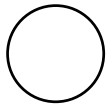


MEMO



<i>From</i>	Secretary for Development	<i>To</i>	Distribution
<i>Ref.</i>	() in DEVB(W) 510/94/02	<i>(Attn:</i>)
<i>Tel. No.</i>	3509 8279	<i>Your Ref.</i>	
<i>Fax No.</i>	2905 1181	<i>Dated</i>	<i>Fax No.</i>
<i>Date</i>	28 March 2019	<i>Total Pages</i>	3 + encl.

Renaming and Enhancement of the Subcontractor Registration Scheme of the Construction Industry Council (to be known as Registered Specialist Trade Contractors Scheme)

Background

The requirement for contractors of all capital and maintenance works to employ subcontractors (whether nominated, specialist or domestic) registered in the Subcontractor Registration Scheme (SRS) was promulgated in August 2004 via ETWB TCW No. 13/2004 and SDEV's memo ref. (02KJ8-01-4) in DEVB(W)510/94/02 dated 22 July 2013. Relevant provisions were subsequently incorporated into Chapter 5 (Section 9.31 and Appendix 5.6) and Chapter 7 (Section 21.14.2) of the Project Administration Handbook for Civil Engineering Works (PAH).

2. The Construction Industry Council (CIC) completed a review of the SRS in end 2018. As a result of the review, the CIC proposed to rename the SRS as the Registered Specialist Trade Contractors Scheme (RSTCS) with a couple of enhancements. Under the revamped framework, the RSTCS comprises the lists of both the Registered Specialist Trade Contractors (RSTC) and the Registered Subcontractors (RS). The RSTC are further classified into Group 1 and Group 2 subject to different admission criteria and tender limits.

3. The RSTCS will take effect from 1 April 2019. Upon the launch of the RSTCS, the existing registered subcontractors under seven designated trades¹ will be automatically transferred to Group 1 RSTC. These registered subcontractors may also apply for direct admission to Group 2 RSTC if they can meet the respective criteria. For other registered subcontractors in the remaining trades, they will be retained as RS under the RSTCS (previously SRS²). More information of the RSTCS can be found on the website of CIC (<http://www.cic.hk>).

¹ (1) Concreting; (2) Concreting Formwork; (3) Curtain Wall; (4) Demolition; (5) Erection of Concrete Precast Component; (6) Reinforcement Bar Fixing and (7) Scaffolding

² The term "SRS" as referred to in ETWB TCW No. 13/2004 and PAH shall be superseded and replaced by "RSTCS".

Engagement of Subcontractors Registered under the RSTCS

4. A suite of updated Notes to Tenderers (NTT), Special Conditions of Contract (SCC) and Additional Conditions of Contract (ACC) is enclosed at **Annex A**, setting out the requirement that public works contractors are required to employ subcontractors (whether nominated, specialist or domestic and irrespective of tier) who are registered under the respective trades (and groups if applicable) available in the RSTCS. With effect from 1 April 2019 and subject to paragraph 5 below, for all capital and maintenance works contracts with tenders not yet been invited, the updated NTT and SCC/ACC (whichever is applicable) shall be adopted. For contracts for which tenders have been invited, project officers should arrange to take necessary actions, including issue of tender addendum, as appropriate to duly incorporate the updated NTT and SCC/ACC (whichever is applicable).

5. To allow time for building up adequate Group 2 RSTC, the requirement to engage subcontractors from this group for works exceeding the tender limit of Group 1 shall only be adopted in contracts for which tenders will be invited on or after 1 October 2020 or any other date to be announced by the DEVB (the “full implementation date”). In the interim, no tender limit in respect of the engagement of RSTC shall be imposed on contracts for which tenders will be invited before the full implementation date.

Revised Requirements for Subcontractor Management Plan

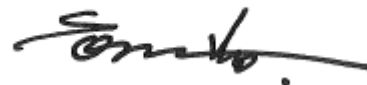
6. Under the new arrangement, the contractors should provide the details of subcontract(s), including but not limited to the trades (and groups if applicable) of the subcontractor(s) under the RSTCS and value of the subcontract(s) in the Subcontractor Management Plan (SMP). The updated NTT and Appendix to SCC and ACC on SMP are enclosed at **Annex B**.

7. To build up subcontractors information and facilitate future analysis, project offices shall submit quarterly the particulars of subcontracts under item (ii) of Appendix to SCC and ACC on SMP in an excel template (Table 1 in Annex B) to DEVB.

Updates Required in the PAH

8. By copy, I would be grateful if the respective Owners of PAH Chapter 5 and Chapter 7 would arrange to update the relevant parts of the PAH by 30 June 2019.

9. If you have any enquiries on the above, please feel free to contact Ms Emily L F Chan, AS(WP4)2, on tel. no. 3509 8322.



(Y K HO)
for Secretary for Development

Encl.

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Secretary of Working Group for Reviewing and Updating PAH
Owner of Chapter 5 of the PAH
Owner of Chapter 7 of the PAH
TS, DEVB

**NOTES TO TENDERERS AND SPECIAL CONDITIONS OF CONTRACT FOR
ENGAGEMENT OF SUBCONTRACTORS REGISTERED FROM
THE “REGISTERED SPECIALIST TRADE CONTRACTORS SCHEME”
(FOR GENERAL CONDITIONS OF CONTRACT (GCC))**

The following Notes to Tenderers and Special Conditions of Contract shall be included in tenders for all capital and maintenance works contracts:

Notes to Tenderers:

“Tenderers’ attention is drawn to the Special Conditions of Contract [x] requiring the engagement of sub-contractors who are registered under the respective trades [and groups]¹ available in the Registered Specialist Trade Contractors Scheme (RSTCS).”

Special Conditions of Contract

- I) “SCC[x] - Engagement of sub-contractors who are registered under the respective trades [and groups]¹ available in the Registered Specialist Trade Contractors Scheme:

General Conditions of Contract Clause 4 is amended by adding the following:

- (10)² (a) For the purpose of this sub-clause (10)², the following words and expressions shall have the meaning hereby assigned to them:

“RSTCS⁸” 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 Registered Specialist Trade Contractors Scheme.

[“Group 1” and “Group 2” mean the classification of contractors into Group 1 and Group 2 under each trade of the Register of Specialist Trade Contractors.]¹

- (b) Where the Contractor is to [sub-contract/sub-let]³ part of the Works execution of which involves trades available in the RSTCS, the Contractor shall only engage, for the purposes of execution of such part of the Works, sub-contractor(s) who has satisfied all of the following criteria:
- (i) the sub-contractor is the sub-contractor stated in the Contractor's latest updated submission of the Sub-contractor Management Plan;
 - (ii) the sub-contractor has completed registration under the relevant trade(s) available in the RSTCS before the commencement of the works under the relevant sub-contract; and
 - [(iii) if the sub-contractor is registered under a trade in the Register of Specialist Trade Contractors and if the value of relevant sub-contract exceeds the tender limit of Group 1, the sub-contractor has been admitted into Group 2 before the commencement of the works under the relevant sub-contract.]¹

The Contractor shall not engage a sub-contractor who is suspended or in the process of an appeal against his suspension from registration in the RSTCS unless the suspension is lifted before the commencement of the works under the relevant sub-contracts. The foregoing shall also apply to the Contractor's engagement of [Nominated Sub-contractors]⁴, [Specialist Sub-contractors]⁵ and [sub-contractors for specialist works referred to in Special Condition of Contract Clause []⁶]⁷.

- (c) The Contractor shall ensure that where any part of the part of the Works sub-contracted to :-
- (i) a sub-contractor engaged under sub-clause 10²(b) of this Clause;
 - [(ii) a Nominated Sub-contractor;]⁴
 - [(iii) a Specialist Sub-contractor; or]⁵
 - [(iv) a sub-contractor for specialist works referred to in Special Condition of Contract Clause []⁶]⁷,

execution of which involves trades available in the RSTCS is further sub-contracted (irrespective of any tier), only sub-contractors (irrespective of any tier) who have satisfied all of the following criteria are engaged for the purposes of execution of such part of the part of the Works:

- (i) the sub-contractor is the sub-contractor stated in the Contractor's latest updated submission of the Sub-contractor Management Plan;
- (ii) the sub-contractor has completed registration under the relevant trade(s) available in the RSTCS before the commencement of the works under the relevant further sub-contract; and
- [(iii) if the sub-contractor is registered under a trade in the Register of Specialist Trade Contractors and if the value of relevant sub-contract exceeds the tender limit of Group 1, the sub-contractor has been admitted into Group 2 before the commencement of the works under the relevant further sub-contract.]¹

The Contractor shall also ensure that a sub-contractor (irrespective of any tier) who is suspended or in the process of an appeal against his suspension from registration in the RSTCS shall not be engaged for the aforesaid further sub-contracting (irrespective of any tier) unless the suspension is lifted before the commencement of the works under the relevant further sub-contracts.”

