For discussion **EC(2015-16)9**
on 4 November 2015

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 60 – HIGHWAYS DEPARTMENT
Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the creation of the following supernumerary directorate post in Highways Department with immediate effect upon approval of the Finance Committee to 31 December 2019, for a period of around four years –

1 Chief Engineer
(D1) ($130,500 - $142,750)

PROBLEM

The Highways Department (HyD) needs to create a supernumerary post at the rank of Chief Engineer (D1) to continue to provide dedicated support to and monitor the completion of the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) project by MTR Corporation Limited (MTRCL).

PROPOSAL

2. We propose to create one supernumerary post at the rank of Chief Engineer (D1) in the Railway Development Office (RDO) of HyD with immediate effect upon approval of the Finance Committee (FC) to 31 December 2019, for a period of around four years.

/JUSTIFICATION …..

JUSTIFICATION

Need for creation of the post for Chief Engineer/Railway Development 2-3 (CE/RD2-3)

3. The FC approved on 4 July 2008 the creation of the post for CE/RD2-3 for a period of seven years to head a dedicated division overseeing the XRL project entrusted to MTRCL for construction. The dedicated division currently comprises six Senior Engineers, ten Engineers and one Assistant Engineer. Since we were not able to obtain FC's approval to retain the post for CE/RD2-3 before 6 July 2015, the post lapsed on 7 July 2015. As a stop-gap measure and in view of the importance of the Hong Kong section of XRL, the existing duties of CE/RD2-3 were shared by the other Chief Engineers in RDO either directly or indirectly. This arrangement is only temporary. There is an urgent need to obtain FC's approval to re-create CD/RD2-3 to continue to lead the above dedicated division to oversee the XRL project. The proposed organisation chart of RDO is at Enclosure 1.

Encl. 1

4. The Government entrusted the construction and commissioning of XRL project to MTRCL. Construction works commenced in January 2010. In May 2014, MTRCL stated that the new commissioning target would be by the end of 2017. MTRCL announced on 11 August 2014 that the Cost to Complete (CTC) of the XRL would be $71.52 billion. HyD, with the assistance of its monitoring and verification (M&V) consultant, completed its review on MTRCL's proposed Programme to Complete (PTC). HyD considered that the PTC could be attained provided that the target progress was met for the critical contracts and various major conditions were satisfied. HyD urged MTRCL in November 2014 to review again the CTC in the light of HyD's review findings and the reports of the MTRCL Independent Board Committee (IBC), and to advise how the identified items which had not been included in the CTC would be addressed and allowed for.

5. The MTRCL IBC, established to review the revised schedule for the commissioning of the Hong Kong section of the XRL, has published two reports in July and October 2014 respectively. The Government expects MTRCL to propose early to the Government a comprehensive and practicable solution after taking into full consideration the report prepared by the IBC's independent experts and the issues raised by HyD, with a view to completing and commissioning the Hong Kong section of the XRL according to the PTC. At the same time, the Government expects MTRCL to conduct a better risk management in project management and monitoring, as well as budget control.

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6. In view of the delay of the construction of the Hong Kong section of the XRL, the Chief Executive appointed an Independent Expert Panel (IEP) in May 2014. The report of the IEP (the Report) was released on 30 January 2015. The Report reviewed the implementation of the Hong Kong section of the XRL and put forward recommendations aiming to improve the systems, processes and practices for implementing and monitoring the Hong Kong section of the XRL as well as future new railway projects. These recommendations include the following –

(i) improve institutional arrangements for concession agreements;

(ii) adopt internationally recognised best practices for complex projects;

(iii) enhance progress reporting;

(iv) suggestions of immediate application to the Hong Kong section of the XRL Project, including: MTRCL reports against an integrated master programme, the Government and MTRCL provide enhanced access for the M&V Consultant to perform its duties, etc.; and

(v) the Government's external scrutiny of its portfolio of infrastructure projects.

7. The Transport and Housing Bureau (THB) attaches great importance to the observations and recommendations in the Report. THB has, together with HyD, actively pursued the Report's recommendations and explored the implementation arrangements with MTRCL and other relevant parties, particularly in relation to monitoring and reporting of construction works for XRL. In this regard, the proposed CE/RD2-3 will have to actively participate in the process to monitor the recommendations that have been implemented and the progress of XRL, with a view that MTRCL can complete the XRL project in accordance with the PTC. Besides, necessary changes in the monitoring mechanism and institutional arrangements, in connection with the mode of agreement to be adopted in the implementation of new railway projects in future, will also be studied in detail by the Administration. This will include a review of the institutional arrangements for implementing, under the concession approach, future new railway projects under the Railway Development Strategy 2014, taking into account the experience of the implementation of the Hong Kong section of the XRL project and the Report's recommendations.

8. On 30 June 2015, the MTRCL submitted the latest assessment of the Revised PTC and Revised CTC of XRL. According to the MTRCL's latest assessment, the commissioning of Hong Kong section of the XRL would have to

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be delayed further from end of 2017 to the third quarter of 2018, which includes a six-month contingency period. As regards the Revised CTC, the MTRCL advised that the amount would have to be revised to $85.3 billion, which includes a Revised Total Project Cost of $83.2 billion and a sum of $2.1 billion for contingency.

9. The Government has grave concern about the further delay and cost overrun of the Hong Kong section of the XRL. At the request of Government, the MTRCL submitted a paper to the Subcommittee on Matters Relating to Railways (RSC) under the Legislative Council on 30 June 2015 (Paper No. CB(4)1228/14-15(01)) reporting the assessment result. The Government submitted to RSC a paper on 3 July 2015 (Paper No. CB(4)1273/14-15(01)) to set forth its initial response on the assessment result. The Secretary for Transport and Housing, Director of Highways and other government representatives, as well as the Chief Executive Officer of MTRCL and his colleagues also attended the RSC meeting held on 3 July 2015 to report the latest situation.

10. HyD, with the help of its M&V Consultant, has initially completed the review on the revised PTC and CTC. HyD is seeking MTRCL's clarifications on certain matters. Upon the completion of the review, we will report the outcome to the public and Legislative Council as soon as possible.

