

Contractor Management Handbook

Development Bureau

Revision B-154
~~December~~July 2018~~6~~

B-14	1/12/2016		<p>Revisions in tender limits/financial criteria and admission/confirmation/promotion requirements for contractors on the List of Approved Contractors for Public Works – Sections 1 and 2, as well as Appendices 2A, 2B and 2C as promulgated by letter to all contractors on the List of Approved Contractors for Public Works ref: (02VFH-01-2) in DEVB(PS) 108/34 of 30 November 2016.</p> <p>Revision of Section 2 to update values of contracts normally required financial vetting in paragraph 2.9.2.</p> <p>General updating of Section 2.</p>
<u>B-15</u>	<u>20/7/2018</u>		<p><u>Clarification of some terms in Section 2.</u></p> <p><u>Update value of contract normally required financial vetting in paragraph 3.9.2.</u></p> <p><u>Revise “Deputy Secretary for Development (Works)2” to “Deputy Secretary for Development (Works)” in paragraph 5.2.1.</u></p>

CONTENTS

		Page
REVISION SHEET		
SECTION 1	INTRODUCTION	
1.1	General	1 - 1
1.2	Effective Date.....	1 - 1
1.3	Effect on Existing Technical Circulars.....	1 - 1
1.4	Changes Incorporated.....	1 - 3
1.5	Amendments in the Revision B.....	1 - 4
1.6	Amendments in the Revisions B-1 to B-11.....	1 - 7
1.7	Amendments in the Revision B-12.....	1 - 7
1.8	Amendments in the Revision B-13.....	1 - 8
1.9	Amendments in the Revision B-14.....	1 - 10
<u>1.10</u>	<u>Amendments in the Revision B-15.....</u>	<u>1 - 11</u>
SECTION 2	RULES FOR ADMINISTRATION OF THE LIST OF APPROVED CONTRACTORS FOR PUBLIC WORKS	
2.1	General	2 - 1
2.2	Group Tender Limits.....	2 - 3
2.3	Eligibility to Tender for Term Contracts.....	2 - 3
2.4	Admission	2 - 3
2.5	Probationary Status	2 - 5
2.6	Confirmation	2 - 8
2.7	Promotion.....	2 - 8
2.8	Tendering.....	2 - 9
2.9	Award of a Contract.....	2 - 9
2.10	Submission of Accounts	2 - 10
2.11	Holding Companies and Subsidiaries	2 - 10
2.12	Regulating Actions.....	2 - 10
2.13	Change of Company Name, Substitution and Transfer of Benefits and Obligations of Contracts.....	2 - 11
2.14	Quality Management System Certification.....	2 - 11

~~2.15~~ ~~Changes in Company Structure.....~~ ~~2~~ ~~11~~

2.15 Changes in Company Structure..... 2 - 11**SECTION 3 RULES FOR ADMINISTRATION OF THE LIST OF
APPROVED SUPPLIERS OF MATERIALS AND
SPECIALIST CONTRACTORS FOR PUBLIC WORKS**

3.1	General.....	3 - 1
3.2	Group Tender Limits.....	3 - 2
3.3	Eligibility to Tender for Term Contracts.....	3 - 2
3.4	Admission.....	3 - 2
3.5	Probationary Status.....	3 - 3
3.6	Confirmation.....	3 - 5
3.7	Promotion.....	3 - 5
3.8	Tendering.....	3 - 5
3.9	Award of a Contract.....	3 - 5
3.10	Submission of Accounts.....	3 - 5
3.11	Holding Companies and Subsidiaries.....	3 - 6
3.12	Regulating Actions.....	3 - 6
3.13	Change of Company Name, Substitution and Transfer of Benefits and Obligations of Contracts.....	3 - 6
3.14	Quality Management System Certification.....	3 - 6
3.15	Changes in Company Structure.....	3 - 6

SECTION 4 REPORT ON CONTRACTORS' PERFORMANCE

4.1	General.....	4 - 1
4.2	Central Record.....	4 - 1
4.3	Managing Department.....	4 - 1
4.4	Reporting Department.....	4 - 1
4.5	Reports on Contractors' Performance.....	4 - 2
4.6	Review of Reports on Contractors' Performance.....	4 - 3

SECTION 5 REGULATING ACTIONS

5.1	General.....	5 - 1
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1.10 Amendments in the Revision B-15

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

	<u>Brief Description</u>	<u>Reference</u>
(a)	<u>General updating</u>	<u>Paragraphs 2.1.4 & 2.4.8, Annexes 30 & 31 to Appendix 3C, and Item 1.2 of Appendix 4B</u>
(b)	<u>Clarification of some terms by footnotes, or revised description</u>	<u>Paragraphs 2.2.1, 2.3.2, 2.4.4 & 2.4.6</u>
(c)	<u>Updating value of contract normally required financial vetting</u>	<u>Paragraph 3.9.2</u>
(d)	<u>Use abbreviations for Reporting Review Committee and Managing Review Committee</u>	<u>Paragraphs 4.6.1 – 4.6.4</u>
(e)	<u>Revise “Deputy Secretary for Development (Works)2” to “Deputy Secretary for Development (Works)”</u>	<u>Paragraph 5.2.1</u>