Notes:

1. The contractors registered in the Register of Specialist Trade Contractors are classified into two groups – Group 1 and Group 2, with different admission criteria and tender limits. For newly established companies without complete job records, but satisfying other admission criteria, they might apply for registration as a Group 1 (probationary) contractor under the trades available in the Register of Specialist Trade Contractors. The words in square bracket should be adopted for capital and maintenance works contracts for which tenders will be invited on or after 1.10.2020 (or such other date as announced by DEVB), i.e. the tender limits of Group 1 and Group 2 should be observed. (para. 5 of SDEV's memo ref. DEVB(W) 510/94/02 of 28.3.2019 refers)

Annex A

2. The numbering of this added sub-clause may vary depending on the type of GCCs used and whether there are other SCC in the contract which also amend GCC Clause 4.
3. Use “sub-contract” or “sub-let” as appropriate depending on the type of GCC’s used in individual contract.
4. Use as appropriate depending on the type of GCC’s used in individual contract.
5. Use when the standard SCC in WBTC No. 25/94 (entitled “Standard Form of Domestic Sub-contract for specialist works”) is used in individual contract.
6. Insert the number of the SCC in the individual contract which has used the standard SCC for sub-contracting in Secretary for Works’ memo WB(W) 209/32/110 (entitled “Library of Special Conditions of Contract Clause 14 - Sub-contracting”) dated 23.3.2001.
7. Use when standard SCC on sub-contracting in Secretary for Works’ memo WB(W)209/32/110 (entitled “Library of Special Conditions of Contract Clause 14 - Sub-contracting”) dated 23.3.2001 is used in individual contract.
8. Upon the launch of the RSTCS by the CIC on 1.4.2019, seven trades – (1) Concreting; (2) Concreting Formwork; (3) Curtain Wall; (4) Demolition; (5) Erection of Concrete Precast Component; (6) Reinforcement Bar Fixing and (7) Scaffolding are put under the Register of Specialist Trade Contractors.

**NOTES TO TENDERERS
AND APPENDIX TO SPECIAL CONDITIONS OF CONTRACT
FOR SUBCONTRACTOR MANAGEMENT PLAN
(FOR GENERAL CONDITIONS OF CONTRACT (GCC))**

The following Notes to Tenderers and Appendix to Special Conditions of Contract shall be included in tenders for all capital and maintenance works contracts:

Notes to Tenderers

NTT# : Payment for Sub-contractor Management Plan

Tenderers' attention is drawn to GCT 20, Special Conditions of Contract Clause [x] and Particular Specification Section [x] requiring the submission and quarterly updating of the Sub-contractor Management Plan (SMP) in the form and contents as prescribed in the Contract. Tenderers' attention is also drawn to the requirement to monitor and ensure the implementation of and the compliance with the SMP.

Tenderers should note that there are no separate items in the [*Bills of Quantities/Schedule of Rates] for measurement of "complete Sub-contractor Management Plan" and "quarterly updating of Sub-contractor Management Plan" and that, in line with the [*General Preambles/Method of Measurement] to the [*Bills of Quantities/Schedule of Rates], the rates in the [*Bills of Quantities/Schedules of Rates] shall cover, inter alia, the provision of implementation of and compliance with the SMP.

NTT# : Details of Sub-contractor Management Plan

Tenderers' attention is drawn to the Appendix [x] to Special Conditions of Contract [x] requiring the submission of the details of sub-contract(s), including but not limited to the trade and group (if any) of the sub-contractor under the Registered Specialist Trade Contractors Scheme and value of the sub-contract(s) in the Sub-contractor Management Plan.

Please insert appropriate reference

*Delete or amend as appropriate

Appendix [x] to SCC[x]

Guidelines on Scope and Contents of Sub-contractor Management Plan

The Sub-contractor Management Plan shall include (but not limited to) the following:

- i) Scope of works to be sub-contracted including the form and extent of sub-contracting arrangement such as labour only, labour and plant, labour and material, plant only, lump sum or any other combination of types. Proof of ownership of construction plant and material shall be addressed. The scope of works to be sub-contracted shall comply with the relevant contractual provisions (i.e. the SCC for **Limiting the Tiers of Sub-contracting**).
- ii) Particulars of sub-contracts (irrespective of tiers) as required under the Template under Table 1.
- iii) The Contractor's approach to demand/ensure his sub-contractor(s) to a) abstain from sub-contracting the whole of the works sub-contracted to him/them, and b) report upwards his/their sub-contracting arrangement and any subsequent changes with written declarations of no "hidden" sub-contracts for any part of the Works sub-contracted to any of them.
- iv) The Contractor's proposed measures for supervision of the works and monitoring of the performance of sub-contractors, particularly the aspects of the works programming, quality and safety of the works and environmental protection.
- v) Criteria for selection of sub-contractor(s) involving trade(s) not available in the Registered Specialist Trade Contractors Scheme (RSTCS).
- vi) The Contractor's approach to ensure all his sub-contractor(s) (irrespective of tiers) to adopt written contracts in his/their sub-contracting and that all the sub-contract(s) comply with the requirements as stipulated in the Contract (i.e. SCC for **Sub-contract conditions**).
- vii) Details of the Contractor's Management Team, as required in the Contract (i.e. the SCC for **Contractor's Management Team**), employed on direct supervision and management of sub-contractor(s). An organization chart showing the responsibilities of the Contractor's direct staff in supervision and management of his sub-contractor(s) shall be submitted.
- viii) Declaration that members of staff on the Contractor's Management Team are prohibited to be given a sub-contract to any part of the Works or to have a vested interest in any of the sub-contractors irrespective of tiers.
- ix) The Contractor's proposed measures to ensure the compliance with the implementation of the system of payment of wages to the Site Workers as stipulated in the Contract (i.e. SCC for **Payment of Wages of Site Workers**). The Contractor's proposed measures for ensuring timely payments to sub-contractor(s) and payments by sub-contractor(s) to sub-contractor(s) of lower tiers.

NB. The above items are not exhaustive. The Contractor can add any other items, which he considers pertinent to the proper management of his sub-contractor(s).

Appendix [x] to SCC[x]

[For contracts without contract measures to prevent non-payment of wages and/or limiting number of tiers of sub-contracting]

Guidelines on Scope and Contents of Sub-contractor Management Plan

The Sub-contractor Management Plan shall include (but not limited to) the following:

- i) Scope of works to be sub-contracted including the form and extent of sub-contracting arrangement such as labour only, labour and plant, labour and material, plant only, lump sum or any other combination of types. Proof of ownership of construction plant and material shall be addressed.
- ii) Particulars of sub-contracts (irrespective of tiers) as required under the Template under Table 1.
- iii) Criteria for selection of sub-contractor(s) involving trade(s) not available in the Registered Specialist Trade Contractors Scheme (RSTCS).
- iv) Details of the Contractor's own staff employed for direct supervision and management of his sub-contractor(s). An organization chart showing the responsibilities of the contractor's direct staff in supervision and management of his sub-contractor(s) shall be submitted.
- v) The Contractor's approach to demand/ensure his sub-contractor(s) to a) abstain from sub-contracting the whole of the works sub-contracted to him/them, and b) submit written declarations of no "hidden" sub-contracting of works.
- vi) The Contractor's approach to encourage his sub-contractor(s) to adopt written contract(s) in his/their sub-contracting.
- vii) The Contractor's proposed measures to demand his sub-contractor(s) to report upward his/their sub-contracting arrangement(s) and any subsequent changes.
- viii) The Contractor's proposed measures for monitoring and assessing the works programme, quality, safety and environmental performance of his sub-contractors.
- ix) The Contractor's proposed measures for ensuring timely payment to downstream sub-contractor(s) after his payment to his direct sub-contractor(s).
- x) The Contractor's approach for monitoring disputes.
- xi) The Contractor's approach for handling complaints from workers on site regarding wages arrears disputes and co-ordinating with Labour Department for prompt action. Contractors are required to keep the Architect/Engineer/Supervising Officer's site representatives updated of the situation.
- xii) The Contractor's proposed measures for maintaining updated daily attendance records of all workers on site.
- xiii) The Contractor's proposed measures for site security and workers' daily access control if applicable.

NB. The above items are not exhaustive. The Contractor can add any other issues, which he considers pertinent to the proper management of his sub-contractor(s).

Table 1 - Particulars of Sub-contracts

No.	Name of Company	Commencement Date	Program	No. of Tier	Type of Works	Form of sub-contractor	Registered Specialist Trade Contractors Scheme (RSTCS)				Sub-contract		
							Type ⁽³⁾	Registration No.	Expiry Date	Group (if any)	Trade and Specialty ⁽³⁾	Value ⁽⁴⁾	Grouping ⁽⁵⁾
e.g.	ABC Company	1.4.2019	9 months	1	Formworks	Labour, Plant & Material	RSTC	XXXXXX	31.3.2022	1	Concreting Formwork	E	2
1	123 Company	1.4.2019	12 months	2	Fire Service	Labour & Plant	RS	XXXXXX	31.3.2022	NA	Fire Service Installation	D	NA
2													

Notes

- (1) Apart from the above information, the Contractor shall provide additional information and supporting document upon requested.
- (2) RSTC refers to the Registered Specialist Trade Contractor in RSTCS.
- (3) RS refers to the Registered Subcontractor in RSTCS.
- (4) For details of the classification of Trade and Specialty, please refer to the website of the Construction Industry Council (CIC).
- (5) Group 1 or Group 2 refers to the tender limit of the trade set by CIC. (Grouping is only applicable to RSTC)

- A: value < \$1M
 B: \$1M ≤ value < \$3M
 C: \$3M ≤ value < \$6M
 D: \$6M ≤ value < \$15M
 E: \$15M ≤ value < \$30M
 F: \$30M ≤ value < \$50M
 G: value ≥ \$50M

**NOTES TO TENDERERS AND ADDITIONAL CONDITIONS OF CONTRACT FOR
ENGAGEMENT OF SUBCONTRACTORS REGISTERED FROM
THE “REGISTERED SPECIALIST TRADE CONTRACTORS SCHEME”
(FOR NEW ENGINEERING CONTRACT (NEC) –
ENGINEERING AND CONSTRUCTION CONTRACT (ECC))**

The following Notes to Tenderers and Additional Conditions of Contract shall be included in tenders for all capital and maintenance works contracts:

Notes to Tenderers:

NTT [51][#] – Engagement of Subcontractors who are Registered under the Respective Trades [and Groups]¹ available in the Registered Specialist Trade Contractors Scheme

Tenderers’ attention is drawn to the Clause [C6][#] of the *additional conditions of contract* requiring the engagement of subcontractors who are registered under the respective trades [and groups]¹ available in the Registered Specialist Trade Contractors Scheme (RSTCS).

