



## Engage Works Contractor for the Rehabilitation Project

Step 4 Milestones:

### 4.1 Convene Meetings to Ratify Tender Documents and Tendering Procedures

- Understand the roles and responsibilities of works contractor
- Understand the types of works contractor and the relevant legal requirements



### 4.2 Engage Works Contractor in Compliance with *Building Management Ordinance* and *Code of Practice on Procurement of Supplies, Goods and Services*

- Understand the regulations on procurement of works contractor stipulated in *Building Management Ordinance*
- Understand the code of practice on procurement of works contractor in *Building Management Ordinance*
- Understand tendering methods for works contractor procurement

### 4.3 Open and Analyse Tenders

- Understand risk management/anti-corruption measures for tender analysis
- Understand the key content of tender assessment report

### 4.4 Interview Works Contractors

- Understand interview arrangement and flow



### 4.5 Convene Owners' Meetings to Discuss and Resolve on Work Items and Selection of Works Contractors

- Suggested procedures



## Step 4: Engage Works Contractor for the Rehabilitation Project

### Section 4.1 Convene Meetings to Ratify Tender Documents and Tendering Procedures



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

The procurement of works contractors share similar procedures with that of works consultant. **Owners/OCs** may refer to Step 2 in this Guide for details.

Once the works consultant has drafted the tender documents following a building inspection, the **owners/OCs** can proceed to the procurement of works contractors. While the *Building Management Ordinance* does not stipulate a Management Committee (MC)/owners' meeting to ratify tender documents and tendering procedures, it is advisable to proceed as such where possible. This facilitates:

- transparency of the tendering process;
- the participation of **owners** and legitimacy of the process;
- **owners'** understanding of legal requirements for tendering of works contractors;
- **owners'** understanding of the types, roles and responsibilities of works contractors;
- **owners'** awareness of work items to be tendered beforehand.

#### 4.1.1 What is a Works Contractor?

A works contractor is a party entering into the contract who, other than completing the required aspects of maintenance work in compliance with terms and quality specifications as stipulated in the contract, undertakes to fulfil myriad key roles and responsibilities. A reputable and experienced work contractor is instrumental to the smooth conduct and quality assurance of rehabilitation works.

## **Roles and Responsibilities**

A works contractor is responsible for planning, organising and managing work procedures in accordance with relevant legal, technical and safety requirements. In the case where variations are needed, in terms of either the scope or quantity of works, due to unforeseeable on-site situations, the works contractor must promptly inform the works consultant and **owners/OCs** and follow their work instructions. It is also the works contractor's responsibility to inform, in a timely manner, the works consultant, the **owners/OCs** and relevant government departments in case of emergency issues, so that contingency arrangements and emergency measures can be deployed. If works are to be carried out in the common areas that form part of the access routes of the building's occupants, the works contractor must liaise the **owners** and occupants while keeping these areas unobstructed, tidy and safe.



### **Useful Tip**

#### **What is a sub-contractor?**

Depending on the level of expertise and complexity, the works contractor may sublet work items to which the contract relates. In general, there is no contractual relationship between a sub-contractor and the **owners/OCs**. The former is bound by the contract entered between it and the works contractor alone. The works contractor should appoint experienced and skilled workers and sub-contractors to carry out the works under effective site management, including site supervision by a qualified works supervisor, to ensure the quality of works.

The works consultant shall conduct regular site patrols and issue warnings to substandard work contractor. In the case of serious performance issues, the works consultant may propose that the contract be terminated. Therefore, it is advisable to make careful and thought-out selection of works contractor.



**To learn about the recommended code of practice for works contractor – Please refer to [Appendix I](#)**

#### 4.1.2 Statutory Requirements for Works Contractor

In most cases where a building is to undergo rehabilitation, in particular when a large-scale reconstruction project approved by the **Building Authority** is concerned, it is obligatory to engage a registered works contractor.

Pursuant to the *Buildings Ordinance*, the **Building Authority** keeps the registers of general building contractors, specialist contractors (who are qualified to carry out specialised works in their respective categories) and minor works contractors. The **Building Authority** may only consider the inclusion of a works contractor in the relevant register<sup>1</sup> should it meet the prescribed standards and obtain accreditation from the Registration Committee.

##### **Engage a Suitable Works Contractor**

###### (i) **Registered General Building Contractors**

Registered general building contractors may carry out general building works and street works which do not include any specialised works in their corresponding categories.

###### (ii) **Registered Specialist Contractors**

Registered specialist contractors may only carry out specialised works in their corresponding categories in the sub-registers in which they have been entered. There are 5 categories of specialised works at present, including:

- Demolition works;
- Foundation works;
- Ground investigation field works;
- Site formation works; and
- Ventilation works.

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<sup>1</sup> Please visit the **Buildings Department (BD)** website (<https://www.bd.gov.hk/en/resources/online-tools/registers-search/index.html>) to browse the registers of various types of works contractors and their corresponding scopes of building safety services provided.

