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Panel on Transport

Special meeting on 31 August 2018

Updated background brief on issues relating to the alleged defective steel works at diaphragm wall and platform slab of Hung Hom Station Extension under the Shatin to Central Link project and the Administration's remedial actions

Purpose

This paper provides background information on issues relating to the alleged defective steel works at Hung Hom Station Extension under the Shatin to Central Link ("SCL") project. It also summarizes the major views and concerns expressed by Legislative Council Members on the subject.

Background

2. SCL is a territory-wide strategic railway project. With a total length of 17 kilometres, it consists of two sections, namely (a) the Tai Wai to Hung Hom Section, and (b) the Hung Hom to Admiralty Section. The former is the extension of Ma On Shan Line from Tai Wai via Southeast Kowloon to Hung Hom where it will join West Rail Line; while the latter is an extension of the existing East Rail Line from Hung Hom across the Victoria Harbour to Wan Chai North and Admiralty.

3. Since the end of May 2018, there have been media reports about the alleged substandard steel works found at a platform slab of the Hung Hom Station Extension of the SCL project. In view of the importance and significance of the matter, the Administration announced on 12 June 2018 to set up a commission of inquiry under the Commissions of Inquiry Ordinance (Cap. 86) to conduct an independent and comprehensive investigation into the incident. A Commission of Inquiry¹ ("COI") was subsequently

¹ Website of the Commission on Inquiry: <https://www.coi-hh.gov.hk/eng/index.html>

appointed by the Chief Executive in Council on 10 July 2018 to inquire into the steel reinforcement fixing works and any other works which raise concerns about public safety in respect of the diaphragm wall and platform slab construction works at the Hung Hom Station Extension. COI would also make recommendations on suitable measures with a view to promoting public safety and assurance on the quality of works.

4. At the request of the Highways Department ("HyD"), MTR Corporation Limited ("MTRCL") submitted a report on the construction issues of Hung Hum Station of SCL ("the Report") on 15 June 2018. On the same day, HyD filed a report to the Police regarding construction issues in which criminal elements might be involved.

Major views and concerns of Members

5. The Administration briefed members of the Subcommittee on Matters Relating to Railways ("the Subcommittee") on the issues relating to the alleged substandard steel works at Hung Hom Station Extension under the SCL project at its meetings held on 1 June and 13 July 2018. Members had also raised questions on relevant matters at the Council Meetings. The major views and concerns of members of the Subcommittee are summarized in the ensuing paragraphs.

Structural safety of construction works under SCL project and related matters

6. Members of the Subcommittee expressed grave concern about the structural safety of construction works under SCL project. In connection with the alleged substandard steel works at the Hung Hom Station Extension, they expressed strong dissatisfaction that MTRCL rendered confusing information on several occasions and failed to disclose all relevant details. Members also expressed grave concern that, in light of the quality problem in relation to works at Hung Hom Station Extension, MTRCL had failed to comply with the requirements as the project manager of SCL under the Entrustment Agreement².

7. In response to a few members' enquiries at the Subcommittee meeting held on 13 July 2018 about the number of threaded steel bars that had been cut, the representative from China Technology Corporation Limited ("China Technology") said that based on his observation during the site visits

² MTRCL was appointed by the Administration to project manage the construction and commissioning of the SCL project under an Entrustment Agreement dated 29 May 2012. According to the above Entrustment Agreement, MTRCL warranted that the Entrustment Activities should be carried out with the skill and care reasonably to be expected of a professional, including the assurance of quality of works up to the standards required.

in the construction site from July 2015 to June 2016, the number of affected threaded steel bars cut was estimated to be a few hundreds to over a thousand, and he had discussed the matters with two staff at MTRCL senior management level in 2015 and 2016. MTRCL said that China Technology had, in the absence of documentation proof, made serious allegations against other parties, and these allegations were inconsistent with the information/evidence received by MTRCL from other sources. Hence, the interview record with China Technology was not included in the Report. Some members were concerned that the alleged conduct of the senior management staff of MTRCL might constitute criminal liability.

8. Members noted from the Report that, between August to December 2015, there were five occasions where deficiency in steelwork were found and rectified. On members' enquiry on whether MTRCL had reported to the Administration on these rectification works, the Administration said that these deficiencies involved technical issues on site and that MTRCL was not obliged to report to the Administration on issues of such nature.

