

Application Notes

(AN-OBB 2.0 (Bldg) 2)



Second Round Operation Building Bright 2.0

(Applicable to Owners' Organisation of
Category 1 Building)

Enquiry
3188 1188



發展局
Development Bureau



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Introduction

With a view to safeguarding public safety, the Chief Executive announced in the “2017 Policy Address” to earmark HK\$3 billion and partnered with the Urban Renewal Authority (“URA”) to implement “Operation Building Bright 2.0” (“OBB 2.0”), providing technical and financial support for owner-occupiers of aged private residential or composite buildings with a relatively low average annual rateable value and assisting them to act in compliance with the requirements under the Mandatory Building Inspection Scheme (“MBIS”). OBB 2.0 is currently accepting the second-round application.

Target Buildings

There are two categories of buildings applicable under the second round of OBB 2.0:

Category 1

Category 1 covers buildings whose owners or owners' organisations are prepared to carry out the prescribed inspection and repair works involving the common parts of their buildings on a voluntary basis in accordance with the requirements under the MBIS;

If the building owners or owners' organisations consider their buildings meeting the “**Eligibility Criteria**” (please refer to Paragraph 1 of this Application Notes), they may submit applications in accordance with the “**Application Period and Methods**” (please refer to Paragraph 2 of this Application Notes) for their buildings to be included as Category 1 buildings.

Category 2

Category 2 covers buildings which have not complied with the outstanding MBIS statutory notices but the owners or owners' organisations concerned have difficulties in coordinating the prescribed inspection and repair works for the common parts of the buildings and are selected by Buildings Department (“**BD**”) based on risk assessment. For Category 2 buildings, BD will exercise its statutory power to arrange consultants and contractors to carry out the necessary inspection and repair works on behalf of the owners.

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Application Notes (For Category 1 Buildings Only)

1. Eligibility Criteria

Building applying for the second round of OBB2.0 must meet all of the following criteria:

- 1.1 The building is a private residential (including a building held by a Civil Servants' Co-operative Building Society (“**CBS**”)) or composite (commercial & residential) building aged 40 or above according to the Occupation Permit, i.e. the date of the Occupation Permit shall be 31 October 1980 or before;
- 1.2 The 2017/2018 average annual rateable value of the domestic units in the building shall not exceed the limit as stated in item 2(b) of Appendix I to the Integrated Building Rehabilitation Assistance Scheme (“**IBRAS**”); and
- 1.3 Meet the requirements from Paragraph 1.3.1 or Paragraph 1.3.2 below:
 - 1.3.1 Buildings aged 50 or above:

Regardless of whether the building owners have received statutory notice(s) or pre-notification letter(s) issued by BD for mandatory inspection of the common parts of the building, the owners' organisations/owners are prepared to carry out the prescribed inspection and repair works in accordance with the requirements under the MBIS, but the compliance letter(s) confirming the completion and compliance of the prescribed inspection and prescribed repairs under the MBIS requirements had not been issued by BD as of 11 October 2017.
 - 1.3.2 Buildings aged between 40 and 49
BD has issued statutory notice(s) or pre-notification letter(s) for mandatory inspection of the common parts of the building, but the compliance letter(s) confirming the completion and compliance of the prescribed inspection and prescribed repairs under the MBIS requirements had not been issued by BD as of 11 October 2019.
- 1.4 Unless in such circumstances as described in Paragraph 1.4.1 or Paragraph 1.4.2 below, contracts of inspection service and repair works must be procured through URA's fee-charged service known as the “Smart Tender Building Rehabilitation Facilitating Services Scheme” (“Smart Tender”).
 - 1.4.1 For buildings meeting the requirements in Paragraph 1.3.1 above, the owners or the owners' organisation thereof have invited tenders for contract of repair works on or before 20 December 2017 and the tendering process has been verified by URA as in conformity with the relevant requirements in the Building Management Ordinance (Cap. 344) and the Deed of Mutual Covenants of the building (if applicable).

