Library of Standard *additional conditions of contract* for NEC ECC HK Edition

Contents

Section I	**Standard Amendments to NEC ECC HK Edition**
I:1	Amendments to Core Clauses
I:2	Amendments to Secondary Option Clauses
I:3	Amendments to Schedule of Cost Components
Section II	**Definitions and Contract Documents**
II:1	Definitions
II:2	Tender Submissions
II:3	Disclosure
II:4	Contingency sums, provisional sums and forecast total of the Prices
II:5	Estimates for Tender Price Index (ETPI)
Section III	**Powers and Duties of *Client* and *Project Manager***
III:1	*Project Manager*'s Powers
III:2	Section Subject to Excision
Section IV	**General Obligations**
IV:1	*Contractor*'s Management Team
IV:2	Compliance with Enactments and Regulations
IV:3	*Contractor*'s Joint Venture
IV:4	Non-Payment of Wages
IV:5	Third Party Claims in Respect of Damage on and to Agricultural Lands
IV:6	Pay for Safety Performance Merit Scheme
IV:7	ISO 9000 Certification for the *Contractor*
IV:8	Intellectual Property Rights
IV:9	Intellectual Property Rights relating to Site Uniform
IV:10	Relevant Imported Items
IV:11	Prohibition of Imposing Administrative Charges for Reporting Site Accidents and Elimination of Under-reporting of Site Accidents
IV:12	Assessment of the Price for Work Done to Date for each Stage of MiC Works
IV:13	Interim Payment for Off-Site Manufacture of MiC Works
IV:14	Assessment of the Price for Work Done to Date for each Stage of MiMEP

Works
IV:15 Interim Payment for Off-Site Manufacture of MiMEP Works

Section V **Subcontracting**
V:1 Basic Constraints
V:2 Subcontractor Management Plan
V:3 Limiting Tiers of Subcontracting
V:4 Subcontractor Registration Scheme
V:5 Specialist Contractor
V:6 ISO 9000 Certification for Specialist Contractor
V:7 Subcontract Conditions

Section VI **Procurement Procedures for Subcontractor and Suppliers**
VI:1 Applicability of Procurement Procedures
VI:2 Subcontractor Tendering Procedures
VI:3 Supplier Selection Procedures
VI:4 Post-tender Interview
VI:5 Corruption Prevention

Section VII ***Contractor*'s design**
VII:1 Definitions relating to *Contractor*'s design
VII:2 Cost Savings Design
VII:3 *Contractor*'s design (including *Contractor*'s Design and Cost Saving Design)
VII:4 Independent Checking in respect of Temporary Works
VII:5 Professional Indemnity Insurance in respect of *Contractor*'s Design, Cost Savings Design and Temporary Works

Section I Standard Amendments to NEC ECC HK Edition

[**Note to project office**:

(i) only the "Clause No.", "Item No." and "Details" columns should be incorporated as part of the contract,

(ii) the other columns are for project office's reference only during tender/contract preparation and should not be incorporated as part of the contract, and

(ii) the use of text in blue in "Details" column is for reference only, to highlight the differences from the original text. All text in "Details" column should be converted to black.]

I:1 Amendments to Core Clauses

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
11.2	A, B, C & D	**Replace** the two references to "government" in sub-clause (2) with "Government".	The term "Government" should be capitalised.	N.A.
11.2	C and D	**Replace** the whole sub-clause (30) by the following: "Disallowed Cost is cost which • is not justified by the *Contractor*'s accounts and records, • should not have been paid to a Subcontractor or supplier in accordance with its contract, • was incurred only because the *Contractor* did not – follow an acceptance or procurement procedure stated in the contract, – give any early warning which the contract required it to give, – give notification to the *Project Manager* of the preparation for and conduct of an adjudication, a mediation, an arbitration or proceedings of a tribunal between the *Contractor* and a Subcontractor or supplier or – pay its Subcontractor or supplier in accordance with the subcontract in a timely manner, • was incurred due to a Subcontractor suspending or reducing the rate of progress of its work pursuant to the *security of payment provisions*, and the cost of • correcting Defects after Completion, • correcting Defects caused by the	Add ", a mediation, an arbitration" after "give notification to the *Project Manager* of the preparation for and conduct of an adjudication" in the third sub-bullet point of the third main bullet point in sub-clause (30). <u>Rationale</u> To modify the definition of Disallowed Cost to suit the use of mediation or arbitration as options for settlement of disputes.	N.A.
			Replace "or" at the end of the second sub-bullet point of the third main bullet point in sub-clause (30) with a comma. Add "or" to the end of the third sub-bullet point of the third main bullet point in sub-clause (30). Add the following as a new fourth sub-bullet point of the third main bullet point in sub-clause (30): "• pay its Subcontractor or supplier in accordance with the subcontract in a timely manner," <u>Rationale</u> To define Disallowed Cost which was incurred due to the *Contractor* not paying its Subcontractor or supplier in a	DEVB Technical Circular (Works) ("**TCW**") No. 6/2021 with update promulgated in DEVB's memo of 23 April 2025.

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
		Contractor not complying with a constraint on how it is to Provide the Works stated in the Scope, • Plant and Materials not used to Provide the Works (after allowing for reasonable wastage) unless resulting from a change to the Scope, • resources not used to Provide the Works (after allowing for reasonable availability and utilisation) or not taken away from the Working Areas when the *Project Manager* requested and • preparation for and conduct of an adjudication, Mediation or proceedings of an arbitration or other tribunal between the Parties.”	timely manner. Add the following as a new main fourth bullet point after the third main bullet point under sub-clause (30): “• was incurred due to a Subcontractor suspending or reducing the rate of progress of its work pursuant to the *security of payment provisions*”. <u>Rationale</u> To define Disallowed Cost which was incurred due to a Subcontractor suspending or reducing the rate of progress of its work pursuant to Cap. 652.	
11.2	A	Replace the whole sub-clause (32) by the following: “The Price for Work Done to Date is the total of • the Prices for each group of completed activities which is not in Schedule Nr. *[X / Y / X or Y] Note of the Activity Schedule • the Prices for each completed activity which is not in a group and is not in Schedule Nr. *[X / Y / X or Y] Note of the Activity Schedule *[and] • *[a proportion of the total of the Prices of Schedule Nr. [X] of the Activity Schedule Note which is assessed in accordance with ACC Clause IV:[*Insert clause number of the ACC for Assessment of the Price for Work Done to Date for each Stage of MiC Works*]] *[. / and] • *[a proportion of the total of the Prices of Schedule Nr. [Y] of the Activity Schedule Note which is assessed in accordance with ACC Clause IV:*[Insert clause number of the ACC for Assessment of the Price for Work Done to Date for each Stage of MiMEP Works*].] A completed activity is one without notified Defects the correction of which will delay following work.” [Note: Schedule Nr. X and Y of the Activity Schedule contains activities relating to MiC and MiMEP works respectively.] * Delete/revise as appropriate	To enable milestone payment for modular integrated construction works and multi-trade integrated mechanical, electrical and plumbing works for capital works contracts	SDEV’s memo ref. DEVB(PSGO)100/1 dated 18.3.2024

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
11.2	B	Replace the whole sub-clause (33) by the following: "The Price for Work Done to Date is the total of • the quantity of the work which the *Contractor* has completed for each item in the Bill of Quantities (excluding Bill Nr. *[X / Y / X and Y] Note) multiplied by the rate • a proportion of each lump sum which is the proportion of the work covered by the item which the *Contractor* has completed (excluding items in Bill Nr. *[X / Y / X and Y] of the Bill of Quantities Note) *[and] • *[a proportion of the total of the Prices of Bill Nr. [X] of the Bill of Quantities Note which is assessed in accordance with the provisions of ACC Clause IV:[*Insert clause number of the ACC for Assessment of the Price for Work Done to Date for each Stage of MiC Works*]] *[. / and] • *[a proportion of the total of the Prices of Bill Nr. [Y] of the Bill of Quantities Note which is assessed in accordance with the provisions of ACC Clause IV:[*Insert clause number of the ACC for Assessment of the Price for Work Done to Date for each Stage of MiMEP Works*].] Completed work is work which is without notified Defects the correction of which will delay following work." [Note: Bill Nr. X and Y of the Bill of Quantities contains items relating to MiC and MiMEP works respectively.] * Delete/revise as appropriate"	To enable milestone payment for modular integrated construction works and multi-trade integrated mechanical, electrical and plumbing works for capital works contracts	SDEV's memos ref. DEVB(PSGO)100/1 dated 18.3.2024
11.2	B and D [**Optional**] (common in building lump sum contracts with firm BQ) [*select sub-clause (30) for Option B, (38) for Option D]	**Replace** the first bullet point in the sub-clause *(33)/(38) by the following: "● a proportion of the Price of each item with quantity in the Bill of Quantities which is the proportion of the work covered by the item which the *Contractor* has completed" **Add** a new bullet point after the first bullet point and before the last bullet point as follows: "● the quantity of the work which the *Contractor* has completed for each item with provisional quantity in the Bill of Quantities multiplied by the rate and" **Add** "Any quantity included in the Bill of	Commonly used in building lump sum contracts, to modify the BQ from remeasurement to firm BQ, applicable for contracts with detailed design. This amendment should be made in conjunction with clause 11.2*(33)/(38), 60.4, 60.5 and 60.6.	Cl.59(3) of GCC for Building Works

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
		Quantities is not changed unless it is stated as provisional in the Bill of Quantities or it is changed to accommodate implemented compensation events.” to the end of the sub-clause *(33)/(38).		
11.2	A and B	**Add** a new sub-clause *(37)/(38) after sub-clause *(35)/(36) as follows: “Imported Items are Plant and Materials imported from any place outside Hong Kong.”	N.A.	SDEV’s memo ref. DEVB(W) 510/33/02 dated 8.7.2022 and 22.11.2023
12.6 to 12.11	A, B, C & D	**Add** new sub-clauses 12.6 to 12.11 after sub-clause 12.5 as follows: 12.6 All references to “this contract” or “the contract” are to the contract as supplemented or amended from time to time. 12.7 All references to the “*conditions of contract*” are to the *conditions of contract* described in Part One of the Contract Data and as supplemented or amended from time to time. 12.8 All references to the “*additional conditions of contract*” are to the *additional conditions of contract* described in Part One of the Contract Data and as supplemented or amended from time to time. 12.9 All references to a condition, clause, sub-clause or provision of the *conditions of contract* or *additional conditions of contract* are to the condition, clause, sub-clause or provision of the *conditions of contract* or *additional conditions of contract*, and as supplemented or amended from time to time. 12.10 Headings are inserted for ease of reference only and shall not affect construction of the contract. 12.11 References in the contract to a document shall: • include all schedules, appendices, annexures and other materials attached to such document, and • mean the same as supplemented or amended from time to time.”		

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
14.1	A, B, C & D	**Add** ", nor do the *Project Manager*'s or the *Supervisor's* assessments, certificates or other acts or omissions" at the end of the clause.	To widen the scope of activities of the *Project Manager* and the *Supervisor* that are expressed not to change the *Contractor*'s responsibility for the *works* in order to retain the *Contractor*'s liability despite the administrators' acts.	GCC 2(4), GCC 7(5), GCC 16(2), SCC73(2)
14.3	A, B, C & D	**Add** ", provided that, following Completion, the *Project Manager* may only give an instruction to change the Scope if such change is in the opinion of the *Project Manager* desirable for the satisfactory functioning of the *works*." to the end of the clause.	To limit the *Project Manager*'s power to change the Scope after Completion.	
16.1	A, B, C & D	**Add** a new sub-clause 16.1A after sub-clause 16.1 as follows: "If the *Contractor*'s proposal contains or amounts to a Cost Savings Design as defined in ACC Clauses VII:1 and VII:2, this clause [*and NEC Clause 63.12] does not apply to such proposal and the *Contractor* complies with the relevant requirements set out in the *additional conditions of contract* including but not limited to ACC Clause VII:3." [*insert NEC Clause 63.12 for Option A and B]	To clearly delink the Cost Savings Design as set out under ACC VII:1 and VII:1 from the *Contractor*'s proposals under this clause 16.	
19.1	A, B, C & D	**Replace** the first and second bullet points by the following: "• stops the *Contractor* completing the *works* or • stops the *Contractor* completing the *works* by the date for planned Completion shown on the Accepted Programme,"	To revert to NEC3 position by deleting the phrase "the whole of".	
21.1	A, B, C & D	**Replace** the whole clause 21.1 by the following new clause 21.1 "The *Contractor* designs the parts of the *works* which the contract states the *Contractor* is to design."	To align with DEVB TCW No. 3/2014 for alternative designs and Cost Savings Designs.	
24.1	A, B, C & D [**Optional**]	**Replace** the whole clause 24.1 by the following new clause 24.1 "Subject to ACC Clause II:2(3), the *Contractor* provides the team structure and staff including *key persons* as identified in the Tender Submissions or necessarily inferred therefrom."	This is only used when tenders are evaluated using a **marking scheme**, i.e. **ACC II:2 is adopted**. The project office should list out the *key persons* in the Contract Data Part two for the *Contractor* to input where appropriate.	

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
24.3	A, B, C & D [**Optional**]	**Add** a new clause 24.3 as follows: "If any *key person* is not identified in the Contract Data, the *Contractor* submits the name, relevant qualifications and experience of each *key person* to the *Project Manager* for acceptance within [two weeks] of the Contract Date."	This is only used when tenders are evaluated using a **formula**, i.e. **ACC II:2 is NOT adopted**. The project office should list out the *key persons* in the Contract Data Part two for the *Contractor* to input where appropriate. The project office should update the time in square bracket to suit their projects.	SDEV's memo ref. DEVB(W) 510/17/01 dated 16.7.2010 SCC68 SCC 68A
25.3	A, B, C & D [**Optional**]	**Delete** the whole clause 25.3.	To provide an alternative approach for the project office to use for actions to be taken by the *Project Manager* on **imposition of delay damages when the Condition stated for a Key Date by the date stated is not met** by the *Contractor*. If this optional amendment is adopted to suit the need of individual projects, the project office should amend core clause 30.3 and NEC Clause X7 accordingly.	N.A.
26.2	C and D **[without pre-bid** arrangement]	**Replace** the whole clause 26.2 by the following new clause 26.2: "The *Contractor* submits the name of each proposed Subcontractor with the relevant information on the proposed subcontract to the *Project Manager* for acceptance. A reason for not accepting the Subcontractor is that • its appointment will not allow the *Contractor* to Provide the Works, • the proposed prices or rates for the subcontract submitted by the proposed Subcontractor are not competitive or at open market prices or rates, or its proposed terms for the subcontract contain activities or items which are substantially over or under-priced, or erratically priced, or • its appointment/selection does not comply with any provision relating to sub-contracting in the contract. The *Contractor* does not appoint a proposed Subcontractor until the *Project Manager* has accepted it."	To take into account ICAC's concern on the potential erratic pricing issue in subcontracts.	N.A.

26.2	C and D **[with pre-bid** arrangement]	**Replace** the whole clause 26.2 by the following new clause 26.2: "(a) The *Contractor* submits the name of each proposed Subcontractor, except those whom the *Contractor* has already proposed via pre-bid arrangement on or before the close of tender for the works/items stipulated in **Appendix** [*insert reference*] to the *additional conditions of contract*, with the relevant information on the proposed subcontract to the *Project Manager* for acceptance. A reason for not accepting the Subcontractor is that • its appointment will not allow the *Contractor* to Provide the Works, • the proposed prices and rates for the subcontract submitted by the proposed Subcontractor are not competitive or at open market prices or rates, or its proposed terms for the subcontract contain activities or items which are substantially over or under-priced, or erratically priced, or • its appointment/selection does not comply with any provision relating to sub-contracting in the contract. (b) If prior to the Contract Date, the *Contractor* has pursuant to Special Conditions of Tender Clause SCT [18] proposed a Subcontractor for the item(s) stipulated as subject to pre-bid arrangement in **Appendix** [*insert reference*] to the *additional conditions of contract* and the *Client* considers the requirements in Special Conditions of Tender Clause SCT [18] are satisfied, the *Contractor* submits the proposed Subcontractor with the relevant information on the proposed subcontract, in which the proposed prices and rates as well as the proposed payment schedule for the subcontract shall tally with the relevant *pricing information*, to the *Project Manager* for acceptance. A reason for not accepting the Subcontractor is that • its appointment will not allow the *Contractor* to Provide the Works, • the proposed prices or rates or the proposed payment schedule for the subcontract deviate from the relevant *pricing information*, and (i) such deviation will lead to an increase in the total Defined Cost of such item(s) or (ii) the proposed prices and rates are not competitive or at open market prices or rates or (iii) the proposed payment schedule will expose the *Client* to an unacceptable level of financial risk, • the proposed terms for the subcontract contain activities or items which are substantially over-priced or under-priced, or erratically priced, or • its appointment/selection does not comply with any provision relating to	To take into account ICAC's concern on the potential erratic pricing issue in subcontracts.	N.A.

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
		sub-contracting in the contract. The *Contractor* does not appoint a proposed Subcontractor until the *Project Manager* has accepted it."		
26.3	A, B, C & D	**Replace** "." At the end of the second bullet with "or"; **Add** the following new bullet point after the second bullet point as follows: "they do not require a Subcontractor to comply with the relevant subcontracting requirements set out in the contract."	To supplement potential reasons of withholding an acceptance to the *Contractor*'s proposed conditions of subcontracts.	N.A.
29	A, B, C & D	**Delete** the whole clause 29	Relevant provision is set out in ACC Clause II:3.	N.A.
30.3	A, B, C & D [**Optional**]	**Add** the following sentences at the end of the clause: "The *Project Manager* decides the date when the Condition is met. The *Project Manager* certifies the Condition being met within three weeks of the Condition being met."	If this optional amendment is adopted to suit the need of individual projects, the project office should amend core clause 25.3 and NEC Clause X7 accordingly.	N.A.
32.2	A, B, C & D	**Replace** the full-stop at the third bullet point by a comma. **Add** a new bullet point after the third bullet point as follows: "if there is outstanding work after Completion, at interval notified by the *Project Manager* from Completion until the earlier of which the outstanding work is complete or when the *Project Manager* decides no further revision is required."	To impose specific programming requirements.	N.A.
33.1	A, B, C & D	**Replace** the last sentence by the following: "The *Contractor* takes over the part of the Site on the later of its *access date* and the date for access shown on the Accepted Programme."	To clarify that the *Contractor* **must take over** the part of the Site **on the *access date*** or, if a later date is accepted by the *Project Manager*, on such later date. No access is allowed before that.	