Additional Conditions of Contract

[C6][#] – Engagement of Subcontractors who are registered under the respective trades [and groups]¹ available in the Registered Specialist Trade Contractors Scheme

- (1) For the purpose of this Clause, the following words and expressions shall have the meaning hereby assigned to them:

“RSTCS³” 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 Registered Specialist Trade Contractors Scheme.

[“Group 1” and “Group 2” mean the classification of contractors into Group 1 and Group 2 under each trade of the Register of Specialist Trade Contractors.]¹

- (2) Where the *Contractor* is to subcontract part of the *works*, performance of which involves trades available in the RSTCS, the *Contractor* shall only engage, for the purposes of execution of such part of the *works*, Subcontractors who has satisfied all of the following criteria:

- (i) the Subcontractor is the subcontractor stated in the *Contractor's* latest updated submission of the Subcontractor Management Plan;
- (ii) the Subcontractor has completed registration under the relevant trades in the RSTCS before the commencement of the work under the relevant subcontracts; and
- [(iii) if the Subcontractor is registered under a trade in the Register of Specialist Trade Contractors and if the value of relevant subcontract exceeds the tender limit of Group 1, the Subcontractor has been admitted into Group 2 before the commencement of the work under the relevant subcontract.]¹

The *Contractor* shall not engage a Subcontractor who is suspended or in the process of an appeal against his suspension from registration in the RSTCS unless the suspension is lifted before the commencement of the work under the relevant subcontracts. The foregoing shall also apply to the *Contractor's* engagement of Specialist Subcontractors in Clause [C3]² of these *additional conditions of contract*.

- (3) The *Contractor* shall ensure that where any part of the part of the *works* subcontracted to a Subcontractor engaged under sub-clause (2) performance of which involves trades available in the RSTCS is further subcontracted (irrespective of any tier), only subcontractors (irrespective of any tier) who have satisfied all of the following criteria are engaged for the purposes of execution of such part of the part of the *works*:

- (i) the subcontractor is the subcontractor stated in the *Contractor's* latest updated submission of the Subcontractor Management Plan;
- (ii) the subcontractor has completed their registration under the relevant trades available in RSTCS before the commencement of the work under the relevant further subcontracts;

[(iii) if the subcontractor is registered under a trade in the Register of Specialist Trade Contractors and if the value of relevant subcontract exceeds the tender limit of Group 1, the subcontractor has been admitted into Group 2 before the commencement of the work under the relevant subcontract]¹

The *Contractor* shall also ensure that a subcontractor (irrespective of any tier) who is suspended or in the process of an appeal against his suspension from registration in the RSTCS shall not be engaged for the aforesaid further subcontracting (irrespective of any tier) unless the suspension is lifted before the commencement of the work under the relevant further subcontracts.

Notes:

Please insert appropriate reference

1. The contractors registered in the Register of Specialist Trade Contractors are classified into two groups – Group 1 and Group 2, with different admission criteria and tender limits. For newly established companies without complete job records, but satisfying other admission criteria, they might apply for registration as a Group 1 (probationary) subcontractor under the trades available in the Register of Specialist Trade Contractors. The words in square bracket should be adopted for capital and maintenance works contracts for which tenders will be invited on or after 1.10.2020 (or such other date as announced by DEVB), i.e. the tender limits of Group 1 and Group 2 should be observed. (para. 5 of SDEV's memo ref. DEVB(W) 510/94/02 of 28.3.2019 refers)
2. Insert appropriate reference which refers to Clause C3 of Library of Standard Additional Conditions of Contract for NEC ECC regarding "Specialist Subcontractors".
3. Upon the launch of the RSTCS by CIC on 1.4.2019, seven trades – (1) Concreting; (2) Concreting Formwork; (3) Curtain Wall; (4) Demolition; (5) Erection of Concrete Precast Component; (6) Reinforcement Bar Fixing and (7) Scaffolding are put under the Register of Specialist Trade Contractors.

**NOTES TO TENDERERS
AND APPENDIX TO ADDITIONAL CONDITIONS OF CONTRACT FOR
SUBCONTRACTOR MANAGEMENT PLAN.
(FOR NEW ENGINEERING CONTRACT (NEC)
– ENGINEERING AND CONSTRUCTION CONTRACT (ECC))**

The following Notes to Tenderers and Appendix to Additional Conditions of Contract shall be included in tenders for all capital and maintenance works contracts:

Notes to Tenderers

NTT [52][#] Payment for Subcontractor Management Plan

Tenderers' attention is drawn to Clause [GCT 20][#] of General Conditions of Tender, Clause [C5][#] of *additional conditions of contract* and Clause [XX][#] of the Particular Specification requiring the submission and quarterly updating of the Subcontractor Management Plan (SMP) in the form and contents as prescribed in the Contract. Tenderers' attention is also drawn to the requirement to monitor and ensure the implementation of and the compliance with the SMP.

Tenderers should note that there are no separate items in the [**bill of quantities/activity schedule*] for "submission of Subcontractor Management Plan" and "quarterly updating of Subcontractor Management Plan". The prices in the [**bill of quantities/activity schedule*] shall cover, inter alia, the provision of implementation of and compliance with the SMP.

NTT [53][#] Details of Subcontractor Management Plan

Tenderers' attention is drawn to the Appendix [x][#] to Clause [C5][#] of *additional conditions of contract* on the scope and contents of Subcontractor Management Plan, including but not limited to the details of subcontract(s), the trade and group (if any) of the subcontractor under the Registered Specialist Trade Contractors Scheme and value of the subcontract(s).

[#] Please insert appropriate reference

* Delete as appropriate.

Appendix [x] to ACC[x]

Guidelines on Scope and Contents of Subcontractor Management Plan

The Subcontractor Management Plan shall include (but not limited to) the following:

- i) Scope of works to be subcontracted including the form and extent of subcontracting arrangement such as labour only, labour and plant, labour and material, plant only, lump sum or any other combination of types. Proof of ownership of construction plant and material shall be addressed. The scope of works to be subcontracted shall comply with the relevant contractual provisions (i.e. the ACC for **Limiting the Tiers of Subcontracting**).
- ii) Particulars of subcontracts (irrespective of tiers) as required under the Template under Table 1.
- iii) The *Contractor's* approach to demand/ensure his subcontractor(s) to a) abstain from subcontracting the whole of the works subcontracted to him/them, and b) report upwards his/their subcontracting arrangement and any subsequent changes with written declarations of no "hidden" subcontracts for any part of the *works* subcontracted to any of them.
- iv) The *Contractor's* proposed measures for supervision of the works and monitoring of the performance of subcontractors, particularly the aspects of the works programming, quality and safety of the works and environmental protection.
- v) Criteria for selection of subcontractor(s) involving trade(s) not available in the Registered Specialist Trade Contractors Scheme (RSTCS).
- vi) The *Contractor's* approach to ensure all his subcontractor(s) (irrespective of tiers) to adopt written contracts in his/their subcontracting and that all the subcontract(s) comply with the requirements as stipulated in the Contract (i.e. ACC for **Subcontract conditions**).
- vii) Details of the *Contractor's* Management Team, as required in the Contract (i.e. the ACC for **Contractor's Management Team**), employed on direct supervision and management of subcontractor(s). An organization chart showing the responsibilities of the *Contractor's* direct staff in supervision and management of his subcontractor(s) shall be submitted.
- viii) Declaration that members of staff on the *Contractor's* Management Team are prohibited to be given a subcontract to any part of the *works* or to have a vested interest in any of the subcontractors irrespective of tiers.
- ix) The *Contractor's* proposed measures to ensure the compliance with the implementation of the system of payment of wages to the Site Workers as stipulated in the Contract (i.e. ACC for **Payment of Wages of Site Workers**). The *Contractor's* proposed measures for ensuring timely payments to subcontractor(s) and payments by subcontractor(s) to subcontractor(s) of lower tiers.

NB. The above items are not exhaustive. The *Contractor* can add any other items, which he considers pertinent to the proper management of his subcontractor(s).

