

Project Administration Handbook for Civil Engineering Works**2020 Edition****AMENDMENT NO. 3/2021****CHAPTER 1****PROJECT PLANNING****PARAGRAPH 1****OVERVIEW**

- (a) Para. 1.4.8 **Replace “9/2019 outlines” with “12/2020 sets out”.**

PARAGRAPH 9**REFERENCES**

- (b) **Delete the following reference:**

DEVB TCW No. 9/2019 Adoption of Building Information Modelling for Capital Works Projects in Hong Kong

Add the following reference:

DEVB TCW No. 12/2020 Adoption of Building Information Modelling for Capital Works Projects in Hong Kong

CHAPTER 5**CONTRACT DOCUMENTS****PARAGRAPH 2****CONDITIONS OF TENDER**

- (c) Para. 2.1 **Add the following paragraph after the fifth paragraph:**

Amendments to the Appendix to General Conditions of Tender Clause GCT 5 on “ Financial Information” are promulgated in SDEV’s memo ref. () in DEVB(W) 546/70/02 dated 10.2.2021.

PARAGRAPH 5**CONDITIONS OF CONTRACT**

- (d) Para. 5.2.2 **Replace “memo” with “memos”, add “and 5.3.2021” after “14.2.2020”, replace “on or after 1 March 2020. The interim measure will be implemented for a period of 18 months (i.e. up to 31 August 2021). A review on its**

effectiveness will be undertaken before August 2021.” **with** “between 1 March 2020 and 31 August 2022. A review on the need to continue the relief measure will be undertaken in mid-2022.” **in the 19th paragraph.**

Replace “and” with “,”, add “and 5.3.2021” after “5.6.2020” and replace “on or after 20 April 2020. The interim measure will be implemented up to 31 August 2021. A review on its effectiveness will be undertaken before that date.” with “between 20 April 2020 and 31 August 2022. A review on the need to continue the relief measure will be undertaken in mid-2022.” in the 20th paragraph.

PARAGRAPH 6 SPECIFICATION

- (e) Para. 6.2 **Replace “9/2019” with “12/2020” in item (xlix).**

PARAGRAPH 9 SPECIAL TOPICS

- (f) Para. 9.13 **Delete “15.10.2014 and” and add “and 11.2.2021” after “4.12.2014” under the heading.**

Delete “engineering” after “all capital” in the fourth paragraph.

Replace item (a) and (b) of fourth paragraph with the following:

(a) Civil and E&M engineering works contracts

- (i) The DRA System shall be adopted for such contracts with value exceeding \$700M, except for contracts which are of routine nature and primarily straightforward. Approval for exemption shall be given by an officer at D2 rank or above of the procuring department;**

- (ii) Where the contract value does not exceed the \$700M threshold, procuring departments may consider applying the DRA system having regard to the complexity of the works. The decision and justifications for applying the DRA system in such cases should be properly documented and endorsed by an officer at D2 rank or above of the procuring department.**

(b) Building works contracts

The adoption of the DRA System should be considered when the following criteria are satisfied:

- (i) the nature of work is not simple and disputes are likely to arise during the course of contract; and
- (ii) the contract value is over \$700M, or over \$100M for exceptional case where there is demonstrable benefit to adopt the DRA System.

Replace “15.10.2014” with “11.2.2021” in fifth paragraph.

(g) Para. 9.43

Replace “and” with “,” after “7.4.2020” and add “and 5.3.2021” after “5.6.2020” under the heading.

(h) Para. 9.43.4

Replace “This” with “As stated in SDEV’s memo ref () in DEVB(W) 510/33/02 dated 5.3.2021, this”, add “advance payment” after “interim” and replace “on or after 1 March 2020. In respect of contracts under tender stage for which tenders have been invited before the aforementioned effective date, departments may, where situation permits, incorporate this interim measure provision in the contracts by way of tender addendum.” with “between 1 March 2020 and 31 August 2022.” in the first paragraph.

Delete the first sentence, replace “its effectiveness” with “the need to continue the above relief measure” and replace “before August 2021” with “in mid-2022” in the third paragraph.

(i) Para. 9.43.5

Replace “This” with “As stated in SDEV’s memo ref () in DEVB(W) 510/33/02 dated 5.3.2021, this”, add “advance payment” after “interim” and replace “on or after 20 April 2020. For contracts which have been awarded on or after 1 April 2020 and have not been covered by the relief measure, departments may, where situation permits, incorporate this interim measure provision in the contracts by way of supplementary agreement.” with “between 20 April 2020 and 31 August 2022.” in the first paragraph.