SECTION 2 RULES FOR ADMINISTRATION OF THE LIST OF APPROVED CONTRACTORS FOR PUBLIC WORKS

2.1 General

2.1.1 The List of Approved Contractors for Public Works (the List) shall comprise contractors who are approved for carrying out public works in one or more of the categories listed below.

<u>Category</u>	<u>Managing Department</u>
Buildings	Architectural Services Department
Port Works	Civil Engineering and Development Department
Roads and Drainage	Highways Department
Site Formation	Civil Engineering and Development Department
Waterworks	Water Supplies Department

2.1.2 The Managing Department for a category is the department most closely connected with that particular type of work and is responsible for servicing and monitoring the performance of all contractors within that category. The Managing Department for a category may not necessarily be the department responsible for a contract let under that particular category.

2.1.3 Contractors within each category are further divided into Group A, B or C according to the value of contracts for which they are normally eligible to tender. A contractor's status in a particular group will be either probationary or confirmed. Probationary contractors are limited in the number and value of contracts for which they are eligible to tender and to be awarded in accordance with the rules set out in Sub-section 2.5 below.

2.1.4 A contractor on the List shall be responsible for the good behaviour of his employees, agents and sub-contractors in relation to any public works contract under his control. The contractor shall advise his employees, agents or sub-contractors that they are not allowed offering or giving any advantage or excessive entertainment to any of the Government employees or members of their family, or to solicit or accept any advantage or excessive entertainment from other employees, agents or sub-contractors in relation to the works under any public works contract. The contractor may be subject to regulating actions as stated in sub-paragraph 5.1.3(xiii) below if the contractor, his employees, agents or sub-contractors have committed any offence under the Prevention of Bribery Ordinance (Cap. 201) in relation to any public works contract unless the misconduct is not within the control of the contractor. In addition, the contractor may be subject to regulating actions for poor integrity such as negligence, misconduct and impropriety as proven in cases where his

employees, agents or sub-contractors have solicited, accepted or been given advantage as defined in the Prevention of Bribery Ordinance (Cap. 201) in relation to any public works contract unless the misconduct is not within the control of the contractor.

2.1.5 The Secretary for Development reserves the right to amend these Rules and any criteria pertaining to the administration of the List without reference to contractors on the List and any such amendments will be published by the Secretary for Development in the appropriate manner.

2.1.6 Applying to be placed on the List of the Development Bureau under any category shall mean the contractor unconditionally accepts these Rules and any future amendments or additions thereto. Failure or refusal to observe these Rules may lead to refusal of entry to the List for the category being applied for, or removal from all categories in which the contractor is listed.

2.1.7 A contractor on the List is required to submit updated company information (including but not limited to updated partnership agreements) upon request of the Secretary for Development or the Managing Department for reviewing his listing status as and when required. It is the duty of the contractor to immediately inform the Secretary for Development of any material changes of his company which may affect his listing status.

2.1.8 A contractor who has been removed from any category under the List for financial reasons or for failure to submit a tender within a period of three years under sub-paragraph 5.2.3(b)(vi) below may be allowed to apply for re-inclusion in this category at any time after removal. However, a contractor who has been removed from any category under the List for any other reasons is not eligible for re-inclusion in that category for a period of two years from the date of removal. Any application for re-inclusion, may it be an application for re-inclusion after removal due to misconduct, will be deemed a fresh application for admission and will be subject to the criteria set forth in these Rules for the time being in force.

2.1.9 A contractor who has been removed from the List due to misconduct may apply for re-inclusion under probation after expiry of two years from the date of removal with proof of successful completion of integrity training course¹, and establishment of an integrity management system (IMS) with the proof of complying with all the IMS requirements as prescribed in the “Guidelines for Setting Up of Integrity Management System” provided in **Appendix 2D**. Such proof can be substantiated by a statement of compliance issued by an independent auditor recognised by the Development Bureau, after his completion of the integrity audit exercise.

2.1.10 The contractor re-included under paragraph 2.1.9 above is required to upkeep the operation of the IMS and provide proof of complying with all the IMS requirements thereafter during the probation period through the integrity audit exercise on a yearly basis. Failure to satisfy this requirement shall result in regulating action to be taken against the contractor in accordance with Sub-section 5.2 below.