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- 1.4.2 For buildings meeting the requirements in Paragraph 1.3.2 above, the owners or the owners' organisation thereof have invited tenders for contract of repair works on or before 16 December 2019 and the tendering process has been verified by URA as in conformity with the relevant requirements in the Building Management Ordinance (Cap. 344) and the Deed of Mutual Covenants of the building (if applicable).

2. Application Period and Methods

- 2.1 The completed application form and necessary supporting documents must be returned to URA on or before 30 October 2020 by any of the following methods:
- (a) On-line application:
Link: <https://www.brplatform.org.hk/e-application>
(The time of receipt of an on-line application will be adopted as the submission time of that application)
- (b) Submission by post or in person to the office of URA which address can be found in Annex II to the Application Form of the Integrated Building Rehabilitation Assistance Scheme (For submission by post, the date of the stamp chop will be adopted as the date of submission of the application; for submission in person, the date of submission will be determined by the date of the receipt of the Application Form signed by URA)

3. Submission of Application Form and Supporting Documents

- 3.1 For building with owners' corporation ("OC"), the OC shall be the Applicant who submit the application to URA.
- 3.2 For buildings without an OC or those held by CBS, all owners collectively or the CBS (as the case may be) shall be the Applicant who submit the application to URA. Please read the "Application Notes for building without Owners' Corporation" in Annex I to the IBRAS Application Form for the application requirements and details.
- 3.3 The Applicant is required to submit the following documents to URA within the application period:
- (a) A duly completed and signed **IBRAS Application Form ("Application Form")**; and

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- (b) (If building with an OC formed) One copy of each of the meeting notices and minutes of the owners' meeting passing the following resolutions:
- (i) To resolve on the application for the second round of "Operation Building Bright 2.0";
 - (ii) To authorise the OC to be the Applicant and at least two committee members of the Management Committee or the Manager appointed in accordance with DMC as the Applicant's Representatives to sign the Application Form and all other documents related to the second round of "Operation Building Bright 2.0";
 - (iii) To carry out the prescribed inspection and repair works for common parts of the building as required by MBIS and the Mandatory Window Inspection Scheme (MWIS) ^{Note 1};
 - (iv) To apportion all costs and expenditure relating to the works among all owners of the buildings in accordance with DMC or the relevant provisions in the Building Management Ordinance (Cap. 344);
 - (v) To resolve on paying for and joining URA's Smart Tender ^{Note 2} (if applicable) for the prescribed inspection and repair works (Please refer to "AN-ST" for details);
 - (vi) To authorise the Applicant to receive subsidies from URA under the second round of "Operation Building Bright 2.0" on behalf of all eligible owners.

Note 1: The subsidy for eligible applications under OBB 2.0 must first be applied towards MBIS and only towards MWIS in case of any balance.

Note 2 : For the resolutions required for joining Smart Tender, please refer to Paragraph 4.2.3 of "AN-ST"

The above resolutions must be passed in accordance with the Building Management Ordinance (Cap.344) and the DMC. (For buildings without an OC or those held by Civil Servants' Co-operative Building Society (CBS) (as the case may be), please refer to "Application Notes for building without Owners' Corporation" in Annex I to the IBRAS Application Form for the details of the resolutions required to be passed. The minutes of meeting shall be submitted to URA at the time of submission of the Application Form.) If the Applicant shall actually not be able to convene a general meeting of owners to resolve the above resolutions within the application period, the Application Form may be submitted to URA first by two representatives of the Applicants and a general meeting of owners for passing the relevant resolutions may be arranged later. The minutes of the meeting shall be submitted to URA within 6 months from the deadline of application (i.e., on or before 30 April 2021). Applicants shall note that failing to submit relevant minutes of meeting at the time of submission of the Application Form may result in delay in the processing of the application.

