



30 October 2025

Dear Sir / Madam,

Tender Reference No. (609) in P/AE/PUR/AGC
Invitation to Tender for the Legal Consultancy Service for the Revamp of CIC
Standard Form of Domestic Sub-Contract for the Construction Industry Council

You are invited to submit a tender for the Legal Consultancy Service for the Revamp of CIC Standard Form of Domestic Sub-Contract for the Construction Industry Council as specified in the tender documents.

1. Your tender proposal, **in copies specified in the tender**, should be submitted in two separate sealed envelopes.
2. The tenderer shall deposit two separate sealed envelopes with labels as specified below into the tender box located at **G/F, Hong Kong Institute of Construction - Kowloon Bay Campus, 44 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong** **not later than 12:00 noon on 19 November 2025.** Late tenders will NOT be considered.
 - a) Label with "Technical Proposal for Legal Consultancy Service for the Revamp of CIC Standard Form of Domestic Sub-Contract for the Construction Industry Council"
 - b) Label with "Fee Proposal for Legal Consultancy Service for the Revamp of CIC Standard Form of Domestic Sub-Contract for the Construction Industry Council"

Please note that the envelope labelled with "Technical Proposal" shall **NOT** include any pricing details. Failure to do so will render the tender null and void. Tenders submitted after the above time or tenders deposited at places other than that stated above will **NOT** be considered.

3. The tenderer shall provide the completed 'Application Form for Inclusion in the CIC Vendor List' as provided in the tender invitation, containing basic information of the interested tenderer (For Non-CIC Registered Vendor only).

4. In the event of Typhoon Signal No. 8 or above, or Black Rainstorm Warning is hoisted or Extreme Condition as announced by the Hong Kong Government within the office hour (8:30 a.m. – 6:18 p.m.) on the tender closing date, the closing time will be postponed to 12:00 noon of the next working day.
5. Construction Industry Council is not bound to accept any proposal it may receive. In addition, it will reject bids which are considered to have been priced unreasonably low.
6. It should be noted that the Council will not be responsible for the reimbursement of any cost incurred by you for the preparation of the submission.
7. The invited tenderer who has decided to decline the bid shall return the Reply Slip for Declining Bid provided in Appendix F of the Conditions of Tender.
8. There will be a briefing session **at 3:00 p.m. on 4 November 2025 via Microsoft Teams**. Interested tenderers shall complete and return the reply slip in **Appendix G** by fax 2100 9439 or e-mail: kelvinlee@cic.hk no later than **5:00 p.m. on 3 November 2025** confirming the attendance of the said tender briefing and state clearly the number of attendees for CIC's arrangement.
9. The tender documents can be downloaded from CIC's website: http://www.cic.hk/eng/main/aboutcic/procurement/tender_details/.
10. During the tender evaluation stage, the tenderer may be requested to attend a tender interview to present his tender proposals. Details of the interview may be announced to the shortlisted tenderers THREE (3) days prior to the interview. Upon receipt of a request from the CIC, the tenderer shall provide a tender presentation to demonstrate whether the proposal can fulfill the requirements specified in the Assignment Brief.
11. For queries regarding this tender invitation or/and tender process, please contact Mr. Kelvin LEE, Assistant Manager - Procurement, on telephone 2100-9425 or via e-mail: kelvinlee@cic.hk.

Yours sincerely,



Eric LEE
Manager – Procurement

Encl.

Checklist for Submission of Tender

Please go through the following checklist to ensure that all necessary information and documents for the tender have been provided in your tender submission. Please note that the checklist is for guidance and reference purposes only and shall not be deemed to form part of the Tender Document. The address labels at the bottom of this checklist may be used on the envelopes for submitting the tender.

Tenderers should note that their tenders may be invalidated if the information in the tender submission is incorrect or the required documents are not provided together with the tender document.

Particulars	<u>Reference</u>
Technical Proposal	
1. Tenderer's Track Record & Project Reference	Conditions of Tender, Appendix A Clause 1.1 to 1.4
2. Organisation and Qualifications of Proposed Project Team	Conditions of Tender, Appendix A Clause 2.1.1, 2.1.2, 2.1.3 and 2.1.4
3. Outline Revamp Proposal	Conditions of Tender, Appendix A Clause 3.1 to 3.3
4. A duly completed Standard Letter for complying with Anti-Collusion Clause	Conditions of Tender, Appendix B
5. All documents mentioned in the Technical Assessment Marking Scheme	Conditions of Tender, Appendix E
Fee Proposal	
1. Form of Tender	Conditions of Tender, Appendix C
2. Fee Proposal	Conditions of Tender, Appendix D

Note: The tenderer is required to submit all information specified in Appendix A of the Conditions of Tender with his tender. In addition, the tenderer shall submit with his tender a duly signed and witnessed letter in the form set out in Appendix B of the Conditions of Tender. Should the tenderer fails to submit all information mentioned above with his tender, his tender may not be considered.

“Please be reminded that NO COMMERCIAL OR COST INFORMATION SHALL BE INCLUDED IN TECHNICAL SUBMISSION. You are reminded that should any commercial or cost information be included in this Technical Submission, you may be disqualified from this Tender.”

Construction Industry Council

Legal Consultancy Service for the Revamp of CIC Standard Form of Domestic Sub-Contract for the Construction Industry Council

Please adhere the following labels on separate sealed envelope of your submitted tender.

"Confidential"	Construction Industry Council (CIC) The Tender Box G/F, Hong Kong Institute of Construction – Kowloon Bay Campus, 44 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong	TENDER
Technical Proposal	Ref. No.: [(609) in P/AE/PUR/AGC] Legal Consultancy Service for the Revamp of CIC Standard Form of Domestic Sub-Contract for the Construction Industry Council	
Name of Tenderer: _____		
Closing Time and Date: <u>12:00 noon on 19 November 2025</u>		



"Confidential"	Construction Industry Council (CIC) The Tender Box G/F, Hong Kong Institute of Construction – Kowloon Bay Campus, 44 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong	TENDER
Fee Proposal	Ref. No.: [(609) in P/AE/PUR/AGC] Legal Consultancy Service for the Revamp of CIC Standard Form of Domestic Sub-Contract for the Construction Industry Council	
Name of Tenderer: _____		
Closing Time and Date: <u>12:00 noon on 19 November 2025</u>		

Tender Documents
for
Legal Consultancy Service for the Revamp of
CIC Standard Form of Domestic Sub-Contract
for
the Construction Industry Council

Employer

**Construction Industry Council (CIC)
38/F, COS Centre,
56 Tsun Yip Street,
Kwun Tong, Kowloon,
Hong Kong**

October 2025

**Legal Consultancy Service for the Revamp of
CIC Standard Form of Domestic Sub-Contract for
the Construction Industry Council**

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Conditions of Tender
for
Legal Consultancy Service for the Revamp of
CIC Standard Form of Domestic Sub-Contract
for
the Construction Industry Council

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1 Notes to Tenderers

- 1.1 All tenderers shall read the instructions contained in this Conditions of Tender carefully prior to preparing their tender submissions. Any tender submission, which does not follow these instructions is deemed to be incomplete and may be disqualified.
- 1.2 The tender documents consist of:
 - a) Conditions of Tender;
 - b) Appendices to Conditions of Tender;
 - c) Assignment Brief and its Annex;
 - d) Memorandum of Agreement;
 - e) General Conditions of Contract.

2 Invitation

- 2.1 Tenderers are invited by the Construction Industry Council (hereinafter referred to as the “CIC”) to submit proposal and bid for Legal Consultancy Service for the Revamp of CIC Standard Form of Domestic Sub-Contract. Further details are given in the **Assignment Brief and its Annex**.
- 2.2 The tender shall be submitted in accordance with the **Conditions of Tender**.
- 2.3 If the tender is accepted and the contract is awarded, the tender documents specified in Clause 1.2 above, the tender proposal submitted by the tenderer and other relevant contract correspondence as agreed by the tenderer and CIC will form part of the contract.

3 Tenderers’ Response to CIC Enquiries

- 3.1 In the event that the CIC determines that clarification of any tender is necessary, it will advise the tenderer to supplement its tender. Unless otherwise specified in the request for clarification, the tenderer shall thereafter have THREE (3) working days to submit such requested information. Any clarification made shall be at the tenderer’s own cost and expense.

4 Completion of Tender

- 4.1 The tenderer is required to submit all information specified in **Appendix A** of the Conditions of Tender with his tender. In addition, the tenderer shall submit with his tender a duly signed and witnessed letter in the form set out in **Appendix B** of the Conditions of Tender. Should the tenderer fails to submit all information mentioned above with his tender, his tender may not be considered.

- 4.2 If CIC's participation is required, the tenderer should clearly state the details and the expected resources, skills, level of participation, responsibilities, and duration.
- 4.3 The tenderer shall state in his proposals the implementation plan of delivering the deliverables as described in the **Assignment Brief and its Annex**.
- 4.4 The tenderer must submit his offer in Hong Kong Dollars. **OFFERS SUBMITTED IN OTHER CURRENCIES SHALL NOT BE CONSIDERED.**
- a) The tenderer is required to submit the completed **Form of Tender as per Appendix C** of the Conditions of Tender.
 - b) In addition, the tenderer is required to submit **the Fee Proposal** using the prescribed form provided in **Appendix D** of the Conditions of Tender. There shall be no adjustment for any price fluctuations; and
 - c) The tenderer should ensure that the fee quoted is sufficient before submitting the tender. Under no circumstances will the CIC accept any change of quoted lump sum fee on the ground that a mistake has been made in the tender price.
- 4.5 A two-envelope approach is adopted for tender submission, i.e. the tenderers should submit all information specified in **Appendix A** of the Condition of Tender and the letter annexed in **Appendix B** and mentioned in Clause 4.28 of the Conditions of Tender (collectively known as "technical proposal") in one envelope and the completed Form of Tender using the prescribed form provided in **Appendix C** of the Conditions of Tender and the Fee Proposal using the prescribed form provided in **Appendix D** of the Conditions of Tender (collectively known as "fee proposal") in a separate envelope. Failure to do so will render the tender void.
- 4.6 The tenderer shall submit **ONE (1)** hard copy and corresponding files in electronic form (e.g. in MS Word / MS Excel / PDF format) stored in an electronic medium (eg: USB / CD-ROM / DVD-ROM) of the technical proposal in a sealed envelope marked "Technical Proposal" and **ONE (1)** hard copy of the fee proposal in a separate sealed envelope marked "Fee Proposal" clearly indicating the tenderer's name and tender title. In the event of discrepancies between original and electronic versions of the Tender Submission, the former shall prevail.
- 4.7 Tender should be submitted to the Tender Box of CIC at **G/F, Hong Kong Institute of Construction - Kowloon Bay Campus, 44 Tai Yip Street, Kowloon Bay, Kowloon, Hong Kong** **by 12:00 noon on 19 November 2025.** Late submission will NOT be considered. Failure to do so shall render the tender void.
- 4.8 In the event that a Typhoon Signal No. 8 or above or Black Rainstorm Warning is hoisted or Extreme Condition as announced by the Hong Kong Government within the office hour (8:30 am – 6:18 pm) on the tender closing date, the tender

closing time will be postponed to 12:00 noon on the following working day.

- 4.9 The CIC will not reimburse any cost incurred by tenderers for the preparation and submission of the tender.
- 4.10 The CIC may reject a tender which in CIC's opinion is unreasonably low in terms of price and may therefore affect the tenderer's capability in carrying out and complete the services and delivering the deliverables in accordance with the Assignment Brief and its Annex.
- 4.11 Any amendments to the rates offered must be signed by the person who signs the tender. Failure to do so will render the tender null and void.
- 4.12 Unless otherwise stated, tenders shall be valid for 120 days from the specified closing date. If no letter of acceptance or order is placed within the validity period of the offer, the tenderer may assume that the offer has not been accepted.
- 4.13 This is an invitation to offer. The CIC is not bound to accept the lowest tender or the highest combined scores under the technical and fee proposal or any tender.
- 4.14 The CIC reserves the right to negotiate with any or all tenderer(s) on the terms of the tender.
- 4.15 Tenderer should ascertain the prices quoted are sufficient before submitting his tender. Under no circumstances will the Employer accept any request for price adjustment due to any mistake made in the tender prices.
- 4.16 The CIC shall have the right, in its absolute discretion, to disclose to any person and for any purpose, any information submitted to the CIC as part of the tender or otherwise in connection with the awarded contract, without further notification to the successful tenderer. In submitting the tender, the tenderer irrevocably consents to such disclosure.
- 4.17 In the event that a tenderer discovering a genuine error in his tender after it has been deposited, he may in writing draw attention to the error and submit amendment which may be accepted, provided that the amendment has been deposited on or before the closing time fixed for the receipt of tenders.
- 4.18 The CIC will not consider prices missing in Unit Rate, Total Value and Total Amount. The Unit Rate will be used should the Total Value and / or Total Amount have any discrepancy with the Unit Rate. No adjustment will be made for fluctuations in salaries, material prices and exchange rates of currencies, freight charges, insurance premium or for any other reason whatsoever.
- 4.19 Should examination of a tender reveal errors of such magnitude as in the opinion of the CIC would involve the tenderer in serious loss then the nature and amount of such errors will be communicated to the tenderer and he will be asked to confirm in writing that he is prepared to abide by his tender or withdraw his tender.
- 4.20 The tenderer shall be required to check the numbers of the pages of the tender documents against the page numbers given in the contents. If the tenderer finds

any missing, in duplicate or indistinct, he must inform the CIC at once and have the same rectified.

- 4.21 Should the tenderer for any reason whatsoever be in doubt as to the precise meaning of any item or description, he must inform the CIC in order that correct meaning may be decided before the date for submission of tender.
- 4.22 Tenderer shall inspect the Site and make themselves thoroughly acquainted with the existing condition of the premises, location, the existing structure / accessibility, restrictions for loading and unloading materials, and all the materials, and all other aspects which may affect the delivery of the deliverables. Tenderer shall make due and proper allowance when estimating their rates and prices for the information obtained or which ought to have been obtained during the site inspection. (for Tenders that involve field work only)
- 4.23 No liability will be admitted, nor claim allowed in respect of errors in the tenderer's tender due to mistakes in the tender documents which should have been rectified in the manner described above.
- 4.24 Tenderer shall be deemed to be in possession of a valid business registration certificate and, if necessary, be registered with the relevant authority authorizing him to carry out the works described in the tender documents.
- 4.25 Tenderer shall comply with the CIC's General Conditions of Contract. The tender price shall deem to be included all cost incurred.
- 4.26 Any qualification of tender or of the tender documents may cause the tender to be disqualified.
- 4.27 No unauthorized alteration or erasure to the text of the tender documents will be permitted. Any tender containing such alteration or erasure may not be considered.
- 4.28 The tenderer shall strictly comply with the following anti-collusion clause:
- (1) (a) Subject to sub-clause (2) of this Clause, the tenderer shall not communicate to any person other than the CIC the amount of the tender price or any part thereof until the tenderer is notified by the CIC of the outcome of the tender exercise.
- (b) Further to paragraph (a) of this sub-clause, the tenderer shall not fix the amount of the tender price or any part thereof by arrangement with any other person, make any arrangement with any person about whether or not he or that other person will or will not submit a tender or otherwise collude with any person in any manner whatsoever in the tendering process.
- (c) Any breach of or non-compliance with this sub-clause by the tenderer shall, without affecting the tenderer's liability for such breach or non-compliance, invalidate his tender.

- (2) Sub-clause (1)(a) of this Clause shall have no application to the tenderer's communications in strict confidence with:
 - (a) his own insurers or brokers to obtain an insurance quotation for computation of tender price;
 - (b) his consultants or sub-consultants to solicit their assistance in preparation of tender submission; and
 - (c) his bankers in relation to financial resources for the Contract
 - (3) The tenderer shall submit with his tender a duly signed and witnessed letter in the form set out in Appendix B of the Conditions of Tender. The signatory to the letter shall be a person authorized to sign CIC contracts on the tenderers's behalf.
 - (4) The tenderer shall indemnify and keep indemnified the CIC against all losses, damages, costs or expenses arising out of or in relation to any breach of or non-compliance with sub-clause (1) of this Clause by the tenderer, including but not limited to additional costs due to price escalation, costs and expenses of re-tendering and other costs incurred.
- 4.29 The tenderer shall not and shall ensure that his agents and employees shall not give or offer any advantages as defined under the Prevention of Bribery Ordinance to any agent or employee of CIC. Any breach of the clause by the tenderer shall, without affecting the tenderer's liability for such breach, invalidate his tender.
- 4.30 The invited tenderer who has decided to decline the bid shall return the Reply Slip for Declining Bid provided in Appendix F of the Conditions of Tender.

5 Tender Briefing

- 5.1 Tenderer is invited to attend a tender briefing session at the time and place as stated in the tender invitation
- 5.2 Interested tenderers should complete and return the reply slip in Appendix G by fax or e-mail to the Procurement Officer at least ONE (1) working days before the stated time confirming the attendance of the said briefing session and state clearly the number of attendees for the CIC's arrangement.
- 5.3 The CIC may record the queries raised by the tenderers attending the tender briefing and may issue a Replies to Tender Queries to all tenderers for information.

6 Tender Interview

- 5.4 During the tender evaluation stage, the tenderer may be requested to attend a

tender interview to present his tender proposals. Details of the interview may be announced to the shortlisted tenderers THREE (3) days prior to the interview. Upon receipt of a request from the CIC, the tenderer shall provide a tender presentation to demonstrate whether the proposal can fulfill the requirements specified in the Assignment Brief and its Annex.

- 5.5 The presentation shall be set up with the tenderer's own resources and expense. The CIC shall not bear any costs associated with the presentation.
- 5.6 The presentation should at least include the project team profile, the approach to fulfill the objectives described in the Assignment Brief and its Annex and an outline programme for completing the assignment. The presentation shall be conducted, where possible, by the leader of the proposed project team for performing the project management.
- 5.7 In view that tender interview forms part of the technical assessment, tenderers should NOT disclose any fee related information during the interview including PowerPoint presentation and handouts. Failure to do so may result in disqualification of tender.
- 5.8 Each interview presentation should be no longer than 30 minutes, including a 15-minute questions and answers session.

6 Tender Evaluation

- 6.1 Tenderers shall note that their tender proposals, presentations and responses to CIC's queries in connection with the tender will be assessed in accordance with **the tender evaluation procedures and criteria** specified in **Appendix E** of the Conditions of Tender.

7 Tenderer's Commitment

- 7.1 All information and responses from the tenderer must be submitted in writing. The relevant provisions of this invitation to tender and such documents so submitted shall be the representation of the tenderer and may be incorporated into and made part of the Contract between the CIC and the successful tenderer.
- 7.2 The CIC reserves the right to disqualify any tender that directly or indirectly attempts to preclude or limit the effect of the requirements as mentioned on the Assignment Brief and its Annex.
- 7.3 Tender shall remain valid and open for acceptance for **120 days** after the tender closing date.

8 Amendments

- 8.1 The CIC reserves the right to amend or withdraw the Assignment Brief and its Annex before acceptance of a tender.
- 8.2 The CIC may issue Tender Addendum and / or Replies to Tender Queries no later than SEVEN (7) days before tender closing if CIC found it necessary.

9 Award of Contract

- 9.1 The successful tenderer will receive a letter of acceptance as an official notification of acceptance. Unless and until a formal contract agreement is prepared and executed, this letter of acceptance together with the tender submission shall constitute a binding contract between the successful tenderer and the CIC. Tenderers who do not receive any notification within the validity period of their offer shall assume that their tenders have not been accepted.
- 9.2 The CIC reserves the right of not awarding the contract after receipt of submissions by the tenderer.
- 9.3 In order to ensure the fairness of the tender process, all answers to tender queries / tender clarifications and tender addendums will be uploaded to CIC's website. All tenderers have to take note of this arrangement. Any claim for extension of time or additional payment due to ignorance of this clause shall not be entertained by the CIC.

10 Rights to Exercise

- 10.1 The CIC may, at any time during the contract period by notice of writing, direct the Contractor to alter, amend, omit, add to, or otherwise vary any of the work items stated in the Contract and/or works required as specified by the CIC, and the Contractor shall carry out such variations. The contract sum will be adjusted all in accordance with the relevant provisions specified else in the tender documents and/or works required as specified by the CIC.

11 Submitted Documents

- 11.1 All submitted documents will not be returned.

12 Enquiries

- 12.1 In case the tenderer has any tender enquiries or/ and tender clarification queries, he should submit in writing to the procurement department with details as below:-

Mr. Kelvin LEE
Assistant Manager - Procurement
Construction Industry Council
38/F, COS Centre,
56 Tsun Yip Street, Kwun Tong,
Kowloon, Hong Kong

Tel : (852) 2100-9425
Fax: (852) 2100-9439
Email: kelvinlee@cic.hk

APPENDIX A – Details for Technical Submission

**To be included
in
Technical Proposal**

The Tenderer is required to provide all details as described in the technical submission therein.

1. Tenderer's Track Record & Project Reference

- 1.1 The tenderer is required to provide company's profile, background and expertise;
- 1.2 The tenderer is required to provide a full list of project references undertaken in the **past 5 years** (as of the tender closing date) for projects similar to this Assignment or handling construction or building contract matters, giving the details by adhering to the submission format as specified in Section 1.3 below.
- 1.3 The tenderer shall submit a list of **relevant project references** in the following format with support of copies of job references or recommendation letters from previous clients.

	Name of your Client / Organization		
Scope of work			
Project Type (Scale and complexities)			
Organisation Type		Involved Stakeholders Type	
Project Cost		Project Duration	
Completion Date			

- 1.4 In case the tenderer is unable to disclose of track record and project reference due to the signing of confidentiality agreement with its previous clients, please specify in the tender submission accordingly. In this circumstance, the tenderer shall describe this information in the tender submission at best endeavours and will be asked to describe where appropriate this information to the Assessment Panel during the tender interview.

2. Tenderer's Staff Resources

2.1 Organization and Qualification of Proposed Project Team

2.1.1 The tenderer shall submit:

- (a) An **Organization chart** indicating the proposed project team structure and strength of the proposed project team. The project team shall include members who have expertise and experience in supplying the Deliverables as outlined in the Assignment Brief and its Annex, in particular the Partner / Consultant (Project Director), Senior Associate (Project Manager) and Associate / Solicitor as stated in Section 8 of the Assignment Brief.

2.1.2 The project team members shall possess the required **Qualifications, Professional Expertise and Relevant Experience** to supply the Deliverables as outlined in the Assignment Brief and its Annex.

2.1.3 The project team proposed in the tender submission shall form part of the Agreement. The tenderer shall provide the details included but not limited to the following information of proposed project team members in the tender submission:

- a) Name
- b) Post / Title in this Project
- c) Core Team or Supporting Team Members (Yes/No)
- d) Language (Chinese/English/Both)
- e) Qualifications
- f) Duties and Responsibilities in the Assignment
- g) Years of Relevant Experience
- h) Relevant experience in projects of similar nature mentioned in the Assignment Brief, especially legal services related to standard forms of construction contracts, with a focus on the Construction Industry Security of Payment Ordinance (Cap. 652).

Project Team Structure and Qualifications
(using the following format to list the team information)

	Proposed Roles / Title / Post in this project		
Name of Proposed Team Member		Core Team or Supporting Team	
Language		Degree holder	
List of relevant certificates and/or qualifications			
Duties and responsibilities in the assignment			
Years of services in your company		Years of relevant experiences	
Relevant experience in projects of similar nature			

2.1.4 The tenderer is required to submit a **summary manpower breakdown** in conducting the project in a table following the format given below. The manpower input should be tally with the manpower input in the fee proposal.

	Scope of Service	Man-hours		
		Partner / Consultant (Project Director)	Senior Associate (Project Manager)	Associate / Solicitor
1	Revamp Proposal			
2	Attend and facilitate the 2nd Task Force meeting			
3	Initial Draft of the revamped CIC Standard Form			
4	Attend and facilitate the 3rd Task Force meeting			
5	Final Draft of the revamped CIC Standard Form			
6	Attend and facilitate the 4th Task Force meeting			
7	Revised Final Draft of the revamped CIC Standard Form			
8	Attend and facilitate a public stakeholder consultation session			
9	Final Publication Version of the revamped CIC Standard Form			
10	Attend and facilitate the 5th Task Force meeting and the relevant session of a Com-CBD&PRO meeting for formal approval of the Final Publication Version			

3. Outline Revamp Proposal

- 3.1 To demonstrate the tenderer's capability to undertake this Consultancy Service, the tenderer shall submit an Outline Revamp Proposal to illustrate their approach to this Consultancy Service.
- 3.2 The Outline Revamp Proposal shall be based on the tenderer's preliminary findings from a review conducted in accordance with Section 3.3(a) of the Assignment Brief and its Annex, but it is not required to be as comprehensive as the full review.
- 3.3 The Outline Revamp Proposal shall meet the requirements set out in Section 3.3(c) of the Assignment Brief and its Annex, but not to the same level of detail as required for the Consultancy Service upon appointment.