Delete the first sentence, replace “its effectiveness” with “the need to continue the above relief measure” and replace “before August 2021” with “in mid-2022”

in the third paragraph.

PARAGRAPH 11 MISCELLANEOUS

- (j) Para. 11.2 **Replace “is” with “are”, “511/70/01” with “546/70/02” and “9.4.2020” with “10.2.2021” in the last paragraph.**

PARAGRAPH 12 REFERENCES

- (k) **Delete the following references:**

DEVB TCW No. 9/2019	Adoption of Building Information Modelling for Capital Works Projects in Hong Kong
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SDEV's memo ref. () in DEVB(W) 510/83/03 dated 15.10.2014	Dispute Resolution Advisor System in Capital Engineering Works Contracts - Increase of threshold contract value for using DRA System
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SDEV's memo ref. () in DEVB(W) 511/70/01 dated 9.4.2020	Amendments to Standard Notes to Tenderers
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Add the following references:

DEVB TCW No. 12/2020	Adoption of Building Information Modelling for Capital Works Projects in Hong Kong
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SDEV's memo ref. () in DEVB(W) 546/70/02 dated 10.2.2021	Amendments to Standard Notes to Tenderers on “Regulating Actions on Inappropriate Conducts” and Appendix to General Conditions of Tender Clause on “Financial Information”
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SDEV's memo ref. () in DEVB(W) 510/83/03 dated 11.2.2021	Update of Guidelines on Adoption of Dispute Resolution Advisor System in Capital Works Contracts
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SDEV's memo ref. () in DEVB(W) 510/33/02 dated 5.3.2021

Extension of Interim Relief Measure to Assist the Construction Industry – Advance Payment under New Capital Works Contracts

SDEV's memos ref. () in DEVB(W) 510/33/02 dated 5.3.2021

Extension of Interim Relief Measure to Assist the Construction Industry – Advance Payment under New Term Contracts

APPENDICES

- (l) Appendix 5.47A
- Replace “2021” with “2022” after “31 August” in the first paragraph.**

Replace footnote ⁵⁷ with the following:

A review on the need to continue the relief measure will be undertaken in mid-2022.

CHAPTER 6

TENDER PROCEDURE

PARAGRAPH 2

GENERAL

- (m) Para 2.1.5
- Add the reference “SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 25.2.2021” under the heading.**

Add “If departments wish to adopt the option of 50/50 for the “price to technical weighting” in the Standard Marking Scheme, they are required to seek policy support from DEVB in accordance with SDEV’s memo referenced () in DEVB(W) 546/84/01 dated 25 February 2021.” after “relevant tender board.” in the second paragraph.

PARAGRAPH 4

TENDERING

- (n) Para 4.1.1
- Replace “sub-sections” with “Sub-sections” and “2.8” with “Section 7” in the first paragraph of item (a).**

Replace “5.4” with “5.2” in sub-item (i) of item (a).

Replace “2.3” with “7.3” in the first paragraph of item (d).

- (o) Para 4.1.3
- Replace “2.8.4” with “7.2.5” and “2.8.5” with “7.2.6”**

in the fourth paragraph.

PARAGRAPH 6 EXAMINATION OF AND REPORT ON TENDERS

- (p) Para 6.12 **Replace “to 2.5.6” with “, 3.5.1 and Sub-section 7.5” in the last paragraph.**
- (q) Para 6.14.6 **Delete “2.8” and replace “3.8” with “7.5” under the heading and in the first paragraph.**

PARAGRAPH 12 REFERENCES

- (r) **Add the following references:**

SDEV’s memo ref. () in DEVB(PS) 108/34 dated 29.1.2021	List of Approved Contractors for Public Works (the List) and List of Approved Suppliers of Materials and Specialist Contractors for Public Works (the Specialist List) Revised Contractor Management Handbook
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SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 25.2.2021	Amendment to DEVB TC(W) No. 4/2014A Introduction of an Option of Price to Technical Weighting of 50/50 in the Standard Marking Scheme for Works Tenders
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Replace the reference

http://www.devb.gov.hk/en/construction_sector_matters/contractors/contractor_management_handbook_revision_b/index.html **with**

http://www.devb.gov.hk/en/construction_sector_matters/contractors/contractor_management_handbook/index.html

CHAPTER 7 CONTRACT MANAGEMENT

PARAGRAPH 5 RECORDS

- (s) Para 5.13 **Add “the form should be” after “works to be covered-up,” in the second paragraph.**
- (t) Para 5.15 **Replace “under” with “on” in item (b) of the second paragraph.**

Add “/Steelwork Materials and Associated Mechanical Fasteners” after “/Fill Materials” in the heading of item (d) of the second paragraph.