(iii) **Registered Minor Works Contractors**

According to Minor Works Control System (MWCS) <sup>2</sup>, only registered general building contractors or registered minor works contractors who are qualified to carry out minor works in their corresponding categories registered in respect of classes, types and items may be appointed to carry out minor works as a prescribed registered contractor.

(iv) **Other Registered or Licensed Works Contractors**

Water supply, electricity and fire service installation works shall be carried out by licensed or registered works contractors regulated by the **Water Supplies Department (WSD)** <sup>3</sup>, **Fire Services Department (FSD)** <sup>4</sup> and **Electrical and Mechanical Services Department (EMSD)** <sup>5</sup> respectively. In the case where such works are to be carried out in parallel with the building rehabilitation project, works contractor and their sub-contractor(s) must also hold valid licenses.



**Useful Tip**

**Minor Works Control System (MWCS)**

The MWCS entered in to force on 31<sup>st</sup> December 2010 to facilitate **owners** and occupants to carry out safe and sound minor works in private buildings lawfully through simplified procedures, with a view to enhancing the quality of minor works and building safety in Hong Kong.

Under the *Building (Minor Works) Regulation*, **owners** with the need to carry out the 126 work items categorised into 3 classes specified therein may do without the need to obtain plan approval and written consent from **BD**. Any person who arranges for the works to be carried out, be him an **owner**/occupant or the appointed agent (such as interior design firm), shall appoint a prescribed building professional and/or prescribed registered contractor.



**What is a prescribed building professional? – Please refer to Section 2.1.1**



**What is a prescribed registered contractor? Please refer to Section 4.1.2**

<sup>2</sup> Please visit the **BD** website (<https://www.bd.gov.hk/en/building-works/minor-works/index.html>) for details of the MWCS and relevant forms.

<sup>3</sup> Please visit the **WSD** website (<https://www.wsd.gov.hk/en/plumbing-engineering/licensed-plumbers/index.html>) for the requirements concerning repair works for inside service.

<sup>4</sup> Please visit the **FSD** website ([https://www.hkfsd.gov.hk/eng/fire\\_protection/cert/](https://www.hkfsd.gov.hk/eng/fire_protection/cert/)) for information about fire service installation contractors.

<sup>5</sup> Please visit the **EMSD** website (<https://www.emsd.gov.hk/en/home/index.html>) to learn about electricity safety and lift maintenance.

## Section 4.2 Engage Works Contractor in Compliance with *Building Management Ordinance* and *Code of Practice on Procurement of Supplies, Goods and Services*

### 4.2.1 Procurement Regulations and Code of Practice Prescribed by the *Building Management Ordinance*<sup>6</sup>

Often inherently expensive, building rehabilitation projects are prone to claims, disputes and even legal proceedings. A qualified works contractor with rich experience and a high degree of integrity, selected under the guidance of an independent works consultant, helps facilitate the smooth completion of works.

The **owners/OCs** shall proceed with the tendering of works contractor in the similar way as the procurement of works consultant under the guidance of the appointed works consultant and in compliance with the regulations of the *Building Management Ordinance*<sup>7</sup> and the *Code of Practice*<sup>8</sup>.

⇒ **Details concerning the procurement of works contractor – Please refer to Section 2.2.1**

### 4.2.2 How to Engage a Works Contractor

#### Use Appropriate Tender Documents

As mentioned in Step 3, a professional works consultant should prepare tender documents in accordance with the actual situation of individual building, as well as the rehabilitation and enhancement solutions approved by the **owners/OCs** concerned.

⇒ **For different types of work tender documents/contracts and their contents – Please refer to Section 3.2.3**

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<sup>6</sup> The *Code of Practice on Procurement of Supplies, Goods and Services* (Revised Version) under the *Building Management Ordinance* (Cap. 344) has come into force on 1<sup>st</sup> September 2018. For details, please refer to Home Affairs Department (HAD) website [https://www.buildingmgt.gov.hk/en/legislation/3\\_3.htm](https://www.buildingmgt.gov.hk/en/legislation/3_3.htm).

<sup>7</sup> For details, please refer to Sections 20A and 44 of the *Building Management Ordinance*.

<sup>8</sup> Issued by the Secretary for Home Affairs in compliance with Section 44(1)(a) of the *Building Management Ordinance* (Cap. 344).

 **Useful Tip**



**Sample Document Published by Professional Institutes**

The Building Rehabilitation Platform is actively discussing the production of works contractor tender and contract templates with industry stakeholders, with a view to standardising tender and contract terms under a fair mechanism for **owners/OCs'** use in the future.

At present, **owners/OCs** may use *Standard Form of Contract for Maintenance and Renovation Works* and *Standard Form of Contract for Minor Works* published by **The Hong Kong Institute of Surveyors**.