Appendix [x] to ACC[x]

[For contracts without contract measures to prevent non-payment of wages and/or limiting number of tiers of subcontracting]

Guidelines on Scope and Contents of Subcontractor Management Plan

The Subcontractor Management Plan shall include (but not limited to) the following:

- i) Scope of works to be subcontracted including the form and extent of subcontracting arrangement such as labour only, labour and plant, labour and material, plant only, lump sum or any other combination of types. Proof of ownership of construction plant and material shall be addressed.
- ii) Particulars of subcontracts (irrespective of tiers) as required under the Template under Table 1.
- iii) Criteria for selection of subcontractor(s) involving trade(s) not available in the Registered Specialist Trade Contractors Scheme (RSTCS).
- iv) Details of the *Contractor's* own staff employed for direct supervision and management of his subcontractor(s). An organization chart showing the responsibilities of the contractor's direct staff in supervision and management of his subcontractor(s) shall be submitted.
- v) The *Contractor's* approach to demand/ensure his subcontractor(s) to a) abstain from subcontracting the whole of the works subcontracted to him/them, and b) submit written declarations of no "hidden" subcontracting of works.
- vi) The *Contractor's* approach to encourage his subcontractor(s) to adopt written contract(s) in his/their subcontracting.
- vii) The *Contractor's* proposed measures to demand his subcontractor(s) to report upward his/their subcontracting arrangement(s) and any subsequent changes.
- viii) The *Contractor's* proposed measures for monitoring and assessing the works programme, quality, safety and environmental performance of his subcontractors.
- ix) The *Contractor's* proposed measures for ensuring timely payment to downstream subcontractor(s) after his payment to his direct subcontractor(s).
- x) The *Contractor's* approach for monitoring disputes.
- xi) The *Contractor's* approach for handling complaints from workers on site regarding wages arrears disputes and co-ordinating with Labour Department for prompt action. *Contractors* are required to keep the Architect/Engineer/Supervising Officer's site representatives updated of the situation.
- xii) The *Contractor's* proposed measures for maintaining updated daily attendance records of all workers on site.
- xiii) The *Contractor's* proposed measures for site security and workers' daily access control if applicable.

NB. The above items are not exhaustive. The *Contractor* can add any other issues, which he considers pertinent to the proper management of his subcontractor(s).

Table 1 - Particulars of Subcontracts

No.	Name of Company	Commencement Date	Program	No. of Tier	Type of Works	Form of subcontractor	Registered Specialist Trade Contractors Scheme (RSTCS)				Subcontract	
							Type ⁽²⁾	Registration No.	Expiry Date	Group (if any)	Trade and Specialty ⁽³⁾	Value ⁽⁴⁾
e.g.	ABC Company	1.4.2019	9 months	1	Formworks	Labour, Plant & Material	RSTC	XXXXXX	31.3.2022	1	E	2
	123 Company	1.4.2019	12 months	2	Fire Service	Labour & Plant	RS	XXXXXX	31.3.2022	NA	D	NA
1												
2												

Notes

- (1) Apart from the above information, the *Contractor* shall provide additional information and supporting document upon requested.
- (2) RSTC refers to the Registered Specialist Trade Contractor in RSTCS.
- (3) RS refers to the Registered Subcontractor in RSTCS.
- (4) For details of the classification of Trade and Specialty, please refer to the website of the Construction and Industry Council (CIC).
- (5) Group 1 or Group 2 refers to the tender limit of the trade set by CIC. (Grouping is only applicable to RSTC)

- A: value < \$1M
- B: \$1M ≤ value < \$3M
- C: \$3M ≤ value < \$6M
- D: \$6M ≤ value < \$15M
- E: \$15M ≤ value < \$30M
- F: \$30M ≤ value < \$50M
- G: value ≥ \$50M

**NOTES TO TENDERERS AND ADDITIONAL CONDITIONS OF CONTRACT FOR
ENGAGEMENT OF SUBCONTRACTORS REGISTERED FROM
THE “REGISTERED SPECIALIST TRADE CONTRACTORS SCHEME”
(FOR NEW ENGINEERING CONTRACT (NEC) –
TERM SERVICE CONTRACT (TSC))**

The following Notes to Tenderers and Additional Conditions of Contract shall be included in tenders for all capital and maintenance works contracts:

Notes to Tenderers:

NTT [51]# – Engagement of Subcontractors who are Registered under the Respective Trades [and Groups]¹ available in the Registered Specialist Trade Contractors Scheme

Tenderers’ attention is drawn to the Clause [C6]# of the *additional conditions of contract* requiring the engagement of subcontractors who are registered under the respective trades [and groups]¹ available in the Registered Specialist Trade Contractors Scheme (RSTCS).

Additional Conditions of Contract

[C6] # - Engagement of Subcontractors who are registered under the respective trades [and groups]¹ available in the Registered Specialist Trade Contractors Scheme

- (1) For the purpose of this Clause, the following words and expressions shall have the meaning hereby assigned to them:

“RSTCS³” 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 Registered Specialist Trade Contractors Scheme.

[“Group 1” and “Group 2” mean the classification of contractors into Group 1 and Group 2 under each trade of the Register of Specialist Trade Contractors.]¹

- (2) Where the *Contractor* is to subcontract part of the *service*, performance of which involves trades available in the RSTCS, the *Contractor* shall only engage, for the purposes of execution of such part of the *service*, Subcontractors who has satisfied all of the following criteria:

- (i) the Subcontractor is the subcontractor stated in the *Contractor's* latest updated submission of the Subcontractor Management Plan;
- (ii) the Subcontractor has completed registration under the relevant trades in the RSTCS before the commencement of the work under the relevant subcontracts; and
- [(iii) if the Subcontractor is registered under a trade in the Register of Specialist Trade Contractors and if the value of relevant subcontract exceeds the tender limit of Group 1, the Subcontractor has been admitted into Group 2 before the commencement of the work under the relevant subcontract.]¹

The *Contractor* shall not engage a Subcontractor who is suspended or in the process of an appeal against his suspension from registration in the RSTCS unless the suspension is lifted before the commencement of the work under the relevant subcontracts. The foregoing shall also apply to the *Contractor's* engagement of Specialist Subcontractors in Clause [C3]² of these *additional conditions of contract*.

- (3) The *Contractor* shall ensure that where any part of the *service* subcontracted to a Subcontractor engaged under sub-clause (2) performance of which involves trades available under RSTCS is further subcontracted (irrespective of any tier), only subcontractors (irrespective of any tier) who have satisfied all of the following criteria are engaged for the purposes of execution of such part of the part of the *service*:
 - (i) the subcontractor is the subcontractor stated in the *Contractor's* latest updated submission of the Subcontractor Management Plan;
 - (ii) the subcontractor has completed their registration under the relevant trades available in RSTCS before the commencement of the work under the relevant further subcontracts;
 - [(iii) if the subcontractor is registered under a trade in the Register of Specialist Trade Contractors and if the value of relevant subcontract exceeds the tender limit of Group 1, the subcontractor has been admitted into Group 2 before the commencement of the works under the relevant subcontract]¹

The *Contractor* shall also ensure that a subcontractor (irrespective of any tier) who is suspended or in the process of an appeal against his suspension from registration in the RSTCS shall not be engaged for the aforesaid further subcontracting (irrespective of any tier) unless the suspension is lifted before the commencement of the work under the relevant further subcontracts.

Notes:

Please insert appropriate reference

1. The contractors registered in the Register of Specialist Trade Contractors are classified into two groups – Group 1 and Group 2, with different level of admission criteria and tender limits. For newly established companies without complete job records, but satisfying other admission criteria, they might apply for registration as a Group 1 (probationary) subcontractor under the trades available in the Register of Specialist Trade Contractors. The words in square bracket should be adopted for capital works and maintenance contracts for which tenders will be invited on or after 1.10.2020 (or such other date as announced by DEVB), i.e. the tender limits of Group 1 and Group 2 should be observed. (para. 5 of SDEV's memo ref. DEVB(W) 510/94/02 of 28.3.2019 refers)
2. Insert appropriate reference which refers to Clause C3 of Library of Standard Additional Conditions of Contract for NEC TSC regarding "Specialist Subcontractors".
3. Upon the launch of the RSTCS by CIC on 1.4.2019, seven trades – (1) Concreting; (2) Concreting Formwork; (3) Curtain Wall; (4) Demolition; (5) Erection of Concrete Precast Component; (6) Reinforcement Bar Fixing and (7) Scaffolding are put under the Register of Specialist Trade Contractors.

**NOTES TO TENDERERS
AND APPENDIX TO ADDITIONAL CONDITIONS OF CONTRACT FOR
SUBCONTRACTOR MANAGEMENT PLAN
(FOR NEW ENGINEERING CONTRACT (NEC)
– TERM SERVICE CONTRACT (TSC))**

The following Notes to Tenderers and Appendix to Additional Conditions of Contract shall be included in tenders for all capital and maintenance works contracts:

Notes to Tenderers

NTT [52][#] Payment for Subcontractor Management Plan

Tenderers' attention is drawn to Clause [GCT 20][#] of General Conditions of Tender, Clause [C5][#] of *additional conditions of contract* and Clause [XX][#] of the Particular Specification requiring the submission and quarterly updating of the Subcontractor Management Plan (SMP) in the form and contents as prescribed in the Contract. Tenderers' attention is also drawn to the requirement to monitor and ensure the implementation of and the compliance with the SMP.

Tenderers should note that there are no separate items in the Schedule of Rates for "submission of Subcontractor Management Plan" and "quarterly updating of Subcontractor Management Plan". The rates in the Schedules of Rates shall cover, inter alia, the provision of implementation of and compliance with the SMP.

NTT [53][#] Details of Subcontractor Management Plan

Tenderers' attention is drawn to the Appendix [x][#] to Clause [C5][#] of *additional conditions of contract* on the scope and contents of Subcontractor Management Plan including but not limited to the details of subcontract(s), the trade and group (if any) of the subcontractor under the Registered Specialist Trade Contractors Scheme and value of the subcontract(s).