Add “/ steelwork materials and associated mechanical fasteners” after “/ fill materials” and replace “under” with “on” in item (d) of the second paragraph.

Replace “works contract” with “Contract” in the fourth paragraph.

PARAGRAPH 7 CONTRACT PAYMENTS

(u) Para 7.7

Replace “and” with “,” and add “and 5.3.2021” after “5.6.2020” under the heading.

Add the following paragraph after the fourth paragraph:

With reference to SDEV’s memo ref. () in DEVB(W) 510/33/02 dated 5 March 2021, further to his memo of the same series dated 14 February 2020, SDEV extended the “advance payment” mechanism by one more year till 31 August 2022. In other words, capital works contracts meeting the relevant ambit and with tenders to be invited on or before 31 August 2022 shall adopt the “advance payment” mechanism. SDEV will review the need to continue the above relief measure in mid-2022.

Add the following paragraphs after the sixth paragraph:

With reference to SDEV’s memo ref. () in DEVB(W) 510/33/02 dated 5 March 2021, further to his memos of the same series dated 31 March 2020 and 28 May 2020, SDEV extended the period of “special advance payment” arrangement for Works Orders issued under the ongoing term contracts. Pursuant to the aforementioned memos, the “special advance payment” arrangement shall apply to ongoing term contracts awarded before 1 April 2020. Under these contracts, Works Orders satisfying the prescribed criteria issued on or before 31 March 2021 are eligible for making “special advance payment”. The end date will be extended by one more year (i.e. till 31 March 2022), if the Overall Cap of HK\$10M has not been reached.

For term contracts awarded in the period between 1 April 2020 and 31 March 2021, for which a similar advance payment arrangement has been adopted, the end

date of the arrangement will also be extended to 31 March 2022 if the Overall Cap of HK\$10M has not been reached.

To enable proper implementation of the extended “special advance payment” arrangement, a supplementary agreement shall be executed between the contracting parties through exchange of correspondences following the sample letters at Appendix 7.76 or 7.77, as appropriate, with reference to the following table:

	For GCC Contracts	For NEC3 [#] Contracts	Remarks
<u>(i)</u>	Appendix 7.76C	Appendix 7.77C	For term contracts awarded before 1 April 2020 (where supplementary agreements pursuant to SDEV’s memo dated 28 May 2020 have been executed).
<u>(ii)</u>	Appendix 7.76D	Appendix 7.77D	For term contracts awarded in the period between 1 April 2020 and 31 March 2021 (where the relevant provisions for contracts under SDEV’s memos dated 5 June 2020 or dated 7 April 2020, as the case may be, have been included in the contracts).

Note

For contracts adopting NEC4, necessary amendments to Appendix 7.77C / Appendix 7.77D shall be made and clearance by LAD(W) shall be sought.

In case officers responsible for administering term contracts consider it not appropriate to extend the “special advance payment” arrangement under individual term contracts, approval from an officer at D2 rank or above shall be obtained. The justifications for not adopting the “special advance payment” arrangement may include, for example, contracts with no Works Orders eligible for making advance payment, high risk of re-entry, very poor performance of the contractor, etc.

Add the following paragraph before the last paragraph:

With reference to SDEV's memo ref. () in DEVB(W) 510/33/02 dated 5 March 2021, further to his memos of the same series dated 7 April 2020 and 5 June 2020, SDEV extended the "advance payment" mechanism by one more year till 31 August 2022. In other words, term contracts meeting the relevant ambit and with tenders to be invited on or before 31 August 2022 shall adopt the "advance payment" mechanism. SDEV will review the need to continue the above relief measure in mid-2022.

PARAGRAPH 11 SITE SAFETY

(v) Para 11.11

Delete "A checklist for marking the sub-items of the Score Card has been compiled by DEVB's memo ref. (02H8G-01-1) in DEVB(W) 516/70/03 dated 26.11.2012 for most of the construction activities under normal situations." **in the first paragraph.**

Replace "WBTC No. 26/2000" **with** "DEVB TCW No. 1/2020", **delete** "It has been updated by SETW's memo ref. (01D8Y-01-1) in ETWB(W) 516/70/03 dated 22.2.2007, promulgating the changes brought about by the launching of the 5-grade Contractors' Performance Reporting System. The Appendices A and C to the circular have been updated by DEVB's memo ref. DEVB(W) 516/71/01 dated 29 September 2017 for engagement of accredited safety supervisors." **and "amended" in the third paragraph.**

Add the following paragraph after the third paragraph:

A "Very Poor" rating in the Final Performance Rating of the Score Card as reflected in "Site Safety" section of the Report of Contractor's Performance (RCP) shall result in an "Adverse" RCP. Under such circumstance, regulating actions against contractors with poor performance as set out in Contractor Management Handbook shall be initiated where appropriate. Moreover, provisions in paragraphs 24 and 25 of Appendix B of DEVB TCW No. 1/2020 relating to Final Performance Rating should be taken into account.