4. Documents and Information to be submitted for the Technical Proposal

- 4.1 The Tenderer is required to provide the following documents and information in the technical submission as described in the tender documents:

<u>Particulars</u>	<u>Reference</u>
Technical Proposal	
1. Tenderer's Track Record & Project Reference	Clause 1.1 to 1.4 in Appendix A to Conditions of Tender
2. Organisation and Qualifications of Proposed Project Team	Clause 2.1.1, 2.1.2, 2.1.3 and 2.1.4 in Appendix A to Conditions of Tender
3. Outline Revamp Proposal	Clause 3.1 to Clause 3.3 in Appendix A to Conditions of Tender
4. A duly completed Standard Letter for complying with Anti-Collusion Clause	Appendix B to Conditions of Tender
5. All documents mentioned in the Technical Assessment Marking Scheme	Appendix E to Conditions of Tender

Note: The tenderer is required to submit all information specified in Appendix A of the Conditions of Tender with his tender. In addition, the tenderer shall submit with his tender a duly signed and witnessed letter in the form set out in Appendix B of the Conditions of Tender. Should the tenderer fails to submit all information mentioned above with his tender, his tender may not be considered.

“Please be reminded that NO COMMERCIAL OR COST INFORMATION SHALL BE INCLUDED IN TECHNICAL SUBMISSION. You are reminded that should any commercial or cost information be included in this Technical Submission, you may be disqualified from this Tender.”

APPENDIX B – Standard Letter for complying with Anti-Collusion Clause

To: Construction Industry Council (CIC)

Date:

**To be included
in
Technical Proposal**

Dear Sir/Madam,

Tender Ref: (609) in P/AE/PUR/AGC

Tender Title: Legal Consultancy Service for the Revamp of
CIC Standard Form of Domestic Sub-Contract

*[I/We], [(name of the tenderer)] of

()]¹,
(address of the tenderer)

refer to *[my/our] tender for the above Contract.

*[I/We] confirm that, before *[I/We] sign this letter, *[I/We] have read and fully understand this letter and the anti-collusion clause in Conditions of Tender Clause 4.28.

*[I/We] represent and warrant that in relation to the tender for the above Contract:

- (i) *[I/We], other than the Expected Communications referred to in the last paragraph of this letter, have not communicated and will not communicate to any person other than the CIC the amount of the tender price or any part thereof until *[I/We] have been notified by the CIC of the outcome of the tender exercise;
- (ii) *[I/We] have not fixed and will not fix the amount of the tender price or any part thereof by arrangement with any person;
- (iii) *[I/We] have not made and will not make any arrangement with any person as to whether *[I/We] or that other person will or will not submit a tender; and
- (iv) *[I/We] have not otherwise colluded and will not otherwise

collude with any person in any manner whatsoever in the tendering process.

*[I/We] shall indemnify and keep indemnified the CIC against all losses, damages, costs or expenses arising out of or in relation to any breach of any of the representations and/or warranties above, including but not limited to damages for delay, costs and expenses of re-tendering and other costs incurred.

In this letter, the expression “Expected Communications” means *[my/our] communications in strict confidence with:

- (i) *[my/our] own insurers or brokers to obtain an insurance quotation for computation of tender price;
- (ii) *[my/our] consultants or sub-consultants to solicit their assistance in preparation of tender submission; and
- (iii) *[my/our] bankers in relation to financial resources for the Contract.

Signed for and on behalf of [_____]
name of the tenderer

by
[_____]²:
name and position of the signatory

Name of Witness: _____

Signature of Witness: _____

Occupation: _____

Note:

* Delete as appropriate

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 authorised to sign CIC contracts on behalf of that person or as the case may be company.

APPENDIX C – Form of Tender

**To be included
in
Fee Proposal**

FORM OF TENDER
FOR
LEGAL CONSULTANCY SERVICE FOR
THE REVAMP OF CIC STANDARD FORM OF DOMESTIC SUB-CONTRACT
FOR
THE CONSTRUCTION INDUSTRY COUNCIL

To: Construction Industry Council

**38/F, COS Centre,
56 Tsun Yip Street,
Kwun Tong, Kowloon,
Hong Kong**

Dear Sirs,

1. Having examined the Conditions of Tender, Appendices to Conditions of Tender, Assignment Brief and its Annex, Memorandum of Agreement, General Conditions of Contract, thereto for the execution of the above named Services, we offer to execute and complete the whole of the said Services in conformity with the said Conditions of Tender, Appendices to Conditions of Tender, Assignment Brief and its Annex, Memorandum of Agreement, General Conditions of Contract, and the tender proposals submitted herewith within EIGHT (8) Months including Sundays and Public Holidays from the date of project commencement and for the sum of Hong Kong Dollars.....(HK\$.....)
(not being subject to fluctuations in labour and material costs) or such sums as may be ascertained in accordance with the Conditions of Contract.
2. We agree to abide by this tender and not to withdraw it for a period of 120 days from the date fixed for receiving it and including that date and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
3. Unless and until a formal agreement is prepared and executed, this tender together with your written acceptance thereof subject to the provisions of Clause 2 hereof shall constitute a binding Contract between us.
4. We understand that you are not bound to accept the lowest or any tender you may

receive.

Signature _____

In the capacity of _____

Duly authorized to sign tenders for and on behalf of * _____

Registered Address of the Firm

Date _____

Witness _____

Address

Occupation

Date _____

Business Registration Certification No. _____

Name of Partner(s)

Residential Address of Partner(s)

- * In the cases of a (a) Limited Company or (b) Partnership or unincorporated body, (a) the name of the Company or (b) the name(s) of the partner(s) must be inserted in the space provided above.

APPENDIX D – Fee Proposal

**To be included
in
Fee Proposal**

FEE PROPOSAL
FOR THE
LEGAL CONSULTANCY SERVICE FOR THE REVAMP OF
CIC STANDARD FORM OF DOMESTIC SUB-CONTRACT
FOR THE
CONSTRUCTION INDUSTRY COUNCIL

The Contractor shall be paid a Lump Sum fee of HK\$_____ for the provision of all services and all expenses incurred in connection with the carrying out and satisfactory completion of the Assignment as detailed in the Assignment Brief and its Annex.

The tenderer shall enclose with his tender the completed Schedule of Rates as below:

- (1) The Schedule of Rates shall be in sufficient details to indicate the breakdown of the works. Failure to submit the Schedule of Rates may cause his tender not to be considered by the Employer.
- (2) Upon award of the Contract, the Schedule of Rates shall be deemed to be the Contractor's Schedules and will be regarded as firm and will not be subject to remeasurement or adjustment whatsoever otherwise than in accordance with the expressed provisions of the terms of the Contract.
- (3) The total of the Schedule of Rates must agree with the amounts carried to the Summary of Tender. Any items which are not included in the Schedule of Rates but shown on the drawings or described in the specifications under the tender documents shall be deemed to have been included in the tender figures. Where the Employer considers appropriate, the rates in the Schedule may be used for the valuation of variations ordered by the Employer, but the quantities referred to in the Schedule of Rates shall not form part of the Contract Documents.
- (4) If so required by the CIC and/or its representative, the Contractor shall submit further breakdown of the Schedule of Rates showing the build-up of any 'lump sums' included in the Schedule of Rates.

Schedule of Rates

Table 1 - Detailed breakdown of tender price

Item	Relevant Item(s) in Assignment Brief and its Annex	Description of Deliverables	Amount (HK\$)
Revamp Proposal			
1	5.2(a)	Submit the Revamp Proposal	
2	5.2(b)	Attend and facilitate the 2nd Task Force meeting	
Initial Draft			
3	5.2(c)	Submit the Initial Draft of the revamped CIC Standard Form	
4	5.2(d)	Attend and facilitate the 3rd Task Force meeting	
Final Draft			
5	5.2(e)	Submit the Final Draft of the revamped CIC Standard Form	
6	5.2(f)	Attend and facilitate the 4th Task Force meeting	
Revised Final Draft			
7	5.2(g)	Submit the Revised Final Draft of the revamped CIC Standard Form	
8	5.2(h)	Attend and facilitate a public stakeholder consultation session	
Finalisation for Publication			
9	5.2(i)	Submit the Final Publication Version of the revamped CIC Standard Form	
10	5.2(j)	Attend and facilitate the 5th Task Force meeting and the relevant session of a Com-CBD&PRO meeting for formal approval of the Final Publication Version	
		Total (Mandatory Items):	(Total carried to Form of Tender in Appendix C)

(Note: All the fees quoted for the Mandatory Items above shall include all related expenses in retrieving all necessary documents and reports and all related activities of the Consultancy and production of all Deliverables required.)

Table 2 – Schedule of Standard Hourly Rates for Additional Services

Item	Grade	Standard Hourly Rate [see Note 1 below] (HK\$)
1	Partner	HK\$ /hour
2	Consultant	HK\$ /hour
3	Senior Associate	HK\$ /hour
4	Associate / Solicitor	HK\$ /hour
5	Legal Clerk	HK\$ /hour

Note 1: The standard hourly rates of the lawyer shall be inclusive of the costs and expenses of or for all secretarial staff and all supporting services.

Upon receipt and acceptance of the Deliverables for each Payment Stage/ Date by the CIC with satisfaction and upon the submission of invoices to the CIC by the Contractor, the Contractor shall be paid in accordance with the following payment schedule within 30 days of the receipt of the invoices subject to verification of the invoice.

The percentages of payment do not imply or indicate the relative or absolute amount of resources and expenses to be spent by the Contractor to produce the concerned deliverables and to complete the tasks and services. The payment schedule is as follows:-

Deliverable No.	Description of Deliverables	Completion Date	Payment Schedule (%)
1	Upon submission of the Revamp Proposal	Within THREE (3) weeks from Project Commencement	15%
2	Upon submission of the Initial Draft of the revamped CIC Standard Form	Within NINE (9) weeks from Project Commencement	15%
3	Upon submission of the Final Draft of the revamped CIC Standard Form	Within EIGHTEEN (18) weeks from Project Commencement (on or before 30 March 2026)	20%
4	Upon submission of the Revised Final Draft of the revamped CIC Standard Form	Within TWENTY-TWO (22) weeks from Project Commencement	15%
5	Upon submission of the Final Publication Version of the revamped CIC Standard Form	Within TWENTY-SIX (26) weeks from Project Commencement	15%
6	Upon acceptance of the Final Publication Version of the revamped CIC Standard Form by CIC	Within EIGHT (8) months from Project Commencement	20%

Date for Commencement	The date as stated on the Project Commencement Letter. Project Commencement Letter – A written notification by the Employer regards to the commencement of Works.
Date for Completion	EIGHT (8) month (s) from the Date of Project Commencement

Name of Company : _____

Signature of Person Authorized
to Sign for the Proposal* : _____

(with company chop)

Address _____

Tel No.: _____ Fax No. _____

Email: _____ Date: _____

* If the tender is submitted by a Joint Venture, all participants in the Joint Venture must sign
the Fee Proposal.

APPENDIX E – Tender Evaluation Procedures and Criteria

1. INTRODUCTION

- 1.1 A two-envelope approach is adopted for tender submission, i.e. Tenderer should submit the technical proposal including all information specified in **Appendix A of the Conditions of Tender** and the letter annexed in **Appendix B** and mentioned in Clause 4.28 of the Conditions of Tender in one envelope and the fee proposal comprising the completed Form of Tender using the prescribed form provided in **Appendix C of the Conditions of Tender** and the Fee Proposal using the prescribed form provided in **Appendix D of the Conditions of Tender** in a separate envelope. Fee proposal would only be opened after the technical assessment is completed subject to Clause 1.4 below.
- 1.2 A marking scheme as described below will be used for evaluating the tenders. Tender proposals shall be evaluated based on two separate aspects, namely the technical assessment and the fee assessment.
- 1.3 The pre-determined weights for technical and fee assessments are 70% and 30% respectively.
- 1.4 If the technical assessment mark in Table 1 below is less than 50% of the maximum marks, the tender proposal will be rejected and will NOT be further assessed and its fee proposal envelope will NOT be opened.
- 1.5 The rejected tender proposal will NOT be included in the weighted technical assessment score formula in Clause 2.2 and the weighted fee assessment score formula in Clause 3.2 below. The CIC reserves its right to cancel this tender exercise and re-tender thereof without further notice to the tenderer.
- 1.6 An assessment panel will be established for tender evaluation. The proposal received will be evaluated in accordance with the requirements in this Appendix.

2. TECHNICAL EVALUATION

- 2.1 Detailed evaluation of the technical proposal including all information specified in Appendix A of the Conditions of Tender shall be made in accordance with the assessment criteria described in Table 1.

Table 1 – Technical assessment marking scheme

Assessment Criteria	Assessed Marks (%)	Maximum Marks (%)
Assessment will be based on the following criteria:-		
(1) Profile of the law firm, including its scale, reputation, and experience in handling construction or building contract matters.		10%
(2) Composition of the Consultancy Team with respect to the availability, level of input, expertise and experience of qualified legal professionals to be assigned to the Consultancy Team in order to meet the timeline and requirements set out in the Assignment Brief and its Annex.		10%
(3) Proven experience of the Consultancy Team members in providing legal services related to standard forms of construction contracts, with a focus on the Construction Industry Security of Payment Ordinance (Cap. 652).		40%
(4) Outline Revamp Proposal		30%
(5) Tenderer's Performance in CIC's Past Projects		10%
Total:		100%

2.2 The weighted technical assessment score of a tender shall be determined in accordance with the following formula:

$$70 \times \frac{\text{Technical assessment mark of the subject tender}}{\text{Highest technical assessment mark of all tenders}}$$

3. FEE EVALUATION

3.1 Tender fee for evaluation shall be the lump sum quoted in Appendix D – Fee Proposal of the Conditions of Tender.

3.2 The weighted fee assessment score of the tender proposal shall be worked out in accordance with the following formula:

$$30 \times \frac{\text{Lowest total lump sum fee of all tenders}}{\text{Total lump sum fee of the subject tenders}}$$

4. CALCULATION OF COMBINED SCORES

- 4.1 The combined assessment score of a tender proposal shall be the sum of the weighted technical assessment score (C1.2.2) and the weighted fee assessment score (C1.3.2).

APPENDIX F – Reply Slip for Declining Bid

With reference to your tender invitation (Tender Reference: (609) in P/AE/PUR/AGC, Closing Date: 19 November 2025), I/we regret that I am/we are unable to bid due to the following reason(s):

(Please tick against the box(es) where applicable)

- ☐ Inadequate time to prepare tender proposal. Suggested timeframe for proposal preparation: _____ days
- ☐ Invitation document contains insufficient details.
Suggested supplementary details: _____

- ☐ Work scope too broad. Would you consider bidding if the work scope is reduced?
☐ Yes
☐ No
Or which part(s) of the work scope shall be reduced to facilitate your consideration in bidding (please specify)? _____

- ☐ Work scope too narrow. Would you consider bidding if the work scope is broadened?
☐ Yes
☐ No
Or what supplementary details shall be added to facilitate your consideration in bidding (please specify)? _____

- ☐ Not interested in this type of service.
- ☐ Working at full capacity at the moment.

- ☐ Work scope beyond firm's / organisation's expectation.
- ☐ Cannot meet project time schedule. Suggested timeframe for the project:
_____ months
- ☐ Requirements / Specifications too restrictive.
- ☐ Others (please specify): _____

Signature: _____

Full Name of Contact Person: _____

Position: _____

Name of Company: _____

Telephone No.: _____

Fax No.: _____

E-mail: _____

Date: _____

Note:

- 1) Please return the completed reply slip to E-mail: kelvinlee@cic.hk or fax no: 2100 9439 no later than 12:00 p.m. on 19 November 2025.
- 2) Please contact Mr. Kelvin LEE at Tele: 2100-9425 or E-mail: kelvinlee@cic.hk for any enquiry.

APPENDIX G – Reply Slip for Tender Briefing

I/We would like to attend the tender briefing for the Legal Consultancy Service for the Revamp of CIC Standard Form of Domestic Sub-Contract at **3:00 p.m. on 4 November 2025** via. MS Teams.

(Meeting link :

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ODdlZTc3ZTIhNDRhYi00ZjY4LWFjNzAtNjRlMWI0YmQ3MjVj%40thread.v2/0?context=%7b%22Tid%22%3a%22e31c39ce-01c3-4db5-8827-7b67d07325ff%22%2c%22Oid%22%3a%22013cbb8b-eb9a-436f-be7a-e6be5feb42e5%22%7d)

<u>Full Name of Attendee(s)</u>		<u>Post/Title</u>	
Company Name:			
Contact Person:		<u>Post/Title</u>	
Address:			
Telephone No : :		Fax No:	
Mobile Phone No:		E-mail :	

Note:

1. Each Tenderer shall register three attendees at most.
2. Please return the completed reply slip to E-mail: kelvinlee@cic.hk or fax no: 2100 9439 no later than 5:00 p.m. on 3 November 2025.
3. Please contact Mr. Kelvin LEE at Tele: 2100 9425 or E-Mail: kelvinlee@cic.hk for any enquiry.

Assignment Brief

of

**Legal Consultancy Service for the Revamp of CIC Standard Form of
Domestic Sub-Contract**

for

the Construction Industry Council

October 2025

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**Annex A to Assignment Brief - Cashflow Improvement Good Practice
Guidelines for Private Sector Projects (56 Pages)**

1. Background

1.1 The Construction Industry Council (“CIC”) is committed to promoting good practices in the construction industry to foster sustainable development. As part of this mission, CIC has actively promoted equitable risk sharing in construction contracts.

1.2 On domestic sub-contracting, CIC established a Task Force in the 2010s under the former Committee on Subcontracting (later restructured as the Committee on Procurement and Subcontracting) to develop standard sub-contract provisions. This led to the publication of the CIC Standard Form of Domestic Sub-Contract (“CIC Standard Form”) in February 2016. The English and Traditional Chinese versions of the CIC Standard Form are available at:

English Version:

https://www.cic.hk/files/page/51/Standard%20Form%20of%20Domestic%20Sub-Contract_english_2016_final.pdf

Traditional Chinese Version:

https://www.cic.hk/files/page/51/Standard%20Form%20of%20Domestic%20Sub-Contract_chinese_2016_final.pdf

A comprehensive revamp to the CIC Standard Form is now necessary to ensure its continued relevance and alignment with current industry needs and good practices.

1.3 The full implementation of the Construction Industry Security of Payment Ordinance (Cap. 652) (“SOP Ordinance”) on 28 August 2025 further underscores the need for this revamp. Incorporating contractual provisions that are aligned with the SOP Ordinance into CIC’s standard form will support stakeholders across the sub-contracting chain in complying effectively with its requirements.

1.4 Despite the availability of local standard forms of domestic sub-contract, many private sector projects continue to rely on varied in-house sub-contract formats. The revamp therefore presents a timely opportunity to develop a unified set of equitable and practical sub-contract provisions

that can achieve broader industry adoption.

- 1.5 Accordingly, a Task Force on the Revamp of CIC Standard Form of Domestic Sub-Contract (“the Task Force”) has been established under the Committee on Construction Business Development and Productivity (“Com-CBD&PRO”) of CIC to initiate and oversee the revamp process. In this connection, CIC intends to engage a consultant (“Contractor”) to provide legal consultancy service to undertake a comprehensive revamp of the CIC Standard Form.

2. Consultancy Objectives and Requirements

2.1 Objectives

The objective of this Consultancy Service is to undertake a comprehensive revamp of the CIC Standard Form to develop a **unified** standard form of domestic sub-contract. The revamped CIC Standard Form shall comprise:

- (i) A **Main Booklet** containing a set of revamped sub-contract provisions; and
- (ii) A **Supplementary Booklet** containing a set of guidelines and/or guidance notes, as well as a set of recommended good practices with ready-to-use template special conditions of sub-contract to implement these good practices.

For the avoidance of doubt, any reference to the “CIC Standard Form” hereinafter shall be deemed include both the Main Booklet and the Supplementary Booklet unless otherwise specified.

2.2 Requirements

(a) Generally

- (i) The existing version of the CIC Standard Form shall serve as the foundation for the revamp. However, the revamped CIC Standard Form shall be benchmarked against leading local and international standard sub-contract forms (including domestic

and nominated sub-contract forms), with respect to contractual provisions, format, structure, drafting style, etc. The notable references includes *Standard Form of Domestic Sub-Contract (2008 Edition)* published by the Hong Kong Construction Association and *Agreement & Schedule of Conditions of Nominated Sub-Contract for use in the Hong Kong Special Administrative Region (2025 Edition)* jointly published by The Hong Kong Institute of Architects, The Hong Kong Institute of Surveyors and The Hong Kong Institute of Construction Managers.

- (ii) The revamped CIC Standard Form shall be fully complied with the SOP Ordinance, address prevailing industry needs and evidence balancing of interests of all parties to the contract in terms of proportionality and enforceability, with the overarching goal of securing stakeholder buy-in and driving widespread industry adoption.
- (iii) The revamped CIC Standard Form shall be drafted in a balanced and proportionate approach between both contracting parties, with clearly defined responsibilities and obligations.

(b) Main Booklet

- (i) To facilitate widespread use of the revamped CIC Standard Form across the industry, the sub-contract provisions in the Main Booklet shall be generalised to accommodate different forms of sub-contracts, enabling its application in both public works and private works projects.

(c) Supplementary Booklet

- (i) To support consistent and effective sub-contract practices across the industry, Part A of the Supplementary Booklet shall include a set of guidelines and/or guidance notes that support the interpretation and practical application of the revamped sub-contract provisions in the Main Booklet, along with clarification of key contractual concepts and procedures.

- (ii) To promote good practices in domestic sub-contracting, Part B of the Supplementary Booklet shall include a set of recommended good practices that are not specified within the standard contract provisions in the Main Booklet but are considered beneficial for adoption, along with a suite of ready-to-use template special conditions of sub-contract to facilitate the opt-in implementation of these best practices. To ensure clarity, consistency, and ease of use, explicit linkages and cross-references between the Main Booklet, Supplementary Booklet Part A, and Supplementary Booklet Part B shall be provided.

3. Scope of Consultancy Services

- 3.1 The Contractor shall be responsible for revamping both the English and Traditional Chinese versions of the CIC Standard Form. The Contractor shall ensure consistency between the two language versions and uphold legal accuracy in translation throughout the revamp process.
- 3.2 The Contractor's attention is hereby drawn to the fact that, given the diversity of perspectives among stakeholders, the comments received are expected to be extensive and, at times, divergent. The Contractor is required to dedicate considerable effort to thoroughly review, consolidate, and reconcile the various inputs received, ensuring a balanced and proportionate approach in the development of the revamped CIC Standard Form.
- 3.3 Process
 - (a) The Contractor shall conduct a comprehensive clause-by-clause review of the existing CIC Standard Form to gain a thorough understanding of its contractual framework and provisions, including obligations, procedures, risk allocation, and all other elements relevant to the construction, formation, and operation of domestic sub-contracts. The Contractor shall also conduct a comprehensive review of the Construction Industry Security of Payment Ordinance (Cap. 652) ("SOP Ordinance") to assess its implications on domestic sub-contracting practices.

Through these reviews, the Contractor shall identify clauses require revamping, either through partial amendment or comprehensive overhaul. The Contractor shall also propose any necessary new clauses that may be necessary. For each proposed amendment or new clause, the Contractor shall provide supporting rationale and justifications, including but not limited to the following:

- Outdated clauses (e.g. inconsistent with current industry's needs and best practices, non-compliant with the SOP Ordinance and other statutory requirements, etc.);
- Clauses lacking enforceability or contractual robustness (e.g. ambiguous, unclear, overly complex, etc.);
- Clauses with disproportionate risk allocation between the contracting parties;
- New clauses or modification of existing clauses for the purpose of making the revamped CIC Standard Form fully complied with the SOP Ordinance
- Omitted provisions that result in the CIC Standard Form failing to adequately address critical issues or pain points arising from prevailing sub-contracting practices; and
- Other deficiencies or insufficiencies.

As part of the review process, the Contractor shall refer to the critical issues or pain points relevant to sub-contracting as mentioned and described in the *Final Report of the Consultancy Study on Review and Enhancement of Construction Contract Terms* published by CIC in June 2025, available at:

[https://www.cic.hk/files/page/51/CIC%20CE%20-%20Final%20Report%20\(Publish%20Version\)%2023.06.2025%20r.pdf](https://www.cic.hk/files/page/51/CIC%20CE%20-%20Final%20Report%20(Publish%20Version)%2023.06.2025%20r.pdf).

