

**For discussion
on 22 June 2010**

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT
"Operation Building Bright" – Progress and Update**

PURPOSE

This paper informs Members of the latest progress of the "Operation Building Bright" (the Operation) and seeks Members' views on the proposed injection of an additional funding of \$500 million to the Operation to assist more owners of old and dilapidated buildings in carrying out repair works and create more job opportunities.

BACKGROUND

2. As a specific measure for "preserving jobs" amidst the 2008 financial tsunami, the Government, in collaboration with the Hong Kong Housing Society (HKHS) and Urban Renewal Authority (URA), has implemented the \$2-billion Operation to provide subsidies and one-stop technical assistance to help owners of old and dilapidated buildings to carry out repair and maintenance works. The one-off Operation aims to achieve the dual objective of creating more job opportunities for the construction sector as well as improving building safety. The Finance Committee of the Legislative Council (LegCo) has approved a total funding allocation of \$1.7 billion¹ for the Government's contribution to the Operation, while the remaining \$300 million is contributed by the HKHS and URA on an equal sharing basis.

3. The Operation covers two categories of buildings –

Category 1 target buildings cover buildings with owners' corporations (OCs) established. OCs of eligible buildings may apply for joining the Operation to carry out repair works on a

¹ The Government's original contribution to the Operation as approved by the Finance Committee on 24 April 2009 was \$0.7 billion. As there were more applications from owners of old and dilapidated buildings than could be accommodated by the approved commitment of \$0.7 billion, the Finance Committee approved on 3 July 2009 an additional funding of \$1 billion to expand the Operation, increasing the total Government funding for the Operation to \$1.7 billion.

voluntary basis. We have conducted a computer ballot to determine the priority for processing the applications of eligible buildings; and

Category 2 target buildings are buildings having difficulties in co-ordinating repair works, such as buildings without OCs. Depending on the circumstances, the Buildings Department (BD) will issue statutory repair orders to such buildings so as to effect the necessary repair works. If the owners of the buildings are unwilling or unable to conduct repair works by themselves, the BD will arrange consultants and contractors to carry out the repair works on behalf of the owners. After deducting the amount of subsidies available under the Operation, the BD will recover the remaining repair costs (including supervision charges) from the owners. However, if the owners or OCs of the buildings are willing to organise repair works voluntarily, they could follow the approach for Category 1 target buildings to carry out repair works.

LATEST UPDATE AND PROGRESS

Category 1 Target Buildings

4. We have in total received 1 128² applications for Category 1 target buildings, among which 1 014 applications meet the eligibility criteria or have not been withdrawn by the applicants. We have followed the priorities accorded by the computer ballot conducted in June 2009 to process the eligible applications in an orderly manner. Up to 31 May 2010, 1 010 Category 1 target buildings granted with “approvals-in-principle” are in different stages of advance preparatory work including selection and appointment of authorised persons, arranging building surveys, preparing tender documents for selection and appointment of contractors, etc. Amongst these buildings, 102 are undertaking repair works, and the works of another 21 buildings have generally been completed. The HKHS and URA are continuing to process the remaining four applications and anticipate to grant “approvals-in-principle” to them by end of June 2010.

Category 2 Target Buildings

² The largest numbers of applications are in Yau Tsim Mong and Sham Shui Po Districts, with 297 (about 26%) and 129 (about 11%) applications respectively.

5. Up to 31 May 2010, 639 buildings have been selected as Category 2 target buildings. Such buildings are generally dilapidated buildings with defaulted statutory orders or put forth by LegCo and District Council (DC) Members.

Repair Works Conducted by the BD

6. Amongst those Category 2 target buildings where owners or OCs are not capable of organising repair works by themselves and need the BD to arrange the repair works, 110 buildings are undertaking repair works and, the works of another 78 buildings have generally been completed. It is anticipated that the works for the 110 buildings will be completed before the end of 2010.

Repair Works Conducted by Owners

7. Regarding the Category 2 target buildings where the owners or OCs are willing to organise repair works, the number of cases with “approvals-in-principle” granted is 83, amongst which 26 buildings are undertaking repair works, and the works of another eight buildings have generally been completed. Owners of another 50 buildings have also expressed their willingness to organise repair works by themselves. Depending on the progress of organisation of works by the owners, the HKHS and URA will gradually process these cases with an aim to granting “approvals-in-principle” to the owners as soon as possible.

8. For the remaining Category 2 target buildings selected, the BD, in collaboration with the HKHS and URA, will continue to consult the owners if they are prepared to organise repair works by themselves, and will gradually arrange to carry out repair works for those buildings where the owners are unable to do so.

Summary of Progress

9. In summary, for both Categories 1 and 2 in total, 107 buildings have completed repair works, and 238 buildings have repair works underway. Another 936 buildings with approvals-in-principle granted will commence repair works upon completion of the procurement procedures. In addition, the HKHS, URA and BD are liaising with the owners of another 368 Category 2 buildings with a view to assisting the

repair works or carrying out the works on their behalf. There are four Category 1 applications being processed by the HKHS and URA.

Job Creation

10. The Operation has been effective in creating job opportunities. On average, each target building can generate about 20 job opportunities for building professionals, contractors, technicians, workers, etc. These job opportunities include job positions for workers employed on individual job basis (e.g. scaffolding) as well as technicians and professionals employed on contract terms for the whole duration of the projects (e.g. planning and supervision of repair projects). Since the launch of the Operation on 7 May 2009, the employment situation of the construction sector has been gradually improving. According to the statistics released by the Census and Statistics Department, comparing the quarterly periods of March-May 2009 with February-April 2010, the unemployment rate of the construction sector decreased from 12.1% to 8.6% and, the unemployment rate in the decoration and maintenance sub-sector decreased from 18.7% to 11.4%. During the same period, the labour force in the decoration and maintenance sector increased from 66 100 persons to 75 200 persons. The Operation has so far altogether created over 8 100 job opportunities.

Public Education and Publicity

11. Since the launch of the Operation, the HKHS, URA and BD have altogether held more than 240 seminars and briefings for OCs, owners, building professionals and contractors to introduce the requirements and details of the Operation as well as the general concepts and procedures of good building management and coordination of building repair works. The Independent Commission Against Corruption (ICAC), Labour Department and Environmental Protection Department also joined hands in hosting some of the briefings and seminars covering anti-corruption, labour safety and environmental protection practices. Many owners have also initiated or speeded up their efforts to establish OCs so as to better coordinate the Operation's repair works and to manage their buildings in the long run. So far, 34 Category 2 target buildings have speeded up their efforts and completed the formation of OCs after the launch of the Operation on 7 May 2009.

Prevention of Corruption and Malpractice

12. To prevent corruption and malpractice in the execution of repair works under the Operation, the HKHS and URA have, in consultation with the ICAC, formulated and issued the “Operation Building Bright Maintenance Guidelines” to OCs, consultants and contractors, stipulating the requirements and procedures for selection and management of consultants and contractors, anti-bribery and anti-collusion practices, as well as the detailed roles and duties of the parties involved in the repair works under the Operation. A copy of the Guidelines is attached at Annex A. Consultants and contractors participating in tendering are required to sign an undertaking to follow fair and impartial practices in tendering and provision of professional services for the OCs, including the “Confirmation Letter to Comply with Probity and Anti-Collusion Clauses”.

13. The HKHS and URA have also appointed independent professional consultants to carry out the relevant monitoring work, including inspecting the progress of repair works for target buildings and scrutinising the documents and progress reports submitted by consultants and contractors, with a view to ensuring their compliance with the requirements of the Operation before considering to release the grants. Both organisations will arrange staff to attend the OCs’ meetings with a view to providing advice on selection of consultants and contractors and coordination of repair works.

14. If irregularities involving misconduct or malpractice of the consultants or contractors are noted, the HKHS and URA will advise the OCs to follow up the matters in accordance with their agreed service contracts. Up to the end of May 2010, the HKHS and URA have in total issued notices and demanded rectifications for 21 cases with suspected irregularities, among which ten OCs have, after review, decided to terminate the service contracts with their appointed consultants. Several cases involved the disclosure of the names and/or contacts of the consultants in the expression of interest advertisements. To ensure an open and impartial tendering process and avoid tender-rigging, such practice is not allowed under the Operation. Some other cases were about imposing pre-qualification and additional selection criteria upon the contractors drawn from the HKHS’ list without owners’ approval and collection of administration fee from tenderers. The inclusion of

additional contractors from the HKHS' list on top of the owners' invitation list is a measure adopted in the Operation to promote more open tendering and avoid tender-rigging. All potential tenderers must be treated equally and fairly in the process. The HKHS and URA will continue their follow-up actions on the cases.

ADDITIONAL FUNDING FOR OPERATION

15. The Operation is widely welcomed and supported by OCs, buildings owners and the general public. While we have received positive feedback from LegCo and DC Members, some stakeholders informed us that certain OCs have missed the deadline of the first round of application and that some building owners who were in the course of establishing OCs also could not join last year's Category 1 applications. Many stakeholders thus suggested that the Government should launch another round of Category 1 applications to assist OCs of such buildings. On the other hand, there are building owners lacking proper management ability and they are in need of assistance for the carrying out of repair works. For example, after the collapse of the building at 45J of Ma Tau Wai Road, Kowloon in January 2010, the BD launched a special territory-wide operation in February 2010 to inspect all private buildings aged 50 or above in the territory. 1,032³ buildings were found to exhibit different extent of disrepair and require statutory enforcement actions under the Buildings Ordinance. We plan to provide assistance to owners of these buildings who have difficulties in organising repair works by themselves.

16. To provide timely assistance to more owners of old buildings to repair their properties, the Financial Secretary proposed in his 2010-11 Budget Speech on 24 February 2010 to allocate additional funding of \$500 million for the Operation.

Remaining Funds in Original Operation

17. So far, 1 014 Category 1 and 639 Category 2 target buildings have been included in the Operation. Based on the latest estimation, after completion of the concerned works, there would be around \$300 million of uncommitted funds available out of the original \$2 billion for

³ Amongst these 1,032 buildings, 293 buildings are currently subject to statutory orders. For the remaining 739 buildings, the BD is in the course of issuing repair or investigation orders to them.

further deployment.

18. With the proposed injection of additional \$500 million to the Operation, we plan to pool together the remaining and new funds to launch another round of the Operation to assist both additional Category 1 and Category 2 target buildings for carrying out building repair works.

Refinement of Eligibility Criteria

19. We have received views from LegCo and DC Members that there are buildings with a large number of residential units (more than 400) that are in dilapidated conditions and should be considered for assistance under the Operation. The existing eligibility criterion of “no more than 400 residential units” should be dispensed with. We have taken into account the stakeholders' views, and in the new round of the Operation, we propose to dispense with the criterion of “no more than 400 residential units” so that all old and dilapidated buildings, irrespective of their numbers of residential units, are eligible to apply for joining the Operation. The other eligibility criteria as well as scope of works will remain unchanged. The revised eligibility criteria of target buildings and the scope of works are set out at Annex B. Nevertheless, we have to point out that while the lifting of the “400 residential units” criterion will have no significant impact on the achievement of the objectives to create jobs and improve building safety, the total number of target buildings to be subsidised under the Operation may be reduced as buildings with a large number of units will require a larger share of resources.

20. We will continue to adopt the number of units stipulated in the occupation permit (OP) as the basis for assessing grants for individual units. Nevertheless, some stakeholders have pointed out that in old buildings there exist cases where the number of units described in an OP differs from that set out in the deed of mutual covenant (DMC). We will adopt a flexible approach such that grants may be provided according to the units, the maintenance responsibilities and shares of maintenance burden among owners so set out in the DMC.

Number of Buildings to be Assisted

21. The total number of additional buildings to be assisted under the

new round of the Operation will depend on the amount of grant required for each additional target building, and that is affected by a number of factors such as the condition of the building, the scope of the repair works to be undertaken, the cost of the repair works involved as well as the number of units and number of elderly owner-occupiers in the building. Category 1 target buildings generally involve a wider scope of works and require a larger amount of grants.