PARAGRAPH 15 REPORTS ON CONTRACTORS' PERFORMANCE

- (w) Para 15.2 **Replace “WBTC No. 26/2000” with “DEVB TCW No. 1/2020” in the last paragraph.**

PARAGRAPH 21 MISCELLANEOUS

- (x) Para 21.10 **Replace “6.5” with “6.6” in the first paragraph.**
Replace “6.6” with “6.7” in the second paragraph.
Replace “6.7” with “6.8” in the last paragraph.
- (y) Para 21.30 **Replace “mode” with “modes” and “9/2019” with “12/2020”.**

PARAGRAPH 22 REFERENCES

- (z) **Delete the following references:**

WBTC No. 26/2000	Score Card for Assessment of Site Safety Performance
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DEVB TCW No. 9/2019	Adoption of Building Information Modelling for Capital Works Projects in Hong Kong
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Add the following references:

DEVB TCW No. 1/2020	Score Card for Assessment of Site Safety Performance
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DEVB TCW No. 12/2020	Adoption of Building Information Modelling for Capital Works Projects in Hong Kong
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SDEV's memo ref. () in DEVB(PS) 108/34 dated 29.1.2021	List of Approved Contractors for Public Works (the List) and List of Approved Suppliers of Materials and Specialist Contractors for Public Works (the Specialist List) Revised Contractor Management Handbook
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SDEV's memo ref.	Extension of Interim Relief
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() in DEVB(W) 510/33/02 dated 5.3.2021	Measure to Assist the Construction Industry – Advance Payment under New Capital Works Contracts
SDEV’s memo ref. () in DEVB(W) 510/33/02 dated 5.3.2021	Extension of Interim Relief Measure to Assist the Construction Industry – Special Advance Payment under Ongoing Term Contracts
SDEV’s memo ref. () in DEVB(W) 510/33/02 dated 5.3.2021	Extension of Interim Relief Measure to Assist the Construction Industry – Advance Payment under New Term Contracts
SDEV’s memo ref. () in DEVB(W) 510/94/02 dated 5.3.2021	Corruption Prevention Advice on Subcontractor Management Plan (SMP)

APPENDICES

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|---------------------|--|
| (aa) Appendix 7.49 | Replace the content with that given in Annex A to this Amendment. |
| (ab) Appendix 7.76C | Add the new appendix given in Annex B to this Amendment. |
| (ac) Appendix 7.76D | Add the new appendix given in Annex C to this Amendment. |
| (ad) Appendix 7.77C | Add the new appendix given in Annex D to this Amendment. |
| (ae) Appendix 7.77D | Add the new appendix given in Annex E to this Amendment. |

CHAPTER 8

TERM CONTRACT WORKS

PARAGRAPH 5

TERM CONTRACTS

- | | |
|---------------|---|
| (af) Para 5.1 | Add the reference “SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 25.2.2021” under the heading. |
| | Replace “2.3” with “7.3” in the first sentence, delete “2.3,” and replace “2.8” with “Section 7” in the last |

sentence of the second paragraph.

Add “Pursuant to SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 25.02.2021, an additional option of 50/50 for the “price to technical weighting” to the Standard Marking Scheme is introduced for the evaluation of works tenders, which do not involve prequalification of tenderers, invited on or after 22 March 2021.” **after** “Group C contractors.” **in the last paragraph.**

(ag) Para 5.6

Replace “and” **with** “,” **and add** “and 5.3.2021” **after** “5.6.2020” **in the last paragraph.**

PARAGRAPH 6**REFERENCES**

(ah)

Add the following references:

SDEV’s memo ref. () in DEVB(PS) 108/34 dated 29.1.2021	List of Approved Contractors for Public Works (the List) and List of Approved Suppliers of Materials and Specialist Contractors for Public Works (the Specialist List) Revised Contractor Management Handbook
SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 25.2.2021	Amendment to DEVB TC(W) No. 4/2014A Introduction of an Option of Price to Technical Weighting of 50/50 in the Standard Marking Scheme for Works Tenders
SDEV’s memo ref. () in DEVB(W) 510/33/02 dated 5.3.2021	Extension of Interim Relief Measure to Assist the Construction Industry – Special Advance Payment under Ongoing Term Contracts
SDEV’s memo ref. () in DEVB(W) 510/33/02 dated 5.3.2021	Extension of Interim Relief Measure to Assist the Construction Industry – Advance Payment under New Term Contracts