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
50.2A	A	**Add** a new clause 50.2A after clause 50.2 as follows: "The *Contractor* may in an application for payment referred to in clause 50.2 apply for payment of Plant and Materials which • are not individually itemised in the Activity Schedule, • have not been included in any completed work, and • are not prematurely delivered to and not improperly stored on the Site ("**Relevant Plant and Materials**"). The *Contractor* shall clearly identify in the application for payment the amount claimed and the item in the Activity Schedule to which the Relevant Plant and Materials will be included ("**Relevant Item**"), and submit to the *Project Manager* all relevant supporting documents. If on the assessment date to which the application for payment relate, the *Project Manager* is satisfied that the Relevant Plant and Materials • are not individually itemised in the Activity Schedule, • have not been included in any completed work, and • are not prematurely delivered to and not improperly stored on the Site, the *Project Manager* may assess the amount due to the *Contractor* for such Relevant Plant and Materials by reference to rates and lump sums of the Relevant Item ("**Advance Payment for Plant and Materials**")."	To enable payment for **materials on site**. This amendment should be made in conjunction with clause 50.3.	GCC Cl. 79(1)(c)

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
50.2A	B	**Add** a new clause 50.2A after clause 50.2 as follows: "The *Contractor* may in an application for payment referred to in clause 50.2 apply for payment of Plant and Materials which • are not individually itemised in the Bill of Quantities, • have not been included in any completed work, and • are not prematurely delivered to and not improperly stored on the Site ("**Relevant Plant and Materials**"). The *Contractor* shall clearly identify in the application for payment the amount claimed and the item in the Bill of Quantities to which the Relevant Plant and Materials will be included ("**Relevant Item**"), and submit to the *Project Manager* all relevant supporting documents. If on the assessment date to which the application for payment relate, the *Project Manager* is satisfied that the Relevant Plant and Materials • are not individually itemised in the Bill of Quantities, • have not been included in any completed work, and • are not prematurely delivered to and not improperly stored on the Site, the *Project Manager* may assess the amount due to the *Contractor* for such Relevant Plant and Materials by reference to rates and lump sums of the Relevant Item ("**Advance Payment for Plant and Materials**")."	To enable payment for **materials on site**. This amendment should be made in conjunction with clause 50.3.	GCC Cl. 79(1)(c)

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
50.2B	A	**Add** a new clause 50.2B after clause 50.2A as follows: "The *Contractor* may in an application for payment referred to in clause 50.2 apply for payment of an Imported Item which is • purchased or imported into Hong Kong ahead of time due to supply shortages or logistics disruptions, • properly and securely stored at a premises in Hong Kong ("**Premises**") but is not yet due to be delivered by the *Contractor* to the Site, and • clearly demarcated from any other materials at the Premises. ("**Relevant Imported Item**") The *Contractor* shall clearly identify in the application for payment of the Relevant Imported Item the amount claimed and the item in the Activity Schedule to which the Relevant Imported Item relate ("**Related Item**") and submit to the *Project Manager* all relevant supporting documents, including but not limited to evidence of purchase or importation of the Relevant Imported Item, evidence of supply shortage or logistic disruptions, the original date agreed by the *Project Manager* for delivery of the Relevant Imported Item to the Site (if applicable), the address of the Premises, and photographs showing the condition of the Relevant Imported Item and the manner in which it is stored. If on the assessment date to which the application for payment relate, the *Project Manager* is satisfied that the Relevant Imported Item is • purchased or imported into Hong Kong ahead of time due to supply shortages or logistics disruptions, • properly and securely stored at the Premises but is not yet due to be delivered by the *Contractor* to the Site, and • clearly demarcated from any other materials at the Premises, the *Project Manager* shall assess the amount due to the *Contractor* for such Relevant Imported Item by reference to the rates and lump sums of the Related Item ("**Special Payment**")."	To enable special payment for **Imported Items**. This amendment should be made in conjunction with clause 11.2, 50.2A and 50.3.	SDEV's memo ref. DEVB(W) 510/33/02 dated 8.7.2022 and 22.11.2023

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
50.2B	B	**Add** a new clause 50.2B after clause 50.2A as follows: "The *Contractor* may in an application for payment referred to in clause 50.2 apply for payment of an Imported Item which is • purchased or imported into Hong Kong ahead of time due to supply shortages or logistics disruptions, • properly and securely stored at a premises in Hong Kong ("**Premises**") but is not yet due to be delivered by the *Contractor* to the Site, and • clearly demarcated from any other materials at the Premises. ("**Relevant Imported Item**") The *Contractor* shall clearly identify in the application for payment of the Relevant Imported Item the amount claimed and the item in the Bill of Quantities to which the Relevant Imported Item relate ("**Related Item**") and submit to the *Project Manager* all relevant supporting documents, including but not limited to evidence of purchase or importation of the Relevant Imported Item, evidence of supply shortage or logistic disruptions, the original date agreed by the *Project Manager* for delivery of the Relevant Imported Item to the Site (if applicable), the address of the Premises, and photographs showing the condition of the Relevant Imported Item and the manner in which it is stored. If on the assessment date to which the application for payment relate, the *Project Manager* is satisfied that the Relevant Imported Item is • purchased or imported into Hong Kong ahead of time due to supply shortages or logistics disruptions, • properly and securely stored at the Premises but is not yet due to be delivered by the *Contractor* to the Site, and • clearly demarcated from any other materials at the Premises, the *Project Manager* shall assess the amount due to the *Contractor* for such Relevant Imported Item by reference to the rates and lump sums of the Related Item ("**Special Payment**")."	To enable special payment for **Imported Items**. This amendment should be made in conjunction with clause 11.2, 50.2A and 50.3.	SDEV's memo ref. DEVB(W) 510/33/02 dated 8.7.2022 and 22.11.2023

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
50.3	A and B	**Replace** the whole clause 50.3 by the following new clause 50.3: "If the *Contractor* submits an application for payment two weeks before the assessment date, the amount due at the assessment date is the amount calculated in the manner below based on the *Project Manager*'s assessment for each of the following items: • the Price for Work Done to Date, • plus Advance Payment for Plant and Materials, • plus Special Payment, • plus other amounts to be paid to the *Contractor*, • in respect of any item included in the assessment of the Price for Work Done to Date, less Advance Payment for Plant and Materials and Special Payment already made in respect of that item, if any, • less amounts to be paid by, retained from or deducted from the *Contractor*. The actual amount due shall be certified by the *Project Manager* and paid in accordance with clause 51."	Add the 2nd, 3rd and 5th bullet points as appropriate if Advance Payment for Plant and Materials and / or Special Payment is executed in accordance with 50.2A and 50.2B respectively. <u>Rationale</u> To enable payment for materials on site and / or special payment for Imported Items. This amendment should be made in conjunction with clause 11.2, 50.2A and 50.2B as appropriate.	GCC Cl. 79(1)(c)
50.3	C and D	**Add** a fourth bullet point as follows: "• less the *Project Manager*'s interim assessment of the *Contractor*'s *share deduction* as at the *share assessment date*."	To cater for payment deduction, if any, before arriving at the amount due, and avoid overpayment by specifying the *Project Manager*'s **right to deduct the *Contractor*'s pain share** assessed during the contract period. This should be read in conjunction with clauses 53.1 to 53.4. Also to standardise the calculation on payment deduction.	N.A.
50.3A	A, B, C & D ["partial interim payment" is a temporary measure, applicable until further notice]	**Add** a new clause 50.3A after clause 50.3 as follows: "If the *Contractor* submits an application for payment two weeks before the assessment date, the *Project Manager* may determine on or before the assessment date the provisional amount due. The provisional amount due is: ● the amount the *Contractor* considers will be due at the assessment date stated in the application for payment, or	To address the challenges faced by the construction sector due to financial hardship and cash flow issues, and to implement the "partial interim payment" arrangement.	SDEV's memo ref. DEVBWB WP4S-021-004-002 dated 18.7.2025

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
		• if the *Project Manager* considers the amount stated in the application for payment unreasonable, a reasonable estimate of the amount due at the assessment date as assessed by the *Project Manager* based on the information in the application for payment."		
51.1	A, B, C & D ["partial interim payment" is a temporary measure, applicable until further notice]	**Replace** the whole clause 51.1 by the following new clause 51.1: "If the *Contractor* submits an application for payment two weeks before the assessment date, the *Project Manager*: • may certify a partial payment on or before the assessment date, and • certifies a payment within two weeks of each assessment date. Otherwise, the *Project Manager* certifies a payment within two weeks of each assessment date. The *Project Manager's* certificate for payment (except partial payment) includes details of how the amount due has been assessed. The first partial payment is 50% of the provisional amount due at the first assessment date. Other partial payments are 50% of the amount which is equal to the provisional amount due at each assessment date less the amount due at the previous assessment date. If the amount of the partial payment is zero or negative, no partial payment will be made. The first payment is the amount due at the first assessment date less the first partial payment. Other payments are the change in the amount due since the previous assessment less the partial payment made in the same *assessment interval*. A payment is made by the *Contractor* to the *Client* if the change reduces the amount due. Other payments are made by the *Client* to the *Contractor*. Payments are in the *currency of the contract* unless otherwise stated in the contract and are subject to the *Client's* rights of set off in law or equity."	To allow sufficient time for vetting payment applications. To differentiate the two scenarios with and without the *Contractor*'s application for payment. Only when the *Contractor* submitted an application for payment two weeks before the assessment date, will the *Project Manager* be required to certify a payment. To specify the requirement that the *Project Manager*'s certificate should be in the form of a payment response stipulated under the security of payment provisions.	N.A. SDEV's memo ref. DEVBWB WP4S-021-004-002 dated 18.7.2025

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
51.2	A, B, C & D [“partial interim payment” is a temporary measure, applicable until further notice]	**Replace** the whole clause 51.2 by the following new clause 51.2: “Each certified partial payment is made within one week of the assessment date and each certified payment is made within three weeks of the assessment date. If a certified payment is late, or if a payment is late because the *Project Manager* has not issued a certificate which should be issued, interest is paid on the late payment. Interest is assessed from the date by which the late payment should have been made until the date when the late payment is made, and is included in the first assessment after the late payment is made. Interest is not paid if a certified partial payment is not made within one week of the assessment date, or if a partial payment is late because the *Project Manager* has not issued a certificate which should be issued.”	To address the challenges faced by the construction sector due to financial hardship and cash flow issues, and to implement the "partial interim payment" arrangement.	SDEV’s memo ref. DEVBWB WP4S-021-004-002 dated 18.7.2025
51.3	A, B, C & D	**Delete** the first and second bullet point.	To omit the *Client*’s liability to pay interest if the *Project Manager* corrects in a later certificate due to compensation events or other reasons.	GCC 79(4)
51.6	A, B, C & D [“partial interim payment” is a temporary measure, applicable until further notice]	**Add** a new clause 51.6 after clause 51.5 as follows: “The *Project Manager* has the full power to suspend or cease certification of partial payment in any *assessment interval* at its sole discretion without the need to give prior notification to the *Contractor*. In such cases, the provisions related to provisional amount due and partial payment in clauses 50.3A, 51.1 and 51.2 are not applicable in the relevant *assessment interval*.”	To address the challenges faced by the construction sector due to financial hardship and cash flow issues, and to implement the “partial interim payment” arrangement.	SDEV’s memo ref. DEVBWB WP4S-021-004-002 dated 18.7.2025
51.7	A, B, C & D [“partial interim payment” is a temporary measure, applicable until further notice]	**Add** a new clause 51.7 after clause 51.6 as follows: “The *Contractor* makes payment under subcontracts to the relevant Subcontractors appropriately after receipt of partial payment from the *Client*. When necessary, the *Project Manager* requests the *Contractor* to provide records to demonstrate its compliance with this requirement.”	To address the challenges faced by the construction sector due to financial hardship and cash flow issues, and to implement the "partial interim payment" arrangement.	SDEV’s memo ref. DEVBWB WP4S-021-004-002 dated 18.7.2025
53.2	A, B, C & D	**Replace** the last sentence “The final payment is made within three weeks of the assessment or, if a difference period is stated in the Contact Data, within the period stated.” by the following: “The final payment is made within three weeks of the assessment.”	To comply with the requirement of Cap. 652 that payment shall be made no later than 60 days after service of a payment claim.	DEVB TCW No. 6/2021 with update promulgated in DEVB’s memo of 23.4.2025.

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
54.2A 54.6A	C and D [*select sub-clause (54.2) and "total" for Option C, (54.6) and "Total" for Option D]	**Add** a new clause *54.2A/54.6A after clause *54.2/54.6 as follows: "The *Project Manager* makes interim assessments of the *Contractor*'s share on each *share assessment date* using its forecast of the final Price for Work Done to Date and its forecast of the final *total/Total of the Prices. The *Project Manager* informs the *Contractor* of its interim assessment of the *Contractor*'s *share deduction*."	To specify the *Project Manager*'s **right to make interim assessment of the *Contractor*'s share** and the *Project Manager*'s obligation to inform the *Contractor* of its assessment. This clause should be read in conjunction with clause 50.2. Also to standardise the calculation on payment deduction.	N.A.
60.1	A, B, C & D [**Optional**] It should be used when tenders are evaluated using a marking scheme.	**Replace** the second bullet of sub-clause (1) by the following new bullet: "a change to the Tender Submissions which is made"	The coverage of Tender Submissions is wider than "Scope provided by the *Contactor* for its design".	ETWB TC(W) No. 8/2004 Appendix C and SDEV's memo ref. DEVB(W)546/84/01 of 30.10.2009
60.1	A, B, C & D [**Optional**] **Choice 1** It should only be used when approval by **Head of Department** and **endorsement by DEVB** have been obtained.	**Replace** sub-clause (13) by the following new sub-clause (13): "One of the following weather conditions or its consequences affecting the Site • the hoisting of a tropical cyclone warning signal number 8 or above, • a Black Rainstorm Warning • a Red Rainstorm Warning • an Amber Rainstorm Warning or • an *additional weather condition* after the *completion date* [but before the *Client* is entitled to recover delay damages in respect of the *works*]."	**Choice 1** - when the *Contractor* is **not entitled** to the compensation events for the cause of delay which is **inclement weather** or its consequences affecting the Site occurring **before the *completion date***. To modify weather-related compensation events similar to those being adopted under GCC, taking into account the policy on "**Deletion of Extensions of Time for Inclement Weather**" per paragraph 9.18 of Chapter 5 of the PAH and WBTC No. 18/2000 in circumstances which are to be determined by project office. The "*completion date*" refers to the *completion date* stated in the Contract Data Part one. The sentence in **square bracket** "but before the *Client* is entitled to recover delay damages in respect of the *works*" should be inserted after the "*completion date*" **only if NEC Clause X7 - Delay damages is selected** in the contract.	GCC clause 50(1)(b)(i), (ii) and (iia)

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
60.1	A, B, C & D [**Optional**] **Choice 2** It should only be used when approval by **Head of Department** and **endorsement by DEVB** have been obtained.	Replace sub-clause (13) by the following new sub-clause (13): "One of the following weather conditions or its consequences affecting the Site • the hoisting of a tropical cyclone warning signal number 8 or above, • a Black Rainstorm Warning • a Red Rainstorm Warning • an Amber Rainstorm Warning after the *completion date* [but before the *Client* is entitled to recover delay damages in respect of the *works*] or • an *additional weather condition* after the *completion date* [but before the *Client* is entitled to recover delay damages in respect of the *works*]."	**Choice 2** - when the *Contractor* is **not entitled** to the compensation events for the cause of delay which are **Amber Rainstorm Warning or inclement weather** or its consequences affecting the Site occurring **before the *completion date***. To modify weather-related compensation events similar to those being adopted under GCC, taking into account the policy on "**Deletion of Extensions of Time for Inclement Weather**" per paragraph 9.18 of Chapter 5 of the PAH and WBTC No. 18/2000 in circumstances which are to be determined by project office. The "*completion date*" refers to the *completion date* stated in the Contract Data Part one. The sentence in **square bracket** "but before the *Client* is entitled to recover delay damages in respect of the *works*" should be inserted after the "*completion date*" **only if NEC Clause X7 - Delay damages is selected** in the contract.	GCC clause 50(1)(b)(i), (ii) and (iia)

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
60.1	A, B, C & D [**Optional**] **Choice 3** It should only be used when approval by **Head of Department** and **endorsement by DEVB** have been obtained.	Replace sub-clause (13) by the following new sub-clause (13): "One of the following weather conditions or its consequences affecting the Site • the hoisting of a tropical cyclone warning signal number 8 or above, • a Black Rainstorm Warning • a Red Rainstorm Warning after the *completion date* [but before the *Client* is entitled to recover delay damages in respect of the *works*] • an Amber Rainstorm Warning after the *completion date* [but before the *Client* is entitled to recover delay damages in respect of the *works*] or • an *additional weather condition* after the *completion date* [but before the *Client* is entitled to recover delay damages in respect of the *works*]."	**Choice 3** - when the *Contractor* is not entitled to the compensation events for the cause of delay which are **Red Rainstorm Warning, Amber Rainstorm Warning or inclement weather** or its consequences affecting the Site occurring **before the *completion date***. To modify weather-related compensation events similar to those being adopted under GCC, taking into account the policy on "**Deletion of Extensions of Time for Inclement Weather**" per paragraph 9.18 of Chapter 5 of the PAH and WBTC No. 18/2000 in circumstances which are to be determined by project office. The "*completion date*" refers to the *completion date* stated in the Contract Data Part one. The sentence in **square bracket** "but before the *Client* is entitled to recover delay damages in respect of the *works*" should be inserted after the "*completion date*" **only if NEC Clause X7 - Delay damages is selected** in the contract.	GCC clause 50(1)(b)(i), (ii) and (iia)

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
60.1	A, B, C & D [**Optional**] (**Choice 4** It should only be used when approval by **Head of Department** and **endorsement by DEVB** have been obtained.	Replace sub-clause (13) by the following new sub-clause (13): "One of the following weather conditions or its consequences affecting the Site after the *completion date* [but before the *Client* is entitled to recover delay damages in respect of the *works*] • the hoisting of a tropical cyclone warning signal number 8 or above, • a Black Rainstorm Warning • a Red Rainstorm Warning • an Amber Rainstorm Warning or • an *additional weather condition*."	**Choice 4** - when the *Contractor* is not entitled to the compensation events for the cause of delay which are the hoisting of **tropical cyclone warning signal No. 8 or above, Black Rainstorm Warning, Red Rainstorm Warning, Amber Rainstorm Warning or inclement weather** or its consequences affecting the Site occurring **before the *completion date***. To modify weather-related compensation events similar to those being adopted under GCC, taking into account the policy on "**Deletion of Extensions of Time for Inclement Weather**" per paragraph 9.18 of Chapter 5 of the PAH and WBTC No. 18/2000 in circumstances which are to be determined by project office. The "*completion date*" refers to the *completion date* stated in the Contract Data Part one. The sentence in **square bracket** "but before the *Client* is entitled to recover delay damages in respect of the *works*" should be inserted after the "*completion date*" only **if NEC Clause X7 - Delay damages is selected** in the contract.	GCC clause 50(1)(b)(i), (ii) and (iia)
60.1	A, B, C & D	**Replace** the first and second bullet points of sub-clause (19) by the following: "• stops the *Contractor* completing the *works* or • stops the *Contractor* completing the *works* by the date for planned Completion shown on the Accepted Programme,"	To revert to NEC3 position by deleting the phrase "the whole of".	
60.4	B and D [**Optional**] (common in building lump sum contracts with firm BQ)	**Add** the word "provisional" before "quantity stated for an item" in the first sentence.	Commonly used in building lump sum contracts, to **modify the BQ from remeasurement to firm BQ**, applicable for contracts with detailed design. This amendment should be made in conjunction with clause 11.2*(30)/(35), 60.4, 60.5 and 60.6.	Cl.59(4)(b) of GCC for Building Works

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
60.5	B and D [**Optional**] (common in building lump sum contracts with firm BQ)	**Add** the word "provisional" before "quantity stated for an item" in the first sentence.	Commonly used in building lump sum contracts, to **modify the BQ from remeasurement to firm BQ**, applicable for contracts with detailed design. This amendment should be made in conjunction with clause 11.2*(30)/(35), 60.4, 60.5 and 60.6.	Cl.59(4)(b) of GCC for Building Works
60.6	B and D [**Optional**] (common in building lump sum contracts with firm BQ)	**Replace** the whole clause 60.6 by the following: "The *Project Manager* corrects: (i) mistakes in the Bill of Quantities which are departures from the rules for item descriptions and for division of the work into items in the *method of measurement*, or are due to ambiguities or inconsistencies, or (ii) errors in quantities other than provisional quantities. Each such correction is a compensation event which may lead to reduced Prices."	Commonly used in building lump sum contracts, to **modify the BQ from remeasurement to firm BQ**, applicable for contracts with detailed design. To allow correcting errors in the BQ quantities. This amendment should be made in conjunction with clause 11.2*(30)/(35), 60.4, 60.5 and 60.6.	Cl.59(4)(a) of GCC for Building Works
60.8	Options A [**Optional**] Applicable to **D&B** contracts. The project office shall seek approval from a public officer of D2 rank or above for use of this amendment and document the justifications	**Add** a new clause 60.8 as follows: "A difference between the final total quantity of work done and the provisional quantity for an item stated in the Activity Schedule which delays Completion or the meeting of the Condition stated for a Key Date is a compensation event."	To add new compensation event for the contract requiring re-measurement of **provisional quantities**. This amendment should then be made in conjunction with clauses 60.8, 60.9, 63.1 and 63.2.	N.A.

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
60.9	Options A [**Optional**] Applicable to **D&B** contracts. The project office shall seek approval from a public officer of D2 rank or above for use of this amendment and document the justifications	**Add** a new clause 60.9 as follows: "The *Project Manager* corrects mistakes for items with provisional quantities in the Activity Schedule which are departures from the rules for item descriptions and for division of the work into items in the preambles and method of measurement or are due to ambiguities or inconsistencies. Each such correction is a compensation event which may lead to reduced Prices."	To add new compensation event for the contract requiring re-measurement of **provisional quantities**. This amendment should then be made in conjunction with clauses 60.8, 60.9, 63.1 and 63.2.	N.A.
61.4	A, B, C & D	**Replace** the first bullet point by the following: "three weeks after the *Contractor*'s notification or, if confirmation of no objection is required from the *Client*, six weeks after the *Contractor*'s notification or"	To impose specific time limit for the *Project Manager* to notify its decision on compensation events to the *Contractor*. Approval should be sought from the relevant authorities in accordance with the Stores and Procurement Regulations (SPR) 520 and Appendix V(B) and the consultancy agreement terms where appropriate.	N.A.

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
61.4	A, B, C & D	**Replace** the 2nd and 3rd sentences by the following: "If the event • arises from a fault of the *Contractor*, • has not happened and is not expected to happen, • has not been notified within the timescales set out in these *conditions of contract*, • has no effect upon Defined Cost, Completion or meeting a Key Date, • is an instruction given by the *Project Manager* or the *Supervisor* which has effect upon Defined Cost, Completion or meeting a Key Date or an instruction given by the *Project Manager* to stop or not start any work, provided that these instructions are necessary for the safety and health of any person or the safety of any property on or adjacent to the Working Areas and such necessity does not arise from: - a fault of the *Client* or any person employed by or contracted to it, except the *Contractor*, - a fault in the design contained in the Scope provided by the *Client*, - a fault in the design contained in an instruction from the *Project Manager* changing the Scope, - war, civil war, rebellion, revolution, insurrection, military or usurped power, - strikes, riots and civil commotion not confined to the *Contractor's* employees, - radioactive contamination, or • is not one of the compensation events stated in the contract, the *Project Manager* notifies the *Contractor* that the Prices, the Completion Date and the Key Dates are not to be changed and states the reasons in the notification. Otherwise, the *Project Manager* notifies the *Contractor* that the event is a compensation event and includes in the notification an instruction to the *Contractor* to submit quotations."	To avoid any ambiguities in interpretation of the contract provisions in respect of the safety and health of any person or the safety of any property on or adjacent to the Working Areas.	SDEV's memo ref. DEVB(W) 546/83/01 dated 9.5.2024

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
62.2	A, B, C & D unless comments/ endorsement have been sought for the deviation from this standard amendment from the Inter-departmental Working Group and/or the Steering Committee.	**Replace** clause 62.2 by the following new clause 62.2: "Quotation for a compensation event comprise proposed changes to the Prices and any delay to the Completion Date and Key Dates assessed by the *Contractor*. If a compensation event is stated in clause 63.6, its quotations exclude proposed changes to the Prices. The *Contractor* submits details of the assessment with each quotation. If the programme for remaining work is altered by the compensation event, the *Contractor* includes the alterations to the Accepted Programme in the quotation."	To impose specific conditions where the *Contractor* is only entitled for extension of time due to certain compensation events. This amendment should be made in conjunction with clause 62.2 and 63.6.	N.A.
62.3	A, B, C & D	**Replace** the second sentence of clause 62.3 by the following: "The *Project Manager* replies within three weeks of the submission or, if confirmation of no objection is required from the *Client*, six weeks of the submission."	To impose specific time limit for the *Project Manager* to reply to the *Contractor* for its quotation for compensation events. Approval should be sought from the relevant authorities in accordance with the Stores and Procurement Regulations (SPR) 520 and Appendix V(B) and the consultancy agreement terms where appropriate.	N.A.
63.1	A [**Optional**] The project office shall seek approval from a public officer of D2 rank or above for use of this amendment and document the justifications.	**Replace** the first word "The" by "Subject to the provisions of clause 63.2, the".	**To follow the generic NEC principle** in assessing compensation events based on Defined Cost plus the resulting Fee basis, **this amendment should be avoided as far as practicable**. Only if the specific contract requires, this amendment is made in conjunction with clause 63.1 and 63.2 to impose specific conditions that compensation events are primarily based on rates and lump sums in the Activity Schedule.	N.A.

