

**Civil Engineering and Development Department
Technical Circular No. 02/2024**

Simplified Tendering Arrangement for Works Contract Not Exceeding \$52 Million

Introduction

This technical circular (TC) sets out the departmental procedures for the simplified tendering arrangement for works contracts which are not subject to the Agreement on Government Procurement of the World Trade Organization (WTO GPA) and not exceeding \$52 million each. It should be read in conjunction with the updated Financial Circular (FC) No. 3/2009¹.

Effective Date

2. This TC takes immediate effect.

Effect on Existing Circular

3. This TC supersedes Civil Engineering and Development Department (CEDD) TC No. 05/2017 which is hereby cancelled. The revision is to update the financial limits delegated to the Director of Civil Engineering and Development (DCED) under simplified tendering arrangement promulgated by the updated FC No. 3/2009 and the approval authority of tender negotiations on works contracts not exceeding \$52 million each as well as some editorial amendments.

Background

4. The Secretary for Financial Services and the Treasury announced the revised financial limits for the application of the simplified tendering arrangement to works contracts that are not subject to WTO GPA under FC No. 3/2009 on 1 January 2024.

Financial Limits on Approval of Contract Award

5. Under the simplified tendering arrangement, DCED as the Controlling Officer is authorized to:-

¹ FC No. 3/2009 was updated on 27 May 2016, 1 January 2018, 1 April 2019, 24 December 2019, 28 September 2020 and 1 January 2024.

- (a) approve the award of all works contracts not exceeding \$30 million each; and
- (b) approve the award of all works contracts above \$30 million but not exceeding \$52 million each, provided that these are awarded to the lowest conforming bidder or the highest combined quality-price scorer.

CEDD Tender Committee

6. The CEDD Tender Committee (the Committee) facilitates the vetting and approval of tenders not exceeding \$52 million each. The Committee is chaired by DCED with the Assistant Director (Technical) and Senior Engineer/Contract Adviser 2 as the members and the Senior Engineer/Contract Adviser 3 (SE/CA3) as the secretary.

7. There are no scheduled dates for meetings of the Committee. The Committee normally meets to consider any submitted tender report within five working days of the date of receipt of the tender report.

Tender Invitation on the Internet

8. The simplified tendering arrangement covers tender invitation for all works contracts not exceeding \$52 million each and not subject to WTO GPA. The project officer shall seek DCED's approval before proceeding with tender invitation, which is to be published on the Internet only. A standard memo for this is at **Appendix A**.

9. The normal tendering period should be three weeks but in no case less than two weeks, which is considered to be the absolute minimum time to enable tenderers to prepare their tenders.

10. After obtaining DCED's approval to proceed with tender invitation, the project officer will create a tender notice (both Chinese and English versions) in the Lotus Notes Database for Tender Notices and inform the Technical Secretary of the relevant Office, who will then check and vet the tender notice. The project officer will check the web version of the tender notice in the morning of the date of tender invitation on the Intranet. If no amendment request is received by noon of the date of tender invitation, the Senior Engineer/Computer Services will post the tender notice onto the CEDD website (www.cedd.gov.hk) by 3:00 pm on the same day.

11. Tenders can be invited on any working day. However, the normal tender closing date should be a Friday unless another date is announced by the Public Works Tender Board.

Rejection of Tender, Cancellation of Tender Exercise and Tender Negotiation

12. Under the simplified tendering arrangement, DCED as the Controlling Officer is authorized to:-

- (a) reject a tender as a qualified bid for works tenders not exceeding \$52 million each; and
- (b) cancel a tender exercise for works contracts not exceeding \$30 million each.

13. If it is considered necessary to carry out or effect any of the above, the project officer should obtain legal advice via the relevant Contract Adviser and shall then seek prior approval from the Committee.

14. The approval authority of tender negotiations on works contracts not exceeding \$52 million each shall refer to the Stores and Procurement Regulations (SPR). Authorities for tender negotiations are delegated by DCED to D1 or above directorate officers not having been involved in the tender exercises concerned in circumstances stipulated by SPR 385(d).

Submission of Tender Report

15. After completion of the tender assessment, a tender report should be prepared by the relevant Division Head or the consultants, where appropriate, and submitted to the Committee under cover of a “Restricted (Tender)” memo signed by the relevant Office Head or Deputy Head. The tender report should be prepared in the standard format as at Appendix III (I) of the SPR. Four copies of the report, including the original tenders, should be submitted.