Additionally, based on discussions from the first Task Force meeting

held on 16 September 2025, the following issues were raised as requiring revamping:

- Payment,
 - Risk-sharing,
 - Contra-charge (e.g. administrative charges for insurance claims, penalties for contravening house rules such as those related to safety and waste disposal),
 - Variations and their assessment, and
 - Extension of time and monetary claims in relation to extension of time
- (b) In addition to the review by the Contractor under item (a), Task Force members are also invited to review the existing CIC Standard Form and provide written comments. The Contractor shall facilitate the invitation, collection, coordination and consolidation of such comments, such as prepare materials and gather comments by written means.
- (c) Based on the findings from (a) and (b), the Contractor shall prepare and submit a Revamp Proposal comprising the following:
- (i) A Revamp Framework, based on the existing version of CIC Standard Form, outlining:
 - Which clauses should be revamped, and to what extent, how such clauses should be revamped, and the underlying rationale and justifications.
 - What new clauses should be introduced, and the underlying rationale and justifications.
 - (ii) A Preliminary Outline of the Supplementary Booklet. Part A of the Supplementary Booklet as detailed in the above Section 2.2(c)

- (i) is a set of guidelines / guidance notes on the revamped sub-contract provisions in the Main Booklet. Part B as detailed in the above Section 2.2(c) (ii) with a set of recommended good practices that could be promoted in domestic sub-contracting, along with the corresponding template special conditions of sub-contract to facilitate their opt-in implementation. For reference, CIC has previously drafted a set of good practices, enclosed in Annex A of the Assignment Brief.
- (d) The Revamp Proposal shall be presented in the second Task Force meeting for discussion and comment. The CIC Secretariat will arrange the venue and invite Task Force members to attend the meeting. The Contractor shall attend and facilitate the meeting by hosting the meeting, presenting the Revamp Proposal, leading the discussion, responding to queries and collecting comments from Task Force members. Following the second Task Force meeting, the Contractor shall facilitate the invitation, collection, coordination and consolidation of written comments from Task Force members, if any.
- (e) Following items (a) to (d), the Contractor shall develop and prepare the Initial Draft of the revamped CIC Standard Form, including the rationale and justifications for all proposed changes.
- (f) This will be followed by **THREE (3)** subsequent rounds of amendments. The Contractor shall be responsible for analysing, responding to, and incorporating relevant comments, whether in written or verbal forms, into subsequent drafts.
- (g) Upon completion of the Initial Draft, the draft shall be circulated to Task Force members for review and discussion during a scheduled Task Force meeting. The Contractor shall attend and facilitate the third Task Force meeting by hosting the meeting, presenting the Initial Draft, leading the discussion, soliciting Task Force members' buy-in, responding to queries and collecting comments from Task Force members. In addition to verbal comments provided at the meeting, the Contractor shall facilitate the invitation, collection, coordination and consolidation of written comments from Task Force members, if any. Revisions arising from comments to the Initial Draft will constitute the

First Amendment, resulting in the development of the Final Draft.

- (h) Upon completion of the Final Draft, the draft shall be circulated to Task Force members for in-principle approval, as well as for comments for refinement, during a scheduled Task Force meeting. The Contractor shall attend and facilitate the fourth Task Force meeting by hosting the meeting, presenting the Final Draft, soliciting Task Force members' in-principle approval of the Final Draft, leading the further discussion on refinement of the Final Draft, responding to queries and collecting comments on refinement of the Final Draft from Task Force members. In addition to verbal comments on refinement of the Final Draft provided at the meeting, the Contractor shall facilitate the invitation, collection, coordination and consolidation of written comments on refinement of the Final Draft from Task Force members, if any. Revisions arising from comments to the Final Draft will constitute the Second Amendment, resulting in the development of the Revised Final Draft.
- (i) The Revised Final Draft shall be the version for public stakeholder consultation. The CIC Secretariat will arrange venue and its setup. The Contractor shall attend and facilitate the public stakeholder consultation session by sending invitations, coordinating the rundown of the session, hosting the session, presenting the Revised Final Draft, soliciting stakeholders' buy-in, responding to queries and collecting comments from stakeholders. Task Force members and Com-CBD&PRO members shall be invited to attend the public stakeholder consultation session to give further comments, if any. Revisions arising from comments from the public stakeholder consultation session shall constitute the Third Amendment, culminating in the Final Publication Version.
- (j) The Final Publication Version shall be submitted to the Task Force and subsequently to the Com-CBD&PRO for a two-stage approval process, to be conducted during scheduled Task Force and Com-CBD&PRO meetings. The Contractor shall attend and facilitate both meetings by hosting the meetings (for Com-CBD&PRO meeting, a relevant session of the meeting), presenting the Final Publication Version, responding to queries and seeking approval from the respective Task Force and

Com-CBD&PRO members.

- (k) Throughout this Consultancy, CIC may from time to time receive comments from industry stakeholders. These comments, if any, shall be conveyed to the Contractor, who shall consider them at the relevant stage.

3.4 Each draft and amendment shall be clearly documented, with version control maintained to ensure transparency and traceability throughout the revamp process.

3.5 The Contractor shall adhere to the agreed project timeline and milestones, as set out in the consultancy agreement.

3.6 Additional Services

The Contractor undertakes to do all such things as are necessary for, or incidental or conducive to carry out the services described in Sections 3.1 to 3.5. Other items of work directly or indirectly related to this Consultancy Contract may be added by CIC with the agreement of the Contractor and shall form part of the overall scope of the Consultancy Service and be covered by the terms of the Agreement with additional fees calculated based on the hourly rates in the Fee Proposal inserted by the Contractor.

4. Presentations

4.1 The Contractor shall prepare presentation materials with a quality to the satisfaction of CIC for the respective Task Force meetings, Com-CBD&PRO meeting and public stakeholder consultation session as stipulated in Section 3 of the Assignment Brief.

4.2 The language of the presentation materials shall be appropriate to the nature and audience of each presentation, as directed by CIC.

5. Deliverables

5.1 The Consultancy Service and all deliverables shall comply with the

Contract requirements to the satisfaction of CIC. If there is any difference in interpretation between CIC and the Contractor regarding the requirements of the Contract, CIC shall have the final authority to determine the explanation and implementation approach. The Contractor shall follow the requirements and instructions provided by CIC to carry out the Consultancy Service and deliver the outputs to the satisfaction of CIC.

5.2 The Contractor undertakes to carry out the Consultancy Service and submit the following deliverables, the requirements of which are stipulated in Sections 3 and 4 of this Assignment Brief, in accordance with the timeline specified below. CIC reserves the right to amend the timeline as necessary to accommodate actual circumstances but no such amendments shall result in an earlier deadline than those originally stipulated. Any such extension of time shall not be subject to additional costs or expenses. Deliverables for additional services, if so requested in accordance with Section 3.6, shall be prepared and delivered at such time upon request by CIC.

- (a) Submit a **Revamp Proposal** within THREE (3) weeks after the commencement of the Consultancy for CIC's comments and approval. The Revamp Proposal shall incorporate the requirements stipulated in Section 3.3(c).
- (b) Attend and facilitate **2nd Task Force Meeting** to review the Revamp Proposal in January 2026 (tentatively, subject to the final scheduled date) in accordance with the requirements stipulated in Section 3.3(d).
- (c) Submit an **Initial Draft** of the revamped CIC Standard Form within NINE (9) weeks after the commencement of the Consultancy for CIC's comments and approval. The Initial Draft shall incorporate the requirements stipulated in Section 3.3(e).
- (d) Attend and facilitate **3rd Task Force Meeting** to review the Initial Draft of the revamped CIC Standard Form in February 2026 (tentatively, subject to the final scheduled date) in accordance with the requirements stipulated in Section 3.3(g).
- (e) Submit a **Final Draft** of the revamped CIC Standard Form within EIGHTEEN (18) weeks (on or before 30 March 2026) after the

commencement of the Consultancy for CIC's comments and approval. The Final Draft shall incorporate the requirements stipulated in Sections 3.3(g) & (h).

- (f) Attend and facilitate **4th Task Force Meeting** to review the Final Draft of the revamped CIC Standard Form in April 2026 (tentatively, subject to the final scheduled date) in accordance with the requirements stipulated in Section 3.3(h).
- (g) Submit a **Revised Final Draft** of the revamped CIC Standard Form within TWENTY-TWO (22) weeks after the commencement of the Consultancy for CIC's comments and approval. The Revised Final Draft shall incorporate the requirements stipulated in Sections 3.3(h) & (i).
- (h) Attend and facilitate a **Public Consultation** for the Revised Final Draft in May 2026 (tentatively, subject to the final scheduled date) in accordance with the requirements stipulated in Section 3.3(i).
- (i) Submit a **Final Publication Version** of the revamped CIC Standard Form within TWENTY-SIX (26) weeks after the commencement of the Consultancy for CIC's comments and approval. The Final Publication Version shall incorporate the requirements stipulated in Sections 3.3(i) & (j).
- (j) Attend and facilitate **5th Task Force Meeting and the relevant session of a Com-CBD&PRO Meeting** to review the Final Publication Version of the revamped CIC Standard Form in July 2026 (tentatively, subject to the final scheduled date) in accordance with the requirements stipulated in Section 3.3(j).

5.3 All documents shall be submitted electronically in MS Word format, MS Excel format (for data) and in pdf file format or any other formats as applicable which are readily printable.

5.4 All deliverables must be submitted in English with UK spelling variants and Traditional Chinese where applicable unless otherwise specified to the satisfaction of the CIC.

- 5.5 The copyright of all reports, documents, recommendations, data and any other information prepared or collected by the Contractor, its Specialist(s) and the Sub-consultant(s) and their employees and agents in the course of this Consultancy shall be borne with the CIC.
- 5.6 The Contractor shall acknowledge that the Final Publication Version of the revamped CIC Standard Form may be made public and disseminated to the relevant stakeholders as deemed appropriate by the CIC.
- 5.7 The Contractor shall ensure that the electronic deliverables or software, if any, are not infected by computer virus, worms, Trojan horse and logic bombs, which could cause damages to the CIC system. The Contractor shall also ensure that there is no loopholes and backdoors in the electronic deliverables or software, if any, that would breach the security control.
- 5.8 The CIC will not reimburse any transportation and travelling expenses that may be incurred by the Contractor in undertaking the Consultancy.
- 5.9 Upon any requests by the CIC, the Contractor may be required to submit a rectification proposal of which the Contractor needs to propose rectification measures and take actions to catch up with the agreed progress and/or to improve the quality of the Deliverables to the satisfaction of the CIC.

6. Brief Programme

- 6.1 The Consultancy shall be completed within EIGHT (8) months from the commencement date of the Consultancy. The Consultancy period may be revised by agreement between the CIC and the Consultant.
- 6.2 The Contractor shall complete the key activities addressed in Section 3, Section 4 and the Deliverables outlined in Section 5 in accordance with the milestone schedule as stated in Section 6.3. This milestone schedule shall be taken into consideration in the preparation of the detailed working programme for the Consultancy.
- 6.3 Milestone Schedule

Deliverable	Description of Deliverables / Key Activities	Deadline / Time Frame (from the Commencement of the Consultancy)
Revamp Proposal		
5.2(a)	Submit the Revamp Proposal	Within THREE (3) weeks
5.2(b)	Attend and facilitate the 2nd Task Force meeting	January 2026 (tentatively, subject to the final scheduled date)
Initial Draft		
5.2(c)	Submit the Initial Draft of the revamped CIC Standard Form	Within NINE (9) weeks
5.2(d)	Attend and facilitate the 3rd Task Force meeting	February 2026 (tentatively, subject to the final scheduled date)
Final Draft		
5.2(e)	Submit the Final Draft of the revamped CIC Standard Form	Within EIGHTEEN (18) weeks (on or before 30 March 2026)
5.2(f)	Attend and facilitate the 4th Task Force meeting	April 2026 (tentatively, subject to the final scheduled date)
Revised Final Draft		
5.2(g)	Submit the Revised Final Draft of the revamped CIC Standard Form	Within TWENTY-TWO (22) weeks
5.2(h)	Attend and facilitate a public stakeholder consultation session	May 2026 (tentatively, subject to the final scheduled date)
Finalisation for Publication		
5.2(i)	Submit the Final Publication Version of the revamped CIC Standard Form	Within TWENTY-SIX (26) weeks
5.2(j)	Attend and facilitate the 5th Task Force meeting and the	July 2026 (tentatively, subject to the final

Deliverable	Description of Deliverables / Key Activities	Deadline / Time Frame (from the Commencement of the Consultancy)
	relevant session of a Com-CBD&PRO meeting for formal approval of the Final Publication Version	scheduled date)

- 6.4 The Contractor shall notify the CIC when a potential or actual delay arises and shall detail what in his opinion are the reasons for the delay, the consequences or likely consequences of the delay and any additional time would be anticipated. Subject to the approval of extension of consultancy period, the Contractor shall prepare a revised Detailed Working Programme for CIC's comment and approval.

7. Management of the Contractor

- 7.1 The Contractor shall be directed and supervised by the CIC.
- 7.2 References to the CIC in this Assignment Brief and its Annex shall include Com-CBD&PRO, the Task Force, and the CIC Secretariat. The CIC Secretariat will support Com-CBD&PRO and the Task Force in supervising the Contractor.
- 7.3 The Contractor shall obtain the approval of the CIC (where appropriate) before commencement of each stage of the Assignment.
- 7.4 In addition to the Task Force and Com-CBD&PRO meetings and the public stakeholder consultation session stipulated in this Assignment Brief, the Contractor shall attend internal project meetings with the CIC Secretariat as required and necessary for the purpose of this Assignment. **Such cost shall be deemed to be included in the Fee submitted.**
- 7.5 The Project Manager in accordance with the requirements stipulated in Section 8.2(ii) shall from time to time be available as the major contact

person for all matters related to the Consultancy.

8. Contractor's Office and Staffing

8.1 The Contractor shall be a reputable law firm of appropriate scale, registered with the Law Society of Hong Kong, and possessing experience in handling construction contract matters.

8.2 The composition of the Consultancy Team shall include at least the following grade of solicitors:

- (i) **Partner / Consultant** (with minimum 10 years of experience and any other relevant experience / equivalent qualifications subject to the CIC's approval), who shall be the Project Director of this Consultancy;
- (ii) **Senior Associate(s)** (with minimum 7 years of experience and any other relevant experience / equivalent qualifications subject to the CIC's approval), who shall be the Project Manager(s) of this Consultancy;
- (iii) **Associate(s) / Solicitor(s)** (with minimum 5 years of experience and any other relevant experience / equivalent qualifications subject to the CIC's approval)

The Contractor shall assign adequate manpower comprising qualified legal professionals with expertise and experience in construction contract matters to meet the timeline and requirements set out in this Assignment Brief. Proven experience in providing legal services related to standard forms of construction contract and the SOP Ordinance is preferable.

The Fee shall be deemed to cover any subsequent of adjustment of manpower beyond the original manpower proposed and committed by the Contractor in the Technical Proposal, as necessary to meet the timeline and requirements set out in this Assignment Brief and its Annex, except for Additional Services.

- 8.3 The Contractor shall also provide legal clerical services and administrative support necessary for the delivery of the Consultancy Service except for Additional Services, the costs and expenses of which shall be deemed to be included in the Fee.
- 8.4 The Consultancy team as a whole, and each individual (except administrative support staff) within the team shall have the experience of conducting projects of similar nature and scope of those required in this Consultancy.
- 8.5 The Contractor shall provide the CIC with full details of staff to be employed on the Consultancy together with their curriculum vitae and proof of qualifications for prior approval from the CIC. Separate approval from the CIC should be obtained for any subsequent changes of staff.
- 8.6 The Consultancy team shall provide all specialist and sub-consultant services (not limited to those specified in Section 8.2 above) required for the satisfactory completion of the Consultancy. No additional fees or expenses for the provision of such services rendered locally or overseas shall be payable by the CIC.
- 8.7 The Contractor shall provide staff and manpower input in accordance with the Technical Proposal made at the tender stage, and that the CIC shall have the right to check the time-log record of the Contractor's staff deployed for the Consultancy.
- 8.8 In the event of any deviation or change of team members with respect to the submitted tender, prior approval from the CIC must be sought.
- 8.9 In the event, for reasons beyond his control, the Contractor is unlikely to provide or maintain any key staff as specified in the proposal, he should report to the CIC as soon as practicable and propose for the CIC's approval of a substitute staff having qualification and experience comparable with the staff who is leaving the consultancy team. The Contractor acknowledges that any changes of members in the project team shall not discharge the Contractor's obligations under this Consultancy.

Cashflow Improvement Good Practice Guidelines for Private Sector Projects

v.04

February 2025

DRAFT

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Disclaimer

No responsibility for any loss or damage caused to any person acting or refraining from action as a result of this publication can be accepted by the authors.

It is essential to acknowledge that various professional institutions possess their specific guidelines, procedures, and requirements; these should be regarded as applicable and followed accordingly.

If any part or information in this document conflicts with the legal requirements, those legal requirements take precedence.

Abbreviations

Abbreviation	Definition
AI	Architect's Instruction
BQ	Bill of Quantities
DLP	Defects Liability Period
EOT	Extension of Time
FA	Final Account
GCC	General Conditions of Contract / Standard Conditions of Contract
QS	Quantity Surveyor
SCC	Special Conditions of Contract
SFBC	Agreement & Schedule of Conditions of Building Contract for use in the Hong Kong Special Administrative Region, Private Edition – With Quantities, 2005 Edition OR Agreement & Schedule of Conditions of Building Contract for use in the Hong Kong Special Administrative Region, Private Edition – Without Quantities, 2006 Edition
SMM	Hong Kong Standard Method of Measurement of Building Works 5th Edition
SOR	Schedule of Quantities and Rates
VO	Variation Order

Background

The purpose of this guideline is to outline recommended good practices for adoption in private sector projects to improve cashflow in construction projects in Hong Kong.

This guideline is not intended to establish an industry standard, but rather to provide some recommendations on **good practices** covering the following areas, with particular focus on fair and user-friendly change management practices:

- Communication
- Subcontractor management
- Early notification of delay
- Variation management
- Valuation of variation
- Claim and dispute management
- Final account settlement

The timeframes stipulated in this guideline are recommendations and for reference only.

This guideline shall be read together with associated templates included in the appendices.

Good Practices

1.Communication



1.1

General

Throughout the contract period, a significant amount of project correspondence will be communicated, including instructions, submissions, acceptances, notifications, etc. These communications are commonly part of contract procedures alongside the obligations of the various parties.

1.2 Amendment Standard Conditions of Contract

The following recommended good practices, if intended to be formalised as contractual procedures/requirements, appropriate Special Conditions of Contract are required to supplement the Standard Conditions of Contract. The Employer are advised to consult the QS in this regard.

1.3 Communication

- 1.3.1 All formal communication required by the contract and intended to have an effect under the contract should be conducted in a written format (i.e. in writing) that can be read, copied, and recorded.
- 1.3.2 The recognised means of written communication include letters and emails. Instant messaging, such as WhatsApp and WeChat, is not recommended as a channel for formal communication.
- 1.3.3 If the scope specifies a communication system for formal communication, the communication takes effect upon being documented through the specified system. Alternatively, if no communication system is specified for formal communication, the communication takes effect when it is received at the provided address by the recipient.
- 1.3.4 The project team should define and agree on the communication channels for formal communication.

1.4 Timeframe for Submission and Reply

- 1.4.1 Generally, a **specific** timeframe is preferred over terms such as "within a reasonable time." This general rule applies to both parties to the contract in relation to submissions and replies to submissions under the contract. The

specific timeframe shall be reasonable and appropriate to the nature, urgency, and/or complexity of the communication.

1.5 Acceptance and Non-Acceptance of Submissions

1.5.1 Throughout the contract period, there may be submissions relevant to the technical aspects and cost aspects of the works requiring acceptance/approval by the Architect.

1.5.2 The Architect shall reply to the Contractor's submissions and notify their acceptance/approval or non-acceptance/rejection. Alternatively, the Architect may reply with "acceptance/approval subject to certain conditions/further substantiation." In the case of non-acceptance/rejection, the Architect shall outline the reasoning for the non-acceptance/rejection so that the Contractor can revise the submission accordingly. In the case of "acceptance/approval subject to certain conditions/further substantiation," the Architect shall clearly outline the conditions, further substantiations, or clarifications required for acceptance.

1.5.3 A specific timeframe shall be stated in the contract so that the Contractor can resubmit the revised submission in the case of non-acceptance/rejection. Flexibility shall be allowed to cater for resubmissions of a more complex nature.

1.5.4. A timely response from the Architect could avoid the potential abortive works and cash flow of the project.

2. Subcontractor Management



2.1 General

Occasionally, challenges arise from the long-established practice of multi-tiered subcontracting within the construction industry. The lack of transparent management of subcontractors along the project subcontracting chain hinders the client's ability to promptly address payment issues concerning workers. Furthermore, due to the distant relationship between the client and subcontractors, ensuring quality and safety control over the work performed and completed by subcontractors is also challenging. This section outlines the recommended good practices to overcome these challenges.

2.2 Subcontractor Management Platform

It is recommended that the Main Contractor develop a subcontractor management platform for the project. This platform should include the historical records of subcontractors with information specified in [Appendix A](#), and if possible, detailing their compliance with contractual and statutory requirements related to site safety, occupational health, payment, employment, and environmental regulations.

2.3 Amendment to Standard Conditions of Contract

The following recommended good practices, if intended to be formalised as contractual procedures/requirements, appropriate Special Conditions of Contract are required to supplement the Standard Conditions of Contract. The Employer are advised to consult the QS in this regard.

2.4 Register of Subcontractors

- 2.4.1** The Employer may request that the Main Contractor provide a register of subcontractors covering all tiers of subcontracting ([see Appendix A](#)) for the Employer or Architect's information.
- 2.4.2** The Contractor shall regularly update the register of subcontractors until the Substantial Completion of the works to keep the Employer informed of any changes in subcontractors.
- 2.4.3** The register of subcontractors could help to identify subcontractors' status in the Works and thus facilitate early intervention by the Employer and upper-tier contractors in the event of payment disputes involving lower-tier contractors.
- 2.4.4** The register of subcontractors shall be disclosed in an appropriate manner to enable subcontractors to understand the project subcontracting chain and their position of tier in the project.

2.5 Limiting Tiers of Subcontracting

- 2.5.1** The number of tiers of domestic subcontracting shall be preferably limited to three, where the contract between the Main Contractor and its domestic

subcontractors constitutes the first tier, and the contract between the first-tier domestic subcontractors and their own subcontractors represents the second tier, and so forth.

2.5.2 For nominated subcontracts, **further** subcontracting of the subcontracted works shall be preferably limited to no more than three tiers, where the contract between a nominated sub-contractor and its sub-contractors constitutes the first **further** tier, and the contract between a sub-contractor of the nominated sub-contractor and its sub-contractors represents the second **further** tier, and so forth.

2.5.3 For high-risk operations (e.g. confined space work), the number of tiers of domestic subcontracting or further subcontracting of works under nominated subcontracts may be restricted to fewer tiers or, where appropriate, a single tier in order to improve quality and safety control.

2.5.4 Flexibility shall be allowed to enable the Architect to relax the limit of subcontracting tiers under special circumstances supported with supplementary information from the Main Contractor.

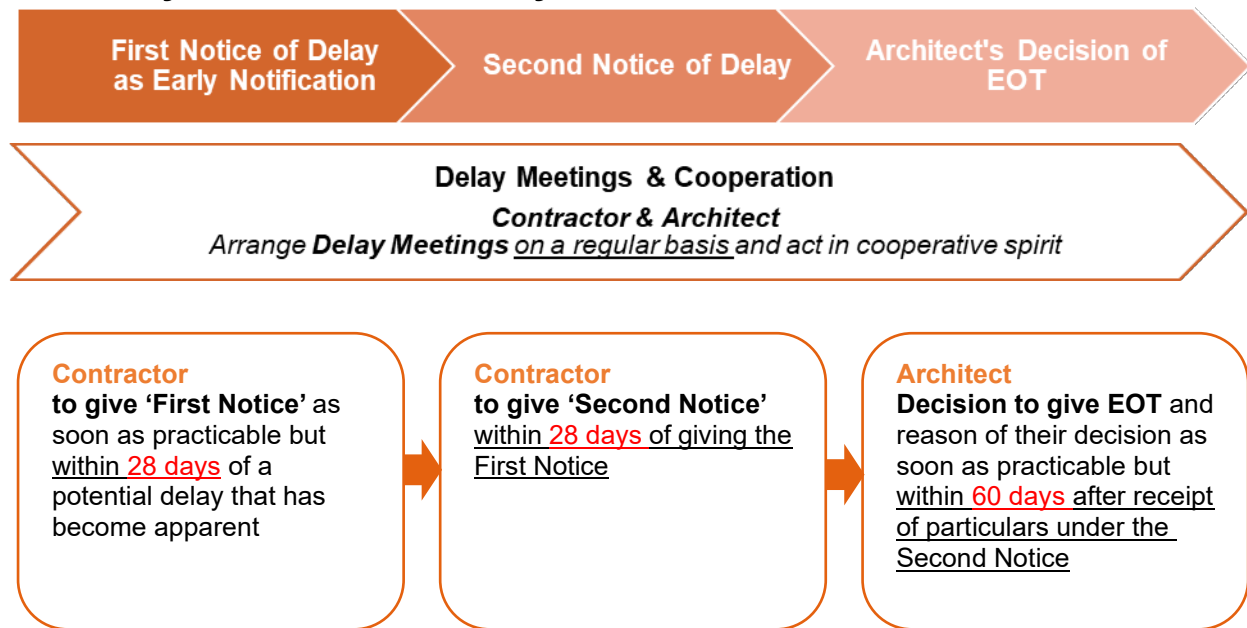
2.6. Registered Specialist Trade Contractors Scheme

2.6.1 To ensure the competence of subcontractors, works involving trades available in the Registered Specialist Trade Contractors Scheme managed by the Construction Industry Council shall preferably be sub-contracted to a sub-contractor with effective registration under the relevant trade in the Registered Specialist Trade Contractors Scheme.