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
63.1	B [**Optional**] The project office shall seek approval from a public officer of D2 rank or above for use of this amendment and document the justifications.	**Replace** the first word "The" by "Subject to the provisions of clause 63.2, the".	**To follow the generic NEC principle** in assessing compensation events based on Defined Cost plus the resulting Fee basis, **this amendment should be avoided as far as practicable**. Only if the specific contract requires, this amendment is made in conjunction with clause 63.1 and 63.2 to impose specific conditions that compensation events are primarily based on rates and lump sums in the Bill of Quantities. This amendment is made in conjunction with clause 63.1 and 63.2.	N.A.
63.2	A [**Optional**] The project office shall seek approval from a public officer of D2 rank or above for use of this amendment and document the justifications.	**Replace** the whole clause 63.2 by the following new clause 63.2: "Where the effect of a compensation event is changes to the Prices, the assessment of the compensation event will be based on the rates and lump sums in the Activity Schedule, instead of the Defined Cost and the resulting Fee, under the scenarios specified in sub-clauses (i) to (iii) below: (i) Any item of work omitted is assessed at the rate or lump sum set out in the Activity Schedule except that in the absence of such a rate or lump sum in the Activity Schedule, the assessment of the item of work omitted is at a rate or price based on Defined Cost and the resulting Fee. (ii) Any work carried out which is the same as or similar in character to and executed under the same or similar conditions and circumstances to any item of work priced in the Activity Schedule is assessed at the rate or lump sum set out in the Activity Schedule for such item of work. (iii) Any work carried out which is not the same as or similar in character to or is not executed under the same or similar conditions or circumstances to any item of work priced in the Activity Schedule is assessed at a rate or lump sum based on the rates or lump sums in the Activity Schedule so far as may be reasonable, failing which, at a rate or lump sum based on Defined Cost and the resulting Fee. For the avoidance of doubt, any assessment based on rates or lump sums in the Activity Schedule is not subject to adjustment of the *fee percentage*."	**To follow the generic NEC principle** in assessing compensation events based on Defined Cost plus the resulting Fee basis, **this amendment should be avoided as far as practicable**. Only if the specific contract requires, this amendment is made in conjunction with clause 63.1 and 63.2 to impose specific conditions that compensation events are primarily based on rates and lump sums in the Activity Schedule.	N.A.

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
63.2	B [**Optional**] The project office shall seek approval from a public officer of D2 rank or above for use of this clause and document the justifications.	**Replace** the whole clause 63.2 by the following new clause 63.2: "Where the effect of a compensation event is changes to the Prices, the assessment of the compensation event will be based on the rates and lump sums in the Bill of Quantities, instead of the Defined Cost and the resulting Fee, under the scenarios specified in sub-clauses (i) to (iii) below: (i) Any item of work omitted is assessed at the rate or lump sum set out in the Bill of Quantities except that in the absence of such a rate or lump sum in the Bill of Quantities, the assessment of the item of work omitted is at a rate or price based on Defined Cost and the resulting Fee. (ii) Any work carried out which is the same as or similar in character to and executed under the same or similar conditions and circumstances to any item of work priced in the Bill of Quantities is assessed at the rate or lump sum set out in the Bill of Quantities for such item of work. (iii) Any work carried out which is not the same as or similar in character to or is not executed under the same or similar conditions or circumstances to any item of work priced in the Bill of Quantities is assessed at a rate or lump sum based on the rates or lump sums in the Bill of Quantities so far as may be reasonable, failing which, at a rate or lump sum based on Defined Cost and the resulting Fee. For the avoidance of doubt, any assessment based on rates or lump sums in the Bill of Quantities is not subject to adjustment of the *fee percentage*."	**To follow the generic NEC principle** in assessing compensation events based on Defined Cost plus the resulting Fee basis, **this amendment should be avoided as far as practicable**. Only if the specific contract requires, this amendment is made in conjunction with clause 63.1 and 63.2 to impose specific conditions that compensation events are primarily based on rates and lump sums in the Bill of Quantities. This amendment is made in conjunction with clause 63.1 and 63.2.	N.A.
63.6	A and B unless comments/endorsement has been sought for the deviation from this standard amendment from the Inter-departmental Working Group and/or the Steering Committee.	**Replace** clause 63.6 by the following new clause 63.6: "The rights of the Client and the Contractor to changes to the Prices, the Completion Date and the Key Dates are their only rights in respect of a compensation event. Notwithstanding the foregoing, for compensation events under clauses 60.1(5), 60.1(13), 60.1(19) or 60.1(21), the *Contractor* has no rights to changes to the Prices. Nor will the assessment of changes to the Prices for other compensation events be affected by any concurrent compensation event under clauses 60.1(5), 60.1(13), 60.1(19) or 60.1(21)."	To impose specific conditions where the *Contractor* is only entitled for extension of time due to certain compensation events. This amendment should be made in conjunction with clause 62.2 and 63.6.	N.A.

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
63.6	C and D unless comments/endorsement has been sought for the deviation from this standard amendment from the Inter-departmental Working Group and/or the Steering Committee.	**Replace** clause 63.6 by the following new clause 63.6: "The rights of the *Client* and the *Contractor* to changes to the Prices, the Completion Date and the Key Dates are their only rights in respect of a compensation event. Notwithstanding the foregoing, for compensation events under clauses 60.1(5), the 4th and 5th bullets of 60.1(13), 60.1(19) or 60.1(21), the *Contractor* has no rights to changes to the Prices. Nor will the assessment of changes to the Prices for other compensation events be affected by any concurrent compensation event under clauses 60.1(5), the 4th and 5th bullets of 60.1(13), 60.1(19) or 60.1(21)."	To impose specific conditions where the *Contractor* is only entitled for extension of time due to certain compensation events. This amendment should be made in conjunction with clause 62.2 and 63.6. The project office may add any of the items under sub-clause 60.1(13) after reviewing their project specific situations and such proposal or other amendments shall be approved by DEVB.	N.A.
83.4	A, B, C & D	**Add** a new clause 83.4 as follows: "If the *Contractor* cannot provide an insurance required by the contract in the form specified in the Scope, the *Contractor* submits proposal for changes to the form for providing insurance as close as practically possible to the form to the *Project* Manager for acceptance. The *Contractor* includes in the proposal a quotation for reduced Prices as a result of the changes. A reason for not accepting the proposal is that the insurance does not provide cover for the events stated in the *insurance table*. The *Project Manager* • notifies the *Contractor* of its acceptance of the proposal and quotation or • if it does not agree with the *Contractor*'s quotation, notifies the *Contractor* of an assessment of the reduced Prices made by it. The *Project Manager* changes the Scope and the Prices accordingly."	To impose specific requirements for procurement of construction related **insurance** according to ETWB TCW No. 7/2005. The project office should include the relevant form in the Scope.	ETWB TCW No. 7/2005 SCC 11 SCC 12
90.2	A, B, C & D	**Replace** "R1-R15, R18 or R22" by "R1-R15, R18, or R22 ~~or R23~~R24" in the first line of the Termination Table.	R5A is added to extend the circumstances to cover presentation of winding-up petition.	Email from DEVB dated 30.10.2025
90.3	A, B, C & D	**Replace** "R1 to R15, R18 or R22" by "R1 to R15, R18, or R22 to ~~or R23~~ R24" in the first line of second paragraph in this clause.		
91.1	A, B, C & D	**Add** a sub bullet point before the first sub bullet point of the second main bullet point as follows: " – presented a petition for winding-up itself or had a petition for winding-up presented against it by any creditor (R5A)"		

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
91.9	A, B, C & D	**Add** a new clause 91.9 after clause 91.8 as follows: "The *Client* may terminate if the *Contractor* has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security, or the continued engagement of the *Contractor* or the continued performance of the contract is contrary to the interest of national security (R23)."	R23 and 91.9 are added to align with Stores and Procurement Regulations (SPR) requirements on safeguarding **national security** interests. Amendment to 90.2, 90.3 and 91.9 should be made together.	As per SPR on national security interests. SDEV's memo ref. DEVB(W) 510/30/01 dated 31.8.2022
91.10	A, B, C & D	**Add** a new clause 91.10 after clause 91.9 as follows: "The *Client* may terminate if the *Contractor* is a joint venture and any participant or shareholder thereof does any act in ACC Clause IV:3(6) (R24)."	R24 and 91.10 are added to incorporate the reasons to terminate if any participant or shareholder in the joint venture encountered the specific financial situations as provided in ACC IV:3(6).	Email from DEVB dated 30.10.2025

I:2 Amendments to Secondary Option Clauses

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
X1.5	A, B, C & D	**Replace** "base date" by "*base date*" in the first bullet.	The term "*base date*" should be in italic.	N.A.
X7.1	A, B, C & D [**Optional**]	**Add** a new sub-clause X7.1A after sub-clause X7.1 as follows: "X7.1A The *Contractor* pays delay damages at the rate stated in the Contract Data from a Key Date for each day until the earlier of • the date certified by the *Project Manager* as the date on which the Condition is met and • the date on which the *Client* takes over the *works* and • the date on which the *Project Manager* issues a termination certificate."	If this optional amendment is adopted to suit the need of individual projects, the project office should amend core clauses 25.3 and 30.3 accordingly.	N.A.
X7.2	A, B, C & D [**Optional**]	**Add** "or Key Date" after "the Completion Date" in the first sentence.	If this optional amendment is adopted to suit the need of individual projects, the project office should amend core clauses 25.3 and 30.3 accordingly.	N.A.
X11	A, B, C & D	**Replace** the whole clause X11 by the following: "X11.1 The *Client* may terminate the *Contractor*'s obligation to Provide the Works for a reason not identified in the Termination Table by notifying the *Project Manager* and the *Contractor*. X11.2 Without prejudice to the generality of clause X11.1, if the *Project Manager* certifies to the *Client* that in its opinion Completion will be delayed by a period of not less than one year due to interfacing problems or programme slippages of associated works outside the scope of the contract, the *Client* may terminate the *Contractor*'s obligation to Provide the Works for convenience and thereafter Provide the Works itself or arrange for another contractor to Provide the Works. X11.3 If the *Client* terminates for a reason not identified in the Termination Table (including without limitation the reason stated in clause X11.2), the termination procedures	To effect the right of the Government to terminate for convenience under ETWB TC(W) No. 23/2004. X11 and this amendment are to be included **in all contracts**.	ETWB TC(W) No. 23/2004 SCC 59

Clause No.	Applicable main Option(s)	Details	Rationale	Reference
		followed are P1 and P2 and the amounts due on termination are A1 and A2. Payment to the *Contractor* under clause 53.1 shall be in full and final settlement of all claims, costs and charges incurred by the *Contractor* as a result of the contract. X11.4 The *Contractor* includes provisions equivalent to this clause in its subcontracts and supply contracts to reserve its power to terminate such subcontract or supply contract in the event of the termination by the *Client* under this clause. The *Contractor* is not entitled to compensation for any expenditure, liability and/or loss resulting from non-compliance with this requirement."		
X16.2	A, B, C & D	**Replace** the whole clause X16.2 by the following: "(1) The amount retained is halved • in the next assessment made after the Completion of the whole of the *works* or • in the next assessment after the *Client* has taken over the whole of the *works* if this is before Completion of the whole of the *works*. (2) The remaining amount retained following reduction in accordance with clause X16.2 (1) ("the halved retained amount") is further reduced in the next assessment following the *defects date* by the halved retained amount minus the anticipated cost of rectification of the Defects requiring for correction as at the *defects date* as assessed by the *Project Manager*. (3) The remaining amount retained following reduction in accordance with clause X16.2 (2) remains unaltered until the Defects Certificate is issued. No amount is retained in the assessments made after the Defects Certificate has been issued."	To match with the retention mechanism promulgated through WBTC No. 10/97, GCC79 and associated guidelines.	GCC 79

I:3 Amendments to Schedule of Cost Components

Item No.	Applicable main Option(s)	Details	Rationale	Reference
13	C and D	**Replace** the whole item (h) by the following: "protective clothing and site uniform"	To promote clarity on the cost component item.	N.A.
41	C and D	**Replace** the whole item 41 by the following: "Payments to Subcontractors accepted by the *Project Manager* for work which is subcontracted without taking into account any amounts paid to or retained from the Subcontractor by the *Contractor*, which would result in the *Client* paying, retaining or deducting the amount twice."	To promote clarity on the cost component item where the Subcontractor being paid must have been accepted by the *Project Manager*. To avoid double deduction from the *Contractor*'s account.	N.A.

Section II Definitions and Contract Documents

II:1 Definitions

II:1 Definitions **Guidelines**

Unless otherwise specified, in the contract:

Assistant Clerical Officer (Labour Relations) means any person appointed from time to time by the *Project Manager* and notified in writing to the *Contractor* to act as the Assistant Clerical Officer (Labour Relations) for the purpose of the contract.

ACC Clause means a clause of the *additional conditions of contract*.

BIM Models has the meaning assigned to it in clause 1.1.1 of the Scope

Reference
DEVB TC(W) No. 1/2025

BIM Contents has the meaning assigned to it in clause 1.1.1 of the Scope

erratically priced means the situation where an item/activity or certain items/activities in pricing documents submitted in accordance with NEC Clause 26 and Section VI of the *additional conditions of contract* are priced or structured in such a way as to suggest significant and unjustified:

(a) inconsistency, irregularity or non-uniformity as compared with item/activity or items/activities of the same or similar nature in the same pricing document or another pricing documents submitted by the *Contractor* for the contract, or

(b) deviation from prevailing market prices in respect of the same or similar item or activity or items or activities.

General Holiday means every Sunday and other day which is a general holiday by virtue of the General Holidays Ordinance (Cap. 149).

Government means the Government of the Hong Kong Special Administrative Region.

Hong Kong means the Hong Kong Special Administrative Region.

Intellectual Property Rights means patents, trade marks, service marks, trade names, design rights, copyright, domain names, database rights, rights in know-how, new inventions, designs or processes and other intellectual property rights whether now known or created in future (of whatever nature and wherever arising) and in each case whether registered or unregistered and including applications for the grant of any such rights.

II:1 Definitions **Guidelines**

NEC Clause means a clause in the *conditions of contract* other than the *additional conditions of contract*.

Particular Specification means the part named "Particular Specification" in the Scope provided by the *Client*.

Site Worker means any person who is

(a) working in the Working Areas. For the purpose of this definition, a truck driver engaged for any part of the *works* is regarded as working in the Working Areas unless he is only engaged by a supplier to deliver Equipment, Plant and Material to the Site,

(b) employed by the *Contractor* or a Tier Subcontractor for Providing the Works, and

(c) a registered construction worker under the Construction Workers Registration Ordinance (Cap. 583), whether or not registered for a trade division thereunder.

Tender Submissions bears the meaning as assigned to it in ACC Clause II:2(1).

utility undertaking means any person, undertaking, company, organisation or Government department and includes any office, division, sub-division, section, subsection, unit or group within a Government department which engages in or is so engaged in supplying or providing utilities (including electricity, lighting, traffic control, telecommunications, cable television, gas, water, drainage, sewerage and tramway) and any associated work and the supply or provision of which does not form part of the *works* under the contract, including the contractors and subcontractors of such person, undertaking, company, organisation or Government department.

"**Modular Integrated Construction (MiC)**" means a construction method whereby freestanding volumetric modules with finishes, fixtures, fittings, furniture, building services installation and/or other installations, manufactured off-Site and then transported to the Site for assembly.

For milestone payment for MiC works

Reference
SDEV's memo ref. DEVB(PSGO) 100/1 dated 18.3.2024

"**MiC works**" are the works constructed by MiC method. *Schedule Nr. [X] of the Activity Schedule contains activities relating to MiC works [***for Option A***] / Bill Nr. [X] of the Bill of Quantities contains items relating to MiC works [***for Option B***].

* Delete/revise as appropriate

II:1 Definitions	Guidelines
"**Multi-trade Integrated Mechanical, Electrical and Plumbing (MiMEP)**" means the integration of multi-trade building services equipment/components into a single volumetric assembly of prefabricated modules, with necessary support and minor architectural elements, manufactured off-Site, and then transported to the Site for installation. "**MiMEP works**" are the works constructed by prefabricated modules of MiMEP. *Schedule Nr. [Y] of the Activity Schedule contains activities relating to MiMEP works [***for Option A***] / Bill Nr. [Y] of the Bill of Quantities contains items relating to MiMEP works [***for Option B***].	For milestone payment for MiMEP works ***Reference*** SDEV's memo ref. DEVB(PSGO) 100/1 dated 18.3.2024 * Delete/revise as appropriate

II:2 Tender Submissions

II:2 Tender Submissions

(1) The Tender Submissions are, subject to sub-clause (2) below, the submissions on technical resources and technical proposals made by the *Contractor* in its tender.

(2) If any provision in the Tender Submissions purports to

(a) impose any obligation on the *Client*, the *Project Manager* or the *Supervisor* which is not an obligation of the *Client*, the *Project Manager* or the *Supervisor*, as the case may be, under the contract,

(b) confer any right or option on the *Contractor* which is not a right or option of the *Contractor* under the contract, or

(c) conflict or contradict other documents forming part of the contract, unless it imposes additional obligations on the *Contractor* within the meaning of this sub-clause,

then such provision has no contractual effect and is omitted from the Tender Submissions and the Scope. A provision imposes additional obligations on the *Contractor* if it imposes higher requirements in terms of quality or quantity than other documents forming part of the contract, or otherwise imposes more onerous requirements on the *Contractor* than other documents forming part of the contract.

(3) Notwithstanding NEC Clause 24.1, if any of the following events occur, the *Contractor* acts in accordance with this sub-clause:

(a) If a *key person* is not identified in the Tender Submissions, or if a *key person* identified in the Tender Submissions does not meet the minimum qualification/experience requirements specified in the Scope provided by the *Client*, the *Contractor* proposes the *key person* or substitute person (as the case may be) and submits the name, relevant qualifications and experience of such person to the *Project Manager* for acceptance within 7 days of the Contract Date. A reason for not accepting a proposed person is that the proposed person does not meet the minimum qualification/experience requirements specified in the Scope provided by the *Client*;

(b) If the *Contractor* is unlikely to provide or maintain any team structure or staff (including *key person*) identified in the Tender Submissions or necessarily inferred therefrom, it informs the *Project Manager* immediately and proposes a substitute person for the *Project Manager*'s acceptance. A reason for not accepting a proposed person is that the experience and qualification of such person is not as good as the person he/she is replacing,

and the savings of cost to the *Contractor* as a result of such events, if any, are assessed by the *Project Manager* and deducted from the Prices.

Guidelines

This ACC II:2 **only** used when tenders are evaluated using a **marking scheme**.

Reference
ETWB TC(W) No. 8/2004 Appendix C & SDEV's memo ref. DEVB(W)546/84/01 of 30.10.2009 Modified from SCC54

II:2 Tender Submissions **Guidelines**

(4)* Subject to sub-clause (5) below, the *Contractor* provides all Equipment including the Equipment identified in the Tender Submissions or necessarily inferred therefrom.

*Sub-clauses ACC II:2(4) to (5) **only** used when tenderers are required to submit a proposal on Equipment which is to be assessed and marked.

(5)* If any of the following events occur, the *Contractor* acts in accordance with this sub-clause:

(a) If an essential Equipment required in [*insert reference*] of the Particular Specification ("**Essential Equipment**") is not identified in the Tender Submissions, or if an Essential Equipment is identified in the Tender Submissions but it does not meet the minimum requirements specified in [*insert reference*] of the Particular Specification ("**Minimum Requirements**"), the *Contractor* proposes the model or substitute model (as the case may be) of such Essential Equipment to the *Project Manager* for acceptance. A reason for not accepting a proposed Essential Equipment is that it does not meet the Minimum Requirements;

(b) If the *Contractor* is unlikely to provide or maintain an Equipment identified in the Tender Submissions or necessarily inferred therefrom, it informs the *Project Manager* immediately and proposes changes to the Tender Submissions for the *Project Manager*'s acceptance. The *Project Manager* may give any reason for not accepting the proposal,

and the savings of cost to the *Contractor* as a result of such events, if any, are assessed by the *Project Manager* and deducted from the Prices.

