

5 May 2006

**Answers to Questions from the Hon. Lau Kong Wah****A. Imperfections in Welding of Compressor/Alternator Mounting Brackets**

- Q1. What are the names of the manufacturers of the compressors and alternators?
- A1. Both the compressors and alternators were supplied by GEC Traction, a sub-contractor of Metro-Cammell Ltd, which was later acquired by Alstom.
- Q2. Had these manufacturers contracted out any item of the work? If yes, what are the names of the sub-contractors?
- A2. The welding was also done by GEC Traction.
- Q3. Did the manufacturer agree with the findings in the report that there were imperfections in welding? If yes, was it put in writing?
- A3. In late March this year, Alstom informed KCRC in writing that in the batch of train cars manufactured in 1990-92, the thickness of some of the compressor mounting brackets was reduced in the final grinding. But, these brackets could still withstand the original design load had the actual loading not been exceeded. In the same letter, Alstom indicated that the welding of some of the alternator mounting brackets was sub-standard. But, they produced data to support their claim that these brackets could meet the design standard had the actual loading not been exceeded. KCRC will seek independent advice, and carry out tests to evaluate the validity of this claim. KCRC will take appropriate action if there is evidence to indicate that the manufacturer should be held responsible for the fault.
- Q4. Will the manufacturer accept responsibility, and will KCRC seek damages from them?
- A4. See A3.
- Q5. Was there any inspection when these compressors and alternators were delivered to KCRC? If yes, what were the procedure?
- A5. There are nearly 10,000 items in a train car. In accordance with the industry practice, it is impossible to inspect each and every item upon delivery. The imperfections in welding cannot be detected by visual inspection. One would have to use the destructive method to cut open the brackets to find out whether there is any fault.
- Q6. Did this manufacturer supply the same items of products to other rail companies in Hong Kong? If yes, were the same welding problems encountered?
- A6. Alstom informed KCRC that the same type of compressors was in use in British railway. But, they have not received any complaint about cracks.

**B Minute Undulations on Rail Top**

- Q1. What is the name of the supplier of rail tracks in question and the place of origin?
- A1. They were supplied by Pangang Group International, and the place of

origin is Szechuan Province, the Mainland.

- Q2. Information showed that these problematic tracks account for 36% of the entire East Rail track length. Have KCRC purchased other tracks from this supplier that did not have the undulations problem, and what is the total cost?
- A2. Yes, in 2004 KCRC procured from this supplier another batch of rail tracks. There has not been any problem with this consignment. The combined total cost of the two consignments was \$15.3 million.
- Q3. Was there any inspection when these tracks were delivered to KCRC? If yes, what was the inspection procedure?
- A3. Yes, KCRC appointed a UK expert firm to send independent agents to the manufacturer's plant to monitor and supervise the production process. The supervision covered quality control and production process in order to ensure compliance of the specifications. The process also involved taking measurements and laboratory tests on random samples.
- Q4. Was a special group formed in relation to the procurement of rail tracks? What is the name of the director involved in overseeing the procurement of this batch of rail track?
- A4. The procurement was made in accordance with established KCRC procedure. It was evaluated and approved by the Capital Projects Tender Board. The procedure was in line with the WTO procurement rules.
- Q5. Would KCRC seek damages from this supplier? If not, why not?
- A5. Prior to deliver, this batch of tracks was inspected and received by independent experts appointed by KCRC, and at that time the specifications were met. From the contractual point of view, there is no evidence to indicate that we can sue for damages.
- Q6. Has the same supplier sold tracks to other rail companies in Hong Kong? If yes, was the same undulations problem encountered?
- A6. KCRC is not aware that this supplier had sold tracks to other rail companies in Hong Kong.