11. The revised project programme of the construction of the XRL project is extremely challenging. We propose to re-create the post of CE/RD2-3 to continue to oversee the implementation, commissioning and finalisation of the XRL construction contracts. The responsibilities of the proposed post are very heavy. The temporary arrangement of deploying the other Chief Engineers in RDO is the last resort and cannot continue on a long term basis lest undermining the monitoring of XRL project by HyD.

12. To ensure the smooth implementation of the XRL project within the revised project programme, the proposed CE/RD2-3 has to carry out intensive monitoring work and take full charge of all professional, technical, contractual and interface issues, administer the entrustment agreements with MTRCL and the related consultancies, steer the timely resolution of matters concerning project implementation and financial control. CE/RD2-3 also has to provide professional advice and support to THB in overseeing the Hong Kong section of the XRL project.

13. CE/RD2-3 has to attend various high-level meetings, including the monthly Project Supervision Committee meeting chaired by the Director of Highways and the monthly Project Coordination Meeting, both

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attended by representatives from MTRCL at General Manager level or above. These meetings serve as the formal communication platforms with MTRCL for supervision and monitoring of the XRL project delivery as well as resolving all major issues regarding the entrustment activities. As a key member of these meetings, CE/RD2-3 has to render timely support and advice in various major areas of the XRL project, including progress monitoring, safety, as well as technical and financial matters, so as to enable the smooth running of the meetings.

14. To prepare for the commissioning of XRL, CE/RD2-3 plays an important role in overseeing and coordinating with relevant authorities on the overall testing and commissioning programme. In addition, regular meetings with representatives of THB, HyD and MTRCL at General Manager level are held to discuss details of the operation arrangement, which involve sensitive financial, commercial and operational information. CE/RD2-3 has to be actively involved in the related work.

15. Prior to the railway operation, intensive negotiation among MTRCL and the relevant Government departments on the interoperability of the XRL, as well as discussion on the associated operational and financial issues, will require the day-to-day steering at directorate level in HyD, who will also arrange the associated operation requirements from both the local and Mainland authorities to be incorporated into the XRL project for implementation. Moreover, 42 major construction contracts were awarded under the XRL project. As with other mega-scale infrastructure projects, the XRL contractors have submitted claims in accordance with the contract terms; as at end August 2015, the quantum of unresolved claims which involve highly complicated legal, contractual and technical issues amounts to over $20 billion. We anticipate that this figure will continue to increase in the remaining construction stage. MTRCL will carry out the detailed assessment of these claims in accordance with their project management system and will then seek comments from HyD through submission of papers to the Project Control Group. On this matter, CE/RD2-3 has to closely monitor the assessment process and progress, offer professional comments in respect of the analysis of claims assessment, review the validity, principles and culpabilities of all the claims assessment which involves public funding with a view to safeguarding the interest of the Government as the owner of this project, and ensuring the proper use of public funds. Based on the current situation and according to our experience drawing from previous mega-scale projects, the majority of the claims assessment is anticipated to be completed in two years' time after project commissioning, i.e. in 2020. Moreover, CE/RD2-3 has to be involved in the mediation, arbitration and litigation processes that may possibly arise from these claims.

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16. In view of the above, we consider it essential to re-create the post of CE/RD2-3 until end December 2019. By then, we will review the need for further extension of the post of CE/RD2-3 based on the progress of finalisation of construction contracts and entrustment agreements, remaining workload, and the manpower situation of HyD at that time. The establishment of non-directorate staff under the XRL project division mentioned in paragraph 3 above will be reviewed in detail after the commissioning of the XRL. The job description of CE/RD2-3 is attached at Enclosure 2.

Encl. 2

ALTERNATIVES CONSIDERED

17. We have carried out a critical review on the possible long-term redeployment of existing directorate officers within HyD to take on the work of monitoring the XRL project entrusted to MTRCL for construction. The review indicates that all incumbents are already fully engaged in their respective areas of work, and therefore it is operationally not possible for them to take up the Hong Kong section of the XRL project without adversely affecting the discharge of their current duties. The outcomes of the review are detailed at Enclosure 3.

Encl. 3

18. In the light of the current and upcoming workload in different offices/divisions of HyD, as well as the existing situation of manpower resources, we consider that the proposed re-creation of the supernumerary post of CE/RD2-3 up to 31 December 2019 is the only viable arrangement. The existing organisation charts of HyD (except RDO) are at Enclosure 4.

Encl. 4

FINANCIAL IMPLICATIONS

19. The proposed re-creation of the supernumerary post of Chief Engineer (D1) will bring about an additional notional annual salary cost at mid-point of $1,663,200. The additional full annual average staff cost, including salaries and staff on-cost, amounts to about $2,271,000. We have included the necessary provision in the 2015-16 approved Estimates to meet the cost of this proposal upon FC's approval and will reflect the resources required in the Estimates of subsequent years.

PUBLIC CONSULTATION

20. We consulted the Legislative Council Panel on Transport on 16 January 2015 on the above staffing proposal. Members were generally supportive of the above proposal. At that meeting, Members requested supplementary information. We submitted the relevant information to the Panel on Transport on 25 February 2015 and the relevant details are attached at Enclosure 5.

Encl. 5

/BACKGROUND …..

BACKGROUND

21. On 20 June 2008, the Establishment Subcommittee of FC recommended to the FC the creation of a supernumerary post at the rank of Chief Engineer (designated as CE/RD2-3) for a period of seven years from 7 July 2008 to 6 July 2015 to take up the planning and implementation of the XRL project (EC(2008-09)8), and the proposal was approved by FC on 4 July 2008.

22. The Hong Kong section of the XRL is a 26-kilometre long underground rail corridor. It will run from a new terminus in West Kowloon, going north passing Yau Tsim Mong, Sham Shui Po, Kwai Tsing, Tsuen Wan, Yuen Long to the boundary south of Huanggong, where it will connect to the Mainland section of XRL. FC approved on 16 January 2010 the funding for the construction of the railway ($55.0175 billion) and non-railway works ($11.8 billion) of the XRL, amounting to a total of $66.8 billion.