- (c) A copy of the Certificate of Registration of OC / Certificate of Registration of a Society / Certificate of Registration and by-laws of CBS (if applicable);
- (d) A copy of the Statutory Notice or the Pre-notification Letter issued by BD for common parts of the building under MBIS or MWIS (if applicable); and

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- (e) If relevant works of the building is/are underway, the Applicant must submit one copy of each of the following documents to URA within the application period:

Progress	Necessary Supporting Document
(i) Registered inspectors appointed	Registered inspectors Service Contract
(ii) Contractor appointed	Works Contract

- 3.4 If the documents set out in items 3.3(c) and (e) above are not submitted together with the Application Form, they shall be submitted to URA within the application period, otherwise the approval of the application may be affected. If the owners are forming an OC, submission deadline of the documents will be extended to 6 months after the application deadline to 30 April 2021.
- 3.5 After the closing date for application, URA will prioritise all applications based on the factors as adopted by the Steering Committee of OBB 2.0.
- 3.6 Application is made on individual DMC basis. If a building/estate having more than one OC/DMC intends to engage the same Registered Inspector (“RI”) and qualified registered contractors to carry out the prescribed inspection and repair works, each Applicant is required to complete its own application form but each Applicant may choose to submit their completed forms jointly. URA will consider them as a joint application to decide the priority.
- 3.7 Each Applicant can only submit one Application Form for his building.
- 3.8 Upon receiving the Application Form, URA will acknowledge receipt thereof in writing.
- 3.9 The Applicant shall not make another application in the second round of OBB 2.0 if it has already submitted an application in the first round of OBB 2.0 and has been issued the notice of application result and Priority, unless its application has been revoked by URA in writing.

4. Use of Subsidy

4.1 Common Parts of the Building

- 4.1.1 The subsidy must first be used on the prescribed inspection and repair works. All relevant inspection and repair works must be carried out in compliance with the relevant legal requirements under MBIS and MWIS.

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4.1.2 After the subsidy has been applied towards settlement of the expenses of the prescribed inspection and repair works described in Paragraph 4.1.1 above (“Prioritised Works”), the Applicant may apply the balance of the subsidy towards various building inspection and repair works below in common parts of the building not covered in Prioritised Works, including:

- (a) Fire safety improvement works, such as means of escape, means of access for fire-fighting & rescue and fire resisting construction;
- (b) Provision of, improvement to and maintenance of fire service installations and equipment of the building;
- (c) Removal of unauthorised building works and illegal rooftop structures;
- (d) Improvement of building and sanitary services, e.g. repairing, maintaining and replacing lifts, fire services installations and equipment, electrical installations, gas risers and communal aerial system, and replacing defective fresh water pipes;
- (e) Repair of water-proofing membranes at rooftops and flat roofs and works to alleviate water seepage problem;
- (f) Provision, improvement and repair of common water tanks;
- (g) Repair or replacement of defective metal works/carpentry;
- (h) Provision, improvement and repair of barrier free access and facilities;
- (i) Provision, improvement and repair of security system of the building;
- (j) Maintenance works for slopes or retaining walls around the building; and
- (k) Application of environmental friendly material in repair works and installation of green/ environmental friendly facilities or fittings.

4.1.3 The inspection, professional services and any associated or follow-up works arising from the works mentioned in Paragraph 4.1.1 and 4.1.2 above may also be subsidised.

4.2 Private Projecting Structures

4.2.1 Since BD would also issue MBIS Statutory Notices to owners of individual units in the building to require the owners concerned to conduct prescribed inspection and repair works to private projecting structures of their units, the second round of OBB 2.0 would also subsidise eligible owner-occupiers to carry out inspection and repair works to their private projecting structures. Eligible owner-occupiers are required to make their own applications to URA. Please refer to “AN-OBB2.0(OO)” for details.