22. From our experience so far, it is estimated that the new round of the Operation may be able to subsidise around 900 target buildings, comprising about 300 Category 1 and 600 Category 2 target buildings. The recent inspection of buildings of 50 years old or over conducted by the BD has identified some 1 000 buildings that may require repair actions. Discounting those already included in the Operation and with our preliminary screening, over 600 of these buildings may meet the eligibility criteria of the Operation. Some of them may apply to join Category 1. For those owners who could not organise the repair works by themselves, we will consider including them under Category 2. The BD may also include other buildings with repair needs but without organisation power under the Category. Currently, we estimate that the new round of Category 2 will include around 600 buildings. For the remaining funds, we will use them to cover Category 1 applications, which are estimated to be around 300.

23. We have to emphasise once again that with the lifting of the eligibility criterion of “no more than 400 residential units” in the Operation, the total number of buildings to be assisted may fluctuate. In particular, for Category 1 buildings, the total number of buildings will depend on the priority order obtained (and hence the number of units of buildings in the queue which directly affects the funding required) from the ballot to be conducted. Nevertheless, we maintain our aim to make use of all the remaining and new funds to assist as many buildings as possible.

IMPLEMENTATION PLAN

24. The Operation will continue to be “building-based”, with no requirement for asset or income means tests. Once an application is approved or a building is selected for action under the Operation, owners of the target buildings concerned (including residential and commercial

units) can receive a grant amounting to 80% of the cost of repair in the common areas, subject to a ceiling of \$16,000. Elderly owner-occupiers aged 60 or above can receive a grant to cover the full cost of repair of the common areas, subject to a ceiling of \$40,000.

25. We will allow sufficient lead time for building owners for preparation to join the Operation. Taking also into account the availability of building professionals and contractors in the market as well as the need to suitably spread out building repair works being conducted in Hong Kong, we propose to launch the Operation to receive applications for Category 1 target buildings from 1 September to 30 October 2010. Similar to the previous Operation, eligible applications for joining as Category 1 target buildings will be prioritised by a computer ballot. The BD will separately proceed with the preparatory work for selecting suitable buildings as Category 2 target buildings and will proceed with the operations as soon as the Finance Committee has approved the additional funding. We plan to announce further details of the new Operation in August 2010.

26. OCs with repair works⁴ contracts for appointment of contractors signed on or after 24 February 2010 will be allowed to apply for participation in the new round of Category 1 of the Operation provided that their buildings satisfy the revised eligibility criteria at Annex B and their tendering procedures (including the procedures for appointment of authorised persons and contractors) and the scope of repair works satisfying the prescribed requirements of the Operation. Buildings with repair works contracts for appointment of contractors signed before 24 February 2010 are not eligible for participation in the Operation.

27. The HKHS and URA will continue to provide one-stop technical assistance to help owners to carry out the repair works under the Operation. The OCs of Category 1 buildings have to follow the tendering requirements and procedures stipulated by the HKHS and URA. The two organisations will assign staff to each building to provide advice and assistance. The modus operandi for the new round of Operation will continue to follow the guidelines promulgated by the HKHS and URA in consultation with the ICAC. Regarding Category 2 buildings, where owners of such buildings are unable to organise repair works by

⁴ Repair works still on-going at the time of application.

themselves, the BD will continue to take complementary actions to mandate and carry out the works under the Buildings Ordinance.

FINANCIAL IMPLICATIONS

28. Similar to the \$2-billion Operation, we propose to provide the additional capital injection of \$500 million to the HKHS and URA, the administrators of the Operation, by installments. The HKHS and the URA will respectively maintain separate bank accounts for keeping the funds and allocating grants to target buildings as in the on-going Operation. They will be responsible for the management of the funds and will be required to regularly submit progress reports and audit reports. The associated staff costs for implementing the Operation will be absorbed by the HKHS and URA. Out-of-pocket expenses, including legal costs, auditor's fees and costs for publicity activities will continue to be charged towards the Operation fund. The detailed terms of cooperation among the Government, HKHS and the URA will be stipulated in memoranda of understanding to be signed among the three parties. The BD would have to engage additional temporary contract staff to implement repair works for the additional Category 2 target buildings and such costs will continue to be charged to the funding in the Operation.

29. With the proposed launch of the new round of Operation on 1 September 2010, it is anticipated that the duration of the overall Operation and disbursement of funding to the HKHS, URA and BD to operate the scheme will extend until the third quarter of 2013.

BACKGROUND OF BUILDING SAFETY POLICIES

30. The Operation, first launched in May 2009, was one of the Government's special responses to the prevailing economic challenges to the Hong Kong economy. We uphold the principle that building maintenance is basically the responsibility of building owners. The Government will continue to promote building maintenance and repair through legislation and various technical and financial assistance schemes to ensure building safety in Hong Kong. We will implement the minor works control regime system, which aims to provide simple and effective statutory procedures for the carrying out of small-scale building works, within 2010. We also introduced legislative proposal for the mandatory

building and window inspection schemes into LegCo in January 2010. Through the implementation of the Operation, the BD, HKHS and URA have further consolidated their partnership in promoting building safety. With the BD focusing on its statutory role to take enforcement actions, and the HKHS and URA on the provision of practical advice and technical support, the three organisations have created much synergy in taking forward their shared goal of improving building safety in Hong Kong. The BD, HKHS and URA will continue to provide assistance through various existing grant and loan schemes to help owners carry out repair and maintenance works to their buildings.

31. We consulted the LegCo Panel on Development on 26 January 2010 regarding the use of the remaining funds of the original \$2 billion under the Operation. We also updated LegCo of the progress of the Operation and the proposed launch of a new round for the Operation at the LegCo Adjournment Debate on 3 February and the LegCo Motion Debates on 3 March and 26 May 2010. Members and stakeholders were generally supportive of the launch of a new round of the Operation and the proposed lifting of the eligibility criterion of “not more than 400 residential units” for target buildings.

ADVICE SOUGHT

32. Members are invited to note the latest progress of the Operation and comment on proposed launch of the new round of the Operation. With Members’ support, we intend to seek the approval of the Finance Committee for the additional funding for the new round of the Operation at its meeting on 9 July 2010.

Development Bureau
June 2010

樓宇更新大行動

OPERATION BUILDING BRIGHT

維修工程指引

專業承擔、誠信操守
提倡 公開、公平、公正 精神



(A) Appointment of Consultant and Authorized person

1. Applicant shall appoint consultant and Authorized Person (AP), who registered in accordance with the Buildings Ordinance (Cap. 123) as “Authorized Person”, to coordinate the repair and renovation works in accordance with Maintenance Guidelines for Operation Building Bright (Guidelines). Tendering process shall be carried out in accordance with the Building Management Ordinance (Cap. 344) and the “Building Maintenance Toolkit” (for relevant sections only) jointly published by Hong Kong Housing Society (HKHS) and Independent Commission Against Corruption (ICAC). List of registered APs, who recently expressed interest in repair and renovation works, is available at all Property Management Advisory Centres (PMACs) of HKHS or Headquarters of Urban Renewal Authority (URA) at Central for applicants’ information. Open Tender shall be adopted for selection of consultant / AP. Firstly, applicant shall advertise in newspaper (indicate “Operation Building Bright”) to invite openly an expression of interest from consultants / APs, in order to confirm the number of interested consultants / APs. Meanwhile, to enhance fairness and competitiveness, applicant shall also draw APs (quantity shall be at least equivalent to the nos. of interest expressed during open tender, but not less than 4 nos.) from computers at the PMACs, who recently expressed interest in repair and renovation works to HKHS. Tenderers List shall include all consultants / APs obtained above. HKHS and URA do not recommend applicant to collect administration fee for tendering. If applicant considers it is necessary, the administration fee shall not be more than HK\$500.
2. For key processes for Selection of Consultants, please refers to *Appendix No. 1* (abstracted from “Building Maintenance Toolkit”).
3. Tenderers shall prepare their fee proposal in accordance with “Guideline for Appointment of Consultant” (please refers to *Appendix No.2*). The proposal shall specify the detailed scope of services, “Probity and Anti-Collusion Clauses” and the engagement of AP to coordinate the repair and renovation works.
4. Tenderers (Consultants) and the AP shall submit a duly signed **“Confirmation Letter to Comply with Probity and Anti-Collusion Clauses”**, together with the tender documents (Sample refers to *Appendix No.3*).

5. The services agreement shall include a **“Declaration Form to Comply with the Ethical Commitments Requirements”**, which duly signed by the consultant and the AP (Sample refers to *Appendix No.4*).
6. The consultant and AP shall submit a duly signed **“Notification of Appointment of Authorized Person”** and **“Confirmation of Appointment of Authorized Person”** to the applicant. (Sample refers to *Appendix No.5*). The AP shall declare whether he/she has previous conviction record(s) for corruption, fraud, embezzlement, theft or similar criminal offences in relation to repair and renovation works.
7. The consultant shall inform the applicant, HKHS / URA for changing the AP in writing.
8. To facilitate the approval process, upon appointment of consultants / APs, applicant shall submit the following documents*:
 - **Record of tender invitation for AP and tender opening record (such as advertisement at newspaper and tender opening record, etc.);**
 - **A copy of minutes of Management Committee Meeting / Extraordinary General Meeting / Annual General Meeting for resolution on the appointment of Consultant and the notice to owners/occupants for such resolution;**
 - **Consultant’s Fee Proposal;**
 - **Copy of Consultancy Agreement;**
 - **“Confirmation Letter to Comply with Probity and Anti-Collusion Clauses” duly signed by the tenderers and APs (*Appendix No.3*) (Letter shall be submitted prior to signing the consultancy agreement);**
 - **“Declaration Form to Comply with the Ethical Commitments Requirements” duly signed by the consultant and AP (*Appendix No.4*) (Letter shall be submitted prior to signing the consultancy agreement);**
 - **“Notification of Appointment of Authorized Person” and “Confirmation of Appointment of Authorized Person” duly signed by the consultant and AP (*Appendix No.5*);**
 - **In case the consultant change of AP, “Notification of Appointment of Authorized Person” and “Confirmation of Appointment of Authorized Person” duly signed by the consultant and the newly engaged AP (*Appendix No.5*); and**

- **“Consultant Undertaking letter” duly signed by the consultant**
(Appendix No.6);

*All related documents shall be submitted within 1 week upon completion of every stage / process.

(B) Consultant and AP's Services

1. Services provided by AP shall include:

- to conduct building condition survey and identify defects for building elements and services;
- to study all relevant orders/advisory letters issued by the government, including co-ordinate and incorporate the required works and cost involved into the design proposal and cost estimate;
- to liaise with government departments in connection with the repair and renovation works;
- to advice the most appropriate tendering procedures, prepare tender documents, assist in advertising for open tender (The advertisement shall be made in the name of Principal and indicated “Operation Building Bright”. Consultant’s name shall not be shown on the advertisement.), reply queries in writing, analyze tenders and make recommendation(s) for the Employer's consideration;
- to conduct site inspections, supervise the progress & quality of works;
- to issue Certificate of Practical Completion of the works; and
- to conduct completion inspection upon works completed, etc.

(Above is a general list for services to be provided by AP. Please refers to *Appendix No. 2* for details.)

2. During the entire services period, AP shall duly endorse and submit documents to applicant. Such documents are included but not limited to:

- Condition survey report, including diagnosis to existing building and building services items, sketches (if applicable) and repair and renovation proposal with cost estimate, etc;
- Tender documents including schedule of works, tender drawings, specifications and conditions of tender;
- Tender analysis report;
- Certified payment applications from contractor;
- Payment application from contractor in respect to the OBB eligible items;
- Completion report; and
- Final Accounts.

