立法會 Legislative Council

LC Paper No. PWSC155/16-17

(These minutes have been seen by the Administration)

Ref: CB1/F/2/1(14)B

Public Works Subcommittee of the Finance Committee of the Legislative Council

Minutes of the 13th meeting held in Conference Room 1 of the Legislative Council Complex on Wednesday, 5 April 2017, at 8:30 am

Members present:

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman) Hon Charles Peter MOK, JP (Deputy Chairman) Hon Tommy CHEUNG Yu-yan, GBS, JP Hon Jeffrey LAM Kin-fung, GBS, JP Hon Starry LEE Wai-king, SBS, JP Hon CHAN Hak-kan, BBS, JP Dr Hon Priscilla LEUNG Mei-fun, SBS, JP Hon Paul TSE Wai-chun, JP Hon LEUNG Kwok-hung Hon Claudia MO Hon Michael TIEN Puk-sun, BBS, JP Hon Frankie YICK Chi-ming, JP Hon WU Chi-wai, MH Hon YIU Si-wing, BBS Hon MA Fung-kwok, SBS, JP Hon CHAN Chi-chuen Hon LEUNG Che-cheung, BBS, MH, JP Hon Alice MAK Mei-kuen, BBS, JP Hon KWOK Wai-keung

Dr Hon Fernando CHEUNG Chiu-hung Dr Hon Helena WONG Pik-wan Dr Hon Elizabeth QUAT, JP Dr Hon CHIANG Lai-wan, JP Hon Alvin YEUNG Hon Andrew WAN Siu-kin Hon CHU Hoi-dick Dr Hon Junius HO Kwan-yiu, JP Hon HO Kai-ming Hon LAM Cheuk-ting Hon Holden CHOW Ho-ding Hon SHIU Ka-chun Hon Wilson OR Chong-shing, MH Hon CHAN Chun-ying Hon Tanya CHAN Hon HUI Chi-fung Hon LAU Kwok-fan, MH Hon KWONG Chun-yu Hon Jeremy TAM Man-ho Hon Nathan LAW Kwun-chung Dr Hon YIU Chung-yim

Members absent:

Hon Abraham SHEK Lai-him, GBS, JP Hon WONG Kwok-kin, SBS, JP Hon Steven HO Chun-yin, BBS Hon CHAN Han-pan, JP Dr Hon KWOK Ka-ki Hon CHEUNG Kwok-kwan, JP Hon Kenneth LAU Ip-keung, MH, JP Dr Hon LAU Siu-lai

Public officers attending:

Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and
	the Treasury (Treasury)3

Mr HON Chi-keung, JP	Permanent Secretary for Development (Works)
Mr Thomas CHAN Chung-ching, JP	Deputy Secretary for Development (Planning and Lands)1
Mr Donald TONG Chi-keung, JP	Permanent Secretary for the Environment
Ms Margaret HSIA Mai-chi	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr YAU Shing-mu, JP	Under Secretary for Transport and Housing
Ms Rebecca PUN Ting-ting, JP	Deputy Secretary for Transport and Housing (Transport)1
Mr Raymond CHENG Nim-tai	Principal Assistant Secretary for Transport and Housing (Transport)7
Mr Daniel CHUNG Kum-wah, JP	Director of Highways
Mr Jimmy CHAN Pai-ming	Principal Government Engineer (Railway Development) Highways Department
Mr Frankie CHOU Wing-ping	Chief Engineer (Railway Development)1-2 Highways Department
Mr Anthony YUEN Woo-kok	Chief Engineer (Railway Development)1-3 Highways Department
Attendance by invitation:	
Mr Ken WONG	General Manager (Projects) MTR Corporation Limited
Mr Jason WONG	General Manager (Shatin to Central Link Civil - East West Line) MTR Corporation Limited

Mr Stephen YAU	Manager (Estimates, Cost Control and Logistics) MTR Corporation Limited
Ms Prudence CHAN	Senior Manager (Projects and Property Communications) MTR Corporation Limited
Clerk in attendance:	
Ms Sharon CHUNG	Chief Council Secretary (1)2
Staff in attendance:	
Miss Rita YUNG Mr Raymond CHOW Ms Mandy LI Ms Christina SHIU Ms Christy YAU Ms Clara LO	Senior Council Secretary (1)2 Senior Council Secretary (1)6 Council Secretary (1)2 Legislative Assistant (1)2 Legislative Assistant (1)7 Legislative Assistant (1)8