(6) In the event that

(a) an ambiguity or inconsistency arises from the Tender Submissions,

(b) an illegal or impossible requirement is found in the Tender Submissions, or

(c) the *Contractor* decides not to execute the *works* in accordance with the Tender Submissions for any other reasons,

the *Contractor* proposes changes to the Tender Submissions to the *Project Manager*. The proposed changes conform with the Scope provided by the *Client*. Upon receipt of the proposed changes, the *Project Manager* may give any of the following instructions:

(a) request the *Contractor* to provide further information, including the time and financial implications of the proposed changes,

(b) approve the proposed changes,

(c) refuse the proposed changes for any reason, and

(d) give any other instructions on the proposed changes and any matters relating to execution of the *works* in accordance with the proposed changes.

If the *Project Manager* approves the proposed changes and there is savings of cost to the *Contractor* as a result of such event, the *Project Manager* assesses the savings and deducts it from the Prices.

(7) An instruction given by the *Project Manager* under this clause is not a compensation event.

II:3 Disclosure

II:3 Disclosure **Guidelines**

(1) The *Contractor* and its employees, agents, associates, Tier Subcontractors and consultants, and any other persons engaged in connection with the contract (collectively, "**Related Persons**" and each a "**Related Person**") do not use or divulge any Confidential Information other than in the proper performance of the contract. This restriction does not apply

WBTC No. 3/2002

Modified from SCC40

(a) to a disclosure of any Confidential Information to a Related Person in circumstances where such disclosure is necessary for the proper performance of the *Contractor*'s duties and obligations under the contract, provided that the *Contractor* has imposed on the Related Person an absolute and legally binding obligation to refrain from disclosing the Confidential Information to a third party,

(b) to a disclosure of any Confidential Information already known to the recipient other than as a result of disclosure by the *Contractor* or a Related Person in breach of its duty of confidence under this clause or otherwise,

(c) to a disclosure of any Confidential Information which is or becomes public knowledge other than as a result of disclosure by the *Contractor* or a Related Person in breach of its duty of confidence under this clause or otherwise,

(d) to a disclosure of any Confidential Information in circumstances where such disclosure is required pursuant to any law, regulation, rule of any relevant stock exchange, or an order of a court or arbitral authority of a competent jurisdiction, or

(e) to a disclosure of any Confidential Information with the prior written consent of the *Client*.

(2) Any disclosure of Confidential Information by the *Contractor* or any Related Person is in strict confidence, and on a "need to know" basis and extends only so far as may be necessary for the purpose of the contract.

(3) The *Contractor* takes all necessary measures (including but not limited to security measures, and contractual provisions contained in subcontracts of any tier or other relevant contracts where appropriate) to ensure that Confidential Information is not used or divulged by the *Contractor* and each Related Person other than in the proper performance of the contract.

(4) The *Contractor* ensures that each Related Person is aware of and complies with the provisions of this clause and the Official Secrets Ordinance (Cap. 521).

(5) If so requested by the *Client*, the *Contractor* submits

(a) a separate confidentiality agreement executed in favour of the *Client* on the terms and in the form prescribed by the *Client*, and

(b) a separate confidentiality agreement executed by a Related Person in favour of the *Client* on the terms and in the form prescribed by the *Client*.

(6) The *Contractor* promptly notifies the *Client* of any breach or suspected breach of this clause by the *Contractor* or any Related Person. The *Contractor* and each Related Person give the *Client*, its authorised users, assigns and successors-in-title all reasonable assistance in connection with any action or proceedings the *Client* or any of its authorised users, assigns and successors-in-title may take to pursue against any party a breach or suspected breach of this clause.

(7) The *Contractor* and each Related Person comply with the Personal Data (Privacy) Ordinance (Cap. 486) ("**PDPO**"). Neither the *Contractor* nor any Related Person uses personal data provided by the *Client*, the *Project Manager**, the *Supervisor*[#] or a delegate of any of them (each a "**Data Owner**") for any purpose other than that specified by the Data Owner or for the proper performance of the contract. A Data Owner may, from time to time or prior to provision of any personal data, require the *Contractor* to demonstrate that adequate measures are in place to ensure compliance with the PDPO and that all personal data is protected against any inadvertent or unauthorised access, processing, erasure, loss and use. A Data Owner may prescribe restrictions on or conditions of use of the personal data, or instruct the *Contractor* to ensure security of the personal data. The *Contractor* complies, and ensures that each Related Person complies, with these restriction, conditions and instructions. Such compliance is not a compensation event.

* Revise as appropriate
\# Delete as appropriate

(8) The provisions of this clause shall survive the Completion* or termination of the contract (howsoever occasioned) and shall continue in full force and effect notwithstanding such Completion* or termination.

(9) Unless otherwise specified in the contract, the *Client*, the *Project Manager**, the *Supervisor*# and a delegate of any of them may use any information provided by the *Contractor* under the contract but they shall not divulge such information except for the purpose of

* Revise as appropriate
# Delete as appropriate

(a) exercising their rights or carrying out their duties under the contract,

(b) the use, alteration or demolition of the *works**,

(c) giving publicity to the *works**,

(d) the *Client*'s duties under the Code on Access to Information,

(e) reporting to the Public Accounts Committee in accordance with NEC Clause W4.6,

(f) cost estimation or analysis of the *Client*'s work connected or unconnected with the contract, and compiling price indices (including tender price indices) for use by the Government and the public, provided that for this purpose:

(i) the *Client* does not disclose the contract number, contract title and *Contractor*'s name to a third party, and

(ii) when the *Client* discloses other information to a third party, the *Client* obtains an undertaking from the third party to not disclose it for any other purpose,

(g) complying with any law, regulation, rule of any relevant stock exchange, or an order of a court or arbitral authority of a competent jurisdiction,

(h) initiating, defending or resolving any dispute to which the *Client* is a party, or

(i) considering the employment and management of staff employed or to be employed by contractors as managerial staff (e.g. construction manager, project manager, site agent), [site supervisory staff (e.g. resident structural engineer seconded by the contractors' designers)+], independent checking engineer(s) for permanent works and/or temporary works under other contracts of the *Client*.

SDEV's memo ref. ( ) in DEVBWB WP4S-022-002-002-001 dated 23 January 2026

+ *Note: For design and build contracts, project office shall adopt the words in [square bracket] to include the members of technical and professional site supervisory teams, e.g. clerk of works employed by contractors and resident structural engineer seconded by the contractors' structural designer.*

(10) Without prejudice to any other provision of the contract, the *Contractor* shall indemnify and keep the *Client* and its authorised users, assigns and successors-in-title fully and effectively indemnified against any and all proceedings, actions, claims, demands, losses, liabilities, damages, costs, legal costs, professional and other expenses (including without limitation the fees and disbursements of lawyers, agents and expert witnesses) of any nature whatsoever which the *Client* or any of its authorised users, assigns and successors-in-title may suffer, sustain or incur (whether or not directly or consequentially) as a result of or in relation to any breach of confidence (whether under the contract or otherwise) or this clause by the *Contractor* or a Related Person.

(11) In this clause, "**Confidential Information**" means any information, drawings, specifications, documents, contracts, design materials and data (including without limitation any personal particulars, records and personal data (as defined in the PDPO) and materials of any nature (in or on whatever media)) accessible by the *Contractor* under the contract or provided by the *Client*, the *Project Manager**, the *Supervisor*# or a delegate of any of them for the purposes of or in the course of performing the contract.

II:4 Contingency sums, provisional sums and forecast total of the Prices

II:4 Contingency sums, provisional sums and forecast total of the Prices **Guidelines**

(1) Notwithstanding the inclusion of contingency sums, provisional sums and forecast total of the Prices in the Grand Summary of the **bill of quantities*/**activity schedule*, the contingency sums, provisional sums and forecast total of the Prices shall not form part of the contract.

* Delete as appropriate

(2) The contingency sums and provisional sums are allowed as contingencies for the purpose of internal administration of the *Client* under the Stores and Procurement Regulations only. The forecast total of the Prices is included for tender evaluation purpose only and shall not affect the tendered total of the Prices which shall remain contractually binding. The *Contractor* shall not rely on any information supplied to it on the contingency sums, provisional sums or forecast total of the Prices as estimated changes to the Prices due to the effect of compensation events or other estimated payment which shall be assessed in accordance with the relevant contract terms.

II:5 Estimates for Tender Price Index (ETPI)

II:5 Estimates for Tender Price Index (ETPI)

Guidelines

Only applicable for works tenders of Group C contracts issued under **CEDD, HyD, WSD and DSD** and adopting ECC Options A or C, where the tender price information are required for compilation of the Civil Engineering Works Tender Price Index (CEWTPI).

(1) In case the *Contractor* did not submit the Estimates for Tender Price Index ("**ETPI**") with its tender in accordance with Special Conditions of Tender Clause SCT [20][#], the *Project Manager* may instruct the *Contractor* to submit within two weeks an ETPI which is

(a) fully priced as to each of the items, extended, cast and totaled as appropriate,

(b) in the form as set out in **Appendix** [*insert reference*] to Special Conditions of Tender,

(c) prepared in accordance with the Standard Method of Measurement for Civil Engineering Works 1992 Edition as amended by its subsequent corrigenda and as further amended in accordance with the General Preambles and the Particular Preambles in **Appendix** [*insert reference*] to Special Conditions of Tender. Such Standard Method of Measurement, General Preambles and Particular Preambles shall only be used for the preparation of the ETPI and shall not form part of the contract, and

(d) accompanied by a summary at the end stating the total amount of all bills, which is the same as the tendered total of the Prices as stated in the "Grand Summary of the *activity schedule*".

(2) In case errors and/or omissions are found in the ETPI, the *Project Manager* may instruct the *Contractor* to submit further information and clarification related to the ETPI within the *period for reply* or a longer period to which the *Project Manager* has agreed.

(3) Any instruction given by the *Project Manager* under sub-clauses (1) and (2) of this clause is not a compensation event.

(4) The ETPI and anything stated therein shall **NOT** form part of the contract and shall **NOT** be taken into account in the performance of the contract except for the obligations under sub-clauses (1) and (2) of this clause. Regardless of any other provisions in the contract, the *Contractor* shall not make any claim for payment or otherwise against the *Client* on the basis of the ETPI or anything stated therein.

Section III Powers and Duties of *Client* and *Project Manager*

III:1 *Project Manager*'s Powers

III:1 *Project Manager*'s Powers **Guidelines**

(1) Before carrying out any of its duties or exercising any of its powers under the contract, the *Project Manager* may be required under the terms of its appointment by the *Client* or the internal rules of the *Client* to obtain confirmation that the *Client* has no objection to the *Project Manager*'s proposed course of action and, in the event of an objection, to act in accordance with the *Client*'s direction.

ETWB TC(W) No. 6/2010

Modified from GCC2 and SCC73(2)

(2) (a) The *Project Manager* is required under the terms of its appointment by the *Client* or the internal rules of the *Client* to obtain confirmation of no objection from the *Client* and, in the event of an objection, to act in accordance with the *Client*'s direction before giving any instruction changing the Scope or taking any other action which may commit the *Client* to an increase or a decrease in the Prices by a sum estimated to exceed HK$1,400,000. This requirement is not applicable where the instruction changing the Scope or other action is considered by the *Project Manager* to be essential on grounds of safety or other emergency in circumstances when it is impracticable to refer the matter to the *Client* beforehand.

(b) Subject to any prior contrary instructions given by the *Client*, the *Project Manager* may give any instruction changing the Scope or taking any other action which may commit the *Client* to an increase or a decrease in the Prices without the need to obtain confirmation of no objection from the *Client* if the value of such instruction or commitment is estimated not to exceed HK$1,400,000.

(3) The *Project Manager* is required under the terms of its appointment by the *Client* or the internal rules of the *Client* to obtain confirmation of no objection from the *Client* and, in the event of an objection, to act in accordance with the *Client*'s direction before

(a) permitting the *Contractor* to introduce an extra tier of subcontracting in accordance with ACC Clause V:3 and NEC Clause 26,

(b) accepting alternative disposal grounds proposed by the *Contractor* in accordance with [*insert reference*] of the Particular Specification and

(c) issuing instruction on implementation of the Section Subject to Excision in accordance with ACC Clause III:2.

(4) The *Contractor*'s rights under the contract is not prejudiced in any way by any failure on the part of the *Project Manager* to comply with the requirements set out in this clause or any other requirements of its appointment by the *Client*.

(5) Except as expressly stated in the contract, the *Project Manager* has no power to amend the terms and conditions of the contract nor to relieve the *Contractor* of any of its obligations under the contract.

III:2 Section Subject to Excision

III:2 Section Subject to Excision

Guidelines

(1) For the purpose of this clause, "**Section Subject to Excision**" means the part of the *works* which is identified as such in the Scope, the implementation of which has not been decided upon by the *Client* at the time the tender documents are issued and which is only implemented upon a subsequent decision of the *Client*, followed by an instruction from the *Project Manager*.

LWBTC No. 6/89 and SDEV's memo ref. (02B2H-01-5) in DEVB(W) 510/10/01 dated 9.3.2011

(2) The *Contractor* allows for the Section Subject to Excision in its programme submitted in accordance with NEC Clause 31. The *Contractor* does not incur cost or start work on the Section Subject to Excision until the *Project Manager* gives an instruction to the *Contractor* to start work on it.

Modified from SCC7

(3) Within the time stated in the Contract Data, the *Project Manager* gives an instruction to the *Contractor* to

(a) start work on the Section Subject to Excision, or

(b) remove the Section Subject to Excision from the Scope.

Optional for contracts with section subject to excision

(4) If the *Project Manager* gives an instruction to the *Contractor* to start work on the Section Subject to Excision,

(a) the *Contractor* executes and completes the Section Subject to Excision on or before the completion date as stated in the Contract Data or such Completion Date as changed in accordance with the contract, and

(b) the contract is thereafter construed in every way as if the Section Subject to Excision had at all times formed part of the *works*.

(5) If the *Project Manager* gives an instruction to the *Contractor* to remove the Section Subject to Excision from the Scope,

(a) the *Contractor* is thereafter not obliged to execute and complete the Section Subject to Excision,

(b) this does not constitute a compensation event and for avoidance of doubt, the *Contractor* is not entitled to any payment or other compensation or relief of or attributable to the Section Subject to Excision,

(c) the Prices are reduced by the total of *the lump sum prices for each of the activities on the Activity Schedule [for Options A and C] / *the lump sums and the amounts obtained by multiplying the rates by the quantities for the items in the Bill of Quantities [for Options B and D] for the Section Subject to Excision,

(d) the contract is thereafter construed in every way as if the Section Subject to Excision had not at any time formed part of the contract and all references thereto have no effect,

(e) the *Contractor* reviews the programme submitted in accordance with NEC Clause 31 and, where appropriate, submit a revised programme to the *Project Manager* in accordance with NEC Clause 32, and

(f) the *Contractor* reviews each of the other documents submitted in accordance with the provisions of the contract and, where appropriate, submit an amended or varied version of the same to the *Project Manager*.

Section IV General Obligations

IV:1 *Contractor*'s Management Team

IV:1 *Contractor*'s Management Team **Guidelines**

(1) The *Contractor* provides a team of suitably qualified and experienced staff to manage and supervise the contract throughout the execution of the *works* (referred to as "**the Team**" in this clause). The Team consists of members in the following disciplines:

SDEV's memo ref (027RU-01-3) in DEVB(W) 510/17/01 dated 16.7.2010

(a) Construction Manager,
(b) Site Agent,
(c) Site Engineer,
(d) Site Superintendent,
(e) Site Supervisor,
(f) Surveyor,
(g) Quantity Surveyor,
(h) Foremen,
(i) Safety Officer and Safety Supervisor,
(j) Environmental Officer and Environmental Supervisor,
(k) Geotechnical Engineer and Geotechnical Supervisor,
(l) Technical Manager, and
(m) Coordinator for dealing with Excavation Permit Management System and application for Excavation Permit.

Modified from SCC68 & 68A

Project office to review to include this ACC where appropriate

[*to be updated by project office The project office should ensure that the list of required personnel remains concise to control costs effectively. Only essential members should be included to avoid unnecessary expansion of the Team. For design and build contracts, the project office shall include members of technical and professional site supervisory teams, e.g. Clerk of Works to be employed by the Contractor and Resident Structural Engineer to be seconded by the Contractor's Structural Designer. The project office shall state clearly the composition of the site supervisory teams in the contract (e.g. the Client's requirements or Scope).*]

SDEV's memo ref. ( ) in DEVBWB WP4S-022-002-002-001 dated 23 January 2026

Each Team member possesses at least the minimum qualification and experience required for the job identified above is stated in the Particular Specification.

(2) The *Contractor* provides suitably qualified and experienced staff in the following disciplines for providing assistance to the Team:

(a) Liaison Officer,

(b) Site Clerk, and

(c) any other staff responsible for management, administration, planning, coordination or supervision of the Site, the *works* and the contract, preparation of technical, financial and contractual submissions and operation of the *Contractor*'s site accommodation.

[*to be updated by project office*]

(3) Each Team member and assistant is an employee of the *Contractor*. If the *Contractor* is an unincorporated joint venture, employees of the joint venture participants are regarded as an employee of the *Contractor*.

If instructed by the *Project Manager*, the *Contractor* submits documentary proof on the employment status, such as employment contracts, tax returns, payment of salaries or provides a formal declaration to the effect that such a staff member is under the direct employment of the *Contractor*.

(4) All Team members and assistants are prohibited to be given a subcontract to any part of the *works* or to have a vested interest in any of Tier Subcontractors.

(5) Within two weeks of the Contract Date, the *Contractor* submits to the *Project Manager* a list of staff with qualifications and experience proposed for the Team and its assistant for acceptance. In such submission, the Contractor also submits the proposed staff's consent for collection, use and transfer to the Client of its personal data (including but not limited to its name, identity card number or passport number) for the purpose of inclusion in Government's databases on site personnel. A reason for not accepting the Contractor's submission is that

SDEV's memo ref. ( ) in DEVBWB WP4S-022-002-002-001 dated 23 January 2026

(a) the proposed staff do not meet the qualifications / experience requirements or other requirements set out in the contract, or

(b) there exists any matters which may render the Project Manager to cast doubt on the proposed staff's capabilities to take up the duties concerned in a competent manner, including but not limited to any recorded incident of poor conduct or performance within the preceding three years counting from the date of the *Contractor*'s submission.

(6) With the exception of the Construction Manager, each Team member and assistant works full time* in the Working Areas.

[**Consider whether some of the staff may only be needed part time, such as surveyors.*]

(7) The *Contractor* informs the *Project Manager* of any changes in Team member or assistant and proposes a replacement person with qualifications and experience for acceptance.

IV:2 Compliance with Enactments and Regulations

IV:2 Compliance with Enactments and Regulations	**Guidelines**
(1) The *Contractor* conforms with (a) all enactments (b) all regulations and by-laws of local or other duly constituted authorities, (c) all rules and regulations of all public bodies and statutory authorities whose property or rights are affected or may be affected in any way by the *Contractor* to Provide the Works, and (d) all additions and amendments to the enactments, regulations, by-laws and rules referred to in sub-clause (1)(a) to (c) above made during the continuance of the *works*, which are applicable to the *works* (referred to as "**Enactments and Regulations**" in this clause).	ETWB TCW No. 23/2004 Modified from GCC29 & 30 & SCC60(2)&(3)
(2) The *Contractor* gives all notices required to be given, pays all licences levies, premiums, surcharges, fees, penalties and fines required to be paid, and discharges all liabilities, under the Enactments and Regulations.	
(3) The *Contractor* indemnifies the *Client* against all surcharges, penalties, fines and liabilities of every kind for breach of any of the Enactments and Regulations	

IV:3 *Contractor*'s Joint Venture

IV:3 *Contractor*'s Joint Venture **Guidelines**

(1) For the purpose of this clause, the following expressions bear the same meanings as those given in paragraph 6 of the Environment, Transport and Works Bureau Technical Circular (Works) No. 50/2002 on Contractors' Joint Venture, — ETWB TC(W) No. 5/2003

(a) "incorporated joint venture" — Modified from SCC45

(b) "participant"

(c) "shareholder" and — ETWB TCW No. 50/2002 (as amended in SETW memo ref. (01656-01-3) in ETWB(W)511/34/01 dated 4.8.2006)

(d) "unincorporated joint venture".

(2) If the *Contractor* is a partnership or an unincorporated joint venture,

(a) the liability of each partner of the partnership or participant of the unincorporated joint venture under the contract shall be joint and several and

(b) the Articles of Agreement for use in the contract is in the form as attached at **Appendix** [*insert reference*] to the *additional conditions of contract*, with such modification as may be necessary. — Modified from SCC31

(3) If the *Contractor* is an incorporated joint venture,

(a) within two weeks of the Contract Date, the *Contractor* provides to the *Client* a joint venture guarantee in the form set out in **Appendix** [*insert reference (the relevant appendix to the tender documentation. See Appendix D of SETW's memo ref. (01656-01-3) in ETWB(W)511/34/01 dated 4 August 2006 for the Form of Joint Venture Guarantee)*] to the *additional conditions of contract* executed by all the shareholders of the *Contractor* and

(b) notwithstanding any other provisions of the contract, the *Contractor*'s failure to provide a joint venture guarantee in strict accordance with the sub-clause (a) above constitutes a breach of the contract entitling the *Client* to damages and entitles the *Client* to terminate the contract forthwith by notice in writing to that effect and the *Contractor* is not entitled to any compensation whatsoever as a consequence of such termination.

(4) The *Contractor* does not make any changes to the percentage participation of each participant or shareholder in the joint venture during the continuance of the contract unless prior written consent from the *Client* is obtained in accordance with sub-clause (5) below.