To purchase these documents, please visit **The Hong Kong Institute of Surveyors** website ([https://www.hkis.org.hk/en/publication\\_sales.html](https://www.hkis.org.hk/en/publication_sales.html)) for details.

### 4.2.3 Common Tendering Methods for Works Contract

Method	Note
Open tendering	<ul style="list-style-type: none"> <li>• Invite works contractors to submit expressions of interest/tenders through public channels such as newspaper advertisement (  <a href="#">Template 1</a> /  <a href="#">Template 2</a> )</li> <li>• In the case where pre-qualification (non-mandatory) process is in place, the relevant criteria must be specified in the open invitation to tender, followed by distribution of tender documents to all eligible interested tenderers.</li> </ul>
Selective tendering	<ul style="list-style-type: none"> <li>• A shortlist of works contractors shall drawn up beforehand in compliance with the <i>Building Management Ordinance</i> and the <i>Code of Practice</i>, followed by distribution of tender documents to shortlisted contractors.</li> </ul>
Package contract	<ul style="list-style-type: none"> <li>• This refers to one-stop services provided by works contractors or building professionals, including contracts for both the works consultancy services and works to be carried out by works contractor.</li> <li>• However, the lack of independence may prevent the works consultant from achieving objective and impartial evaluations of works contractors' performance.</li> <li>• This is more suitable for works with a high degree of expertise, which requires only a limited level of involvement from the works consultant.</li> </ul>



### Useful Tip

In addition to compliance with relevant requirements in the *Building Management Ordinance*, **OCs** are also recommended to adopt open tendering to enhance transparency and put interested works contractor to vote in an owners' meeting to strengthen legitimacy. It is advisable to waive all administrative fees lest that interested tenderers should be discouraged and competitiveness undermined.

A fair and open tendering process helps recruit a larger number of competitive bids which, coupled with a better understanding of market trends they bring about, facilitate owners' selection of works contractor.



### Useful Tip

#### 'Smart Tender' Building Rehabilitation Facilitating Services

To learn more about building rehabilitation and the market for a fair, impartial and competitive procurement of work contractors, **owners/OCs** may participate in the 'Smart Tender' Building Rehabilitation Facilitating Services administered by the URA.



**For details, please refer to [Section 2.2.3](#)**



### Useful Tip

#### Best Practice on Building Management

The *Administrative Guidelines on Best Practices on Building Management* was published by the **Home Affairs Department** on 1<sup>st</sup> January 2019, featuring best practices on building management in various fields, including the formation of **OC**, procurement procedures, owners' meetings and the use of proxy instruments and financial arrangement, etc.

For more information, please visit the following website  
[https://www.buildingmgt.gov.hk/pdf/Admin\\_Guidelines\\_2019\\_Eng.pdf](https://www.buildingmgt.gov.hk/pdf/Admin_Guidelines_2019_Eng.pdf).



## Section 4.3

## Open and Analyse Tenders



### 4.3.1 Open and Assess Tenders

Once the tender submission deadline is due, **owners/OCs** should promptly go through all required and demanded procedures to open all tenders. A fair and thorough tender analysis is then carried out under the guidance of the works consultant to gauge the backgrounds of the tenderers and their past experience in building rehabilitation projects, followed by interviews to understand their work knowledge, proficiency and capacity.

### 4.3.2 Risk management/Tips for preventing corruption and malpractices when conducting evaluation of tender

When conducting evaluation of tenders of works contract, OCs/MCs are advised to:

#### **To do**

- ✓ determine the evaluation criteria, e.g. any essential/mandatory non-price factors, before invite of tender and pass the such evaluation criteria in owners' meeting ;
- ✓ assign a tender assessment panel which may comprise representatives from property owners, MC and the property management company (if any) to assess the tenders ;
- ✓ require all members of the panel to declare whether or not they have any conflict of interest arising from their relationship with the tenderers ;
- ✓ for a high value, complicated project, consider engaging an independent consultant / quantity surveyor for third party advice on the estimated maintenance costs and tender prices for the major works items involved ;
- ✓ to assess the tenders by using the evaluation criteria which set before ;
- ✓ prepare the detailed assessment report in order to help for selection of tenderer.

