



## Conduct Building Inspection and Prepare Tender Documents

Step 3 Milestones :

### 3.1 Building Inspection by Works Consultant



- Understand the reasons for building inspection
- Understand the scope of inspection
- Understand the methods of inspection
- Understand common rehabilitation work items



### 3.2 Preparation of Tender Documents by Works Consultant



- Draft building rehabilitation proposal
- Prepare tender documents
- Understand the types of tender documents and their differences

### 3.3 Provision of Cost Estimates by Works Consultant



- Understand work cost estimates



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## Step 3: Conduct Building Inspection and Prepare Tender Documents

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### Section 3.1 Building Inspection by Works Consultant



(Scan QR Codes to Watch Videos on 'Building Rehab Platform' Website)

#### 3.1.1 Why Building Inspection?<sup>1</sup>

It is common to conduct building inspection before rehabilitation works. The purposes are:

- To understand the current condition and extent of dilapidation of the building;
- To identify the reasons of dilapidation and hence, their suitable solutions;
- To assess the scope of works, prepare cost estimates, prioritise work items and draft works schedule for **owners'** approval; and
- To draw up schedule of work items to be included in tender documents to facilitate tendering and the preparation of work estimates.

Building rehabilitation begins with a thorough gauge into the current condition of the building to grasp the extent of issues, which contributes to the systematic planning and implementation of the project.

#### 3.1.2 Scope of Inspection

Before the scope and items of rehabilitation work are identified, the work consultant appointed by **owners/OCs** shall conduct a thorough inspection of the building to understand its overall condition and rehabilitation needs, followed by reporting the identified defects and cases which fail to fulfil prescribed legal requirements to the **owners/OCs**. The scope of inspection includes:

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<sup>1</sup> Source: *Building Maintenance Guidebook* published by the **Buildings Department (BD)**.

### **Review of Information Relevant to Building Maintenance**

- Review of statutory orders/notices/advisory letters/written warnings (if any) issued by government departments demanding rectification works to be done to common parts to clarify relevant statutory requirements<sup>2</sup>, and liaison with government departments to discuss about the rehabilitation and enhancement works;
- Comparative review of the building's actual existing layout against its occupation permit, approved building plans and layout plans of water supply and drainage, as well as records of addition or alteration works obtained from the **BD**, other relevant government departments, the **owners** or through any other means;
- Review of provisions pertaining to building maintenance in the Deed of Mutual Covenant (DMC) of the subject building;
- Questionnaire survey on opinions of residents on the building condition.

### **Site Inspection**

- Thorough inspection covering all architectural components, public equipment and facilities at common areas of the building. If signs of defect are identified on public facilities installed in private units, the works consultant should conduct, where possible, a site inspection in the relevant units subsequent to an assessment by a qualified person, and should document any areas where first-hand inspection is not possible;
- Thorough assessment of building condition based on the information collected to identify existing defects, dilapidations, disrepairs and potential issues. Any existing installations or structures found to have contravened any regulations or ordinances in force should also be specified;
- Documentation of damages in words and images during inspection, detailed analysis on the current condition and issues of the building, and their causes and solutions clearly stated. Where necessary, sketches and floor plans can also be attached as supplementary information;

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<sup>2</sup> One example is that for buildings where mandatory building inspection notices have been received, the **BD** has prescribed lucid codes of practice and relevant regulations with which the owners and inspectors concerned shall comply.

- Detailed report on the general scope of damages, their remedial solutions, as well as suitable materials and methods of works for the **owners/OCs'** review;
- Building rehabilitation proposal with work items categorised into 'Mandatory' (e.g. repair works prescribed by statutory orders) or 'Recommended' group in accordance with their urgency, and prioritisation of items within each category;
- The inspection report and rehabilitation proposal are to be verified and signed by prescribed building professional (e.g. authorised person/registered inspector).

 **Useful Tip**

**'Breadth' and 'depth' are essential in building inspection!**

'Breadth' means the scope of inspection, which should extend beyond the damaged parts to cover architectural components, public equipment and facilities at all common areas (including those installed within private units or covered). Owners whose units are in need for maintenance, especially those on the top floor where wall seepage or spalling plaster in ceilings may arise from improper waterproofing on the rooftop, should consult the works consultant for advices with reference to the condition of the units.