Action

<u>The Chairman</u> advised that there were six funding proposals on the agenda for the meeting. Five of them were carried over from the previous meeting of the Subcommittee. He reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council, they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the proposals. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

Head 706 - Highways PWSC(2016-17)43 63TR Shatin to Central Link - construction of railway works – advance works

2. <u>The Chairman</u> advised that the proposal, i.e. PWSC(2016-17)43, was to increase the approved project estimate of 63TR by \$847.7 million from \$6,254.9 million to \$7,102.6 million in money-of-the-day ("MOD") prices, in order to cover the cost of the works under the project. The Subcommittee

had commenced deliberation on the proposal at the meeting on 16 March 2017, and had continued discussion at the meeting on 22 March 2017.

Unfavourable ground conditions

3. <u>Members</u> noted that the Administration had tabled supplementary information papers (LC Papers Nos. <u>PWSC128/16-17(01)</u> (Chinese version) and <u>PWSC128/16-17(02)</u>) at the meeting in response to the questions raised on 63TR by members at the Subcommittee meeting on 22 March 2017, and by Mr CHU Hoi-dick and Mr Jeremy TAM in their letters (LC Papers Nos. <u>PWSC114/16-17(02)</u> and <u>PWSC117/16-17(01)</u>) (Chinese versions only). <u>Mr LEUNG Kwok-hung</u> and <u>Mr CHAN Chi-chuen</u> urged the Administration to provide supplementary information papers for members' reference as expeditiously as possible in future.

4. <u>Dr YIU Chung-yim</u>, <u>Mr Jeremy TAM</u> and <u>Mr Alvin YEUNG</u> requested MTR Corporation Limited ("MTRCL") to provide the following supplementary information: (a) how, during the design stage of the Admiralty Station expansion works, the construction team concluded from the ground investigation findings that the spacing between the natural joints of the rocks at the site was half a metre; and (b) how, during the construction stage of the aforesaid works, the construction team came up with the computation that the spacing between the natural joints of the rocks at the site was one metre based on the actual site conditions.

5. <u>General Manager (Projects), MTR Corporation Limited</u> ("GM/MTRCL"), replied that the registered geotechnical engineer appointed by MTRCL had conducted ground investigations according to the Geoguide compiled by the Geotechnical Engineering Office ("GEO") during the design stage of the Admiralty Station expansion works, and inferred from the ground investigation findings that the spacing between the natural joints of the rocks at the site was half a metre. The supplementary information paper (LC Paper No. PWSC128/16-17(02)) had set out the information contained in the ground investigation report for 63TR submitted by MTRCL to the Administration.

6. <u>GM/MTRCL</u> further said that during the construction stage of the aforesaid works, the construction team came up with the computation that the actual spacing between the natural joints of the rocks was one metre based on the soil and rock specimens collected in the field and on professional judgment. The diagram showing the distribution of natural joint spacing of the rocks ("the distribution diagram") at Appendix 3 to Annex 1 to the supplementary information paper (<u>LC Paper No. PWSC128/16-17(01)</u>) (Chinese version) provided a summary of the percentage distribution of

different joint spacing and showed that the actual spacing between the natural joints of the rocks was larger than expected. <u>MTRCL</u> undertook to provide the supplementary information requested by Dr YIU, Mr TAM and Mr YEUNG after the meeting.

(*Post meeting note:* The supplementary information provided by MTRCL (Chinese version) was circulated to members vide <u>LC Paper</u> <u>No. PWSC152/16-17(01)</u> on 10 May 2017.)

7. <u>Ms Tanya CHAN</u> enquired how the construction team computed the natural joint spacing of the rocks at the site based on their professional judgment. <u>GM/MTRCL</u> replied that the construction team based its measurement of the natural joint spacing of the rocks on the soil and rock specimens collected in the field.

