

Legislative Council Public Works Subcommittee

Follow-up action arising from the discussion of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link at the Meeting on 23 January 2016

Introduction

At the Meeting of the Public Works Subcommittee on 23 January 2016, Members continued to discuss matters relating to the construction of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (“XRL”) project. In response to the follow-up actions raised by Members, this paper aims to provide supplementary information on details of (1) proposed increase in government cost; and (2) XRL construction contracts signed by the MTR Corporation Limited (“MTRCL”) with other companies.

PROPOSED INCREASE IN GOVERNMENT COST

2. In January 2010, the Finance Committee of the Legislative Council approved the project estimate for the XRL project at \$66.8175 billion (in money-of-the-day prices). The Government and MTRCL subsequently entered into an Entrustment Agreement to entrust MTRCL to proceed with the construction, testing and commissioning of the XRL at a cost of \$65 billion. The remaining amount in the approved project estimate of \$1,817.5 million is allocated as government cost, which is under the management of the Highways Department, for the construction and provision of government facilities and equipment, consultancy for monitoring and verification (“M&V”) services, etc.

3. The proposed increase in government cost is to cover the expanded scope of works for the M&V consultancy services and other studies over the extended construction period, including

engaging financial consultancy in future to vet MTRCL's proposal on the service concession; payment for price adjustment of government facilities and equipment (including firefighting equipment and customs, immigration and quarantine facilities at the West Kowloon Terminus); outside litigation services for handling the MTRCL culpability issues, etc. Breakdown of the proposed increase is shown in the following table

Reasons for proposed increase in government cost	Amount (\$ million)
Payment for expanded scope of works for the M&V consultancy services and other studies over the extended construction period, including engaging financial consultancy in future to vet MTRCL's proposal on the service concession	64.5
Payment for price adjustment of government facilities and equipment	28
Payment for outside litigation services for handling the MTRCL culpability issues	90
Total	182.5

CONSTRUCTION CONTRACTS SIGNED BY MTRCL FOR THE XRL PROJECT

4. As at 31 December 2015, the total awarded contract sum for the XRL contracts signed by MTRCL is \$45.236 billion, including 42 major contracts¹. Details of the major contracts are at the **Annex**.

**Transport and Housing Bureau
Highways Department
January 2016**

¹ Major contract refers to the awarded contract with the contract sum value more than \$50 million.

Details of major contracts for XRL project

No.	Contract No.	Contract	Contractor	Awarded Contract Sum (\$ million)	Award Date
1	802	Nam Cheong Property Foundation Removal and Reprovisioning	Hsin Chong Construction Co. Ltd.	334	27 January 2010
2	803A	West Kowloon Terminus Diaphragm Walls (Site A)	Bachy Soletanche Group Limited	461	27 January 2010
3	803B	West Kowloon Terminus Piles (Site A - North)	Tysan Foundation Limited	497	10 March 2010
4	803C	West Kowloon Terminus Piles (Site A - South)	VIBRO – Chun Wo Joint Venture	321	27 January 2010
5	803D	West Kowloon Terminus Diaphragm Walls and Piles (WKCD)	Bachy Soletanche Group Limited	819	27 January 2010

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6	805	Sham Mong Road Obstruction Removal	Paul Y Construction Co. Ltd.	160	27 January 2010
7	810A	West Kowloon Terminus Station North	Gammon – Leighton Joint Venture	8,910	18 October 2011
8	810B	West Kowloon Terminus Station South	Laing O'Rourke - Hsin Chong – Paul Y Joint Venture	3,321	12 January 2011
9	811A	West Kowloon Terminus Approach Tunnel (North)	Bachy Soletanche – Laing O'Rourke Joint Venture	1,040	3 May 2010
10	811B	West Kowloon Terminus Approach Tunnel (South)	Gammon – Leighton Joint Venture	2,883	13 August 2010
11	815A	Supply of Metal Doors and Frames including Ironmongery	The Jardine Engineering Corporation, Ltd.	99	9 May 2012
12	815F	West Kowloon Terminus – Public Toilet Fit-out works	Wan Chung Construction Co. Ltd.	53	9 September 2013
13	816A	West Kowloon Terminus – Environmental Control System	Shinryo Corporation	783	9 December 2011

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14	816B	West Kowloon Terminus – Building Services Control System	Johnson Controls Hong Kong Limited	60	9 December 2011
15	816C	West Kowloon Terminus – Electrical Installation	Shinryo Corporation	550	9 December 2011
16	816D	West Kowloon Terminus – Fire Services, Plumbing & Drainage	Leighton – Chubb E&M Joint Venture	664	9 December 2011
17	820	Mei Lai Road to Hoi Ting Road Tunnels	Dragages – Bouygues Joint Venture	3,669	3 May 2010
18	821	Shek Yam to Mei Lai Road Tunnels	Dragages – Bouygues Joint Venture	1,384	12 July 2010
19	822	Tse Uk Tsuen to Shek Yam Tunnels	Leighton Contractors (Asia) Limited	3,235	10 March 2010
20	823A	Tai Kong Po to Tse Uk Tsuen Tunnels	Maeda – China State Joint Venture	1,502	12 July 2010
21	823B	Shek Kong Stabling Sidings & Emergency Rescue Sidings	Maeda – China State Joint Venture	3,218	20 October 2010

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22	824	Ngau Tam Mei to Tai Kong Po Tunnels	Kier - Kaden - OSSA Joint Venture	1,515	13 August 2010
23	825	Mai Po to Ngau Tam Mei Tunnels	Penta – Ocean Construction Co., Ltd.	1,684	27 January 2010
24	826	Huanggang to Mai Po Tunnels	CRCC-HC-CR15G Joint Venture	1,691	10 March 2010
25	830	Trackwork and Overhead Line System	Chun Wo – CRGL – QR Joint Venture	1,169	6 July 2011
26	840	Express Rail Link: Rolling Stock	CSR Qingdao Sifang Co. Ltd.	1,744	7 March 2012
27	841A	Signalling System - Trackside Equipment	Beijing HollySys Co., Ltd.	308	7 March 2012
28	841B	Signalling System - Trainborne Equipment	Beijing HollySys Co., Ltd.	182	7 March 2012
29	842A	Mainland E&M Interface Modification Works	Kong Passenger Dedicated Line Co. Ltd.	94	6 January 2014
30	843	Tunnel Environmental Control System	GAS Joint Venture	260	3 May 2011
31	844	11kV Power Distribution	CLP Power Hong Kong Limited	89	12 February 2014

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32	846	Trackside Auxiliaries	Shinryo Corporation	295	10 August 2011
33	847	Lifts	KONE Elevator (HK) Ltd.	175	6 September 2011
34	848	Escalators and Moving Walkways	ThyssenKrupp Elevator (HK) Ltd.	91	6 September 2011
35	849	Radio Communications System	GTECH-CIC Joint Venture	244	19 October 2011
36	850	Passenger Mobile Communications System	Comba Telecom Limited	105	12 December 2012
37	851	Fixed Communications System	Siemens Ltd.	273	19 October 2011
38	852	Ticketing System	Nuctech Company Limited	166	16 April 2012
39	853	Main Control System	Beijing HollySys Co., Ltd.	66	8 November 2011
40	855	Building Services for Tunnel Ventilation Facilities and Emergency Rescue Siding	ATAL Engineering Ltd.	297	12 January 2011

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41	856	Building Services for Shek Kong Stabling Sidings	ATAL Engineering Ltd.	140	1 February 2011
42	861A	Locomotives and Flat Wagons	Jiangsu KTK Locomotive & Rolling Stock Co Ltd	78	13 March 2012