'Depth' means the level of detail of the inspection. As opposed to a brief snapshot which runs a mere few pages, a detailed inspection report should include a considerable amount of photographs, detailed description of the defective parts, thorough analysis on the condition and issues of the building, their causes and solutions, as well as supplementary sketches or floor plans.

### 3.1.3 Methods of Inspection

There are, in general, two types of inspection method: destructive and non-destructive approaches. The most common ones include:

- Visual inspection<sup>3</sup> ;
- Infrared thermography<sup>4</sup> ;
- Hammer tapping<sup>5</sup> ;
- Other non-destructive approaches, such as:
  - Cover meter survey;
  - Crack width measurement;
  - Rebound hammer test.

In the case where a more thorough investigation into the concrete than a mere visual inspection is necessary, **owners/OCs** may conduct tests on carbonation, as well as chloride and cement contents, etc. for assessment. **Owners/OCs** concerned should discuss with their works consultant on details of the above methods or other feasible methods suggested by professionals.

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<sup>3</sup> Direct inspection with the eye or non-professional equipment such as cameras.

<sup>4</sup> Infrared thermography is a long-range inspection method that measures their surface temperature differences of external walls with equipment to gauge the location and scope of spalling concrete or rendering. While the results and accuracy may be affected by factors such as weather, orientation of the wall and the angle of the scanner illumination, etc., infrared thermography is an efficient method for external wall survey without scaffolding. Survey data can be used as preliminary reference for cost estimates of relevant repair works in the future.

<sup>5</sup> Hammer tapping is an external wall inspection method that knocks on different parts of the wall surface with a plastic hammer to identify loose concrete or rendering by listening to the ‘hollow’ sound from cavities. The test can be conducted on scaffolding as part of an on-site survey, followed by marking the defective parts with spray and photographing them for record.

## Section 3.2 Preparation of Tender Documents by Works Consultant



### 3.2.1 Drafting Building Rehabilitation Proposal

The category and scope of maintenance works required for different buildings are dependent on factors such as the age, location and extent of regular maintenance of the subject building. Since building rehabilitation works generally involve more complex technical issues, the works consultant shall suggest a scope of necessary rehabilitation works in accordance with the inspection/survey results and regulations of relevant statutory orders/notices for **owners/OCs**' consideration and approval.

#### **Presentation of Inspection Report by Works Consultant and Discussion of Proposed Solutions with Owners**

As mentioned, **owners/OCs** should have basic knowledge of the reasons for and purposes of building rehabilitation, as well as common building defects when planning a project. With detailed explanation of the completed building inspection given by the works consultant, **owners/OCs** should gain a more thorough understanding of the current condition of their building, which in turn helps them identify areas for further clarification from the consultant prior to an informed analysis of the necessity of the recommended work items, especially those of high costs, to protect their own interest.

It is the responsibility of the works consultant to, in accordance with the results of building inspection, list the extent of damages and necessary repair works concerning building safety and hygiene facilities, and provide the **owners/OCs** with various feasible solutions for building rehabilitation and enhancement, with reminders of necessary prompt actions against immediate dangers (if any). The consultant shall also provide detailed cost estimates for each recommended work item and solution with their basis and assumptions clearly stated for **owners/OCs**' reference. When presenting the inspection report, the consultant shall remind the **owners/OCs** of uncertainties that may arise in the works concerned. For work procedures to be carried out in corporation with individual **owners** (e.g. those concern common facilities installed in private units), prior notifications should be made to the **OC** and the owners concerned as early as possible for timely planning and coordination.



### Useful Tip

**Is it necessary to carry out all the proposed work items?**

**No.** While the **owners/OCs** will receive ‘Mandatory’ and ‘Recommended’ work items proposed by the works consultant based on various factors (such as the urgency of the item or requirements of statutory orders/notices), it is advisable for them to make decision on the final scope according to their actual needs.

If the **owners** are unable to agree on a one-off implementation of all proposed items due to financial hardship or funding issues, the **owners/OCs** should resolve on items concerning public safety or those which may pose hazards to the public (e.g. repair of damaged structures).



**To learn about the common rehabilitation work items – Please refer to [Appendix I](#)**

### 3.2.2 Preparing Tender Documents

Each building has its own scope of and approach to rehabilitation works, which vary according to its setting and conditions as well as the requirements of the **owners/OCs**. A professional works consultant should prepare tender documents that reflect, as much as possible, the requirements of the **owners/OCs** by taking into account the actual situation of the building concerned and the rehabilitation/enhancement solutions approved by the **owners/OCs**. Adapting past documents for new tender exercise may result in overcomplicated and confusing terms and the lack of appropriate and fair standards, which may undermine the chance for the **owners** to receive competitive tenders.

