

Project Administration Handbook for Civil Engineering Works

2020 Edition

AMENDMENT NO. 6/2021

CHAPTER 5 CONTRACT DOCUMENTS

PARAGRAPH 1 GERENAL

- (a) Para. 1.2 **Delete “, Appendices 5.3 & 5.4” in item e.**

PARAGRAPH 2 CONDITIONS OF TENDER

- (b) Para. 2.1 **Add the following paragraph after the sixth paragraph:**

The item to be included under General Conditions of Tender Clause GCT 3 on “Relevant documents not issued” in relation to Contract Price Fluctuation System (CPFS) is promulgated in the annexes of DEVB TCW No. 4/2021.

PARAGRAPH 3 FORM OF TENDER AND SCHEDULE OF PROPORTIONS

- (c) Para. 3.2 **Add “capital works” after “all civil engineering”, add “and term contracts” before “to cover changes” add “the” before “Works completed.” and replace “ETWB TCW No. 21/2003” with “DEVB TCW No. 4/2021” in the first paragraph.**

Replace “standard format for the” with “guidelines on preparation and the sample”, “and guidelines on its preparation are” with “for different types of contracts are” and “Appendix 5.3 and Appendix 5.4 respectively” with “the annexes/ appendices of DEVB TCW No. 4/2021” in the second paragraph.

Delete the following third and fourth paragraphs:

According to ETWB TCW No. 21/2003, the CPFS should not be applied to contracts where the time for completion of the Works (excluding Establishment Works period, if any) or Contract Period (for term contracts) is 21 months or less. Nevertheless, SDEV made amendment to this requirement via his memo ref.

DEVB(PS) 107/3 dated 18.7.2008 that all government capital works contracts should apply the CPFS regardless of the contract duration. However, the Head of Department has discretion not to apply the CPFS if it is considered impractical or undesirable to do so due to reasons such as for contracts involving predominant use of proprietary products/systems and/or there are no suitable cost indices for price fluctuation computation. Please see SDEV's memo ref. DEVB(PS) 107/3 dated 18.7.2008 for details.

SDEV promulgated a pilot scheme, commencing on 1 February 2014, introducing an additional index on Composite Selected Labour Trades for all public works contracts having a contract period of 48 months or less, including term contracts. The standard format for the Schedule of Proportions should be amended accordingly. Please see SDEV's memo ref. DEVB(PS) 107/3 dated 20.1.2014 for details.

Add the following paragraph after the second paragraph:

All new contracts (including design and build contracts) with tenders to be invited on or after 1 October 2021 shall adopt the Index Numbers of the Costs of Labour and Materials used in Public Sector Construction Projects (April 2021=100) published by the Census and Statistics Department and the associated provisions stipulated in DEVB TCW No. 4/2021 for contract price fluctuation (CPF) adjustment. If it is considered impractical or unsuitable to adopt the CPFS in a contract due to reasons such as predominant use of proprietary products/systems and/or absence of suitable cost indices for price fluctuation computation, approval for such exemption should be obtained from an officer at D3 rank or above with the justifications properly documented.

PARAGRAPH 5

CONDITIONS OF CONTRACT

(d) Para. 5.2.2

Delete the following fifth paragraph:

The SCC for introducing an additional index on Composite Selected Labour Trades in Contract Price Fluctuation System is promulgated in Appendix 2 of SDEV's memo ref. DEVB(PS) 107/3 dated 20.1.2014, and should be incorporated in all public works contracts using the General Conditions of Contracts (GCC) for Civil

Engineering Works or Building Works or the GCC for Term Contracts for Civil Engineering Works or Building Works with provisions for Contract Price Fluctuation for tendering on or after 1 February 2014 with a specified contract period of 48 months or less.

Add the following paragraph before the last paragraph:

The SCC for CPFS, which includes a mechanism to deal with changes in indices and statistical figures referenced in the prescribed method for CPF calculation, is promulgated in Appendix A of DEVB TCW No. 4/2021 and should be included in all new contracts (including design and build contracts) which tenders to be invited on or after 1 October 2021.

PARAGRAPH 6 SPECIFICATION

(e) Para. 6.2

Replace the numbering “xlix” with “il”.