¹ The Development Bureau, with the assistance of the Corruption Prevention Department of the Independent Commission Against Corruption (ICAC), will develop training materials and conduct “train-the-trainer” workshops for top management, technical and supervisory staff of contractors who apply for re-inclusion in the List after the removal due to misconduct.

2.2 Group Tender Limits

2.2.1 The value upon which contracts are grouped is based on the value of the tendered sum² offered by the successful tenderer. The Group Tender Limits are periodically adjusted and are currently set as follows: -

Group A - contracts of value up to \$100 million.

Group B - contracts of value up to \$300 million.

Group C - contracts of any values exceeding \$300 million.

2.2.2 Group C contractors will normally not be allowed to tender for contracts in Groups A and B unless the department considers that there may be an inadequate number of tenderers as a result of the restriction. In such cases, prior approval must be obtained from a D2, or higher level officer of the department concerned and notification given to the Managing Department of the intention to invite tenders from Group C contractors for lower group contracts.

2.3 Eligibility to Tender for Term Contracts

2.3.1 Eligibility to tender for term contracts shall be determined by the estimated value of the term contract except where a specialist category has been created in the List of Approved Suppliers of Materials and Specialist Contractors for Public Works in which case tenders shall be invited from contractors in the specialist category.

2.3.2 For the purpose of defining eligibility to tender, the value of a term contract shall be taken to mean the total estimated expenditure³ under the contract.

2.3.3 At the discretion of the head of the department responsible for the contract, contractors confirmed in Group B may be permitted to tender for term contracts above the limit of \$300 million but which are of a simple and repetitive nature, provided the contractors can demonstrate adequate technical and financial resources and have satisfactory performance records. Group B contractors who are carrying out or have recently completed similar term contracts satisfactorily shall be considered under this rule. However, the total value of the Group C term contracts in any one category should not exceed the Group C probationary limit given in sub-paragraph 2.5.1(c) or paragraph 2.5.4 below.

2.4 Admission

2.4.1 Applications from contractors for admission to the List can be submitted at any time, and should be addressed to the Secretary for Development, Works Branch, Development Bureau, 15/F, West Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong (Attn: SEO(PS)).

2.4.2 The suitability of a contractor for inclusion in one or more of the works categories and in a particular group is assessed on the basis of both the contractor's global business activity and his activity in Hong Kong following his application for admission. Except in the most exceptional circumstances, a contractor will be admitted initially on probation to the appropriate category and group.

² For New Engineering Contract (NEC), the tendered sum shall be the forecast total of the Prices.

³ i.e. the Total Value for Tender Assessment (TVTA)

2.4.3 Upon receipt of an application by the Secretary for Development, the Finance Section of Development Bureau will investigate whether the applicant meets the financial criteria established by the Development Bureau included in **Appendix 2A**. The Managing Department will investigate whether the applicant has appropriate technical and management capability in respect of each particular category and group which they have applied for or is being considered and will submit a recommendation to the Secretary for Development within two calendar months from the date of referral to the Managing Department. If the technical vetting cannot be proceeded due to incomplete or inadequate information from the applicant, the Managing Department shall recommend rejecting the application within 6 weeks from the date of requesting supplementary information. All recommendations shall be personally endorsed by the Director, the Deputy Director or an equivalent D3 officer of the department concerned. Should the Managing Department fail to do so by the due date, a situation report, signed by an officer at D3 rank or above, must be submitted within one week from the due date to the Development Bureau (Attn.: PAS(W)4) stating the cause for delay and providing an anticipated date of completing the job. The minimum technical and management criteria for admission, confirmation and promotion within each category of work are included in **Appendix 2B**. If an applicant applies for more than one category of works, only one Managing Department, usually the one responsible for the highest group applied, will conduct the vetting of top management. For cases where the groups applied are the same, the Development Bureau will assign one department for the vetting of top management on a rotation basis. Admission will be subject to the applicant meeting the financial criteria, having the appropriate technical and management capabilities and in all other ways being considered suitable for inclusion in the List.

2.4.4 As a condition for admission, all applicants must possess or set up in Hong Kong a place of business as defined in Section 2 of the Business Registration Ordinance (Cap. 310) and employ in Hong Kong, the minimum number of full time⁴ management and technical personnel with relevant experience in engineering and project management specified in **Appendix 2C**. Details of the applicant's management and technical personnel and his business registration certificate shall be submitted with their applications for admission onto the List. In the case of partnerships, applicants must supply a certified true and complete copy of the partnership agreement signed by all partners in submitting their applications. The contractors who are admitted on the List must also submit updated partnership agreements to the Development Bureau whenever there are changes in their partnerships. All contractors shall employ the minimum number of full time management and technical personnel specified in **Appendix 2C** while he is on the List and shall keep the Development Bureau informed of any changes of such personnel. The contractor shall be removed from the List or demoted to a lower group if he fails to comply with this requirement.