2.7 Point to Note for Wage Arrears of Subcontractors' Employees

2.7.1 According to the Employment Ordinance (Cap. 57), if a subcontractor of a construction contract fails to pay its employees, the relevant contractor (i.e. main contractor and upper-tier subcontractor) is liable to pay such subcontractor's employees the first two months' unpaid wages. Appropriate contractual provisions shall be in place for the relevant contractor to recover the wage payment on behalf of that subcontractor. The register of subcontractors mentioned in 2.4 facilitates the identification of the chain of subcontractors concerned and locate the affected employees.

3. Early Notification of Delay



3.1 General

This proactive approach ensures that all potential delays are identified and addressed early on, whether or not they qualify for an EOT. The project team can effectively manage and mitigate its impact by consolidating, monitoring, and tracking these delays. During Delay Review Meetings, the relevant parties discuss and implement strategies to avoid, reduce, or mitigate the implications of delays. This collaborative effort helps keep the project on track, minimizes disruptions, and facilitates earlier closing out of EOT claims for those qualifying for an EOT. This practice aims to avoid handling the EOT claims after the completion of the project.

3.2 Amendment to Standard Conditions of Contract

SFBC clause 25 stipulates the delay notification mechanism, covering potential delays to actual delays and regardless of whether the delays are qualifying for EOT. For other forms of contract, if it is intended to formalise the following recommended good practices as contractual procedures/requirements, appropriate Special Conditions of Contract are required to supplement the Standard Conditions of Contract. The Employer are advised to consult the QS in this regard.

To ensure that all necessary details of delays are consistently communicated for better tracking and management, appropriate Special Conditions of Contract could be further introduced to dictate the format and the information to be provided in the First Notice and Second Notice of Delay.

3.3 First Notice as Early Notification of Delay

- 3.3.1** In case of a **potential** delay to the completion of the Works or a Section beyond the Completion Date becoming apparent, whether or not the potential delay is a listed event qualifying for EOT, the Contractor shall submit the First Notice of Delay to serve as an early notification of delay, which shall: (see Appendix C)

- (i) state likelihood estimated length of delay and delay beyond the Completion Date of the Works, or the Completion Date of the Section for phased completion, substantiated with a critical path analysis;
- (ii) set out material circumstances including the cause of delay; and
- (iii) identify and state whether the delay is a “listed event” under the 22 discrete causes in SFBC clause 25.1(3) that may give Contractor’s entitlement to an extension of time.

3.3.2 For the purpose of the Delay Review Meetings, the Contractor shall submit the notice together with the revised programme based on the latest approved “Master Programme” under SFBC clause 3.

3.4 Second Notice

3.4.1 Within 28 days of submitting the relevant First Notice, the Contractor shall provide the Second Notice giving: (see Appendix C)

- (i) a substantiation of which of the listed events is causing the delay;
- (ii) particulars of the cause, effect and length of the delay in sufficient detail for the Architect, substantiated with a critical path analysis.

3.4.2 Where the delay envisaged by the Contractor’s First Notice of Delay commences later than 28 days after the Contractor has given the First Notice, the Contractor shall give a statement to this effect and submit the Second Notice of Delay within 28 days of the commencement of the delay.

3.4.3 Where the listed event has a continuing effect, the Contractor shall:

- (i) give a substantiation of which of the listed events is causing the delay;
- (ii) provide interim particulars including details of the cause and effect and estimate of the length of delay beyond the Completion Date of the Works or Section;
- (iii) make further submissions at intervals not exceeding 28 days giving further interim particulars and estimates of the length of the delay until the delay ceases;
- (iv) within 14 days after the delay ceasing, submit final particulars of the cause, effect and length of the delay of Completion Date of the Works or a Section in sufficient detail.

3.4.4 It is advised that the substantiation and the particulars are provided prior to the next Delay Meeting.

3.5 Delay Review Meeting

3.5.1 The Architect shall kick-off the 1st Delay Review Meeting within 7 days of receipt of a notice of delay and request the Contractor to attend the meeting.

- 3.5.2** Recurring Delay Review Meetings are held on a regular basis until all notices of delay are closed.
- 3.5.3** The Architect may instruct other parties to attend the Delay Review Meetings.
- 3.5.4** The Contractor shall regularly update Delay Register (see Appendix B) and make the most updated Delay Register available to the Architect prior to each Delay Review Meeting for discussion.
- 3.5.5** During the Delay Review Meeting, all parties shall cooperate to, including but not limited to the following:
- propose feasible impact avoidance or reduction
 - seek solutions
 - discuss and agree on action owners and plan
 - decide delay closures
 - follow-up with action owners and action plan

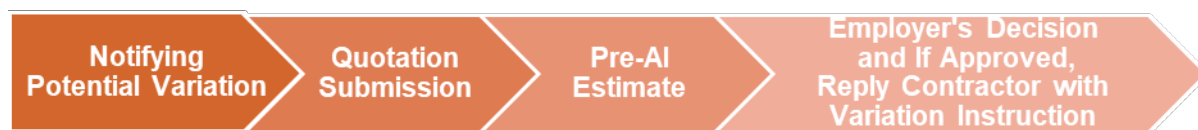
3.6 Architect's Decision

- 3.6.1** The Architect shall give his decision whether to grant or refuse to grant EOT and the reasons for his decision within 60 days after the receipt of the particulars submitted with the Second Notice as per SFBC clause 25.3.
- 3.6.2** If the Contractor fails to submit the notices within the time frame, but the First Notice is nevertheless submitted and the Architect is satisfied that the delay stated in the First Notice is a listed event, the Architect gives an extension of time based on the information available to him or provide an advice on the what of kind information needed to be provided or supplement for the revised submission.
- 3.6.3** The Architect may revise its decision if the Contractor provides further and better particulars within 28 days of the Architect's notification of not granting EOT.

3.7 Template Guidance Note

- 3.7.1** Appendix B - Delay Register and Appendix C – 1st Notice of Delay and 2nd Notice / Further Particulars / Final Particulars of Delay support the good practice of timely notification, documenting, tracking and submitting substantiation and particulars of the matter that may potentially have time implications to the project.
- 3.7.2** **Appendix B - Delay Register** allows the Contractor to keep track and record of all matters that may pose a potential form of delay to the project. The Contractor shall keep it up to date.
- 3.7.3** **Appendix C - 1st Notice of Delay and 2nd Notice / Further Particulars / Final Particulars of Delay** provides a guideline for the Contractor in preparation of what essential elements are required within their submission of 1st Notice of Delay and 2nd Notice / Further Particulars / Final Particulars of Delay to the Architect. As these notices will become binding documents upon granting EOT, use of a formal letter is recommended for the submission.

4. Variation Management



4.1 General

It is good management for the Architect to notify the Contractor early in case of any potential changes and carry out a Pre-AI Estimate before the formal AI issuance. When a potential variation occurs, the Architect may request the Contractor to submit a quotation. The purpose of Pre-AI Estimate is to enable the Employer to understand the preliminary cost implications of potential variations, enabling him to make an earlier decision on whether to proceed with a potential variation and facilitating timelier issuance of formal AI and better budget control.

Timely issuance of the Architect's Instruction (AI) allows the Contractor to promptly communicate the change to its subcontractors, enabling the Contractor to obtain necessary information from its subcontractors to prepare the VO submissions at an earlier stage, thereby enabling earlier agreement on VO assessment and eventually less VOs pending assessment during the final account stage.

4.2 Amendment to Standard Conditions of Contract

The following recommended good practices, if intended to be formalised as contractual procedures/requirements, appropriate Special Conditions of Contract are required to supplement the Standard Conditions of Contract. The Employer are advised to consult the QS in this regard.

4.3 Notifying Potential Variation

- 4.3.1 Before formally issuing the Architect's Instruction, the Architect may notify the Contractor of the potential variation. If the potential variation would incur abortive works, the Architect may instruct the Contractor to put on hold those works which may be affected.

4.4 Quotation

- 4.4.1 The Architect shall provide sufficient information for the Contractor to prepare quotations.
- 4.4.2 The Contractor can be requested to submit quotations within 14 days of being instructed by the Architect or a period as agreed between the contract parties depending on the scale, complexity and urgency of the potential variation. The quotations shall be copied to the QS. The Quotation shall comprise the proposed changes to prices and any delay to the completion date and key dates assessed by the Contractor.
- 4.4.3 If the effects of a potential variation have some uncertainty, the Architect notifies the assumptions about the potential variation to the Contractor. Any subsequent updates of the assumptions shall be notified to the Contractor timely for him to revise the quotation.

4.5 Pre-AI Estimate

- 4.5.1** The QS shall carry out a review and prepare a Pre-AI Estimate based on the Contractor's quotation.
- 4.5.2** The QS and Architect should review the Pre-AI Estimate for the Employer's decision.
- 4.5.3** The Architect should seek to obtain the Employer's decision on whether the potential variation will be proceeded and reply to the Contractor expressly within 14 days of the receipt of the quotation or a period as agreed between the contract parties depending on the scale, complexity and urgency of the potential variation. A formal variation instruction shall be issued together with the reply if the potential variation is intended to be proceeded.
- 4.5.4** The Architect may instruct the Contractor to provide a revised quotation if the submitted quotation is not to his satisfaction.
- 4.5.5** The Contractor should provide a revised quotation based on the most updated assumptions, if any, within 14 days or a period as agreed between the contract parties depending on the scale, complexity and urgency of the potential variation.
- 4.5.6** The Contractor shall be clearly notified that the Pre-AI Estimate / quotation is for information only and the variation shall be assessed based on relevant contract provisions.
- 4.5.7** All issued variation instructions with the approval by the Employer shall be properly logged and its subsequent status (e.g. corresponding VO submission, agreed assessment, etc.) shall be reviewed and updated. (See 5.3)

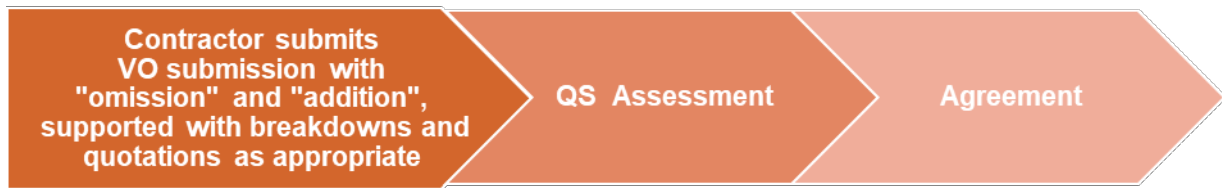
4.6 Budget for Payment

- 4.6.1** After the approval of the Pre-AI estimate by the Employer and the project team, the Employer shall inform the internal finance team to prepare the approved amount for payment.

4.7 Template Guidance Note

- 4.7.1** **Appendix D – Pre-AI Estimate Approval Form** facilitates documentation of the approval record between the Employer and the project team.

5. Valuation of Variation



5.1 General

It is not uncommon in construction projects to have additional work as the contracts go along. The agreement of the VO assessment is usually a time-consuming process. This section outlines some recommended good practices when preparing and assessing VO submissions and managing VO status.

5.2 Submission of the Variation Order

- 5.2.1** For VO submissions, the scope of changes shall be identified from the contents of the Instruction.
- 5.2.2** The updated Drawing Register shall be checked to identify the last revision to the respective drawings that are the subject of the variation
- 5.2.3** Changes between the drawings shall be identified and the identified changes shall be highlighted on the new drawings;
- 5.2.4** Measurement shall begin from the omissions from the “old” drawings and then the additions from the revised drawings;
- 5.2.5** For contracts with schedules of rates, wherein the quantities do not form part of the Contract, it is imperative to ensure that the schedule of rates’ quantities shall not be used as the basis for quantifying omissions.
- 5.2.6** The VO submission shall indicate the “omission” and “addition”. In case there is no contract rates to be referred, it is recommended that the Contractor provide a detailed cost breakdown and separate it into the following elements (see Appendix G):-

5.2.6.1 People

- Usually, only labourer or plant operator or designated work supervisor / foreman directly involved in the VO work shall be considered.

5.2.6.2 Equipment

- Costs for equipment which is used within the Site.
- Equipment may be owned by the Contractor, in such case the cost of purchase cannot be the basis of the VO. Alternatively “internal” costing of the Contractor or the market rental rate of such equipment shall be the basis of the VO.

5.2.6.3 Plant and Materials

- Purchased Plant and materials, their delivery and removal to and from the Site. Payments for providing and removing packaging samples and tests. Payments for the disposal of plants and materials unless disallowed. For cost of plant, see 5.1.6.2.

5.2.5.4 Subcontractors

- Payments to Subcontractors for subcontracted works to be substantiated by Subcontractor's invoice and payment receipts.

5.2.6.5 Charges

- Costs for the Architect's accommodation and transport. Site costs for welfare provisions and access and visit arrangements.
- This also includes components of costs for payments to public authorities in respect of the works, to be substantiated by public authorities' invoice and payment receipts.

5.2.6.6 Manufacture and Fabrication

- Costs associated with manufacturing and fabrication of plant and materials by the Contractor specifically designed for the works and manufactured or fabricated outside the Site, to be substantiated by plant manufacturer's invoice and payment receipts.

5.3 Assessment

- 5.3.1** It should be checked if contract rates shall apply, if so, the BQ or SOR reference shall be inserted against the measured item. If not, it should be checked if the appropriate contract rate can be used as the basis for forming a pro-rata rate.
- 5.3.2** When contract rates or pro-rata rates are not applicable, a fair valuation should be made for the variation works using "star" rates. A star should be marked on the BQ or SOR item reference for easy identification.
- 5.3.3** For star rates, the assessment shall be based on 3 quotations.
- 5.3.4** Apart from submission of the quotations, unit rate can be built up based on the cost material, plant and equipment, labour plus the agreed percentage of profit and overhead, as appropriate.
- 5.3.5** Where there are works which cannot be measured according to the SMM, assessment on a daywork basis may be made provided that the prerequisite conditions by which the work is to be valued on a daywork basis under the concerned contract are satisfied.

- 5.3.6** Attention shall be paid to the item coverage in Preambles or in the SMM in order not to over-value changes. Where quotations are provided, the applicability, reasonableness and reliability of the submitted information in the quotations shall be verified and not simply accepted.
- 5.3.7** The assessment shall be preferably completed within the following timeframe: When the value of the variation is below HKD 1 Million, within 14 days of receipt of VO submission; when the value of the variation is above HKD 1 Million, within 28 days of VO submission. (Note: This recommended time frame, if intended to be formalised as contractual procedures/requirements, appropriate Special Conditions of Contract are required to supplement the Standard Conditions of Contract. The Employer is advised to consult the QS in this regard.)

5.4 Payment

- 5.4.1** Once the assessment was agreed, the payment of the variation shall be reflected in the coming interim payment according to the Contractor's work done or the payment valuation method specified in the contract.

5.5 Template Guidance Note

- 5.5.1** Appendix E - Site Record Form, Appendix F - Variation log, and Appendix G - Valuation of Variation Submission/Assessment support the good practice of internal record keeping such as photo records, text descriptions, dates of events, and associated implications records of any variations such as those described in section 4.1. Appendix G helps to categorize the items accordingly to show the omission and addition of items per element to arrive at a total variation cost for the QS's assessment.
- 5.5.2** **Appendix E - The Site Record Form** helps to keep a record of instructed variations on site. The Contractor can utilize this form to document the description of the variation, the requestor, whether this has been formally instructed, the date of the instruction and associated implications such as cost or time if applicable. Further associated documents, such as Change Order documents, can be stated per line item where relevant.
- 5.5.3** **Appendix F - The Variation Log** allows the Contractor to keep a record of all variations for the project. The template is formed to record associated variation information such as the impacted contract package, the variation instruction key details, and its status of the agreement and facilitates formulas to show the:
- Valued Variation Amount
 - Agreed Variation Amount
 - Interim Payment Amount
- 5.4.4** **Appendix G - Valuation of Variation Submission/Assessment** helps to keep a record of the variation breakdown, providing quantities, units and rates that are advised to be categorized by the components of People, Equipment, Plant and Materials, Subcontractors, Charges and Manufacture and Fabrication.

6. Claim and Dispute Management

6.1 General

6.1.1 In general, the project team shall actively resolve the disputes.

6.1.2 A trustful collaborative manner is suggested in solving disputes.

6.2 Direct Loss and Expense

6.2.1 There are two basic claims situations – “prolongation” and “disruption”.

Where a delay event does not fall on the critical path, it should not be eligible for an extension of time award.

Direct loss and expenses associated with such disruption are allowable under most contract types. However, it is usually difficult for a Contractor to prove the said costs, and the QS should treat them with caution.

Prolongation claims are generally thought of as the costs associated with an extension of time granted by the Architect or contract administrator.

6.2.2 As a general rule, the Employer will only be liable for loss and expense incurred by the Contractor which is caused by acts for which the Employer is responsible.

6.2.3 Also, the recoverable costs incurred must be “direct”.

6.2.4 The claims for loss and expense normally fall under the following “Heads of Claim”:-

- (i) Additional expenses that can be easily identified and substantiated
- (ii) Increased Preliminaries due to prolongation of the Contract period
- (iii) Disruption claims
- (iv) Non-recoverable fluctuations
- (v) Head office overheads and profit
- (vi) Finance charges

6.2.5 All additional expenses should be checked separately to ensure that they do not over-lap expenses claimed under other headings. An addition in the range of 15% of the net cost as overheads and profit is widely adopted as the market norm for sake of convenience. That assumption should however be adequately substantiated.

6.2.6 Increased Preliminaries should be the actual increase and may or may not relate to the priced Preliminaries in the BQ, which may have been priced high or low due to pricing tactics. The stage of the works when the delay occurred should also be considered.

6.2.7 “Disruption” normally relates to a delay to the regular progress of the works or any part thereof, claims for which could include:-

- (i) Loss of productivity at work;

- (ii) Standing time or idling of labour/plant resources;
- (iii) Overtime working (labour/plant);
- (iv) Abortive works or materials.

The above list is not exhaustive, and there may be other events that fall under the heading of disruption claims. The costs should also be checked to ensure that they do not over-lap the assessment of variations based on star rates with consideration of the items (i) to (iv) above.

6.2.8 The Contractor should provide substantiation to prove its entitlement, and the method of assessment should be to compare undisrupted productivity against disrupted activity of a similar nature. Any assessment of disruption should be verified with the Architect/Engineer on the impact on progress.

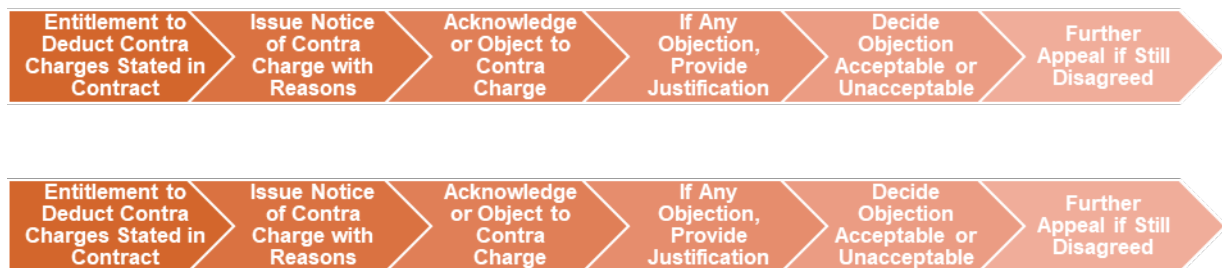
6.2.9 Non-recoverable Inflation is the inflation resulting from admissible causes of loss/expense and related to items for which the Contractor did not manage to secure a fixed price, should be allowed if such falls outside the scope of the Contract Fluctuations Clause, where applicable.

6.2.10 Head-office overheads and Profit are not usually sufficiently "direct" to be acceptable without specific proof and agreement. No extra is payable if it is an indirect cost.

6.2.11 Finance Charges must be handled very carefully. The following should be considered when dealing with such claims:

- (i) Interest rates should be calculated at actual and realistic rates.
- (ii) Interest on alleged under-certification would only be allowed if the under-certification is a result of gross error or negligence.
- (iii) Finance charges to finance the project in terms of larger contract values (due to loss/expense) and contract prolongation might be allowable if the Contractor eventually succeeds in their claim for loss/expense or contract prolongation and such interest is not already covered elsewhere.
- (iv) The claimed interest shall be subject to proof of the actual costs incurred.

6.3 Contra Charge Mechanism



6.3.1 Amendment to Standard Conditions of Contract

SFBC clause 32.1(6) stipulates the notification mechanism for deductions from interim payments as authorised by the contract. For other forms of contract, if it is intended to formalise the following recommended good practices as contractual procedures/requirements, appropriate Special Conditions of Contract are required to supplement the Standard Conditions of Contract. The Employer are advised to consult the QS in this regard.

6.3.2 Procedure

6.3.2.1 Entitlement to deduct contra charges shall be clearly stated in the contract, e.g. in the form of an agreed list of pre-defined items with agreed contra charge rates.

6.3.2.2 Give timely notice within 7 days of becoming aware of any situation entitling deduction of contra charges (see Appendix D)

6.3.2.3 The notice is to include substantiation including proper documentation, photo records (if applicable), location, work description of the event, breakdown amount of the contra charge.

6.3.2.4 The notice of contra charge shall be acknowledged or objected to within 7 days of its issue.

6.3.2.5 In case of any objection, justifications shall be provided within 14 days of such a notice. A decision as to whether the objection is valid shall be made within 7 days of receipt of such a notice.

6.3.2.6 After the objection procedures, if there is still disagreement, further dispute resolution proceedings are suggested (see 6.4).

6.3.2.7 A full record of all contra charges shall be kept.

6.4 Dispute Resolution

6.4.1 Reference can be made to the relevant contents in Guidelines on Dispute Resolution published by the CIC in September 2010 which contain some good practices in resolving disputes.

6.4.2 Additionally, if the project is covered by the Cap, 652 Construction Industry Security of Payment Ordinance, the adjudication mechanism under the Ordinance may offer a quick, less costly and binding interim resolution on payment disputes that meets the specific conditions under the Ordinance.

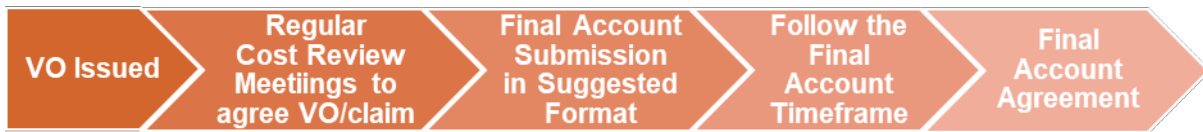
6.4.3 When deciding an appropriate approach to resolve disputes, independent professional advice shall be sought.

6.5 Template Guidance Note

6.5.1 Appendix H - Notification of Contra Charge is to be issued where appropriate when a Contra Charge claim is made. To issue the Notification of Contra Charge, a detailed description of the breach of the pre-defined agreed list of Contra Charge items shall be provided and supported with substantiations, including photographs, records, etc. of the event. The Contra

Charge amount shall be in line with the agreed contra charge rates in the agreed list of pre-defined items.

7. Final Account



7.1 General

7.1.1 While the contract typically specifies a timeframe, usually no later than six months after Substantial Completion, for the Contractor to submit documents necessary for the adjustment of the Contract Sum and no later than 12 months after Substantial Completion for the QS to prepare the Final Account, as benchmarks to facilitate timely Final Account settlement, it is preferable that adjustments to the Contract Sum be agreed upon as early as possible and not accumulated until Substantial Completion, provided that the documents are sufficient to reach an early agreement by both parties.

7.1.2 The QS shall complete the assessment within the period for completion of the Final Account specified in the contract. The contract shall stipulate that the submission of documents for the adjustment of Contract Sum shall not be a condition precedent to the QS preparing the Final Account. The purpose is to prevent the final account settlement process from becoming stagnant, allowing the Employer's QS to continue the progress to prepare the Final Account. However, this provision should be exercised only as a last resort and must not be misused.

7.2 Amendment to Standard Conditions of Contract

The following recommended good practices, if intended to be formalised as contractual procedures/requirements, appropriate Special Conditions of Contract are required to supplement the Standard Conditions of Contract. The Employer are advised to consult the QS in this regard.

7.3 Cost Review Meetings

7.3.1 To expedite the settlement of the Final Account, the QS shall arrange regular cost review meetings with the Contractor, preferably at a monthly interval. These meetings aim to progressively review and, where possible, settle the valuation/assessment of instructed variations and other claims by the Contractor earlier so that fewer VO/claim assessments would be accumulated until the final account stage.