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5. Target Beneficiaries and Level of Subsidy

5.1 Buildings approved for participating in the second round of OBB 2.0, the owner-occupiers may apply for the subsidies as set out below:

- (a) For prescribed inspection and repair works for common parts of the buildings (which meet the requirements set out in Paragraph 4.1 of this Application Notes)

Owner-occupied unit	Level of Subsidy
Owner-occupiers	80% of the cost of the relevant works, subject to a cap of HK\$40,000 per unit
Elderly owner-occupiers [aged 60 or above (as indicated on the Hong Kong identity cards) on or before the application deadline as stated in Paragraph 6.7 in “AN-OBB2.0(OO)”]	100% of the cost of the relevant works, subject to a cap of HK\$50,000 per unit

- (b) For prescribed inspection and repair works for private projecting structures (which meet the requirements set out in Paragraph 4.2 of this Application Notes), owner-occupiers of the buildings approved for carrying out prescribed inspection and repair works for common parts of the buildings under the second round of OBB 2.0, they may apply for the following subsidy if needed:

Owner-occupied unit	Level of Subsidy
All owner-occupiers	50% of the cost of the relevant works, subject to a cap of HK\$6,000 per unit

5.2 Eligible owner-occupiers **shall fill in and submit the “IBRAS Application Form for Owners of Individual Premises”** to URA within the application period specified in “AN-OBB2.0(OO)”.

5.3 For CBS approved for participating in the second round of OBB 2.0, members of the CBS may apply for subsidies for owner-occupiers/elderly owner-occupiers mentioned in Paragraph 5.1 above for their owner-occupied CBS **building** units.

6. Other Subsidies

6.1 If the building is eligible for the “Common Area Repair Works Subsidy” (“**CAS**”) and/or “Mandatory Building Inspection Subsidy Scheme” (“**MBISS**”), the Applicant may make the application simultaneously for the owners of non-owner-occupied units. After receiving the subsidies specified in item 5.1(a) above, the owner-occupied unit shall not be entitled to the subsidies under CAS and MBISS for the works concerned. The subsidy amount/maximum

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subsidy for a building under CAS and/or MBISS will be accordingly reduced in proportion to the number of owner-occupiers being subsidised under the second round of OBB2.0.

- 6.2 If the building is eligible for the Fire Safety Improvement Works Subsidy Scheme (“**FSW Scheme**”), the Applicant may make the application simultaneously. However, the relevant fire safety improvement works shall not duplicate with those approved under the second round of OBB 2.0. Please refer to “AN-FSWS” for details.
- 6.3 To encourage the formation of OCs by building owners for carrying out building repair works, any Applicant who is granted the Approval-in-Principle Letter in the second round of OBB 2.0 with Certificate of Registration of its OC issued within the 12 months prior to the deadline of application specified in Paragraph 2.1 above shall be granted a subsidy of HK\$3,000 under the Owners’ Corporation Formation Subsidy.

7. Procedures and Requirements for Approval

- 7.1 Each Applicant eligible for the second round of OBB 2.0 will receive an “Approval-in-Principle Letter” issued by URA and shall sign an agreement and a letter of undertaking and shall take the initiative to organise the inspection and repair works in accordance with the guidelines and requirements of the second round of OBB 2.0.
- 7.2 Except for the situation mentioned in Paragraph 1.4.1 or 1.4.2 above, the Applicant must appoint a RI (or a consultancy firm which can provide relevant services) via the fee-based Smart Tender service for the prescribed inspection and organising the necessary prescribed repair works, and appoint qualified registered contractors to complete the relevant works within the specified timeframe. All tender procedures shall comply with the requirements of Smart Tender, the Building Management Ordinance (Cap. 344) and the second round of OBB 2.0.
- 7.3 If the Applicant has already appointed a RI or a consultancy firm for carrying out the prescribed inspection and organising repair works for the common parts of the building before submission of the Application Form, such RI or consultancy firm appointed shall sign a “Letter of Undertaking” acknowledging its agreement to observe URA's requirements for the application and the second round of OBB 2.0, or otherwise no funding will be granted for the relevant works.
- 7.4 If the Applicant has already completed the procurement for the inspection and/or repair works referred to in Paragraph 4.1.1 and/or 4.1.2 above before submission of the Application Form, and such procurement has failed to comply with the requirements of the Building Management Ordinance (Cap. 344) and/or DMC (if applicable), the Applicant shall arrange rectification of the procurement procedure, otherwise the Applicant shall not be eligible to apply for the second round of OBB2.0. Any additional expenses or losses resulted from the rectification of the procurement procedure, including but not limited to

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compensation for the termination of existing services, shall not be subsidised by the second round of OBB 2.0 and the Applicant shall be responsible for the same.

