

立法會
Legislative Council

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 17 May 2017

**Amendments to motion on
“Combating bid-rigging to defend the rights and interests of
property owners”**

Further to LC Paper No. CB(3) 515/16-17 issued on 4 May 2017, four Members (Hon LAU Kwok-fan, Hon Alvin YEUNG, Dr Hon Fernando CHEUNG, and Hon KWOK Wai-keung) have respectively given notice of their intention to move separate amendments to Hon LAM Cheuk-ting’s motion on “Combating bid-rigging to defend the rights and interests of property owners” scheduled for the Council meeting of 17 May 2017. As directed by the President, the respective amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. The President will order a joint debate on the above motion and the four amendments. To assist Members in debating the motion and the amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon LAM Cheuk-ting to speak and move his motion;
- (b) the President proposes the question on Hon LAM Cheuk-ting’s motion;
- (c) the President calls upon the four Members who wish to move amendments to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon LAU Kwok-fan;
 - (ii) Hon Alvin YEUNG;

- (iii) Dr Hon Fernando CHEUNG; and
- (iv) Hon KWOK Wai-keung;
- (d) the President calls upon the public officer(s) to speak;
- (e) the President invites other Members to speak;
- (f) the President gives leave to Hon LAM Cheuk-ting to speak for the second time on the amendments;
- (g) the President calls upon the public officer(s) to speak again;
- (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the four Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon LAU Kwok-fan to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon LAU Kwok-fan's amendment;
- (i) after Hon LAU Kwok-fan's amendment has been voted upon, the President deals with the other three amendments; and
- (j) after all amendments have been dealt with, the President calls upon Hon LAM Cheuk-ting to reply. Thereafter, the President puts to vote the question on Hon LAM Cheuk-ting's motion, or his motion as amended, as the case may be.

3. For Members' reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Dora WAI)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Combating bid-rigging to defend the rights and interests of
property owners”
to be held at the Council meeting of 17 May 2017**

1. Hon LAM Cheuk-ting’s original motion

That in recent years building maintenance works in Hong Kong have been monopolized by bid-rigging syndicates involving triad members, and such syndicates manipulate tendering process by unlawful means, including significantly inflating maintenance costs to make huge profits, thus causing property owners to suffer losses of tens of billions of dollars, and arousing widespread grievances among members of the public; in order to combat the illegal activities of bid-rigging, this Council urges the Government to:

- (1) expeditiously plug the relevant loopholes under the Building Management Ordinance to safeguard the rights and interests of property owners;
- (2) step up law enforcement to deter bid-rigging syndicates;
- (3) enhance public promotion and education to enable members of the public to understand the perils of bid-rigging and take precautions;
- (4) provide property owners with professional support to enable them to comprehensively grasp the correct information on building maintenance works; and
- (5) set up a ‘building maintenance works authority’ to centrally monitor the conduct of the industry and quality of maintenance.

2. Motion as amended by Hon LAU Kwok-fan

That *bid-rigging seriously undermines the fairness and impartiality of the tendering process of building maintenance works, and also causes the price of the successful bid in maintenance works to far exceed the reasonable market rate, thus greatly increasing the maintenance expenses of property owners while the quality of maintenance works cannot be safeguarded*; in recent years *the situation of bid-rigging in* building maintenance works in Hong Kong ~~have been monopolized by bid-rigging syndicates involving triad members, and such~~

~~syndicates~~ *has become increasingly rampant, and some bid-rigging syndicates even collude with owners' corporations, property management companies and triad members to* manipulate tendering process by unlawful means, including significantly inflating maintenance costs to make huge profits, thus causing property owners to suffer *serious* losses ~~of tens of billions of dollars, and arousing widespread grievances among members of the public;~~ in order to combat the illegal activities of bid-rigging, this Council urges the Government to:

- (1) expeditiously plug the relevant loopholes under the Building Management Ordinance *by requiring the election of consultants appointed for large-scale maintenance works be decided by a resolution at a general meeting of the owners' corporation, so as to* safeguard the rights and interests of property owners;
- (2) *ensure that law enforcement agencies have adequate resources to investigate bid-rigging activities and* step up law enforcement to deter bid-rigging syndicates;
- (3) *provide more building management training programmes and seminars on the prevention of bid-rigging, so as to enhance the knowledge of owners' corporations, property management companies and property owners on the relevant subject and their understanding of the Building Management Ordinance, and at the same time* enhance public promotion and education to enable members of the public to understand the perils of bid-rigging and take precautions;
- (4) provide property owners with professional support *and establish a 'database on building maintenance'* to enable them to comprehensively grasp the correct information on building maintenance works; ~~and~~
- (5) set up a 'building maintenance works authority' to centrally monitor the conduct of the industry and quality of maintenance;
- (6) *step up the promotion of the Smart Tender scheme, and extend its scope of services to cover the entire maintenance works, including monitoring the progress and acceptance of the works, so as to safeguard the quality of maintenance works;*
- (7) *increase the staff establishment of District Offices for building management work and enhance the functions of Liaison Officers, so that they can follow up the work relating to building maintenance works in a dedicated manner; and*

- (8) *set up a 'building affairs tribunal' to resolve existing problems of lengthy time and expensive legal costs required for handling disputes concerning building maintenance works.*

Note: Hon LAU Kwok-fan's amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Hon Alvin YEUNG