Replace the reference

http://www.devb.gov.hk/en/construction_sector_matters/contractors/contractor_management_handbook_revision_b/index.html **with**

http://www.devb.gov.hk/en/construction_sector_matters/contractors/contractor_management_handbook/index.html

**Quality Management & Standards Unit
Civil Engineering and Development Department
15 June 2021**

Standard Checklist for monitoring of the Sub-contractor Management Plan					
PART A - Submission				Checklist Ref: Date:	
ITEM		Yes	No	N/A	Remarks
Section 1					
Time Requirements					
1.1	Complies with contract requirements on timely submission				
1.2	Complies with immediate notification requirement for major changes				
Guidance Notes for Part A Section 1: (a) First submission within 30 days of Letter of Acceptance (b) Quarterly update-within 1 month from the start day of the quarterly period (c) Major changes update (including change of subcontracting structure such as addition/removal of subcontractors and/or alteration of subcontracting tiers) - interim notification (d) Revision/Updating within 14 days of the date of notification					
ITEM		Yes	No	N/A	Remarks
Section 2					
Content Requirements					
2.1	Compliance with contract requirements/SMP guidelines on limiting the tiers of Sub-contracting and prohibition on wholly sub-contracting of works (refer to guidance notes (a) to (c))				
2.2	Reasonable measures for monitoring and assessing sub-contractors' performance on: works programme, works quality, safety and environmental issues for individual subcontracts				
2.3	Compliance with contract requirements/SMP guidelines on Subcontract conditions (refer to guidance notes (d) and (e))				
2.4	Compliance with contract requirements/SMP guidelines on Organization chart/Contractor's Management Team (refer to guidance notes (f))				
2.5	Compliance with contract requirements/SMP guidelines on Payment of Wages of Site Personnel (refer to guidance notes (g) to (i))				
2.6	Reasonable measures for ensuring timely payment to the first-tier subcontractors and downstream sub-contractors including payments by sub-contractors to sub-contractors of lower tiers				
2.7	Compliance with the contract requirement for incorporating the vesting provisions on materials and/or constructional plant into the sub-contracts with its sub-contractors				
2.8	Compliance with contract requirement on proof of ownership of Constructional Plant or undertakings from the owner of the relevant item(s) of Constructional Plant for assignment of benefit to the Employer				
Guidance Notes for Part A Section 2: (a) Clear and sufficient information on scope of works to be sub-contracted (b) Clear measures to ensure that sub-contractors shall not sub-contract the whole of the works sub-contracted to them (c) Clear measures to ensure sub-contractors to report upwards their sub-contracting arrangements and any subsequent changes (d) Clear requirement to demand sub-contractors to submit written declarations of no "hidden" sub-contracting works (e) Clear arrangement to ensure sub-contractors to adopt written contracts in their further sub-contracting and all the sub-contracts complied with the requirements as stipulated in the Contract (f) Organization chart with names and responsibilities to show that the Contractor employs his own staff to manage and supervise his sub-contractors, with declaration that members of staff on the Contractor's Management Team are prohibited to be given a subcontract to any part of the works or to have a vested interest in any of the subcontractors irrespective of tiers (g) Reasonable approach for early monitoring of industrial dispute (h) Reasonable approach for handling complaints from workers on site regarding wages arrears disputes (i) Reasonable mechanism to keep the A/E/SO informed of the latest situation regarding wages arrears or industrial dispute					
Guidance Notes on follow up action for Part A: (a) Reminder/Warning to be issued for non-compliance on A1.1 to 1.2, A2.1 to 2.6 above (b) Warning/notifying mechanism to be triggered (c) Reflect the non-compliance in the Report on Contractor's Performance (d) Payment for SMP is made in accordance with requirements in the Contract					