9. Some members considered that the payment to MTRCL and its contractors under the Entrustment Agreement should be withheld until MTRCL had carried out its duties in compliance with the requirements and that the works completed by the contractors were to the satisfaction of Administration. Furthermore, members expressed grave concern about the role of HyD and its Monitoring & Verification Consultant in supervising and monitoring the implementation of railway projects. They urged the Administration to step up its monitoring effort and to improve accountability of MTRCL and the Administration in monitoring the construction of railway projects. Some members requested the Administration to open the Entrustment Agreement to the public. Some members also opined that the Entrustment Agreement system should be abandoned.

10. Regarding the monitoring of the work to ensure the quality of the works of SCL, a few members enquired about the work procedures regarding the certification of the "Request for Inspection and Survey Checks" form to be signed off by MTRCL before the works for pouring of concrete could be proceeded. In response, MTRCL said that issues relating to substandard workmanship of the reinforced concrete were reported in its press release issued in March and June 2018. MTR engineering staff spotted water seepage at the newly completed concrete connection joints of the SCL North South Corridor tunnel during a routine site inspection in August 2017. Further detailed inspections were carried out in February 2018, during which a portion of the concrete on the surface of the tunnel was removed, revealing that the workmanship of the reinforced concrete, including the steel bars, did not meet the specifications and required standard. Remedial measures had been taken to rectify the situation and follow-up action would continue to be

taken to ensure the quality of the construction works of SCL project. MTRCL emphasized that great importance had been attached to the monitoring and quality control of its project.

11. A member enquired about the progress of the load test conducted by an independent third-party expert to ensure the safety of the platform of the Hung Hom Station Extension, MTRCL said that the proposal of the load test had already been submitted to the Administration. Subject to the assessment and recommendation of the Administration, the test would be proceeded accordingly.

12. Members urged MTRCL to improve its reporting to the Administration and public announcement, particularly on matters which might raise concerns about public safety. Members also urged the Administration to take measures to ensure that MTRCL would take prompt action to resolve all the issues related to the substandard steel works for the sake of public safety.

Matters relating to COI

13. A member was concerned about the fairness and independency of the investigation work of COI, particularly the Administration's role in taking forward the investigation work. In response, the Administration said that COI was empowered, among others, to seek expert advice from any persons and to compel persons to give evidence, as appropriate, on the matters relating to the investigation. The Administration assured members that measures would be taken to ensure that the work of COI would be carried out in a fair and independent manner. The Administration supplemented that any necessary remedial action in relation to the construction work of SCL project would also be carried out, in parallel, during the course of the investigation by COI.

14. Some members noted that only Contract No. 1112 (Hung Hom Station and Stabling Sidings) of the SCL project was covered in the terms of reference ("TOR") of COI. They urged the Administration to consider including Contract No. 1111 (Hung Hom North Approach Tunnels) in TOR in view of their concern about similar quality problem found in the works under this Contract.

Latest development

15. On 7 August 2018, the Administration announced its decision at a press conference that, among others, the board of directors of MTRCL should be demanded to dismiss the relevant engineering/project managers, mainly

due to the inaccuracies in respect of the construction methodology of the top side of the East West Line Platform Slab contained in the Report submitted by MTRCL on 15 June 2018. MTRCL also announced on the same day that, Mr Lincoln LEONG Kwok-kuen, the Chief Executive Officer, would take early retirement and that Dr Philco WONG Nai-keung, Projects Director, had resigned with immediate effect. Three other general managers, Mr LEE Tsz-man, general manager of SCL, Mr Jason WONG Chi-chung, general manager overseeing SCL Civil (East West Line) and Mr Aidan ROONEY, general manager of SCL Civil (North South Line) would also be leaving.

16. The Transport and Housing Bureau announced on 16 August 2018 that an Expert Adviser Team for the SCL Project was established on 15 August 2018 for one year to conduct an overall review of MTRCL's project management system, and recommend additional management and monitoring measures to be undertaken by MTRCL and the Administration as appropriate, in taking forward the SCL Project. The Team comprises Dr LAU Ching-kwong (former Director of Civil Engineering), Mr HUI Siu-wai (former Director of Buildings) and Mr WONG Hok-ning (former Head of Geotechnical Engineering Office). The Team will complete a report on their findings in about nine months' time, and may produce interim report(s) as necessary.

17. The Panel on Transport has invited the Administration to brief members on issues relating to the alleged defective steel works at diaphragm wall and platform slab of Hung Hom Station Extension under the SCL project and the Administration's remedial actions at its meeting to be held on 31 August 2018.