When preparing tender documents, the works consultant should:

- Gain a thorough understanding of the **owners/OCs**’ expectations or requirements on the quality, results and budgeting of the works;

- Reflect the **owners/OCs'** expectations and requirements in the tender documents through selection of suitable materials and specifications of the works;
- Discuss and identify the scope of works to be covered in the tender documents with the **owners/OCs**;
- Suggest appropriate tender submission methods for **owners/OCs'** consideration and if necessary, assist in the pre-qualification of tenderers (which is not mandatory and therefore, should be a discreet decision to make lest that over-stringent criteria should discourage interested tenderers);
- Set reasonable prerequisites and screening criteria, whose scope is limited to fundamental and essential matters, before bid solicitation. Do not establish unnecessary or unreasonably high threshold for tender submission, nor is it advisable to charge tenderers any 'administrative fee'<sup>6</sup> lest that interested tenderers should be discouraged and the number of tenders returned lowered;
- Publish bid solicitation notices in newspapers in the name of the subject building/OC only with no mention of the name and identities of the works consultant;
- Handle enquiries during tender submission period in a professional and fair manner;
- Indicate written correspondence as the only means of communication between tenderers and the works consultant on enquiries during the tender submission period, with copies of such correspondences sent to the **owners/OCs**;
- Except under special circumstances, it is advisable to use sample document prepared by **professional institutes**<sup>7</sup> at present or Building Rehabilitation Platform in the future, with appropriate amendments made in accordance with individual works.

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<sup>6</sup> 'Administrative fee' refers to the specific/non-refundable fee charged to interested tenderers by the **owners/OCs** during tender submission.

<sup>7</sup> Professional institutes include **The Hong Kong Institute of Architects, The Hong Kong Institute of Surveyors, The Hong Kong Institute of Engineers** and **Royal Institution of Chartered Surveyors**, etc



 **Useful Tip****Points to note when preparing tender documents**

- Define the scope of works and specifications of materials clearly to avoid potential rigging or the need for mammoth funds induced by amendments to the project after it commencement;
- Avoid unnecessary or expensive work items;
- Unless with valid reasons, avoid the use of brand name/restrictive specification for materials to avoid favouring individual supplier;
- Avoid unfair terms such as:
  - unreasonable indemnification for breach of contract;
  - continuation of works in the case of default on wages by the employer (i.e. the **owners/OCs**).

 **Useful Tip****Formulate ‘contract validity period’**

When preparing tender documents, the works consultant and **owners/OCs** should also discuss and determine the reasonable timeframe for works contractors to complete the required work items. An unreasonably short contract validity period may push up the bids, causing disputes or discouraging able and responsible tenderers.

If the works consultant is unsure about the reasonable timeframe for work completion, especially when certain area of expertise is involved, it is advisable to list multiple deadlines in the tender documents for interested tenderers to offer respective bids. In so doing, the works consultant and the **owners/OCs** can weigh the extra cost against the benefit of cutting short the inconvenience caused to residents.

 **For more information about anti-corruption – Please refer to [Appendix II](#)**

### 3.2.3 Types of Tender Documents

The works consultant should advise the **owners/OCs** on the appropriate type of tender document/contract for the procurement of works contractors in accordance with the scope and categories of the rehabilitation works concerned. The **owners/OCs** should seek to understand the differences among various types of tender documents/contracts beforehand to facilitate the management of works contracts in the future.