3. To facilitate the approval process, upon completion of draft tender documents, applicant shall submit the followings*:
 - 2 copies of condition survey report and repair and renovation proposal duly signed by AP;
 - 2 copies of draft tender documents including detailed scope of works and estimation prepared and signed by AP; and
 - “Confirmation Letter for Completion of Condition Survey Report with Repair and Renovation Proposal” duly signed by AP (*Appendix No.7*).

*All related documents shall be submitted within 1 week upon completion of every stage / process.

(C) Appointment of Registered General Building Contractor (RGBC)

1. Applicant shall appoint RGBC, who registered in accordance with the Buildings Ordinance (Cap. 123) as “Registered General Building Contractor”, to carry out the repair and renovation works in accordance with the Guidelines. Tendering process shall be carried out in accordance with the Building Management Ordinance (Cap. 344) and the “Building Maintenance Toolkit” (for relevant sections only) jointly published by HKHS and ICAC. List of registered RGBCs, who recently expressed interest in repair and renovation works, is available at all PMACs of HKHS or Headquarters of URA at Central for applicants’ information. Open Tender shall be adopted for selection of RGBC. Firstly, applicant shall advertise in newspaper (indicate “Operation Building Bright”) to invite openly an expression of interest from RGBCs, in order to confirm the number of interested RGBCs. Meanwhile, to enhance fairness and competitiveness, applicant shall also draw RGBCs (quantity shall be at least equivalent to the nos. of interest expressed during open tender, but not less than 4 nos.) from computers at the PMACs, who recently expressed interest in repair and renovation works to HKHS. Tenderers List shall include all RGBCs obtained above. HKHS and URA do not recommend applicant to collect administration fee for tendering. If it is suggested by the consultant, the administration fee shall not be more than HK\$500.
2. Tender documents shall include “Standard Form of Contract for Minor Works” (Sample refers to *Appendix No. 8*). If any other form of Contract to be used, prior approval from HKHS / URA shall be obtained. AP shall amend relevant clauses as appropriate for the works in particular the payment terms. The tender documents shall also include **“Probity and Anti-Collusion Clauses”** (Sample refers to *Appendix No. 9*). Please note the Grant releasing arrangement from HKHS / URA at paragraph (D). (Grant for

the Operation Building Bright will be released in not more than 4 stages. Applicant may consider to amend days required the Employer shall pay to the contractor stipulated in clause 4.1.2 of the Standard Form of Contract for Minor Works while taking into account their financial liquidity and time required for Grant releasing arrangement by HKHS / URA.)

3. Tenderers shall submit a duly signed **“Confirmation Letter to Comply with Probity and Anti-Collusion Clauses”** together with the tenders. One of the Directors of the respective tenderer shall declare on behalf of his/her company that whether the proposed designated staff have previous conviction record(s) for corruption, fraud, embezzlement, theft or similar criminal offences in relation to repair & renovation works (Sample refers to *Appendix No. 14*).
4. HKHS / URA have absolute rights to grant the subsidized amount in accordance with the reasonable market prices assessed by the independent consultant engaged by HKHS / URA.
5. For key processes for Selection of RGBCs, please refers to *Appendix No. 10* (abstracted from “Building Maintenance Toolkit”).
6. The contract for the works shall include a **“Declaration Form to Comply with the Ethical Commitments Requirements”**, which duly signed by the RGBC (Sample refers to *Appendix No.11*).
7. To facilitate the approval process, upon appointment of RGBC, applicant shall submit the following documents:
 - **2 copies of tender documents duly signed by AP;**
 - **“Confirmation Letter to Comply with Probity and Anti-Collusion Clauses” duly signed by tenderers** (*Appendix No.9*);
 - **A copy of minutes of Management Committee Meeting / Extraordinary General Meeting / Annual General Meeting for resolution on selection of Contractor for the repair and renovation works and notices to owners/occupants for such resolution. Such minutes shall indicate that all prioritized works in accordance with the Operation Building Bright are included in the contract documents;**
 - **Record of tender invitation for RGBC and tender opening record (such as advertisement at newspaper and tender opening record);**

- 2 copies of tender analysis report with recommendation(s) duly signed by AP;
- 2 copies of Contract documents (to be submit upon contract signed);
- “Declaration Form to Comply with the Ethical Commitments Requirements” duly signed by contractor (*Appendix No.11*) ; and
- “Registered General Building Contractor Declaration Form” duly signed by one of the directors of tenderer. (*Appendix No.14*)

*All related documents shall be submitted within 1 week upon completion of every stage / process.

(D) Construction stages and Documents to be verified:

1. To facilitate the Grant releasing process for the Operation Building Bright, applicant shall submit the following documents in each application of Grant releasing:

- “Grant Application Form” certified by AP and jointly signed by Contractor, Consultant & Applicant (*refers to Appendix No.12*);
- 2 copies of the latest payment application and certificate signed by AP;
- A copy of insurance policy or substantiation (only applicable for 1st application of Grant releasing);
- Variation Order(s) issued and endorsed by AP (if applicable); and
- 2 copies of the relevant & valid test reports, certificates and warranties (such as test report for doors with fire resisting period, and warranties for waterproofing at roof, etc) (Only applicable to item(s) completed during application. Otherwise the reports could be submitted at completion of the entire works).

If any works are commenced / finished / covered before making the application, and such works cannot be verified on site by the representative of HKHS or URA, all documentary proof for such works shall be submitted to HKHS / URA. Otherwise, any grant related to such works shall be deducted.

2. To facilitate the Grant releasing at the final stage of completion of entire works, applicant shall submit the following documents:

- “Grant Application Form” certified by AP and jointly signed by Contractor, Consultant & Applicant (*Appendix No.12*);
- Completion report against works listed in building condition survey report duly endorsed by AP;
- 2 copies of Practical Completion Certificate and the latest payment application and certificate signed by AP; and
- 2 copies of relevant and valid test reports, certificates and warranties.

If any works are commenced / finished / covered before making the application, and such works cannot be verified on site by the representative of HKHS or URA, all documentary proof for such works shall be submitted to HKHS / URA. Otherwise, any grant related to such works shall be deducted.

In order to safeguard applicant in arranging and compiling services agreement with consultant and works contract with contractor, a "Building Maintenance Toolkit", which jointly published by HKHS and ICAC, is enclosed. Applicant also can download the Toolkit at the following website:

http://www.bm.icac.hk/tc/education_and_publicity_materials/education_and_publicity_materials.aspx

Notes:

1. In case any discrepancy between this Guidelines and the "Building Maintenance Toolkit", this Guidelines shall take precedence.
2. The works shall comply with all relevant statutory requirements. AP shall pay particular attention to all legislation and publications affecting the building industry listed in the "Practice Note for Authorized Persons and Registered Structural Engineers No. 115" (PNAP 115).
3. Prior to carry out any additional works, applicant shall take into account of the advices given by consultant / AP and the urgency of such works in order to determine whether to approve the additional works and the date for carrying out such works or not. If any works are commenced / finished / covered before making the application, and such works cannot be verified on site by the representative of HKHS or URA, all documentary proof for such works shall be submitted to HKHS / URA. Otherwise, any grant related to such works shall be deducted.
4. Applicant shall submit a copy of contribution schedule for the cost of repair and renovation works at the earliest time for HKHS / URA's consideration.
5. Applicant shall ensure that all required documents are in order before submitting to HKHS / URA. Otherwise, progress of scrutiny and Grant releasing will be delayed. Approved Grant will be deposit into the bank account of the Owners' Corporation. For details on calculation and releasing of Grant, please refers to *Appendix No. 13*.

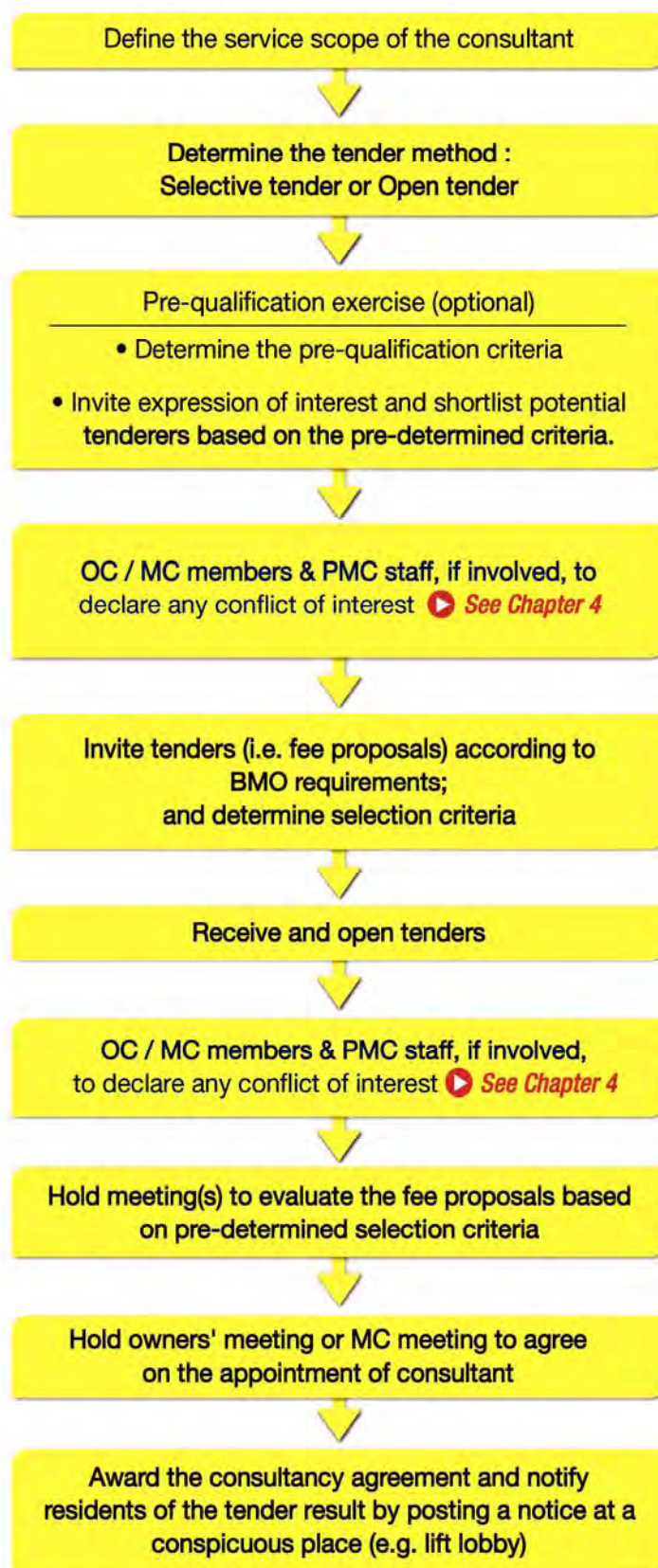
List of Appendices

- Appendix No. 1 “Key Processes for Selection of Consultants”
- Appendix No. 2 “Guideline for Appointment of Consultant”
- Appendix No. 3 “Confirmation Letter to Comply with Probity and Anti-Collusion Clauses” *(Applicable to Selection of Consultants / APs)*
- Appendix No. 4 “Ethical Commitments Clauses” and “Declaration Form to Comply with the Ethical Commitments Requirements”
(Applicable to Selection of Consultants / APs)
- Appendix No. 5 “Notification of Appointment of Authorized Person” and “Confirmation of Appointment of Authorized Person”
- Appendix No. 6 “Consultant Undertaking letter”
- Appendix No. 7 “Confirmation Letter for Completion of Condition Survey Report with Repair and Renovation Proposal”
- Appendix No. 8 Sample : “Standard Form of Contract for Minor Works”
(Cover only)
- Appendix No. 9 “Probity and Anti-Collusion Clauses” and “Confirmation Letter to Comply with Probity and Anti-Collusion Clauses”
(Applicable to Selection of RGBCs)
- Appendix No. 10 “Key Processes for Selection of RGBCs”
- Appendix No. 11 “Ethical Commitments Clauses” and “Declaration Form to Comply with the Ethical Commitments Requirements”
(Applicable to Selection of RGBCs)
- Appendix No. 12 “Grant Application Form”
- Appendix No. 13 Sample : “Calculation and Releasing of Grant”
- Appendix No. 14 “Registered General Building Contractor Declaration Form”

“Key Processes for Selection of Consultants”

Key Processes for Selection of Consultants

The following is a procedural flowchart for the selection of consultants.