## Avoid

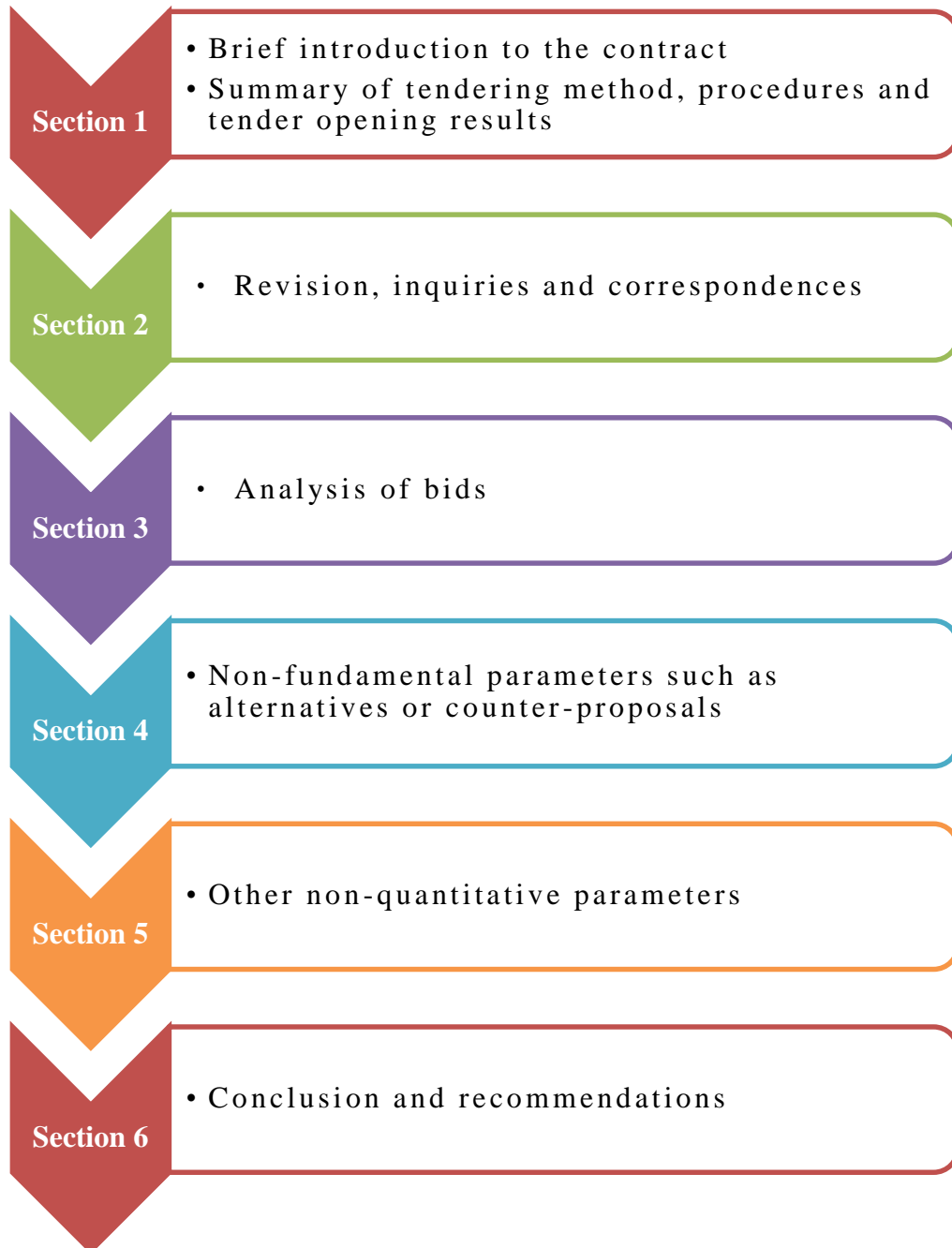
- × change the evaluation criteria after tender opening for misleading the **owners/ OCs** ;
- × Unscrupulous consultant or MC member may favour a contractor in tender evaluation by: making untrue/unfair comments on the performance of other tenderers especially those with lower bids;
- × adding new and irrelevant criteria/ requirements to screen out the lowest bidder ;
- × suggesting to negotiate with a particular tenderer who is not the lowest bidder, giving only this tenderer the chance to revise his bid after tender evaluation; etc.

### **Useful Tip**

In general, the successful tenderer should be the lowest bidder among all eligible tenderers/shortlisted tenderers who have met the pre-qualification requirements (if applicable). The works consultant and the **OC** are obliged to communicate the rationale behind the recommendation/non-recommendation of tenderers to all **owners** at an owners' meeting and have it documented.

### 4.3.3 Key Content of Tender Assessment Report

A comprehensive tender assessment report includes, but not limited to, the following six sections:



 **To learn more about the content in each section of the tender assessment report – Please refer to [Appendix II](#)**

## Section 4.4 Interview Works Contractor



In general, the works consultant would table a tender assessment report for **owners/OCs**' deliberation at a meeting where elucidation of the report and objective analysis on tenderers' qualification and capacity for the project are given. The **owners/OCs** may further gauge tenderers' extent of the relevant expertise in the interviews.

### 4.4.1 Interview Arrangement and Flow

Interviews of works contractor and works consultant share similar arrangement and flow, in that the **owners/OCs** may convene a meeting beforehand to draw up a set of interview questions. A uniform duration should apply to all interviews as a basis of fair comparison. The interviewers should use their best efforts to refrain from permitting any tender modifications during the interview. Meanwhile, in the case where the subject building is a beneficiary of 'Smart Tender' Building Rehabilitation Facilitating Services, the 5 lowest bidders must be shortlisted for interview as prescribed by the scheme.



