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Group : 2, 5

16 June 2005

Environment, Transport and Works Bureau
Technical Circular (Works) No. 9/2005

Contractor Management Handbook – Revision B

Scope

This Circular introduces the revised version of the Contractor Management Handbook (the Handbook).

Effective Date

2. This Circular shall take effect from **1 July 2005**.

Effect on Existing Circulars

3. This Circular shall supersede the following Technical Circulars: -
- (a) WBTC No. 5/2001 – Contractor Management Handbook;
 - (b) WBTC No. 25/2002 – Contractor Management Handbook – Revision A;
and

- (c) ETWB TCW No. 44/2002 and 44/2002A – Regulating Actions for Contractors Convicted of Employing Illegal Workers or of Having Illegal Workers on Sites under their Control.

4. This Circular should be read in conjunction with the following Technical Circulars or such subsequent amendments as may be issued from time to time: -

- (a) WBTC No. 17/96 – Supply of Bituminous Pavement Materials and Construction of Special Bituminous Surfacing;
- (b) WBTC No. 26/2000 – Score Card for Assessment of Site Safety Performance;
- (c) WBTC No. 13/2001 and ETWB TCW No. 13/2001A – Quality Management System Certification of Consultants and Contractors for Public Works Administered by the Works Group of Departments;
- (d) WBTC No. 25/2001 and ETWB TCW No. 25/2001A – Admission of EMSTF onto the List of Approved Suppliers of Materials and Specialist Contractors for Public Works under 25 Categories of E&M, Electronics and Building Services;
- (e) WBTC No. 13/2002 – Employment of Qualified Tradesmen and Intermediate Tradesmen by Contractors of Public Works Contracts;
- (f) ETWB TCW No. 47/2002 – Management of Sub-contractors by Contractors;
- (g) ETWB TCW No. 50/2002 – Contractors' Joint Ventures;
- (h) ETWB TCW Nos. 2/2003, 2/2003A and 2/2003B – Regulating Action where a Serious Incident has or Site Safety or Environmental Offences have Occurred on a Construction Site;
- (i) ETWB TCW No. 12/2003 – Employment of Technician Apprentices and Building & Civil Engineering Graduates by Contractors of Public Works Contracts;

- (j) ETWB TCW No. 18/2003 – Substitution of Listing Status and Transfer of Benefits and Obligations of Contracts;
- (k) ETWB TCW No. 22/2003 & 22/2003A – Additional Measures to Improve Site Cleanliness and Control Mosquito Breeding on Construction Sites;
- (l) ETWB TCW No. 10/2004 – Tenderer’s Eligibility for the Award of Works Contracts;
- (m) ETWB TCW No. 13/2004 – Engagement of Sub-contractors Registered from Voluntary Sub-contractor Registration Scheme; and
- (n) ETWB TCW No. 31/2004 – Trip Ticket System for Disposal of Construction & Demolition Materials.

Background

5. The Handbook consolidates and updates the existing guidelines and procedures pertaining to administration and monitoring of the performance of contractors and suppliers on the List of Approved Contractors for Public Works and the List of Approved Suppliers of Materials and Specialist Contractors for Public Works into a single handbook. It had been promulgated on 10 March 2001 under WBTC No. 5/2001 and was amended on 28 June 2002 under WBTC No. 25/2002. This Circular introduces the updated and latest version of the Handbook (i.e. the Revision B) which will take effect and replace the Revision A of the Handbook on 1 July 2005.

Changes Incorporated

6. The revisions made to the Revision A of this Handbook by the following documents have been incorporated in this Revision B: -

- (a) ETWB TCW No. 13/2001A;
- (b) ETWB TCW No. 44/2002 and 44/2002A;
- (c) ETWB TCW No. 47/2002;

- (d) ETWB TCW No. 2/2003, 2/2003A and 2/2003B;
- (e) ETWB TCW No. 12/2003;
- (f) ETWB TCW No. 18/2003;
- (g) ETWB TCW No. 10/2004;
- (h) ETWB TCW No. 13/2004;
- (i) ETWB TCW No. 31/2004;
- (j) changes in category description as publicized in the website of ETWB;
- (k) deletion of 2 categories of works as publicized in the website of ETWB;
and
- (l) subsequent amendments made on Appendix 3C to the Contractor Management Handbook – Revision A, as publicized in the website of ETWB.