Standard Checklist for monitoring of the Sub-contractor Management Plan					
PART B - Site Compliance Check				Checklist Ref:	
				Date:	
ITEM		Yes	No	N/A	Remarks
Section 1					
Documentary Proof					
1.1	Evidence of compliance with contract requirements/SMP guidelines on limiting the tiers of Sub-contracting (refer to guidance notes (a) to (c))				
1.2	Evidence of measures being implemented for monitoring and assessing sub-contractors' performance on: works programme, works quality, safety and environmental issues for individual subcontracts				
1.3	Evidence of compliance with contract requirements/SMP guidelines on Subcontract conditions (refer to guidance notes (d) and (e))				
1.4	Evidence of compliance with contract requirements (if applicable) on Contractor's Management Team				
1.5	Evidence of compliance with contract requirements/SMP guidelines on Payment of Wages of Site Personnel (refer to guidance notes (f) and (g))				
1.6	Evidence of measures for ensuring timely payment to the first-tier subcontractors and downstream sub-contractors including payments by sub-contractors to sub-contractors of lower tiers				
1.7	Evidence of compliance with the contract requirement for incorporating the vesting provisions on materials and/or constructional plant into the sub-contracts with its sub-contractors				
1.8	Evidence of compliance with contract requirement on proof of ownership of Constructional Plant or undertakings from the owner of the relevant item(s) of Constructional Plant for assignment of benefit to the Employer				
Guidance Notes for Part B Section 1:					
(a) Evidence of sub-contract arrangements tally with SMP					
(b) Evidence of measures being implemented that sub-contractors shall not sub-contract the whole of the works sub-contracted to them					
(c) Evidence of measures being implemented to ensure sub-contractors to report upwards their sub-contracting arrangements and any subsequent changes					
(d) Evidence of requirement to demand sub-contractors to submit written declarations of no "hidden" sub-contracting works					
(e) Evidence of sub-contractors to adopt written contracts in their further sub-contracting and all the sub-contracts complied with the requirements as stipulated in the Contract					
(f) Evidence of early monitoring of industrial dispute (if applicable)					
(g) Evidence of handling complaints from workers on site regarding wages arrears disputes (if applicable)					
(h) Either record or keep a copy of the documents examined for future audit purposes					
ITEM		Yes	No	N/A	Remarks
Section 2					
Site Observations					
2.1	Frontline RSSs are facilitated to have easy access to the submitted SMPs				
2.2	Observations indicate that the site arrangement reasonably tally with the submitted Organization chart				
2.3	Observations indicate that the site arrangement reasonably tally with the submitted information on scope of works to be sub-contracted				
2.4	If applicable, observations indicate that complaints from workers on site regarding wages arrears disputes were being handled, industrial dispute were being monitored at an early stage and A/E/SO were informed of the latest situation				
Guidance Notes for Part B Section 2:					
(a) Labour Relations Officer (LRO) has to undertake regular physical checks to verify the accuracy and reliability of the workers attendance records to identify irregularities, such as hidden sub-contractors. LRO has to check regularly on the information of workers' employers recorded in the attendance recording system against the latest SMP, and properly document such checks, and alert the project officer if the sub-contractor's name is not contained in the SMP. Observations should include random check on LRO's properly discharge of this duty.					
Guidance Notes on follow up action for Part B:					
(a) Reminder/Warning to be issued for non-compliance on B1.1 to 1.6, B2.1 to 2.4 above					
(b) Reflect the non-compliance in the Report on Contractor's Performance					

APPENDIX 7.76C SAMPLE LETTER ON EXTENSION OF SPECIAL ADVANCE PAYMENT UNDER ONGOING TERM CONTRACTS ADOPTING GCC -**For term contracts awarded before 1.4.2020 (where supplementary agreements pursuant to SDEV's memo dated 28.5.2020 have been executed).**

(Ref.: SDEV's memo ref. () in DEVB(W) 510/33/02 dated 5.3.2021)

From: The Government of the Hong Kong Special Administrative Region (“**Employer**”)To: [insert] (“**Contractor**”)

Date:

Dear Sirs,

[Contract Title and Contract No.]

The Employer and the Contractor (“**the parties**”) have entered into the above Contract (“**Contract**”) on [date].

2. [Version A

Further to the letter dated [date] which has been executed as a deed on [date] on special advance payment, the parties agree the following amendments to the Contract with effect from the date of this letter:-

Version B

Further to the letters dated [date] and [date] which have been executed as deeds on [date] and [date] respectively on special advance payment, the parties agree the following amendments to the Contract with effect from the date of this letter:-]¹

- I. In paragraph [4] of the letter dated [date]², the words “31 March 2021” are hereby deleted and replaced by “31 March 2022”.
- II. In SCC [X](1)(ii), the date “31.3.2021” is hereby deleted and replaced by “31.3.2022”.

3. [Version A

Except as amended by this letter, all the terms and conditions of the Contract as amended by [Supplementary Agreement Nos.... and]³ the letter executed as a deed dated [date]

¹ Use Version A when sample letter in Annex B(1) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 is adopted. Use Version B when sample letter in Annex B(2) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 is adopted.

² The date shall refer to the date of the letter which follows the sample letter in Annex B(1) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 or Annex B to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 31 March 2020.