Please insert appropriate reference

* Delete as appropriate.

Appendix [x] to ACC[x]

Guidelines on Scope and Contents of Subcontractor Management Plan

The Subcontractor Management Plan shall include (but not limited to) the following:

- i) Scope of works to be subcontracted including the form and extent of subcontracting arrangement such as labour only, labour and plant, labour and material, plant only, lump sum or any other combination of types. Proof of ownership of construction plant and material shall be addressed. The scope of works to be subcontracted shall comply with the relevant contractual provisions (i.e. the ACC for **Limiting the Tiers of Subcontracting**).
- ii) Particulars of subcontracts (irrespective of tiers) as required under the Template under Table 1.
- iii) The *Contractor's* approach to demand/ensure his subcontractor(s) to a) abstain from subcontracting the whole of the works subcontracted to him/them, and b) report upwards his/their subcontracting arrangement and any subsequent changes with written declarations of no "hidden" subcontracts for any part of the *works* subcontracted to any of them.
- iv) The *Contractor's* proposed measures for supervision of the works and monitoring of the performance of subcontractors, particularly the aspects of the works programming, quality and safety of the works and environmental protection.
- v) Criteria for selection of subcontractor(s) involving trade(s) not available in the Registered Specialist Trade Contractors Scheme (RSTCS).
- vi) The *Contractor's* approach to ensure all his subcontractor(s) (irrespective of tiers) to adopt written contracts in his/their subcontracting and that all the subcontract(s) comply with the requirements as stipulated in the Contract (i.e. ACC for **Subcontract conditions**).
- vii) Details of the *Contractor's* Management Team, as required in the Contract (i.e. the ACC for **Contractor's Management Team**), employed on direct supervision and management of subcontractor(s). An organization chart showing the responsibilities of the *Contractor's* direct staff in supervision and management of his subcontractor(s) shall be submitted.
- viii) Declaration that members of staff on the *Contractor's* Management Team are prohibited to be given a subcontract to any part of the *works* or to have a vested interest in any of the subcontractors irrespective of tiers.
- ix) The *Contractor's* proposed measures to ensure the compliance with the implementation of the system of payment of wages to the Site Workers as stipulated in the Contract (i.e. ACC for **Payment of Wages of Site Workers**). The *Contractor's* proposed measures for ensuring timely payments to subcontractor(s) and payments by subcontractor(s) to subcontractor(s) of lower tiers.

NB. The above items are not exhaustive. The *Contractor* can add any other items, which he considers pertinent to the proper management of his subcontractor(s).

Appendix [x] to ACC[x]

[For contracts without contract measures to prevent non-payment of wages and/or limiting number of tiers of subcontracting]

Guidelines on Scope and Contents of Subcontractor Management Plan

The Subcontractor Management Plan shall include (but not limited to) the following:

- i) Scope of works to be subcontracted including the form and extent of subcontracting arrangement such as labour only, labour and plant, labour and material, plant only, lump sum or any other combination of types. Proof of ownership of construction plant and material shall be addressed.
- ii) Particulars of subcontracts (irrespective of tiers) as required under the Template under Table 1.
- iii) Criteria for selection of subcontractor(s) involving trade(s) not available in the Registered Specialist Trade Contractors Scheme (RSTCS).
- iv) Details of the *Contractor's* own staff employed for direct supervision and management of his subcontractor(s). An organization chart showing the responsibilities of the contractor's direct staff in supervision and management of his subcontractor(s) shall be submitted.
- v) The *Contractor's* approach to demand/ensure his subcontractor(s) to a) abstain from subcontracting the whole of the works subcontracted to him/them, and b) submit written declarations of no "hidden" subcontracting of works.
- vi) The *Contractor's* approach to encourage his subcontractor(s) to adopt written contract(s) in his/their subcontracting.
- vii) The *Contractor's* proposed measures to demand his subcontractor(s) to report upward his/their subcontracting arrangement(s) and any subsequent changes.
- viii) The *Contractor's* proposed measures for monitoring and assessing the works programme, quality, safety and environmental performance of his subcontractors.
- ix) The *Contractor's* proposed measures for ensuring timely payment to downstream subcontractor(s) after his payment to his direct subcontractor(s).
- x) The *Contractor's* approach for monitoring disputes.
- xi) The *Contractor's* approach for handling complaints from workers on site regarding wages arrears disputes and co-ordinating with Labour Department for prompt action. *Contractors* are required to keep the Architect/Engineer/Supervising Officer's site representatives updated of the situation.
- xii) The *Contractor's* proposed measures for maintaining updated daily attendance records of all workers on site.
- xiii) The *Contractor's* proposed measures for site security and workers' daily access control if applicable.

NB. The above items are not exhaustive. The *Contractor* can add any other issues, which he considers pertinent to the proper management of his subcontractor(s).

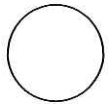
Table 1 - Particulars of Subcontracts

No.	Name of Company	Commencement Date	Program	No. of Tier	Type of Works	Form of subcontractor	Registered Specialist Trade Contractors Scheme (RSTCS)				Subcontract		
							Type ⁽²⁾	Registration No.	Expiry Date	Group (if any)	Trade and Specialty ⁽³⁾	Value ⁽⁴⁾	Grouping ⁽⁵⁾
e.g.	ABC Company	1.4.2019	9 months	1	Formworks	Labour, Plant & Material	RSTC	XXXXXX	31.3.2022	1	Concreting Formwork	E	2
	123 Company	1.4.2019	12 months	2	Fire Service	Labour & Plant	RS	XXXXXX	31.3.2022	NA	Fire Service Installation	D	NA
1													
2													

Notes

- (1) Apart from the above information, the *Contractor* shall provide additional information and supporting document upon requested.
- (2) RSTC refers to the Registered Specialist Trade Contractor in RSTCS.
- (3) RS refers to the Registered Subcontractor in RSTCS.
- (4) For details of the classification of Trade and Specialty, please refer to the website of the Construction and Industry Council (CIC).
- (5) Group 1 or Group 2 refers to the tender limit of the trade set by CIC. (Grouping is only applicable to RSTC)

- A: value < \$1M
 B: \$1M ≤ value < \$3M
 C: \$3M ≤ value < \$6M
 D: \$6M ≤ value < \$15M
 E: \$15M ≤ value < \$30M
 F: \$30M ≤ value < \$50M
 G: value ≥ \$50M



MEMO

From Secretary for Development
Ref (02KJ8-01-4) in DEVB(W) 510/94/02
Tel. No. 3509 8277
Fax No. 2801 5034
Email jimmy_pm_chan@devb.gov.hk
Date 22 July 2013

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Launching of Stage 2 of the Voluntary Subcontractor Registration Scheme (Renamed as Subcontractor Registration Scheme)

Background

The requirement for contractors of all capital works and maintenance works contracts to only employ subcontractors (whether nominated, specialist or domestic) registered under the respective trades available in the Primary Register of the Voluntary Subcontractor Registration Scheme (VSRS) was promulgated in August 2004 via ETWB TCW No. 13/2004. Relevant provisions were subsequently subsumed under Chapter 5 (section 9.31 and Appendix 5.6) and Chapter 7 (section 21.14.2) of the PAH.

2. The Construction Industry Council (CIC) took over the management of the VSRS in January 2010. Recently, CIC has completed a review of the VSRS and launched Stage 2 of the VSRS on 1 January 2013. Major enhancements include incorporation in the scheme a new entry requirement for registration on the Primary Register to facilitate new entrants to the subcontracting industry; strengthened regulatory action against convictions of offences under the Prevention of Bribery Ordinance, Employment Ordinance (in relation to payment of wages), Mandatory Provident Fund Schemes Ordinance, safety related ordinances and Immigration Ordinance; and refinement of operational details where appropriate to improve efficiency of the management of the scheme. The VSRS was also renamed as Subcontractor Registration Scheme (SRS). Details of the SRS can be found in the Rules and Procedures which latest version is available at the following website of CIC: http://www.hkcic.org/eng/services/srs/rules_and_procedures.aspx?langType=1033. References to the VSRS in the above technical circular or the PAH shall be superseded with the SRS.

3. All subcontractors registered under the VSRS have become Registered Subcontractors under the SRS. They are governed by the SRS and subject to the Rules and Procedures as aforementioned in para. 2 above.

Employment of Subcontractors Registered under SRS

4. A set of updated NTT and SCC is enclosed at **Annex A** setting out the requirement that public works contractors are required to employ subcontractors (whether nominated, specialist or domestic and irrespective of tier) registered under the respective trades available in the Primary Register of the SRS. With immediate effect, all capital works contracts and maintenance contracts with tenders not yet been invited shall adopt the abovementioned NTT and SCC instead of the one included in ETWB TCW No. 13/2004 or subsequently subsumed under the PAH. For contracts for which tenders have been invited, project officers should arrange to take necessary actions, including issue of tender addendum, as appropriate to duly incorporate the updated NTT and SCC.

Updates Required in the PAH

5. By copy, I should be grateful if the respective Chapter Owner for PAH Chapter 5 and Chapter 7 would arrange to update the relevant parts of PAH, as highlighted in **Annex B**, in about two months' time.

6. Any queries on the above should be addressed to Ms Fiona LIU, Technical Secretary, at Tel. no.: 3509 8308 or email: fionaliu@devb.gov.hk.



(Jimmy P M CHAN)
for Secretary for Development

Encl.

Distribution (w/ encl.)