2.4.5 To facilitate investigation by the Development Bureau and the Managing Department, applicants will be required to produce all necessary financial documents including their latest unconsolidated audited accounts showing their financial status (in English or Chinese), together with evidence of their technical and management capabilities. In the case of applications from contractors incorporated outside Hong Kong or whose main presence and head offices are outside Hong Kong, evidence of their technical and management capabilities overseas can be submitted as proof. Unless the Secretary for Development specifically waives this requirement, these applicants must prove that their experience outside Hong Kong meet the admission criteria set out in **Appendices 2B and 2C**

⁴ "Full-time" employment means employment under a "continuous contract" as defined by the Employment Ordinance. According to the Ordinance, an employee is regarded as being employed under a continuous contract if he or she works continuously for the same employer for four weeks or more, with at least 18 hours in each week.

~~management capabilities overseas can be submitted as proof. Unless the Secretary for Development specifically waives this requirement, these applicants must prove that their experience outside Hong Kong meet the admission criteria set out in Appendices 2B and 2C~~ and such evidence must be substantiated by the consul or trade commissioner of the applicants' country in Hong Kong, or other appropriate authorities of the applicants' home country, which are considered acceptable by the Development Bureau. For instance, contractors who are incorporated in the Mainland are required to submit a certified true and complete copy of certificates/proof issued by the Ministry of Commerce, or the China International Contractors Association as delegated by the Ministry of Commerce, and/or other authorities which are accepted by the Development Bureau. Notwithstanding the above, the Secretary for Development may seek references on the applicants' technical capabilities from the Ministry of Construction and other sources or confirmation on the authenticity of the proof provided by the applicants from the relevant authorities including the employers of the concerned projects completed by the applicants.

2.4.6 Contractors applying for admission to the Buildings category are required to be registered in the ~~Contractors'~~ Register of General Building Contractors kept by the Building Authority in accordance with the Buildings Ordinance (Cap 123) and shall submit proof of their registration with their applications.

2.4.7 Admission to the List will be notified in writing to the applicant by the Secretary for Development. The letter of notification will specify the works category or categories to which the applicant has been admitted, his group and status as either probationary or confirmed. An unsuccessful applicant will be advised of the reasons for not being admitted but will be given the opportunity to present his view of the matter within 14 days from the date of notification before deciding on such action. The non-admission is confirmed if no representations from the applicant are submitted within the specified period.

2.4.8 Application details and the updated List can be found published annually in the Government of the Hong Kong Special Administrative Region Gazette and/or regularly in the web site of the Development Bureau via the link

https://www.devb.gov.hk/en/construction_sector_matters/contractors/index.html as appropriate, giving the names of the contractors and their respective categories. ~~Amendments to the List are also published from time to time.~~

2.5 Probationary Status

2.5.1 Probationary contractors are eligible to tender, and for the award of contracts, in each of the categories to which they have been admitted on probation, subject also to the rules set out in paragraphs 2.5.2 to 2.5.5 and, where applicable, paragraph 2.5.6 below, as follows (the rules in this paragraph 2.5.1 shall be read together with paragraph 2.5.1A):

(a) Probationary contractors in Group A

A probationary contractor is eligible to tender or for award of any number of Group A contracts in the same category, provided the total value of works in the Group A contracts that he already holds and the Group A contract being procured under the same category does not exceed \$100 million.

(b) Probationary contractors in Group B

A probationary contractor is eligible to tender or for award of:

- |
- (i) any number of Group A contracts in the same category; and

3.6 Confirmation

3.6.1 Same as paragraph 2.6.1 above except that the length of probationary period for each category, if any, and the confirmation criteria are set out in **Appendix 3C**.

3.7 Promotion

3.7.1 Same as paragraph 2.7.1 above.

3.8 Tendering

3.8.1 Same as paragraph 2.8.1 above.

3.8.2 Same as paragraph 2.8.3 above.

3.8.3 Same as paragraph 2.8.4 above except that contractors should observe the Rules for Administration of the Specialist List.

3.8.4 Same as paragraph 2.8.5 above.

3.8.5 Same as paragraph 2.8.6 above.

3.9 Award of a Contract

3.9.1 Same as paragraph 2.9.1 above.

3.9.2 Same as paragraph 2.9.2 above. Financial checking is also required on the tenderers for contracts under the categories listed in paragraph 3.4.6 above if the contract is of a value exceeding \$~~1~~5,000,000.

3.9.3 Same as paragraph 2.9.3 above except that the financial requirements of the Specialist List are included in **Appendix 3B**.