**Please refer to [Section 2.4.2](#)**

Interviews help clarify works contractors' expertise and background in the following aspects:

- Possession of statutory qualifications;
- History of legal proceedings;
- Quality/experience/track record of the management personnel;
- Past experience of similar projects and goodwill;
- Company scale and organisational structure;
- Charging methods;
- Work team assigned;
- Knowledge of workflow/requirements;
- Understanding of tender requirements and the works concerned;
- Understanding of the building's condition.

 **Useful Tip****Recommended arrangements**

- Unless with valid reasons, tenderers with relatively low bids should not be excluded from shortlisted candidates for interview;
- Allow sufficient time for interview preparation by sending early invitations to contractors at least 7 days beforehand, and confirm receipt of invitation with the shortlisted contractors;
- Contact contractors who refused or failed to attend the interview directly to learn their reasons;
- Report any confirmed or suspected misconducts or unlawful acts to the **Police Force/Independent Commission Against Corruption (ICAC)/Competition Commission** on any incident related or suspected to be related to improper or unlawful behaviours.

 **Useful Tip**

Any negative opinions, disagreements or dissents against works contractors expressed in the interviews by members of tender assessment task force/**MC** or **owners** should be documented in detail by the **owners/OCs** for other **owners'** reference.



## Simulated Scenario

### Case 1

An OC, assisted by its works consultant, invited tenders for a building maintenance project through open tendering. Noting that the works contractor who belonged to its syndicate ranked third, the works consultant recommended the OC to reject the lower ranking tenderers, claiming that one of them had poor performance track records (without providing any objective evidence or reference information), and the other had not submitted the company's financial information for assessment of its financial well-being (this was not a requirement in the tender invitation nor evaluation criteria). The OC accepted the works consultant's recommendation without requiring supporting information or justification.

### Case 2

An OC invited tenders from works contractors for a building maintenance project through open tendering. After evaluation of the tenders received, instead of awarding the contract to the works contractor with the lowest price, the works consultant strongly recommended the third-ranking contractor for reasons of better quality and track record (without supporting evidence/information), and suggested conducting tender negotiation with this contractor to allow the latter a chance to lower its price.

**Can we do much better for the two cases?**

#### 4.4.2 Price Negotiation

As mentioned in Step 2, **OCs/MC** should avoid any price negotiation in order to minimise the risk of corruption.



**Please refer to [Section 2.4.3](#)**



#### Useful Tip

**Owners/ OCs should avoid:**

- × Only negotiating with a particular consultant/ contractor who is not the lowest bidder or best tenderer.
- × Negotiating with all or a number of tenderers at the same time, rendering the previous tender exercise meaningless, and running the risk of unfair leakage of tender information to a particular tenderer for corrupt purpose.



**To know more about Anti-Corruption Information? – Please refer to [Appendix III](#)**

## Section 4.5 Convene Owners' Meetings to Discuss and Resolve on Works Items and Selection of Works Contractor

A common situation observed by many **owners/OCs** in the past experience of planning a rehabilitation project is that owners often waited until the meeting for the selection of work contractors to raise questions on the need for the project, the validity of tenderers' pricing strategies or the transparency and impartiality the **OC**, resulting in disputes between **MC** members and **owners** or the **owners** themselves, which impeded the selection of works contractor at the meeting or the award of contract to the successful tenderer. In the worst cases, the entire rehabilitation project might be discarded or suspended.

In this regard, the **OCs** are recommended to consider the inclusion of non-mandatory but relatively feasible procedures in the procurement of works contractor to allow not only transparency and legitimacy in the process, but also sufficient opportunity and time for **owners** to participate in the discussion and assessment of tenders, express their opinions and equip themselves with more relevant information. Examples include setting up **owners'** opinion boxes for the rehabilitation project and archive for **owners** to look up papers and documents concerning the rehabilitation works, which help owners grasp the works process and information, minimise miscommunication and promote smooth selection and procurement of suitable contractors, thereby facilitating the implementation of works.

### 4.5.1 Recommended Procedures

(i) **Before the Owners' Meeting**

Before an owners' meeting is called to select works contractor from tenders received, the works consultant shall prepare a detailed tender assessment report.

⇒ **For details, please refer to Section 4.3.3**

Therefore, early dissemination of information on tender assessment among **owners** will help them gain a thorough understanding of the project while allowing sufficient time for questions and opinions to be communicated, thereby eliminating unnecessary disputes in the future.