(5) If the *Contractor* considers a change to the percentage participation of each participant or shareholder in the joint venture is necessary because

(a) any participant or shareholder in the joint venture

(i) presented an application for bankruptcy,

(ii) had a bankruptcy order made against it,

(iii) agreed to carry out the contract under a committee of inspection of its creditors,

(iv) presented a petition for winding-up itself or had a petition for winding-up presented against it by any creditor,

(v) had a winding-up order made against it,

(vi) had a provisional liquidator appointed to it,

(vii) passed a resolution for winding-up (other than in order to amalgamate or reconstruct),

(viii) had an administration order made against it or had an administrator appointed over it,

(ix) had a receiver, receiver and manager, or administrative receiver appointed over the whole or a substantial part of its undertaking or assets, or

(x) made an arrangement with or assignment in favour of its creditor, and

(b) it is necessary for Providing the Works,

the *Contractor* provides the *Client* with detailed substantiation and requests for the *Client's* consent before any such change is made. The *Client* may in its absolute discretion accept or reject the request and informs the *Contractor* in writing whether consent is given within two weeks from the date of receipt of such request.

(6) The *Client* may terminate if any participant or shareholder in the joint venture

(a) presented an application for bankruptcy,

(b) had a bankruptcy order made against it,

(c) presented a petition for winding-up itself or had a petition for winding-up presented against it by any creditor,

(d) had a winding-up order made against it,

(e) had a provisional liquidator appointed to it,

(f) passed a resolution for winding-up (other than in order to amalgamate or reconstruct),

(g) had an administration order made against it or had an administrator appointed over it,

(h) had a receiver, receiver and manager, or administrative receiver appointed over the whole or a substantial part of its undertaking or assets, or

(i) made an arrangement with its creditors.

IV:4 Non-Payment of Wages

IV:4 Non-Payment of Wages	**Guidelines**
(1) **Person employed by the *Contractor***	**Reference** modified from GC40
If a claim for non-payment of wages for a person employed by the *Contractor* to Provide the Works is (a) filed in the office of the Labour Department, (b) proof thereof is furnished to the satisfaction of the Commissioner of Labour, and (c) the claim is not disputed, the *Contractor* promptly pays the claimant.	SDEV's memo ref.(02VKU-01-3) in DEVB(W)510/17/01 dated 16.12.2016 and (02YWL-01-2) in DEVB(W)510/17/01 dated 5.2.2018
Where the claim is disputed, or if the Commissioner for Labour otherwise finds necessary, the *Contractor* pays the claimant in accordance with (a) an award or order of the Labour Tribunal, (b) an award or order of the Minor Employment Claims Adjudication Board, (c) a judgment of the District Court, (d) a judgment of the Court of First Instance or (e) a judgement of the Court of Appeal. If the *Contractor* does not pay the claimant in accordance with this sub-clause, the *Client* may pay the claimant. The cost incurred by the *Client* is paid by the *Contractor*.	modified from SCC67A

(2) **Person employed by Tier Subcontractor**

If a claim for non-payment of wages for a person employed by a Tier Subcontractor to Provide the Works is

(a) reported to the Assistant Clerical Officer (Labour Relations) within seven working days of the final due date for payment as stated in section 23 of the Employment Ordinance (Cap. 57),

(b) proof thereof is furnished to the satisfaction of the Commissioner of Labour, and

(c) the claim is not disputed,

the *Contractor* promptly pays or ensures the Tier Subcontractor pays the claimant.

Where the claim is disputed, or if the Commissioner for Labour otherwise finds necessary, the *Contractor* pays or ensures the Tier Subcontractor pays the claimant in accordance with

(a) an award or order of the Labour Tribunal,

(b) an award or order of the Minor Employment Claims Adjudication Board,

(c) a judgment of the District Court,

(d) a judgment of the Court of First Instance or

(e) a judgement of the Court of Appeal.

If the *Contractor* or Tier Subcontractor does not pay the claimant in accordance with this sub-clause, the *Client* may pay the claimant. The cost incurred by the *Client* is paid by the *Contractor*.

(3) **Self-employed person**

Sub-clauses (1) and (2) of this clause apply equally to a self-employed person who is found to be an employee of the *Contractor* or a Tier Subcontractor by the following

(a) an award or order of the Labour Tribunal,

(b) an award or order of the Minor Employment Claims Adjudication Board,

(c) a judgment of the District Court,

(d) a judgment of the District Court,

(e) a judgment of the Court of First Instance, or

(f) a judgement of the Court of Appeal.

IV:5 Third Party Claims in Respect of Damage on and to Agricultural Lands

IV:5 Third Party Claims in Respect of Damage on and to Agricultural Lands	**Guidelines**
(1) The *Contractor* does not cause damage to crops or property on agricultural lands. If the *Contractor* receives a claim for damage to crops or property on agricultural land, the *Contractor* informs the *Client* and the *Project Manager*. The *Contractor* keeps the *Client* and the *Project Manager* informed of the progress in settling any such claim.	WBTC No. 28/92 Modified from SCC 13
(2) The *Project Manager* informs the District Lands Officer of any claim for damage to crops or property on agricultural lands, and representative of the District Lands Office attends any negotiations. Any payment in settlement of the claim is paid by the *Contractor* through the District Lands Officer to the claimant. The *Contractor* takes all necessary action to ensure that the claim is settled without delay including notifying its insurers of the claim. If the *Client* considers that the *Contractor* or its insurers are delaying settlement, the *Client* may make direct payment to the claimant and then such sums are paid by the *Contractor* or deducted from the amount due to the *Contractor*.	**Optional** for contracts where the possibly of damage to agricultural crops and/or property on agricultural lands might arise

IV:6 Pay for Safety Performance Merit Scheme

IV:6 Pay for Safety Performance Merit Scheme

Guidelines

SDEV's memo ref. (02LSV-01-1) in DEVB(W) 516/70/03 dated 22.11.2013

(1) For the purpose of this clause,

"**PFSPMS**" means the Pay for Safety Performance Merit Scheme and

"**performance-tied payment items**" means the performance-tied payment items listed in the *incentive schedule* for Performance-tied Payment Items of the PFSPMS in **Appendix** [*insert reference*] to the Contract Data Part one.

(2) The *Contractor* complies with the requirements and submits Monthly Reports on Safety Performance (refer to as "**Monthly Report**" in this clause) and relevant documentary proof for the performance-tied payment items as required by section [*insert reference*] of the Particular Specification on "Report on Safety Performance and Payment for Performance-tied Payment Items".

(3) The *Project Manager* assesses the amounts for the performance-tied payment items submitted in each Monthly Report in accordance with the Assessment Rules for the Performance-tied Payment Items of the PFSPMS and the *incentive schedule* for the Performance-tied Payment Items of the PFSPMS in **Appendix** [*insert reference*] to the Contract Data Part one in accordance with NEC Clause X20.4 and notifies the *Contractor* of the assessed amounts. The *Contractor* includes the assessed amounts in its next application for payment statement submitted in accordance with NEC Clause 50.2.

(4) (a) If the *Contractor* or the *Project Manager* considers that adjustment of any of the Monthly Reports, including those submitted and agreed by the *Project Manager* previously, is required, the *Contractor* revises and re-submits the relevant Monthly Report to the *Project Manager* for correction and acceptance.

(b) Any accident which is suspected to be a reportable accident is counted as a reportable accident in the Monthly Report for the month in which the accident occurs. Without prejudice to the generality of sub-clause (a) above, if it is subsequently concluded that the accident is not a reportable accident, the *Contractor* revises and re-submits the relevant Monthly Report to the *Project Manager* for correction and acceptance.

IV:7 ISO 9000 Certification for the *Contractor*

IV:7 ISO 9000 Certification for the *Contractor*

Guidelines

(1) The *Contractor*, or where the *Contractor* is a joint venture, its specified participant or shareholder in the statement submitted in accordance with Special Conditions of Tender Clause *[insert the clause number of the SCT dealing with ISO 9000 certification for the Contractor]* either

(a) has obtained ISO 9000 certificate acceptable to the *Client* with the scope of certification acceptable to the *Project Manager* on or before the Contract Date or

(b) within three months of the Contract Date, books with a certification body acceptable to the *Client* the date of audit for the ISO 9001 certification; with detailed documented quality system procedures ready at the time of booking.

(2) If sub-clause(1)(b) above applies and the *Contractor* does not make such booking, the *Client* withholds payment until such booking is made and the *Contractor* is not entitled to interest in that period *[provided that this condition precedent does not apply to the advanced payment under NEC Clause X14].

[**include the words in [square brackets] only when Secondary Option Clause X14 is adopted.*]

WBTC No. 13/2001

SDEV's memo ref. DEVB(W) 520/83/01 dated 4.4.2018 and DEVB(W) 510/33/02 dated 14.2.2020.

Modified from SCC28

IV:8 Intellectual Property Rights

IV:8 Intellectual Property Rights **Guidelines**

(1) For the purpose of this clause:-

Updated based on IPD's comments in April 2025.

(a) The "***Contractor*'s design**" includes but is not limited to *Contractor*'s Design, Cost Savings Design, and the resultant works of such designs.

(b) "**IP Materials**" means any machine, work, method, material, drawings and documents (including maintenance manuals) or anything whatsoever required for any works provided, developed, adopted, produced or used by the *Contractor*, Tier Subcontractors or the manufacturers of any proprietary product or system required or selected by the *Contractor* in the performance of the contract.

(2) The *Contractor* shall be fully responsible for its design under the contract (including the *Contractor*'s design) as well as the general performance of the contract.

(3) The *Contractor* does not infringe any Intellectual Property Rights or moral rights of any person in the performance of the contract.

(4) Except in respect of those Intellectual Property Rights referred to in sub-clause (6) of this clause, the *Contractor* hereby undertakes and warrants to the *Client* that the *Contractor* is the sole legal and beneficial owner of all Intellectual Property Rights subsisting in the *Contractor*'s design and the IP Materials.

(5) Upon the issue of the certificate of Completion of the *works*, or after termination, abandonment or breach of the contract, the *Contractor* is deemed to have granted to the *Client*, its authorised users and the subsequent owners and occupiers of the *works* free of all fees a transferable, sub-licensable, non-exclusive, worldwide, perpetual and irrevocable licence to utilise, use and copy the *Contractor*'s design and the IP Materials or any part(s) thereof in connection with the construction of the *works* and/or the subsequent alteration, extension and maintenance thereof and for any purpose connected with construction, use, maintenance, alteration or demolition of the *works* (unless otherwise stated in the Scope) and for other purposes as stated in or contemplated by the Scope and the contract. If different certificates of Completion have been issued for different *sections* or parts of the *works* pursuant to NEC Clause 30.2, the expression "certificate of Completion", for the purpose of this sub-clause, means the last of such certificates.

(6) To the extent that legal and beneficial ownership of any Intellectual Property Rights in the *Contractor*'s design and the IP Materials is vested in anyone other than the *Contractor*, the *Contractor* procures at its own cost and expense that the relevant legal and beneficial owner grants a licence together with an indemnity to the *Client*, its authorised users and the subsequent owners and occupiers of the *works* upon the same terms mutatis mutandis as those set out in sub-clauses (5) and (9) of this clause respectively.

(7) For the avoidance of doubt, any license and indemnity granted pursuant to this clause is not determined if the *Contractor* for any reason ceases to be employed in connection with the *works* or the *Contractor*'s obligation to Provide the Works be terminated.

(8) Upon the *Client*'s request, the *Contractor* is to do such acts and execute all such deeds and documents (or procure that the same be done or executed) as the *Client*, its authorised users or the subsequent owners or occupiers of the *works* may require for granting to the *Client*, its authorised users and the subsequent owners and occupiers of the *works* all or any of the rights referred to in this clause. The *Contractor* bears its own costs and expenses in relation thereto.

(9) The *Contractor* shall indemnify the *Client*, its authorised users and the subsequent owners and occupiers of the *works* and keep the *Client*, its authorised users and the subsequent owners and occupiers of the *works* fully and effectively indemnified against all proceedings, actions, costs, claims, demands, damages, losses, expenses (including without limitation the fees and disbursements of lawyers, agents and expert witnesses) and any compensation and costs which may be agreed to be paid in settlement of any proceedings and liabilities of whatsoever nature arising out of or in connection with any allegation and/or claim that the use, custody, operation or possession of the *Contractor*'s design or the IP Materials or any part(s) thereof, or the use, custody, operation or possession and/or the alteration, extension or maintenance by the *Client*, its authorised users and subsequent owners or occupiers of the *works* of the *Contractor*'s design or the IP Materials or any part(s) thereof, or the exercise of any rights granted to the *Client*, its authorised users and the subsequent owners and occupiers of the *works* under the contract infringes any Intellectual Property Rights or any other rights of any person.

For avoidance of doubt, the indemnity herein applies where the proceedings concerned are subsequently withdrawn or settled or where the allegations of infringement are subsequently found to be unsubstantiated.

(10) The *Contractor* warrants that

(a) the provision of the *Contractor*'s design and the IP Materials and the use, custody, operation or possession and/or the alteration, extension or maintenance by the *Client*, its authorised users and subsequent owners or occupiers of the *works* of the *Contractor*'s design or the IP Materials or any part(s) thereof, and the exercise of any rights granted to the *Client*, its authorised users and the subsequent owners and occupiers of the *works* under the contract does not and will not infringe any Intellectual Property Rights or any other rights of any person, and

(b) in respect of any article, component, process or invention in the *Contractor*'s design and the IP Materials, the Intellectual Property Rights of which are vested in a third party, the *Contractor*, Tier Subcontractors or the manufacturers have or shall have obtained a valid and continuing licence under which [they are entitled to use the relevant article, component, process or invention to Provide the Works and/or in the performance of the contract and the *Client*, its authorised users and the subsequent owners and occupiers of the *works* are entitled to use, operate and possess, and/or alter, extend and maintain the *Contractor*'s design and the IP Materials. The costs and expenses of the above licences shall be borne by the *Contractor*, Tier Subcontractors or manufacturers (as the case may be).

(11) The *Contractor* shall irrevocably waive, and undertake to procure at its own cost and expense all authors of the *Contractor*'s design and the IP Materials to irrevocably waive, all moral rights (whether past, present or future) in such items. The waiver shall operate in favour of the *Client*, its authorised users and the subsequent owners and occupiers of the *works* and shall take effect upon the grant of licence to the *Client*, its authorised users and the subsequent owners and occupiers of the *works*.

(12) The provisions of this clause shall survive the Completion or termination and shall continue in full force and effect notwithstanding such Completion or termination.

IV:9 Intellectual Property Rights relating to Site Uniform

IV:9 Intellectual Property Rights relating to Site Uniform **Guidelines**

(1) The *Contractor* warrants to the *Client* that:

(a) the design including but not limited to the *Contractor*'s logo and/or any logo of a Subcontractor employed by the *Contractor* to carry out any part of the *works*, manufacture and supply of the site uniform (hereinafter collectively referred to in this clause as "**design of the site uniform**") in accordance with Clause [*insert reference*] of the Particular Specification does not and will not infringe any Intellectual Property Rights of any person, and

(b) in respect of the design of the site uniform including but not limited to the supply or use of any materials or articles by the *Contractor*, the Intellectual Property Rights of which are vested in a third party, the *Contractor* has or shall have obtained the grant of all necessary clearances and licences (which shall be sub-licensable) for itself and for the *Client*, its authorised users, assigns and successors-in-title to use such materials or articles in the manner and for any of the purposes as set out and contemplated by the contract prior to the supply or use of such materials or articles. The costs and expenses of the above clearances and licences shall be borne by the *Contractor*.

Updated based on IPD's comments in April 2025.

Modified from SCC U1 at Annex A1 of SDEV memo ref. DEVB(Trg) 133/3 (10) of 23.1.2017

(2) The *Contractor* shall indemnify the *Client*, its authorised users, assigns and successors-in-title and keep the *Client*, its authorised users, assigns and successors-in-title fully and effectively indemnified against all actions, costs, claims, demands, damages, expenses (including without limitation the fees and disbursements of lawyers, agents and expert witnesses) and any awards and costs which may be agreed to be paid in settlement of any proceedings and liabilities of whatsoever nature arising out of or in connection with any allegation and/or claim that the design of the site uniform, its possession, custody or use, and the exercise of any rights granted to the *Client*, its authorised users, assigns and successors-in-title infringes any Intellectual Property Rights or any other rights of any person.

(3) For the avoidance of doubt, the design, manufacture, supply and/or use by the *Contractor* of the anti-heat stress uniform of the Hong Kong Polytechnic University referred to in Clause [*insert reference*] of the Particular Specification shall not in any way relieve the *Contractor* from the warranty under sub-clause (1) above or the indemnity under sub-clause (2) above.

(4) The provisions of this clause shall survive Completion or termination and shall continue in full force and effect notwithstanding such Completion or termination.

IV:10 Relevant Imported Items

IV:10 Relevant Imported Items	**Guidelines**
(1) If the *Project Manager* certifies Special Payment for any Relevant Imported Item in a *Project Manager*'s certificate and the amount certified as due to the *Contractor* in the *Project Manager*'s certificate has been paid by the *Client*, the *Contractor* delivers the Relevant Imported Item to the Site within 6 months from the date of payment.	SDEV memo ref. DEVB(W) 510/33/02 dated 8.7.2022 and 22.11.2023
(2) Subject to sub-clause (3), if the *Contractor* fails to comply with sub-clause (1), then, without prejudice to any other right or remedy that the *Client* may have against the *Contractor*, the *Client* is entitled to deduct the Special Payment paid by the *Client* for that Relevant Imported Item from the amount due to the *Contractor* in 6 equal monthly instalments, or to otherwise recover the amount of the Special Payment made from the *Contractor.*	
(3) On the expiry or earlier termination of the contract for any reason, all Special Payments made by the *Client* for Relevant Imported Items that are not yet delivered by the *Contractor* to the Site on the date of expiry or termination of the contract is immediately recoverable by the *Client* from the *Contractor* as a debt.	
(4) The *Project Manager* may cease to accept any new application for Special Payment for Relevant Imported Items on giving the Contractor not less than 30 days' written notice in advance. The date on which the cessation takes effect is hereinafter referred to as the "**Cessation Date**".	
(5) With effect from the Cessation Date, the *Contractor* does not make, and the *Project Manager* does not accept, any new application for Special Payment. Notwithstanding the cessation, the *Project Manager* continues to process an application for Special Payment that is submitted before the Cessation Date and for which an assessment has not yet been made by the *Project Manager* under NEC Clause 50.	

IV:11 Prohibition of Imposing Administrative Charges for Reporting Site Accidents and Elimination of Under-reporting of Site Accidents

IV:11 Prohibition of Imposing Administrative Charges for Reporting Site Accidents and Elimination of Under-reporting of Site Accidents	**Guidelines**
(1) The *Contractor* does not impose charges of any form on any Tier Subcontractor, or deduct any amount from the payment to which any Tier Subcontractor is entitled, for reporting accidents and processing any claims for compensation under the Employees' Compensation Ordinance (Cap. 282) on behalf of the Tier Subcontractor.	SDEV's memo ref. DEVB(W) 516/80/03 dated 3.8.2022
(2) Where injury by accident arising out of and in the course of the employment is caused to any person employed to Provide the Works or in connection with the contract, the *Contractor* notifies the Commissioner for Labour in such form and manner as required by the law and reports the matter to the *Project Manager* in the form prescribed in the contract without delay. This sub-clause applies irrespective of whether the person is in the employ of the *Contractor* or a Tier Subcontractor, and whether the person claims for compensation.	
(3) The *Contractor* makes necessary arrangements to ensure that all Tier Subcontractors report all accidents on the Working Areas involving their employees via their upper tier subcontractors (if applicable) to the *Contractor* without delay. Such arrangement shall be incorporated in the Safety Plan and Subcontractor Management Plan required under the contract.	
(4) The *Client* is not liable for any accident or injury to any worker or other person in the employ of the *Contractor* or any Tier Subcontractors or any damages or compensation payable at law in respect of or in consequence of any such accident or injury, save and except an accident or injury resulting from any act or default of the *Client*, his agents or employees and the *Contractor* indemnifies and keeps indemnified the *Client* against all such damages and compensation, save and except as aforesaid and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto.	
(5) The compliance of this clause by the *Contractor* is entirely without prejudice to and does not relieve the *Contractor* from any of its obligations or responsibilities under the contract, the Factories and Industrial Undertakings Ordinance (Cap. 59), the Occupational Safety and Health Ordinance (Cap. 509) and the Employees' Compensation Ordinance (Cap. 282), and all their subsidiary legislation.	

IV:12 Assessment of the Price for Work Done to Date for each Stage of MiC Works

IV:12 Assessment of the Price for Work Done to Date for each Stage of MiC Works	**Guidelines**
(1) The provisions of this Clause shall apply in assessing the Price for Work Done to Date for *activities relating to MiC works in Schedule Nr. [X] of the Activity Schedule and shall be read in conjunction with NEC Clause 11.2(32)[***for Option A***] /work covered by items relating to MiC works in Bill Nr. [X] and shall be read in conjunction with NEC Clause 11.2(33)[***for Option B***].	SDEV's memo ref. DEVB(PSGO) 100/1 dated 18.3.2024 * Delete/revise as appropriate

IV:12 Assessment of the Price for Work Done to Date for each Stage of MiC Works **Guidelines**

(2) For the purposes of this Clause, the following terms shall have the meaning assigned to them below:

"relevant activity", in relation to a Stage means the activity specified in relation to such stage in Column 3 of the table in this sub-clause;

"Stage" means a stage of the MiC works specified in Column 1 of the table in this sub-clause; and

"Sum for each Stage of MiC works" in relation to a Stage means the sum calculated by applying the percentage specified in relation to such Stage in Column 2 of the table in this sub-clause to the total of the Prices of *Schedule Nr. [X] of the Activity Schedule [***for Option A***]

/Bill Nr. [X] of the Bill of Quantities [***for Option B***].