3.10 Submission of Accounts

3.10.1 All contractors except those under the 16 categories of works as listed in paragraph 3.4.6 above, shall submit a copy of their unconsolidated audited accounts annually to the Secretary for Development. In respect of the contractors who are also Group C contractors on the List of Approved Contractors for Public Works, they shall also submit half-yearly accounts. The accounts shall be certified by their auditors but, if this is not feasible, by the directors, partners or the sole proprietor of the company.

3.10.2 Same as paragraph 2.10.2 above.

which no further reports are required, a report on the contractor's performance should be made upon issue of the final payment certificate (which will cover the resolution of claims).

4.5.5 If a contractor's overall performance is poor and close monitoring is desirable, additional six-weekly intervening reports between the normal reporting periods may be made by the Reporting Officer provided that the contractor shall be given written notice of not less than 7 working days before the next reporting date. The contractor will be informed when the intervening reports are no longer required.

4.5.6 The reports should be prepared by the Architect's/Engineer's Representative and be agreed by the Architect/Engineer. Where a consultant is named as the Architect/Engineer for the contract, the report should be endorsed by the appropriate officer (D1 or above) of the Reporting Department.

4.5.7 The circulation of reports and correspondence relating to reports shall be classified as Restricted (Administration).

4.5.8 The prevailing requirements under Sub-section 4.5 in the Revision A of this Handbook shall continue to apply to existing contracts where the Completion Certificate has been issued on or before the effective date of the Revision B of this Handbook (ie 1 July 2005).

4.6 Review of Reports on Contractors' Performance

4.6.1 General

- (a) In order to ensure that reports on contractors' performance are properly reviewed and considered, particularly when action is likely to be taken as a result of poor performance, departments shall establish, where these do not already exist, two Contractors' Performance Review Committees, namely Reporting Review Committee (RRC) and Managing Review Committee (MRC).
- (b) The ~~Reporting Review Committee~~ shall be established within the Reporting Department ~~which will to~~ review the performance of all the contractors undertaking work for the department. It will endorse/amend the Architect's/Engineer's assessment and forward the reports together with recommendations when appropriate, to the secretary of the relevant ~~Managing Review Committee~~. The ~~Managing Review Committee~~ shall be established within the Managing Department ~~to which will~~ review the performance of those contractors in the relevant category with respect to all contracts in this category.
- (c) Where a Managing Department employs only contractors from the categories it manages, it may combine the two committees into a single Reporting/Managing Review Committee. However, if other departments employ contractors from the categories the Managing Department manages, its Reporting/Managing Review Committee must meet at the time for ~~Managing Review Committees~~ (see later) so that Reporting Departments have time to forward copies of their reports.

- (d) Where a department establishes ~~Reporting-Review-Committees~~ for one or more of its Offices, rather than a departmental ~~Reporting-Review-Committee~~, the Office Reporting Review Committees shall send copies of the report and recommendations direct to the relevant ~~Managing-Review-Committee~~. Reports with recommendations may be routed through departmental headquarters if required by the department.

4.6.2 Reporting Review Committee

- (a) Membership shall be: - Chairman : a D2 officer or above

Secretary : Senior professional officer or above

Members : at least a D1 officer or above and one
other officer of at least professional rank

- (b) Functions: -

- (i) The ~~RRCommittee~~ should preferably review the reports on all contracts under its jurisdiction. However, this may not be practicable for some departments, who have a large number of small contracts. The ~~RRCommittee~~ should, however, review and endorse/amend at least all Adverse and borderline reports. These shall be brought to the ~~RRCommittee~~'s attention by the secretary. The Chairman may authorise the secretary to endorse all other reports on his behalf.
- (ii) The Architect/Engineer may be in attendance as the ~~RRCommittee~~ requires and should normally be so when an Adverse report has been given. In addition, when the Architect's/Engineer's Representative anticipates, towards the end of the reporting period, that he will give the contractor an Adverse report, he must advise the officer who will agree his report. The officer concerned should take particular measures, which would normally include visiting the site, to satisfy himself that the anticipated assessment is correct.
- (iii) The ~~RRCommittee~~ shall decide which reports are to be confirmed as Adverse reports and endorsed accordingly by the Chairman. The reasons for amending the Architect's/Engineer's assessment must, when applicable, be recorded on the report. In case the ~~RRCommittee~~ does not accept the Architect's/Engineer's assessment, the remarks by the Architect/Engineer, or his representative, will still be stored in the computerised Central Record in Development Bureau.
- (iv) With respect to Adverse reports, the committee shall decide, in consultation with the Architect/Engineer, what action should be taken or recommended to the Managing Department. In any event, the Chairman shall write to the contractor concerned advising him that the report is Adverse and warning him of the possible consequences.