Acceptance of Tender

16. SE/CA3 prepares minutes of the meeting to fully record the deliberations of the Committee in reaching its decision. SE/CA3 will notify the project office and copy the approval memo to the Director of Audit and Chief Treasury Accountant (Finance) of the Development Bureau. The original tenders received will be returned to the project office at the same time.

Notification of Tender Awards and other SPR Requirements

17. SE/CA3 will send to the Director of Government Logistics a list of contracts awarded on the Committee’s recommendation in a particular month at least two weeks before the end of the following month for publication on the Internet. In this connection, the project officer should, within five working days of the date of contract award, provide SE/CA3 with the relevant information in the prescribed format at **Appendix B** (in both hard and soft copy format), and enter the award information in the Lotus Notes Database for Tender Notice for updating the CEDD website.

18. For avoidance of doubt, all other relevant SPR provisions, including those relating to contract administration, continue to apply.

Enquiries

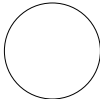
19. Enquiries about this TC should be addressed to SE/CA3.

References

- (a) FC No. 3/2009 – Simplified Tendering Arrangement for Capital Works (updated on 27 May 2016, 1 January 2018, 1 April 2019, 24 December 2019, 28 September 2020 and 1 January 2024)
- (b) Chapter III of SPR

(Signed)
(Michael H S FONG)
Director of Civil Engineering and Development

Sample Memo for Seeking Approval to invite Tenders



MEMO

From _____
Ref. () in _____
Tel. No. _____
Fax No. _____
Date _____

To (Head of Office) thro'(DH/DPM)
(Attn.: _____)
Your Ref. _____
dated _____ Fax. No. _____
Total Pages _____

Contract No. :
Title :

I forward herewith the Tender Notice for posting on the CEDD Internet on

2. The scheme for which tenders are to be called for the above Contract forms the *whole/part of Project No. in the *PWP/..... and complies in all essentials with that which was *upgraded to Category A by Finance Committee at its Meeting held on/included in Category D byon

3. The estimated cost of this Contract is \$...... for which funds are available under Head Sub-head The contract period is months.

4. The procurement of this contract is not subject to the Agreement on Government Procurement of the World Trade Organization.

5. Authority to call for tenders

6. All necessary legal procedures have been completed *and possession of the land has been arranged.

7. *In addition, the following is relevant: General Layout Drawing No(s)
.....

.....
(Designation of Chief Engineer/
Chief Geotechnical Engineer)

*Delete where inapplicable

To : Director of Civil Engineering and Development

In order, tender notice for posting on CEDD Internet submitted for approval please.
The period of tender notice is weeks.

.....
(Designation of Head of Office)
(Date)

To : (Designation of Chief Engineer/Chief Geotechnical Engineer)

I approve your proposed tender notice for posting on the CEDD Internet on

.....
Director of Civil Engineering and Development
(Date)

c.c. with tender notice
Secretary, Public Works Tender Board
SE/CA2, CEDD

Notice of Award of Contract

The following contract was awarded on _____
(Day, Month and Year)

(Name of Office)

<i><u>Tender Reference</u></i>	<i><u>Tendering Procedure</u></i> ²	<i><u>Particulars</u></i> ³	<i><u>Contractor(s) & Address(es)</u></i> ⁴	<i><u>Item/Quantity</u></i> ⁵	<i><u>Amount</u></i> ⁶
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² Open, selective, prequalified, limited as appropriate.

³ A brief description of the nature of product or services.

⁴ Name(s) and address(es) of the successful tenderer(s).

⁵ Quantity of products or services covered by the contract.

⁶ The value of the contract awarded to the successful tenderer.

In case of a term contract, the estimated contract value should be stated.

已批准訂立的合約公告

下列合約已於__年__月__日批准訂立：

_____（分處名稱）

招標編號	招標種類 ¹	項目 ²	承包商／承造商名稱及地址 ³	數量 ⁴	價值 ⁵
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備註：

1. 從後列選其合適者 – 公開(Open)、選擇性(Selective)、資格預審(Prequalified)、局限性(Limited)。
2. 貨品或服務的簡介。
3. 中標者的名稱及地址（如中標者沒有中文名稱及地址，此欄用英文填寫亦可）
4. 貨品的數量或提供服務的年期。
5. 已批准訂立的合約的價值。如為定期合約則只須列出預計的合約價值。