~~That in recent years building maintenance works in Hong Kong have been monopolized by bid-rigging syndicates involving triad members, and such syndicates manipulate tendering process by unlawful means, including~~ *since the implementation of the Mandatory Building Inspection Scheme by the Government, the number of building maintenance works has increased rapidly but the tendering process of such works has often been manipulated by lawbreakers by means of bid-rigging, these lawbreakers have even significantly inflating* *inflated the* maintenance costs to make huge profits, thus causing property owners to suffer losses of tens of billions of dollars, and arousing widespread grievances among members of the public; in order to combat the illegal activities of bid-rigging, this Council urges the Government to:

- (1) ~~expeditiously plug the relevant loopholes under~~ *amend* the Building Management Ordinance to *plug the relevant loopholes, especially the provision of the Ordinance on the instrument appointing a proxy, so as to better* safeguard the rights and interests of property owners;
- (2) step up law enforcement to deter bid-rigging syndicates;
- (3) enhance public promotion and education to enable members of the public to understand the perils of bid-rigging and take precautions;
- (4) provide property owners with professional support to enable them to comprehensively grasp the correct information on building maintenance works; ~~and~~
- (5) set up *a statutory body such as* a 'building maintenance works authority' to centrally monitor the conduct of the industry and quality of maintenance, *its work includes formulating standards of practice and industry guidelines to ensure fair competition and setting up a licensing system;*
- (6) *impose cooling-off periods for the tendering and appointment procedures of large-scale maintenance works, so as to enable property*

owners to review the relevant decisions; and

- (7) *increase the manpower and resources of the Lands Tribunal to expedite the handling of legal disputes arising from building maintenance works.*

Note: Hon Alvin YEUNG's amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Dr Hon Fernando CHEUNG

That ~~in recent years~~ *according to information*, building maintenance works in Hong Kong have been monopolized by bid-rigging syndicates involving triad members, and such syndicates manipulate tendering process by unlawful means, including significantly inflating maintenance costs to make huge profits, thus causing property owners to suffer losses of tens of billions of dollars, and arousing widespread grievances among members of the public; in order to combat the illegal activities of bid-rigging, this Council urges the Government to:

- (1) expeditiously plug the relevant loopholes under the Building Management Ordinance to safeguard the rights and interests of property owners, *and at the same time empower the Home Affairs Department to monitor building maintenance works initiated by owners' corporations and residents' organizations and institute relevant prosecutions;*
- (2) step up law enforcement to deter bid-rigging syndicates;
- (3) enhance public promotion and education to enable members of the public to understand the perils of bid-rigging and take precautions;
- (4) provide property owners with professional support to enable them to comprehensively grasp the correct information on building maintenance works; ~~and~~
- (5) set up a 'building maintenance works authority' to centrally monitor the conduct of the industry and quality of maintenance;
- (6) *expeditiously implement the proposal in the 2017-2018 Budget to allow property owners to participate in the 'Smart Tender' Building Rehabilitation Facilitating Services Scheme run by the Urban Renewal Authority at a concessionary rate, so as to enable them to appoint independent building professional to provide cost estimate for*

building maintenance works, and recruit contractors through an electronic tendering platform, thus minimizing the risks of bid-rigging; and

- (7) *impose cooling-off periods for the appointment procedure of large-scale maintenance works, so as to enable property owners to review the relevant decisions.*

Note: Dr Hon Fernando CHEUNG's amendment is marked in *bold and italic type* or with deletion line.

5. Motion as amended by Hon KWOK Wai-keung

That ~~in recent years~~ *as projected by the Government, the ageing of buildings in Hong Kong will become increasingly serious, and coupled with the implementation of the Mandatory Building Inspection Scheme by the Government in 2012, more and more buildings have to carry out large-scale maintenance and renovation works; however quite a number of building maintenance works in Hong Kong have been monopolized by bid-rigging syndicates involving triad members, and such syndicates recent years have experienced suspected bid-rigging activities, some works companies have even collaborated with crime syndicates to* manipulate tendering process by unlawful means, including significantly inflating maintenance costs to make huge profits, thus causing property owners to suffer *hefty* losses ~~of tens of billions of dollars,~~ and arousing widespread grievances among members of the public; in order to combat the illegal activities of bid-rigging, this Council urges the Government to:

- (1) expeditiously plug the relevant loopholes under the Building Management Ordinance to safeguard the rights and interests of property owners;
- (2) step up law enforcement *by the Police Force, the Independent Commission Against Corruption and the Competition Commission; expedite the prosecution of bid-rigging cases by increasing manpower dedicated to investigating building maintenance works cases, so as to deter bid-rigging syndicates;*
- (3) enhance public promotion and education ~~to enable members of the public,~~ *and at the same time allocate additional resources to relevant organizations such as the Competition Commission and the Independent Commission Against Corruption for them to brief property owners and owners' corporations before commencement of building maintenance works, so as to enable the persons concerned to understand the perils of bid-rigging and take precautions;*

- (4) *establish a one-stop maintenance information platform and database to provide property owners and owners' corporations with professional support to enable them to comprehensively grasp the correct information on building maintenance works; ~~and~~, including the market costs of various maintenance works, the records of building maintenance works undertaken by qualified contractors, and the assessments made by property owners and owners' corporations on the performance of their appointed contractors;*
- (5) set up a 'building maintenance works authority' to centrally monitor the conduct of the industry and quality of maintenance; *and*
- (6) *set up a tribunal dedicated to handling building affairs to resolve disputes relating to building maintenance.*

Note: Hon KWOK Wai-keung's amendment is marked in *bold and italic type* or with deletion line.