ESTABLISHMENT CHANGES

23. The establishment changes in HyD for the past two years are as follows –

Establishment (Note)	**Number of posts**			
	Current (As at 1 October 2015)	**As at 1 April 2015**	**As at 1 April 2014**	**As at 1 April 2013**
A	31+(4)#	31+(5)	31+(5)	31+(5)
B	544	538	529	515
C	1 562	1 557	1 551	1 556
Total	**2 137+(4)**	**2 126+(5)**	**2 111+(5)**	**2 102+(5)**

Note :
A – ranks in the directorate pay scale or equivalent
B – non-directorate ranks, the maximum pay point of which is above MPS point 33 or equivalent
C – non-directorate ranks, the maximum pay point of which is at or below MPS point 33 or equivalent
( ) – number of supernumerary directorate posts
– as at 1 October 2015, there is no unfilled directorate post in HyD

CIVIL SERVICE BUREAU COMMENTS

24. The Civil Service Bureau is satisfied that the proposed re-creation of the supernumerary Chief Engineer post till 31 December 2019 to continue to provide professional support and to implement the Hong Kong section of the XRL project is justified from the operational and functional point of view. The grading and ranking of the posts are considered appropriate having regard to the level and scope of the responsibilities and the professional inputs required.

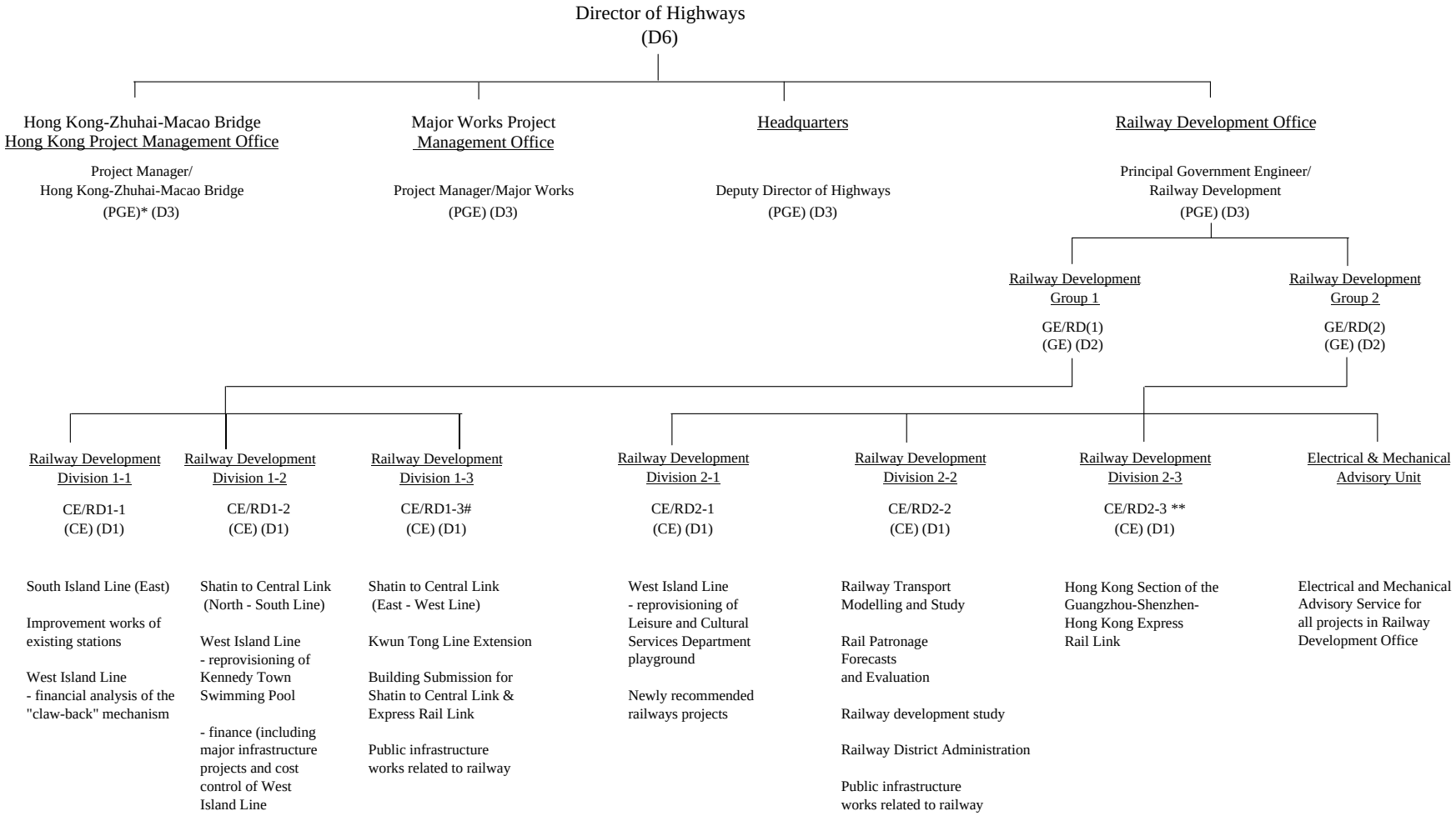
/ADVICE …..

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

25. As the post is proposed on a supernumerary basis, its re-creation, if approved, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

Transport and Housing Bureau
October 2015

Proposed Organisation Chart of Railway Development Office of Highways Department



Legend

CE - Chief Engineer
GE - Government Engineer
PGE - Principal Government Engineer
RD - Railway Development

* - Supernumerary PGE post to lapse on 1 January 2018
** - Supernumerary CE post to lapse on 7 July 2015. This paper proposes to re-create this supernumerary post.
\# - Supernumerary CE post to lapse on 1 April 2016

Enclosure 2 to EC(2015-16)9

Job Description for
Chief Engineer/Railway Development 2-3 (CE/RD2-3)

Rank **:** Chief Engineer (D1)

Responsible to **:** Government Engineer/Railway Development (2)

Overall Role and Objectives –

CE/RD2-3 heads a division of the Railway Development Office and is responsible for the planning and implementation of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) project, including the associated Essential Public Infrastructure Works (EPIW).