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DCED	(Attn: Dr Michael CH HUI)
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PAS(W)3
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Subsumed

**NOTE TO TENDERERS AND SPECIAL CONDITION OF CONTRACT FOR
ENGAGEMENT OF SUB-CONTRACTORS REGISTERED FROM
SUBCONTRACTOR REGISTRATION SCHEME**

The following Note to Tenderers and Special Condition of Contract shall be included in tenders for all capital and maintenance works contracts:

Notes to Tenderers:

“Tenderers’ attention is drawn to the Special Condition of Contract [x] requiring the engagement of sub-contractors who are registered under the respective trades available in the Primary Register of the Subcontractor Registration Scheme.”

Special Condition of Contract

- I) “SCC[x] - Engagement of sub-contractors who are registered under the respective trades available in the Primary Register of the Subcontractor Registration Scheme:

General Conditions of Contract Clause 4 is amended by adding the following:

- (8)(a) Where the Contractor is to [sub-contract/sub-let]¹ part of the Works execution of which involves trades available under the Primary Register of the Subcontractor Registration Scheme, the Contractor shall engage, for the purposes of execution of such part of the Works, sub-contractors as stated in the Contractor’s latest updated submission of the Sub-contractor Management Plan and who have completed their registration under the relevant trades available in such Primary Register before the commencement of the works under the relevant sub-contracts. Provided that the Contractor shall not engage a sub-contractor who is suspended or in the process of an appeal against his suspension from registration under such Primary Register unless the suspension is lifted before the commencement of the works under the relevant sub-contracts. The foregoing shall also apply to the Contractor’s engagement of [Nominated Sub-contractors]², [Specialist Sub-contractors]³ and [sub-contractors for specialist works referred to in Special Condition of Contract Clause []]⁴⁵.

(b) The Contractor shall ensure that where any part of the part of the Works sub-contracted to :-

(i) a sub-contractor engaged under sub-clause 8(a) of this Clause;

[(ii) a Nominated Sub-contractor;]²

[(iii) a Specialist Sub-contractor; or]³

[(iv) a sub-contractor for specialist works referred to in Special Condition of Contract Clause []⁴]⁵,

execution of which involves trades available under the Primary Register of the Subcontractor Registration Scheme is further sub-contracted (irrespective of any tier), sub-contractors (irrespective of any tier) as stated in the Contractor's latest updated submission of the Sub-contractor Management Plan and who have completed their registration under the relevant trades available in such Primary Register before the commencement of the works under the relevant further sub-contracts are engaged for the purposes of execution of such part of the part of the Works. The Contractor shall also ensure that a sub-contractor (irrespective of any tier) who is suspended or in the process of an appeal against his suspension from registration under such Primary Register shall not be engaged for the aforesaid further sub-contracting (irrespective of any tier) unless the suspension is lifted before the commencement of the works under the relevant further sub-contracts.

(c) For the purposes of this sub-clause, “Subcontractor Registration Scheme” and “Primary Register of the Subcontractor Registration Scheme” respectively means the Subcontractor Registration Scheme managed by the Construction Industry Council and the Primary Register of the Subcontractor Registration Scheme as referred to in the Rules and Procedures applicable to the aforementioned Subcontractor Registration Scheme.”

Notes:

- 1. Use “sub-contract” or “sub-let” as appropriate depending on the type of GCC’s used in individual contract.**
- 2. Use as appropriate depending on the type of GCC’s used in individual contract.**
- 3. Use when the standard SCC in WBTC No. 25/94 (entitled “Standard Form of Domestic Sub-contract for specialist works”) is used in individual contract.**
- 4. Insert the number of the SCC in the individual contract which has used the standard SCC for sub-contracting in Secretary for Works’ memo WB(W) 209/32/110 (entitled “Library of Special Conditions of Contract Clause 14 - Sub-contracting”) dated 23.3.2001.**
- 5. Use when standard SCC on sub-contracting in Secretary for Works’ memo WB(W)209/32/110 (entitled “Library of Special Conditions of Contract Clause 14 - Sub-contracting”) dated 23.3.2001 is used in individual contract.**

PAH Chapter 5

9.31 ENGAGEMENT OF SUB-CONTRACTORS REGISTERED FROM ~~VOLUNTARY~~ SUB-CONTRACTOR REGISTRATION SCHEME (Ref.: Subsumed from ETWB TCW No. 13/2004 & SDEV's memo ref. (02KJ8-01-4) in DEVB(W)510/94/02 dated 22 July 2013)

All capital works and maintenance works contracts shall require the contractor to only employ ~~all~~ sub-contractors (whether nominated, specialist or domestic) registered under~~from~~ the respective trades available in~~under~~ the Primary Register of the ~~Voluntary~~ Sub-contractor Registration Scheme (~~V~~SRS) (formerly known as the Voluntary Subcontractor Registration Scheme (VSRS)) managed by the Construction Industry Council. The NTT and SCC as given in Appendix 5.6 shall be included in tenders for all capital and maintenance works contracts. The above requirements apply to Nominated Sub-contractors, Specialist Sub-contractors and sub-contractors for specialist works referred to in SCC on "Sub-contracting", as well as their further sub-contractors of all tiers.

**APPENDIX 5.6 NOTE TO TENDERERS AND SPECIAL CONDITION OF
CONTRACT FOR ENGAGEMENT OF
SUB-CONTRACTORS REGISTERED FROM
~~VOLUNTARY~~ SUB-CONTRACTOR REGISTRATION
SCHEME (Ref.: Subsumed from ETWB TCW No. 13/2004 &
SDEV's memo ref. (02KJ8-01-4) in DEVB(W)510/94/02 dated
22 July 2013)**

The following Note to Tenderers and Special Condition of Contract shall be included in tenders for all capital and maintenance works contracts:

Notes to Tenderers:

“~~—~~Tenderers’ attention is drawn to the Special Condition of Contract [x] requiring the engagement of sub-contractors who are registered under the respective trades available in the Primary Register of the ~~Voluntary~~ Sub-contractor Registration Scheme.”

Special Condition of Contract

I) “SCC[x] - Engagement of sub-contractors who are registered under the respective trades available in the Primary Register of the ~~Voluntary~~ Sub-contractor Registration Scheme:

General Conditions of Contract Clause 4 is amended by adding the following:

(8)(a) Where the Contractor is to [sub-contract/sub-let]¹ part of the Works execution of which involves trades available under the Primary Register of the ~~Voluntary~~ Sub-contractors Registration Scheme, the Contractor shall engage, for the purposes of execution of such part of the Works, sub-contractors as stated in the Contractor’s latest updated submission of the Sub-contractor Management Plan and who have completed their registration under the relevant trades available in such Primary Register before the commencement of the works under the relevant sub-contracts. Provided that the Contractor shall not engage a sub-contractor who is suspended or in the process of an appeal against his suspension from registration under such Primary Register unless the suspension is lifted

Annex B

before the commencement of the works under the relevant sub-contracts. The foregoing shall also apply to the Contractor's engagement of [Nominated Sub-contractors]², [Specialist Sub-contractors]³ and [sub-contractors for specialist works referred to in Special Condition of Contract Clause []]⁴⁵.

(b) The Contractor shall ensure that where any part of the part of the Works sub-contracted to :-

(i) a sub-contractor engaged under sub-clause 8(a) of this Clause;

[(ii) a Nominated Sub-contractor;]²

[(iii) a Specialist Sub-contractor; or]³

[(iv) a sub-contractor for specialist works referred to in Special Condition of Contract Clause []]⁴⁵,

execution of which involves trades available under the Primary Register of the ~~Voluntary~~ Sub-contractor Registration Scheme is further sub-contracted (irrespective of any tier), sub-contractors (irrespective of any tier) as stated in the Contractor's latest updated submission of the Sub-contractor Management Plan and who have completed their registration under the relevant trades available in such Primary Register before the commencement of the works under the relevant further sub-contracts are engaged for the purposes of execution of such part of the part of the Works. The Contractor shall also ensure that a sub-contractor (irrespective of any tier) who is suspended or in the process of an appeal against his suspension from registration under such Primary Register shall not be engaged for the aforesaid further sub-contracting (irrespective of any tier) unless the suspension is lifted before the commencement of the works under the relevant further sub-contracts.

(c) For the purposes of this sub-clause, "~~Voluntary~~ Sub-contractors Registration Scheme" and "Primary Register of the ~~Voluntary~~ Sub-contractors Registration Scheme" respectively means the ~~Voluntary~~ Sub-contractors Registration Scheme managed by the Construction Industry Council and the Primary Register of the ~~Voluntary~~

Annex B

Sub-contractor Registration Scheme as referred to in ~~Environment, Transport and Works Bureau Technical Circular (Works) No. 13/2004~~ the Rules and Procedures applicable to the aforementioned Subcontractor Registration Scheme.”