Above processes are abstracted from “Building Maintenance Toolkit” jointly published by “HKHS” and “ICAC”. Owners Corporation can find more information from the following website:

http://www.bm.icac.hk/en/education_and_publicity_materials/education_and_publicity_materials.aspx

“Guideline for Appointment of Consultant”

SECTION A : KEY POINTS OF CONSULTANT FEE PROPOSAL

Consultant shall prepare their fee proposal in accordance with the recommended contents as follows:

Part One:

Following information shall be stated:

1. Name and Address of the subject building / estates, and
2. Name, address and fax number of the consultant and the date of fee proposal.

Part Two:

1. Description of Repair and Renovation Works Required

[Include brief description to the repair and renovation works, and any statutory orders / advisory letters issued by the government]

2. Scope of Services

The scope of services covered by the fee proposal shall include the following:

- 2.1 Engage Authorized Person (AP)¹ to coordinate the captioned Repair and Renovation Works throughout the entire process.
- 2.2 Comply with all the requirements imposed by Hong Kong Housing Society (HKHS) / Urban Renewal Authority (URA) in relation to participation of the Operation Building Bright. For detailed Information, please refers to the Guidance Notes for Repair and Renovation Works of [Operation Building Bright].
- 2.3 Coordinate, communicate and co-operate with HKHS and URA (Executive Organizations) in relation to participation of the Operation Building Bright; Assist Employer to handle enquiry from Executive Organizations; provide information, documents (with amendments) to assist Employer to apply Grant releasing.

(1: “Authorized Person (AP)” means an “authorized person” as defined in Buildings Ordinance Section 2 (1))

“Guideline for Appointment of Consultant”

Stage I: Preliminary Proposal and Cost Estimate

- 2.3.1 Assist Employer to develop Design brief.
- 2.3.2 Conduct building condition survey and diagnosis to existing building and building services items. (Shall be verified by AP)
- 2.3.3 Submit condition survey report and preliminary renovation and repair proposal with sketches and work schedule. (Shall be endorsed by AP)
- 2.3.4 Conduct evening meetings with Employer / residents to finalize the preliminary design proposal.
- 2.3.5 Submit a scheme design and a preliminary cost estimate for the Employer's consideration. (Shall be endorsed by AP)
- 2.3.6 Provide recommendations and guidance for the Employer to select repair options, use of materials, equipment / installation options, etc.
- 2.3.7 Study all relevant Statutory orders / Advisory letters issued by the government, and incorporate the required works and cost into the design proposal and cost estimate. (Shall be verified by AP)
- 2.3.8 Liaise with government authorities in connection with the maintenance and improvement works as necessary.

Stage II: Preparation of Detailed Design, Cost Estimate and Tendering Arrangement

- 2.4.1 Review and study relevant drawings and regulations.
- 2.4.2 Prepare a detailed design (includes repair details, layout plans, colour schemes, elevations, material samples) for Employer's consideration.
- 2.4.3 Prepare a master works programme for Employer's consideration.
- 2.4.4 Prepare a budget estimate for Employer's consideration. (Shall be endorsed by AP)
- 2.4.5 Prepare tender documents including the schedule of works, form of tender, tender drawings, specifications and conditions for tender for Employer's consideration. (Shall be endorsed by AP)
- 2.4.6 Advise the most appropriate tendering procedures and method, prepare tender documents, assist in posting notice for open tender and tendering procedures, reply queries in writing, conduct tender analysis and make recommendation(s) for the Employer's consideration. (Shall be conducted and endorsed by AP)
- 2.4.7 Inform successful tenderer on behalf of Employer.

“Guideline for Appointment of Consultant”

Stage III: Contract Administration, Site Supervision and Construction Management

- 2.5.1 Prepare contract documents.
- 2.5.2 Establish an appropriate “Site Inspection Plan” with Employer’s agreement. The Plan shall specify the scope and involvement of AP, CV of designated supervision personnel(s), frequency of inspections, the works to be inspected and scope of test required, arrangement of project meeting and measures of quality control.
- 2.5.3 Conduct site inspections to monitor the progress and quality of works. Prepare and submit site inspection reports and records during progress of work.
- 2.5.4 Liaise with Management Office for arrangement of site works.
- 2.5.5 Provide advice to the Employer on variation works.
- 2.5.6 Certify payment application from contractor(s). (Shall be endorsed by AP)
- 2.5.7 Provide comment on payment application from contractor(s).
- 2.5.8 Control project cost.
- 2.5.9 Conduct completion inspection to completed works. (Shall be endorsed by AP)
- 2.5.10 Submit completion inspection report. (Shall be endorsed by AP)
- 2.5.11 Monitor the contractor(s) to rectify defects.
- 2.5.12 Conduct final inspection upon expiry of Defects Liability Period and prepare Final Accounts. (Shall be endorsed by AP)
- 2.5.13 Issue Certificate of Practical Completion of the project. (Shall be endorsed by AP)
- 2.5.14 Handle contractual disputes.

3. Professional Fee

Stage payment should be made as follows:

For Stage I & II : Preliminary Design, Detailed Design & Tendering

For Stage III : Contract Administration & Construction Management

Consultant may propose an alternative arrangement in regard to other terms of payment to each stage of payment.

“Guideline for Appointment of Consultant”

4. Right of the Employer

The Employer reserves absolute right to suspend or proceed any stage hereafter any completed stages.

5. Validity of the Proposal

The fee proposal shall be valid for at least 6 months from the date of closing tender.

6. Termination of Services

The professional service may be terminated by either party, upon a 14-days prior written notice to the last known address of the other party. The consultant shall be remunerated based upon the services rendered up to the date of termination of the appointment.

7. Probity and Anti-Collusion Clauses

Offering Gratuities

- (A) The tenderer and the AP to be engaged in accordance with para. 2 of Part 2 above, shall not, and shall procure that his employees and agents shall not, offer, solicit or accept an advantage as defined in the Prevention of Bribery Ordinance (Cap 201) in connection with the tendering and execution of this consultancy agreement.
- (B) Failure to so procure referred to in (A) above or any act of offering, soliciting or accepting advantage referred to in (A) above committed by the tenderer and the AP to be engaged in accordance with para. 2 of Part 2 above or by his director, employee, agent or sub-consultant of the tenderer may result in his tender being invalidated and responsible for such failure and act.

“Guideline for Appointment of Consultant”

Anti-collusion

(C) Before the Employer announce the outcome of the tender, tenderer and the AP to be engaged in accordance with para. 2 of Part 2 above, are forbidden to have following behaviors:

- to communicate to any person other than the Employer about the amount of any tender;
- to adjust the amount of any tender by arrangement with any other person;
- to make any arrangement with any other person about whether or not he or that other person should or should not tender or otherwise
- to collude with any other person in any manner whatsoever in the tendering process

Any breach of or non-compliance with this sub-clause by the tenderer and the AP to be engaged in accordance with para. 2 of Part 2 above shall, without affecting the tenderer's and the AP's liability for such breach or non-compliance, invalidate his tender.

(D) Sub-clause (C) of this Clause shall have no application to the tenderer's communications in strict confidence with his own insurers or brokers to obtain an insurance quotation for computation of tender price and communications in strict confidence with his sub-consultants to solicit their assistance in preparation of tender submission.

(E) The tenderer and the AP to be engaged in accordance with para. 2 of Part 2 above, shall submit to the Employer a duly signed letter in the form [*please refer to Appendix No.3*]. The letter shall be jointly signed by a person authorized to sign the agreement on the tenderer's behalf and the AP to be engaged in accordance with para. 2 of Part 2 above.

8. Insurance

The consultant shall, in written request as per the Employer, to produce evidence by way of certificate of insurance, receipt of premium or otherwise appropriate that the professional indemnity and public liability insurance which should be effected and remain in valid.

“Guideline for Appointment of Consultant”

9. Indemnity

The Consultant shall indemnify and keep indemnified the Employer from and against any loss, cost (including any cost of enforcement), liability, damage, claim or proceeding of whatsoever nature which the Employer incurs or suffers as a consequence of or in connection with:

(a) any breach by the Consultant (including his employees, agents or sub-consultants) of any of its obligations under, this Agreement;

(b) any act, omission, default or neglect on the part of the Consultant (including his employees, agents or sub-consultants); and/or

any breach of any duty of care or other duty owed by the Consultant (including his employees, agents or sub-consultants) to the Employer.

Part Three:

Additional information to be provided such as:

1. Previous similar job references of the company, and
2. Telephone number of contact person / curriculum vitae of professional and management staffs.

“Guideline for Appointment of Consultant”

SECTION B : KEY POINTS OF CONSULTANT FEE PROPOSAL

Followings are reference for Consultant to deliver their quality professional services:

STAGE 1 : INSPECTION AND PROJECT PLANNING STAGE

Building Survey

- Complete a full scale building survey including all building fabrics at common areas and communal facilities;
- Try to access all common areas and make every effort and attempt to gain access to any private area for the purpose of carrying out the inspection for any communal facilities. Record of attempt of access has to be provided as evidence of any non-access;
- Conduct questionnaire survey in collecting opinions of residents on building conditions as well as the reporting of any alleged defects within individual unit;
- Conduct assessment and evaluation of building conditions based on all the collected data; Any structure and facilities contravene to the statutory requirements shall also be highlighted, such as suspected asbestos containing materials (refers to Hong Kong Ordinance Cap. 311); and sub-standard fire safety (refers to Hong Kong Ordinance Cap. 95, 502 and 572);
- It is INADEQUATE to just record down defects by photos and simple description. It is expected to have complete building diagnosis which shall include the analysis of building defects and all possible cause(s) of such defects, photo is the basic materials for illustration, sketches and plans have to be provided if necessary.

Scope Formulation

- Communicate with OC members in identifying the client's requirements on the purpose of rehabilitation work;
- Based on the observation and results of building diagnosis in the survey stage in formulating rehabilitation scheme;

“Guideline for Appointment of Consultant”

- Identify suggested remedial proposals for all building defects and necessary upgrading and improvement works;
- Prepare cost estimates for all suggested remedial proposals and improvement works with full statement made for such estimate;
- Highlight the project scope with higher uncertainty and requirements of greater commitment from OC/owners for successful implementation. Draw the attention to OC/owners if advance planning and/or OC involvement is necessary, e.g. any works of substantial scale to be carried out within private unit.

STAGE II : TENDERING STAGE

Pre-tender Stage

- Communicate with OC members in identifying the client’s expectation on the purpose of rehabilitation work in terms of durability of work, luxury of finished products and the financial commitment of owners;
- Translate the client’s expectation into the technical terms and reflect in the tender document by proper selection of materials and drafting the technical specification;
- Identify the tender scope adequately based on the project proposals developed in the previous stage after the discussion with OC;
- Suggest the proper tendering strategy that suits the most for that particular project, pre-qualification is not always necessary for every rehabilitation work;
- Limit the tender selection criteria ONLY to those basic items, avoid any unnecessary and excessive selection criteria. It is NOT recommended to have any “administrative cost” for tendering exercise;

“Guideline for Appointment of Consultant”

- Newspaper advertisement for tendering shall be made in the name of Principal. Consultant’s name shall not be shown on the advertisement.
- During tendering period, all tender queries and replies shall only be made in writing and all such documents shall be copied to OC;
- All tender documents shall be deposited into the tender box, which situated in the conspicuous place of the building in accordance with the requirements specified in the Code of Practice on Procurement of Supplies, Goods & Services and Code of Practice on Building Management & Maintenance issued by Secretary for Home Affairs;
- Unless or otherwise with good reason, Standard Form of Contract which is widely adopted in the industry, has to be used. Necessary amendment and revision have to be made to suit the project situation.