**The OCs may:**

- ✓ Place a copy of complete assessment report on received tenders with all necessary details at the property management office or other prominent location for **owners**' consultation and reference;
- ✓ Provide all **owners** with an abstract of the assessment report (say one to two pages) by mailbox drop, post or other feasible way to facilitate their understanding of tenders received before the vote at the owners' meeting<sup>9</sup>;
- ✓ Invite interested **owners** to participate in the interviews of works contractor wherever possible;
- ✓ Organise consultation meetings where appropriate to offer **owners** sufficient opportunity to understand issues concerning the project and express their opinions or concerns for further elucidation;
- ✓ Remind and recommend **owners** to attend the meeting in person via meeting notices and authorisation letters to enhance transparency and legitimacy of the process.

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<sup>9</sup> Owners of buildings enrolled in 'Smart Tender' scheme can visit the download centre for owners on the electronic tendering platform to download documentation concerning building rehabilitation.



(ii) **Owners' Meetings Notices**

The **OCs** may include relevant agendas in the meeting notices, for example:

- ✓ A resolution on the appointment of designated **MC** members to sign contracts with the successful tenderers, and the authorization of representatives of **owners** or property management company to sign the contracts as witnesses to enhance impartiality and prevent unauthorised modifications of contract terms;
- ✓ A resolution on the earliest date for contract signing to ensure sufficient time for **OCs**, works consultant and works contractor to draw up contract terms while preventing unauthorised signing.



**Useful Tip**

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

According to the **URA's** statistics (see below), it takes 18-22 months on average from appointing a works consultant to awarding a works contract. **Owners/OCs** may make estimation according to 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	18
21-50	18
51-100	18
101-200	22
201 or more	22

# Reference

1. A Guide on Building Management Ordinance (Cap.344) published by Home Affairs Department
2. Building Maintenance Toolkit published by ICAC
3. Building Maintenance Guidebook published by Buildings Department
4. Smart Tender DIY toolkit published by URA

# **Appendix – Relevant Information**

## **Step 4**

Appendix I – Code of Practice for Works Contractor

Appendix II – Key Content of Tender Assessment Report

Appendix III – Anti-Corruption Information (Building Rehabilitation  
Workflow – Step 4)

# Code of Practice for Work Contractors

## (For Reference Only)

### 1. **Ensure Progress and Quality of Works**

#### **Complete the Works within the Contract's Stipulated Timeframe**

The work contractor shall commence and complete the works in compliance with the timeframe stipulated in the contract, where the definition and calculation of normal 'working days' and rainy days should be specified. Without valid explanations or reasons, the work contractor shall not delay the works.

#### **Submit Works Schedule**

The work contractor shall submit a works schedule for the work consultant and owners/OCs' approval before commencement of works to formulate relevant progress arrangements.

#### **Report Regularly on Work Progress**

The work contractor shall conduct regular meetings with the consultant and the owners/OCs to report on the progress of works; in case of any delays, the work contractor shall amend the works schedule promptly.

#### **Formulate Manpower Allocation Plan**

In addition to qualified site supervisors and safety supervisors as stipulated in the contract, the work contractor shall provide sufficient workers in coordination with the progress of the works. In the case where delays arise, the work contractor shall investigate the reasons and deploy additional workers to speed up the progress and alleviate such delays.

#### **Cooperate with Random Inspections Conducted by Work Consultant and Owners/OCs**

The work contractor's representative or person in charge on site shall cooperate with and provide assistance to random site inspections conducted by the work consultant and the owners/OCs.

#### **Carry Out Works in Compliance with Contract Requirements/Stipulated Materials and Floor Plans**

The work contractor shall carry out works in compliance with contract requirements, including but not limited to relevant specifications, materials to be used and floor plans etc. In case of any modifications, the work contractor shall apply for approval by the work consultant and the owners/OCs before execution.

#### **Follow up on the Schedule of Defects for Rectification During Defects Liability Period**

The work contractor shall follow up on the items in the schedule of defects during the defects liability period and complete the rectification works as early as possible to ensure the relevant works' compliance with the requirements and standard stipulated in the contract.

**2. Ensure Proper Provision of Necessary Documentary Proofs  
Submit Documents Concerning the Works' Commencement and  
Completion on Time**

The work contractor shall submit documents concerning commencement and completion of works to relevant government departments in compliance with statutory requirements, and shall procure a necessary policy of insurance and ensure its validity during the works and the defects liability period.

**Keep Work-Related Documents**

The work contractor shall keep work-related documents in proper condition, including but not limited to insurance policies, repair records, photos, certificates of origin of the materials, quality assurance certificates of the works and the materials, test reports, purchase and delivery receipts of the materials, etc.

**Keep Documentary Record of Concealed Works**

The work contractor shall record the execution procedures of concealed works to ensure their completion in compliance with contract requirements, where each procedure should be recorded by relevant orientation photos to facilitate owners/OCs' reference in the future.

**Submit Payroll Advices in Accordance with the Works' Completion Progress**

The work contractor shall submit salary payment applications in accordance with the works' completion progress and submit relevant documentary proofs. The work contractor shall issue invoice to the owners/OCs once the application is approved, followed by receipts after the payment is received for the owners/OCs to keep record.