#### General Types of Tender Documents/Contracts

Type	Characteristic
<b>Lump-sum tender documents/contract with firm Bills of Quantities</b> <sup>8</sup>	The works contractor undertakes to complete the project for a 'lump-sum' price <sup>9</sup> , as per the architectural drawings and the Bills of Quantities (BQ) listing the number of tasks involved in each work item. The BQ is prepared by the consultancy firm in accordance with the drawings; while the 'lump-sum' price refers to the sum of cost of items listed in the BQ.
<b>Lump-sum tender document/contract with drawings and specification</b> <sup>10</sup>	This type of tender document/contract will include detailed drawings and specification but not BQ. The tenderers shall undertake to complete the project for a lump-sum price as per the drawings and specifications.
<b>Re-measurement tender document/contract containing Bills of Provisional Quantities</b> <sup>11</sup>	The Bills of Provisional Quantities (BPQ) contain estimates prepared by consultancy firm before bid solicitation based on the drawings in the tender document/contract. The cost of each work item is calculated by multiplying the unit rate by the estimated quantity, while the total tender price is the total cost of all items. Upon completion of the works, the consultancy firm will re-measure the actual completed quantities to determine the total payment due in accordance with the unit bid rates.
<b>Measurement contract containing a Schedule of Rates</b> <sup>12</sup>	The Schedule of Rates included in this type of tender documents/contract only set out the pricing units of measure without specifying their quantities. As the extent of the works is unknown at tender stage, the successful tenderer is expected to perform as instructed within the contract validity period, which will be measured upon completion and paid for in accordance with the quoted unit rates.

In general building rehabilitation projects, lump-sum tender documents/contracts are more commonly used.

<sup>8</sup> Lump sum contract with firm Bills of Quantities.




<sup>9</sup> Except work items which are subject to measurement on site.

<sup>10</sup> Lump sum contract with drawings and specification.

<sup>11</sup> Re-measurement contract containing Bills of Provisional Quantities.

<sup>12</sup> Measurement contract containing a Schedule of Rates.

## Content of General Tender Documents/Contract

- Scope of works
- List of work items
- Form of tender completed and signed by the tenderer
- Specifications and standards of general and specific materials
- Contract terms and conditions:
  - Payment criteria and arrangements (e.g. payments are only to be made after the works consultant's confirmation of the completion of all or part of the works)
  - Insurance
  - Defects liability period
  - Default penalty
  - Delay of works
  - Material warranty
  - Performance bond
  - Terms for contract termination
  - Terms for dispute resolution
  - Probity and Anti-Collusion Clauses ([Sample 1](#)) 
  - Ethical Commitment Clauses <sup>13</sup> ([Sample 2](#)) 
  - Non-Collusion Clauses and Non-Collusive Tendering Certificate (Please refer to [Step 2 – Sample 3](#)) 
- Price list of work items
- Tender acceptance criteria
- Architectural drawings, such as floor plans, elevations, cross sections and detail drawings
- Orders issued by government departments (if any)

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<sup>13</sup> **Owners/OCs** are recommended to include the relevant terms in the tender documents for tenderers' information in advance. They should as well ask the successful tenderer to confirm and sign the 'Declaration on Compliance with Ethical Commitment Requirements' as part of the work contract awarded.

### Section 3.3 Provision of Cost Estimates by Works Consultant

The works consultant shall provide detailed cost estimates based on recommended or **owners/OCs**-ratified work items and solutions to facilitate their understanding of the scope and budget of intended works and offer reference for future analysis of tenders.

The cost estimates provided by works consultant will cover the unit quantity and unit price of each work item, with references and assumptions made therein indicated. These references and assumptions may vary depending on the works specifications and building condition. On the other hand, interested tenderers may consider factors such as risks, difficulties in execution, and tendering strategies, etc. Therefore, the **owners/OCs** should not consider cost estimates as a benchmark for bids returned.



#### Useful Tip

**Owners/OCs** may grasp the cost estimates in the following contexts:

- Comprehensiveness of the cost estimates (e.g. item breakdowns/units/quantities);
- Basis of the cost estimates (e.g. historical/government/market data)
- Use and significance of the cost estimates (e.g. for comparisons and analysis of submitted quotes in future).

While comprehensive data on work cost is currently unavailable in the market, **owners/OCs** may seek reference from the total work costs for the buildings participating in the incentive schemes under the **URA** on the Building Rehabilitation Platform website. However, **owners/OCs** should take note of the fact that these are actual costs of works without any adjustments based on factors such as inflation. The Building Rehabilitation Platform is actively discussing with stakeholders on how to provide further data for **owners/OCs**' reference.



### Useful Tip

Owners/OCs should:

- Ask the works consultant to provide estimates of the quantity and unit cost of individual work items for reference;
- Wherever possible, appoint independent consultant (e.g. quantity surveyor) to provide additional cost estimates/recommendations on proposed work items for reference.

### 3.3.1 What is a cost estimate for the works?

A cost estimate for the works generally includes:

- (i) Basic budget of the works;
- (ii) Contingency/provision for the works; and
- (iii) Buffer for the risk of price adjustment.