Post-tender Stage

- Carry out tender analysis both qualitatively and quantitatively;
- For the qualitative analysis, make a comprehensive assessment of all tenderers’ submissions and evaluate their adequacy;
- The fundamental and basic checking is the checking of RGBC qualification, associated company of RGBC is NOT acceptable for the tendering exercise even if it is proved to be under the identical management of the RGBC;
- For the quantitative analysis, it is inadequate to have simply a price comparison table in the table format, an analysis on the reasonableness of the tender prices of various items has to be properly done;
- Make any necessary tender enquiry and arrange it in the fair and professional manner;
- Suggest the tenderers’ interview list for OC, chair the interview and acquire all necessary information as well as the clarification from tenderers during the interview;

“Guideline for Appointment of Consultant”

- Prepare final tender report after tender interview from the collected fact and information in the whole tendering exercise with professional recommendation.

STAGE III : WORK EXECUTION STAGE

- Prepare “Site Inspection Plan” to specify frequency of site inspection and qualification and experiences of designated supervision personnel;
- Check the availability and make the approval of various documents such as organization structure, various types of method statements as specified in the contract for the execution of contract;
- Check the adequacy of the document such as insurance policy and bond prior to the commencement of work on site;
- Agree the project review and monitoring meeting schedule with project team and OC/owners;
- Depends on the consultancy services proposal, prepare and make proper record of meeting minutes and distribute to all concerned parties as soon as possible, normally prior to the following meeting;
- Perform contract administration during the whole contract period as specified and defined in the contract in professional manner;
- Conduct periodic site supervision in monitoring site progress and check the site work for the compliance of contract requirements, make immediate reminder to contractor’s site supervisor as well as the written instruction if necessary;
- Advise on the necessity and technical viability for any suggested additional works and comment on the submission especially quotation made by the contractor for the proposed works;

“Guideline for Appointment of Consultant”

- Check for the work completion and make full details recommendation for the acceptance and rejection of work as specified under contract in answering queries from OC/owners.

STAGE IV : PROJECT COMPLETION STAGE

- Depends on the consultancy services proposal, carry out periodic supervision during the defect liability period and monitor the progress of the remedial work of any identified defect under contract;
- Response and follow up any complaint referred from OC raised by owners on the alleged defect.

The Consultant shall be able to make the following performance in the whole process of rehabilitation work:

- The Consultant has to observe that the works are conducted in compliance with relevant legislative requirements;
- The Consultant shall attend both management committee's meetings and owners general meetings at every stage in discharging their duty under consultancy agreement.

“Confirmation Letter to Comply with Probity and Anti-Collusion Clauses”

Date: _____

To: _____
[Owners' Corporation]

Dear Sir / Madam,

Project: Repair and Renovation Works at : _____

[Name and Address of Building / Estate]

We _____ of _____
[Name of the tenderer] ¹ [Address of the tenderer] ¹

_____ and _____,
[Name of Authorized Person]

_____ refer to our fee proposal for the above works.
[Certificate No. of Registration]

We confirm that as at the time of submission of this letter and other than the Excepted Communications referred to in the last paragraph of this letter, until the tenderer is notified by the Employer of the outcome of the tender exercise, we had not:

- communicated to any person other than the Employer the amount of any tender
- adjusted the amount of any tender by arrangement with any other person,
- made any arrangement with any other person about whether or not We or that other person should tender or otherwise
- colluded with any other person in any manner whatsoever and undertake that at any time thereafter in the tendering process for the above Agreement

and other than the Excepted Communications referred to in the last paragraph of this letter we will not :

- communicate to any person other than the Employer the amount of any tender,
- adjust the amount of any tender by arrangement with any other person,
- make any arrangement with any other person about whether or not we or that other person should tender or otherwise
- collude with any other person in any manner whatsoever.

“Confirmation Letter to Comply with Probity and Anti-Collusion Clauses”

In this letter, the expression "Excepted Communications" means our communications in strict confidence with our own insurers or brokers to obtain an insurance quotation for computation of tender price and communications in strict confidence with our sub-consultants to solicit their assistance in preparation of tender submission.

(Signed for and on behalf of the tenderer)²

(Signature of Authorized Person)

(Certificate No. of Registration)

(Date of expiry of registration)

1. *Where the tenderer comprises two or more persons or companies acting in partnership, joint venture or otherwise, this part in square brackets should be expanded to include the respective names and addresses of such persons or as the case may be companies.*
2. *Where the tenderer comprises two or more persons or companies acting in partnership, joint venture or otherwise, all such persons or as the case may be companies must sign. The signatory for each of such persons or companies shall be a person authorized to sign the contract on behalf of that person or as the case may be company.*

“Ethical Commitment Clauses”

ETHICAL COMMITMENT

Confidentiality

- (A) Except as necessary for the performance of the Services the Consultants and appointed Authorized Person shall not (except with the prior written consent or as instructed by the Employer) disclose the terms and conditions of this Agreement or any report, document, specification, drawing, plan, software, data or other particulars furnished by or on behalf of the Employer in connection therewith, or any such or similar information generated or produced by the Consultants pursuant to this Agreement, to any person other than a person employed or engaged by the Consultants in carrying out this Assignment, an agent of the Consultants, any approved sub-consultant or the Consultants' accountants, insurers and legal advisers.
- (B) Any disclosure to any person, agent, sub-consultant, accountant, insurer, legal adviser permitted under sub-clause (A) of this clause shall be in strict confidence and shall be on a "need to know" basis and extend only so far as may be necessary for the purposes of this Agreement.
- (C) The Consultants and appointed Authorized Person shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that their directors, employees, agents, sub-consultants, accountants, insurers and legal advisers as mentioned in sub-clause (A) are aware of and shall comply with the confidentiality and non-disclosure provisions contained in this Agreement. If required by the Employer, the Consultants undertake to procure for and on behalf of the Employer a confidentiality agreement in a form to be prescribed by the Employer from any director, employee, agent, sub-consultant, accountant, insurer and legal adviser to whom any confidential information is to be disclosed.
- (D) The Consultants and appointed Authorized Person shall not without the prior written consent of the Employer publish, either alone or in conjunction with any other person, in any newspaper, magazine, periodical or through any electronic medium, any article, photograph or illustration relating to this Agreement.
- (E) The Consultants and appointed Authorized Person shall indemnify and keep indemnified the Employer against all loss, liabilities, damages, costs, legal costs, professional and other expenses of any nature whatsoever the Employer may suffer, sustain or incur, whether direct or consequential arising out of or in connection with any breach by the Consultants or their directors, employees, agents, sub-consultants, accountants, insurers or legal advisers of this clause.

“Ethical Commitment Clauses”

- (F) The provision of this clause shall survive the termination of this Agreement (however occasioned) and shall continue in full force and effect notwithstanding such termination.

Prevention of Bribery

- (G) The Consultants and appointed Authorized Person shall prohibit their directors, employees, agents and sub-consultants who are involved in this Agreement from offering, soliciting or accepting any advantage as defined in the Prevention of Bribery Ordinance, (Cap 201). The Consultants shall also caution their directors, employees, agents and sub-consultants against soliciting or accepting any excessive hospitality, entertainment or inducements which would impair their impartiality in relation to the Assignment. The Consultants shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that their directors, employees, agents and sub-consultants are aware of the aforesaid prohibition and will not solicit or accept any advantages, excessive hospitality etc when conducting business in connection with this Agreement.

Declaration of Interest

- (H) The Consultants and appointed Authorized Person shall require their directors, employees, agents and sub-consultants who are involved in this Agreement to declare in writing to the Consultants any conflict or potential conflict between their personal/financial interests and their duties in connection with this Agreement. In the event that such conflict or potential conflict is disclosed in a declaration, the Consultants shall forthwith take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed.
- (I) The Consultants and appointed Authorized Person shall prohibit their directors and employees who are involved in this Agreement from engaging in any work or employment other than in the performance of this Agreement, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Agreement. The Consultants shall require their agents and sub-consultants to impose similar restriction on their employees by way of a contractual provision.
- (J) The Consultants and appointed Authorized Person shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that their directors, employees, agents and sub-consultants who are involved in this Agreement are aware of the provisions under the aforesaid sub-clauses (H) and (I).

“Ethical Commitment Clauses”

Declaration of Ethical Commitment

(K) The Consultants and appointed Authorized Person shall submit a signed declaration in a form **(see next page)** prescribed or approved by the Employer to confirm compliance with the provisions in aforesaid subclauses (A), (B), (C), (D), (E), (F), (G), (H), (I) and (J) on confidentiality, prevention of bribery and declaration of interest. If the Consultants and appointed Authorized Person fail to submit the declaration as required, the Employer shall be entitled to withhold payment until such declaration is submitted and the Consultants shall not be entitled to interest in that period. To demonstrate compliance with the aforesaid sub-clauses (A), (B), (C), (D), (E), (F), (G), (H), (I) and (J) on confidentiality, prevention of bribery and declaration of interest, the consultant and appointed Authorized Person and their sub-consultants employed for the performance of duties under this Agreement are required to deposit with the Employer a code of conduct issued to their staff.

“Declaration Form to Comply with the Ethical Commitments Requirements”

Date: _____

To: _____
[Name of Owner's Corporation]

Dear Sir/Madam,

Agreement Title: Repair and Renovation Works at : _____

[Name and Address of Building / Estate]

In accordance with the Ethical Commitment clauses in the Consultancy Agreement :

- (1) We (Consultants and appointed Authorized Person) confirm that we have complied with the following provisions and have ensured that our directors, employees, agents and sub-consultants are aware of the following provisions:
 - (a) Prohibiting our directors, employees, agents and sub-consultants who are involved in this Agreement from offering, soliciting or accepting any advantage as defined in section 2 of the Prevention of Bribery Ordinance, (Cap 201) when conducting business in connection with this Agreement;
 - (b) Requiring our directors, employees, agents and sub-consultants who are involved in this Agreement to declare in writing to us any conflict or potential conflict between their personal/financial interests and their duties in connection with this Agreement. In the event that a conflict or potential conflict is disclosed, we will take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed;
 - (c) Prohibiting our directors and employees who are involved in this Agreement from engaging in any work or employment other than in the performance of this Agreement, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Agreement and requiring our agents and sub-consultants to do the same;
 - (d) Taking all measures as necessary to protect any confidential/privileged information or data entrusted to us by or on behalf of the Employer from being divulged to a third party other than those allowed in this Agreement.
- (2) We (Consultants and appointed Authorized Person) further confirm that we have ensured that our accountants, insurers and legal advisers are aware of the provisions requiring us taking all measures as necessary to protect any confidential/ privileged information or data entrusted to us by or on behalf of the Employer from being divulged to a third party other than those allowed in this Agreement.

(Signature of the Authorized Person)

(Signature and Company's chop of the Consultant)

(Name of the Authorized Person)

(Position of the Signatory)

(Certificate of Registration No &
Date of expiry of registration)

(Name of the Signatory)

(Date)

(Date)

“Notification of Appointment of Authorized Person”

Date : _____

To: _____
[Name of Owner's Corporation]

Project: Repair and Renovation Works at : _____

[Name and Address of Building / Estate]

*I / We _____,
[Name of the Consultant, (English)] [Name of the Consultant, (Chinese)] ;

[Address of the Consultant]

Telephone No. _____ ,

Fax No. _____ holding of *HKID No. / Business Registration
Certificate No. _____, refer to the Service Agreement (the
Agreement) signed by *[me / us] and the Employer for the above works.