Add the following item (li) after item (l):

(li) For capital works contracts with a pre-tender estimate exceeding \$400 million, reference should be made to SDEV’s memo ref. () in DEVB(W) 510/70/03 dated 1.9.2021 for incorporating the standard PS clause on Inspection and Test Plans into the contract documents. For capital works contracts below this threshold, project offices may consider adopting the standard PS clause as appropriate.

PARAGRAPH 9 SPECIAL TOPICS

(f) Para. 9.3

Add “requiring” after “alternative designs or”, replace “tenderer’s design are required” with “tenderer’s designs”, add “A (as amended by SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021)” after “to DEVB TCW No. 4/2014”, and add “,” before “shall be used.” in the last paragraph.

PARAGRAPH 12 REFERENCES

(g)

Add the following references:

DEVB TCW No. 4/2021	Contract Price Fluctuation System for Civil Engineering and Building Contracts
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SDEV's memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021

DEVB TC(W) No. 4/2014 & No. 4/2014A Tender Evaluation Methods for Works Contracts Amendments to Tender Evaluation Methods in respect of the Attributes for Assessing Tenderer's Past Performance

SDEV's memo ref. () in DEVB(W) 510/70/03 dated 1.9.2021

Particular Specification Clause on Inspection and Test Plans

Delete the following references:

ETWB TCW No. 21/2003

Contract Price Fluctuation System for Civil Engineering and Building Contracts

SDEV's memo ref. () in DEVB(PS) 107/3 dated 18.7.2008

Application of Contract Price Fluctuation Regardless of Contract Duration

SDEV's memo ref. () in DEVB(PS) 107/3 dated 20.1.2014

Contract Price Fluctuation System - Pilot Scheme on Labour Index on Composite Selected Labour Trades

APPENDICES

- (h) Appendix 5.3 **Replace the appendix with that given in Annex A to this Amendment.**
- (i) Appendix 5.4 **Replace the appendix with that given in Annex B to this Amendment.**

CHAPTER 6

TENDER PROCEDURE

PARAGRAPH 1

TENDER PROCEDURE CHECKLIST

- (j) Para. 1 **Replace “Respectively” with “& No. 4/2014A and SDEV's memo ref. () in DEVB(W) 546/84/01 dated**

PARAGRAPH 4 TENDERING

- (n) Para 4.3 **Add “, No. 4/2014A and SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021” after “No. 4/2014” in the first and second paragraphs.**

PARAGRAPH 6 EXAMINATION OF AND REPORT ON TENDERS

- (o) Para 6, 6.14.2 and 6.14.3 **Add “, No. 4/2014A and SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021” after “No. 4/2014” in the first paragraph.**
- (p) Para 6.3 **Add “and SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021” after “and 4/2014A” in the first paragraph.**
- (q) Para 6.18 **Replace “and” with “,” after “No. 4/2014” and add “and SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021” after “4/2014A” in item k.**

PARAGRAPH 12 REFERENCES

- (r) **Add the following reference:**
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|---|--|
| SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021 | DEVB TC(W) No. 4/2014 & No. 4/2014A Tender Evaluation Methods for Works Contracts – Amendments to Tender Evaluation Methods in respect of the Attributes for Assessing Tenderer’s Past Performance |
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APPENDICES

- (s) Appendix 6.18 **Add “and SDEV’s memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021” after “DEVB TCW No. 4/2014” & Replace “refers” with “refer” for note “#”.**

CHAPTER 7 CONTRACT MANAGEMENT

PARAGRAPH 5 RECORDS

- (t) Para. 5.20 **Add a new paragraph 5.20 after paragraph 5.19 as follows:**

5.20 INSPECTION AND TEST PLANS

(Ref.: SDEV's memo ref. () in DEVB(W)
510/70/03 dated 1.9.2021)

At present, it is not a mandatory requirement to adopt Inspection and Test Plans (ITP) in works contracts. Upon review, it is considered that ITP can facilitate site supervisory staff and contractors to agree on hold points¹ and witness points² for critical items of works or activities prior to commencement of such works/activities so that adequate resources can be arranged in a timely manner to facilitate necessary site supervision/inspection.

In view of the above, a standard PS clause on ITP for incorporating into the contract documents, as given in Annex A (for GCC contracts) and Annex B (for NEC contracts) under SDEV's memo ref. () in DEVB(W) 510/70/03 dated 1.9.2021. The PS clause shall be adopted for capital works contracts with a pre-tender estimate³ exceeding \$400 million and tenders to be invited on or after 27 September 2021. For capital works contracts below this threshold, procuring departments may consider adopting the PS clause as appropriate.