#### (i) **Basic budget of the works**

The basic budget of the works refers to the funds earmarked by the contractor for the following:

- Salaries of workers;
- Cost of machines/tools;
- Cost of work materials;
- other work-related expenses (e.g. transportation cost for materials and responsible personnel, etc.);
- Bearable risk cost and profit.

When preparing work cost estimates, the works consultant may refer to:

- Works of similar nature and their unit rates;
- Nature, uniqueness, difficulty and complexity of the works;
- Indexes of tender rates as well as salary and material costs;
- Estimation of necessary manpower;
- Salary levels of relevant personnel.

(ii) **Contingency/ provision for the works**

In view of unforeseeable circumstances that may arise after the commencement of works, the works consultant may reserve contingency/provision based on the condition of the building. Unforeseeable circumstances include:

- Greater amount/Larger scope of works than anticipated (e.g. the extent of damages to concrete structure/rendering of external walls is more severe than anticipated);
- Uncertain scope of work at the stage of building inspection (e.g. works concerning underground pipes);
- Additional works due to variations or compliance with requirements of relevant regulations/government departments;
- Additional repair or enhancement works proposed/requested by the **owners/OCs** during the works.

(iii) **Buffer for the risk of price adjustment**

The planning of rehabilitation works is a time-consuming task, which may take several months to more than a year from the provision of cost estimates to the return of bids and to the commencement of works. Due to the unpredictable short-term and long-term fluctuation in salaries and work-related costs, the works consultant and contractors may prepare cost estimates or tender that reflect the risk of price adjustment.

 **Useful Tip**

**How long does it take to engage a works contractor?**

According to the **URA**'s statistics (see below), the average time it takes from appointing works consultant to completing investigation/inspection and to submitting relevant report and rehabilitation proposal is 5 to 6 months. **Owners/OCs** may make assessment in accordance with the number of units in their building or other circumstances.

<b>Total Number of Units in the Building</b>	<b>Average Time Required (Months)</b>
20 or fewer	5
21-50	5
51-100	6
101-200	6
201 or more	6

# References

1. *Building Maintenance Toolkit* published by the **Independent Commission Against Corruption (ICAC)**
2. *Building Maintenance Guidebook* published by the **BD**
3. *'Smart Tender' Building Rehabilitation Facilitating Services DIY Tool-Kits* published by the **URA**

# **Appendix – Relevant Information**

## Step 3

Appendix I – Common Rehabilitation Work Items

Appendix II – Anti-Corruption Information (Building Rehabilitation Workflow – Step 3)



## Common Rehabilitation Works Items

- Repair works for concrete structure/rendering, e.g.
  - Hammer tapping tests to identify defective concrete structures (slabs, beams, columns and walls) as well as the scopes of loose external wall rendering and tiles
  - Repair works for defective concrete structures and loose external wall rendering and tiles
- Repainting/renovation works for external wall paints;
- Repainting/renovation works for interior wall paints;
- Rooftop waterproof works;
- Repair/replacement works for windows;
- Repair/replacement works for public water tanks;
- Repair/replacement works for water pipes;
- Repair/replacement works for public drainage system, such as sewers, waste pipes and rainwater pipes (including underground pipes);
- Repair/enhancement/addition works for fire safety provisions, such as fire rated doors, fixed light windows and enclosures to non-emergency service facilities;
- Repair/enhancement/addition works for fire service installations and facilities, such as fire hoses, fire sprinkler systems and emergency lighting system;
- Repair/replacement works for electric system;
- Repair/replacement works for lifts;
- Repair/replacement/addition works for security system;
- Repair/replacement works for metal or wooden parts, such as rooftop balustrades and banisters;
- Repair/enhancement works for barrier-free access;
- Removal of unauthorised building works (UBW);
- Repair/enhancement works for slopes/retaining walls outside the building.