Major Duties and Responsibilities –

1. Leading and directing subordinates in the planning, design and implementation and commissioning of the XRL, in particular cost and programming aspects of the project.

2. Administering the Public Works Programme items relating to the XRL, including the associated EPIW, e.g. passenger linkage to the West Kowloon Terminus.

3. Administering the entrustment agreement for the construction of the Hong Kong section of the XRL with MTR Corporation Limited (MTRCL), and resolving claims and disputes arising from the XRL.

4. Monitoring MTRCL through the monitoring and verification consultant to ensure the proper adoption of appropriate strategy, procedures and programmes on the engineering and financial aspects of the XRL.

5. Preparing the statutory process in the gazettal of the schemes under relevant ordinances.

6. Coordinating with other government bureau/departments and resolving interfacing matters related to the XRL.

7. Monitoring and reviewing the claims assessment by MTRCL for the XRL construction contracts.

Key portfolios of the existing Chief Engineer (CE) posts in Highways Department (HyD) and assessment of the possibility for them to take up additional responsibilities

All the 21 remaining CEs in HyD are already fully engaged in their respective areas of work, and therefore it is operationally not possible for them to take up additional tasks without adversely affecting the discharge of their current duties.

Headquarters (HQs) and Regional Offices (ROs)

2. There are four CEs in the HQs. We have assessed their current and anticipated workload, and concluded that they have no spare capacity to share out additional duties. They are/will be fully engaged in tasks as follows –

(a) Chief Highway Engineer/Works oversees the implementation of all capital works (other than major works) in the territory, including planning and construction, public consultation and statutory procedures. His personal attention is required in determining project scope, steering the public consultation process, approving documents for the relevant statutory procedures, administering the tendering process and approving tendering documents as well as the management and administration of contracts. Currently, he is managing about 70 projects under planning or constructions. Apart from handling new road improvement projects arising from local traffic each year, he also takes on the overall coordination of the Hillside Escalator Links projects.

(b) Chief Highway Engineer/Bridges and Structures is responsible for bridge and highways design and standard setting, provision of comments and technical advice on public and private developments/projects involving design of highway structures, supervision of structural design for in-house highway projects (over 20 every year) plus technical support for on-going construction works. Furthermore, he also supervises the maintenance of bridges, tunnel, roads, and slopes within the Tsing Ma and Tsing Sha Control Areas[1].

/(c) …..

[1] Highway facilities within the two Control Areas comprise four long span cable-supported bridges, four dual three-lane tunnels, one dual two-lane tunnel, viaducts, roads and roadside slopes all lying along strategic routes linking to the Airport. The long span cable-supported bridges in the two Control Areas now require more attention due to their normal wear and tear. Apart from the regular repairs of road surfacing, the essential structural elements require frequent inspection and maintenance.

(c) Chief Engineer/Lighting provides specialist professional services and advice on all matters relating to the policies, design, planning and construction of public lighting provisions, as well as the maintenance and administration of some 226 000 units of public lighting in the territory. He is also studying and reviewing the standard and latest technologies for public lighting from environmental (light nuisance and pollution) and energy saving perspectives which require his substantial inputs and attention in the short to medium term.

(d) Chief Highway Engineer/Research and Development conducts research on an on-going basis in setting and upgrading highway design, construction, maintenance and material specifications and standards to meet operational needs and enhance environmental protection. He also oversees the Division's work in formulating and reviewing the departmental information technology strategies, coordinating the management of road excavations, and supervising centralised audit inspection teams on road opening works. The dedicated attention of a chief professional officer is required to ensure incorporation of updated technology in highway engineering specifications and standards, to make use of state-of-the-art knowledge in formulating the departmental information technology strategies, to devise sophisticated coordinating and control mechanisms for road excavation, and to liaise with concerned parties for timely implementation of new initiatives. It is not practicable to release him to take up further duties outside his current portfolio.

3. As regards the four CEs under the two ROs, they are responsible for district administration of highway infrastructure and maintenance works in their respective geographic area. They provide comments on public and private developments affecting public roads and technical advice on new highway projects (including gazettal-processing and objection-handling for road works initiated by the ROs and the private sector), and plan, design and supervise maintenance and upgrading works for about 2 100 km of roads, 2 500 highways structures and 13 200 road side slopes. They also oversee the processing of road excavation permits, resolve road opening coordination matters, and monitor the performance of utility undertakers in their excavation works. In the light of these heavy schedules which are of an on-going nature, and to ensure that the highway network is maintained in a safe and satisfactory condition, the directorate officers concerned cannot be spared/redeployed for taking on additional duties.

Major Works Project Management Office (MWPMO)

4. There are five CEs in the MWPMO. We have assessed their current and anticipated workload. The outcome is that they do not have spare capacity in the short to medium term to take on additional work, and the details are as follows –

/(a) …..

(a) Chief Engineer 1/Major Works (CE1/MW) is mainly responsible for the planning and implementation of a number of medium to large scale infrastructure projects[2]. In the next five years, CE1/MW will oversee construction of the Fanling Highway widening project, one of the milestones of which is to tie in with the programme of a part of works of the Liantang/Heung Yuen Wai Boundary Crossing Point project. CE1/MW also oversees the implementation of the Universal Accessibility Programme involving retrofitting barrier-free access facilities for existing public walkways. Under the present scope of the Programme, some 200 project items are being implemented and most of them will be completed in 2018 progressively. Furthermore, CE1/MW is in charge of the projects for improving Fan Kam Road and the road network in West Kowloon Reclamation Development to serve the traffic demand arising from on-going and new developments in the area. CE1/MW is involved in project account finalisation of widening of Tolo Highway. He is also responsible for the remaining noise barriers works of widening of Yuen Long Highway and Tolo Highway (between Island House Interchange and Ma Liu Shui Interchange). He will not therefore have any spare capacity to take on additional duties.