Column 1 **Stage**	**Column 2** **Percentage of the Sum for MiC works**	**Column 3** **Activity**
Stage 1	4%	Drawings for all MiC modules approved
Stage 2	8%	Mock-up for all MiC modules approved
Stage 3	8%	Preparatory works necessary for commencement of fabrication of all MiC modules completed
Stage 4	35%	MiC modules completed off-Site (before delivery to the Site)
Stage 5	25%	MiC modules delivered to the Site
Stage 6	20%	MiC modules fixed-in-final position

IV:12 Assessment of the Price for Work Done to Date for each Stage of MiC Works **Guidelines**

(3) For each of Stages 1, 2 and 3, the *Contractor* shall include the Sum for each Stage of MiC works in the application for payment pursuant to NEC Clause 50.2 after the relevant activity is completed. The *Contractor* shall submit to the *Project Manager* all relevant supporting documents and substantiate the completion of the relevant activity and the Sum for each Stage of MiC works. For the avoidance of doubt, the *Project Manager* shall not certify any payment for Stage 1, Stage 2 or Stage 3 before the completion of the relevant activity of the respective Stage.

(4) For each of the Stages 4, 5 and 6, the *Contractor* shall include the proportion of the Sum for each Stage of MiC works which corresponds to the proportion of the relevant activity completed in the application for payment submitted pursuant to NEC Clause 50.2. The *Contractor* shall submit to the *Project Manager* all relevant supporting documents and substantiate the proportion of the relevant activity completed and the proportion of the Sum for each Stage of MiC works.

(5) For Stage 3, the relevant supporting documents required to be submitted in support of an application for payment includes, but is not limited to, the subcontract(s) with MiC subcontractor(s), invoice of payment to MiC subcontractor(s), progress report(s), progress photo(s) and video(s). For the avoidance of doubt, the *Project Manager* shall not certify any payment for Stage 3 if no supporting documents has been provided by the *Contractor*, or if the *Project Manager* is not satisfied that the relevant activity has been completed.

(6) For Stage 4, if the *Contractor* wishes to apply for interim payment before the MiC works are delivered to the Site, the *Contractor* shall comply with the requirements under ACC Clause IV:[13] ***[Insert clause number of the ACC for Interim Payment for Off-Site Manufacture of MiC Works]***.

IV:13 Interim Payment for Off-Site Manufacture of MiC Works

IV:13 Interim Payment for Off-Site Manufacture of MiC Works **Guidelines**

(1) For purposes of this Clause,

SDEV's memo ref. DEVB(PSGO) 100/1 dated 18.3.2024

"Stage 4" of MiC works and "relevant activity" shall have the same meaning as defined under ACC Clause IV:[12](2). ***[Insert clause number of the ACC for Assessment of the Price for Work Done to Date for each Stage of MiC Works]***

"Qualified MiC Works" shall mean MiC works completed off-Site which satisfy the following requirements:

(a) have met all the contractual requirements and geometric configurations;

(b) are the *Contractor*'s absolute and unencumbered property;

(c) are ready for shipment to the Site for erection, or are in the course of transportation to the Site for inclusion in the *works* but are yet to be delivered to the Site; and

(d) are set apart and have been clearly and visibly marked, individually or as a set, as follows:

"Property of the Government of the Hong Kong Special Administrative Region. For use in ***[contract no. and title]***. Destination: **[*Site address*]**".

(2) Should the *Contractor* apply for interim payment for a proportion of relevant activity in Stage 4 of MiC works pursuant to ACC Clause IV:[12](4) ***[Insert clause number of the ACC for Assessment of the Price for Work Done to Date for each Stage of MiC Works]*** and NEC Clause 50.2 ("**Stage 4 Interim Payment**") before the MiC works relating to the proportion of relevant activity in Stage 4 of the MiC works ("**Relevant Works**") are delivered to the Site, the *Contractor* shall:

(a) submit to the *Project Manager*, on or before the assessment date at the end of each *assessment interval*, all relevant documents and information to show that the Relevant Works satisfied the requirements of Qualified MiC Works;

(b) upon request, provide the *Project Manager* or the *Client* with any documents or information relating to the Relevant Works;

(c) be responsible for the arrangement and all associated costs in connection with and provide assistance to facilitate the visits of the *Project Manager*'s delegate to any off-Site manufacture / fabrication / assembly yard(s) to verify whether the proportion of the relevant activity in Stage 4 of MiC works has been completed;

(d) submit a duly executed vesting certificate ("**Certificate**") in relation to the Relevant Works in the form annexed at Appendix [*insert reference*] to the *additional conditions of contract* together with its application for payment; and

(e) if the Relevant Works are manufactured by a Subcontractor, submit a duly signed letter from the Subcontractor for the Relevant Works in the form annexed at Appendix [*insert reference*] to the *additional conditions of contract*.

(3) For the avoidance of doubt, if no Certificate or letter as described in sub-clause (2)(d) or (2)(e) has been submitted, or if the *Project Manager* is not satisfied that the Relevant Works have met all the requirements of Qualified MiC Works, no Stage 4 Interim Payment shall be certified and any application for Stage 4 Interim Payment shall be made and processed upon the delivery of the Relevant Works to the Site.

(4) If the *Project Manager* certifies Stage 4 Interim Payment in a *Project Manager*'s Certificate:

(a) The Relevant Works shall, notwithstanding NEC Clauses 70 and 71, be and become the property of the *Client* when the *Client* pays the amount certified as due to the *Contractor* in the *Project Manager*'s certificate.

(b) The Relevant Works shall not be removed without an instruction or the prior written consent of the *Project Manager* and may be inspected by the *Project Manager*'s delegate on reasonable notice.

(c) Without prejudice to the generality of NEC Clause 81.1, any claims and proceedings from Others and compensation and costs payable to Others which arise from or in connection with the Relevant Works and any loss of or damage to the Relevant Works are the *Contractor*'s liabilities, and the *Contractor* shall procure such insurance as is necessary to cover such liabilities.

(d) The *Contractor* shall be responsible for the cost of storage, handling, transporting, insurance and visits of the *Project Manager*'s delegate to any off-Site manufacture / fabrication / assembly yard(s) of the Relevant Works.

The operation of this sub-clause and the *Client*'s payment of any Stage 4 Interim Payment shall not be deemed to imply any acceptance by the *Project Manager* of any Relevant Works or prevent the rejection by the *Project Manager* of any Relevant Works at any time.

(5) Neither the *Contractor* nor a Subcontractor nor any other person shall have a lien or charge on the Relevant Works which have become the property of the *Client* under sub-clause (4) for any sum due to the *Contractor*, Subcontractor or other person and the *Contractor* shall take all such steps as may reasonably be necessary to ensure that the title of the *Client* and the exclusion of any such lien or charge are brought to the notice of the Subcontractor and any other person dealing with the Relevant Works.

(6) In the event of the termination of the contract for any reason, the *Contractor* shall, at its own cost, deliver the Relevant Works to the Site. If the *Contractor* fails to promptly perform that delivery, the *Client* may enter any premises and, at the *Contractor*'s cost, collect the Relevant Works and take them to the Site or to any other location.

IV:14 Assessment of the Price for Work Done to Date for each Stage of MiMEP Works

IV:14 Assessment of the Price for Work Done to Date for each Stage of MiMEP Works	**Guidelines**
(1) The provisions of this Clause shall apply in assessing the Price for Work Done to Date for *activities relating to MiMEP works in Schedule Nr. [Y] of the Activity Schedule and shall be read in conjunction with NEC Clause 11.2(32)[***for Option A***] /work covered by items relating to MiMEP works in Bill Nr. [Y] and shall be read in conjunction with NEC Clause 11.2(33)[***for Option B***].	SDEV's memo ref. DEVB(PSGO) 100/1 dated 18.3.2024 * Delete/revise as appropriate
(2) For the purposes of this Clause, the following terms shall have the meaning assigned to them below: "relevant activity", in relation to a Stage means the activity specified in relation to such stage in Column 3 of Tables A and B in this sub-clause; "Stage" means a stage of the MiMEP works specified in Column 1 of Tables A and B in this sub-clause; and "Sum for each Stage of MiMEP works with mock-up" in relation to a Stage means the sum calculated by applying the percentage specified in relation to such Stage in Column 2 of Table A in this sub-clause to the total of the Prices of MiMEP works with mock-up in *Schedule Nr. [Y] of the Activity Schedule [***for Option A***] /Bill Nr. [Y] of the Bill of Quantities [***for Option B***]. "Sum for each Stage of MiMEP works without mock-up" in relation to a Stage means the sum calculated by applying the percentage specified in relation to such Stage in Column 2 of Table B in this sub-clause to the total of the Prices of MiMEP works without mock-up in *Schedule Nr. [Y] of the Activity Schedule [***for Option A***] /Bill Nr. [Y] of the Bill of Quantities [***for Option B***].	

IV:14 Assessment of the Price for Work Done to Date for each Stage of MiMEP Works **Guidelines**

Table A - MiMEP works with mock-up

Column 1 Stage	Column 2 Percentage of the Sum for MiMEP works with mock-up	Column 3 Activity
Stage 1	4%	Drawings for MiMEP modules approved
Stage 2	8%	Mock-up for MiMEP modules approved
Stage 3	8%	Preparatory works necessary for commencement of fabrication of MiMEP modules completed
Stage 4	35%	MiMEP modules completed off-Site (before delivery to the Site)
Stage 5	25%	MiMEP modules delivered to the Site
Stage 6	20%	MiMEP modules fixed-in-final position

Table B –MiMEP works without mock-up

Column 1 Stage	Column 2 Percentage of the Sum for MiMEP works without mock-up	Column 3 Activity
Stage 1	4%	Drawings for MiMEP modules approved
Stage 2	-	Not used
Stage 3	16%	Preparatory works necessary for commencement of fabrication of MiMEP modules completed
Stage 4	35%	MiMEP modules completed off-Site (before delivery to the Site)
Stage 5	25%	MiMEP modules delivered to the Site
Stage 6	20%	MiMEP modules fixed-in-final position

(3) The *Contractor* shall include in the application for payment submitted pursuant to NEC Clause 50.2:

(a) the proportion of the Sum for each Stage of MiMEP works with mock-up which corresponds to the proportion of the relevant activity completed; and

(b) the proportion of the Sum of each Stage of MiMEP works without mock-up which corresponds to the proportion of the relevant activity completed.

The *Contractor* shall submit to the *Project Manager* all relevant supporting documents and substantiate the proportion of relevant activity completed and the sum included in the application for payment.

(4) For Stage 3 of MiMEP works (whether with or without mock-up), the relevant supporting documents required to be submitted in support of an application for payment includes, but is not limited to, the subcontract(s) with MiMEP subcontractor(s), invoice of payment to MiMEP subcontractor(s), progress report(s), progress photo(s) and video(s). For the avoidance of doubt, the *Project Manager* shall not certify any payment for Stage 3 if no supporting documents has been provided by the *Contractor*, or if the *Project Manager* is not satisfied that the relevant proportion of the activity has been completed.

(5) For Stage 4 of MiMEP works (whether with or without mock-up), if the *Contractor* wishes to apply for interim payment before the MiMEP works are delivered to the Site, the *Contractor* shall comply with the requirements under ACC Clause IV:[15] ***[Insert clause number of the ACC for Interim Payment for Off-site Manufacture of MiMEP Works]***.

IV:15 Interim Payment for Off-Site Manufacture of MiMEP Works

IV:15 Interim Payment for Off-Site Manufacture of MiMEP Works **Guidelines**

(1) For purposes of this Clause,

"Stage 4" of MiMEP works and "relevant activity" shall have the same meaning as defined under ACC Clause IV:[14](2). **[***Insert clause number of the ACC for Assessment of the Price for Work Done to Date for each Stage of MiMEP works***]**

"Qualified MiMEP Works" shall mean MiMEP works completed off-Site which satisfy the following requirements:

(a) have met all the contractual requirements and geometric configurations;

(b) are the *Contractor*'s absolute and unencumbered property;

(c) are ready for shipment to the Site for erection, or are in the course of transportation to the Site for inclusion in the *works* but are yet to be delivered to the Site; and

(d) are set apart and have been clearly and visibly marked, individually or as a set, as follows:

"Property of the Government of the Hong Kong Special Administrative Region. For use in ***[contract no. and title]***. Destination: **[*Site address*]**".

(2) Should the *Contractor* apply for interim payment for a proportion of the relevant activity in Stage 4 of MiMEP works pursuant to ACC Clause IV:[14](3) **[***Insert clause number of the ACC for Assessment of the Price for Work Done to Date for each Stage of MiMEP works***]** and NEC Clause 50.2 ("**MiMEP Stage 4 Interim Payment**") before the MiMEP works relating to the proportion of the relevant activity in Stage 4 of MiMEP works ("**Relevant MiMEP Works**") are delivered to the Site, the *Contractor* shall:

(a) submit to the Project Manager, on or before the assessment date at the end of each assessment interval, all relevant documents and information to show that the Relevant MiMEP Works satisfied the requirements of Qualified MiMEP Works;

(b) upon request, provide the *Project Manager* or the *Client* with any documents or information relating to the Relevant MiMEP Works;

(c) be responsible for the arrangement and all associated costs in connection with and provide assistance to facilitate the visits of the *Project Manager*'s delegate to any off-Site manufacture / fabrication / assembly yard(s) to verify whether the proportion of the relevant activity in Stage 4 of MiMEP works has been completed;

(d) submit a duly executed vesting certificate ("**MiMEP Certificate**") in relation to the Relevant MiMEP Works in the form annexed at Appendix [*insert reference*] to the *additional conditions of contract* together with its application for payment; and

(e) if the Relevant MiMEP Works are manufactured by a Subcontractor, submit a duly signed letter from the Subcontractor for the Relevant MiMEP Works in the form annexed at Appendix [*insert reference*] to the *additional conditions of contract*.

(3) For the avoidance of doubt, if no MiMEP Certificate or letter as described in sub-clause (2)(d) or (2)(e) has been submitted, or if the *Project Manager* is not satisfied that the Relevant MiMEP Works have met all the requirements of Qualified MiMEP Works, no MiMEP Stage 4 Interim Payment shall be certified and any application for MiMEP Stage 4 Interim Payment shall be made and processed upon the delivery of the Relevant MiMEP Works to Site.

(4) If the *Project Manager* certifies MiMEP Stage 4 Interim Payment in a *Project Manager*'s Certificate:

(a) The Relevant MiMEP Works shall, notwithstanding NEC Clauses 70 and 71, be and become the property of the *Client* when the *Client* pays the amount certified as due to the *Contractor* in the *Project Manager*'s certificate.

(b) The Relevant MiMEP Works shall not be removed without an instruction or the prior written consent of the *Project Manager* and may be inspected by the *Project Manager*'s delegate on reasonable notice.

(c) Without prejudice to the generality of NEC Clause 81.1, any claims and proceedings from Others and compensation and costs payable to Others which arise from or in connection with the Relevant MiMEP Works and any loss of or damage to the Relevant MiMEP Works are the *Contractor*'s liabilities, and the *Contractor* shall procure such insurance as is necessary to cover such liabilities.

(d) The *Contractor* shall be responsible for the cost of storage, handling, transporting, insurance and visits of the *Project Manager*'s delegate to any off-Site manufacture / fabrication / assembly yard(s) of the Relevant MiMEP Works.

The operation of this sub-clause and the *Client*'s payment of any MiMEP Stage 4 Interim Payment shall not be deemed to imply any acceptance by the *Project Manager* of any Relevant MiMEP Works or prevent the rejection by the *Project Manager* of any Relevant MiMEP Works at any time.

(5) Neither the *Contractor* nor a Subcontractor nor any other person shall have a lien or charge on the Relevant MiMEP Works which have become the property of the *Client* under sub-clause (4) for any sum due to the *Contractor*, Subcontractor or other person and the *Contractor* shall take all such steps as may reasonably be necessary to ensure that the title of the *Client* and the exclusion of any such lien or charge are brought to the notice of the Subcontractor and any other person dealing with the Relevant MiMEP Works.

(6) In the event of the termination of the contract for any reason, the *Contractor* shall, at its own cost, deliver the Relevant MiMEP Works to the Site. If the *Contractor* fails to promptly perform that delivery, the *Client* may enter any premises and, at the *Contractor*'s cost, collect the Relevant MiMEP Works and take them to the Site or to any other location.

Section V Subcontracting

V:1 Basic Constraints

V:1	Basic Constraints	Guidelines
(1)	The *Contractor* does not subcontract the whole of the *works*.	Modified from GCC4
(2)	The *Project Manager*, if in its opinion it considers it necessary, has full power to order the removal of any Tier Subcontractor from the Site and/or Providing the Works, which power shall not be exercised unreasonably.	
(3)	If instructed by the *Project Manager*, the *Contractor* submits full particulars and/or original copies of the subcontract documents of any Tier Subcontractor and the supply contracts of any suppliers to the *Project Manager*.	
(4)	The *Contractor* uses its own employees to manage and supervise its Subcontractors.	

V:2 Subcontractor Management Plan

V:2 Subcontractor Management Plan **Guidelines**

(1) Within four weeks of the Contract Date, the *Contractor* provides the *Project Manager* with a Subcontractor Management Plan ("**SMP**") for comment.

(2) As a minimum, the *Contractor* reviews the SMP on a quarterly basis (counting from the date of the first SMP) until issuance of the last certificate of Completion. If any changes are made to the SMP, the *Contractor* provides the *Project Manager* with the changed SMP. An explanation of the changes made since the previous version is submitted with each revision. If there is no change to the previous SMP, the *Contractor* declares such status in writing instead of submitting the same SMP again.

(3) The SMP provided by the *Contractor* complies with the requirements stated in the "**Guidelines on Scope and Contents of the Subcontractor Management Plan**" in **Appendix** [*insert reference*] to the *additional conditions of contract*.

(4) The *Project Manager* may issue comment on the SMP within the *period of reply* and the *Contractor* resubmits the SMP within the *period of reply*. No acceptance of the SMP is required from the *Project Manager*.

(5) If instructed by the *Project Manager*, the *Contractor* provides the *Project Manager* with evidence to demonstrate it has complied with the latest SMP. The evidence may include

(i) subcontract documents,

(ii) reports from Subcontractors on their further subcontracting arrangement and daily attendance records of site workers and

(iii) other information identified in the guidelines in **Appendix** [*insert reference*] to the *additional conditions of contract*.

V:3 Limiting Tiers of Subcontracting

V:3 Limiting Tiers of Subcontracting

(1) For the purpose of this clause, "**confined space**" has the same meaning as defined in the Factories and Industrial Undertakings (Confined Spaces) Regulation (Cap. 59AE).

(2) The *Contractor* limits the number of tiers of subcontracting to two except that the following is limited to one

(a) *works* requiring entry of humans into a confined space that forms part of a sewerage or drainage system and

(b) [any part of the works] involving [state clearly the project-specific high risk operation].

(3) The *Contractor* may propose an additional tier of subcontracting to the *Project Manager* for acceptance. The proposal is submitted no later than two weeks before the relevant contractor is appointed and includes an explanation of why the additional tier of subcontracting is necessary.

The *Project Manager* may give any reason for not accepting the proposal. If the *Project Manager* fails to reply to the *Contractor*'s proposal within the *period of reply*, it is treated as acceptance by the *Project Manager* of the proposal.

Guidelines

SDEV's memo ref. DEVB(W) 510/17/01 dated 19.4.2021

The effect of this ACC is to limit the number of tiers of subcontracting to a maximum of three tiers, which aligns with the definition of a Tier Subcontractor in NEC Clause 11.2(23). For the avoidance of doubt, the additional tier of subcontracting under sub-clause (3) refers to the third tier of subcontracting.

V:4 Subcontractor Registration Scheme

V:4 Subcontractor Registration Scheme **Guidelines**

(1) For the purpose of this clause,

(a) "**RSTCS**" means the Registered Specialist Trade Contractors Scheme managed by the Construction Industry Council and as referred to in the Rules and Procedures applicable to the aforesaid Scheme.

SDEV's memos ref. DEVB(W) 510/94/02 dated 6.9.2023 and 10.4.2024

(b) "**Register of Specialist Trade Contractors**" means the register of specialist trade contractors compiled by the Construction Industry Council for the purpose of the RSTCS.

SDEV's memo ref. DEVB WB WP4S-022-009-002 dated 11.12.2024 & 06.02.2026

(c) "**Group 1**", "**Group 1 (Advanced)**" and "**Group 2**" mean the classification of contractors into Group 1, Group 1 (Advanced) and Group 2 under each trade of the Register of Specialist Trade Contractors.

SDEV's memo ref. DEVB(W) 546/83/01 dated 24.4.2024.

(2) If the *Contractor* is to subcontract part of the *works*, except the part of the *works* to be done by a Specialist Contractor stated in ACC Clause V:5, involving trades available in the RSTCS, the *Contractor* appoints a Subcontractor

(a) that is identified as a subcontractor in the latest SMP,

(b) that is registered under the relevant trade in the RSTCS before the subcontract work starts, and

(c) if the Subcontractor is registered under a trade in the Register of Specialist Trade Contractors, that has been admitted into Group 1 (Advanced) or Group 2 before the subcontract work starts if the value of the subcontract exceeds the tender limit of Group 1 and that has been admitted into Group 2 before the subcontract work starts if the value of the subcontract exceeds the tender limit of Group 1 (Advanced).