³ To be incorporated where there is/are previous supplementary agreement(s).

shall continue to be binding on the parties and shall remain in full force and effect.

[Version B

Except as amended by this letter, all the terms and conditions of the Contract as amended by [Supplementary Agreement Nos.... and]⁴ the letters executed as deeds dated [date] and [date] shall continue to be binding on the parties and shall remain in full force and effect.]⁵

4. Save as expressly provided herein, nothing in this letter shall give rise to any right or entitlement of the Contractor to claim any payment, compensation, relief, cost or extension of time on the basis of or arising out of or in connection with this letter. The Employer's rights under the Contract shall not be prejudiced in any way by this letter.

IN WITNESS WHEREOF this letter has been executed as a deed⁶ by the parties on the date first above written

[Please adopt appropriate execution clauses.]

⁴ To be incorporated where there is/are previous supplementary agreement(s).

⁵ Use Version A when sample letter in Annex B(1) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 is adopted. Use Version B when sample letter in Annex B(2) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 is adopted.

⁶ Both parties will have to execute the letter as a deed and the guidance on execution of public works contracts as a deed in DEVB TC(W) 7/2014 is applicable.

APPENDIX 7.76D SAMPLE LETTER ON EXTENSION OF SPECIAL ADVANCE PAYMENT UNDER ONGOING TERM CONTRACTS ADOPTING GCC -

For term contracts awarded in the period between 1.4.2020 and 31.3.2021 (where the relevant provisions for contracts under SDEV's memo dated 5.6.2020 or dated 7.4.2020, as the case may be, have been included in the contracts).

(Ref.: SDEV's memo ref. () in DEVB(W) 510/33/02 dated 5.3.2021)

From: The Government of the Hong Kong Special Administrative Region (“**Employer**”)

To: [insert] (“**Contractor**”)

Date:

Dear Sirs,

[Contract Title and Contract No.]

The Employer and the Contractor (“**the parties**”) have entered into the above Contract (“**Contract**”) on [date].

2. In response to the Coronavirus Disease 2019 (COVID-19) epidemic and with a view to minimising the impact on the cash flow of the Contractor, the Employer is desirous of extending the special advance payment (“**advance payment**”) arrangement to the Contractor as stipulated in SCC [X] to cover Works Orders issued on or before 31.3.2022 if the Overall Cap has NOT been reached.

3. [Further to the letter dated [date] which has been executed as a deed on [date] on advance payment,]¹ the parties agree the following amendments to the Contract with effect from the date of this letter:-

- I. In SCC [X](1)(i), the words “the date being 12 months from the date of the abovementioned Articles of Agreement” is hereby deleted and replaced by “31 March 2022”.

4. Except as amended by this letter, all the terms and conditions of the Contract [as amended by Supplementary Agreement Nos....]² [and the letter executed as a deed dated [date]]³ shall continue to be binding on the parties and shall remain in full force and effect.

5. Save as expressly provided herein, nothing in this letter shall give rise to any right or entitlement of the Contractor to claim any payment, compensation, relief, cost or extension of time on the basis of or arising out of or in connection with this letter. The Employer's rights under the Contract shall not be prejudiced in any way by this letter.

IN WITNESS WHEREOF this letter has been executed as a deed⁴ by the parties on the date

¹ Delete as appropriate.

² To be incorporated where there is/are previous supplementary agreement(s).

³ Delete as appropriate.

⁴ Both parties will have to execute the letter as a deed and the guidance on execution of public works contracts as

first above written

[Please adopt appropriate execution clauses.]

a deed in DEVB TC(W) 7/2014 is applicable.

APPENDIX 7.77C SAMPLE LETTER ON EXTENSION OF SPECIAL ADVANCE PAYMENT UNDER ONGOING TERM CONTRACTS ADOPTING NEC3 -**For term contracts awarded before 1.4.2020 (where supplementary agreements pursuant to SDEV's memo dated 28.5.2020 have been executed).**

(Ref.: SDEV's memo ref. () in DEVB(W) 510/33/02 dated 5.3.2021)

From: The Government of the Hong Kong Special Administrative Region ("**Employer**")To: [insert] ("**Contractor**")

Date:

Dear Sirs,

[Contract Title and Contract No.]

The *Employer* and the *Contractor* ("**the parties**") have entered into the above contract ("**this contract**") on [date].