- 7.5 The successful Applicant under the second round of OBB 2.0 shall complete the prescribed inspection and repair works as requested under MBIS and MWIS in accordance with the schedule stipulated in the Approval-in-Principle Letter. Under normal circumstances, the Applicant shall appoint a qualified registered contractor and commence the works within 24 months from the date of issue of the Approval-in-Principle Letter.
- 7.6 The Applicant shall submit the required documents to URA at different stages to allow URA to examine the progress and determine whether the works have been carried out in compliance with the relevant guidelines and requirements. If the Applicant fails to comply with Paragraph 7.5 above or the requirements under the second round of OBB 2.0 without any reasonable explanation, the Approval-in-Principle Letter granted to the building may be revoked.
- 7.7 Unless the Applicant has already appointed the RI/consultant or the qualified registered contractor before the commencement of application period for the second round of OBB 2.0, the Applicant shall prepare the service contract for RI/consultant and the contract for repair works in accordance with the guidelines issued by URA and shall submit supporting documents as required by URA at different stages, failing which the process of verification or appropriation of funds could be affected. For the requirements for supporting documents, those stipulated in the Approval-in-Principle Letter and DIY tool-kits of Smart Tender shall prevail.
- 7.8 Unless the Applicant has already appointed the RI/consultant or the qualified registered contractor before the commencement of application period for the second round of OBB 2.0, the Applicant shall insert “Ethical Commitment Clauses” and “Non-collusive Tendering Certificate” including provisions relating to prohibition of acceptance of advantage and declaration of conflict of interest etc. in the tender documents and consultancy and works contracts. If the RI/consultant or the qualified registered contractor has been appointed before the commencement of application period for OBB 2.0, the Applicant shall still be required to submit a “Declaration Form for Ethical Commitment Clauses” and a “Non-collusive Tendering Certificate” or a “Confirmation Letter for Probity and Anti-collusion Clauses” duly signed by the RI/consultant or the qualified registered contractor appointed.
- 7.9 Staff members or representatives of URA will assess the intended work items and the cost estimates, the quotations and the progress of works before and during the works. The Applicant shall assist and facilitate the staff members or representatives of URA to carry out site inspection of common areas of the building.
- 7.10 For the calculation of the subsidy amount, if the contract sum of the subsidised work items is greater than the estimate made by the independent professional consultant engaged by URA, URA shall determine the subsidy amount based on such estimate by its independent

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professional consultant. Otherwise, the subsidy amount shall be determined based on the contract sum of the subsidised work items.

- 7.11 If works have been commenced/completed/concealed prior to the submission of the application such that on-site verification of completion of the works is impossible, the Applicant shall submit all documentary proofs for such works to URA for checking, or otherwise such repair items will not be subsidised.
- 7.12 In case of any material variation to the contract terms or repair costs (whether it is an addition or an omission), the Applicant shall notify URA as soon as possible in writing and submit relevant documents for approval, otherwise the subsidy amount will be affected. Material variation refers to any changes in sum that is likely to exceed HK\$200,000 or 20% of the OC's annual management budget (whichever is the less), which require a resolution passed in an owners' meeting convened under the Building Management Ordinance (Cap.344).
- 7.13 In case of any disputes relating to the eligibility for application or release of subsidy, the decision of URA shall be final and conclusive.
- 7.14 Notwithstanding any contrary provision contained in this Application Notes, and whether or not the Approval-in-Principle Letter has been issued, URA has the right to reject the application, to stop payment of subsidies, to recover any subsidies released or to adjust the subsidy amount at any stage on reasonable grounds or in reasonable circumstances and the Applicant shall raise no objection.
- 7.15 All buildings participating in the second round of OBB 2.0 will be automatically registered for the "RenoSafe Scheme" operated by the Hong Kong Police Force to enjoy the various services offered under the "RenoSafe Scheme".