Relevant papers

18. A list of relevant papers is in **Appendix I**.

Issues relating to the alleged defective steel works at diaphragm wall and platform slab of Hung Hom Station Extension under the Shatin to Central Link project and the Administration's remedial actions

List of relevant papers

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
1 June 2018	Subcommittee on Matters Relating to Railways	Administration's paper on progress update of the construction of the Shatin to Central Link (As at 31 March 2018)	CB(4)1151/17-18(05) http://www.legco.gov.hk/yr17-18/english/panels/tp/tp_rdp/papers/tp_rdp20180601cb4-1151-5-e.pdf
		MTR Corporation Limited ("MTRCL")'s paper on Progress update of the construction of the Shatin to Central Link (power-point presentation material) (Chinese version only)	CB(4)1188/17-18(03) http://www.legco.gov.hk/yr17-18/chinese/panels/tp/tp_rdp/papers/tp_rdp20180601cb4-1188-3-c.pdf
20 June 2018	Council Meeting	Hon Tony TSE raised a question on construction works for Hung Hom Station platform under Shatin to Central Link	http://www.info.gov.hk/gia/general/201806/20/P2018062000399.htm
27 June 2018	Council Meeting	Hon LAM Cheuk-ting raised a question on Shatin to Central Link project	http://www.info.gov.hk/gia/general/201806/27/P2018062700354.htm
10 July 2018*	--	LegCo Brief on Appointment of a Commission of Inquiry into the diaphragm wall and	File Ref.: AW-950-020-025-P001 http://sobfle02.legco.hksar/sharedoc/r&d/Appointment_of_a_Commission_of_Inquiry_into_the_Diaphragm_W

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
		platform slab construction works at the Hung Hom Station Extension under the Shatin to Central Link Project	all and Platform Slab Construction Works at the Hung Hom Station Extension Under the Shatin to Central Link Project-e.pdf

*Issue date

Press release issued by the Government

Date of issuance	Press release
31 May 2018	<u>Press release</u> on Government responds to recent media reports on works at expanded Hung Hom Station under the Shatin to Central Link Project
6 June 2018	<u>Press release</u> on Highways Department ("HyD") requires MTRCL to submit incident report on construction works at expanded Hung Hom Station under Shatin to Central Link Project as soon as possible
9 June 2018	<u>Press release</u> on Transport and Housing Bureau responds to media enquiries on construction works of Shatin to Central Link
11 June 2018	<u>Press release</u> on Transcript of remarks by the Secretary for Transport and Housing
12 June 2018	<u>Press release</u> on Transcript of remarks by the Chief Executive at media session before Executive Council meeting
15 June 2018	<u>Press release</u> on HyD receives incident report from MTRCL on construction works for Hung Hom Station platform under Shatin to Central Link project
20 June 2018	<u>Press release</u> on Transcript of remarks by the Secretary for Transport and Housing
10 July 2018	<u>Press release</u> on Commission of Inquiry into the Diaphragm Wall and Platform Slab Construction Works at the Hung Hom Station Extension under the Shatin to Central Link Project appointed
7 August 2018	<u>Opening remarks</u> by the Secretary for Transport and Housing at press conference on Hung Hom Station Extension under the Shatin to Central Link Project (Chinese only)

Date of issuance	Press release
7 August 2018	<u>Speech</u> by Director of Highways at press conference on construction works of Hung Hom Station Expansion in Shatin to Central Link (Chinese only)
7 August 2018	<u>Opening remarks</u> of Director of Buildings at press conference on works at expanded Hung Hom Station under Shatin to Central Link Project (Chinese Only)
16 August 2018	<u>Press release</u> on Expert Adviser Team for Shatin-to-Central Link Project established

Press release issued by the MTR Corporation Limited

Date of issuance	Press release
20 March 2018	<u>Press release</u> on Works at Shatin to Central Link Hung Hom North Approach Tunnels
30 May 2018	<u>Press release</u> on Works at Hung Hom Station under the Shatin to Central Link Project
31 May 2018	<u>Press release</u> on Independent Assurance on the Structural Integrity of Platforms of Hung Hom Station Extension
6 June 2018	<u>Press release</u> on MTR Board Takes Construction Quality of Hung Hom Station Extension Works Very Seriously
12 June 2018	<u>Press release</u> on MTR Corporation Will Fully Cooperate with the Government's Commission of Inquiry on the Shatin to Central Link Project
15 June 2018	<p><u>Press release</u> on MTR submits report on the steel bar fixing works for the platform slab at the Hung Hom Station extension</p> <p>Hyperlink of the full report (English version only): http://www.mtr-shatincentrallink.hk/pdf/multimedia-gallery/report/report_20180614_e.pdf</p>
21 June 2018	<u>Press release</u> on Capital Works Committee to Review Processes and Procedures within Project Management System