(b) Chief Engineer 2/Major Works (CE2/MW) is mainly responsible for implementation of the mega-scale Central Kowloon Route (CKR) linking West Kowloon with Kai Tak Development. While the public engagement for the project was completed in March 2013, CE2/MW continues to make considerable efforts in engaging the concerned stakeholders on major key issues on environmental impacts and building safety. He has to oversee the timely completion of the relevant statutory procedures for the project including gazette and related land matters, and funding application for the project. Given the high complexity and substantial estimated cost of the CKR project, CE2/MW has to focus on overseeing the development of the detailed design, the tendering for the construction contracts and subsequent implementation of the construction works. Furthermore, CE2/MW is responsible for taking forward the proposal for providing a major footbridge system in the busy district of Mong Kok. CE2/MW will therefore not have any spare capacity to take on additional duties.

(c) Chief Engineer 3/Major Works (CE3/MW) and Chief Engineer 4/Major Works (CE4/MW) are mainly responsible

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[2] Including widening of Tolo Highway and Fanling Highway, the Universal Accessibility Programme, the proposed improvement to Fan Kam Road, and the proposed road improvement works for West Kowloon Reclamation Development.

for the planning and implementation of the mega-scale Central-Wanchai Bypass and Island Eastern Corridor Link (CWB) project [3]. The construction of this project commenced in December 2009, and is now progressing in full swing under eight active construction contracts (with a total estimated value exceeding $26.2 billion). The complexity of the engineering works aside, the likely impact of the works on traffic, the water front, the Victoria Harbour and the environment will require careful monitoring and extensive public consultation, and therefore will demand high level involvement of the two CEs throughout till its completion and commissioning. Apart from the CWB project, the two CEs are also responsible for the planning and implementation of the Lin Ma Hang Road widening project, the Hiram's Highway Stage 1 and 2 improvement projects and 23 noise barrier retrofitting projects for existing roads[4]. The implementation of these projects is however subject to very diverse views of the public given their traffic, engineering, environmental, land and cultural heritage impacts. Accordingly, the two CEs and their teams have to carefully handle and address public concerns when working out preferred improvement options and consult the public. In order to take forward these projects smoothly, the personal and dedicated attention of the two chief professional officers is required and it is therefore not practicable to release CE3/MW and CE4/MW to take up further duties.

(d) Chief Engineer 5/Major Works (CE5/MW) is mainly responsible for the planning and implementation several major infrastructure projects. In the next five years, CE5/MW will be highly involved in the widening of Castle Peak Road - Castle Peak Bay Section (CPR) project as well as the Elevated Pedestrian Corridor in Yuen Long Town connecting with Long Ping Station project, widening of Tsuen Wan Road between Tsuen Tsing Interchange and Kwai Tsing Interchange, and handling the claims and project finalisation of six construction contracts (the section from Tsuen Wan to Tuen Mun Town Centre) under improvement of Tuen Mun Road project. Apart from the above responsibilities, CE5/MW also provides technical

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[3] The CWB project consists of a 4.5 km dual three-lane trunk road with 3.7 km in tunnel between Central and North Point, 3 km of approach roads and slip roads, and associated 0.8 km Island Eastern Corridor between Hing Fat Street and Po Leung Kuk Yu Lee Mo Fan Memorial School. It is the last missing link of the strategic highway along the north shore of the Hong Kong Island and there is public expectation for its early completion to help relieve traffic congestion along the Connaught Road/Harcourt Road/Gloucester Road corridor.

[4] It is a government policy to retrofit noise barriers or enclosures where practicable on existing roads with traffic noise levels exceeding 70 dB(A)L_{10}(1 hour) for residential premises. So far, nine retrofitting projects have been completed. Amongst the existing 31 retrofitting projects, eight are under construction and 23 are under various stages of planning and investigation.

advice and suggestion to strategic studies for Lantau Island, North New Territories, and East Kowloon. As regards the CPR and the Elevated Pedestrian Corridor in Yuen Long Town connecting with Long Ping Station projects, there have been very diverse views from the public on their planning and implementation. The planning, design and implementation of these projects will need substantial inputs from CE5/MW and his team. To smoothly take forward these projects, the dedicated attention of a chief professional officer is required for timely completion of relevant legislative procedures and funding application. CE5/MW will therefore not have any spare capacity to take on additional duties.

Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office (HZMB HKPMO)

5. There are three CEs in HZMB HKPMO. They are fully occupied to take forward various Hong Kong-Zhuhai-Macao Bridge related projects and therefore do not have spare capacity to absorb additional duties. Their responsibilities are as follows –

(a) Chief Engineer/Hong Kong Link Road (CE/HKLR) is mainly responsible for the Hong Kong Link Road (HKLR) project with an approved project estimate of $25 billion. The HKLR project consists of a 12-km long dual three-lane carriageway connecting the Main Bridge at the Hong Kong Special Administrative Region boundary with Hong Kong Boundary Crossing Facilities (HKBCF), and associated ancillary works[5]. CE/HKLR is also responsible for the implementation of the consultancy agreements and contracts for the Management, Operation and Maintenance and Principal Tenancy of the HKBCF.

(b) Chief Engineer/HKBCF is mainly responsible for taking forward the construction of HKBCF with an approved project estimate of $30.4 billion. This mega and complex project involves the formation of an artificial island of about 150 hectares (of which about 130 hectares is for HKBCF and about 20 hectares is for the southern landfall of the Tuen Mun – Chek Lap Kok Link) at the northeast of Hong Kong International Airport (HKIA) and the construction of superstructures for accommodating the necessary

/Customs …..

[5] Ancillary works include civil, structural, geotechnical, marine, environmental protection, landscaping and drainage works as well as street lighting, traffic aids (including sign gantries), water mains, fire hydrants, traffic control and surveillance system and electrical & mechanical works. There is also a tunnel section which will pass under Scenic Hill and Airport Railway, and connect to the proposed at-grade road along the eastern coast of Airport Island so as to reduce the environmental and visual impact to Tung Chung.

Customs, Immigration and Quarantine facilities. These facilities include the Passenger Clearance Building, clearance and examination facilities, accommodation for and facilities of relevant Government departments, together with clearance areas for coaches/private cars/goods vehicles, public transport interchanges as well as necessary internal and peripheral road systems linking up HKLR and Tuen Mun-Chek Lap Kok Link (TM-CLKL) and HKIA.