- (v) The secretary shall send copies of all Adverse reports, duly endorsed, to SEO(PS), Development Bureau and to the secretaries of the appropriate ~~Managing Review Committee~~ together with details of any action being taken as a result of Adverse reports and/or any recommendations for suspensions (voluntary or mandatory), downgrading or deletions. In addition, the secretary will provide the name of the member of the ~~RRCommittee~~ the relevant ~~Managing Review Committee~~ may contact with respect to each Adverse report. Where downgrading or deletion is being recommended, the member of the Committee named should attend the meeting of the relevant ~~Managing Review Committee~~ when the contractor concerned is being considered.
- (vi) When an interview with the contractor by the Reporting Department is considered necessary as a result of Adverse reports, the Chairman or his representative will interview the contractor.
- (vii) The Chairman shall keep the relevant ~~Managing Review Committee~~ fully informed of interviews held and any action taken.

4.6.3 Managing Review Committee

- (a) Membership shall be: - Chairman : D3 or above

Secretary : Senior professional officer or above

Members : at least a D2 officer and one other officer of at least senior professional rank

- (b) Functions: -

- (i) The secretary shall maintain a record of all reports on contractors in the relevant categories and lists.
- (ii) The ~~MRC~~Committee shall review the overall performance of each contractor who receives an Adverse report by referring to all the current reports on that contractor's performance in the relevant category or list. After considering the action being taken and the recommendations made by the ~~Reporting Review Committee~~(s), the ~~MRC~~Committee shall decide what action it considers appropriate and recommend accordingly.
- (iii) For mandatory suspension, downgrading or deletion, the Director of the Managing Department, or the Chairman of the ~~MRC~~Committee or the Deputy Director, if the Director so wishes, should interview the contractor prior to a recommendation being made to Development Bureau. The Architect/Engineer, together with others considered necessary by the Director of the Managing Department, should attend the interview. Where a consultant is the Architect/Engineer, the officer from the Reporting Department who endorsed the report should also attend the interview.

- (iv) For voluntary suspension, the Chairman of the relevant ~~Reporting-Review Committee~~ should interview the contractor if requested to do so by the Director of the Managing Department. The contractor shall send written confirmation of his acceptance of voluntary suspension to the Director of the Managing Department who will circulate this confirmation to all Works Departments, Housing Authority and Development Bureau.
- (v) As soon as the ~~MR~~Committee has considered the reports, the secretary shall forward to Development Bureau the minutes of the ~~MR~~Committee's consideration of Adverse reports.

4.6.4 Timetable for Reporting on Contractors' Performance

- (a) Subject to paragraphs 4.5.4 and 4.5.5 above, the reporting date shall normally be the last day of February, May, August and November.
- (b) On or before the third working day after the reporting date (Saturdays not being counted as working days), the Reporting Officer shall prepare and send the soft copy of the performance report together with a duly signed hard copy to the secretary of the ~~Reporting-Review-Committee~~ for review and endorsement.
- (c) At the same time, the contractor shall be sent an advance copy of both Parts I and II of the Report on Contractor's Performance, after agreement by the Engineer/Architect or endorsement by the Chief Engineer/Architect in the case of consultant administered projects. The report shall be sent to the contractor's head office by fax or by hand with a caveat that it will be subject to endorsement by the Chairman of the ~~Reporting-Review-Committee~~. Where the report is subsequently amended by the Chairman of the ~~Reporting-Review-Committee~~, the contractor shall be notified accordingly.
- (d) In the event of disagreement with the grading in the performance report, the contractor should notify the ~~Reporting-Review-Committee~~ on or before the 6th working day after the reporting date (Saturdays not being counted as working days) and submit written representations to the ~~Reporting-Review-Committee~~ in accordance with sub-paragraph (f) below.
- (e) On or before the thirteenth working day after the reporting date (Saturdays not being counted as working days), the ~~Reporting-Review-Committee~~ shall complete the review on all the reports except those where the contractors have indicated disagreements in accordance with sub-paragraph (d) above and, if the ~~Reporting-Review-Committee~~ does not propose any alterations to the performance report, it shall send the reviewed Adverse reports, together with details of action being taken and recommendation, to reach the secretary of the relevant ~~Managing-Review-Committee~~, with copies to Development Bureau (Attn: SEO(PS)), other Works Departments and Housing Authority. Simultaneously, the Reporting Department shall arrange to upload all the performance reports to the Contractor Management Information System (CMIS) and dispatch written notification to the Managing Department and

Development Bureau (Attn: SEO(PS)) with all details of the contract number, contractor name, the contractor's classification and remarks (stating whether the report is Adverse or Not Adverse, and other remarks, if any) of each of the performance reports uploaded to the CMIS on or before the twenty-second working day after the reporting date (Saturdays not being counted as working day). Except for Adverse reports, hard copies of the performance reports need not be sent to the Managing Department and Development Bureau.