The *Contractor* does not appoint a Subcontractor that is suspended or in the process of appealing against its suspension from registration unless the suspension will be lifted before the subcontract work starts.

(3) The *Contractor* ensures that a Tier Subcontractor that has been subcontracted with part of the *works*, except the part of the *works* to be done by a Specialist Contractor stated in ACC Clause V:5, involving trades available in the RSTCS

(a) is identified as a Tier Subcontractor in the latest SMP,

(b) is registered under the relevant trade in the RSTCS before the subsubcontract work starts, and

(c) if the Tier Subcontractor is registered under a trade in the Register of Specialist Trade Contractors, that is admitted into Group 1 (Advanced) or Group 2 before the subsubcontract work starts if the value of the subsubcontract exceeds the tender limit of Group 1 and that is admitted into Group 2 before the subsubcontract work starts if the value of the subsubcontract exceeds the tender limit of Group 1 (Advanced).

The Tier Subcontractor is not appointed if it is suspended or in the process of appealing against its suspension from registration unless the suspension will be lifted before the subsubcontract work starts.

V:5 Specialist Contractor

V:5 Specialist Contractor

Guidelines

(1) The following part(s) of the *works* is to be done by a specialist contractor listed in the "List of Approved Suppliers of Materials and Specialist Contractor for Public Works" ("**Approved Specialist List**") or the "List of Approved Contractors for Public Works" ("**Approved List**") maintained by the *Client* ("**Specialist Contractor**").

S for W's memos ref. WB(W) 209/32/110 dated 23.3.2001 and 2.5.2001

Modified from SCC14A, 14B & 14C

Optional for contracts requiring specialist contractor only

The Approved Specialist List	
[state the part of the *works*]	[state the type of material / specialist work and the Category, Group, Class and status as appropriate.]
The Approved List	
[state the part of the *works*]	[state the Category, Group and status as appropriate.]

(2) If the *Contractor* is a Specialist Contractor in the relevant Group, Category and, where appropriate, Class and status for the respective part of the *works*, it may do such work itself. If not, it appoints a Specialist Contractor in the relevant Group, Category and, where appropriate, Class and status as a Subcontractor to do such work.

(3) Unless otherwise agreed by the *Project Manager*, the *Contractor* does not appoint a Specialist Contractor that is suspended from tendering (whether by way of mandatory or voluntary suspension) in the respective Group, Category and, where appropriate, Class and status.

V:6 ISO 9000 Certification for Specialist Contractor

V:6 ISO 9000 Certification for Specialist Contractor

Guidelines

(1) If the *Contractor* appoints a Specialist Contractor as a Subcontractor to do the following part(s) of the *works*, the Subcontractor either:

WBTC No. 13/2001,

SDEV's memo ref. DEVB(W) 520/83/01 dated 4.4.2018. Modified from SCC29

Optional to be used with Clause V:5 on Specialist Contractor

The Approved Specialist List	
[state the part of the *works*]	[state the type of material / specialist work and the Category, Group, Class and status as appropriate.]
The Approved List	
[state the part of the *works*]	[state the Category, Group and status as appropriate.]

(a) has obtained an ISO 9001 certificate acceptable to the *Client* with the scope of certification acceptable to the Project Manager on or before the date of execution of the subcontract, or

(b) (i) has obtained a confirmation from a certification body acceptable to the *Client*, stating that a full review of the Quality Manual of its Hong Kong office has been carried out in Hong Kong and such Quality Manual has been found to be in conformity with ISO 9000, <u>and</u>

(ii) submits an undertaking to the *Project Manager* that within three months of the execution of the subcontract, it would book with the certification body the date of audit ISO 9001 certification, with detailed documented quality system procedures ready at the time of booking.

(2) If the *Contractor* fails to procure the Subcontractor to make such booking, the *Client* is entitled to withhold payment until such booking is made and the *Contractor* is not entitled to interest in that period.

V:7 Subcontract Conditions

V:7 Subcontract Conditions **Guidelines**

(1) The *Contractor* includes in each subcontract the following requirements. If necessary, the *Contractor* enters into a supplemental agreement with its Subcontractors to include the following requirements.

Do not subsubcontract the whole of the work

(a) A statement that the Subcontractor does not subsubcontract the whole of the work subcontracted.

Payment of Site Workers' Wages

(b) A clause on payment of wages of Site Workers in the form appearing in Appendix [*insert reference (see Annex to SDEV's memo ref. (02VKU-01-3) in DEVB(W)510/17/01 dated 16.12.2016)*] to the *additional conditions of contract*.

Disclosure

(c) A clause equivalent to ACC Clause II:3 requiring the Subcontractor and the Related Persons not to use or divulge any Confidential Information.

Corrupt Act

(d) The Subcontractor, its directors, employees, agents or suppliers do not do a Corrupt Act.

Ethical Commitment

(e) The Subcontractor requires its employees, agents and subsubcontractors to declare in writing to the Subcontractor any conflict or potential conflict between their personal or financial interests and their duties in connection with the contract.

(f) If a conflict or potential conflict is disclosed in a declaration, the Subcontractor immediately acts to mitigate as far as possible or remove the conflict or potential conflict.

(g) The Subcontractor prevents its employees, agents and subsubcontractors from undertaking any work or employment or entering into any agreement which causes or potentially results in a conflict between their personal or financial interests and their duties in connection with the contract.

Interim Statements

(h) The Subcontractor submits a signed declaration to confirm compliance with the provisions on ethical commitment, confidentiality and conflict of interest in its application for payment.

Section VI Procurement Procedures for Subcontractor and Suppliers

VI:1 Applicability of Procurement Procedures

VI:1 Applicability of Procurement Procedures **Guidelines**

(1) The procurement procedures stated in this Section VI do not apply to emergency works in relation to

(a) public health,

(b) public safety or

(c) removal of imminent risk to any person, property or the environment.

The *Contractor* keeps full record of the emergency works.

(2) Unless otherwise accepted by the *Project Manager*, if *Project Manager* instructs a change to the Scope that is a compensation event which renders it necessary for the *Contractor* to appoint a Subcontractor/supplier, which is assessed on the Defined Cost plus the Fee basis, the *Contractor* appoints the Subcontractor/supplier in accordance with the procedures stated in this Section VI.

Note: this sub-clause (2) is only applicable for Option A and Option B and not used in Option C and Option D.

Prohibition of Imposing Administrative Charges for Reporting of Site Accidents and Elimination of Under-reporting of Site Accidents

(i) The provisions titled "Mandatory Subcontract Conditions for Prohibition of Imposing Administrative Charges for Reporting of Site Accidents and Elimination of Under-Reporting of Site Accidents" in **Appendix** [*insert reference (see SDEV's memo ref. DEVB(W)516/80/03 dated 3.8.2022)*] to the *additional conditions of contract*.

(2) The *Contractor* requires and take all reasonable steps to ensure that a Tier Subcontractor, when further subcontracting works to any lower tier of subcontractor, includes the equivalent requirements above in the subcontracts. If necessary, the *Contractor* ensures that the Tier Subcontractor enters into a supplemental agreement to include the equivalent requirements above.

(3) (a) If prior to the Contract Date, the *Contractor* has pursuant to Special Conditions of Tender Clause SCT [18] proposed a Subcontractor/supplier for the item(s) stipulated as subject to pre-bid arrangement in **Appendix** [S] to the *additional conditions of contract* and the *Client* considers the requirements in Special Conditions of Tender Clause SCT [18] are satisfied ("**such Subcontractor/supplier**"), the procurement procedures stated in this Section VI do not apply to such Subcontractor/supplier. The *Contractor* submits such Subcontractor in accordance with NEC Clause 26.2 to the *Project Manager* for acceptance or appoints such supplier to undertake the supply of such item. The procedures stated in this Section VI do not apply.

(b) If after the Contract Date, the *Contractor* becomes aware that any such Subcontractor/supplier cannot undertake/supply such items in unforeseen circumstances, or such Subcontractor is not accepted by the *Project Manager* pursuant to NEC Clause 26.2, it submits a proposal for subcontracting/selection of supplier to the *Project Manager* for acceptance. The proposal includes, but is not limited to, the rationale for change of such Subcontractor/supplier, the programme, the *Contractor*'s estimate for the subcontract/supply contract and any further justifications for the proposal if instructed by the *Project Manager*. After the *Project Manager*'s acceptance of such proposal, the *Contractor* appoints a Subcontractor/supplier in accordance with the procedures stated in this Section VI.

Note: this sub-clause (3) is only applicable if pre-bid arrangement for Subcontractor/supplier is adopted in Option C and Option D.

(4) If the *Contractor* indicates in Contract Data Part two (Section 1) that it is prepared to undertake/supply any of the item(s) stipulated as subject to Mandatory Pre-bid Arrangement in Part [B] of **Appendix** [S] to the *additional conditions of contract* by itself, and the *Contractor* cannot undertake/supply such item(s) by itself in unforeseen circumstances, the *Contractor* appoints a Subcontractor/supplier in accordance with the procedures stated in this Section VI.

Note: this sub-clause (4) is only applicable if Mandatory Pre-bid Arrangement for Subcontractor/supplier is adopted in Option C and Option D.

(5) Any cost savings as a result of any change of such Subcontractor/supplier pursuant to sub-clause (3) or (4) above, which is calculated as the difference between the lump sum prices for such works/item as shown in the *Activity Schedule *[for Option C]* / *Bill of Quantities *[for Option D]* and the lump sum prices for the same works/item under the proposed subcontract, as assessed by the *Project Manager*, is to be deducted from the total of the Prices. Nevertheless, the total of the Prices is not in any case increased due to a change of such Subcontractor/supplier.

Note: this sub-clause (5) must be adopted if either (3) and/or (4) is adopted.

VI:2 Subcontractor Tendering Procedures

VI:2 Subcontractor Tendering Procedures **Guidelines**

(1) If the *Contractor* subcontracts work, it complies with the following procedures and requirements in sub-clauses (2)-(11) below:

Estimated subcontract value	Procedure
<=HK$1,000,000	The *Contractor* may select a Subcontractor without inviting tenders.
>HK$1,000,000	The *Contractor* submits an estimated value of the subcontract work to the *Project Manager* for acceptance at least two weeks before inviting tenders for the subcontract. A reason for not accepting the estimated values of the subcontract works is that it is not justified. Unless otherwise agreed with the *Project Manager*, the *Contractor* selects a Subcontractor by inviting **not less than three tenderers** to submit tenders for the subcontract.

(2) Before inviting tenders the *Contractor* submits to the *Project Manager* for acceptance its proposal for preventing corrupt practices. The proposals comply with Section [A6.5.2] of the Practice Notes for New Engineering Contract – Engineering and Construction Contract for Public Works Projects in Hong Kong published by the Development Bureau.

(3) Unless otherwise agreed by the *Project Manager*, the *Contractor* selects the conforming tender with

(a) the lowest tender price or

(b) the highest tender evaluation score if a tender evaluation mechanism is used.

Unless otherwise instructed by the *Project Manager*, if the number of tenders received is less than the minimum number in sub-clause (1) above, the *Contractor* selects from the tenders received.

(4) The *Contractor* ensures that the pricing information in the proposed subcontract documents represents open market or competitively tendered prices, and does not contain items which are substantially over-priced or under-priced, or erratically priced.

(5) The *Contractor* submits to the *Project Manager* for acceptance:

(a) details of the work to be subcontracted,

(b) the name of each proposed tenderer,

(c) the proposed tenderer's categories, groups, classes and status (i.e. confirmed, probationary, suspended, etc.) in the "List of Approved *Contractor*s for Public Works" or the "List of Approved Suppliers of Materials and Specialist Contractors for Public Works", if applicable,

(d) details of each proposed tenderer's past performance including contract reference and work done,

(e) information demonstrating each proposed tenderers' experience and technical capability, and

(f) a tender evaluation mechanism, if applicable.

A reason for not accepting the list of the proposed tenderers is that any of the proposed tenderers does not comply with the minimum qualification and experience requirements, or more potential tenderers should be included in the list of the proposed tenderers.

The *Contractor* does not invite tenders until the *Project Manager* has accepted each proposed tenderer and, if applicable, the estimated value of the subcontract work.

(6) Before inviting tenders the *Contractor* and the *Project Manager* agree on

(a) the size of the tender box,

(b) the location of the tender box if it is not located in the common area within the joint site office of the *Project Manager*, *Supervisor* and *Contractor*,

(c) the security measures for the tender box and the arrangement for safe custody of the tenders received and subsequently opened,

(d) the subcontract number to be assigned, and

(e) the number of copies of the tender to be issued to the *Project Manager.*

(7) The tender instructions include

(a) the address and telephone number of the office from which the tender documents can be obtained,

(b) the location of the tender box in which the tenders are to be deposited,

(c) the number of copies of the tender to be submitted,

(d) the subcontract number to be marked on the sealed envelope containing the tenders and

(e) the closing date and time for receipt of the tenders.

A tender that does not comply with the above requirements is not considered.

(8) Unless otherwise agreed by the *Project Manager*, the proposed subcontract is the latest edition of the Standard Form of Domestic Sub-contract published by the Hong Kong Construction Association.

(9) The sealed envelopes containing the tenders are only opened in the presence of both the *Project Manager*'s staff and the *Contractor*'s staff.

(10) To ensure fairness and transparency during the tender period the *Contractor* provides all tenderers with

(a) tender queries received,

(b) responses to tenderer's questions, and

(c) revised tender documents if appropriate.

The *Contractor* does not make amendments to the amount of work items or tender prices of the received tenders, except corrections for tender errors accepted by the *Project Manager*.

(11) The *Contractor* states in the tender documents that any qualification may result in the tender being disqualified. Subject to the *Project Manager*'s agreement, the *Contractor* may clarify the purpose or meaning of a tender qualification with a tenderer. The *Contractor* agrees with the tenderer to remove a qualification, unless otherwise agreed between the *Contractor* and the *Project Manager*.

VI:3 Supplier Selection Procedures

VI:3 Supplier Selection Procedures **Guidelines**

(1) Within three weeks of the Contract Date, the *Contractor* submits to the *Project Manager* for acceptance its procedure for competitive selecting suppliers of

(a) Plant and Materials,

(b) Equipment, and

(c) insurance covered by item 91 of the Schedule of Cost Components or, where applicable the Short Schedule of Cost Components.

The *Contractor* selects a supplier in accordance with the accepted procedure, unless otherwise agreed by the *Project Manager*. If the *Contractor* encounters genuine difficulties to comply with the accepted procedure, the *Contractor* seeks the *Project Manager*'s acceptance to dispense with the accepted procedure.

(2) The *Contractor* ensures that the pricing information in the proposed supply contract for any supplier represents **open market or competitively tendered prices**, and does not contain items which are substantially over-priced or under-priced, or erratically priced.

(3) The *Contractor* states in the submission requirements for supply contracts that any qualification may result in the submission being disqualified. Subject to the *Project Manager*'s agreement, the *Contractor* may clarify the purpose or meaning of a qualification with a proposed supplier. The *Contractor* agrees with the proposed supplier to remove a qualification, unless otherwise agreed between the *Contractor* and the *Project Manager.*

VI:4 Post-tender Interview

VI:4 Post-tender Interview **Guidelines**

(1) For the purpose of this clause, "**post-tender interview**" means a meeting conducted by the *Contractor* after tender opening in the presence of the representative of the *Project Manager* or the *Supervisor* to ensure that the tenderer fully understands the requirements of the relevant subcontract/supply contract.

(2) For subcontract works/supply of items that are required to be tendered, the *Contractor* may conduct post-tender interviews with tenderers for subcontracts/supply contracts. If the *Contractor* intends to arrange a post-tender interview, it submits the scope and procedures for conducting post-tender interview to the *Project Manager* for acceptance.

(3) Unless otherwise agreed with the *Project Manager*, the post-tender interviews are conducted in accordance with the following requirements.

(a) Only tenderers who are shortlisted in accordance with the tender evaluation mechanism are invited.

(b) The *Contractor* records each post-tender interview. The tenderer, the *Contractor* and the representative of the *Project Manager* or the *Supervisor* sign the record to confirm it accurately reflects the post-tender interview discussion at the end of the post-tender interview.

(c) The *Contractor* and the representative of the *Project Manager* or the *Supervisor* sign an undertaking to the *Client* to keep in strict confidence all information obtained during the post-tender interviews and to only use any such information with the prior written consent from the *Client*.

(d) If any of the tenderers is an associated company (as defined in ACC Clause VI:5) of the *Contractor*, no post-tender interview is conducted for that subcontract/supply contract.

(4) Unless otherwise agreed with the *Project Manager*, the *Contractor* does not change the subcontract/supply contract tender documents for taking into account the information obtained at the post-tender interviews. Nonetheless, commercially sensitive information or intellectual property including designs or any part thereof will neither be solicited from the subcontract/supply contract tenderers nor incorporated into the tender documents.

(5) Only tenderers shortlisted for the post-tender interviews in accordance with the tender evaluation mechanism are invited to submit a revised tender price. If the subcontract/supply contract tender documents are substantially changed following the post-tender interviews, all tenderers are invited to submit their respective revised tender prices.

(6) The *Contractor* informs all response(s) to questions raised at the post-tender interviews to all tenderers to ensure fairness and transparency, irrespective of whether or not the tenderer has attended the post-tender interview.

VI:5 Corruption Prevention

VI:5 Corruption Prevention **Guidelines**

(1) For the purpose of this clause,

(a) An "**associated company**" means any company which is the holding company or subsidiary company or sister company of the *Contractor*. A "**sister company**" means a company which is a subsidiary of or otherwise belongs to the same holding company of the *Contractor*. The existence of a holding-subsidiary relationship shall be determined in accordance with the provisions in sections 13 to 15 of the Companies Ordinance (Cap. 622).

(b) An "**associate**" in relation to the *Contractor* means

(i) any partner of the *Contractor*, or

(ii) any company one or more of whose directors is in common with one or more of the directors of the *Contractor*.

(c) An "**associated person**" in relation to the *Contractor* means

(i) any person who has control, directly or indirectly, over the *Contractor*,

(ii) any person who is controlled, directly or indirectly, by the *Contractor*, or

(iii) any person who is controlled by, or has control over, the person at (i) or (ii) above.

(d) "**Control**" in relation to another person means holding office as director or the power of a person to secure

(i) by means of the holding of shares or interests or the possession of voting power in or in relation to that or any other person, or

(ii) by virtue of powers conferred by any constitution, memorandum or articles of association, partnership, agreement or arrangement (whether legally enforceable or not) affecting that or any other person,

that the affairs of the first-mentioned person are conducted in accordance with the wishes of that other person.

(e) "**Director**" means any person occupying the position of director by whatever name called and without limitation a de facto or shadow director.

(2) **Declaration of Conflict of Interest**

(a) For subcontract works/supply of items that are required to be tendered, the *Contractor* declares if any of the proposed tenderer is its associated company. If a proposed tenderer is an associated company of the *Contractor*, the *Contractor* submits its justifications for inviting it to tender to the *Project Manager* for agreement.

(b) For subcontract works/supply of items that are required to be tendered, and post-tender interviews are conducted, the *Contractor* and each staff of the *Contractor* involved in preparing subcontract tender documentation, assessing the subcontract tenders, or conducting post-tender interview declare, in the form set out in **Appendix** [*insert reference*], any interest if it is considered to be in actual, apparent, potential or perceived conflict with the *Client's* interest, including any interest or association the *Contractor*, the *Contractor*'s associated companies, associates or associated persons may have with any tenderer.

(3) **Anti-collusion**

(a) For subcontract works that are required to be tendered, the *Contractor* includes the following requirements in its tender conditions.

(i) The tenderer does not disclose the tender price or any part thereof except when necessary to obtain

- an insurance quotation for calculating the tender price,
- assistance from proposed subcontractors in preparing the tender, and
- financial resources from its bankers for the proposed subcontract.

(ii) The tenderer does not fix the amount of the tender price or any part thereof by arrangement with any other person, make any arrangement with any person about whether or not it 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.

(iii) The tenderer indemnifies and keep indemnified the *Contractor* against all losses, damages, costs or expenses arising out of or in relation to any breach of or non-compliance with the above requirements by the tenderer, including but not limited to additional costs due to price escalation, costs and expenses of re-tendering and other costs incurred.

(iv) The tenderer submits with its tender a duly signed and witnessed letter in the form set out in **Appendix** [*insert reference*] to the *additional conditions of contract*.

A tender that does not comply with the above requirements is invalidated

(b) If instructed by the *Project Manager*, the *Contractor* submits the duly signed letters to the *Project Manager*.

(4) **Co-operation with ICAC**

The *Contractor* co-operates with ICAC in order to prevent corruption and allows ICAC to inspect at any time within working hours all documents and records in relation to the tendering of subcontracts and any other record which it is required to keep.

Section VII *Contractor*'s design

VII:1 Definitions relating to *Contractor*'s design

VII:1 Definitions relating to *Contractor*'s design **Guidelines**

(1) "**Certified Working Drawing**" means a drawing prepared by the Designer and endorsed as being checked and approved by the Independent Checking Engineer.

"**Check Certificate**" means a certificate, in the form specified in **Appendix** [*insert reference*] to the *additional conditions of contract*, issued by the Independent Checking Engineer certifying that the *Contractor*'s Design or Cost Savings Design has been independently checked and complies in all respects with the terms and conditions of the contract.