(c) Chief Engineer/Northwest New Territories (CE/NWNT) is mainly responsible for TM-CLKL and Tuen Mun Western Bypass. The two highway projects involve the construction of two longest road tunnels, one undersea and one on land, in Hong Kong. There is a wide spectrum of complicated and challenging administrative and engineering issues associated with the construction of these tunnels. The approved project estimate of the proposed works for the TM-CLKL project is about $44.8 billion, and the works are of very large scale with complex interfacing issues to be dealt with. Apart from the above, CE/NWNT is also responsible for the planning of major transport projects and the coordination of project interface matters associated with housing development and land supply initiatives in Northwest New Territories and Lantau.

Railway Development Office (RDO)

6. There are five CEs in RDO (excluding the post of Chief Engineer/RD2-3 (CE/RD2-3) proposed to be re-created). We have critically examined the possible redeployment of the existing CEs within the RDO to take on the work of the proposed CE/RD2-3 post. The conclusion is that it is not operationally feasible for them to take up the tasks related to the XRL without affecting the work quality as all of them are fully engaged in different projects, as follows –

(a) Chief Engineer/Railway Development 1-1 (CE/RD1-1) is responsible for the implementation of the South Island Line (East) (SIL(E)) which commenced construction in May 2011. Since the delay in the underpinning works of the Island Line at Admiralty Station is further increased, at present, the SIL(E) is targeted to commission by end 2016. However, achievement of this target will entail a very high risk should there be no significant improvement in the progress of the works. The 7-km long railway connects the MTR network at Admiralty to the Southern District of Hong Kong, via new stations at Ocean Park, Wong Chuk Hang, Lei Tung and South Horizons. Implementation of the railway is very complicated requiring close liaison and negotiation with various

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stakeholders, careful planning of temporary works and sophisticated building monitoring, all of which require professional and directorate attention. Furthermore, CE/RD1-1 undertakes the implementation of numerous station improvement works proposed by the MTR Corporation Limited (MTRCL) and the public infrastructure works related to railway operation.

(b) Chief Engineer/Railway Development 1-2 is responsible for the planning and implementation of the North-South Line of the Shatin to Central Link (SCL), which extends the existing East Rail Line across Victoria Harbour to Admiralty via the Wan Chai North Area, and the public infrastructure works related to railway operation. The design and construction of the Cross-harbour Section of the SCL is extremely challenging as the SCL tunnel will interface with the Central-Wan Chai Bypass and the Wan Chai Development Phase II works, all of which are mega projects being constructed within congested workspace in the urban area and are under very tight construction schedules. The complex interface and technical problems require directorate staff to resolve.

(c) Chief Engineer/Railway Development 1-3[6] is responsible for the implementation of the 11-km long East-West Line of the SCL and the 2.6-km long Kwun Tong Line Extension, both of which are under active construction. Both projects are being carried out in highly concentrated districts including Sha Tin, Wong Tai Sin, Kowloon City and Yau Tsim Mong. The construction works are extremely complicated involving substantive interface with operating railways and the public. The management of these projects requires professional and directorate input and attention.

(d) Chief Engineer/Railway Development 2-1 (CE/RD2-1) is responsible for the reprovisioning of the Leisure and Cultural Services Department playground under the West Island Line (WIL) and a number of public infrastructure works related to railway operation. As WIL works are carried out in the highly concentrated Central and Western District, problems encountered in difficult ground conditions and congested site restraint will impact on the works programme. Negotiation with stakeholders on careful engineering planning, comprehensive building monitoring, as well as land and community facilities reprovisioning issues require close professional and directorate attention. Upon finalisation of WIL construction contracts, CE/RD2-1 has to ascertain and verify the refund of non-recurrent capital grant under the established

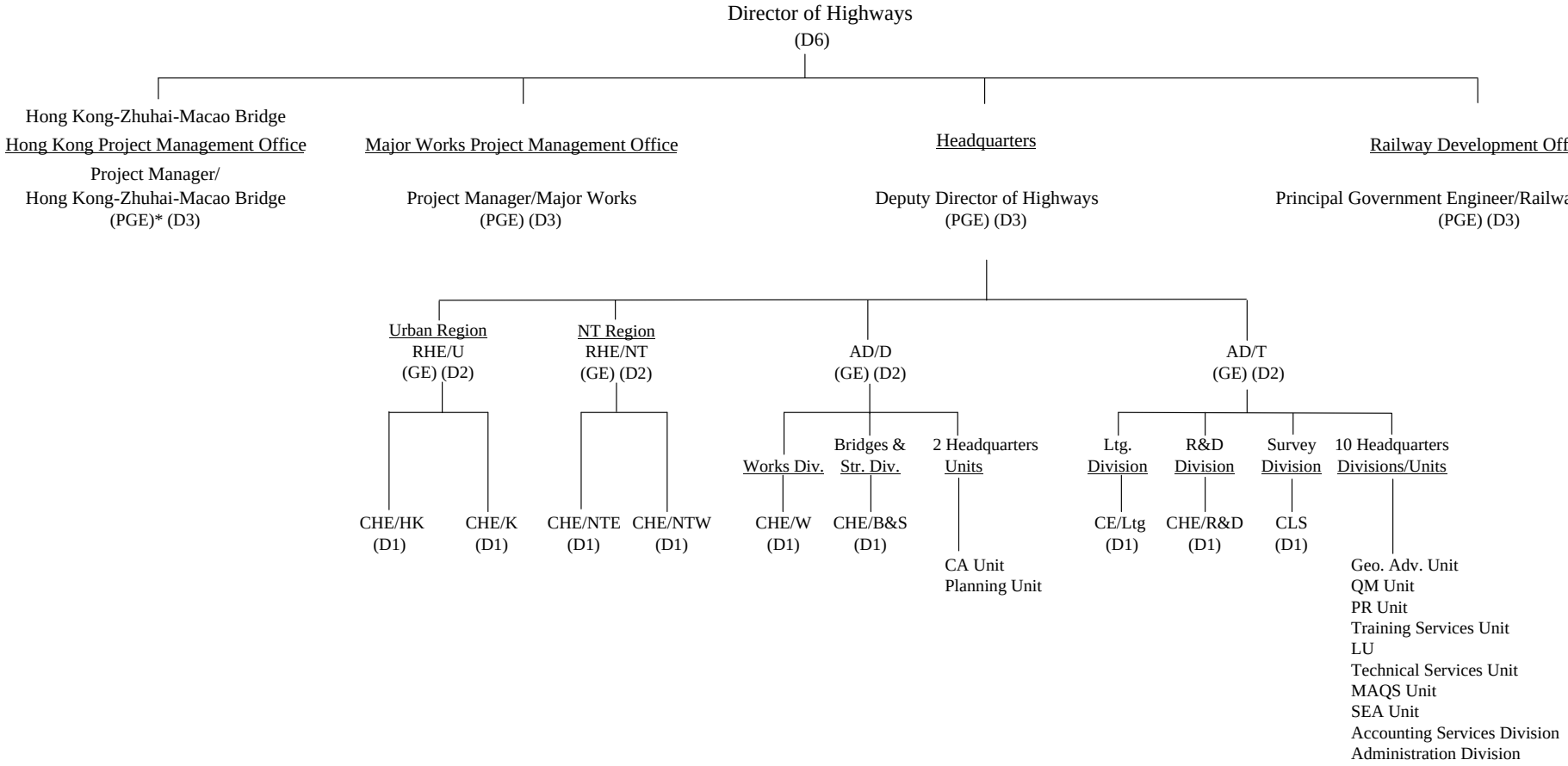
/claw-back …..