### Anti-Corruption Information (Building Rehabilitation Workflow – Step 3)

Stage	Risk of corruption and malpractices	Tips of preventing corruption
<p>Drawing up Scope of Maintenance Works</p>	<ul style="list-style-type: none"> <li>- Lack of clarity in specifications of maintenance works and materials, resulting in manipulation in the selection process and subsequent variations at higher costs</li> <li>- Ordering of unnecessary and costly maintenance works</li> <li>- Use of brand name/restrictive specifications for repair materials to favour the material supplier</li> </ul>	<ul style="list-style-type: none"> <li>- require the consultant to clearly distinguish the essential/mandatory works items (e.g. works items required under the statutory notices/orders) from the non-essential works items (e.g. improvement works);</li> <li>- require the consultant to provide estimated quantities and costs for individual works items to facilitate determination of the scope of maintenance works to be carried out, budgeting and tender comparison;</li> <li>- where practicable, engage an independent consultant, e.g. a quantity surveyor, to provide cost estimate/advice on the proposed works items for reference;</li> <li>- require the consultant to avoid using brand name repair material specifications or restrictive specifications that only a single brand of repair material can meet, unless there are justifiable grounds;</li> <li>- require the consultant to specify the finalised scope of maintenance works in the tender document/works contract in detail to avoid disputes in the future.</li> </ul>



# Sample/ Form/ Template

## Step 3

Sample 1 – Probity and Anti-collusion Clauses in Tender Documents (applicable to works contractor)

Sample 2 – Ethical Commitment Clauses in Works Contract

(applicable to works contractor)

## **Probity and Anti-collusion Clauses in Tender Documents**

### **Offering Gratuities**

- (A) The tenderer shall not, and shall procure that his [employees and agents/employees, agents and sub-contractors] shall not, offer, solicit or accept an advantage as defined in the Prevention of Bribery Ordinance (Cap 201) in connection with the tendering and execution of this [Consultancy Agreement/Contract].
- (B) Failure to so procure or any act of offering, soliciting or accepting advantage referred to in (A) above committed by the tenderer or by an employee, agent or [sub-consultant/subcontractor] of the tenderer shall, without affecting the tenderer's liability for such failure and act, result in his tender being invalidated

### **Anti-collusion**

(C) \_\_\_\_\_ (as known as Employer as below) until have been notified by the Employer of the outcome of the tender exercise, tenderer will not:

[Name of IO]

- communicated to any person other than the Employer the amount of the tender price or any part thereof ;
- fix the amount of the tender price or any part thereof by arrangement with any person ;
- make any arrangement with any person as to whether or that other person will or will not submit a tender ; or
- otherwise colluded with any person in any manner whatsoever in the tendering process.

Any breach of or non-compliance with this sub-clause by the tenderer shall, without affecting the tenderer's liability for such breach or non-compliance, invalidate his tender.

- (D) Sub-clause (C) of this Clause shall have no application to the tenderer's communications in strict confidence with his own insurers or brokers to obtain an insurance quotation for computation of tender price and [sub-consultants/consultants or sub-contractors] to solicit their assistance in preparation of tender submission .
- (E) The tenderer shall submit with his tender a duly signed and witnessed letter in the form set out in the below. The signatory to the letter shall be a person authorized to sign the Contract on the tenderer's behalf.

( applicable to works contractor )

## Confirmation Letter

Date : \_\_\_\_\_

To : \_\_\_\_\_  
[Name of IO]

To whom may concern :

Building Rehabilitation Project of \_\_\_\_\_  
[Name and address of Building / Estate]

[I/We]<sup>1</sup> , \_\_\_\_\_ , \_\_\_\_\_  
(Name of tenderer) (Address of tenderer)<sup>2</sup>

\_\_\_\_\_ We confirm that, before sign this letter, other than the Excepted Communications referred to in the last paragraph of this letter, and until have been notified by the Employer of the outcome of the tender exercise, we have not

- \_\_\_\_\_ ( as known as Employer as below ) communicated to any person other than the Employer the amount of the tender price or any part thereof ;  
[Name of IO]
- fixed the amount of the tender price or any part thereof by arrangement with any person ;
- made any arrangement with any person as to whether [I/we]<sup>1</sup> or that other person will or will not submit a tender ; and
- otherwise colluded with any person in any manner whatsoever in the tendering process.

After sign this letter, and until have been notified by the Employer of the outcome of the tender exercise, [I/we]<sup>1</sup> will not :

- communicate to any person other than the Employer the amount of the tender price or any part thereof ;
- fix the amount of the tender price or any part thereof by arrangement with any person ;
- make any arrangement with any person as to whether [I/we] or that other person will or will not submit a tender ; or
- otherwise collude with any person in any manner whatsoever in the tendering process.

In this letter, the expression “Excepted Communications” means we communications in strict confidence with own insurers or brokers to obtain an insurance quotation for computation of tender price; and our sub-consultants/consultants or sub-contractors to solicit their assistance in preparation of tender submission.

