fully conforming to all the requirements, including corridor alignment, specified in the Project Brief (Conforming Proposals). Conforming Proposals should follow the Exhibition/Admiralty alignment option recommended by RDS-2000, and not the Victoria Park option. The approximate alignment and station locations are at **Annex A**.

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5. We are assessing the Conforming Proposals according to their technical and financial merits, giving each of these two aspects equal importance. Our assessment will consider the Conforming Proposals' performance in respect of –

- (a) interchanges' convenience and stations' accessibility
- (b) interfaces with adjacent railways
- (c) land resumption
- (d) implications to environment and traffic
- (e) compatibility with existing and planned landuse
- (f) early, phased completion
- (g) fare level
- (h) cost estimates
- (i) ridership and revenue projections
- (j) rate of return
- (k) funding support required from Government
- (l) ability to finance the project

6. As specified in the Operating Agreement entered with MTRCL pursuant to the Mass Transit Railway Ordinance, Government will not discriminate in respect of any Corporation in awarding new projects on the basis of Government's shareholding or other economic interests in that Corporation. Therefore, Government's shareholding interest is not factored into the assessment.

7. We will award the SCL operator to the Corporation having submitted the best overall performing Conforming Proposal. Only after the operator has been selected will the Non-Conforming Proposal(s) submitted by the winning Corporation be evaluated.

CONCLUSION

8. Members are requested to note the latest situation of the bidding of the SCL.

**Transport Bureau
30 November 2001
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ANNEX A