[6] This supernumerary post, created with the approval of the Finance Committee, will lapse on 1 April 2016.

claw-back mechanism between the Government and MTRCL. CE/RD2-1 is also required to take up the planning and implementation of railway projects recommended under Railway Development Strategy 2014.

(e) CE/Railway Development 2-2 is responsible for assisting the Transport and Housing Bureau in following-up the Railway Development Strategy 2014 after it is release. He is also responsible for administering the railway transport model, which involves the maintenance of a comprehensive database of transport statistics, and collation of key planning and land use information to generate forecasts on rail patronage for different railway network configuration with different socio-economic and developments assumptions. Apart from transport modelling work, he has to examine all public and private development proposals, about 150 in number per annum, near the existing and planned railway lines so that these railway lines would be properly protected. He also needs to take part in the various planning and development studies, such as the Lantau Island, North East New Territories, North New Territories, Hung Shui Kiu, topside development at Hong Kong boundary crossing facilities etc., and provide railway perspective.

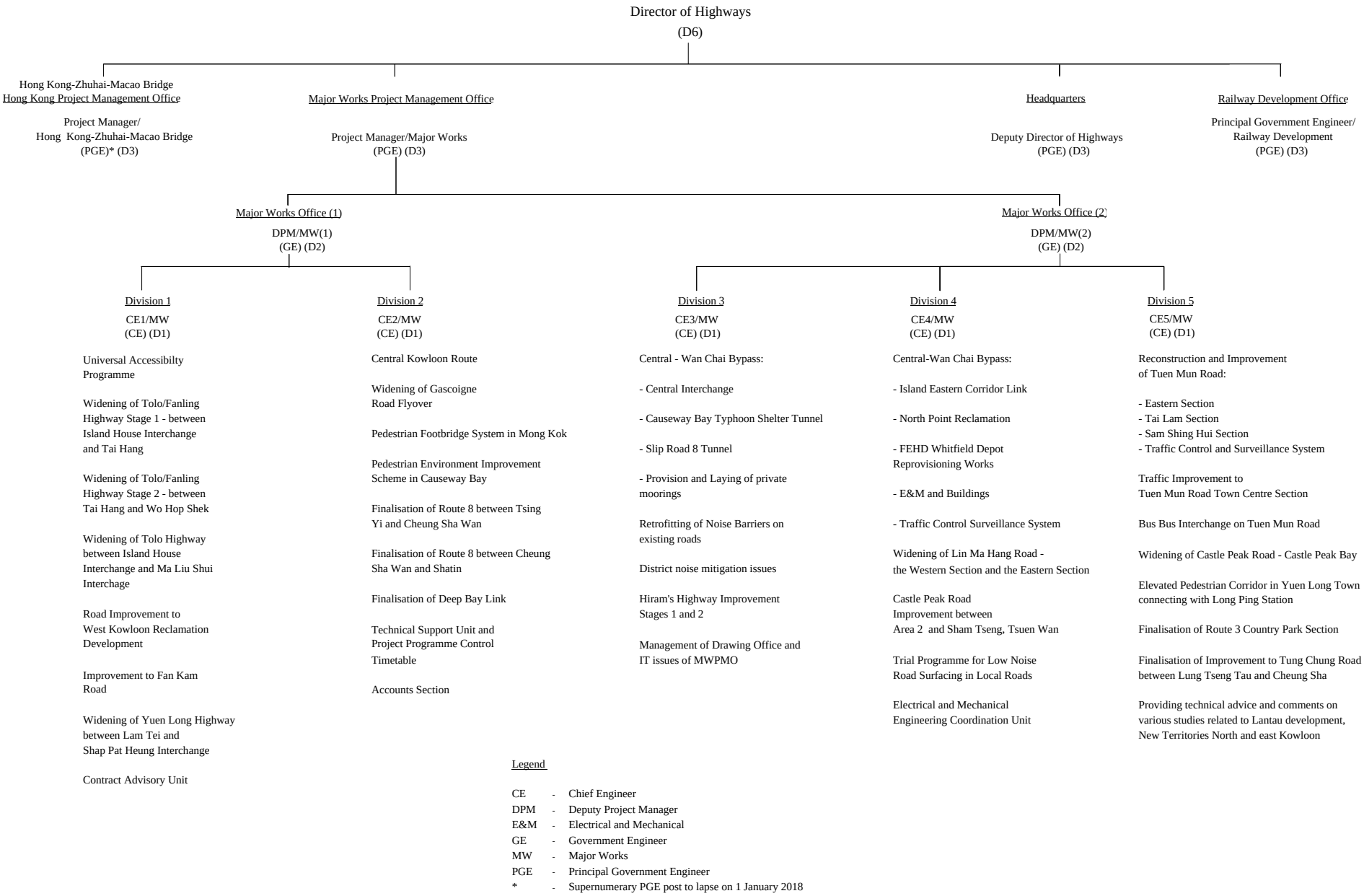
Existing Organisation Chart of Headquarters of Highways Department