2. [Version A

Further to the letter dated [date] which has been executed as a deed on [date] on special advance payment, the parties agree the following amendments to this contract with effect from the date of this letter:-

Version B

Further to the letters dated [date] and [date] which have been executed as deeds on [date] and [date] respectively on special advance payment, the parties agree the following amendments to this contract with effect from the date of this letter:-]¹

- I. In paragraph [4] of the letter dated [date]², the words "31 March 2021" are hereby deleted and replaced by "31 March 2022".
- II. In NEC TSC Clause X19.13(1)(ii), the date "31.3.2021" is hereby deleted and replaced by "31.3.2022".

3. [Version A

Except as amended by this letter, all the terms and conditions of this contract as amended by [Supplementary Agreement Nos.... and]³ the letter executed as a deed dated [date]

¹ Use Version A when sample letter in Annex C(1) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 is adopted. Use Version B when sample letter in Annex C(2) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 is adopted.

² The date shall refer to the date of the letter which follows the sample letter in Annex C(1) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 or Annex C to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 31 March 2020.

³ To be incorporated where there is/are previous supplementary agreement(s).

shall continue to be binding on the parties and shall remain in full force and effect.

[Version B

Except as amended by this letter, all the terms and conditions of this contract as amended by [Supplementary Agreement Nos.... and]⁴ the letters executed as deeds dated [date] and [date] shall continue to be binding on the parties and shall remain in full force and effect.]⁵

4. Save as expressly provided herein, nothing in this letter shall give rise to any right or entitlement of the *Contractor* to claim any payment, compensation, relief, cost or changes to the Task Completion Date or Prices on the basis of or arising out of or in connection with this letter. The *Employer's* rights under this contract shall not be prejudiced in any way by this letter.

IN WITNESS WHEREOF this letter has been executed as a deed⁶ by the parties on the date first above written

[Please adopt appropriate execution clauses.]

⁴ To be incorporated where there is/are previous supplementary agreement(s).

⁵ Use Version A when sample letter in Annex C(1) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 is adopted. Use Version B when sample letter in Annex C(2) to SDEV's memo. Ref. DEVB(W) 510/33/02 dated 28 May 2020 is adopted.

⁶ Both parties will have to execute the letter as a deed and the guidance on execution of public works contracts as a deed in DEVB TC(W) 7/2014 is applicable.

APPENDIX 7.77D SAMPLE LETTER ON EXTENSION OF SPECIAL ADVANCE PAYMENT UNDER ONGOING TERM CONTRACTS ADOPTING NEC3 -

For term contracts awarded in the period between 1.4.2020 and 31.3.2021 (where the relevant provisions for contracts under SDEV's memo dated 5.6.2020 or dated 7.4.2020, as the case may be, have been included in the contracts).

(Ref.: SDEV's memo ref. () in DEVB(W) 510/33/02 dated 5.3.2021)

From: The Government of the Hong Kong Special Administrative Region ("**Employer**")

To: [insert] ("**Contractor**")

Date:

Dear Sirs,

[Contract Title and Contract No.]

The *Employer* and the *Contractor* ("**the parties**") have entered into the above contract ("**this contract**") on [date].

2. In response to the Coronavirus Disease 2019 (COVID-19) epidemic and with a view to minimising the impact on the cash flow of the *Contractor*, the *Employer* is desirous of extending the special advance payment ("**advance payment**") arrangement to the *Contractor* as stipulated in NEC TSC Clause X19.13 to cover Task Orders issued on or before 31.3.2022 if the Overall Cap has NOT been reached.

3. [Further to the letter dated [date] which has been executed as a deed on [date] on advance payment,]¹ the parties agree the following amendments to this contract with effect from the date of this letter,:

- I. In NEC TSC Clause X19.13(1)(i), the words "the date being 12 months from the date of the abovementioned Articles of Agreement" is hereby deleted and replaced by "31 March 2022".

4. Except as amended by this letter, all the terms and conditions of this contract [as amended by Supplementary Agreement Nos....]² [and the letter executed as a deed dated [date]]³ shall continue to be binding on the parties and shall remain in full force and effect.

5. Save as expressly provided herein, nothing in this letter shall give rise to any right or entitlement of the *Contractor* to claim any payment, compensation, relief or changes to the Task Completion Date or Prices on the basis of or arising out of or in connection with this letter. The *Employer's* rights under this contract shall not be prejudiced in any way by this letter.

IN WITNESS WHEREOF this letter has been executed as a deed⁴ by the parties on the date

¹ Delete as appropriate.

² To be incorporated where there is/are previous supplementary agreement(s).

³ Delete as appropriate.

⁴ Both parties will have to execute the letter as a deed and the guidance on execution of public works contracts as

first above written

[Please adopt appropriate execution clauses.]

a deed in DEVB TC(W) 7/2014 is applicable.