In accordance with the provisions of the Agreement, *I / we give you notice that :

*I / we have appointed _____,
[Name of Authorized Person English] [Name of Authorized Person (Chinese)] ,

at _____

[Address of the Authorized Person]

Telephone No. _____ , Fax No. _____ , as Authorized Person to
co-ordinate the captioned building repair and renovation works.

[Signature & Company's Chop of the Consultant]

[Name and Position of the Signatory]

[Date]

“Confirmation of Appointment of Authorized Person”

To: _____
[Name of Owner's Corporation]

Date : _____

Project: Repair and Renovation Works at : _____

[Name and Address of Building / Estate]

I _____ , _____ ,
[Name of Authorized Person (English)] [Name of Authorized Person (Chinese)]

at _____

[Address of the Authorized Person] , confirmed that I have

been appointed as the Authorized Person by _____
[Name of the Consultant]

_____ to take up the professional liability for the works and all technical contents stipulated in the Services Agreement for above building repair and renovation works. All technical documents shall be scrutinized and endorsed by the undersigned prior to submitting to you.

I undertake, myself or my representative shall exercise all due diligence in professional manner during the entire contract period in order to ensure the quality of works are complied with statutory and contractual requirements.

I hereby declare that I have / have not* previous conviction record(s) for corruption, fraud, embezzlement, theft or similar criminal offences in relation to repair and renovation works.

[Signature of Authorized Person]

[Date]

[Certificate No. of Registration]

[Date of expiry of registration]

* Delete whichever is inapplicable

“Consultant Undertaking letter”

Date : _____

To: _____
[Name of Owner's Corporation]

Dear Sir/Madam,

Agreement Title: Repair and Renovation Works at : __________
[Name and Address of Building / Estate][I / We]¹, _____ at _____
(Name of the Consultant)² (Address of the Consultant)²refer to the Agreement signed by [me /us]¹ and the Employer for the above works (the Agreement).

[I / We]¹ hereby confirm and agree the Employer to apply for the Operation Building Bright (the Operation) with the above works and the application does not contravene to the Agreement.

[I / We]¹ also confirm and undertake that scope of services in the Agreement shall comply with all requirements of the Operation and the service fees shall include all services associated with the application and no additional fees will be charged.

(Signed for and on behalf of the Consultant)³
(Signature and Company's chop of the Consultant)

1. Delete as appropriate
2. Where the Consultant comprises two or more persons or companies acting in partnership, joint venture or otherwise, this part in square brackets should be expanded to include the respective names and addresses of such persons or as the case may be companies.
3. Where the consultant comprises two or more persons or companies acting in partnership, joint venture or otherwise, all such persons or as the case may be companies must sign. The signatory for each of such persons or companies shall be a person authorized to sign the contract on behalf of that person or as the case may be company.

**“Confirmation Letter for Completion of Condition Survey Report
with Repair and Renovation Proposal”**

Date : _____

To: _____
[Name of Owner's Corporation]

For Repair and Renovation Works at : _____

[Name and Address of Building / Estate]

I _____ , _____ ,
[Name of Authorized Person (English)] [Name of Authorized Person (Chinese)]

refer to the services agreement signed between _____
[Name of Consultant (English)]

and the Employer regarding the captioned repair and renovation works, and the
Notice and Confirmation of Appointment of Authorized Person signed by me and

_____ for the captioned repair and renovation works.
[Name of Consultant (English)]

I hereby confirmed that *I / my representative *have / has conducted a
comprehensive condition survey and assessment to the subject building
on _____. The repair and renovation proposal submitted to the
[Date]
Employer has included all prioritized repair items in accordance with the Operation
Building Bright.

[Signature of Authorized Person]

[Date]

[Certificate of Registration No.]

[Date of expiry of registration]

**Sample : “Standard Form of Contract for Minor Works”
(Cover Only)**

**STANDARD FORM OF
Contract for Minor Works**

First Edition 1992
First amendment published in January 2003

Sample : “Standard Form of Contract for Minor Works” (Cover Only)

This Contract has been approved for use by the following bodies:



The Hong Kong Institute of Surveyors



The Hong Kong Institute of Architects



The Hong Kong Institution of Engineers (Building Division)



The Chartered Institute of Building (Hong Kong Branch)

“Probity and Anti-Collusion Clauses”

Offering Gratuities

- (A) The tenderer shall not, and shall procure that his directors, employees, agents and sub-contractors shall not, offer, solicit or accept an advantage as defined in the Prevention of Bribery Ordinance, (Cap 201) in connection with the tendering and execution of this contract.
- (B) Failure to so procure referred to in (A) above or any act of offering, soliciting or accepting advantage referred to in (A) above committed by the tenderer or by his director, employee, agent or sub-contractor of the tenderer may result in his tender being invalidated and responsible for such failure and act.

Anti-collusion

- (C) The tenderer shall not communicate to any person other than the _____ (hereafter referred to as the Employer)
[Name of the Owners' Corporation]
the amount of any tender, adjust the amount of any tender by arrangement with any other person, make any arrangement with any other person about whether or not he or that other person should or should not tender or otherwise collude with any other person in any manner whatsoever in the tendering process until the tenderer is notified by the Employer of the outcome of the tender exercise. Any breach of or non-compliance with this sub-clause by the tenderer may invalidate his tender and may also be responsible for such breach or non-compliance,.
- (D) Sub-clause (C) of this Clause shall have no application to the tenderer's communications in strict confidence with his own insurers or brokers to obtain an insurance quotation for computation of tender price and communications in strict confidence with his consultants / sub-contractors to solicit their assistance in preparation of tender submission.
- (E) The tenderer shall submit to the Employer a duly signed letter in the form set out in Appendix. The letter shall be signed by a person authorized to sign the contract on the tenderer's behalf.

“Confirmation Letter to Comply with Probity and Anti-Collusion Clauses”

Date: _____

To: _____
[Name of Owner's Corporation]

Dear Sir/Madam,

Project: Repair and Renovation Works at : __________
[Name and Address of Building / Estate][I / We]¹ _____ of _____
[(Name of the tenderer)]² [(Address of the tenderer)]²_____ refer to [my / our]¹ tender for the above Contract.[I / We]¹ confirm that as at the time of submission of this letter and other than the Excepted Communications referred to in the last paragraph of this letter [I / we]¹ had not communicated toany person other than the _____
[Name of the Owners' Corporation]

(hereafter referred to as the Employer) the amount of any tender, adjusted the amount of any tender by arrangement with any other person, made any arrangement with any other person about whether or not [I / we]¹ or that other person should tender or otherwise colluded with any other person in any manner whatsoever and undertake that at any time thereafter in the tendering process for the above Contract until the tenderer is notified by the Employer of the outcome of the tender exercise and other than the Excepted Communications referred to in the last paragraph of this letter [I / we]¹ will not communicate to any person other than the Employer the amount of any tender, adjust the amount of any tender by arrangement with any other person, make any arrangement with any other person about whether or not [I / We]¹ or that other person should tender or otherwise collude with any other person in any manner whatsoever.

In this letter, the expression “Excepted Communications” means [my / our]¹ communications in strict confidence with [my / our]¹ own insurers or brokers to obtain an insurance quotation for computation of tender price and communications in strict confidence with [my / our]¹ consultants or sub-contractors to solicit their assistance in preparation of tender submission.

(Signed for and on behalf of the tenderer)³

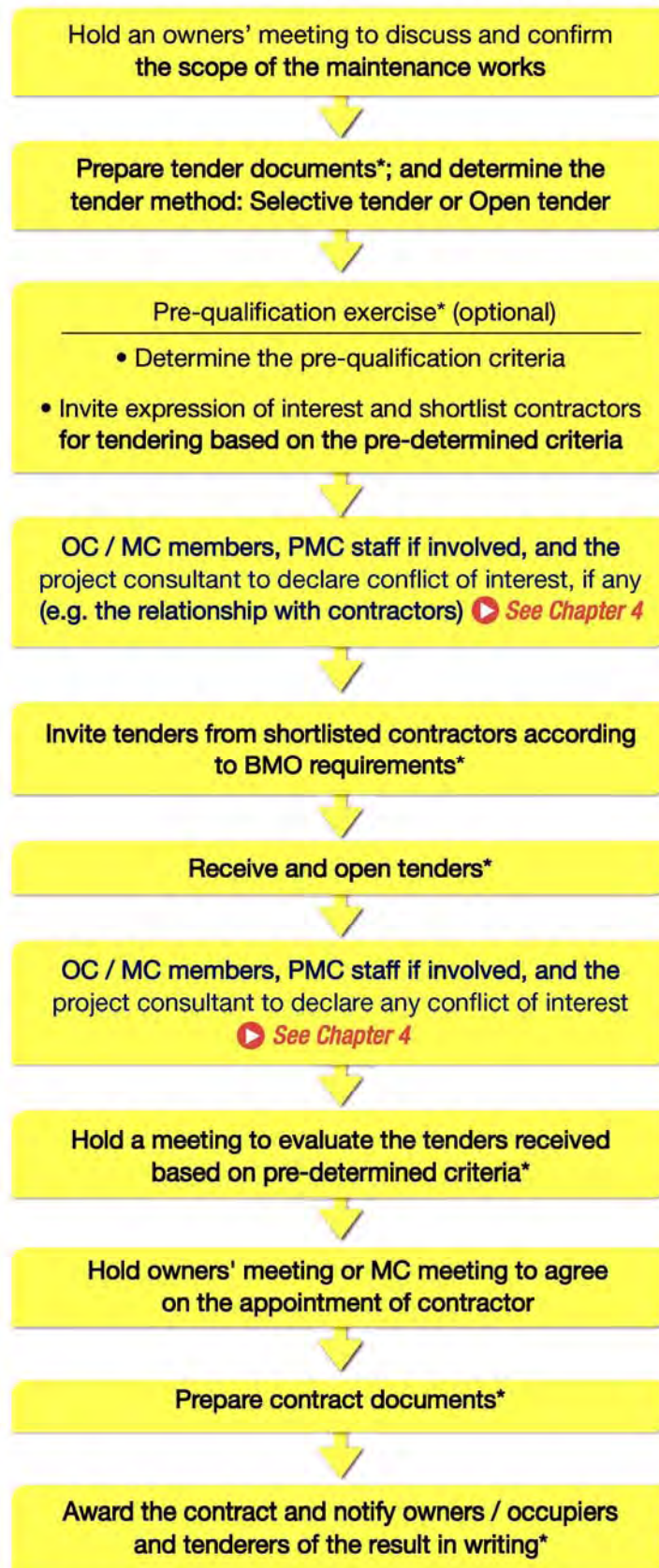
1. Delete as appropriate

2. Where the tenderer comprises two or more persons or companies acting in partnership, joint venture or otherwise, this portion square brackets should be expanded to include the respective names and addresses of such persons or as the case may be companies.

3. Where the tenderer comprises two or more persons or companies acting in partnership, joint venture or otherwise, all such persons or as the case may be companies must sign. The signatory for each of such persons or companies shall be a person authorized to sign the contract on behalf of that person or as the case may be company.

“Key Processes for Selection of RGBCs”

Key Processes for Selection of Contractors



Above processes are abstracted from “Building Maintenance Toolkit” jointly published by “HKHS” and “ICAC”. Owners Corporation can find more information from the following website:

http://www.bm.icac.hk/en/education_and_publicity_materials/education_and_publicity_materials.aspx

“Ethical Commitments Clauses”

Ethical Commitments

Information not to be divulged

- (A) The Contractor shall not use or divulge, except for the purpose of the Contract, any information provided by _____ (hereafter referred to as the Employer) in the _____ [Name of the Owners' Corporation] Contract or in any Subsequent correspondence or documentation. Any disclosure to any person or agent or sub-contractor for the purpose of the Contract shall be in strict confidence and shall be on a “need to know” basis and extend only so far as may be necessary for the purpose of this Contract. The Contractor shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that information is not divulged for purposes other than that of this Contract by such person, agent or sub-contractor. The Contractor shall indemnify and keep indemnified the Employer against all loss, liabilities, damages, costs, legal costs, professional and other expenses of any nature whatsoever the Employer may suffer, sustain or incur, whether direct or consequential, arising out of or in connection with any breach of the aforesaid non-disclosure provision by the Contractor or his directors, employees, agents or sub-contractors.