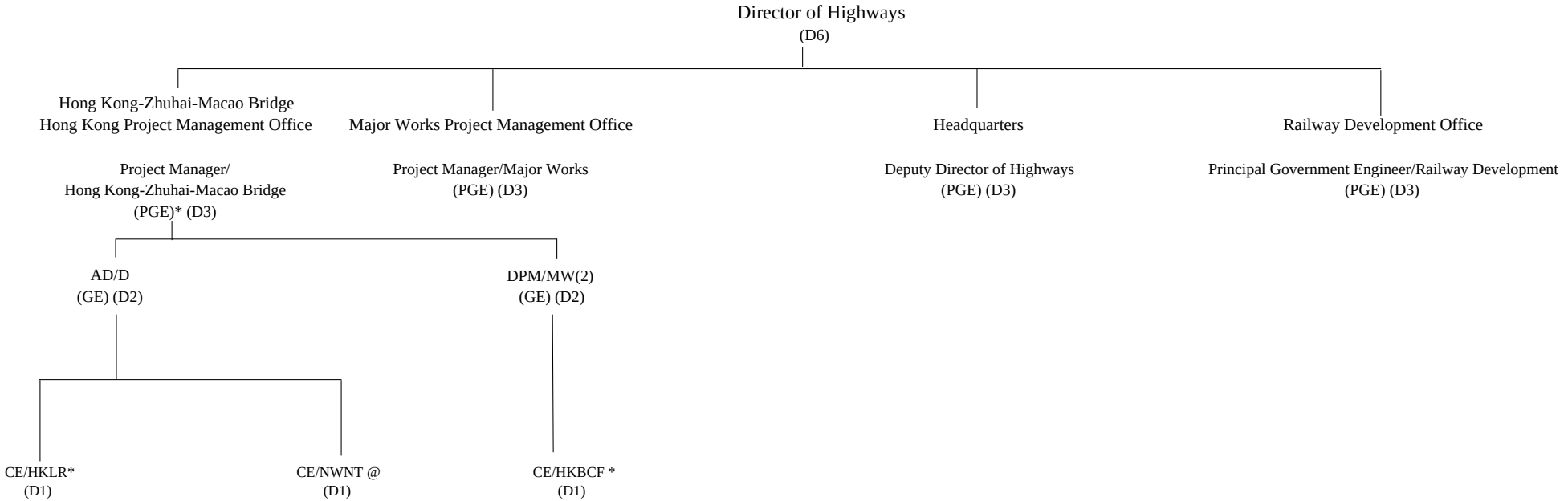
Legend

AD/D	-	Assistant Director/Development
AD/T	-	Assistant Director/Technical
B&S	-	Bridges and Structures
CA	-	Contract Advisory
CE	-	Chief Engineer
CHE	-	Chief Highway Engineer
CLS	-	Chief Land Surveyor
Div.	-	Division
Geo. Adv.	-	Geotechnical Advisory
GE	-	Government Engineer
HK	-	Hong Kong
K	-	Kowloon
Ltg.	-	Lighting
LU	-	Landscape Unit
MAQS	-	Maintenance Accounts & Quantity Surveying
NT	-	New Territories
NTE	-	New Territories East
NTW	-	New Territories West
PGE	-	Principal Government Engineer
PR	-	Public Relations
QM	-	Quality Management
R&D	-	Research and Development
RHE	-	Regional Highway Engineer
SEA	-	Safety and Environmental Advisory
Str.	-	Structures
U	-	Urban
W	-	Works
*	-	Supernumerary PGE post to lapse on 1 January 2018

Existing Organisation Chart of Major Works Project Management Office of Highways Department



Existing Organisation Chart of Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office of Highways Department



Hong Kong Link Road	Tuen Mun - Chek Lap Kok Link	Hong Kong Boundary Crossing Facilities
Management, Operation and Maintenance and Principal Tenancy of HKBCF	Tuen Mun Western Bypass	
	Highway infrastructure for Northwest New Territories	
Consultancy agreements		
Internal administration		

Legend

CE	-	Chief Engineer
DPM	-	Deputy Project Manager
HK	-	Hong Kong
HKBCF	-	Hong Kong Boundary Crossing Facilities
HZMB	-	Hong Kong-Zhuhai-Macao Bridge
NWNT	-	North West New Territories
PGE	-	Principal Government Engineer

* - Supernumerary posts (1 PGE and 2 CEs) to lapse on 1 January 2018

@ - 1 CE post redeployed from Major Works Project Management Office to Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office on a time-limited basis up to 31 December 2017

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運 輸 及 房 屋 局
運 輸 科
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Transport and Housing Bureau
Government Secretariat
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BY FAX
(Fax：2978 7569)

25 February 2015

Secretary General
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms Macy NG)

Dear Ms NG,

Legislative Council Panel on Transport ("the Panel")

Staffing proposal relating to the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL")
Matters to be Followed Up

Regarding the matters to be followed up on the staffing proposal relating to the Hong Kong section of the XRL raised by Members at the Panel's meeting on 16 January 2015, our reply is as follows-

Item (a)

Relevant information on the work by the Highways Department ("HyD") in monitoring the progress of the construction of Hong Kong section of the XRL project in the past few years, including concrete proposals regarding the XRL project put up by Chief Engineer/Railway Development 2-3 and his team, has been set out in the Administration's paper provided to the Legislative Council in May 2014 (LC Paper No.: CB(1)1328/13-14(03)).

Item (b)

For the extended period of 4 years and 6 months, the estimated total expenditure on the salary and office expenses for the dedicated division is $112,653,233. The adjustments in salary and establishment of the division in the next few years have been taken into account in this estimate.

Yours sincerely,

(Jackson SIN)
for Secretary for Transport and Housing

c.c.
Highways Department (Attn : Mr. Alex C.W. Chan) (Fax : 2714 5297)
MTR Corporation Limited (Attn: Ms Gloria WOO) (Fax: 2208 3208)