8. In order to enable members to fully understand the content of the distribution diagram, <u>Ms Tanya CHAN</u> requested the Administration to provide supplementary information setting out the natural joint spacing of the rocks (in millimetres) vis-à-vis the descriptive terms in Table 7 of Geoguide 3 (e.g. the natural rock joints were "closely-spaced" meant that the joint spacing ranged from 60 to 200 millimetres).

(*Post meeting note:* The supplementary information provided by the Administration (Chinese version) was circulated to members vide LC Paper No. PWSC152/16-17(01) on 10 May 2017.)

9. Citing the aforesaid distribution diagram, <u>Ms Tanya CHAN</u> pointed out that there was a large difference between the percentage distribution of the different spacing of natural rock joints worked out by the construction team based on the soil and rock specimens collected during the design stage and the corresponding percentage distribution computed during the construction stage. <u>Ms CHAN</u> was concerned whether there was often such a large difference between ground investigation findings and actual underground conditions. <u>Dr YIU Chung-yim</u> suggested that MTRCL should provide information on how the construction team computed the percentage distribution of the different spacing of natural rock joints as set out in the distribution diagram.

10. <u>GM/MTRCL</u> said that the construction team collected soil and rock specimens during both the design and construction stages, and computed the percentage distribution of the different spacing of natural rock joints based on the specimens.

11. <u>Mr WU Chi-wai</u> enquired whether the registered geotechnical engineer appointed by MTRCL had timely informed MTRCL of the possible differences between the drill hole investigation findings and the actual underground conditions due to the environmental constraints to which the drill hole investigation was subject, so as to enable MTRCL to take corresponding measures as soon as possible.

12. <u>GM/MTRCL</u> replied that the locations for conducting drill hole investigations were decided by the registered geotechnical engineer responsible for ground investigation based on the site environment. MTRCL had submitted the relevant ground investigation report to the Buildings Department upon receipt of it.

13. Referring to the supplementary information paper (LC Paper No. PWSC114/16-17(01)) (Chinese version), <u>Mr CHAN Chi-chuen</u> pointed out that most of the drill hole investigations within the site area of Admiralty Station were conducted in 1970s and 1980s, for which the average depth of the drill holes was about 20 metres, while a few of them were conducted at around 2009, for which the depth of the drill holes was more than 40 metres. He asked whether MTRCL had failed to grasp the ground conditions accurately due to its reliance on the drill hole investigation findings obtained in earlier times.

14. <u>GM/MTRCL</u> explained that the ground investigations carried out in 1970s and 1980s were for the MTR Tsuen Wan Line and Island Line which were built in the shallower underground, while the ground investigations carried out at around 2009 were for the MTR South Island Line (East) which was built in the deeper underground. Furthermore, MTRCL had conducted drill hole investigations for 63TR, for which the number of drill holes were more than that required by the standards set out in the Geoguide. MTRCL had drawn an inference of the ground conditions within the site area of Admiralty Station based on the recent investigation findings and with reference to earlier investigation data.

15. <u>Mr CHAN Chi-chuen</u> said that despite the fact that the number of drill holes used for MTRCL's drill hole investigations was more than that required by the standards set out in the Geoguide, there were still discrepancies between the investigation findings and the actual underground conditions. He urged the Administration to revise the Geoguide to raise ground investigation standards.

Cost of works

16. <u>Mr Nathan LAW</u> opined that the Administration needed to review the implementation of public works projects (e.g. whether the Geoguide was obsolete), so as to address the problem of cost overrun which often occurred in works projects in recent years. He sought information on whether there had been occasions on which the final cost of public works projects had turned out to be lower than expected because the complexity of works was overestimated at the design stage (e.g. the severity of the unfavourable ground conditions at the site being overestimated) and the works at the construction stage were found to be less difficult than originally expected; if yes, the projects concerned and the amount of money involved; if the project cost did not come down eventually in such cases, the reasons therefor. <u>Mr LEUNG Kwok-hung</u> enquired whether the Administration could share the saving with the contractors if the final cost of the works was lower than expected.

17. <u>Director of Highways</u> ("DHy") explained that there were cases where the final cost of the works was lower than expected. As an example, he said that for some contracts involving piling works, the piling cost might be lower than expected if the length of the piles actually required was shorter than originally estimated, in which case the piling cost would be paid based on the actual length of the piles. <u>The Administration</u> undertook to provide the information requested by Mr LAW after the meeting.