**3. Salary Payment Arrangements  
Deferring Payments**

The work contractor shall submit documentary proofs on the works' completion progress and shall not delay such progress without valid reasons, or the owners/OCs shall consider deferring salary payments until the relevant documentary proofs are submitted by the contractor.

#### **4. Liabilities/Contractual Obligations of the Work Contractor** **Ensure the Compliance with Contract Terms**

The work contractor shall carry out the works in compliance with contract requirements, and shall complete such works within the timeframe stipulated therein.

#### **Supervise Execution of Works by Sub-Contractors**

The work contractor shall monitor its sub-contractors' compliance with statutory and contract requirements in their work procedures, and shall as well ensure their compliance with the **owners/OCs'** requirements when carrying out the works.

#### **Ensure the Validity of its Licenses**

The work contractor shall ensure the validity of its relevant qualified licenses during the course of the works.

#### **Formulate Sign-in Records**

The work contractor shall verify the identities of all workers entering the work sites and validity of their licenses to ensure their legitimacy to carry out the works.

#### **Declare its Interests**

The work contractor shall declare its interests before submission of tender to confirm its non-disclosure of relevant information such as quotes of works and content of contract etc. to any other persons.

## **Key Content of Tender Assessment Report**

A comprehensive tender assessment report should contain, but not limited to, key information of the following six parts:

### **Part 1**

#### **Brief Introduction to the Contract and Summary of Tendering Method, Procedure and Tender Opening Results**

1. A list of the names of all work contractors invited to tender, dates of bid solicitation and tender submission period, number of tenders received, validity periods of the tenders, and names of contractors with written refusal to tender and their reasons (if any);
2. A list of work contractors which have not submitted tenders, but have submitted expressions of interest and received tender documents/accepted the invitation to tender, as well as their reasons (if known);
3. Categorisation of contractors from different sources or bid solicitation methods (such as residents' recommendations or open tendering etc.) with different text labels, symbols or colours;
4. A summary report of pre-qualification criteria for the work contractors (if applicable) or verified results of eligibility (if any), to be attached or added to the assessment report;
5. Any modifications to tender content or limits made by the tenderers;
6. Any miscalculations of bids provided by the tenderers;
7. Any corrections or revisions to submitted tenders made by the tenderers;
8. A list of disqualified work contractors (if any), and specification of all (or the remaining) contractors' compliance with requirements in the tender documents;
9. Verification of each tenderer's compliance with procurement specifications, especially its identity as a qualified work contractor, with specifications of disqualified tenderers with reasons and documentary proofs;
10. A list of all received tenders arranged in the order of bidding prices.

## **Part 2**

### **Revisions, Enquiries and Correspondences Concerned**

The work consultant shall list a summary of content and respective replies of correspondences concerned in chronological order, such as work contractors' refusal to submit tenders, corrections of errors in submitted tenders, verifications of suspected unreasonable unit quotes and other clarifications concerning the tender documents. All such correspondences shall be included in this part or attached to the end of the assessment report. If there are no applicable correspondences whatsoever, the report should be specified with 'no correspondences'.

## **Part 3**

### **Analysis of Bids in Tenders Received**

The work consultant shall make detailed analysis of bids instead of simple comparisons of total bidding prices/breakdowns.

1. The work consultant shall analyse the reasonability of quantities/unit prices/breakdowns in each work item, and may give explanations with reference to the work site environment or other unique factors that may affect the quotes. The work consultant shall specify any tenderers unable to provide quotes of quantities and unit prices as well as the items concerned. For items specified as 'included' or '\$0', the work consultant shall also request the tenderer concerned to provide the actual unit prices for calculation of work adjustments in the future (if any).
2. The work consultant shall compare each tenderer's bid and quoted quantity of work items with its own evaluation as well as the costs/quantities of rehabilitation projects of the same type of buildings in the same district, and specify the reasons in case of serious deviations.
3. The work consultant shall compare all bids received and identify any unreasonable distribution of costs at the works' early or end stage or on individual items, and may draw charts to illustrate the tenderers' cash flow. The work consultant shall also add professional advice to the end of this part to indicate the risks concerning uneven distribution of costs, or verify the reasonable distribution of costs in general.



4. If tentative costs concerning optional items or re-measurement of item quantities etc. are included in the tender documents, the work consultant shall compare the total bids as well as the optional items' total costs in accordance with the OCs' relevant requests (if any), and list the priority order of tenderers under different aspects or provide illustrative charts for further elaboration.
5. In the case where provisional quantities of individual items are listed in the tender documents, the work consultancy firm shall make thorough comparisons of such items' unit prices quoted by different tenderers and their impact on the total cost of the works.