7.3.2 The purpose of cost review meetings is to:

- (i) Exchange assessments and have discussions on the variances between each side's figures.
- (ii) Resolve ambiguities pertinent to the valuation/assessment of instructed variations and other claims by the Contractor.

7.3.3 The QS shall:-

- (i) At the commencement of the contract, take the initiative to set up a schedule with the Contractor on the frequency of cost review meetings.

Where necessary, invite relevant consultants to provide clarifications or additional information to resolve ambiguities or disagreements.

- (ii) Both the QS and the Contractor's QS shall discuss the best approach in terms of time and resources required for valuating/assessing the financial effect of variations and other claims by the Contractor.
- (iii) Ensure that the cost review meetings are productive by preparing and issuing an agenda, which shall list out and identify all issues (instructed variations/claims, etc.) to be discussed and/or settled in the cost review meeting, 7 days before the cost review meeting.

7.4 Final Account Format

7.4.1 The Final Account shall list out all items that have an effect on the original contract sum.

7.4.2 The common headings to be included in the Final Account will include:- (see Appendix I)

- (i) Architect's Instruction
- (ii) Adjustment of Provisional Quantities
- (iii) Adjustment of Prime Cost Sums
- (iv) Adjustment of Provisional Sums
- (v) Adjustment of Prime Cost Rates (if stipulated in the Contract)
- (vi) Adjustment of Fluctuation
- (vii) Contractual Claims
- (viii) Others

7.5 Template Guidance Note

7.5.1 Appendix I - Final Account Submission / Assessment facilitates documentation of the Final Account closure through a clear summary, breakdown, and signed-off contract sums and variations.

7.5.2 Appendix I - Final Account Submission / Assessment must be filled in and issued by the Main Contractor to document the Final Account Agreement. The Contractor shall submit the Final Account application utilising the different Schedules and list all adjustments to the Awarded Contract Sum.

- (i) Schedule A Cost of Variation Order
- (ii) Schedule B Adjustment of Provisional Quantities
- (iii) Schedule C Adjustment of Prime Cost Sums
- (iv) Schedule D Adjustment of Provision Sums
- (v) Schedule E Adjustment of Prime Cost Rates (if stipulated in the Contract)
- (vi) Schedule F Adjustment of Fluctuation
- (vii) Schedule G Contractual Claims
- (viii) Schedule H Other Adjustments

Upon satisfaction of the QS's assessment, each party shall sign the agreed Final account in the following sequence, the QS, the Contractor, the Architect, and finally, the Employer. The signed Final Account shall be issued to each

party. Upon receipt of the signed final account, the Contractor shall submit their final payment application.

Sequence of signing Final Account:

- (i) the QS
- (ii) the Contractor
- (iii) the Architect
- (iv) the Employer

8. Facilitating Contractual Provisions to Improve Cashflow

8.1 Payment Frequency

- 8.1.1** According to the SFBC, there is flexibility for the Employer/ Architect/ QS to insert a period which they may consider appropriate to the circumstances of a project in the Appendix to the SFBC. Depending on the specific circumstances of a project, the Employer, in consultation with the Architect/ QS, may specify a shorter period for Period of Interim Certificates and Period for payment of certificates to enhance project cashflow. The QS shall critically evaluate the pros and cons of more frequent interim payments as this would require additional resources in handling payments by both the consultant and the contractor.
- 8.1.2** For other forms of contract not adopting a similar mechanism in defining the payment period, appropriate Special Conditions of Contract are required to amend the payment period. The Employer are advised to consult the QS in this regard.

8.2 Payment for Off-site Materials

- 8.2.1** SFBC clause 32.3 provides for the inclusion of payment for off-site materials or goods at the Architect's discretion or where expressly provided in the Contract. The Architect shall consider addressing project cash flow concerns in relation to cash tied up in ordered materials. Depending on the specific circumstances of a project, the Employer and Architect are encouraged to take advantage of the flexibility offered by this clause where appropriate.
- 8.2.2** For other forms of contract, if it is intended to allow for such flexibility in the valuation of interim payments, appropriate Special Conditions of Contract are required to supplement the Standard Conditions of Contract. The Employer are advised to consult the QS in this regard.

8.3 Advance Payment

- 8.3.1** Depending on the specific circumstances of a project, heavy front-loaded financial commitment by the Contractor may be required during the early stage of the project. At the same time, payments may only be certified and paid according to the actual work done on site. An advance payment could help to relieve the contractor's cash flow concerns during the early stages of the project, especially if some contracts include the material ordering.
- 8.3.2** It should be noted that, in private sector projects, the Contractor is typically required to place a surety bond. The QS shall advise whether the sum of the surety bond shall be adjusted to consider the introduction of an advance payment.
- 8.3.3** The Employer, in consultation with the QS, shall stipulate the criteria that qualify the advance payment, such as financial commitment to the project. If there are indications that the Contractor is not fulfilling their contractual obligations, the Employer reserves the right to demand immediate repayment of the advance payment in full.

- 8.3.4** The advance payment is a debt from the Contractor to the Employer until repayment by equivalent value of work done as assessed by the QS. The advance payment is repaid by deducting the equivalent value of work done from the subsequent payment(s). In consultation with the QS, the payment payable shall determine the interim payment from which the deduction to repay the advance payment shall commence and the number of instalments (i.e., the number of deductions from the payment) for repayment of the advance payment.
- 8.3.5** If it is intended to introduce an advance payment mechanism in the contract, appropriate Special Conditions of Contract shall be required to supplement the Standard Conditions of Contract. The Employer are advised to consult the QS in this regard.

8.4 Sectional Completion

- 8.4.1** SBFC allows the works to be divided into sections or phases with different sectional completion dates. The sectional substantial completion dates could be regarded as different milestones for partial release of a portion (one-half) of the retention of the relevant section. As the Defect Liability Period (DLP) for a substantially completed section could commence on an earlier date without waiting until substantial completion of the whole of the site, the contractor could receive the remaining portion of the retention period upon completion of the DLP for the section, which would take place on an earlier date. This could help improve the contractor's cash flow as a portion of the retention can be released earlier.
- 8.4.2** Another benefit of allowing for sectional completion includes earlier relief of the Contractor's obligation to effect Contractors' All Risks Insurance for the substantially completed section.
- 8.4.3** The Employer is encouraged to consider dividing the works strategically into sections in consultation with the consultants to meet their business or commercial needs and to improve the Contractor's cash flow.
- 8.4.4** For other forms of contract without provisions in relation to sectional completion, appropriate Special Conditions of Contract are required to supplement the Standard Conditions of Contract. The Employer are advised to consult the QS in this regard.

9. Conclusion

A considerable coverage of these best practice guidelines addresses change management, in particular for changes arising from variations. Recommended good practices with templates that can expedite the chain of procedures from issuance of instructions to VO submission and agreement, and eventually final account agreement, are outlined in these good practice guidelines. Other important aspects, such as subcontractor management and contra charge, are also covered with suggested good practices.

In essence, communication is the key to project success, and honouring the specific timeframe and properly reasoned communication would help the project team to reduce misunderstandings and eventually lead to mutual trust and cooperation with a unified goal to achieve project success.

10. References

Practice	Reference
1. Communication	-
2. Subcontractor Management Register of Subcontractors Limiting Tiers of Subcontracting	Section V in Library of Standard <i>additional conditions of contract to NEC ECC HK Edition</i> , published by DEVB
3. Early Notification of Delay Early Notification of Delay / First Notice and Second Notice of Extension of Time Delay Meeting	NEC ECC HK Edition Clause 15 & HKIA/HKIS SFBC (2005 Edition With Quantities) Clause 25 NEC ECC HK Edition Clause 15
4. Variation Management	“7. Architect’s Instruction Pre-approval (AI Pre-approval)” in Practice Notes for Quantity Surveyors – Cost Control and Financial Statements (September 2021), published by HKIS Alerts on Variation Management (Feb 2023) published by the CIC
5. Valuation of Variation Submission of the Variation Order Cost breakdown Assessment	“2(b) Quantifying the changes” in Practice Notes for Quantity Surveyors – Valuation of Variations (First issue in November 2012, updated in February 2025), published by HKIS Schedule of Cost Components / Short Schedule of Cost Components in NEC ECC HK Edition “2(c) Assessing the rates” in Practice Notes for Quantity Surveyors – Valuation of Variations (First issue in November 2012, updated in February 2025), published by HKIS
6. Claim and Dispute Management Direct Loss and Expense Contra Charge Mechanism	“3. Loss/Expense Claims” in Practice Notes for Quantity Surveyors – Contractual Claims (First issue in Nov 2012), published by HKIS HKIA/HKIS SFBC (2005 Edition With Quantities) Clause 32(6)
7. Final Account Cost Review Meetings Final Account Format	“3. Cost Review Meetings” in Practice Notes for Quantity Surveyors – Valuation of Variations (First issue in November 2012, updated in February 2025), published by HKIS “7. Final Account Format” in Practice Notes for Quantity Surveyors – Final Accounts (First issue in Nov 2012), published by HKIS

Appendices

Sample Registry of Subcontractors

Project Title: [XXX]

Last Update: [DD-MM-YYYY]

No.	(1) Sub-Contract No.	(2) Contract Title	(3) Contact Person with Post Title and Tel. No.	(4) Name of Sub-contractor	(5) Name of Upper Tier Contractor/ Sub-Contractor (i.e. Paying Party)
e.g.	SC-010	Construction of XXX	Mr. XXX (Post Title) Tel: 2345 6789	AAA Company Ltd.	BBB Company Ltd.
e.g.	SC-020	Design, supply and install of XXX	Mr. YYY (Post Title) Tel: 3456 7890	CCC Company Ltd.	DDD Company Ltd.
1					
2					
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Sample Delay Register

NOD Ref.	1st Notice Submission Date	Description	Length of Delay (Days)	Applied EOT Clause	2nd Notice Submission Date (EOT Application Date)	L&E Claim Ref.	L&E Claims (HK\$)	Reply Date	EOT Granted Days	Reply/ Comment from the Architect
NOD-001	xxx	xxx	xxxx	xxx	xxx	xxx	xxx	xxx	x	xxx
NOD-002										
NOD-003										
NOD-004										
NOD-005										
NOD-006										
NOD-007										
NOD-008										
NOD-009										
NOD-010										

Explanatory Notes

NOD Ref No.	Delay reference number for easy reference.
--------------------	--

1st Notice Submission Date	The date on which the Contractor submitted the 1st notice of delay.
Description	Brief description of the delay.
Length of Delay (Days)	The length of delay applied for.
Applied EOT Clause	The contract clause number which the Contractor quoted for EOT.
2nd Notice Submission Date (EOT Application Date)	The date on which the Contractor should submit the 2 nd notice of delay.
L&E Claim Ref.	The associated L&E claim (if any) for easy reference.
L&E Claims (HK\$)	The amount of L&E claim (if any).
Reply Date	The date on which the Architect replied the NOD
EOT Granted Days	The dates of EOT granted.
Reply/ Comment from the Architect	Comment from the Architect or project team.

Sample 1st Notice of Delay

[Company Logo]

Ref.: [e.g. NOD-MC01-1N] [i.e. Notice of Delay-Main Contract 01-1st Notice]

Date.: [DD-MM-YYYY]

CONFIDENTIAL

To: [Architect Name]
[Address]

[Contract No.]

[Project Name]

First Notice of Delay due to [Brief description of the delay]

Dear Sir,

As required by Clause [X] of the [Contract] [i.e. clauses relevant to delay and EOT], we hereby give our first notice that the [Description of the works for the delay] is likely to cause a delay to the progress of the works.

The following context of the letter shall cover the following:

Likelihood estimated length of delay and delay beyond the completion date

Material circumstances including the cause of delay

Whether the delay is a "listed event" that may give Contractor's entitlement to an EOT

Should you have any further enquiry, please feel free to contact the undersigned or our commercial team.

Thank you for your attention.

Yours faithfully,

For and on behalf of
[Main Contractor Name]

Signed _____

Signature
[Title of Contractor's representative]

Encl. [Revised Programme] (See Note below)

Note:

It is very important for the Contractor to maintain an updated programme including the EOT for the Architect to review. The Contractor must attach the revised programme as a supporting document for both the 1st and 2nd notice of delay.

Sample 2nd Notice / Further Particulars / Final Particulars of Delay

[Company Logo]

Ref.: [e.g. NOD-MC01-2N] [i.e. Notice of Delay-Main Contract 01-2nd Notice]

Date.: [DD-MM-YYYY]

CONFIDENTIAL

To: [Architect Name]
[Address]

[Contract No.]

[Project Name]

[Second Notice / Further Particulars / Final Particulars] of Delay due to [First / previous notice Reference number] [Brief description of the delay]

Dear Sir,

Further to our [first / previous] notice [First / previous notice reference number], we hereby give our [second notice / further particulars of delay / final particulars of delay] according to Clause [X] of the [Contract]. [We are seeking your confirmation for [additional days required] due to the [description of the delay].]

The following context of the letter shall cover the following:

Substantiation of listed event causing the delay to be qualified for EOT

(Interim / Final) particulars of delay, including the cause, including (interim / final) effect and (estimated / finalised) length of the delay in sufficient details

Any continuing effect of the delay

[We look forward to your reply for the final decision for the Extension of time.]

Should you have any further enquiry, please feel free to contact the undersigned or our commercial team.

Thank you for your attention.

Yours faithfully,

For and on behalf of
[Main Contractor Name]

Signed

Signature
[Title of Contractor's representative]

Encl. [Revised Programme] (See Note below)

Note:

It is very important for the Contractor to maintain an updated programme including the EOT for the Architect to review. The Contractor must attach the revised programme as a supporting document for both the 1st and 2nd notice of delay.

Note: This Template is abstracted from Alerts on Variation Management (Feb 2023) published by the CIC.

Pre-AI Estimate Approval Form

Project No. : _____ Project Name : _____

Contract : _____ Contract No. : _____

Contractor : _____

Contract Variation Order No. : _____

Reason of Variation [To be filled in by Architect] : _____

Brief Description of the Variation Order : _____

Document Reference

CVI No. : _____ (Ref No.) Initiated by : _____ (Name) of _____ (Company) on _____ (Date)

RFI No. : _____ (Ref No.) Initiated by : _____ (Name) of _____ (Company) on _____ (Date)

Item	Description of Variation Order	Addition Amount (HK\$)	Omission Amount (HK\$)
Net Estimated (Omission/Addition)* Amount for this Order :		HK\$	
Estimated Time Implication (+/-) :			

* (Delete as appropriate)

Initiated by _____
CONSULTANT / PROFESSIONAL _____ DATE _____

Initiated by _____
QUANTITY SURVEYOR _____ DATE _____

Reviewed by _____
PROJECT MANAGER (IF ANY) _____ DATE _____

Approved by _____
EMPLOYER # _____ DATE _____

Net estimated amount > HK\$ _____ Million to be approved by _____

Net estimated amount > HK\$ _____ Million to be approved by _____

Project No. : _____ Project Name : _____

Contract : _____ Contract No. : _____

Contractor : _____

Contract Variation Order No. : _____

Reason of Variation *[To be filled in by Architect]* : _____

Brief Description of the Variation Order : _____

Document Reference

CVI No. : _____ *(Ref No.)* Initiated by : _____ *(Name)* of _____ *(Company)* on _____ *(Date)*

RFI No. : _____ *(Ref No.)* Initiated by : _____ *(Name)* of _____ *(Company)* on _____ *(Date)*

Item	Description of Variation Order	Addition Amount (HK\$)	Omission Amount (HK\$)
Net Estimated (Omission/Addition)* Amount for this Order :		HK\$	
Estimated Time Implication (+/-) :			

* *(Delete as appropriate)*

Project No. : _____ Project Name : _____

Contract : _____ Contract No. : _____

Contractor : _____

Contract Variation Order No. : _____

Reason of Variation *[To be filled in by Architect]* : _____

Brief Description of the Variation Order : _____

Document Reference

CVI No. : _____ *(Ref No.)* Initiated by : _____ *(Name)* of _____ *(Company)* on _____ *(Date)*

RFI No. : _____ *(Ref No.)* Initiated by : _____ *(Name)* of _____ *(Company)* on _____ *(Date)*

Item	Description of Variation Order	Addition Amount (HK\$)	Omission Amount (HK\$)
Net Estimated (Omission/Addition)* Amount for this Order :		HK\$	
Estimated Time Implication (+/-) :			

* *(Delete as appropriate)*

Initiated by _____
CONSULTANT / PROFESSIONAL _____ DATE _____

Initiated by _____
QUANTITY SURVEYOR _____ DATE _____

Reviewed by _____
PROJECT MANAGER (IF ANY) _____ DATE _____

Approved by _____
EMPLOYER # _____ DATE _____

Net estimated amount > HK\$_____ Million to be approved by _____
Net estimated amount > HK\$_____ Million to be approved by _____

Initiated by _____
CONSULTANT / PROFESSIONAL _____ DATE _____

Initiated by _____
QUANTITY SURVEYOR _____ DATE _____

Reviewed by _____
PROJECT MANAGER (IF ANY) _____ DATE _____

Approved by _____
EMPLOYER # _____ DATE _____

Net estimated amount > HK\$_____ Million to be approved by _____
Net estimated amount > HK\$_____ Million to be approved by _____

Sample Site Record Form

Contract No.:

Date:

Project Title:

Revision: #

Item	Location	Design Change / Issue Description	Requested by	Formal Confirmation Status	Received Date	Cost implication (HKD)	Time Implication	AI No.	AI Issue Date	Associated Variation Order Document	Remarks / Endorsed by Architect (Y/N)
Main Contract											
1			Architect	Pending			N/A	AI-001		VO-001	
2											
2											
3											
4											
5											
6											
7											
8											
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24											
25											

Explanatory Notes

Item	Item number for easy reference
Location	The location on site affected by the change being instructed
Design Change/ Issue Description	A description, details, and extent of the change being instructed, making reference to any associated drawings by indicating the drawing number. It is suggested as good practice that the change shall be clouded on the associated drawings for easy reference
Requested by	Indicate the Instruction Owner, e.g. Architect/ Client/ Contractor
Formal Confirmation Status	The status of the instruction being formally issued and confirmed to the Contractor by way of an Architect Instruction Document. Status e.g. Outstanding/ Pending/ Issued
Received Date	Date of the instruction given
Cost Implication (HKD)	Cost implication of instructed change in HKD currency. Where it is a reduced cost, the cost is advised to be indicated in brackets () to show the cost reduction
Time Implication	Time implication of instructed change indicated in days
AI No.	Architect Instruction document reference number to be indicated. It is advised to use code numbers referring to the contract package e.g. relating to the Main Contract package the AI no. is suggested to be AI_MC- ###
AI Issue Date	Issuance Date of the Architect Instruction document
Associated Change Order Document	The Change Order reference number associated with the instructed change, indicates the cost implication and further change details considered by the Contractor
Remarks/Endorsed by Architect (Y/N)	Indicate whether the Change Order has been endorsed by the Architect with Y (Yes) or N (No)

Sample Variation Log

Contract No.:
Project Title:
Financial Record No.:

Date:

Ref.	Contract Package Ref No	Contract Package Description	Notice of Delay Ref.	Notice of Delay Issue Date	Summary Description	Estimated Adjustment Amount (HKD)	Architect Instruction (A.I.) Ref.	A.I. Issue Date	Contractor Submitted Amount (HKD)	Submission Date	Valued Amount Adjustment (HKD)	Agreed Amount Adjustment (HKD)	Difference from Contractor's Submitted Amount and Agreed Amount (HKD)	Interim Payment Amount (HKD)	VO Status
1															
2															
3															
4															
5															
6															
7															
8															
9															
10															
11															
12															
13															
14															
15															
16															
17															
18															
19															
20															
21															
22															
23															
24															
25															

Explanatory Notes

Contract Package Ref No.	Contract no. for easy reference
Contract Package Description	The name of the Contract Package
Notice of Delay Ref.	Refer to the Early Notification of Delay reference no. for easy reference
Notice of Delay Issue Date	Refer to the Early Notification of Delay for the issue date
Summary Description	A brief description of the Variation Order
Estimated Adjustment Amount (HKD)	The subtotal of the omission and addition of the high-level estimate of the Variation Order
Architect Instruction (A.I.) Ref.	The Architect instruction no. for the Variation Order for easy reference
A.I. Issue Date	The date on which the Architect's instruction was issued
Contractor Submitted Amount	The total amount for the Variation Order submitted by the Contractor
Submission Date	The date on which the Contractor submitted the Variation Order
Valued Amount Adjustment (HKD)	The subtotal of the omission and addition of the assessed amount for the variation by the Quantity Surveyor
Agreed Amount Adjustment (HKD)	The subtotal of the agreed amount of the omission and addition for the variation between the Contractor and Quantity Surveyor
Difference from Contractor's submitted Amount and Agreed Amount (HKD)	The difference between the Contractor's submission and the agreed amount for the Variation Order
Interim Payment Amount (HKD)	The adjustment for the total amount payable for the interim payment for the subtotal of the agreed amount for the Variation Order
VO Status	The status of the Variation Order: e.g. Pending for assessment by Quantity Surveyor/ pending agreement by Contractor/ Agreed by both parties but pending payment/ Agreed by both parties and % paid/ On-Hold/ Rejected by Architect

Sample Valuation of Variation Submission/Assessment

Date:
 Project Name:
 AI No.:

QUOTATION:

Variation Assessment						
Item	BQ Ref.		Qty	Unit	Rate	Total
		A. Omission				
		1 People				
		2 Equipment				
		3 Plant and Materials				
		4 Subcontractors				
		5 Charges				
		6 Manufacture and Fabrication				
Omission Subtotal (A):						
		B. Addition				
		1 People				
		2 Equipment				
		3 Plant and Materials				
		4 Subcontractors				
		5 Charges				
		6 Manufacture and Fabrication				
Addition Subtotal (B):						
Total (A+B):						

Explanatory Notes:

Item	Item number for easy reference
BQ Ref.	Reference number of associated or impacted Bill of Quantities items for convenient cross-referencing of variation
A. Omission	Omission items categorized by the six shown components are to be grouped in this upper section of the table
B. Addition	Addition items categorized by the six shown components are to be grouped in this lower section of the table
Qty, Unit, Rate	To support clarity, the variation is to be clearly indicated with regard to the quantity, unit and rate in the dedicated columns
Total	The total of each line item should be indicated in this last column
Omission Subtotal (A)	The subtotal labelled (A) sums up all Omission items stated in the upper section of the table
Addition Subtotal (B)	The subtotal labelled (B) sums up all Addition items stated in the lower section of the table
Total (A+B)	The sum of all Omission and Addition items as the Total variation

Sample Notification of Contra Charge

	<i>[Project Name]</i> Notification Of Contra Charge (NCC)	NCC No. <i>[e.g. NCC-01]</i>
--	---	--

Upon breaching the pre-defined item set out in the particulars X as per Contract, the following amount will be contra charged adjusted in your next interim payment.

Description of Event	Contractor/Subcontractor

Date of Incident:

Time of Incident:

Part I - to be completed by the Main Contractor**Details of Notification:****Changes to the Prices**

\$	See breakdown in the attached sheet
----	-------------------------------------

Attachments and Evidence (List related docs)

*Photos and correspondence to substantiate event are required

For the *[Employer / MC]*

Name

Signature

Date

Part II - to be completed by the Subcontractor**Subcontractor determination of the notification (tick as appropriate)**

☐ Acceptance of the Contra Charge

☐ Appeal of Contra Charge

Supporting Reasons:

*Photos and correspondence to substantiate event are required

For the *[Contractor / Subcontractor]*

Name

Signature

Date

[illegible]

Explanatory Notes:

Project Name	The Name of the Project, including the location of the site
NCC No	Item no for easy reference
Description of Event	Description of the incident that is believed to be in breach of the pre-defined items agreed
Contractor/Subcontractor	The name of company being charged against the NCC
Date of Incident	The Date of the incident happened
Time of Incident	The time of the incident happened
Attachments and Evidence from Contractor	Attachments and evidence, including multiple photos of the incident, correspondence and a brief description of how the incident has been identified, as well as justifications to deduct contra charge, need to be provided
Name	The person in charge who reported the incident
Signature	The signature of the person who reported the incident

Date	The date of the Notification of Contra Charge was prepared
Acceptance of Contra Charge (Y/N)	Reply to whether the Notification of the Contra Charge charged against is accepted/disagreed
Supporting Reasons	If the the Notification of Contra Charge is disagreed, substantiation to support the otherwise should be provided
Name	Representative who replies the Notification of Contra Charge
Signature	Signature of the representative for the reply
Date	Date of the Notification of Contra Charge reply

Name for Standard Charge	The name, ID no., trade of the person in breach of the agreed list of Contra Charge
Items for Standard Charge	The pre-defined item from the agreed list of Contra Charge
Qty for Standard Charge	The quantity/ number of incidents reported in this Notification of Contra Charge
Rate for Standard Charge	The pre-agreed rates from the Contra Charge item
Price for Standard Charge	The subtotal of the Contra Charge item
Total for Standard Charge	The Total of the Contra Charge to be carried forward to the cover page of the Notification of Contra Charge

Sample Final Account Submission/Assessment

Final Account

Project Title: PROJECT NAME

Location: PROJECT LOCATION

[EMPLOYER NAME]

Employer

[ARCHITECT NAME]

Architect

[QUANTITY SURVEYOR NAME]

Quantity Surveyor

[CONTRACTOR NAME]

Contractor

[MONTH YEAR]

Final Account Statement

Project Title: PROJECT NAME
Location: PROJECT LOCATION

<u>FINAL ACCOUNT</u>		
for		
<u>PROJECT NAME</u>		
at		
<u>PROJECT LOCATION</u>		
<u>STATEMENT</u>		
Awarded Contract Sum	HKD	-
Net Addition/ Omission as	HKD	-
Summary		
FINAL CONTRACT SUM:	HKD	-

We hereby agree that the Final Contract Sum **HKD** _____ shall constitute full and final settlement of all claims in connection with this contract.