- (f) Subsequent to notifying the ~~Reporting-Review-Committee~~ of its disagreement with the grading in the performance report in accordance with sub-paragraph (d) above, the contractor should submit written representations to the ~~Reporting-Review-Committee~~ for a review of the grading by fax or by hand on or before the sixteenth working day after the reporting date (Saturdays not being counted as working days). The ~~Reporting-Review-Committee~~ shall inform the contractor in writing as soon as a decision has been made.
- (g) If the ~~Reporting-Review-Committee~~ intends to alter any grades in the performance report, it shall notify the contractor its intention in writing on or before the fourteenth working day (Saturdays not being counted as working days). In the event of disagreement with such proposed alterations, the contractor should notify the ~~Reporting-Review-Committee~~ on or before the sixteenth working day (Saturdays not being counted as working days) and submit written representations to the ~~Reporting-Review-Committee~~ for a review of the grading by fax or by hand on or before the twenty-first working day (Saturdays not being counted as working days). The ~~Reporting-Review-Committee~~ shall inform the contractor in writing as soon as a decision has been made.
- (h) On or before the twenty-sixth working day after the reporting date (Saturdays not being counted as working days), the ~~Reporting-Review-Committee~~ shall complete the review on the disagreement of the contractor with the grading in the performance report or its proposed alterations, and send the reviewed reports, together with details of action being taken and recommendation, to reach the secretary of the relevant ~~Managing-Review-Committee~~, with copies to Development Bureau (Attn: SEO(PS)), other Works Departments and Housing Authority. Simultaneously, the Reporting Department shall arrange to upload all the performance reports to the CMIS and dispatch written notification to the Managing Department and Development Bureau (Attn: SEO(PS)) with all details of the contract number, contractor name, the contractor's classification and remarks (stating whether the report is Adverse or Not Adverse, and other remarks, if any) of each of the performance reports uploaded to the CMIS on or before the thirty-fifth working day after the reporting date (Saturdays not being counted as working day). Except for Adverse reports, hard copies of the performance reports need not be sent to the Managing Department and Development Bureau. The ~~Reporting-Review-Committee~~ shall inform the contractor in writing as soon as a decision has been made.
- (i) On receipt of the reviewed Adverse reports from the ~~Reporting-Review~~

~~Committee~~, the ~~Managing-Review-Committee~~ shall conduct further review on such reports, the actions being taken and the recommendations made by the ~~Reporting-Review-Committee~~. The minutes of the ~~Managing-Review-Committee~~ meeting and copies of the reports (where applicable) shall then be prepared and dispatched to Development Bureau (Attn: SEO(PS)) on or before the thirty-fifth working day after the reporting day (Saturdays not being counted as working days).

- (j) When additional six-weekly intervening reports between the normal reporting periods are required pursuant to sub-paragraph 5.4.5 (b) (iv) of Section 5, the Reporting Officer shall proceed with such reporting once the notification has been sent in accordance with paragraph 4.5.5 even if the review result of the ~~Managing-Review-Committee~~ is not yet available.
- (k) When reports are being made for periods with reporting dates different to the normal quarterly reporting dates, the Architect/Engineer should complete the report within the time frame mentioned in sub-paragraph 4.6.4(b) above. However, the Review Committees shall exercise discretion in scheduling the reviews of reports as they deem appropriate to the circumstances, i.e. either immediately or as part of the normal review meeting.
- (l) It is recommended that ~~Managing-Review-Committees~~ should fix the dates of their normal review meetings at least twelve months in advance and advise all ~~Reporting-Review-Committees~~ such that all appropriate representatives will be made available to attend ~~Managing-Review-Committee~~ meetings if required.
- (m) The above timetable is illustrated in **Appendix 4D**.

- (xi) failure to employ the minimum number of full time management and technical personnel;
- (xii) violation of laws;
- (xiii) poor integrity of his employees, agents and sub-contractors in relation to any public works contract unless the misconduct is not within the control of the contractor;
- (xiv) public interest;
- (xv) public safety and public health;
- (xvi) serious or suspected serious poor performance or other serious causes in any public or private sector works contract;
- (xvii) failure to comply with any of the Rules for Administration of the List or the Specialist List giving rise to reasonable suspicions as to the capability or integrity of the contractor;
- (xviii) failure to provide proof of complying with all the IMS requirements for the purpose of upkeeping the operation of the IMS.

5.1.4 The following Sub-sections set out the guidelines for administration and the circumstances under which regulating action against contractors may be warranted. They apply to contractors/suppliers on both the List and the Specialist List. In the event that special circumstances of a particular case arose which warrant taking of regulating action but do not fit into any of the guidelines, the Secretary for Development may nonetheless take regulating action in the particular case as she deems proper.