"***Contractor*'s Design**" means that part or those parts of the design of the permanent works for which the *Contractor* has elected or is required in accordance with the Scope to prepare design calculations and drawings and which has been accepted by the *Client*, including, where appropriate, any further design which the *Contractor* has to carry out as a result of any amendment to the design required under sub-clause (7) or (8) of ACC Clause VII:3 and / or any change to the works for the *Contractor*'s Design instructed by the *Project Manager*.

"**Cost Savings Design**" means the cost savings design proposal for any part of the *works* submitted by the *Contractor* under ACC Clause VII:2 and any amplification or amendment thereto and accepted by the *Client* with or without amendments, including, where applicable, any further design which the *Contractor* has to carry out as a result of any amendment to the design required under sub-clause (7) or (8) of ACC Clause VII:3 and / or any change to the works for the Cost Savings Design instructed by the *Project Manager*.

"**Designer**" means the person, firm or company responsible for the design of the *Contractor*'s Design or Cost Savings Design whose qualifications, skill and experience are deemed satisfactory by the *Client*.

"**Independent Checking Engineer**" means the person, firm or company employed by the *Contractor* and responsible for the independent checking of the *Contractor*'s Design or Cost Savings Design whose qualifications, skill and experience are deemed satisfactory by the *Client* and who is independent of the Designer and the *Contractor*.

"**Temporary Works**" means all temporary work of every kind required for the construction, Completion and maintenance of the *works*.

VII:2 Cost Savings Design

VII:2 Cost Savings Design **Guidelines**

(1) The *Contractor* may at any time during the continuance of the *works* propose to the *Project Manager* a cost savings design proposal in respect of a part of the *works* with sufficient details and justifications to show

DEVB TC(W) No. 3/2014

(a) the Prices can be reduced by an amount of a lump sum, and/or

(b) the time for Completion of the whole of the *works* or any *section* thereof can be reduced, and/or

(c) the future operation and maintenance cost of the works can be reduced, and/or

(d) the efficiency or value to the *Client* of the *works* can be improved, and/or

(e) the construction productivity can be enhanced and/or the requirement for manpower resources can be reduced, and/or

(f) any other social benefits.

(2) Any cost savings design proposal clearly states that it is submitted for consideration by the *Client* under this clause and includes

(a) an estimate of the amount of the cost of Providing the Works that may be saved,

(b) a fully priced and detailed Schedule of Rates as referred to in sub-clause (9) of ACC Clause VII:3,

(c) deletion(s) required for the original pricing document, and

(d) an estimate of any addition in future operation and maintenance cost.

In assessing the overall cost savings, the *Client* takes into account the additional cost incurred for considering the *Contractor*'s proposal including the *Project Manager*'s cost and addition in future operation and maintenance cost.

(3) Before acceptance of the cost savings design proposal, both the *Client* and the *Contractor* agree on

(a) the overall cost savings as assessed by the *Client*, and

(b) any revision (on the basis of the change in value as assessed by the *Client* and change in the Completion Date) to the rate of delay damages and/or minimum rate of delay damages for the *works* or, as the case may be, the relevant *section* to which the cost savings design proposal belongs.

(4) Before acceptance of the cost savings design proposal, the *Project Manager*

(a) confirms that it is compatible with the provisions of the Scope, subject to any modifications to the Scope in respect of particular methods of construction or materials not included in the Scope proposed by the *Contractor* and accepted by the *Client*,

(b) obtains confirmation from the *Client* that the proposal is acceptable to the *Client*, and

(c) obtains confirmation from both the *Contractor* and the *Client* that they agree on the matters mentioned in sub-clauses (3)(a) and (b) of this clause.

(5) The *Project Manager* conveys the *Client*'s decision to accept or reject the cost savings design proposal to the *Contractor* within six weeks from receipt of the proposal or a longer period to which the *Contractor* has agreed, and neither the acceptance nor rejection of such proposal by the *Client* vitiates the contract. For the avoidance of doubt, the acceptance of the cost savings design proposal is not a compensation event. If the proposal is rejected, the *Contractor* is not entitled to any compensation event arising from its submission to the *Project Manager* of the proposal and the *Client* bears its own cost for considering the proposal submitted by the *Contractor* under this clause except that the *Contractor* reimburses the *Client* for the *Project Manager*'s cost in doing the same. The *Client* is entitled to deduct such cost from any sums due to the *Contractor* under the contract and/or to recover such cost as a debt from the *Contractor*.

(6) If the cost savings design proposal is accepted, the Completion Date is adjusted as agreed between the *Client* and the *Contractor* and the Accepted Programme is deemed adjusted accordingly.

(7A) If the cost savings design proposal is accepted, the Prices is reduced by the total amount of the agreed construction cost savings in lump sum for the part of the *works* immediately. The agreed construction cost savings are equally shared between the *Client* and the *Contractor*, the *Project Manager*'s cost and addition in future operation and maintenance cost for a design life in net present value resulted from the Cost Savings Design is borne by the *Contractor*. Upon Completion of the whole of the *works*, the *Contractor*'s share in the agreed construction cost savings due to the Cost Savings Design, after the deduction of the total of the *Project Manager*'s cost and any addition in future operation and maintenance cost for a design life in net present value resulted from the Cost Savings Design, is paid to the *Contractor*.

Sub-clause (7A) is for **Options A and B**, not for Options C and D.

VII:2 Cost Savings Design **Guidelines**

(7B) If the cost savings design proposal is accepted, the Prices remain unchanged. The *Contractor* reimburses the *Client* for the total of the *Project Manager*'s cost and any addition in future operation and maintenance cost for a design life in net present value resulted from the Cost Savings Design. The *Client* is entitled to deduct such cost from any sums due to the *Contractor* under the contract and/or to recover such cost as a debt from the *Contractor* upon completion of the part of the *works* related to Cost Savings Design. Upon Completion of the whole of the *works*, the *Contractor*'s share due to the Cost Savings Design, after the deduction of the total of the *Project Manager*'s cost and any addition in future operation and maintenance cost for a design life in net present value resulted from the Cost Savings Design, is included in the *Project Manager*'s assessment under NEC Clause 54.

Sub-clause (7B) is for **Options C and D**, not for Options A and B.

VII:3 *Contractor*'s design (including *Contractor*'s Design and Cost Saving Design)

VII:3 *Contractor*'s design (including *Contractor*'s Design and Cost Saving Design) **Guidelines**

(1) For the purposes of this clause, *Contractor*'s design includes *Contractor*'s Design and Cost Savings Design.

(2) (a) The *Contractor* has in respect of any defect or insufficiency in the *Contractor*'s design the like liability to the *Client*, whether under statue or otherwise, as would an appropriate professional designer holding itself out as competent to take on the *Contractor*'s design, provided always that:

(i) where the *Client* has relied upon the *Contractor* to select equipment, plant, materials and goods required by the *Contractor*'s design to be incorporated into the *works* the *Contractor* ensures that all such equipment, plant, materials and goods are reasonably fit for the purpose for which they are intended and of good quality, and

(ii) subject to sub-clause (2)(a)(i) above, in no circumstance the *Contractor* is obliged to ensure that the *Contractor*'s design is fit for the purpose for which it is intended.

(b) The liability of the *Contractor* referred to in sub-clause 2(a) above applies independent of any question of fault on the part of the *Contractor* or any Tier Subcontractor and are not invalidated in any respect by any error made by the *Contractor* or any Tier Subcontractor in the *Contractor*'s design or any submission to the *Project Manager* for checking or acceptance.

(c) The Designer prepares all calculations and drawings relating to the *Contractor*'s design which are subject to a Check Certificate.

(d) The *Contractor* submits to the *Project Manager* the proposed person for the role of Independent Checking Engineer with qualifications and experience for acceptance. In such submission, the *Contractor* also submits the proposed person's consent for collection, use and transfer to the *Client* of its personal data (including but not limited to its name, identity card number or passport number) for the purpose of inclusion in Government's databases on site personnel. A reason for not accepting the *Contractor*'s submission is that

SDEV's memo ref. ( ) in DEVBWB WP4S-022-002-002-001 dated 23 January 2026

- the proposed person does not meet the qualifications / experience requirements or other requirements for Independent Checking Engineer set out in the contract, or
- there exists any matters which may render the *Project Manager* to cast doubt on the proposed person's capabilities to take up the duties of the Independent Checking Engineer in a competent manner, including but not limited to any recorded incident of poor conduct or performance within the preceding three years counting from the date of the *Contractor*'s submission.

(e) If at any time the *Project Manager* has substantial cause for dissatisfaction with the conduct or performance of the Independent Checking Engineer, it notifies the *Client* accordingly. The *Contractor*, upon receiving written notice from the *Client*, ceases to employ such person, firm or company and immediately replaces it by another whose qualifications, skill and experience are satisfactory to the *Client*.

(3) The *Contractor*'s design is to be compatible with the provision of the Scope. Notwithstanding the aforesaid, the *Contractor* may propose modifications to the Scope in respect of particular methods of construction or materials not included in the Scope. In such cases, the *Contractor* immediately advises the *Client* of such proposals through the *Project Manager.* The *Project Manager* conveys the *Client*'s decision to the *Contractor* within a reasonable period, and neither the acceptance nor rejection of such proposals by the *Client* vitiates the contract. Acceptance or rejection of such proposals by the *Client*, or any change to the Scope resulting from the *Client*'s acceptance of such proposals, is not a compensation event. The *Contractor*'s design accepted by the *Client* is deemed part of the Scope provided by the *Contractor*.

VII:3 *Contractor*'s design (including *Contractor*'s Design and Cost Saving Design) **Guidelines**

(4) Within a reasonable period prior to the commencement of that part of the *works* to be constructed in accordance with the *Contractor*'s design, and from time to time as the *Project Manager* requires, the *Contractor* submits to the *Project Manager*:

(a) two certified copies of the *Contractor*'s design,

(b) Check Certificates,

(c) Certified Working Drawings, and

(d) satisfactory evidence of professional indemnity insurance as referred to in ACC Clause VII:5.

(5) The *Project Manager* notifies the *Contractor* within a reasonable period whether or not the documents submitted meet the requirements of the contract. The *Contractor* does not commence the construction of such part of the *works* until receipt of confirmative notification from the *Project Manager*.

(6) Prior to the commencement of the part of the *works* of the *Contractor*'s design, the *Contractor* supplies to the *Project Manager* [*insert number of copies required*] copies of the Certified Working Drawings of the *Contractor*'s design together with the soft copy in accordance with the contract.

(7) If at any time it becomes apparent to the *Project Manager* that any drawing and/or document submitted by the *Contractor* does not comply with the contract in any respect whatsoever, then the *Contractor* makes all amendments to such drawing and/or document the *Project Manager* deems necessary, and such amended drawing and/or document are reviewed by the Designer and are subject to a further Check Certificate. The *Contractor* bears the full cost of complying with this sub-clause, and reimburses the *Client* the cost of any work or design done by the *Client* which has been rendered abortive by any such amendments. The *Contractor* is not entitled to compensation event nor an adjustment of the Prices in respect of the cost of complying with this sub-clause.

VII:3 *Contractor*'s design (including *Contractor*'s Design and Cost Saving Design) **Guidelines**

(8) If at any time it becomes apparent to the *Contractor* that an amendment to the *Contractor*'s design is required for the proper completion of that part of the *works* involved in such design, then it

(a) immediately advises the *Project Manager* of the proposed amendment, and

(b) resubmits documents to the *Project Manager* in accordance with sub-clause (4) of this clause, provided that

(i) the finished appearance of the *works* remains substantially unaltered,

(ii) there is no increase in the Prices nor any compensation event granted to the *Contractor*, and

(iii) the *Contractor* reimburses the *Client* the cost of any work or design done by the *Client* which has been rendered abortive by any such amendments.

(9) The work to be constructed in accordance with the *Contractor*'s design is priced as a lump sum for [*related activities in the Activity Schedule *(for Option A/C)* or *for related items in the Bill of Quantities *(for Option B/D)*] accompanied by a fully priced and detailed Schedule of Rates. The lump sum price for such [*activities/*items] includes:

Project office to amend to suit the appropriate Option.

(a) the cost of producing the *Contractor*'s design,

(b) the cost and fees for obtaining the Check Certificates,

(c) the cost of providing the *Project Manager* with all calculations, documents (including maintenance manuals), and drawings for the *Contractor*'s design,

(d) the full value of the work (including without limitation, spare parts) constructed in accordance with the *Contractor*'s design and all the risks, liabilities and obligations of the *Contractor* under the contract, and

(e) the cost of all samples and testing thereof and testing of the work constructed in accordance with the *Contractor*'s design.

VII:4 Independent Checking in respect of Temporary Works

VII:4 Independent Checking in respect of Temporary Works **Guidelines**

(1) When considered necessary by the *Contractor*, specified in the contract or subsequently instructed by the *Project Manager* or the *Supervisor*, the design of any Temporary Works is to be checked and certified by an engineer independent of the *Contractor* and not associated with the design of the Temporary Works ("**independent checking engineer**"). The design so checked and certified is hereinafter referred to as the "**certified design**".

WBTC No. 3/97

Modified fromSCC26

(2) The independent checking engineer is to be a professionally qualified engineer and a member of the Hong Kong Institution of Engineers or equivalent, whom the *Contractor* considers has suitable experience and is acceptable to the *Project Manager*. The *Contractor* submits to the *Project Manager* the proposed independent checking engineer with qualifications and experience for acceptance. In such submission, the *Contractor* also submits the proposed independent checking engineer's consent for collection, use and transfer to the *Client* of its personal data (including but not limited to its name, identity card number or passport number) for the purpose of inclusion in Government's database on site personnel. A reason for not accepting the *Contractor*'s submission is that

SDEV's memo ref. ( ) in DEVBWB WP4S-022-002-002-001 dated 23 January 2026

(a) the proposed independent checking engineer does not meet the qualifications / experience requirements or other requirements for independent checking engineer set out in the contract, or

(b) there exists any matters which may render the *Project Manager* to cast doubt on the proposed independent checking engineer's capabilities to take up the duties of the independent checking engineer in a competent manner, including but not limited to any recorded incident of poor conduct or performance within the preceding three years counting from the date of the *Contractor*'s submission.

(3) The independent checking engineer before certifying the design of any Temporary Works in the checking certificate

(a) examines the *Contractor*'s detailed design and method statements concerning the design, erection, use and removal of the Temporary Works, and

(b) considers the ground conditions, the adequacy of foundations and support of the Temporary Works and any other factors which may affect the stability and safety of such Temporary Works during their erection, use and removal so that it is able to certify that the Temporary Works are properly and safely designed using all reasonable skill and care.

(4) Before commencing construction of any such Temporary Works identified as requiring certification by independent checking engineer, the *Contractor* submits the following documentation to the *Project Manager* in sufficient time for the *Project Manager* to examine and satisfy itself that the documentation contains no obvious deficiency and that the independent checking engineer has carried out its duties set out in sub-clause (3):

(a) detailed design and method statements concerning the design, erection, use and removal of the Temporary Works, and

(b) the original checking certificate signed by both the independent checking engineer and by or on behalf of the *Contractor*.

Upon being so satisfied the *Project Manager* issues its consent in writing for such Temporary Works to commence, with due regard to the *Contractor*'s programme.

(5) The *Contractor* ensures that any Temporary Works are erected, used and removed in accordance with the certified design and method statements. If the *Contractor* wishes to deviate from the certified design, the *Contractor* submits to the *Project Manager* further certification that any change has been properly and safely designed and has been checked and found satisfactory by the independent checking engineer, in accordance with its duties set out in sub-clause (3), and the documentation referred to in sub-clause (4) prior to the commencement of construction of such Temporary Works.

(6) In all cases where the loading of any Temporary Works is applied as a separate operation after completion of their construction, before such loading is applied, the *Contractor* submits to the *Project Manager* a further certificate signed by or on behalf of the *Contractor* and by the independent checking engineer confirming that the Temporary Works have been constructed in accordance with the certified design. In all cases where the loading is an integral part of the construction of any Temporary Works, the *Contractor* submits to the *Project Manager* such a further certificate as soon as is reasonably possible after the construction of the same.

(7) No checking certificate certified by the independent checking engineer, with or without amendment, absolves the *Contractor* from its liability under the contract for the design, erection, use or removal of the Temporary Works.

(8) If instructed by the *Project Manager*, the *Contractor* provides a method statement for any Temporary Works not subject to checking by independent checking engineer, which include but are not limited to excavation and temporary access structures.

(9) If at any time and for any reason related to the work of the independent checking engineer, the *Project Manager* is dissatisfied with the performance of the independent checking engineer, the *Project Manager* notifies the *Contractor* giving reasons for such dissatisfaction. If the independent checking engineer does not remedy the situation within a reasonable time, the *Project Manager* may, by a further notice, require the *Contractor* to dismiss the independent checking engineer, and the *Contractor* does so with immediate effect, does not re-employ it again in connection with the *works* and replaces the independent checking engineer with a replacement which complies with sub-clauses (1) and (2).

VII:5 Professional Indemnity Insurance in respect of *Contractor*'s Design, Cost Savings Design and Temporary Works

VII:5 Professional Indemnity Insurance in respect of *Contractor*'s Design, Cost Savings Design and Temporary Works

Guidelines

(1) The *Contractor*

(a) effects and maintains, and

(b) procures that each of the Designer, the Independent Checking Engineer and the designer and independent checking engineer of the Temporary Works appointed or engaged by the *Contractor* effects and maintains

with well established insurers of repute which are acceptable to the *Project Manager*, professional indemnity insurance ("**PII**") for its obligations in relation to the design of any part or all of the *Contractor*'s Design, Cost Savings Design and Temporary Works to be carried out by or on behalf of the *Contractor* pursuant to the contract.

Optional

Depends on the risk level, guidance given in DEVB TC(W) No. 9/2007

The minimum amount of the PII for any one occurrence or series of occurrences arising out of any one event, or each and every claim is as stated in the following table. The PII provides cover from the Contract Date until the end of the period as stated in the following table.

		***Contractor*'s Design**	**Cost Savings Design**	**Temporary Works**
minimum amount	(i) The *Contractor*	[*insert the amount*]*	As notified by the *Project Manager* to the *Contractor*	[*insert the amount*]*
	(ii) Each ~~of the~~ Designer ~~and the Independent Checking Engineer~~	[*insert the amount*]*	As notified by the *Project Manager* to the *Contractor*	[*insert the amount*]*
	(iii) Each Independent Checking Engineer	As notified by the *Project Manager* to the *Contractor*	As notified by the *Project Manager* to the *Contractor*	As notified by the *Project Manager* to the *Contractor*
period of insurance		[*insert the time*]* years after the date of Completion of the whole of the *works*	[*insert the time*]* years after the date of Completion of the whole of the *works*	6 years after the date of Completion of the whole of the *works*

* Project office to insert the figures

(2) The *Contractor* immediately notifies the *Project Manager* if such PII ceases to be available or otherwise is not maintained in accordance with this clause or for any reason becomes void or unenforceable.

(3) If the PII policy is project specific, the maximum deductible/excess allowed under the PII policy is limited to a maximum of 20% of the minimum amount required in sub-clause (1).

(3) If the PII policy is project specific, the maximum deductible/excess allowed under the PII policy is limited to a maximum of 20% of the minimum amount required in sub-clause (1).

(4) If the PII policy contains a limit of indemnity for the period of insurance, then either:

(a) the limit of indemnity in the aggregate for all claims for the period of insurance is reinstated in full upon exhaustion of the limit of indemnity by reason of indemnity payments made on account of any claim, loss, damage, liability, cost or expense paid or payable under the PII policy until the total amount of indemnity payable by the insurer under the PII policy reaches X times the minimum amount required in sub-clause (1), or

(b) the limit of indemnity in the aggregate for all claims for the period of insurance is not less than X times the minimum amount required in sub-clause (1), or

(c) the limit of indemnity for any one occurrence or series of occurrences arising out of any one event, or each and every claim under the PII policy is not less than X times the minimum amount required in sub-clause (1).

If the period of insurance under the PII policy is twelve months or less, **X is 2**.

If the period of insurance under the PII policy exceeds twelve months, **X is 3**.

(5) The *Contractor* submits the following documents to the *Project Manager* for acceptance

(a) within 60 days from the Contract Date or the respective dates of appointment or engagement of the Designer, the Independent Checking Engineer and the designer and independent checking engineer of the Temporary Works, and

(b) thereafter, if the PII policy does not cover the entire period of insurance required in sub-clause (1), within 7 days upon the expiry of the earlier PII policy

(i) an undertaking that the current PII policy complies with the terms in this clause in Form [*insert reference*] in **Appendix** [*insert reference*] to the *additional conditions of contract*, and

(ii) a certified copy of the full PII policy unless the *Contractor* can demonstrate to the satisfaction of the *Project Manager* that it is not reasonably practicable to provide a certified copy of the full PII policy, in such case the *Contractor* provides a certificate in Form [*insert reference*] in **Appendix** [*insert reference*] to the *additional conditions of contract* issued by the insurer or insurance broker of the PII policy and any information relating to the PII policy that the *Project Manager* may reasonably require.

VII:5 Professional Indemnity Insurance in respect of *Contractor*'s Design, Cost Savings Design and Temporary Works **Guidelines**

(6) If upon the *Project Manager*'s instruction, the *Contractor* fails to submit evidence that there is in force PII required, the *Client* may effect and keep in force any such PII and pay such premium as may be necessary for that purpose. The *Client* is entitled to deduct such premium, together with expenses incurred, from any sums due to the *Contractor* under the contract and/or to recover such premium and expenses as a debt from the *Contractor*.

(7) In determining the period of insurance under a PII policy for the purpose of this clause, any extension or renewal of the PII policy is treated as a separate PII policy and does not have the effect of extending the period of insurance.