Signed _____ Date _____
CONTRACTOR - [CONTRACTOR NAME]

We hereby certify that this Statement of Final Account is in accordance with the terms of the Contract.

Signed _____ Date _____
QUANTITY SURVEYOR - [QUANTITY SURVEYOR NAME]

Signed _____ Date _____
ARCHITECT - [ARCHITECT NAME]

Signed _____ Date _____

EMPLOYER - [EMPLOYER NAME]

Final Account Summary

Project Title: PROJECT NAME

Location: PROJECT LOCATION

A. Awarded Contract Sum

WORKS

Sub-Total for Item A:	-
-----------------------	------------------------------------

B.	Adjustment to Contractor's Works	
1.	Costs of Variations Order (Ref. Schedule A for details)	-
2.	Adjustment of Provisional Quantities (Ref. Schedule B for details)	-
3.	Adjustment of Prime Cost Sums (Ref. Schedule C for details)	-
4.	Adjustment of Provisional Sums (Ref. Schedule D for details)	-
5.	Adjustment of Prime Cost Rates (Ref. Schedule E for details)	-
6.	Adjustment of Fluctuations (Ref. Schedule F for details)	-
7.	Contractual Claims (Ref. Schedule G for details)	-
8.	Other Adjustments (Ref. Schedule H for details)	-
	Sub-Total for Item B:	-

C.	Final Contract Sum	Item A + B:	-
----	--------------------	-------------	------------------------------------

Schedule A - Costs of Variations Order

Project Title: PROJECT NAME

Location : PROJECT LOCATION

Architect Instruction No.	Description	Net Omission (HKD)	Net Addition (HKD)
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
Total Omissions / Additions		-	-
			Deduct Omission
Balance brought forward to Final Account Summary			-

Schedule B - Adjustment of Provisional Quantities

Project Title: PROJECT NAME

Location : PROJECT LOCATION

Ref. No.	Description	Net Omission (HKD)	Net Addition (HKD)
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
Total Omissions / Additions		-	-
		Deduct Omission	
Balance brought forward to Final Account Summary			

Schedule C - Adjustment of Prime Cost Sums

Project Title: PROJECT NAME

Location : PROJECT LOCATION

Ref. No.	Description	Net Omission (HKD)	Net Addition (HKD)
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
Total Omissions / Additions		-	-
		Deduct Omission	
Balance brought forward to Final Account Summary			

Schedule D - Adjustment of Provisional Sums

Project Title: PROJECT NAME

Location : PROJECT LOCATION

Ref. No.	Description	Net Omission (HKD)	Net Addition (HKD)
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
Total Omissions / Additions		-	-
		Deduct Omission	
Balance brought forward to Final Account Summary			

Schedule E - Adjustment of Prime Cost Rates

Project Title: PROJECT NAME

Location : PROJECT LOCATION

Ref. No.	Description	Net Omission (HKD)	Net Addition (HKD)
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
Total Omissions / Additions		-	-
		Deduct Omission	
Balance brought forward to Final Account Summary			

Schedule F - Adjustment of Fluctuation

Project Title: PROJECT NAME

Location : PROJECT LOCATION

Ref. No.	Description	Net Omission (HKD)	Net Addition (HKD)
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
Total Omissions / Additions		-	-
		Deduct Omission	-
Balance brought forward to Final Account Summary			

Schedule G - Contractual Claims

Project Title: PROJECT NAME

Location : PROJECT LOCATION

Ref. No.	Description	Net Omission (HKD)	Net Addition (HKD)
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
Total Omissions / Additions		-	-
		Deduct Omission	
Balance brought forward to Final Account Summary			

Schedule H – Other Adjustments

Project Title: PROJECT NAME

Location : PROJECT LOCATION

Ref. No.	Description	Net Omission (HKD)	Net Addition (HKD)
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
Total Omissions / Additions		-	-
		Deduct Omission	
Balance brought forward to Final Account Summary			

Explanatory Notes:**Sign Page:**

Award Contract Sum	To be brought forward from the Summary Page
Net Addition/ Omission as Summary	Delete the one not applicable (Addition/ Omission), To be brought forward from the Summary Page
Signature of Contractor	A representative from the Main Contractor is to sign the Final Account once he agrees and is satisfied with the Final Account and provides the date of signing
Signature of the Quantity Surveyor	The Quantity Surveyor representative signature upon satisfaction of preparation of the Final Account and provides the date of signing
Signature of the Architect	The Architect representative signature upon satisfaction of the Final Account and provide date of signing
Signature of the Employer	The Employer representative signature upon satisfaction of the Final Account and provides the date of signing

Summary Page:

Awarded Contract Sum	Provide the Name of the works package and the total awarded contract sum of each package
Cost of Variation Order	The subtotal brought forward from Schedule A
Adjustment of Provisional Quantities	The subtotal brought forward from Schedule B
Adjustment of Prime Cost Sums	The subtotal brought forward from Schedule C
Adjustment of Provisional Sums	The subtotal brought forward from Schedule D
Adjustment of Prime Cost Rates (if stipulated in the Contract)	The subtotal brought forward from Schedule E
Adjustment of Fluctuations	The subtotal brought forward from Schedule F
Contractual Claims	The subtotal brought forward from Schedule G
Other Adjustments	The subtotal brought forward from Schedule H
Final Contract Sum	The total of the awarded contract sums and all subtotals from

	each schedule
--	---------------

Schedule A-H:

Architect Instruction No.	Associated Architect Instruction No. reference for the Variation Order
Ref. No.	Associated SOR no./ item no. for easy reference to allocate where the adjustment originates
Description	The description of the Variation Order and Main Contractor reference no.
Net Omission (HKD)	The agreed omission amount for each item
Net Addition (HKD)	The agreed additional amount for each item
Balance Brought Forward to Final Account Summary	The subtotal of each schedule to be brought forward to the Final Account Summary for each Schedule

Memorandum of Agreement

of

**Legal Consultancy Service for the Revamp of CIC Standard Form of
Domestic Sub-Contract**

for

the Construction Industry Council

October 2025

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To be Signed by a Contractor

MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT made on the _____ day of _____
2025 BETWEEN THE CONSTRUCTION INDUSTRY COUNCIL of ¹ _____
_____ (hereinafter called “the Employer”)
of the one part and ² _____
_____ of ³ _____

(hereinafter called “the Contractor”) of the other part WHEREAS the Employer requires the Contractor to provide the Services in respect of the Legal Consultancy Service for the Revamp of CIC Standard Form of Domestic Sub-Contract for the Employer (hereinafter called “the Assignment”) and details of which are set out in the Assignment Brief annexed hereto AND WHEREAS the Contractor has agreed to provide such Services in accordance with the Assignment Brief, Conditions of Contract annexed hereto (hereinafter referred to as “the Conditions”), and subject to the payment to him by the Employer of the fees and other payments set out in the Fee Proposal and the Conditions annexed hereto.

NOW THEREFORE IT IS AGREED AS FOLLOWS :-

1. This Agreement shall comprise :-
 - (a) Conditions of Tender and Appendices
 - (b) Form of Tender
 - (c) Assignment Brief
 - (d) Technical Proposal and Fee Proposal
 - (e) General Conditions of Contract
 - (f) Any relevant correspondenceall of which are annexed hereto.
2. The Director for the purposes of this Agreement shall be ⁴ _____

3. In consideration of the payments made at the times and in the manner set forth in the Agreement by the Employer, the Contractor hereby jointly and severally⁵ undertakes to perform and complete the said services subject to and in accordance with the Agreement.

IN WITNESS this Agreement has been executed as a deed on the date first above
written

SIGNED for and on behalf of)
the Employer by ⁶)
)
)

in the presence of
Signature, name and address

(a) SIGNED for and on behalf of)
the Contractor by ⁷)
)
)

in the presence of
Signature, name and address

OR

(b) SIGNED for and on behalf of and as)
lawful attorney for ²)
under power of)
attorney dated)
By)

in the presence of
Signature, name and address

OR

(c) SIGNED on behalf of the Contractor by ⁸)
)
)
)

in the presence of
Signature, name and address

NOTES: (for preparation of but not inclusion in the engrossment of the Memorandum of Agreement)

Case (a) is for use where the Contractor executes the Assignment.

Case (b) is for use where the Contractor executes through an attorney.

Case (c) is for use where the Contractor comprises a partnership or consortium. As regards the attestation clause, each member forming the partnership or consortium just executes.

- 1 Insert the address for service of documents.
- 2 Insert the name of the Contractor.
- 3 Insert the address of the Contractor.
- 4 Insert the post title.
- 5 Delete “jointly and severally” where cases (a) or (b) apply. Initial the deletion by the signatories of the Memorandum of Agreement.
- 6 Insert the name and appointment of the officer.
- 7 Insert the name(s) and capacity of the person(s) (usually the Directors of the Contractor) executing the Agreement for the Contractor. The person’s authority to execute the Agreement for the Contractor is prescribed in the Memorandum of Association of the Contractor.
- 8 Insert the names of the partners.

General Conditions of Contract
for
Legal Consultancy Service for the Revamp of
CIC Standard Form of Domestic Sub-Contract for
the Construction Industry Council

October 2025

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General Conditions of Contract for
Legal Consultancy Service for the Revamp of
CIC Standard Form of Domestic Sub-Contract
for the Construction Industry Council

1 Definitions

In the Contract as hereinafter defined the following words and expressions shall have the meaning hereby assigned to them except when the context otherwise requires:

“Agreement” means and includes the Memorandum of Agreement, General Conditions of Contract, any Special Conditions of Contract, the Assignment Brief and its annexes (if any), the Fee Proposal and such other documents as may be referred to in the Memorandum of Agreement.

“Assignment” means that part of the Project undertaken by the Contractor as detailed in the Assignment Brief and its annexes (if any) or the Purchase Order.

“Assignment Brief” means the document attached to the Memorandum of Agreement which describes the Project and sets out the details of the Assignment or the part of the Purchase Order which describes the Project and sets out the details of the Assignment. All other amendments/variatioins made due to the Project shall also be regarded as part of the works included under the Assignment.

“Contract” means the Agreement or the Purchase Order (as the case may be).

“Contractor” means the person, consultant, firm or company who enters into a Contract with the Employer, including the Contractor’s permitted assignees.

“Deliverables” means all the reports, drawings, documents, software, certificates and other items described in the Assignment Brief or the Purchase Order which are to be produced by the Contractor under this Contract.

“Employer” means the Construction Industry Council.

“Employer’s Representative” means the Project Director or the Project Manager.

“Goods”, “Services” and “Works” means goods, works, services, surveys and investigations and/or other duties and obligations as may be prescribed by the specifications/requirements to be supplied or done by the Contractor under the Contract.

“Government” means the Government of the Hong Kong Special

Administrative Region.

“HKSAR” means the Hong Kong Special Administrative Region.

“Intellectual Property Rights” means trademarks, service marks, patents, design rights, trade names, copyright, domain names, database rights, new inventions, rights in know-how, designs, processes, and other intellectual property rights whether now known or created in future (of whatever nature and wherever arising) and in each case whether registered or unregistered and including applications for the grant of any such rights;

“Project” means the scheme described in the Contract.

“Project Director” means the person as may be appointed from time to time by the Employer and notified in writing to the Contractor to act as the project director for the purposes of the Project.

“Project Manager” means the person as may be appointed from time to time by the Employer and notified in writing to the Contractor to act as the project manager for the purposes of the Project.

“Project Materials” means the goods, services, works and/or deliverables manufactured, created, generated, supplied, performed or done by the Contractor in discharging its duties in relation to the Goods, Services, Works and/or the Deliverables under the Contract, including but not limited to the Goods, Services, Works and Deliverables.

“Purchase Order” means a purchase order issued by the Employer to the Contractor requesting the supply of Goods, Services and/or Works herein including the contents of the quotation and the terms and conditions hereof. The Purchase Order is limited to the terms and conditions:-

- (i) specified herein;
- (ii) specified on the contents of the purchase order so issued to the Contractor; and
- (iii) if applicable, specified in the Employer’s written agreement with the Contractor.

2 Singular and Plural

Words and expressions in the singular include the plural and words and expressions in the plural include the singular where the context so implies.

3 Headings

The index, marginal notes or headings in any documents forming part of the Contract shall not in any way vary, limit or extend the interpretation of the Contract.

4 Laws

- (A) The Contract shall be governed by and construed according to the laws for the time being in force in the HKSAR.
- (B) The Contractor shall comply with all laws of HKSAR. The Contractor shall not employ illegal workers or any person who are forbidden by the laws of HKSAR or not entitled for whatever reasons to undertake any employment in HKSAR for the purpose of performing its obligations under the Contract. The Contractor and those engaged by the Contractor shall hold valid licences when performing the Contractor's obligations under the Contract whenever so required by the law.

5 Interpretation

The Interpretation and General Clauses Ordinance (Cap. 1) shall apply to the Contract. Words importing one gender (whether masculine, feminine or neuter) shall be taken to include any other gender where the context requires.

6 Memorandum of Agreement

Where the Contract is an Agreement, the Contractor when called upon to do so shall enter into and execute a Memorandum of Agreement which shall be prepared at the cost of the Employer in the form annexed with such modifications as may be necessary.

7 Documents Mutually Explanatory

- (A) Save to the extent that any Special Conditions of Contract provides to the contrary, the provisions of the Special Conditions of Contract shall prevail over those of any other document forming part of the Contract.
- (B) Subject to sub-clause (A) of this Clause the several documents forming the Contract are to be taken as mutually explanatory of one another but in the case of ambiguities and discrepancies the same shall be subject to the Employer's interpretation and adjustment.

8 Use of English Language and Metric Units

All the correspondence in connection with the Contract shall be in English. All Deliverables shall be in English and metric units shall be used throughout, unless otherwise stated in the Contract or approved by the Employer or the Employer's Representative in writing.

9 Confidentiality

- (A) Except otherwise explicitly declared by the Employer as non-confidential, all information and documents provided by the Employer to the Contractor or created by the Contractor in the course of or as a result of the Project shall be regarded as confidential information (“**Confidential Information**”). The Contractor shall take all practical measures to protect the Confidential Information from unauthorized access, disclosure, erasure or use for purposes other than this Project.
- (B) Save for the purposes of performing the Contract, the Contractor shall not disclose any and all Confidential Information, the terms and conditions of the Contract or any information, specifications, documents, drawing, plan, software, data or particulars furnished by or on behalf of the Employer or the Employer’s Representative in connection therewith, to any person other than a person employed or engaged by the Contractor in performing the Contract or any approved sub-consultants / sub-contractors or the Contractor’s legal and insurance advisers, except where required by law or regulation, order of the Court, arbitral authority of competent jurisdiction, requested by a professional body of which the Contractor is a member or disclosure of Confidential Information is with prior written consent from the Employer.
- (C) Any disclosure to any person, sub-consultants / sub-contractors or advisers permitted under sub-clause (B) of this Clause shall be in strict confidence and shall extend only so far as may be necessary for the purpose of the Contract and the Contractor shall take all necessary measures to ensure the confidentiality of any such disclosure.
- (D) The Contractor shall ensure that all receiving parties of the Confidential Information are informed of its confidential nature and procure the receiving parties to treat such information in strict confidence. The Contractor shall be responsible for the consequences of any breach of the confidential obligation, whether on the part of the Contractor itself or the receiving parties to whom the Contractor discloses the Confidential Information.
- (E) The Contractor shall not without the prior written consent of the Employer, which consent shall not be unreasonably withheld, to make any public announcement, press release or otherwise publish, either alone or in conjunction with any other person, in any newspaper, magazine, or periodical, any article, photograph or illustration relating to the Contract.

- (F) If the Contractor has provided the Employer or the Employer's Representative with documents and information which the Contractor has declared in writing to be confidential and stamped accordingly whether in relation to his practice or special circumstances or for other good causes, unless the Employer or the Employer's Representative within TWO (2) months of receipt of such information by notice in writing disagrees, such information will be treated as confidential. The Employer and the Employer's Representative shall not permit the disclosure of such confidential information to third parties without the prior written consent of the Contractor.
- (G) All personal data submitted by the Contractor will be used by the Employer for the purpose of this Contract only. By entering into the Contract, the Contractor is regarded to have agreed to and to have obtained from each individual whose personal data is provided by the Contractor to the Employer for the purpose of the Contract, his consent for the disclosure, use and further disclosure by the Employer for the purposes of the Contract and all other purposes arising from or incidental to it. Under the provisions of the Personal Data (Privacy) Ordinance (Cap. 486) ("**PDPO**"), an individual to whom personal data belongs and a person authorized by him in writing has the right to request access to or correction of personal data as provided for in sections 18 and 22 and Principle 6 of Schedule 1 to the PDPO. The right of access includes the right to obtain a copy of the personal data provided. Written enquiries or requests should be addressed to the Project Manager with sufficient details, failing which the Project Manager may be unable to process and consider the incomplete information submitted.
- (H) Should the Project be terminated prematurely due to any reasons or completed satisfactorily as certified by the Employer or the Employer's Representative, the Contractor shall return all related findings, statistics, documents, materials belonging to the Employer and related to the Contractor, and/or destroy any information collected from the Employer or the Employer's Representative including both hard copies and electronic copies within SEVEN (7) working days of the termination or completion.
- (I) The sub-clauses of this Clause shall survive the termination of this Contract (however occasioned) and shall continue in full force and effect notwithstanding such termination.

10 Data Privacy

- (A) If for the purposes of the Contract the Contractor collects personal data on the Employer's behalf or the Employer will entrust personal data with the Contractor, the Contractor shall comply in all aspects with the Personal Data (Privacy) Ordinance (Cap. 486) and any other applicable data protection laws and regulations in relation to the personal data that it collects or processes on behalf of the Employer.
- (B) The Contractor shall procure that its sub-contractors be subject to the same data protection obligations the Contractor owes to the Employer and remain fully liable to the Employer for the fulfillment of the obligations of itself and its sub-contractor(s).
- (C) The Contractor shall have personal data protection policies and procedures in place and implemented and provide adequate training to its relevant staff. The Contractor shall take all reasonable precautions and exercise all due diligence to protect the entrusted personal data from leakage, unauthorized or accidental access, processing, erasure, loss or use.
- (D) Save for those personal data with the purpose for which has not been fulfilled, timely return, destruction or deletion of the personal data shall be strictly abided by the Contractor. The use or disclosure of the personal data for any purpose other than the purpose for which the personal data is entrusted to the Contractor by the Employer under the Contract is strictly prohibited.
- (E) The Contractor shall notify the Employer promptly and without undue delay of any potential data breach involving the entrusted personal data. The Contractor and its applicable sub-contractors shall cooperate with the Employer to investigate and mitigate the relevant impact and prevent any recurrence. The Contractor shall also comply with any requests or directions from the Employer and the related authorities and/or regulators in relation to the personal data.
- (F) The Contractor shall give all reasonable assistance to the Employer for the purpose of audit inspection by the Employer on such records, personal data and other information held by the Contractor in relation to the handling and storage of the entrusted personal data. The Contractor shall also answer queries or supply information reasonably requested by such personnel in pursuance of such audit inspection.

- (G) The sub-clauses of this Clause shall survive the termination of this Contract (however occasioned) and shall continue in full force and effect notwithstanding such termination.

11 Cybersecurity

- (A) The Contractor shall take and procure that its sub-contractors take all reasonable cybersecurity measures to protect any and all information and data (including personal data mentioned in this Clause) relating to the Assignment stored or processed electronically from leakage or divulgence and ensure that no such information and/or data would be accessed or obtained or viewed or otherwise known to any third parties that are not meant to be involved in the Contractor's discharge of its obligations under the Project.
- (B) The Contractor shall be and procure that its sub-contractors be keenly aware of cybersecurity risks such as phishing attacks, Internet of Things attacks, identity theft, ransomware, password attacks, web attacks, malware attacks, etc., ensure that its electronic devices which are used to store, process, transfer such information and/or data are immune from such risks, and shall avoid all such risks.
- (C) If any information and/ or data (including personal data mentioned in this Clause) is leaked or divulged or accessed or obtained or viewed or otherwise known to any third parties that are not meant to be involved in the Contractor's discharge of its obligations under the Project as a result of the Contractor's breach of its duties under sub-clauses (A) and (B) above, the Contractor shall indemnify the Employer from any and all losses and/or damages suffered by the Employer so caused by the Contractor's breach.
- (D) The sub-clauses of this Clause shall survive the termination of this Contract (however occasioned) and shall continue in full force and effect notwithstanding such termination.

12 Information to be supplied by the Employer

The Employer shall keep the Contractor informed of such matters as may appear to him to affect the performance of his duties under the Contract and shall give such assistance, approvals, and decisions in writing as and when they shall reasonably be required for the Contractor's performance of his duties under the Contract.

13 Information to be supplied by the Contractor

The Contractor shall keep the Employer and the Employer's Representative informed of all matters related to the Contract within the knowledge of the Contractor including details of all staff employed by the Contractor and all other people directly or indirectly engaged by the Contractor and shall, when requested to do so, answer all reasonable enquiries received from the Employer and the Employer's Representative, render reports at reasonable intervals when asked to do so and make viable recommendations to the Employer and the Employer's Representative as to the manner in which the Assignment should be proceeded with.

14 Retention of Documents and Audit Inspection

- (A) For a period of TWO (2) years commencing from the completion of the Works or provision of the Services or supply of the Goods under the Contract, the Contractor shall retain and provide space at its own costs to retain all softcopies and hardcopies of all his records, data, accounts and other information in respect of or in relation to its discharge of its obligations under the Contract.
- (B) The Contractor shall give all necessary assistance to Employer for the purpose of audit inspection to inspect such records, data, accounts and other information whatsoever in relation to the Project and shall answer queries and/or supply information reasonably requested by such personnel in pursuance of such audit inspection.

15 Attendance at Meetings

The Contractor shall, if reasonably possible, attend or be represented at all meetings convened by the Employer to which he may be summoned and shall advise and assist the Employer and the Employer's Representative in all matters relating to the Deliverables.

16 Inspection

- (A) The Contractor shall permit the Employer and the Employer's Representative to enter its premises at any reasonable time in order to inspect the Goods, Services and/or Works in the course of manufacture, provision or storage. If, as a result of such inspection, the Employer or the Employer's Representative is not satisfied that the Goods, Services and/or Works will comply with the Contract requirements, it shall notify the Contractor in writing and the Contractor shall, as soon as possible, take all necessary steps to ensure compliance. An inspection or notification by the Employer or the

Employer's Representative (with or without comments or approval) shall not relieve the Contractor of its obligations under the Contract. It remains the Contractor's duty to ensure full compliance with its obligations under the Contract.

- (B) The Contractor shall at all times provide the Employer and the Employer's Representative with reasonable facilities to inspect or view the Goods, Services and/or Works, documents, records and correspondence in the Contractor's possession relevant to the Contract.

17 Approval of Documents

- (A) The Contractor shall, when so requested by the Employer or the Employer's Representative, submit to him for his approval such record, data, account or other documents, matters or things prepared by them as a direct requirement of the Assignment as the Employer's Representative may specify or require.
- (B) No such approval shall affect or relieve the Contractor of its obligations under the Contract.

18 Delegation of Employer's Power

The Contractor shall take instructions and directions and, where appropriate, receive the Employer's decisions and views only through the Employer or the Employer's Representative and, subject to any limitations imposed by the Employer or the Employer's Representative in any letter of authority granted by the Employer or the Employer's Representative, the Employer or the Employer's Representative may delegate his powers to such other person.

Where the Contractor for whatever reason does not manage to reach the Employer's Representative for the purposes set out in the Contract, the Contractor shall liaise with the Employer direct for those purposes. For the avoidance of doubt, the Employer has the power to exercise any right conferred upon the Employer's Representative and may exercise the same as it sees fit.

19 Amendments to the Assignment Brief

- (A) The Employer shall make any changes to the Assignment Brief which he considers necessary or desirable for the successful completion of the Assignment or the Project.
- (B) Any queries on, or suggestions for amendments to the Assignment Brief shall

be referred to the Employer for his clarification or instructions regarding further action.