5.2 Removal, Suspension, Downgrading or Demotion of Contractors

5.2.1 Letters notifying contractors of their removal, suspension, downgrading or demotion from the List and/or the Specialist List will be issued only by the Development Bureau and be signed by the Deputy Secretary for Development (Works)~~2~~.

5.2.2 If the tenderer or, if the tenderer is a partnership or an unincorporated or incorporated joint venture, any participant of the partnership or unincorporated joint venture or shareholder of the incorporated joint venture is under suspension from tendering for public works in a particular category or in all categories, his tender for that particular category or for all categories, as the case may be, will not be considered unless the suspension is lifted by the Works Department or the Development Bureau by the date set for the close of tender, or if this has been extended, the extended date. If the tenderer or, if the tenderer is a partnership or an unincorporated or incorporated joint venture, any participant of the partnership or unincorporated joint venture or shareholder of the incorporated joint venture is under voluntary suspension from tendering for public works in a particular category or in all categories, at the date of tender invitation but subsequently revokes the voluntary suspension without agreement in writing from either the Works Department or the Development Bureau, his tender for that particular category or for all categories, as the case may be, will not be considered.

ANNEX 30 List of Tools / Equipment and Testing Instruments for Survey of Government Land Steam Boilers Category

Item of Assessment	Minimum Requirements	Remarks
Hydraulic test pump & accessories	1 set	
Ultrasonic thickness tester	1 set	
Dye penetrant tester	1 set	
Magnetic particle tester	1 set	
Megger tester	1 set	
Multimeter / AVO meter	1 set	
Miscellaneous tools (e.g. screw driver, spanner, drill, hammer, inspection mirror, sealing chipper, lead chip & wire)	2 sets	
Personnel safety devices (e.g. helmet, eye goggles, safety belt & shoes, heat resistant gloves & overall)	3 sets	
Proof of regular calibration (for instrument only), e.g. calibration certificates issued by HOKLAS accredited laboratory or equivalent institutions	Required	At least yearly and as requested when the instrument is in doubt

Note : All equipment should be verified that they are all at sight or with other form of proof of ownership.

ANNEX 31 List of Tools / Equipment and Testing Instruments for Survey of Lifting Appliances and Lifting Gear Category

Item of Assessment	Minimum Requirements	Remarks
Weighing scale, measuring tape, level gauge, callipers, deflection scale, etc.	1 set	
Dead weight	1 set (10,000 kg minimum)	
Lifting appliance and gear	1 set	
Crane Lorry	1 set	
Hand tools (e.g. screw driver, spanners, electric drill, hammer, etc.)	2 sets	
AVO meter / multimeter	1 set	
Megger tester	1 set	
Personnel safety device (e.g. helmet, eye goggles, safety belt, shoes and overall, etc.)	3 sets	
Proof of regular calibration (for instrument only), e.g. calibration certificates issued by HOKLAS accredited laboratory or equivalent institutions	Required	At least yearly and as requested when the instrument is in doubt

Note : All equipment should be verified that they are all at sight or with other form of proof of ownership.

Where the temporary works are of such importance that these have been specified to be independently checked in accordance with [paragraph 9.35 of Chapter 5 of PAHWBTC No. 3/97](#),

- have the temporary works been designed with the factor of safety appropriate to the risk involved or as specified?
- are the works constructed according to the certified design?

Item 1.3

Standard of workmanship, earthworks

- do lines and levels for filling, excavation and dredging comply with the tolerances given in the Specification?
- are the materials used for backfilling in accordance with the Contract?
- are degrees of compaction adequate in accordance with the Contract?
- is the stockpile of excavated material suitable for backfilling adequately protected as per the Contract?

Item 1.4

Standard of workmanship, structural

In the case of structural concrete,

- is formwork generally rigidly fixed in place as per the Contract?
- is reinforcement clean and free from dirt, rust and other deleterious material before concreting commences?
- is reinforcement fixed with adequate numbers of tie wires, are laps of adequate length and located as designed?
- is concrete strength in compliance with the Contract as demonstrated by cube tests and does curing practice conform with that specified?

In the case of structural steelwork,

- has the steelwork been fabricated in accordance with submitted workshop drawings?
- are handling and storage procedures adequate?
- is good welding practice adopted throughout the installation and are welds of strength in accordance with the contract requirements as demonstrated by testing?
- are bolts installed and tightened in accordance with the Specifications?

Item 1.5

Standard of workmanship, finishes

- have all finishes been carried out such that the characteristics of finish specified on the drawings and tolerances given in the Specification are met?
- where trial panels have been specified, does the finished surface comply with the approved trial panel?
- for structural steelwork, has the contractor carried out all the relevant procedures specified for preparation of the steel surface