\_\_\_\_\_  
( Name and signature of representative )<sup>3</sup>

1. delete if not applicable
2. Where the tenderer comprises two or more persons or companies acting in partnership, joint venture or otherwise, this part in square brackets should be expanded to include the respective names and addresses of such persons or as the case may be companies.
3. Where the tenderer comprises two or more persons or companies acting in partnership, joint venture or otherwise, all such persons or as the case may be companies must sign. The signatory for each of such persons or companies shall be a person authorized to sign the Consultancy Agreement/Contract on behalf of that person or as the case may be company.

( applicable to works contractor )

## **Ethical Commitment Clauses in Works Contract**

### **Information not to be Divulged**

(A) The Contractor shall not use or divulge, except for the purpose of the Contract, any information provided by \_\_\_\_\_ [name of the Owners' Corporation] (hereafter referred to as the Employer) in the Contract or in any subsequent correspondence or documentation. Any disclosure to any person or agent or sub-contractor for the purpose of the Contract shall be in strict confidence and shall be on a “need to know” basis and extend only so far as may be necessary for the purpose of this Contract. The Contractor shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that information is not divulged for purposes other than that of this Contract by such person, agent or sub-contractor. The Contractor shall indemnify and keep indemnified the Employer against all loss, liabilities, damages, costs, legal costs, professional and other expenses of any nature whatsoever the Employer may suffer, sustain or incur, whether direct or consequential, arising out of or in connection with any breach of the aforesaid non-disclosure provision by the Contractor or his employees, agents or sub-contractors.

### **Prevention of Bribery**

(B) The Contractor shall prohibit his employees, agents, and sub-contractors who are involved in this Contract from offering, soliciting or accepting any advantage as defined in the Prevention of Bribery Ordinance (Cap 201) when conducting business in connection with this Contract.

### **Declaration of Interest**

- (C) The Contractor shall require his employees, agents and sub-contractors who are involved in this Contract to declare in writing to the Contractor any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that such conflict or potential conflict is disclosed in a declaration, the Contractor shall forthwith take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed.
- (D) The Contractor shall prohibit his employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract. The Contractor shall also require their subcontractors and agents to impose similar restriction on their employees by way of a contractual provision.
- (E) The Contractor shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that his employees, agents and subcontractors are aware of the prohibitions in this clause.

### **Contractor's Declaration**

(F) The Contractor shall also submit a signed declaration in a form (see Annex 2(c) - Appendix) prescribed or approved by the Employer to confirm compliance with the provisions on ethical commitment as stated in the aforesaid sub-clauses (A), (B), (C), (D) and (E). If the Contractor fails to submit the declaration as required, the Employer shall be entitled to withhold payment until such declaration is submitted and the Contractor shall not be entitled to interest. To demonstrate compliance with the aforesaid sub-clauses (A), (B), (C), (D) and (E) on confidentiality, prevention of bribery, and declaration of interest, the contractor and their sub-contractors employed for the performance of duties under this Contract are required to deposit with the Employer a code of conduct issued to their staff.

**Ethical Commitment Clauses in Works Contract**

**Declaration Form**

Date : \_\_\_\_\_

To : \_\_\_\_\_

[Name of IO]

To whom may concern :

**Building Rehabilitation Project of** \_\_\_\_\_

[Name and address of Building/ Estate]

In accordance with the Ethical Commitment clauses of the Contract, we confirm that we have complied with the following provisions and have ensured that our directors, employees, subcontractors, agents are aware of the following provisions:

- (a) Prohibiting our directors, employees, agents and sub-contractors who are involved in this Contract from offering, soliciting or accepting any advantage as defined in section 2 of the Prevention of Bribery Ordinance (Cap 201) when conducting business in connection with this Contract;
- (b) Requiring our directors, employees, agents and sub-contractors who are involved in this Contract to declare in writing to us any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that a conflict or potential conflict is disclosed, we will take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed;
- (c) Prohibiting our directors and employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract and requiring our sub-contractors to do the same;
- (d) Taking all measures as necessary to protect any confidential/privileged information or data entrusted to us by or on behalf of the Employer from being divulged to a third party other than those allowed in this Contract.

( Company chop and signature ) \_\_\_\_\_

( Name of contractor ) \_\_\_\_\_

( Signature and post of representative ) \_\_\_\_\_

( Date ) \_\_\_\_\_