(*Post meeting note:* The supplementary information provided by the Administration (Chinese version) was circulated to members vide <u>LC Paper No. PWSC152/16-17(01)</u> on 10 May 2017.)

18. <u>Dr YIU Chung-yim</u> and <u>Mr LEUNG Kwok-hung</u> enquired about the amount of the cost overruns borne by the contractors under 63TR. <u>Dr YIU</u> also enquired how the original contingency provision of \$501.6 million (in September 2010 prices) for 63TR was calculated.

19. <u>GM/MTRCL</u> said that the relevant contractors had borne a due portion of the cost overruns, which was capped at \$150 million, under the contract for the Admiralty Station expansion works.

On-cost payable to MTRCL

20. <u>Mr Nathan LAW</u> noted that the Administration had initially set the project management cost payable to MTRCL for 63TR at 16.5% of the project base cost ("on-cost rate"). Subsequently, the Administration appointed an independent consultant to examine the project estimate of the

Action

entire Shatin to Central Link ("SCL") project, and lowered the on-cost rate after negotiating with MTRCL and securing its consent. <u>Mr LAW</u> sought explanation on (a) why an independent consultant was not appointed in the first place to determine the amount of project management cost payable to MTRCL; and (b) why after the construction estimate was reviewed by the independent consultant, the Administration still had to obtain the consent of MTRCL before it could lower the on-cost rate.

21. <u>Under Secretary for Transport and Housing</u> ("USTH") replied that as the detailed design of the main works of SCL was not yet completed in the early phase of the advance works of SCL, and in view of the relatively small scale of the advance works of SCL, the Administration had temporarily set the on-cost rate at 16.5% based on the rate adopted in railway projects of similar scale. Following the completion of the detailed design of the main works of SCL, the Administration took the view that a railway project of such a large scale should be able to achieve an economy of scale, and therefore suggested afterwards that the on-cost rate for the advance works and main works of SCL be lowered. DHy added that the adjustment was subject to the consent of both the Administration and MTRCL, and could not be determined by the Administration unilaterally.

22. <u>Mr Nathan LAW</u> requested the Administration to provide supplementary information on how the project management cost payable to MTRCL for railway projects was determined.

(*Post meeting note:* The supplementary information provided by the Administration (Chinese version) was circulated to members vide <u>LC Paper No. PWSC152/16-17(01)</u> on 10 May 2017.)

23. Referring to the supplementary information paper (Annex 2 to <u>LC Paper No. PWSC128/16-17(01)</u>), <u>Mr CHU Hoi-dick</u> pointed out that the SCL-related projects (i.e. 61TR, 62TR, 63TR and 64TR) entrusted by the Administration to MTRCL involved a total provision of \$6,097.2 million (in September 2011 prices) for the estimated project management costs. He requested the Administration to provide supplementary information on whether the estimated costs were subject to upward or downward adjustment, and the amount of project management costs ultimately payable to MTRCL.

24. <u>DHy</u> said that as mentioned above, the Administration had lowered the project management cost payable to MTRCL under 63TR. As for the amount of project management costs ultimately payable to MTRCL for SCL-related projects (i.e. 61TR, 62TR, 63TR and 64TR), <u>USTH</u> replied that the Administration would not be able to work out the amount until the second half of 2017 when MTRCL could have a more practical assessment on the

overall project cost of SCL. <u>The Administration</u> undertook to provide a response in writing to Mr CHU's questions after the meeting.

(*Post meeting note:* The supplementary information provided by the Administration (Chinese version) was circulated to members vide <u>LC Paper No. PWSC152/16-17(01)</u> on 10 May 2017.)

Industrial accidents

25. Referring to the supplementary information paper (LC Paper No. <u>PWSC128/16-17(01)</u>), <u>Mr CHU Hoi-dick</u> pointed out that three serious industrial accidents had occurred in the SCL project from 2014 to 2016. The Administration/MTRCL had reviewed the assembly and disassembly procedures of the machines concerned after the first two accidents. However, the review did not help prevent another accident from happening. <u>Mr CHU</u> queried the effectiveness of the review and requested the Administration to provide the review reports on the three industrial accidents.