Prevention of Bribery

- (B) The Contractor shall prohibit his directors, employees, agents, and sub-contractors who are involved in this Contract from offering, soliciting or accepting any advantage as defined in the Prevention of Bribery Ordinance, (Cap 201) when conducting business in connection with this Contract.

Declaration of Interest

- (C) The Contractor shall require his directors, employees, agents and sub-contractors who are involved in this Contract to declare in writing to the Contractor any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that such conflict or potential conflict is disclosed in a declaration, the Contractor shall forthwith take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed.
- (D) The Contractor shall prohibit his directors, employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract. The Contractor shall also require their sub-contractors and agents to impose similar restriction on their employees by way of a contractual provision.
- (E) The Contractor shall take all necessary measures (including by way of a code of conduct or contractual provisions where appropriate) to ensure that his directors, employees, agents and subcontractors are aware of the prohibitions in this clause.

Contractor's Declaration

- (F) The Contractor shall also submit a signed declaration in a form (Appendix) prescribed or approved by the Employer to confirm compliance with the provisions on ethical commitment as stated in the aforesaid sub-clauses (A), (B), (C), (D) and (E). If the Contractor fails to submit the declaration as required, the Employer shall be entitled to withhold payment until such declaration is submitted and the Contractor shall not be entitled to interest. To demonstrate compliance with the aforesaid sub-clauses (A), (B), (C), (D) and (E) on confidentiality, prevention of bribery, and declaration of interest, the contractor and their sub-contractors employed for the performance of duties under this Contract are required to deposit with the Employer a code of conduct issued to their staff.

“Declaration Form to Comply with the Ethical Commitments Requirements”

Date : _____

To: _____
[Name of the Owners' Corporation]Contract Title: **Repair and Renovation Works at :** __________
[Name and Address of Building / Estate]

In accordance with the Ethical Commitment clauses of the Contract, we confirm that we have complied with the following provisions and have ensured that our directors, employees, subcontractors, agents are aware of the following provisions:

- (a) Prohibiting our directors, employees, agents and sub-contractors who are involved in this Contract from offering, soliciting or accepting any advantage as defined in section 2 of the Prevention of Bribery Ordinance, (Cap 201) when conducting business in connection with this Contract;
- (b) Requiring our directors, employees, agents and sub-contractors who are involved in this Contract to declare in writing to us any conflict or potential conflict between their personal/financial interests and their duties in connection with this Contract. In the event that a conflict or potential conflict is disclosed, we will take such reasonable measures as are necessary to mitigate as far as possible or remove the conflict or potential conflict so disclosed;
- (c) Prohibiting our directors and employees who are involved in this Contract from engaging in any work or employment other than in the performance of this Contract, with or without remuneration, which could create or potentially give rise to a conflict between their personal/financial interests and their duties in connection with this Contract and requiring our sub-contractors to do the same;
- (d) Taking all measures as necessary to protect any confidential/privileged information or data entrusted to us by or on behalf of the Employer from being divulged to a third party other than those allowed in this Contract.

[Authorized Signatory and Company's
chop of the Contractor]_____
[Name of the Signatory]_____
[Position of the Signatory]_____
[Date]

Ref: _____

Operation Building Bright
(Grants for building maintenance at Common Area)
Grant Application Form

Application No.: _____ (No. _____ of / Final* Grant Application)

1. Name of Owners' Corporation: _____

Name of Building: _____

Address of building: _____

2. Date of Practical Completion (if applicable) : _____

3. Date of latest Payment Certificate issued by AP : _____

4. Percentages and amount of completed work items (including consultancy fees):

** Delete whichever is inapplicable*

	Amount of Grant [\$]	Accumulated Percentage of Completion [%]	Accumulated Amount of Completion [\$]	Accumulated Amount of Released Grant [\$]	Amount Claim for this Application [\$]
I. Consultancy fees					
II. Works items					
Basic Works Items :					
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					

Ref: _____

Operation Building Bright
(Grants for building maintenance at Common Area)
Grant Application Form

	Amount of Grant [\$]	Accumulated Percentage of Completion [%]	Accumulated Amount of Completion [\$]	Accumulated Amount of Released Grant [\$]	Amount Claim for this Application [\$]
Secondary Works Items :					
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					

Ref: _____

Operation Building Bright
(Grants for building maintenance at Common Area)
Grant Application Form

	Amount of Grant [\$]	Accumulated Percentage of Completion [%]	Accumulated Amount of Completion [\$]	Accumulated Amount of Released Grant [\$]	Amount Claim for this Application [\$]
Variation Orders including contingency :					
VO1: (*Basic Works / Secondary Works items)					
VO2: (*Basic Works / Secondary Works items)					
VO3: (*Basic Works / Secondary Works items)					
VO4: (*Basic Works / Secondary Works items)					
Discount (if any)					
TOTAL:					
Original Amount of Grant TOTAL:			/	/	/
Original Tendered Amount TOTAL:			/	/	/

* Delete whichever is inapplicable

☐ Please "✓" the box if this is the final application of Grant

Up to _____ [dd / mm / yyyy], total _____ % of works completed.

Contractor	Consultant	Authorized Person	Authorized member of the Management Committee of the Owners' Corporation
Signature:	Signature:	Signature:	Signature:
Name:	Name:	Name:	Name:
Date:	Date:	Date:	Date:
Chop:	Chop:	Chop:	Chop:

Ref: _____

Operation Building Bright
(Grants for building maintenance at Common Area)
Grant Application Form

5. Bank account information (for Grant releasing)

Name of bank: _____(Chinese) _____(English)

Name of account holder (registered in the name of Owner's Corporations)

_____(Chinese) _____(English)

Account No: _____

Signature of Applicant

& Chop of Owner's Corporations: _____

(Signed by Authorized member of the Management Committee of the Owners' Corporation)

Date: _____

The following documents should be submitted together with this Grant application form:

- (1) Copy of Payment Certificate and Practical Completion Certificate issued by Authorized Person
- (2) Documentary proof for completed works in accordance with the contract (such as record photos, inspection report, testing reports and warrantee documents, etc)
- (3) Payment receipt or documentary proof for receiving payments by Authorized person and Consultant
- (4) Copy of the front page of bank passbook, which shown the name of account holder and account number (only applicable for the first application)
- (5) For Electrical installation:
Completion records to Electrical & Mechanical Services Department (EMSD), such as Form WR1 / Form WR2
- (6) For replacement or maintenance of lift:
Certified completion records issued by EMSD, such as Form 5 / Form 7
- (7) For Plumbing installation work:
Certified completion documents such as Form WW46 issued by Water Supply Department, or supporting documents by the licensed plumber
- (8) For Fire Service installation work:
Certified completion documents issued by Fire Service Department
- (9) Detailed information of contingency expensed / variation orders (if applicable)

Example 1 :

Assume the building has total 100 units with equal shares per unit.

The amount of Grant for the approved repair and renovation works at common area will be:

	Approved Amount of Works Items (\$)
(A) Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :	
1 Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00
2 Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00
3 Repair or replacement of defective windows	60,000.00
4 Repair of building sanitary services	560,000.00
5 Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00
Sub-total	1,740,000.00
(B) Additional repair and improvement works in the common areas	
6 Improvement of building services and facilities	140,000.00
7 Repair of water-proofing membranes at rooftops and flat roofs	120,000.00
Sub-total	260,000.00
Total of (A) and (B)	2,000,000.00

Grant eligible for the building :

Amounting to 80% of the approved repair works at common areas (complied with the requirements of Operation Building Bright), subject to a ceiling of \$16,000 for owner of each unit of the building

80% of the approved amount of works shown at (A) and (B)*	(\$2,000,000 x 80%) =	1,600,000.00
Total number of units x \$16,000	(100 units x \$16,000) =	1,600,000.00

Approved Amount of Grant (The lesser from the above)

1,600,000.00

(Equivalent to 80% of the amount of approved works shown at (A) and (B) above)

**As 80% of the approved amount of works at (A) do not exceed the ceiling of Grant, remaining Grant will be used for works at (B)*

Grant releasing

HKHS / URA will release Grant to applicant in accordance with the progress of works (maximum 4 times)

(1) 1st Grant Application

		1st Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00	30.00%	180,000.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00	20.00%	96,000.00
3	Repair or replacement of defective windows	60,000.00	70.00%	42,000.00
4	Repair of building sanitary services	560,000.00	5.00%	28,000.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00	10.00%	4,000.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities	140,000.00	10.00%	14,000.00
7	Repair of water-proofing membranes at rooftops and flat roofs	120,000.00	5.00%	6,000.00
Total		2,000,000.00	18.50%	370,000.00

1st Grant releasing :

Amount of completed works	370,000.00
% of Grant	80.00%

Amount of Grant released (1st)	296,000.00
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(2) 2nd Grant Application

		2nd Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00	50.00%	300,000.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00	45.00%	216,000.00
3	Repair or replacement of defective windows	60,000.00	70.00%	42,000.00
4	Repair of building sanitary services	560,000.00	30.00%	168,000.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00	30.00%	12,000.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities	140,000.00	40.00%	56,000.00
7	Repair of water-proofing membranes at rooftops and flat roofs	120,000.00	50.00%	60,000.00
Total		2,000,000.00	42.70%	854,000.00

2nd Grant Releasing :

Amount of completed works	854,000.00
% of Grant	80.00%

Accumulated Grant to be release	683,200.00
Less previous released Grant (1st Application)	(296,000.00)
Total Amount of Grant due	387,200.00

(3) 3rd Grant Application

		3rd Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00	75.00%	450,000.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00	73.00%	350,400.00
3	Repair or replacement of defective windows	60,000.00	85.00%	51,000.00
4	Repair of building sanitary services	560,000.00	60.00%	336,000.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00	68.00%	27,200.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities	140,000.00	80.00%	112,000.00
7	Repair of water-proofing membranes at rooftops and flat roofs	120,000.00	90.00%	108,000.00
Total		2,000,000.00	71.73%	1,434,600.00

3rd Grant Releasing :

Amount of completed works	1,434,600.00
% of Grant	80.00%

Accumulated Grant to be release	1,147,680.00
Less previous released Grant (1st & 2nd Application)	(683,200.00)
Total Amount of Grant due	464,480.00

(4) 4th Grant Application

		4th Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00	100.00%	600,000.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00	100.00%	480,000.00
3	Repair or replacement of defective windows	60,000.00	100.00%	60,000.00
4	Repair of building sanitary services	560,000.00	100.00%	560,000.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00	100.00%	40,000.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities	140,000.00	100.00%	140,000.00
7	Repair of water-proofing membranes at rooftops and flat roofs	120,000.00	100.00%	120,000.00
Total		2,000,000.00	100.00%	2,000,000.00

4th Grant Releasing :

Total Amount of Grant	1,600,000.00
Less previous released Grant (1st - 3rd Application)	(1,147,680.00)
Total Amount of Grant due	452,320.00

Example 2 :

Assume the building has total 100 units with **equal shares per unit**.