20 Written Approval

The Contractor shall obtain the written approval of the Employer prior to entering into any commitment to expenditure for which there is provision for reimbursement under the Contract.

21 Consultation

The Contractor shall, as may be necessary for the successful completion of the Assignment, consult all authorities, including public utility companies, those who may be specified by the Employer in connection with the Assignment and bodies or persons affected by the Assignment.

22 Response to Queries

- (A) The Contractor shall promptly respond to queries on the findings and conclusions of this Assignment raised during the period defined in the Assignment Brief by the Employer, the Employer's Representative or by any person who may be appointed or nominated by the Employer or the Employer's Representative for the Project.
- (B) The Contractor shall use his best endeavours to promptly respond to queries on the findings and conclusions of this Assignment raised after the period defined in the Assignment Brief by the Employer or any person who may be appointed or nominated by the Employer.

23 Exclusive Ownership and Intellectual Property Right Indemnities

- (A) The Contractor guarantees that neither the sale nor use of goods nor the performance or provision of the Project Materials will infringe any local or foreign copyright, patent or trade mark or any kind of Intellectual Property Rights.
- (B) The Contractor shall indemnify and keep the Employer, its authorized users, assignees and successors-in-title (hereinafter "**indemnified parties**") indemnified from and against:
 - (i) all and any demands, claims, actions, arbitrations, proceedings, threatened, brought or instituted against the indemnified parties

arising from the Contractor's infringement of any kind of Intellectual Property Rights ("**IP Claims**") in performing its duties under the Contract; and

- (ii) all liabilities and indebtedness (including without limitation liabilities to pay damages or compensation), loss, damage, costs and expenses incurred or suffered by indemnified parties (including all legal and other costs, charges, and expenses) on a full indemnity basis, which indemnified parties may pay or incur in initiating, defending, counter-claiming, settling or compromising any action or proceeding by or against indemnified parties

which arise directly or indirectly from or relate to the Contract. The indemnity herein shall survive termination of this Contract (howsoever occasioned).

- (C) In event of such IP Claims, the Contractor shall do all things and take such action (including procuring any required licenses, consents of authorizations or modifying or replacing any infringing item) without charge to the Employer as shall be necessary to prevent or remedy (without detracting from the overall functions or performance) any infringement, provided that the Employer will use reasonable endeavors to mitigate its loss; the Contractor shall at all times act in such a way as to minimize interruption and disruption to the operation of the Employer.
- (D) The Employer shall become the exclusive owner of all Project Materials, save those Project Materials under licence or those Project Materials in respect of which there is a pre-existing copyright or patent, supplied or produced by, for or on behalf of the Contractor under the Contract. Notwithstanding the above, the Contractor hereby grants the Employer and its affiliates an irrevocable royalty free license to use, copy or modify such pre-existing materials for its internal business purposes.
- (E) The Intellectual Property Rights in the Project Materials shall upon creation be vested in the Employer. In the event that the Contractor requests and the Employer grants written consent such that the Intellectual Property Rights for specific Project Materials are not assigned to the Employer, the Contractor hereby grants to the Employer and its affiliates an irrevocable royalty free license to use, copy or modify the Project Materials with a right

to sublicense those Project Materials to third parties for any purposes intended by the Employer. For the avoidance of doubt, any such license granted shall not be determined if the Contract is suspended or terminated pursuant to Clause 43 or otherwise.

24 Care, Diligence and Indemnity

- (A) The Contractor shall exercise and shall ensure that its sub-contractors exercise all reasonable professional skill, care and diligence in the performance of all and singular of the Services or carrying out the Works and, insofar as his duties are discretionary, shall act fairly between the Employer and any third party.
- (B) The Contractor acknowledges that time and quality are of the essence in the performance of the Contract, and the Contractor shall deliver the Goods to the designated place, provide the Services and/or carry out the Works in strict adherence to the delivery date(s) or schedule(s) or completion date set forth in the Contract or extended pursuant to the terms of the Contract or otherwise agreed by the Contractor and the Employer's Representative. If the Contractor shall fail or refuse to make delivery of the Goods in the Project Materials as aforesaid, the Employer shall have the right to cancel / terminate the Contract and to procure the Goods from any other sources and the Contractor shall be liable for any sum so incurred in excess of the Contract price.
- (C) All Project Materials are subject to inspection and rejection by the Employer notwithstanding any prior payment, which, in itself and without more, does not mean or imply the Employer's acceptance of the Project Materials. The Project Materials would be accepted by the Employer if the Project Materials have been provided / performed in accordance with the terms and conditions of the Contract and to the satisfaction of the Employer.
- (D) The Project Materials must conform in all respects with the Contract requirements. All Goods/Works in the Project Materials must be of sound materials, workmanship (and design, where the Contractor is responsible for this), and shall be equal in all respects to relevant samples or patterns provided by or accepted by the Employer. All Services in the Project Materials shall be performed in a sound manner and shall be free from any defects (major or minor) including (to the extent that the Contractor is responsible for design) defects in design or installation.

- (E) The Project Materials shall be in accordance with any applicable local or international standards. The Project Materials shall at the time of delivery or performance comply with all relevant requirements of any applicable statute, statutory rule or order or other instrument having the force of law.
- (F) The Employer's signature given on any delivery note or other documentation presented for signature in connection with delivery of the Project Materials only suggests the receipt of the Project Materials, and is not evidence of actual quantity, quality or condition of the Project Materials or the Employer's acceptance of the Project Materials.
- (G) Acceptance of all or part of the Project Materials shall not:-
 - (i) waive the Employer's right to cancel or return all or any portion of the Project Materials that do not conform to the Contract requirements;
 - (ii) oblige the Employer to accept future delivery of the Project Materials; or
 - (iii) preclude the Employer from making any claim for damages or breach of warranty; or
 - (iv) prejudice the Employer's right to reject any and all of the Project Materials that do not meet the provisions of sub-clause (D) of this Clause.
- (H) All Project Materials must pass the Employer's acceptance tests. The Employer shall be entitled to reject any and all Project Materials that do not meet the provisions of sub-clause (D) of this Clause. If by the nature of the Project Materials any defects or any failure to conform to sub-clause (D) of this Clause does not or would not become apparent (despite the carrying out of any examination or acceptance tests) until after use, the Employer may reject the same even after a reasonable period of use. No Project Materials returned as defective by the Employer shall be replaced by the Contractor without a prior written notice by the Employer of the rejection.
- (I) Any Project Materials rejected under sub-clause (H) must at the request of the Employer be replaced or re-performed as the case may be by the Contractor at the Contractor's own expense. Alternatively, the Employer may

elect (at the Employer's option) to terminate the Contract pursuant to the terms and conditions of Contract in respect of the rejected Project Materials in question and the whole of the remainder of the Project Materials (if any) covered by the Contract. All rejected Goods of the Project Materials will be removed from the site and returned to the Contractor at the Contractor's expense. If the Contractor fails to remove the rejected Goods from the site, the Employer may continue to store such Goods and the Contractor shall fully reimburse the Employer for all storage costs and delivery costs incurred or to be incurred immediately upon the Employer's demand in writing.

- (J) Without prejudice to the Employer's rights under sub-clause (I) under this Clause, the Employer shall be entitled to return any Goods to the Contractor for a full refund in respect of such returned Goods within THIRTY (30) days of the Employer's demand for return. All rejected Goods of the Project Materials will be returned to the Contractor at the Contractor's expense. If the Contractor fails to so refund within THIRTY (30) days of the Employer's demand for return, the Contractor shall be liable to pay interest on such amount(s) to be refunded at an interest rate of 1% above the rate of prime.
- (K) The Contractor shall, in respect of any work done or information supplied by or on behalf of the Employer, report to the Employer any errors, omissions and shortcomings of whatsoever nature of which the Contractor becomes aware in carrying out the Assignment.
- (L) The Contractor shall advise the Employer, as soon as practicable, of any actual or foreseeable delay in meeting the delivery schedules or date for completion and the reason therefor.
- (M) The Contractor shall indemnify and keep indemnified the Employer against all claims, damages, losses or expenses arising out of or resulting from any negligence in or about the conduct of and performance by the Contractor, his servants or agents or sub-consultants/sub-contractors of all tiers, in carrying out the Assignment.
- (N) The Contractor shall be liable for, and shall indemnify the Employer against, any expense, liability, loss, claim or proceedings whatsoever arising under any statute or at common law in respect of personal injury to or the death of any person whomsoever arising out of or in the course of the Contract, save to the extent that the same may be due to any deliberate default, negligence or willful misconduct of the Employer or of any person for whom the

Employer is responsible.

- (O) The Contractor shall be liable for, and shall indemnify the Employer against, any expense, liability, loss, claim or proceedings in respect of any injury or damage whatsoever to any property real or personal in so far as such injury or damage arises out of or in the course of the Contract, save to the extent that the same may be due to any deliberate default, negligence or willful misconduct of the Employer or of any person for whom the Employer is responsible.
- (P) The Contractor has to keep all the Contractor's property in safe custody or that of his sub-contractors and/or sub-consultants and employees on site. The Contractor shall indemnify the Employer in respect of any loss, damages, injury or death of the Contractor, his sub-contractors/sub-consultants and employees in consequence of the malfunction of, loss of or damage to the said property, save to the extent that the same may be due to any deliberate default, negligence or willful misconduct of the Employer or of any person for whom the Employer is responsible.
- (Q) Unless it is specifically allowed in other part of the Contract, if the Contractor or the Employer shall default on carrying out its obligations under the Contract, the Contractor or the Employer may by notice in writing to request the defaulting party to perform the obligations promptly in order to avoid and minimize any loss and damage that such failure may cause. In addition, the defaulting party shall indemnify any direct loss or damages so caused to the Contractor or the Employer (as the case may be) as a result of the default of this Contract.
- (R) If either the Contractor or the Employer has breached any terms and conditions under this Contract, the defaulting party shall indemnify against all related actual financial losses and expenses necessarily incurred by the Contractor or the Employer (as the case may be) arising from the breach.
- (S) The Employer has the rights to recover any expense, loss or claim from payment payable to the Contractor by notice in writing, the same may be deducted or offset from any sum then due or which at any time thereafter may become due to the Contractor under the Contract or any other contracts the Contractor has entered into with the Employer.
- (T) The Contractor's liability for loss or damages arising from or in relation to

this Project, as a result of breach of contract, tort (including negligence,) or otherwise in relation to the Contractor's performance of its obligations under the Contract, is limited to a liability cap as THREE (3) times of the Contract sum. This sub-clause does not apply when the Court or an arbitral tribunal finds that the Contractor has engaged in willful misconduct or fraudulent behavior or gross negligence or a fundamental breach of the Contract.

- (U) The sub-clauses of this Clause in respect of the Contractor's obligations to indemnify the Employer shall survive the termination of this Contract (however occasioned) and shall continue in full force and effect notwithstanding such termination.
- (V) Subject always to the Employer's right of rejection (in which case all title to and risks in any rejected Goods in the possession of the Employer shall remain with or pass back to the Contractor upon the Employer's request for rejection), all title and risks in the Goods shall pass from the Contractor to the Employer upon delivery and written acceptance of the Goods by the Employer.
- (W) The Contractor shall provide and employ and shall ensure that any of his sub-contractors shall provide and employ in connection with the execution of the Services sufficiently skilled, competent, qualified, experienced personnel as are necessary for the proper and timely execution of the Services.

25 Instruction and Procedure

The Contractor shall comply with all reasonable instructions of the Employer and the Employer's Representative. The Employer and/or the Employer's Representative may issue to the Contractor general instructions on procedure and shall supply such additional information as may be required. The Contractor shall follow such procedures as far as possible and shall obtain prior written approval from the Employer or the Employer's Representative for any intended major departure from such procedures. Nothing in this Clause shall relieve the Contractor's obligations under the Contract.

26 Approval for Variations and Claims

The Contractor shall obtain prior written approval from the Employer or the Employer's Representative for any order of a variation to the Project Materials under the Contract or the commitment of the Employer or the Employer's Representative to expenditure for the Project Materials under the Contract other than in respect of claims, if the value of such order or commitment is estimated to exceed

the sum specified in the Assignment Brief, or if not specified in the Assignment Brief, as advised in writing by the Employer or the Employer's Representative. If the Contractor fails to obtain such prior written approval before carrying out any variation or committing to expenditure for the Project Materials, the Contractor shall be entitled to no additional time or payment for such variation and commitment to expenditure and Employer may require the Contractor to rectify any unapproved variation at the Contractor's own costs.

27 Submission of Variations and Claims

(A) Without prejudice to the requirements of Clause 26 the Contractor shall:

- (i) submit the details of every intended variation to the Project Materials, including the reasons for it and its estimated value, to the Employer or the Employer's Representative for information as soon as possible;
- (ii) as soon as the value of the intended variation to the Project Materials has been determined, submit the details of the valuation to the Employer or the Employer's Representative for approval;
- (iii) report to the Employer or the Employer's Representative all claims for additional payment made by the Contractor and refer to the principles underlying their assessment of each claim, to enable the Employer or the Employer's Representative to be duly informed in approving or not approving the variation; and
- (iv) report to the Employer or the Employer's Representative all actual or foreseeable delays to the progress of the Project Materials and refer his assessment of granting of extension of time for completion, if any, to enable the Employer or the Employer's Representative to be duly informed in approving or not approving the variation.

(B) The foregoing submissions, referrals and reporting to the Employer or the Employer's Representative shall be in writing.

28 Programme to be Submitted and Agreed

(A) The Contractor may propose changes to some or all of the key dates specified in the Assignment Brief for incorporation into the draft programme prepared under sub-clause (B) of this Clause for the Employer or the Employer's Representative to agree. If any of such proposed changes are agreed by the Employer or the Employer's Representative, who may impose

conditions on his agreement, the corresponding key dates shall be changed and the changed dates incorporated into the draft programme.

- (B) The Contractor shall submit a draft programme which shall be in accordance with the requirements of the Assignment Brief and shall incorporate the key dates specified in the Assignment Brief, including any changes agreed under sub-clause (A) of this Clause. The Employer or the Employer's Representative shall either agree the draft programme or instruct the Contractor to submit a revised draft programme which the Contractor shall prepare.
- (C) If the Employer or the Employer's Representative do not agree the revised draft programme submitted under sub-clause (B) of this Clause, he shall issue an instruction under Clause 25 to the Contractor.
- (D) When the Employer or the Employer's Representative has agreed the draft programme or the revised draft programme submitted under sub-clause (B) of this Clause or such other draft programme as may result from sub-clause (C) of this Clause, the agreed draft programme or revised draft programme shall become the Agreed Programme for carrying out the Assignment and shall be amended only with the prior written approval of the Employer or the Employer's Representative.

29 Payment

Subject to the other provisions of this Agreement and to the Contractor duly and promptly delivered the Project Materials to the satisfaction of the Employer, the Employer shall pay the Contractor in accordance with the Fee Proposal or the Purchase Order (as the case may be).

30 Fees to be Inclusive

- (A) Prices and the currency shall be as specified in the Contract. Unless provided otherwise, the fees set out in the Fee Proposal or the Purchase Order (as the case may be) shall be inclusive of all taxes, labour, materials and expenses incurred in the course of provision of the Project Materials.
- (B) If required by the Employer, the detailed price list should also be provided, covering all items affecting the price such as the taxes, service charges, etc.

31 Payment in Hong Kong Dollars

Unless provided otherwise, payments shall be made in Hong Kong dollars.

32 Expenses incurred in currencies other than Hong Kong dollars

The Contractor shall specify in its claims for other reimbursement expenses incurred in currencies other than Hong Kong dollars the date on which the expenses were paid. Payment shall be arranged by conversion to Hong Kong dollars at the Selling (T.T.) rate in use by the Hong Kong and Shanghai Banking Corporation at the commencement of business on the date the expense was paid.

33 Payment of Accounts

- (A) Subject to clause 29, the Contractor shall submit the Employer an invoice and accompanied by such documents, information and explanations as the Employer may require in respect of the Project Materials. The Employer may request such further documentation as it deems necessary or desirable to verify the invoice. Original invoices shall be submitted by mail to Employer's headquarters (of which the address may be changed upon the Employer's written notice to the Contractor) unless otherwise required by the Employer.
- (B) Except as provided for in sub-clause (C) of this Clause accounts of all money due from the Employer to the Contractor in accordance with the Contract shall be paid within THIRTY (30) days of the invoice and supporting documentation requested by the Employer and receipt and verification of the Contractor's invoice and supporting documentation by the Employer.
- (C) If any item or part of an item of an account rendered by the Contractor is reasonably disputed or subject to reasonable requisitions by the Employer or the Employer's Representative, the Employer shall within THIRTY (30) days after receipt of the invoice by the Employer inform the Contractor in writing of all items under dispute or subject to requisitions. The Contractor shall cancel the original invoice and reissue an invoice for the undisputed amount within TEN (10) days.
- (D) The Contractor and the Employer shall promptly investigate any disputed invoice and shall act reasonably to resolve the dispute. Any disputed invoice or part of an invoice agreed by the Employer to be payable following resolution shall be re-invoiced as appropriate. Notwithstanding the foregoing, the Contractor shall continue to provide the Project Materials in full as if the dispute and/or requisitions did not exist.

- (E) The Contractor shall be responsible for ensuring that all information on invoices is complete and accurate, and that specific reference is made to the Contract reference number assigned by the Employer.

34 Rendering of Accounts

The Contractor shall render his accounts for interim payments in accordance with the Fee Proposal or the Purchase Order (as the case may be).

35 Payment for Additional Services

The Contractor shall be entitled to payment for the performance of any Services which he could not reasonably have anticipated at the time of entering into the Contract resulting from:

- (i) explanations of adjustments made under sub-clause (B) of Clause 7;
- (ii) changes to the Assignment Brief made under sub-clause (A) of Clause 19;
- (iii) clarifications or instructions given under sub-clause (B) of Clause 19;
and
- (iv) instructions given under Clause 25.

Provided that such Services are not attributable to default on the part of the Contractor.

36 Reduction of Lump Sum Fees

If there shall be a reduction in the Services or Works resulting from:

- (i) explanations or adjustment made under sub-clause (B) of Clause 7;
- (ii) changes to the Assignment Brief made under sub-clause (A) of Clause 19;
- (iii) clarifications or instructions given under sub-clause (B) of Clause 19;
and
- (iv) instructions given under Clause 25;

then the Employer shall be entitled to a reduction in the lump sum fees in respect of such a reduction in the Services.

37 Notifications and Payment for Delays

- (A) The Contractor shall not be entitled to payment in respect of any additional costs he incurs as a result of delays arising during the performance of the Services or extension of the date for completion if the causes of delay are the fault of the Contractor and/or not the fault of the Employer.
- (B) The Contractor shall notify the Employer or the Employer's Representative when a delay arises or when it is apparent that a delay is likely to arise within THIRTY (30) days and shall detail what in his opinion are the reasons for the delay, the consequences or likely consequences of the delay and any additional costs he has incurred or may incur.
- (C) The Contractor shall keep such contemporary records as may reasonably be necessary to support any claim for payment under this Clause and shall give to the Employer or the Employer's Representative details of the records being kept in respect thereof. The Employer or the Employer's Representative may require the Contractor to keep and agree with the Employer any additional contemporary records as are reasonable and may in the opinion of the Employer be material to the claim, but the Employer or the Employer's Representative shall not be deemed to have admitted liability in this situation unless the Employer or the Employer's Representative expressly so agree in writing. The Contractor shall permit the Employer and/or the Employer's Representative to inspect all records kept pursuant to this Clause and shall supply copies thereof at its own expense as and when the Employer or the Employer's Representative so require.
- (D) After the giving of a notice of delay to the Employer or the Employer's Representative under sub-clause (B) of this Clause, the Contractor shall, as soon as is reasonable, send to the Employer or the Employer's Representative a first interim account giving full and detailed particulars of the circumstances giving rise to the delay and any additional costs he incurred. Thereafter at such intervals as the Employer or the Employer's Representative may reasonably require, the Contractor shall send to the Employer or the Employer's Representative further up-to-date accounts giving the accumulated total of the additional costs and any further full and detailed particulars in relation thereto.

- (E) If the Contractor fails to comply with the provisions of sub-clause (B) of this Clause in respect of any claim, the Contractor shall not be entitled to claims for additional time and/or costs for the delay and such claims shall not be considered.
- (F) Without affecting the generality of sub-clause (E) of this Clause, if the Contractor fails to comply with the provisions of sub-clauses (C) or (D) of this Clause in respect of any claim, the Employer or the Employer's Representative may consider such claim only to the extent that the Employer or the Employer's Representative are able on the information made available.
- (G) The Contractor shall take all reasonable steps to mitigate the costs which may be incurred as a result of the delays.
- (H) Without affecting the generality of sub-clauses (A), (B) and (E) of this Clause, the Employer may extend the date for completion if the causes of delay are the fault of the Employer or persons for whom the Employer is responsible.

38 Employer's Assignment and Novation

- (A) The Employer may assign or transfer the whole or any part of its rights and/or benefits under the Agreement at any point in time to any third party without the Contractor's consent. Any such assignment or transfer shall be notified to the Contractor as soon as practicable.
- (B) The Employer shall have the right to novate to a third party ("**Novatee**") all of the Employer's rights, interests and benefits, obligations, liabilities and duties, without limitation, known and unknown, existing and contingent, actual and otherwise, in connection with the Agreement at any point in time. The Contractor shall enter into a novation agreement with the Employer and the Novatee to the effect that:
 - (1) the Novatee shall assume all rights, interests and benefits, obligations, liabilities and duties of, and all claims for and against, the Employer in connection with the Agreement in place of the Employer as if the Novatee were the original party to the Agreement;
 - (2) the Novatee shall have power to exercise all rights expressed to be those of the Employer under the Agreement;

- (3) the Novatee shall perform and comply with, and be bound by, each and every duty and obligation of the Employer under the Agreement as if the Novatee were named in the Agreement in place of the Employer; and
- (4) the Contractor shall release and discharge the Employer from any and all obligations, liabilities and duties in relation to the Contractor of any kind, known and unknown, existing and contingent, actual and otherwise in connection with the Agreement.

A specimen of the novation agreement is annexed as Appendix 1 hereto.

39 Contractor's Non-Assignment

The Contractor shall not, without the prior written consent of the Employer, assign or otherwise transfer the benefit and/or obligations of the Contract or any part thereof to any third party, and the performance of the Contract by the Contractor shall be deemed to be personal to the Contractor.

40 Employment and Replacement of sub-consultants / sub-contractors

The Contractor shall obtain the prior written approval of the Employer for:

- (i) the appointment of sub-consultants / sub-contractors to undertake any part of the Assignment; and
- (ii) the replacement of any sub-consultants / sub-contractors appointed under sub-clause (i) of this Clause.

41 Liability of Contractor for acts and default of sub-consultants / sub-contractors

The appointment of sub-consultants / sub-contractors to undertake any part of the Assignment shall not relieve the Contractor from any liability or obligation under the Contract and the Contractor shall be responsible for the acts, default and neglects of any sub-consultants / sub-contractors, their agents, servants or workmen fully as if they were the acts, default and neglects of the Contractor, the Contractor's agents, servants or workmen.

42 Publicity relating to the Contract

The Contractor shall submit to the Employer all advertising or other publicity materials relating to the Contract or the Project Materials in connection with the

Contract wherein the Employer's name is mentioned or language used from which a connection with the Employer can reasonably be inferred or implied. The Contractor shall not publish or use any advertising or other publicity materials without the prior written consent of the Employer.

43 Suspension, Resumption or Termination

- (A) If the Contractor is delayed or prevented from performing its obligations under the Contract by circumstances beyond its reasonable control (including acts of God, war, riot etc.), such performance shall be suspended and if it cannot be completed within a reasonable time after the due date as specified in the Contract, the Contract may be terminated by the Employer.
- (B) Unless sub-clause (A) of this Clause applies, the Employer reserves the right to terminate the whole or any part of the Contract or any consignment on account thereof if the same is not completed in all respects in accordance with the instructions and requirements specified in the Contract and with the foregoing conditions, in particular with Clause 24, compliance with which by the Contractor is of the essence and a fundamental condition of this Contract.
- (C) The Contract may be suspended or terminated by the Employer for convenience without giving any reason by giving the Contractor ONE (1) month's prior notice in writing.
- (D) Upon suspension or termination and unless the provisions in this Contract otherwise provide, the Contractor shall be paid all fees and expenses commensurate with the Services performed by them and accepted by the Employer up to the date of suspension or termination less all fees and expenses previously paid to the Contractor. The Contractor has the obligations to stop work immediately but in an orderly manner and deliver to the Employer documents in its possession, custody and/or control relating to the Project. The Employer shall not be liable for any loss of profits and other losses incurred by the Contractor as a result of the termination or suspension caused by the Contractor or arising from a fault on the part of the Contractor.
- (E) In the event of suspension or termination and unless the provisions in this Contract otherwise provide, the Contractor shall be entitled to reimbursement of the actual cost of or an amount in fair compensation for the related actual financial commitment or obligation outstanding after the giving of the notice of suspension or termination which he has properly incurred in accordance with the Contract prior to the giving of the notice of suspension or

termination.