8. Release of Subsidy

Subsidy for Common Parts of Buildings

- 8.1 The Applicant shall apply to URA for release of subsidy by phases (up to 4 phases) according to the progress of works for payment of the costs of inspection and repair works for common parts of the building covered by the second round of OBB 2.0. The amount of subsidy to be released by URA in each phase will be calculated according to the percentage of the completed eligible work items covered by the second round of OBB 2.0. Consultancy fee can be included in the above subsidy release application during the contracting period. The Applicant shall give a written undertaking and distribute the subsidies to owner-occupiers approved to participate in the second round of OBB 2.0 in accordance with the funding allocation form provided by URA. The Applicant should refund the extra works expenses paid by eligible owners prior to the Applicant's application for subsidy for the relevant works

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payable by them. In exceptional cases, URA has the right to release the relevant part of the subsidies to an owner-occupier directly.

- 8.2 The subsidy may be revoked if the Applicant shall eventually fail to provide URA with the compliance letter from BD certifying that the building has completed the prescribed inspection and repair works to the requirements under MBIS.
- 8.3 In general, URA will arrange for release of the subsidy within 30 days after receiving all required documents.

9. Notes

- 9.1 URA is a public body under the regulation of the Independent Commission Against Corruption (ICAC) and the Office of The Ombudsman, Hong Kong. Any incident suspected to be related to corruption shall be reported to ICAC immediately.
- 9.2 URA is a public body as defined in the Prevention of Bribery Ordinance (Cap. 201) and all staff members of URA are subject to the said Ordinance and are not allowed to solicit and accept any forms of advantages (monetary or otherwise) from customers, contractors, suppliers, registered inspectors or any other person. For the appointment of registered inspectors, project consultants and contractors for the building repair works, staff members of URA shall only provide general guidance and are prohibited from taking part in any form of actions leading and influencing the Applicant in the selection of registered inspectors, project consultants and contractors (excluding the services arranged by URA under Smart Tender).
- 9.3 The Application Form and this Application Notes are not legally binding on URA. URA is not liable to any person for any loss or damages which may be incurred or sustained by relying on any information contained in the Application Form and this Application Notes.
- 9.4 URA reserves the right to modify the above contents at any time without prior notice. The web version shall prevail should there be any changes. Please refer to “Building Rehab Platform” (<https://www.brplatform.org.hk>) for the latest version.
- 9.5 Any wilful misrepresentation or omission may lead to disqualification and court proceeding. The Applicant is reminded that it is a criminal offence to obtain any pecuniary advantage by deception.

Enquiry Hotline: 3188 1188

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List of Abbreviations

Application Notes for Building (Applicable to Owners' Corporation / Owners' Organisation / Representatives of all owners)

Abbreviation	Application Notes
AN-CAS	Application Notes for Common Area Repair Works Subsidy
AN-LIMSS(2)	Application Notes for Second Round Lift Modernisation Subsidy Scheme
AN-OBB2.0(Bldg)2	Application Notes for Second Round Operation Building Bright 2.0 (Applicable to Owners' Organisation of Category 1 Building)
AN-FSWS	Application Notes for New Round Fire Safety Improvement Works Subsidy Scheme
AN-ST	Application Notes for Smart Tender Building Rehabilitation Facilitating Services
AN-MBISS	Application Notes for Mandatory Building Inspection Subsidy Scheme

Application Notes for Individual Flat Owner

Abbreviation	Application Notes
AN- OBB2.0(OO)	Application Notes for Operation Building Bright 2.0 (Applicable to Owner- Occupier)
AN-LIMSS(2)(EOO)	Application Notes for Second Round Lift Modernisation Subsidy Scheme (Applicable to Elderly Owner- Occupier)
AN-HRIL	Application Notes for Home Renovation Interest-free Loan
AN-BSLS	Application Notes for Building Safety Loan Scheme
AN-BMGSNO	Application Notes for Building Maintenance Grant Scheme for Needy Owners