Amendments in the Revision B

7. The amendments made in the Revision B of this Handbook are listed hereunder for ease of reference: -

	<u>Brief Description</u>	<u>Reference</u>
(a)	General updating	
(b)	Requirement of submitting written partnership agreement	Paragraphs 2.1.7, 2.4.4 & 2.15.1
(c)	Clarification on the value of contracts for Group Tender Limits	Paragraph 2.2.1

(d)	Elaboration on the vetting required for changes in company structure	Sub-sections 2.15 & 3.15
(e)	Updating the means of publishing the Approved Lists	Paragraphs 2.4.8 & 3.4.8
(f)	Revision of the list of categories which financial checking is not required on the contractors except those tenderers whose contract is of value exceeding \$5,000,000	Paragraphs 3.4.6 & 3.9.2
(g)	Introduction of Profitability Trend Analysis (PTA) for contractors on the List of Approved Suppliers of Materials and Specialist Contractors for Public Works	Paragraph 3.9.3; Appendix 3B: 7 to 10 & 14
(h)	Revision of reporting system at the maintenance and defects liability periods	Sub-section 4.5
(i)	Clarification on the procedure for issuing additional six-weekly intervening reports	Sub-section 4.5
(j)	Clarification on the timetable for reporting on contractors' performance if the Reporting Review Committee intends to alter any grades in the performance report	Paragraph 4.6.4; Appendix 4D

(k)	Clarification on the circumstances for failing to comply with any of the Rules for Administration of the Approved Lists.	Sub-paragraph 5.1.3(xvii)
(l)	Clarification on “misconduct” & “suspected misconduct” leading to regulating actions	Sub-paragraphs 5.1.3(v), 5.2.3(a)(i), 5.2.3(a)(ii) & 5.2.3(c)(i) and paragraphs 5.2.4 & 5.2.5
(m)	Clarification on non-conforming tenders leading to regulating actions	Sub-paragraph 5.2.3(b)(i)
(n)	Elaboration of the definition of a competitive tender	Sub-paragraph 5.2.3(b)(i)
(o)	Specifying the commencement date of voluntary suspension for consecutive Adverse reports	Sub-paragraph 5.4.5(b)(ii)
(p)	Clarification on the procedure for uplifting of voluntary suspension made during the maintenance period or defects liability period	Sub-paragraph 5.4.5(b)(ii)
(q)	Clarification on the circumstances requiring an overall review of the situation after completion of the contract	Sub-paragraphs 5.4.5(b)(ii) & 5.4.5(d)

(r)	Additional circumstances which may lead to the taking of regulating actions against contractors on the List of Approved Suppliers of Materials and Specialist Contractors for Public Works	Paragraph 5.6.4
(s)	Tightening the triggering criterion for taking regulating actions against contractors convicted of contraventions of the Employment Ordinance (Cap. 57)	Paragraph 5.7.1
(t)	Update on Sub-sections 6.5 - 6.8	Paragraphs 6.5.1 - 6.8.1; Appendices 6A - 6C
(u)	Revision of financial criteria for retention and tendering	Appendix 2A: 5; Appendix 3B: 3, 4 & 15
(v)	Clarification of the existing financial information required to be submitted for financial assessment	Appendix 2A: 2, 13; Appendix 3B: 2,12; Annex to Appendices 2A & 3B
(w)	Specifying time limits for the minimum technical criteria and the requirements for relevant experience as sub-contractors	Appendix 2B
(x)	Update on guidance notes for completion of reports on contractors' performance	Appendix 4B

8. In order to facilitate the existing contractors on the List of Approved Contractors for Public Works and/or the List of Approved Suppliers of Materials and Specialist Contractors for Public Works to maintain their present listing status, the contractors will be given a 18-months' grace period to adjust to the new financial criteria. All contractors on the aforesaid Lists shall meet the new financial criteria set out in the Revision B from 1 January 2007. This is to say, all management accounts or audited accounts with the accounting periods ending on or after 30 June 2006 will be subject to the new financial criteria.

9. Commencing from 1 July 2005, all contractors shall meet the new financial criteria applicable to the specific category and/or Group for admission, confirmation or promotion even though application for admission, confirmation or promotion has been made prior to 1 July 2005 and consideration is being given to the application.

10. For the purpose of tender evaluation, contractors shall be subject to the financial assessment based on the new financial criteria set out in the Revision B if the tender closing date of a tender falls on 1 July 2005 or anytime thereafter.

Documents

11. The complete set of the Revision B of the Handbook is available at the web site of Environment, Transport and Works Bureau at <http://www.etwb.gov.hk>.

(C S Wai)
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