Subsumed

Notes:

- 1. Use “sub-contract” or “sub-let” as appropriate depending on the type of GCC’s used in individual contract.**
- 2. Use as appropriate depending on the type of GCC’s used in individual contract.**
- 3. Use when the standard SCC in WBTC No. 25/94 (entitled “Standard Form of Domestic Sub-contract for specialist works”) is used in individual contract.**
- 4. Insert the number of the SCC in the individual contract which has used the standard SCC for sub-contracting in Secretary for Works’ memo WB(W) 209/32/110 (entitled “Library of Special Conditions of Contract Clause 14 - Sub-contracting”) dated 23.3.2001.**
- 5. Use when standard SCC on sub-contracting in Secretary for Works’ memo WB(W)209/32/110 (entitled “Library of Special Conditions of Contract Clause 14 - Sub-contracting”) dated 23.3.2001 is used in individual contract.**

PAH Chapter 7

21.14.2 Engagement of Sub-contractors registered under the ~~Voluntary~~ Sub-contractor Registration Scheme (Ref: Subsumed from ETWB TCW No. 13/2004 & SDEV's memo ref. (02KJ8-01-4) in DEVB(W)510/94/02 dated 22 July 2013)

The contractors of all capital works and maintenance works contracts with tenders invited on or after 15 August 2004 are required to only employ sub-contractors (whether nominated, specialist or domestic) registered under the respective trades available in the Primary Register of the Voluntary Sub-contractor Registration Scheme (VSRS) introduced by the Provisional Construction Industry Co-ordination Board (PCICB). The Construction Industry Council (CIC) took over the management of the VSRS in January 2010. CIC has completed a review of the VSRS and launched Stage 2 of the VSRS on 1 January 2013. Major enhancements include incorporation in the scheme a new entry requirement for registration on the Primary Register to facilitate new entrants to the subcontracting industry; strengthened regulatory action against convictions of offences under the Prevention of Bribery Ordinance, Employment Ordinance (in relation to payment of wages), Mandatory Provident Fund Schemes Ordinance, safety related ordinances and Immigration Ordinance; and refinement of operational details where appropriate to improve efficiency of the management of the scheme. The VSRS was also renamed as "Subcontractor Registration Scheme" ("SRS"). Details of the SRS can be found in the Rules and Procedures which latest version is available at the following website of CIC: http://www.hkcic.org/eng/services/srs/rules_and_procedures.aspx?langType=103 3.

All subcontractors registered under VSRS have become Registered Subcontractors under the SRS. They are governed by the SRS and subject to the Rules and Procedures as aforementioned.

Where the contractor is to sub-contract/ sub-let part of the Works involving trades available under the Primary Register of the ~~VSRS~~, he shall engage all sub-contractors (whether nominated, specialist or domestic), as stated in his latest updated submission of the SMP, who are registered under the relevant trades in the Primary Register of the ~~VSRS~~. Should the sub-contractors further sub-contract (irrespective of any tier) any part of the part of the Works sub-contracted to them involving trades available under the Primary Register of

Annex B

the VSRS, the contractor shall ensure that all sub-contractors (irrespective of any tier) as stated in the Contractor's latest updated submission of the SMP are registered under the relevant trades in the Primary Register of the VSRS.

Should those contractors on DEVB's List of Approved Contractors for Public Works and List of Approved Suppliers of Materials and Specialist Contractors for Public Works be engaged as sub-contractors (whether nominated, specialist or domestic) or their further sub-contractors in a public works contract, where in such cases if part of the Works involving trades available under the Primary Register of the VSRS, they are still required to register from the respective trades under the Primary Register of the VSRS.

To allow greater flexibility for the contractor's planning of his sub-contracting at early stage, it is acceptable to allow the sub-contractors (whether nominated, specialist or domestic) and their further sub-contractors proposed in the latest updated SMP submission by the contractor to complete their registration under the VSRS before the commencement of the works under the relevant sub-contracts and further sub-contracts respectively. For the avoidance of doubt, when a sub-contractor or further sub-contractor is suspended or in the process of an appeal against his suspension from registration under the Primary Register of the VSRS, he is still considered not having complied with the above requirements for engagement of sub-contractors unless the suspension is lifted before the commencement of the works under the relevant sub-contracts or further sub-contracts respectively.

If the contractor fails to comply with any of the contractual requirements for engagement of sub-contractors, works department shall warn the contractor in writing and urge him to fulfil such contractual requirement within one month. The works department shall forward copies of all relevant correspondence to the Secretary for Development (Attention: PAS(W)4). If, after expiry of the one-month period, the contractor has still failed to comply with such contractual requirement, the works department shall notify the Secretary for Development (Attention: PAS(W)4) with a copy to the Chairman of the relevant Managing Review Committee requesting for regulating actions to be taken against the contractor in accordance with Section 5 of the latest version of the Contractor Management Handbook.

Upon receipt of the works department's notice, the Secretary for

Annex B

Development will give a further opportunity to the contractor to present his case before deciding whether to immediately suspend the contractor from tendering. Regulating actions will not be taken if such non-compliance is not within the control of the contractor. Copies of all correspondence will be sent to the works department concerned and the Managing Department of the relevant category of the List and/or the Specialist List. Uplifting of the suspension will only be considered when the contractor has complied with all the relevant contractual requirements.

Subsumed

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

政府總部
環境運輸及工務局
香港花園道美利大廈



Environment, Transport
and Works Bureau
Government Secretariat
Murray Building, Garden Road,
Hong Kong

Ref. : ETWB(PS) 109/11/1 Pt.5
Group : 2, 5,

14 June 2004

Environment, Transport and Works Bureau
Technical Circular (Works) No. 13/2004

Engagement of Sub-contractors registered from
Voluntary Sub-contractor Registration Scheme

Scope

This Circular sets out the new contractual requirement for public works contractors to employ all sub-contractors (whether nominated, specialist or domestic) registered under the Primary Register of the Voluntary Sub-contractor Registration Scheme (VSRS) introduced by the Provisional Construction Industry Co-ordination Board (PCICB).

Effective Date

2. This Circular shall take effect from 15 August 2004.

香港特別行政區政府
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Effective Date

2. This Circular shall take effect from 15 August 2004.

Effects on Existing Circulars

3. This Circular should be read in conjunction with ETWB TCW No. 47/2002, WBTC No. 25/94 and the latest version of the Contractor Management Handbook.

Background

4. The Construction Industry Review Committee (CIRC) has stated in its report of January 2001 that the standard of sub-contractors, including trade sub-contractors taking on part of a building or engineering development, is important to raise the construction quality. To raise the standard of trade sub-contractors, it is hence recommended that a pool of capable and responsible sub-contractors with specialized skills and strong professional ethics can be built up through the establishment of a voluntary registration scheme for such trade sub-contractors by the industry itself.

Voluntary Subcontractor Registration Scheme

5. The PCICB has introduced the Voluntary Sub-contractors Registration Scheme (VSRS) for trade sub-contractors taking part in building and engineering works in November 2003. Major clients and main contractors have pledged their firm support to PCICB for the VSRS, such as procurement arrangements that encourage contractual employment of registered sub-contractors; or contractual terms that allow registered sub-contractors to be given proper recognition or incremental credits in the tender evaluation process.

6. The VSRS will be implemented in phases, the first of which comprises a Primary Register with relatively simple and accommodating entry requirements. A total of 43 trades have been drawn up with 11 trades covering civil and structural works, 11 trades covering finishing works and 21 trades covering electrical and mechanical works. Subject to response and feedback from the industry, a second phase boosting more stringent criteria and grading of individual capacity will be rolled out in future.

7. The VSRS is overseen by a management committee made up of representatives nominated by major client organizations and contractors trade associations formed under auspices of the PCICB. This committee assumes the responsibility for enforcing the registration rules and procedures, screening and approving applications for registration, as well as instigating regulating actions for serious misconducts, such as supply of false information, failure to

give timely notification of key changes to registration particulars, serious violations of the rules and procedures, convictions for corruption or wage arrears. Pending establishment of a statutory industry co-ordinating body, the Hong Kong Construction Association Ltd. is providing administrative support as the interim scheme operator and has set up a Registration Office to process applications and handle related enquiries.

8. The company names of all registered sub-contractors are posted to the VSRS website (<http://www.pcicbvsrs.com.hk>) accessible by the industry stakeholders. Details of the trades and specialties available can also be checked under the Schedule 2 of the Rules and Procedures for the Primary Register of the VSRS (Version 2). Any queries about the registration and details of the VSRS can be addressed to their Registration Office at 2/F, 182 Hennessy Road, Wan Chai, Hong Kong (E-mail address: enquiry@pcicbvsrs.com.hk).

Policy

9. Public works contractors are required to employ sub-contractors (whether nominated, specialized or domestic) registered under the Primary Register of the VSRS and also ensure that the sub-contractors' further sub-contractors are registered under the Primary Register of VSRS. Should those contractors on ETWB's List of Approved Contractors for Public Works and List of Approved Suppliers of Materials and Specialist Contractors for Public Works (the ETWB Approved Lists) be engaged as sub-contractors (whether nominated, specialist or domestic) or their further sub-contractors in a public works contract, where in such cases if part of the Works involving trades available under the Primary Register of the VSRS, they are still required to register from the respective trades under the Primary Register of the VSRS.

New contractual requirement for the VSRS

10. All capital works and maintenance works contracts with tenders to be invited on or after 15 August 2004 shall require the contractor to employ all sub-contractors (whether nominated, specialist or domestic) registered from the respective trades available under the Primary Register of the VSRS. Where the contractor is to sub-contract/ sub-let part of the Works involving trades available under the Primary Register of the VSRS, he will be required to engage all sub-contractors (whether nominated, specialist or domestic), as stated in his latest updated submission of the Sub-contractor Management Plan (SMP), who are registered under the relevant trades in the Primary Register of the VSRS. Should the sub-contractors further sub-contract (irrespective of any tier) any part of the part of the Works sub-contracted to them involving trades available under the

Primary Register of the VSRS, the contractor shall ensure that all sub-contractors (irrespective of any tier) as stated in the Contractor's latest updated submission of the SMP are registered under the relevant trades in the Primary Register of the VSRS.