26. <u>General Manager (Shatin to Central Link Civil - East West Line),</u> <u>MTR Corporation Limited</u>, explained that the causes of the aforesaid two industrial accidents were different. The first accident, which took place in March 2014, concerned the assembly and disassembly procedures of the site investigation rig. However, the second accident, which took place in March 2015, concerned the assembly and disassembly procedures of the mobile crane. After the accidents, MTRCL had immediately reviewed the assembly and disassembly procedures of the machines concerned. <u>USTH</u> took note of members' concern about industrial accidents, but considered that it was more appropriate to follow up on the matter at the relevant Panels.

Voting on PWSC(2016-17)43

27. There being no further questions from members on the item, <u>the</u> <u>Chairman</u> put PWSC(2016-17)43 to vote. At the request of Mr CHU Hoi-dick, <u>the Chairman</u> ordered a division and the division bell was rung for five minutes. Thirteen members voted for, four members voted against the proposal and three members abstained from voting. The votes of individual members were as follows:

For: Mr Paul TSE Mr WU Chi-wai Ms Alice MAK Dr Elizabeth QUAT Dr Junius HO

Mr Frankie YICK Mr LEUNG Che-cheung Mr KWOK Wai-keung Dr CHIANG Lai-wan Mr HO Kai-ming Mr Holden CHOW Mr CHAN Chun-ying (13 members)

Against: Mr LEUNG Kwok-hung Mr CHU Hoi-dick (4 members) Mr Wilson OR

Mr CHAN Chi-chuen Mr Nathan LAW

Abstain: Mr SHIU Ka-chun Dr YIU Chung-yim (3 members)

Ms Tanya CHAN

28. <u>The Chairman</u> declared that the item was endorsed by the Subcommittee. <u>Mr LEUNG Kwok-hung</u> requested that this item (i.e. PWSC(2016-17)43) be voted on separately at the relevant Finance Committee ("FC") meeting.

Head 706 - Highways

PWSC(2016-17)44 56TR South Island Line (East) - essential public infrastructure works

29. <u>The Chairman</u> advised that the proposal, i.e. PWSC(2016-17)44, was to increase the approved project estimate of 56TR by \$286.2 million from \$927 million to \$1,213.2 million in MOD prices, in order to cover the cost of the works under the project. The Administration had consulted the Subcommittee on Matters relating to Railways ("RSC") of the Panel on Transport on the proposal on 9 December 2016. A majority of members present at the RSC meeting supported the submission of the proposal to the Subcommittee for consideration. A report on the gist of RSC's discussion had been tabled at the meeting.

Cost of works and on-cost payable to MTRCL

30. <u>Mr KWOK Wai-keung</u> pointed out that in addition to the proposed \$286.2 million, the cost increase had taken into account the \$56 million drawdown of contingencies which was used to cover various additional costs. He requested the Administration to explain (a) why an increase in the approved project estimate of 56TR was sought after the completion of the project; and (b) why the project management cost payable to MTRCL for the project had to be increased by \$29.1 million. <u>Mr KWONG Chun-yu</u> asked whether the project management cost could be lowered.

31. DHy explained that the Administration would reserve a contingency provision in the project cost to cope with any changes in the circumstances which were unexpected at the design stage. Additional funding would have to be sought from the Subcommittee and FC when the contingency provision was not sufficient to cover the expenses. The Administration had to wait until MTRCL confirmed the amount of additional funding required for 56TR before it could submit an application for additional funding. Upon receipt of MTRCL's request for additional funding, the Administration had submitted the funding proposal for consideration by the Subcommittee as quickly as possible. DHy further said that according to the entrustment agreement, the project management cost payable to MTRCL for 56TR was set at 16.5% of project base cost. The project management cost increased the correspondingly with the increase in the cost of works. The Administration could not decide unilaterally to adjust the cost downward.

32. <u>Mr Nathan LAW</u> commented that the criteria adopted by the Administration in determining the level of project management costs payable to MTRCL for railway projects lacked openness and transparency. In this connection, he enquired (a) whether clear guidelines were drawn up on the scale of railway projects that would warrant the engagement of an independent consultant to review the on-cost rate payable to MTRCL, (b) about the cost of engaging an independent consultant to conduct the review, and (c) whether the Administration would consider linking the project management cost to a series of factors (e.g. the manpower requirement and hours worked for the project) instead of the cost of works alone.