The amount of Grant for the approved repair and renovation works at common area will be:

	Approved Amount of Works Items (\$)
(A) Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :	
1 Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	810,000.00
2 Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	678,000.00
3 Repair or replacement of defective windows	81,000.00
4 Repair of building sanitary services	427,000.00
5 Repair of defective fire safety constructions and fire service installations and equipment of buildings	54,000.00
Sub-total	2,050,000.00
(B) Additional repair and improvement works in the common areas	
6 Improvement of building services and facilities	189,000.00
7 Repair of water-proofing membranes at rooftops and flat roofs	162,000.00
Sub-total	351,000.00
Total of (A) and (B)	2,401,000.00

Grant eligible for the building :

Amounting to 80% of the approved repair works at common areas (complied with the requirements of Operation Building Bright), subject to a ceiling of HK\$16,000 for owner of each unit of the building

80% of the approved amount of works shown at (A) and (B)* $(\$2,401,000 \times 80\%) = 1,920,800.00$

Total number of units x \$16,000 $(100 \text{ units} \times \$16,000) = 1,600,000.00$

Approved Amount of Grant (The lesser from the above)

1,600,000.00

(Approximate to 78.05% of the approved amount of works shown at (A) and (B) above)

*As 80% of the approved amount of works at (A) exceed the ceiling of Grant, there is no remaining Grant can be used for works at (B)

Grant releasing

HKHS / URA will release Grant to applicant in accordance with the progress of works (maximum 4 times)

(1) 1st Grant Application

1st Grant Application				
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A) Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :				
1 Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete		810,000.00	30.00%	243,000.00
2 Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles		678,000.00	20.00%	135,600.00
3 Repair or replacement of defective windows		81,000.00	70.00%	56,700.00
4 Repair of building sanitary services		427,000.00	5.00%	21,350.00
5 Repair of defective fire safety constructions and fire service installations and equipment of buildings		54,000.00	10.00%	5,400.00
(B) Additional repair and improvement works in the common areas				
6 Improvement of building services and facilities				
7 Repair of water-proofing membranes at rooftops and flat roofs				
Total		2,050,000.00	22.54%	462,050.00

1st Grant releasing :

Amount of completed works

462,050.00

% of Grant

78.05%

Amount of Grant released (1st)

360,630.03

(2) 2nd Grant Application

		2nd Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	810,000.00	50.00%	405,000.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	678,000.00	45.00%	305,100.00
3	Repair or replacement of defective windows	81,000.00	70.00%	56,700.00
4	Repair of building sanitary services	427,000.00	30.00%	128,100.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	54,000.00	30.00%	16,200.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities			
7	Repair of water-proofing membranes at rooftops and flat roofs			
Total		2,050,000.00	44.44%	911,100.00

2nd Grant Releasing :

Amount of completed works	911,100.00
% of Grant	78.05%

Accumulated Grant to be release	711,113.55
Less previous released Grant (1st Application)	(360,630.03)
Total Amount of Grant due	350,483.52

(3) 3rd Grant Application

		3rd Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	810,000.00	75.00%	607,500.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	678,000.00	73.00%	494,940.00
3	Repair or replacement of defective windows	81,000.00	85.00%	68,850.00
4	Repair of building sanitary services	427,000.00	60.00%	256,200.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	54,000.00	68.00%	36,720.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities			
7	Repair of water-proofing membranes at rooftops and flat roofs			
Total		2,050,000.00	71.42%	1,464,210.00

3rd Grant Releasing :

Amount of completed works	1,464,210.00
% of Grant	78.05%

Accumulated Grant to be release	1,142,815.91
Less previous released Grant (1st & 2nd Application)	(711,113.55)
Total Amount of Grant due	431,702.36

(4) 4th Grant Application

		4th Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	810,000.00	100.00%	810,000.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	678,000.00	100.00%	678,000.00
3	Repair or replacement of defective windows	81,000.00	100.00%	81,000.00
4	Repair of building sanitary services	427,000.00	100.00%	427,000.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	54,000.00	100.00%	54,000.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities			
7	Repair of water-proofing membranes at rooftops and flat roofs			
Total		2,050,000.00	100.00%	2,050,000.00

4th Grant Releasing :

Total Amount of Grant	1,600,000.00
Less previous released Grant (1st - 3rd Application)	(1,142,815.91)
Total Amount of Grant due	457,181.09

Example 3 :

Assume the building has total 100 units with **different shares per unit**.

The amount of Grant for the approved repair and renovation works at common area will be:

	Approved Amount of Works Items (\$)
(A) Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :	
1 Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00
2 Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00
3 Repair or replacement of defective windows	60,000.00
4 Repair of building sanitary services	560,000.00
5 Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00
Sub-total	1,740,000.00
(B) Additional repair and improvement works in the common areas	
6 Improvement of building services and facilities	140,000.00
7 Repair of water-proofing membranes at rooftops and flat roofs	120,000.00
Sub-total	260,000.00
Total of (A) and (B)	2,000,000.00

Grant eligible for the building :

*Amounting to 80% of the contributed amount of approved repair works at common areas

(complied with the requirements of Operation Building Bright) subject to a ceiling of HK\$16,000 for owner of each unit of the building

Size of unit type	Numbers of unit (A)	Shares per unit	Amount to be contributed per unit (B)	80 % of the contributed amount	Amount to be granted per unit* (C)	Residual amount of repair works (D) = (B - C)	Total Grant for different unit type (E) = (A x C)
Large	20	10	50,000.00	40,000.00	16,000.00	34,000.00	320,000.00
Medium	30	5	25,000.00	20,000.00	16,000.00	9,000.00	480,000.00
Small	50	1	5,000.00	4,000.00	4,000.00	1,000.00	200,000.00
						Total Grant	1,000,000.00

(Approximate to 50% of the approved amount of works shown at (A) and (B) above)

Grant releasing

HKHS / URA will release Grant to applicant in accordance with the progress of works (maximum 4 times)

(1) 1st Grant Application

1st Grant Application				
	Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)	
(A) Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :				
1 Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00	30.00%	180,000.00	
2 Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00	20.00%	96,000.00	
3 Repair or replacement of defective windows	60,000.00	70.00%	42,000.00	
4 Repair of building sanitary services	560,000.00	5.00%	28,000.00	
5 Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00	10.00%	4,000.00	
(B) Additional repair and improvement works in the common areas				
6 Improvement of building services and facilities	140,000.00	10.00%	14,000.00	
7 Repair of water-proofing membranes at rooftops and flat roofs	120,000.00	5.00%	6,000.00	
Total	2,000,000.00	18.50%	370,000.00	

1st Grant releasing :

Amount of completed works	370,000.00
% of Grant	50.00%
Amount of Grant released (1st)	185,000.00

(2) 2nd Grant Application

		2nd Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00	50.00%	300,000.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00	45.00%	216,000.00
3	Repair or replacement of defective windows	60,000.00	70.00%	42,000.00
4	Repair of building sanitary services	560,000.00	30.00%	168,000.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00	30.00%	12,000.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities	140,000.00	40.00%	56,000.00
7	Repair of water-proofing membranes at rooftops and flat roofs	120,000.00	50.00%	60,000.00
Total		2,000,000.00	42.70%	854,000.00

2nd Grant Releasing :

Amount of completed works	854,000.00
% of Grant	50.00%

Accumulated Grant to be release	427,000.00
Less previous released Grant (1st Application)	(185,000.00)
Total Amount of Grant due	242,000.00

(3) 3rd Grant Application

		3rd Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00	75.00%	450,000.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00	73.00%	350,400.00
3	Repair or replacement of defective windows	60,000.00	85.00%	51,000.00
4	Repair of building sanitary services	560,000.00	60.00%	336,000.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00	68.00%	27,200.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities	140,000.00	80.00%	112,000.00
7	Repair of water-proofing membranes at rooftops and flat roofs	120,000.00	90.00%	108,000.00
Total		2,000,000.00	71.73%	1,434,600.00

3rd Grant Releasing :

Amount of completed works	1,434,600.00
% of Grant	50.00%

Accumulated Grant to be release	717,300.00
Less previous released Grant (1st & 2nd Application)	(427,000.00)
Total Amount of Grant due	290,300.00

(4) 4th Grant Application

		3rd Grant Application		
		Approved Amount of Works Items (\$)	Percentage of Completion (%)	Amount of Completed Works (\$)
(A)	Repair works in common areas relating to structural and fire safety of buildings as well as the sanitary facilities :			
1	Repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete	600,000.00	100.00%	600,000.00
2	Repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles	480,000.00	100.00%	480,000.00
3	Repair or replacement of defective windows	60,000.00	100.00%	60,000.00
4	Repair of building sanitary services	560,000.00	100.00%	560,000.00
5	Repair of defective fire safety constructions and fire service installations and equipment of buildings	40,000.00	100.00%	40,000.00
(B)	Additional repair and improvement works in the common areas			
6	Improvement of building services and facilities	140,000.00	100.00%	140,000.00
7	Repair of water-proofing membranes at rooftops and flat roofs	120,000.00	100.00%	120,000.00
Total		2,000,000.00	100.00%	2,000,000.00

4th Grant Releasing :

Total Amount of Grant	1,000,000.00
Less previous released Grant (1st - 3rd Application)	(717,300.00)
Total Amount of Grant due	282,700.00

“Registered General Building Contractor Declaration Form”

Date : _____

To: _____
[Name of Owner's Corporation]

For Repair and Renovation Works at : _____

[Name and Address of Building / Estate]

I _____ , _____ ,
[Director of Tenderer (Name in English)] [Director of Tenderer (Name in Chinese)]

on behalf of _____ ,
[Name of Tenderer (English)]

[Name of Tenderer (Chinese)]

hereby declare that the following staffs designated for the captioned project by

[Name of Tenderer (English)]

*has / has not previous conviction record(s) for corruption, fraud, embezzlement, theft or similar criminal offences in relation to repair and renovation works.

1. Director: _____

2. Project Manager: _____

3. Site Supervisor (if applicable): _____

(Please attach additional sheet if necessary)

[Signature of Director and Company's chop of the Tenderer]

[Position of the Signatory]

[Date]

**Operation Building Bright
Eligibility Criteria of Target Buildings and Scope of Works**

Revised Eligibility Criteria of Target Buildings

Target buildings of the Operation have to meet the following criteria –

- (a) the buildings are residential or composite buildings aged 30 years or above;
- (b) the average rateable value of the residential units does not exceed \$100,000 per annum for buildings in urban areas¹, or \$76,000 per annum for buildings in other areas; and
- (c) the buildings lack maintenance or are in dilapidated conditions, requiring repair or maintenance works (examples include buildings subject to statutory orders issued by BD).

Scope of Works

2. The grant of the Operation must first be used for repair and maintenance works in common areas of target buildings relating to the structural and fire safety of buildings as well as the sanitary facilities, including –

- (a) repair of building structure, e.g. repairing loose, cracked, spalled or defective concrete;
- (b) repair of external walls of buildings, e.g. repairing defective rendering and mosaic tiles;
- (c) repair or replacement of defective windows;
- (d) repair of building sanitary services, e.g. repairing, maintaining and replacing defective soil, waste, rainwater, vent pipes and underground drainage; and
- (e) repair of defective fire safety constructions, and fire service installations and equipment of buildings.

Maintenance works in association with the works in paragraph

¹ Using the HKHS' current delineation for simplicity, urban areas include Hong Kong Island, Kowloon, Sha Tin, Kwai Tsing and Tsuen Wan.

2(a) to (e) above, including investigation works and professional services; and any incidental or consequential works, such as touch-up and finishing works arising from the repair or remedial works, will also be covered.

3. After covering the cost of works stated in paragraph 2 above, any remaining grant may be used for additional repair and improvement works in the common areas, including –

- (a) removal of unauthorised building works and illegal rooftop structures;
- (b) improvement of fire safety constructions, and fire service installations and equipment of buildings;
- (c) improvement of building services and facilities, e.g. repairing, maintaining and replacing lifts, electrical wiring, gas risers and fresh water pipes;
- (d) maintenance or improvement works for slopes and retaining walls; and
- (e) repair of water-proofing membranes at rooftops and flat roofs and works to alleviate water seepage problems.

Maintenance works in association with the works in paragraph 3(a) to (e) above, including investigation works and professional services; and any incidental or consequential works, such as touch-up and finishing works arising from the repair or remedial works, will also be covered.