11. To allow greater flexibility for the contractor's planning of his sub-contracting at early stage, it is acceptable to allow the sub-contractors (whether nominated, specialist or domestic) and their further sub-contractors proposed in the latest updated SMP submission by the contractor as mentioned in paragraph 10 above to complete their registration under the VSRS before the commencement of the works under the relevant sub-contracts and further sub-contracts respectively.

12. Also, for the avoidance of doubt, when a sub-contractor or further sub-contractor, as mentioned in paragraph 10 and 11 above, who is suspended or in the process of an appeal against his suspension from registration under the Primary Register of the VSRS, he is still considered not having complied with the requirements in this Circular unless the suspension is lifted before the commencement of the works under the relevant sub-contracts or further sub-contracts respectively. GCC Clause 4(3) will be left intact as this still empowers the Architect/Engineer, if in his opinion he considers it necessary, to have full power to order the removal of any sub-contractor from the Site and/or the Works.

13. The Note to Tenderers and Special Condition of Contract (SCC) specified in Appendix A shall be included in tenders for all capital and maintenance works contracts. The above requirements apply to Nominated Sub-contractors, Specialist Sub-contractors and sub-contractors for specialist works referred to in SCC on "Sub-contracting", as well as their further sub-contractors.

Regulating Action for Non-compliance

14. If the contractor fails to comply with any of the requirements of the SCC, the procuring department shall warn the contractor in writing and urge him to fulfill such contractual requirement within 1 month. The procuring department shall forward copies of all relevant correspondence to the Secretary for the Environment, Transport and Works (Attention: PAS(W)4).

15. If, after expiry of the one-month period as stated in paragraph 14, the contractor has still failed to comply with such contractual requirement, the procuring department shall notify the Secretary for the Environment, Transport and Works (Attention: PAS(W)4) with a copy to the Chairman of the relevant

Managing Review Committee requesting for regulating actions to be taken against the contractor in accordance with Section 5 of the latest version of the Contractor Management Handbook. Upon receipt of the procuring department's notice, the Secretary for the Environment, Transport and Works will give a further opportunity to the contractor to present his case before deciding whether to immediately suspend the contractor from tendering. Regulating actions will not be taken if such non-compliance is not within the control of the contractor. Copies of all correspondence will be sent to the procuring department and the Managing Department. Uplifting of the suspension will only be considered when the contractor has complied with all the requirements of the SCC.

(C S Wai)
Deputy Secretary for the Environment,
Transport and Works (Works) 2

Appendix A

The following Note to Tenderers and Special Condition of Contract shall be included in tenders for all capital and maintenance works contracts:

Notes to Tenderers:

“ Tenderers’ attention is drawn to the Special Condition of Contract [x] requiring the engagement of sub-contractors who are registered under the respective trades available in the Primary Register of the Voluntary Sub-contractor Registration Scheme.”

Special Condition of Contract

- I) “SCC[x] - Engagement of sub-contractors who are registered under the respective trades available in the Primary Register of the Voluntary Sub-contractor Registration Scheme:

General Conditions of Contract Clause 4 is amended by adding the following:

(8)(a) Where the Contractor is to [sub-contract/sub-let]¹ part of the Works execution of which involves trades available under the Primary Register of the Voluntary Sub-contractors Registration Scheme, the Contractor shall engage, for the purposes of execution of such part of the Works, sub-contractors as stated in the Contractor’s latest updated submission of the Sub-contractor Management Plan and who have completed their registration under the relevant trades available in such Primary Register before the commencement of the works under the relevant sub-contracts. Provided that the Contractor shall not engage a sub-contractor who is suspended or in the process of an appeal against his suspension from registration under such Primary Register unless the suspension is lifted before the commencement of the works under the relevant sub-contracts. The foregoing shall also apply to the Contractor’s engagement of [Nominated Sub-contractors]², [Specialist Sub-contractors]³ and [sub-contractors for specialist works referred to in Special Condition of Contract Clause []]⁴⁵.

¹ Use “sub-contract” or “sub-let” as appropriate depending on the type of GCC’s used in individual contract.

² Use as appropriate depending on the type of GCC’s used in individual contract.

³ Use when the standard SCC in WBTC No. 25/94 (entitled “Standard Form of Domestic Sub-contract for specialist works”) is used in individual contract.

⁴ Insert the number of the SCC in the individual contract which has used the standard SCC for sub-contracting in Secretary for Works’ memo WB(W) 209/32/110 (entitled “Library of Special Conditions of Contract Clause 14 – Sub-contracting”) dated 23.3.2001.

⁵ Use when standard SCC on sub-contracting in Secretary for Works’ memo WB(W)209/32/110 (entitled “Library of Special Conditions of Contract Clause 14 – Sub-contracting”) dated 23.3.2001 is used in individual contract.

(b) The Contractor shall ensure that where any part of the part of the Works sub-contracted to :-

(i) a sub-contractor engaged under sub-clause 8(a) of this Clause;

[(ii) a Nominated Sub-contractor;]²

[(iii) a Specialist Sub-contractor; or]³

[(iv) a sub-contractor for specialist works referred to in Special Condition of Contract Clause []⁴]⁵,

execution of which involves trades available under the Primary Register of the Voluntary Sub-contractor Registration Scheme is further sub-contracted (irrespective of any tier), sub-contractors (irrespective of any tier) as stated in the Contractor's latest updated submission of the Sub-contractor Management Plan and who have completed their registration under the relevant trades available in such Primary Register before the commencement of the works under the relevant further sub-contracts are engaged for the purposes of execution of such part of the part of the Works. The Contractor shall also ensure that a sub-contractor (irrespective of any tier) who is suspended or in the process of an appeal against his suspension from registration under such Primary Register shall not be engaged for the aforesaid further sub-contracting (irrespective of any tier) unless the suspension is lifted before the commencement of the works under the relevant further sub-contracts.

(c) For the purposes of this sub-clause, "Voluntary Sub-contractors Registration Scheme" and "Primary Register of the Voluntary Sub-contractors Registration Scheme" respectively means the Voluntary Sub-contractors Registration Scheme and the Primary Register of the Voluntary Sub-contractor Registration Scheme as referred to in Environment, Transport and Works Bureau Technical Circular (Works) No. 13/2004."

Effects on Existing Circulars

3. This Circular should be read in conjunction with ETWB TCW No. 47/2002, WBTC No. 25/94 and the latest version of the Contractor Management Handbook.

Background

4. The Construction Industry Review Committee (CIRC) has stated in its report of January 2001 that the standard of sub-contractors, including trade sub-contractors taking on part of a building or engineering development, is important to raise the construction quality. To raise the standard of trade sub-contractors, it is hence recommended that a pool of capable and responsible sub-contractors with specialized skills and strong professional ethics can be built up through the establishment of a voluntary registration scheme for such trade sub-contractors by the industry itself.

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Primary Register of the VSRS, the contractor shall ensure that all sub-contractors (irrespective of any tier) as stated in the Contractor's latest updated submission of the SMP are registered under the relevant trades in the Primary Register of the VSRS.

11. To allow greater flexibility for the contractor's planning of his sub-contracting at early stage, it is acceptable to allow the sub-contractors (whether nominated, specialist or domestic) and their further sub-contractors proposed in the latest updated SMP submission by the contractor as mentioned in paragraph 10 above to complete their registration under the VSRS before the commencement of the works under the relevant sub-contracts and further sub-contracts respectively.

12. Also, for the avoidance of doubt, when a sub-contractor or further sub-contractor, as mentioned in paragraph 10 and 11 above, who is suspended or in the process of an appeal against his suspension from registration under the Primary Register of the VSRS, he is still considered not having complied with the requirements in this Circular unless the suspension is lifted before the commencement of the works under the relevant sub-contracts or further sub-contracts respectively. GCC Clause 4(3) will be left intact as this still empowers the Architect/Engineer, if in his opinion he considers it necessary, to have full power to order the removal of any sub-contractor from the Site and/or the Works.

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(C S Wai)
Deputy Secretary for the Environment,
Transport and Works (Works) 2

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(8)(a) Where the Contractor is to [sub-contract/sub-let]¹ part of the Works execution of which involves trades available under the Primary Register of the Voluntary Sub-contractors Registration Scheme, the Contractor shall engage, for the purposes of execution of such part of the Works, sub-contractors as stated in the Contractor’s latest updated submission of the Sub-contractor Management Plan and who have completed their registration under the relevant trades available in such Primary Register before the commencement of the works under the relevant sub-contracts. Provided that the Contractor shall not engage a sub-contractor who is suspended or in the process of an appeal against his suspension from registration under such Primary Register unless the suspension is lifted before the commencement of the works under the relevant sub-contracts. The foregoing shall also apply to the Contractor’s engagement of [Nominated Sub-contractors]², [Specialist Sub-contractors]³ and [sub-contractors for specialist works referred to in Special Condition of Contract Clause []]⁴⁵.

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(c) For the purposes of this sub-clause, "Voluntary Sub-contractors Registration Scheme" and "Primary Register of the Voluntary Sub-contractors Registration Scheme" respectively means the Voluntary Sub-contractors Registration Scheme and the Primary Register of the Voluntary Sub-contractor Registration Scheme as referred to in Environment, Transport and Works Bureau Technical Circular (Works) No. 13/2004."