33. <u>DHy</u> replied that given that 56TR with a project estimate of \$1,213.2 million (including the additional funding being sought) was not exceptional large in scale, the Administration had set the on-cost rate at 16.5% based on the rate adopted in railway projects of similar scale, among which 1.2% was for the cost of project design, 11.2% for contract management and construction supervision expenses, 3.5% for administrative cost and 0.6% for insurance expenses. Independent consultants would be engaged to review the on-cost rate for projects of a large scale and complexity, such as the SCL project. However, the Administration had not drawn up the guidelines mentioned by Mr LAW.

34. <u>Dr CHIANG Lai-wan</u> considered it unreasonable to link the project management cost to the cost of works, as MTRCL would stand to receive a higher project management cost if the project incurred more cost overruns.

35. <u>DHy</u> said that MTRCL should use its best endeavours to complete a railway project in accordance with the entrustment agreement. If MTRCL

Action

failed to fulfill the relevant obligations, which resulted in cost overrun of the project, the Government was entitled to pursue claims against MTRCL for compensation.

Unfavourable ground conditions

36. <u>Mr MA Fung-kwok</u> expressed dissatisfaction about the successive occurrence of cost overruns in railway projects. He opined that the contractor, who was aware of the ground conditions at the site when bidding for the contract, should bear the risk of ground conditions and the cost impact that followed, rather than pursuing claims against MTRCL on discovering the unfavourable ground conditions.

37. <u>Mr CHAN Chun-ying</u> was concerned that both the current proposal (i.e. PWSC(2016-17)44) and the previous one (i.e. PWSC(2016-17)43) suffered from cost overruns due to unfavourable ground conditions. He enquired about the respective proportions of cases in the last two years in which the ground conditions encountered in the implementation of railway projects by MTRCL were worse than, similar to, and better than expected.

38. <u>GM/MTRCL</u> replied that in carrying out the works of Wong Chuk Hang Nullah, unforeseen large boulders and corestones were identified underneath the nullah by the contractor. As a result, the original construction programme had to be modified to allow for the removal of boulders and corestones before foundation works could continue. In addition, to avoid further delay, the contractor had to employ additional manpower, altered the construction method, and deployed extra machinery and materials to complete the works, which resulted in an increase in the cost of the works.

39. <u>Ms Tanya CHAN</u> opined that GEO should review the ground investigation standards set out in the Geoguide at an appropriate time. <u>Mr KWONG Chun-yu</u> requested the Administration to provide supplementary information about the time when GEO had last updated the Geoguide it compiled, and a response on whether the Geoguide was obsolete.

40. <u>Permanent Secretary for Development (Works)</u> reiterated that the Geoguide was compiled to provide general guidelines for engineering personnel. The professional personnel responsible for a project must devise a suitable ground investigation programme according to the project requirements and the geological complexity involved. He assured members that the Administration would review the relevant guidelines under the Geoguide, and examine whether most of the cost overrun projects in recent

years were related to unfavouable ground conditions. He undertook to provide the information requested by Mr KWONG after the meeting.

(*Post meeting note:* The supplementary information provided by the Administration (Chinese version) was circulated to members vide <u>LC Paper No. PWSC133/16-17(01)</u> on 12 April 2017.)

41. <u>Mr WU Chi-wai</u> recalled that the Administration had advised at the last meeting on 22 March 2017 that the Geoguide presented a recommended standard of good practice for the design, construction, monitoring and maintenance of geotechnical works in Hong Kong. Revising the Geoguide and uplifting the standards for ground investigation would have implications on all construction projects in Hong Kong. <u>Mr WU</u> opined that in order to prevent the recurrence of project cost overruns due to the significant differences between the actual ground conditions at the site and the ground investigation findings, the Administration should at least raise the ground investigation standards for public works projects, even if it did not contemplate a thorough overhaul of the Geoguide.

42. <u>DHy</u> took note of Mr WU's views and advised that the Geoguide provided only a set of minimum standards. In conducting ground investigations, a registered geotechnical engineer was required to devise the most suitable investigation programme (or one which went above the standards set out in the Geoguide) in the light of the actual conditions.