¹ Hold points mean construction activities, stages, elements and particular aspects or details of any item of works, the inspection and acceptance of which by the site supervisor staff must be obtained before the contractor can proceed to the next construction activity, stage, element and particular aspect/detail of such works.

² Witness points are tests of materials/equipment, performance tests of prototypes as well as testing and commissioning of any item of works/installations, which require the site supervisor staff's witnessing or recording. The contractor may however proceed to the next hold points or witness points even if such witnessing and recording have not been conducted by the site supervisor staff within the notified time frame.

³ For NEC contracts, the pre-tender estimate refers to the forecast total of the Prices.

PARAGRAPH 7

CONTRACT PAYMENTS

(u) Para. 7.2.4

Replace “ETWB TCW No. 21/2003. Index” with “DEVB TCW No. 4/2021. For on-going contracts, index” and “the Census and Statistics Department” with “C&SD” in the first paragraph.

Add the following after the last sentence of the first paragraph:

All new contracts (including design and build contracts) with tenders to be invited on or after 1 October 2021 shall adopt the 2021-based Index Numbers published by C&SD and the associated provisions (including the revised sample Schedules of Proportions) stipulated in DEVB TCW No. 4/2021 for CPF adjustment.

PARAGRAPH 22 REFERENCES

(v) **Delete the following reference:**

ETWB TCW No. 21/2003	Contract Price Fluctuation System for Civil Engineering and Building Contracts
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Add the following references:

DEVB TCW No. 4/2021	Contract Price Fluctuation System for Civil Engineering and Building Contracts
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SDEV's memo ref. () in DEVB(W) 510/70/03 dated 1.9.2021	Particular Specification ("PS") Clause on Inspection and Test Plans ("ITP")
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(w) Appendix 7.39 **Replace "ETWB TCW No. 21/2003" with "DEVB TCW No. 4/2021" at item D.5 of Annex A and item E.3(e) of Annex B.**

CHAPTER 8

TERM CONTRACT WORKS

PARAGRAPH 5 TERM CONTRACTS

(x) Para. 5.1 **Replace "and" with ",", "memo" with "memos" and add "and 9.7.2021" after "dated 25.2.2021" under the heading.**

Replace "The criteria of selection of tender evaluation method as stated in paragraph 10 of DEVB TCW No. 4/2014 should also be noted." with "SDEV's memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021 promulgated the amendments to the tender evaluation methods for works contracts in respect of the attributes for assessing

tenderer's past performance as set out in DEVB TCW No. 4/2014 and further amended by DEVB TCW No. 4/2014A and SDEV's memo ref. () in DEVB(W) 516/71/01 dated 29.9.2017." **in the last paragraph.**

PARAGRAPH 6 REFERENCES

(y) **Add the following reference:**

SDEV's memo ref. () in DEVB(W) 546/84/01 dated 9.7.2021	DEVB TC(W) No. 4/2014 & No. 4/2014A Amendments to Tender Evaluation Methods in respect of the Attributes for Assessing Tenderer's Past Performance
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CHAPTER 9 MEASUREMENT PROCEDURE

PARAGRAPH 3 CAPITAL WORKS CONTRACTS POST-CONTRACT MEASUREMENT

(z) Para. 3.4.8 **Replace** "ETWB TCW No. 21/2003 and SDEV's memo ref. () in DEVB(PS) 107/3 dated 18.7.2008" **with** "DEVB TCW No. 4/2021" **at item (i) of the second paragraph.**

PARAGRAPH 7 REFERENCES

(aa) **Delete the following references:**

ETWB TCW No. 21/2003	Contract Price Fluctuation System for Civil Engineering and Building Contracts
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SDEV's memo ref.() in DEVB(PS) 107/3 dated 18.7.2008	Application of Contract Price Fluctuation Regardless of Contract Duration
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Add the following reference:

DEVB TCW No.	Contract Price Fluctuation
4/2021	System for Civil Engineering and Building Contracts

**Quality Management & Standards Unit
Civil Engineering and Development Department
29 October 2021**

APPENDIX 5.3 NOT USED

APPENDIX 5.4 NOT USED