#### **Part 4**

##### **Subordinate Parameters such as Alternatives or Counter-Proposals**

Any proposals concerning alternative materials or solutions submitted by the tenderers shall only serve as backup options or secondary factors for consideration, and the work consultant shall analyse the reasonability of such proposals in terms of technical and pricing aspects. Based on fair competition principle of tendering, the tenderers shall submit their bids in accordance with the tender documents' original criteria and shall not replace them with alternative proposals, or they will be disqualified. In the case where such alternative proposals constitute material differences with the original tender documents or are considered significant factors by the **owners/OCs**, such proposals should be adopted for procedural amendment in parts 1 to 3 above or in re-tendering to ensure the OCs' fair and sufficient selection of work contractors. The work consultant shall also provide professional advice on alternative proposals concerning unique, professional or uncommon aspects such as material supply or techniques, as well as whether there are sufficient justifications to their adoption.

## **Part 5**

### **Other Non-Quantitative Parameters**

The work consultant shall analyse other non-quantitative parameters or proposals submitted by the tenderers, such as the works' timeframe, works schedule, site management and resources allocation plans, etc. These parameters or proposals shall only serve as secondary factors for consideration, otherwise they should be specified in the tender documents, where each tenderer's compliance with such requirements shall be listed in part 1 above.

## **Part 6**

### **Conclusion and Recommendations**

The work consultant shall conclude the analyses and comparisons made in the above parts and give recommendations on interview/engagement of tenderers. In the case where individual tenderers are not recommended, relevant justification and documentary proofs shall be provided in the report for the **owners/OCs'** reference and open discussion at an owners' meeting.

**Anti-Corruption Information  
(Building Rehabilitation Workflow – Step 4)**

Stage	Risk of corruption and malpractices	Tips of preventing corruption
<p>Conducting Tender Negotiation (Optional)</p>	<ul style="list-style-type: none"> <li>- Only negotiating with a particular consultant/ contractor who is not the lowest bidder or best tenderer</li> <li>- Negotiating with all or a number of tenderers at the same time, rendering the previous tender exercise meaningless, and running the risk of unfair leakage of tender information to a particular tenderer for corrupt purpose</li> </ul>	<ul style="list-style-type: none"> <li>- To minimise the risks of corruption and malpractices, OCs/MCs are advised to:               <ul style="list-style-type: none"> <li>• avoid conducting tender negotiation;</li> </ul> </li> <li>- If it is decided to conduct tender negotiation to gain a price reduction, OCs/MCs are advised to:               <ul style="list-style-type: none"> <li>• seek the OC’s endorsement of the tender evaluation result, with the tenderers ranked, and approval for the plan to conduct tender negotiation;</li> <li>• conduct tender negotiation only with the tenderer with the highest ranking (where there are practical difficulties or genuine needs, OC/MC may conduct tender negotiation with no more than three tenderers that are within very close range in terms of their bids);</li> <li>• assign a negotiation team which may comprise representatives from property owners, MC and the property management company (if any) to conduct the tender negotiation;</li> <li>• require all members of the negotiation team to declare whether or not they have any conflict of interest arising from their relationship with the tenderer concerned;</li> </ul> </li> <li>- Lay down the negotiation guidelines, including:               <ul style="list-style-type: none"> <li>• prohibiting disclosure of other tenderers’ bids</li> <li>• prohibiting any change of tender requirements and evaluation criteria to favour a particular tenderer</li> <li>• documenting the negotiation and the results</li> <li>• requiring the tenderer(s) to submit the “best and final” offer in writing after negotiation, following the standard requirements on receipt and opening of tenders</li> </ul> </li> </ul>

Source: Building Maintenance Toolkit published by ICAC



# Sample/ Form/ Template

## **Step 4**

Sample 1 – Tender Advertisement(EOI)

Sample 2 – Tender Advertisement (Tender)

(Name of IO)

(Address: )

**Invitation to\* Registered General Building Contractor (RGBC)/Registered Minor Works Contractor(RMWC) of Express of Interest(EOI) for Building Rehabilitation Project**

You are invited to express interest for the rehabilitation works for our building. Interested \*RGBC/ RMWC please submit the following documents and information to the collection box which set in \_\_\_\_\_(Address) from the date \_\_\_\_/\_\_\_\_/\_\_\_\_/(dd/mm/yyyy) to \_\_\_\_/\_\_\_\_(dd/mm), not later\_\_\_\_ a.m./p.m.( Time) on \_\_\_\_/\_\_\_\_/\_\_\_\_(dd/mm/yyyy) Your EOI should also include a photocopy Business Registration Certificate of your company and the certificate of \*Registered General Building Contractor/ Registered Minor Works Contractor(RMWC).

If you have any enquiry , please contact\_\_\_\_\_(Mr/ Mrs/ Miss) with \_\_\_\_\_(Telephone no.)(from\_\_\_\_to\_\_\_\_ (Time)).

\_\_\_\_\_( Name of IO/Building)

\_\_\_\_/\_\_\_\_/\_\_\_\_/(dd/mm/yyyy)

\* Delete if not applicable