Underground utilities more complicated than expected

43. <u>Mr CHAN Chun-ying</u> noted that owing to the discovery of a lot of uncharted utilities under the ground of the works area of the South Island Line (East) ("SIL(E)") project, the contractor had to alter the construction method, which resulted in an increase in the cost of the works. He enquired about the ownership of these utilities, and whether the Administration would require the companies concerned to provide information on the utilities involved before commencing works in future, so as to prevent the recurrence of cost overruns.

44. <u>DHy</u> explained that before commencing works, engineering personnel would collect information from public utility companies and stakeholders about the underground utilities network within the scope of the works. However, there might be discrepancies between the information collected and the actual underground conditions. <u>GM/MTRCL</u> supplemented that MTRCL had conducted underground investigation before the commencement of the works. However, in order to minimize the impacts on the flood control function of Wong Chuk Hang Nullah and on road traffic, the extent of

the investigation works were compromised and did not fully cover the scope of the works.

45. <u>Mr Holden CHOW</u> was concerned about the accuracy of the information on the underground utilities. He enquired (a) whether MTRCL had obtained the information directly from the companies concerned or had done so through the Administration, (b) whether the companies concerned were obliged to ensure the accuracy of the information, and (c) whether the Administration/MTRCL could claim compensation from such companies in case cost overruns occurred due to inaccuracies in the information. <u>Mr MA Fung-kwok</u> expressed similar concern.

46. GM/MTRCL said that MTRCL had obtained information on the underground utilities directly from public utility companies and stakeholders. DHy supplemented that a system was currently in place to regulate road excavation works, under which all companies engaging in road excavation works (including MTRCL) were required to obtain information on underground utilities from public utility companies and stakeholders. Despite the absence of contractual relationship between road excavation companies and public utility companies, the latter would usually provide the former with the information on underground utilities as far as possible. The existing legislation did not prescribe explicitly the standards by which information should be provided by public utility companies under the aforesaid circumstances. Public utility companies and relevant government departments could also share their respective records on underground utilities through an electronic platform. However, the aforesaid electronic platform did not cover all public utility companies with underground utilities.

Change in design to suit the actual site conditions

47. <u>Mr CHAN Chun-ying</u> noted that during the construction stage, MTRCL considered it necessary to enhance the fire prevention facilities at the public transport interchange ("PTI") underneath Wong Chuk Hang Station, which resulted in an increase in the cost of the works. <u>Mr CHAN</u> requested MTRCL to explain the reasons for the decision, and whether it was common to enhance fire prevention facilities during the construction stage.

48. <u>GM/MTRCL</u> said that MTRCL had enhanced the design of the fire prevention facilities, including the fire sprinklers and fire alarms, in view of the actual site conditions of the PTI underneath Wong Chuk Hang Station and the advice given by the relevant government departments.

Works items under 56TR

49. Regarding the construction of a hundreds-metre-long pedestrian link connecting Wong Chuk Hang Station and Aberdeen Channel Promenade, <u>Mr KWOK Wai-keung</u> queried why, instead of designing the pedestrian link as a fully covered link, the Administration provided a covered footbridge with a length of about 36 metres only along a section of the pedestrian link. <u>GM/MTRCL</u> responded that the overhead viaduct above the pedestrian link could serve as a shield against wind, rain and sunlight.

50. <u>Mr WU Chi-wai</u> enquired whether the PTI underneath Wong Chuk Hang Station fell within the scope of the works of SIL(E), and about the parties who were responsible for the construction cost (including the cost overrun) of the PTI. <u>DHy</u> replied that the entire SIL(E) project involved railway works and other improvement works. The railway works and improvement works in the same area were carried out under the same contract, and the Administration and MTRCL should each bear the contractual costs of the works undertaken by them. <u>GM/MTRCL</u> supplemented that Wong Chuk Hang Station and the PTI underneath the station were two different structures.

51. <u>The Chairman</u> advised that the Subcommittee would continue discussion of this item (PWSC(2016-17)44) at the next meeting. The meeting ended at 10:30 am.

Council Business Division 1 Legislative Council Secretariat 11 May 2017