- (F) The payments referred to in sub-clauses (D) and (E) of this Clause shall be deemed in full and final payment for the Project Materials up to the date of suspension or termination. The Contractor shall be entitled to such payments only if the suspension or termination is not attributable to default on the part of the Contractor.
- (G) For service resumption after suspension, the Employer shall give a written notice to the Contractor in no less than SEVEN (7) working days before the planned resumption date of the Project. The Contractor shall thereafter continue with the Services with the same terms and conditions set forth in the Contract. The Project period shall be extended for a period corresponding to the period of suspension or otherwise mutually agreed between the Employer and the Contractor.
- (H) In the event of suspension and subsequent resumption of the Project the Contractor shall be reimbursed any expenses necessarily incurred as a result of such resumption.
- (I) If the Project is resumed any payment of fees under this Clause except in respect of abortive work that has to be re-done shall rank as payment on account towards the payable payment under the Contract.
- (J) Should the Contract continue to be suspended for a period of more than two years then either:
 - (i) it may be terminated upon the written notice of either party; or
 - (ii) it may be renegotiated with the agreement of both parties.
- (K) Upon expiry or early termination of the Contract (howsoever occasioned):
 - (i) the Contract shall be of no further force and effect, but without prejudice to:
 - (1) the Employer's rights and claims under the Contract or otherwise at law against the Contractor arising from antecedent breaches of the Contract by the Contractor (including any breach(es) which entitle the Employer to terminate the

Contract);

- (2) the rights and claims which have accrued to a Party prior to the Termination; and
 - (3) the continued existence and validity of those provisions which are expressed to or which in their context by implication survive the termination of the Contract.
- (L) If there is any breach of GCC Clause 4, the Employer may terminate the Contract and the Contractor is not entitled to claim any compensation (except for the Project Materials that was accepted by the Employer before the termination of the Contract but was not paid for at the time of termination). The Contractor shall be liable for the related actual financial loss or expenses necessarily incurred by the Employer as a result of the termination of the Contract.
- (M) Without affecting the generality of the foregoing sub-clauses and notwithstanding any provision in this Contract, upon the occurrence of any of the following events, the Contractor is not entitled to claim any compensation (except for the Project Materials that was accepted at the Employer before the termination of the Contract but was not paid for by the time of termination) and the Employer may (a) immediately terminate the Contract without prior notice, (b) engage a replacement contractor to carry out and complete the remaining items that have yet to be completed under the Contract, (c) claim for loss, damage and/or expense incurred by the Employer against the Contractor as a result of the termination of the Contract under this sub-clause (including engaging a replacement contractor to carry out and complete the remaining items that have yet to be completed under the Contract), (d) carry out, deliver and complete such Goods / Services by its own resources or by other contractors:
- (i) the Contractor, his sub-contractors of any tiers or employees or agents or the subcontractors' employees have engaged or are engaging or are reasonably believed to have engaged or be engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary or prejudicial to the interest of national security; or
 - (ii) the continued engagement of the Contractor his sub-contractors of any

tiers or employees or agents or the subcontractors' employees or the continued performance of the Contract is contrary or prejudicial to the interest of national security.

- (iii) the Contractor shall at any time become bankrupt, insolvent, or shall be placed in receivership or go into liquidation or receivership, or a petition for liquidation, bankruptcy or receivership (whether voluntary or involuntary, save for the purpose of reconstruction or amalgamation) is filed against the Contractor, but without any prejudice to any right or action or remedy which shall have accrued or shall accrue thereafter to the Employer;
- (iv) the Contractor is found to be or is reasonably suspected to have been involved in collusion in the quotation process, and breach or non-compliance with any requirements of the Anti-collusion Clause of the Terms of Quotation and/or Conditions of Tender (in which case the Employer also has the right to report all suspected instances of bid-rigging to the Competition Commission ("**Commission**") established under the Competition Ordinance (Cap. 619) and provide the Commission with any relevant information, including but not limited to information on the bid and the Contractor's personal data; the Contractor may also lose his right for submitting quotations or tenders to the Employer in the future);
- (v) the Contractor or the Contractor's sub-contractors of any tiers or employees or agents or the subcontractors' employees do not comply or are reasonably suspected to fail to have complied with the relevant laws of HKSAR (including but not limited to Prevention of Bribery Ordinance (Cap. 201) as set out in Clause 47 below) and the terms and conditions of the Contract;
- (vi) any serious accident (personal injury/ death/ damage to property) occurs arising from or is reasonably suspected to have arisen from the Contractor's failure to comply with any sub-clauses of Clause 50.

The Employer shall be entitled to deduct from monies otherwise payable to the Contractor to cover the actual loss being suffered by the Employer; if the monies otherwise payable to the Contractor are not sufficient to cover the Employer's actual loss, the Contractor shall be liable to fully reimburse the Employer for the same accordingly.

44 Probity

The Contractor shall at all times be a business entity of integrity. Its tendering, contracting and/or sub-contracting practices shall be transparent and the Contractor must be accountable for the same. The Contractor shall secure due and timely payment to its suppliers, sub-contractors and employees.

45 Appeal to Employer

The Contractor shall have the right to appeal to the Employer against any instruction or decision of the Employer's Representative which the Contractor considers to be unreasonable.

46 Settlement of Disputes

- (A) If any dispute or difference of any kind whatsoever shall arise between the Employer and the Contractor in connection with or arising out of the Contract, either party shall be entitled to refer the dispute or difference to the Employer and the partner or director of the Contractor, who shall meet within TWENTY ONE (21) days of such matter being referred to them.
- (B) If the dispute or difference cannot be resolved within TWO (2) months of a meeting under sub-clause (A) of this Clause or upon written agreement of the Employer and the Contractor that the dispute or difference cannot be resolved in such meeting, either the Employer or the Contractor may at any time thereafter request that the matter be referred to mediation in accordance with and subject to the Hong Kong International Arbitration Centre Mediation Rules or any modification thereof for the time being in force.
- (C) If the matter cannot be resolved by mediation, or if either the Employer or the Contractor do not wish the matter to be referred to mediation then either the Employer or the Contractor may within the time specified herein require that the matter shall be referred to arbitration in accordance with and subject to the provisions of the Arbitration Ordinance (Chapter 609, Laws of Hong Kong) or any statutory modification thereof for the time being in force and any such reference shall be deemed to be a submission to arbitration within the meaning of such Ordinance. Any such reference to arbitration shall be made within NINETY (90) days of either the refusal to mediate, or the failure of the mediation. The parties agree that all provisions of Schedule 2 to the Arbitration Ordinance are applicable to the arbitration.

- (D) The Hong Kong International Arbitration Centre 2014 Domestic Arbitration Rules shall apply to any arbitration instituted in accordance with this Clause unless the parties agree to the contrary.

47 Prevention of Bribery

- (A) The Contractor shall duly inform his employees who are engaged either directly or indirectly in the formulation and implementation of any project of the Employer that the soliciting or accepting of an advantage as defined in the Prevention of Bribery Ordinance (Cap. 201) (“**POBO**”) is not permitted. The Contractor shall also caution his employees against soliciting or accepting any excessive hospitality, entertainment or inducements which would impair his impartiality in relation to the projects of the Employer.
- (B) The Contractor shall prohibit and prevent his employees, agents and sub-consultants / sub-contractors or any others directly or indirectly engaged by the Contractor who are involved in this Contract from offering, soliciting or accepting any advantage as defined in the POBO when conducting business in connection with this Contract. Without the approval of the Employer, it is an offence under the Prevention of Bribery Ordinance to offer or give any gift, loan, fee, reward, commission, office, employment, contract, other services in favour of, or discount to any staff of the Employer. Any such offence committed by the Contractor or his employees, agents and sub-consultants / sub-contractors or any others directly or indirectly engaged by the Contractor will render the tender null and void. The Employer may also terminate the Contract granted without prior notice and hold the Contractor liable for any loss or damage so caused to the Employer.

48 Declaration of Interest

- (A) On appointment and during the currency of the Contract, the Contractor must declare any interest that the Contractor and any of his associated companies may have in any projects or contracts with the Employer if such interest is considered to be in real or apparent conflict with the duties of the Contractor under this Contract or the duties of his associated companies under any contracts with the Employer. The Contractor shall not undertake any services, which could give rise to conflict of interest, except with the prior written approval of the Employer which approval shall not be unreasonably withheld.
- (B) In any case, the Contractor shall not undertake and shall procure that any of his associated companies does not undertake any services for any entity in respect of a contract between that entity and the Employer for which the

Contractor is providing a service to the Employer.

49 Insurance

(A) Employees' Compensation Insurance Policy

- (i) Without prejudice to the Contractor's obligations, liabilities and responsibilities under the Contract and his obligation to insure by law, and unless the Assignment Brief otherwise specifies, the Contractor shall at his own expenses warrant to take out and maintain an Employees' Compensation Insurance Policy ("**EC policy**") covering all liabilities arising from any death of, accident or injury to any workmen or other persons in the employment of the Contractor and any sub-contractor of all tiers and the Employer and/or any related subsidiaries of the Employer shall not be liable for any damages or compensation in respect thereof. Such EC policy shall be maintained during the Contract period and for the whole of the time that such workmen or other persons are employed on the delivery of Goods / Works / Services including the Maintenance Period. In this EC policy, the Employer and/or any related subsidiaries of the Employer should be named as joint insured and "Waiver of Subrogation Clause against Construction Industry Council and/or any related subsidiaries of Construction Industry Council (if any)" should be included. Considering the Employer and/or any related subsidiaries are named as joint insured in this insurance cover, W338 Indemnity to Principal Clause is optional to be included. However, the wording of "the Company shall not be liable under this Endorsement (except under the Ordinance) in respect of any injury by Accident or Disease due to or resulting from any act default or neglect of the Principal (Employer) his servants or agents" should be removed from clause wording of W338 Indemnity to Principal Clause. If the Contractor shall fail to effect and maintain the EC policy or if the Contractor shall fail to provide any evidence thereof which he is required to under item (i), the Employer may at its own discretion terminate the Contract.
- (ii) Before the commencement of delivering Goods and/or Services under the Contract, the Contractor shall, subject to the terms of the Assignment Brief, effect and maintain an EC policy, in joint name with the Employer and/or any related subsidiaries (including Endorsements revised W348 and W204) which he is required to effect pursuant to item (i) above together in case of sub-contractor(s) involved with satisfactory proof of payment of the current premiums

thereof, and produce a copy of the EC policy to the Employer unless otherwise mentioned in the assignment brief. If the Contractor shall fail to effect and maintain the EC policy or if the Contractor shall fail to provide any evidence thereof which he is required to under item (ii), the Employer may at its own discretion terminate the Contract. The Contractor shall effect and keep in force during the Contract period at his own expense a policy of insurance against all claims, demands or liability aforesaid in the Contract with an insurance company of the Employer's choice and shall continue such insurance during the continuance of the Contract.

- (iii) In the event of any of the Contractor's sub-contractors of all tiers or employees or agents or the subcontractors' employees suffering any injury or death in the course of the Contract and whether there be a claim for compensation or not, the Contractor shall within SEVEN (7) working days give notice in writing of such injury or death to the Employer.

(B) Public Liability Insurance Policy ("PLI policy")

Without limiting the Contractor's obligations under the Contract, and if the Assignment Brief so specifies, the Contractor shall take out and maintain until the end of the term of the contract, a PLI policy of Insurance cover in the joint names of the Employer and/or any related subsidiaries, the Contractor and subcontractors of any tier in a sum of not less than HK\$30,000,000 for any one accident and unlimited during the period of insurance, against any liability, loss, claim, expense or proceedings whatsoever incurred, sustained or made by any person arising under any Enactment or at common law, in respect of the personal injury or death of any person or the damage to any real and/or personal property arising out of the execution of the Services or any act or omission by the Contractor in connection with the Contract, with established insurers of repute, subject to the Employer's approval unless otherwise mentioned in the assignment brief. If the said PLI policy provides that the insurers will not be responsible for payment of any certain amount of compensation (including, without limitations, the amount of any excesses and deductibles), the Contractor shall be solely responsible for such payment and shall reimburse the Employer forthwith if the Employer shall be required to make such payment. For the avoidance of doubt, if the Assignment Brief specifies other requirements for the PLI policy, the requirements specified in the Assignment Brief shall prevail over the requirements under this Clause 49(B).

(C) Not used

(D) Professional Indemnity Insurance Policy (“PII policy”)

- (i) Without limiting his obligations and responsibilities nor his liability to indemnify the Employer under Clause 24 the Contractor shall, if the Assignment Brief specifies, as from the date of commencement of the Contract, and thereafter, maintain an insurance cover up to 6 years from contract completion to meet any claims that may be made by the Employer in respect of any negligence in or about the conduct of and performance by the Contractor, his sub-consultants of all tiers, his servants and agents of all and singular the Services.
- (ii) In the event that through no fault of the Contractor it becomes impractical or unreasonable to maintain the said cover for the full period required by sub-clause (i) of this Clause, the Contractor may propose alternative arrangements for the Employer’s approval.
- (iii) The foregoing insurance policy or policies shall be affected with an insurer (or insurers) and in terms acceptable to the Employer. Throughout the period of insurance, the Contractor shall each year lodge with the Employer a certificate signed by and on behalf of the Contractor’s insurers stating that the said policy or policies of insurance remain in full force.
- (iv) Unless otherwise specified in the Assignment Brief, the amount of insurance cover as mentioned in sub-clause (i) of this Clause shall be a minimum of THREE (3) times of the Contract sum or HK\$10,000,000 in the aggregate, whichever is higher.

50 Safety Precaution

- (A) The Contractor shall be responsible for taking all necessary steps in ensuring the safety of all persons and properties affected by the Services stipulated under the Assignment in the vicinity of the Services at all stages, whether or not they are engaged in the execution of the Services. The Contractor shall throughout the progress of the Services take full responsibility for the adequate stability and safety of all operations on the Site.
- (B) Pursuant to the Employer’s Contractor’s Safety Requirements, Factories and Industrial Undertakings Ordinance (Cap. 59), Occupational Safety and Health

Ordinance (Cap.509) and all sub-legislations thereunder, whilst executing the Contract, it shall be the duty of the Contractor to ensure the health and safety at work of all persons employed by him, and it shall be the duty of every person employed to take care for the safety of himself and of other persons who may be affected by his acts or omissions at work. The Contractor shall ensure full compliance of all such requirements.

- (C) The Contractor, his subcontractors of all tiers and employees employed by the Contractor for construction work or container handling under the Contract shall hold valid Construction Industry Safety Training Certificates (commonly known as “**Green Cards**”) and any other relevant mandatory certificates required for safe operation of equipment/machines for the works.
- (D) In addition, the Contractor, his subcontractors of all tiers and employees employed by the Contractor for construction trade(s) of high risk under the Contract shall also hold valid Specified Trade Safety Training Certificates (commonly known as “**Silver Cards**”).
- (E) The Contractor must supervise and ensure all his sub-contractors and employees wear appropriate personal protective equipment, including but not limited to, protective clothing, safety helmet, safety shoes, harness, fall arresting system, eye-protector, ear protector, and mask, etc., as the Employer may consider necessary or appropriate or as are legally required. Any such personal protective equipment must be provided, maintained and replaced as necessary by the Contractor at his own expenses.
- (F) Smoking is not permitted in the workplace. If the Services involve the use of naked flame, the Contractor must implement sufficient fire prevention measures.
- (G) The Contractor shall take adequate steps (e.g. provide a suitable working platform) and provide all necessary equipment at its own expenses to prevent any person from falling from a height of 2 metres or more. The Employer’s Guidelines on Work-above-ground Safety shall be strictly followed.
- (H) Without prejudice to the foregoing provision, the Contractor shall adopt all reasonable measures to ensure the health, safety and wellbeing of its employees, and those of third parties on the site. The Contractor shall also ensure that the Contractor and his sub-contractors of all tiers comply at all times with all relevant legislations, statutory rules and regulations, and all

guidelines, best practices and industrial standards published and/or updated by the Employer from to time (including but not limited to those annexed hereto (if any)). The Contractor is encouraged to achieve higher standards where possible.

51 Avoidance of Nuisance and Making Good Working Areas

- (A) The Contractor shall take all necessary measures to ensure that the Contractor's operations be carried out in such manner as to cause as little inconvenience as possible to the residents, the public or the operation of construction sites in the vicinity of the premises where the Contractor carries out the Services. The Contractor shall be held responsible for any claim, which arises from non-compliance with this clause.
- (B) The Contractor shall take all reasonable care so as not to cause any damage to property or not to cause any nuisance. The Contractor shall indemnify the Employer from any claim against the Employer arising from default of the Contractor in this respect.
- (C) The Contractor must maintain the workplace in a safe condition and ensure that every access to and egress from the workplace is safe. The Contractor shall also ensure that all means of escape from the workplaces are kept free from obstruction.
- (D) The Contractor shall confine his operations to the minimum areas required for the Services and shall at all times work in a clean, tidy and considerate manner having proper regard to other contractors and/or consultants working in the same site. As soon as service has been completed at any location, the Contractor shall remove all debris resulting from his activities and make good any damage.
- (E) All refuse shall be delivered properly to the refuse collection warehouse specified by the Employer at the end of each working day or on any dates specified by the Employer.

52 Disclosure of Information

The Employer shall have the right to disclose to any person, whenever it considers appropriate or upon request by any third party (written or otherwise), and in such form and manner as it deems fit:

- (i) the fees, costs and expenses payable by the Employer for engaging

the Contractor; and

- (ii) the quotation or fee proposal submitted by the Contractor.

53 Code of Conduct for Staff

- (A) The Contractor shall explicitly prohibit his employees from soliciting or accepting any advantages as defined in the Prevention of Bribery Ordinance (Cap. 201) in discharging its duties under the Contract.
- (B) The Contractor shall implement a system requiring his employees to declare to him any interest they or their immediate families have or may have any conflict between their personal interest and their official positions in relation to this Assignment.
- (C) The Contractor shall prohibit his employees from taking up any outside work or employment, which could create or potentially give rise to a conflict of interest situation in connection with this Assignment.
- (D) The Contractor shall take adequate measures to protect any confidential / privileged information entrusted or obtained in relation to the Contract; and procure that his employees must not disclose to a third party any of such information without prior written consent from the Employer.
- (E) The Contractor shall prohibit his employees from introducing or recommending, directly or indirectly, service providers (including contractors) to owners, tenants or occupiers of premises in buildings covered by this Contract.
- (F) When carrying out the Works delivered under the Contract, all workers have to wear the temporary work permit issued by Employer. If the temporary work permit is lost, the Contractor, his sub-contractors of all tiers or employees or agents or the subcontractors' employees have to report to the Employer and request a re-issue of the temporary work permit at HK\$30 each.
- (G) If the Contractor finds it necessary to park their motor vehicles within the premises of the Employer, an application has to be lodged with the Employer in advance. If the application is approved by the Employer, the parking permit issued by the Employer and the contact telephone number of the driver using the parking permit has to be displayed on the motor vehicles.

54 Rights of Third Parties

Notwithstanding the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong), no one other than a party to this Contract will have any right to enforce any of the terms in this Contract.

55 Non-Waiver

No forbearance, delay or indulgence by either party in enforcing the provisions of this Contract shall prejudice or restrict the rights of that party or be regarded as a waiver of that party, nor shall any waiver of a party's rights operate as a waiver of any subsequent breach and no right, power or remedy herein conferred upon or reserved for either party is exclusive of any other right, power or remedy available to that party and each such right, power or remedy shall be cumulative. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

56 Severability

In case any provision in this Contract shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability, and each term and provision of this Contract shall be valid and enforced to the fullest extent permitted by law.

57 Not used

58 Commencement of the Services

The Contractor shall commence the Services on the date for commencement of the Services as notified in writing by the Employer or the Employer's Representative and shall proceed with the same with due diligence. The Contractor shall not commence the Services before the notified date for commencement.

59 Time for Completion

If the Assignment Brief so specifies, the Services or any part thereof shall be completed within the time or times stated in the Assignment Brief calculated from and including the date for commencement notified by the Employer in accordance with Clause 58 or such extended time as may be determined in accordance with Clause 37.

60 Liquidated Damages

If the Assignment Brief so specifies, the Contractor shall be liable to pay liquidated damages for each day of delay at the daily rate specified in the Assignment Brief for failing to complete the Services by the designated date for completion specified in the Assignment Brief or such extended time as may be determined in accordance with Clause 37.

61 Completion of the Services

(A) If the Assignment Brief so specifies, the Contractor shall complete the Services by the date for completion specified in the Assignment Brief or such extended time as may be determined in accordance with Clause 37. When the Services have been substantially completed to the satisfaction of the Employer's Representative, the Contractor may serve notice in writing to that effect to the Employer's Representative, accompanied by an undertaking to carry out any outstanding service during the Maintenance Period (if specified in the Assignment Brief), requesting the Employer's Representative to issue a certificate of completion in respect of the Services. The Employer's Representative shall, within TWENTY-ONE (21) days of the date of receipt of such notice either:

- (i) issue a certificate of completion stating the date on which, in the Employer's Representative's opinion, the Services were substantially completed in accordance with the Contract and the Maintenance Period (as specified in the Assignment Brief) shall commence on the day following the date of completion stated in such certificate, or
- (ii) give instructions in writing to the Contractor specifying all the services which, in the Employer's Representative's opinion, are required to be done by the Contractor before such certificate can be issued, in which case the Contractor shall not be permitted to make any further request for a certificate of completion and the provisions of sub-clause (B) of this Clause shall apply.

(B) Notwithstanding the provisions of sub-clause (A) of this Clause, as soon as in the opinion of the Employer's Representative the Services have been substantially completed and satisfactorily passed any final test which may be prescribed by the Contract, the Employer's Representative shall issue a certificate of completion in respect of the Services and the Maintenance Period (as specified in the Assignment Brief) shall commence on the day following the date of completion stated in such certificate.

- (C) The Contractor shall carry out any outstanding service as soon as practicable after the issue of the certificate of completion or as reasonably directed by the Employer's Representative and in any event before the expiry of the Maintenance Period (as specified in the Assignment Brief).
- (D) The provisions of sub-clauses (A), (B) and (C) of this Clause shall apply equally to any part of the Services.
- (E)
 - (i) The Employer's Representative shall give a certificate of completion in respect of any part of the Services which has been completed to the satisfaction of the Employer's Representative and is required by the Employer for permanent use before the completion of the Services or any part thereof.
 - (ii) The Employer's Representative, following a written request from the Contractor, may give a certificate of completion in respect of any substantial part of the Services which has been completed to the satisfaction of the Employer's Representative before the completion of the Services or any part thereof and is capable of permanent use by the Employer.
 - (iii) When a certificate of completion is given in respect of a part of the Services such part shall be considered as completed and the Maintenance Period (as specified in the Assignment Brief) for such part shall commence on the day following the date of completion stated in such certificate.

62 Not used

63 Not used

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68 Not used

Appendix 1

NOVATION AGREEMENT

THIS NOVATION AGREEMENT is made the day of 20 .

BETWEEN:

Construction Industry Council, duly incorporated under the Construction Industry Council Ordinance (Cap. 587 of the Laws of Hong Kong) with its registered office address at 38/F, COS Centre, 56 Tsun Yip Street, Kwun Tong, Kowloon, Hong Kong (the “**Employer**”);

[Contractor], a company incorporated under the laws of [country] with company number [*] having its registered office at [address] (the “**Contractor**”); and

[Novatee], a company incorporated under the laws of [country] with company number [*] having its registered office at [address] (the “**Novatee**”).

WHEREAS:

- A. The Employer and the Contractor have entered into a Contract for [Tender Title] (the “**Contract**”) for [description of services] at [address]. Pursuant to the Contract, the Employer shall have the right to novate to a third party all of the Employer’s rights, interests and benefits, obligations, liabilities and duties, without limitation, known and unknown, existing and contingent, actual and otherwise, in connection with the Contract at any point in time.
- B. The Employer desires to novate the aforesaid rights, interests and benefits, obligations, liabilities and duties to the Novatee pursuant to the Contract and be released and discharged from the Contract in accordance with this Novation Agreement.

- C. The Novatee agrees to take over the Employer's full benefits, obligations and remedies under the Contract from the Employer in accordance with this Novation Agreement.
- D. The Contractor agrees that the Novatee takes over the Employer's full benefits, obligations and remedies under the Contract from the Employer in accordance with this Novation Agreement.
- E. The date of execution of this Novation Agreement is taken as the Novation Date.

THE PARTIES AGREE that:

Novation

- 1. With effect from the Novation Date, the Novatee:
 - (a) assumes, in place of the Employer, all rights, interests and benefits, obligations, liabilities and duties of, and all claims for and against, the Employer, known and unknown, existing and contingent, actual and otherwise, in connection with the Contract at any point in time;
 - (b) assumes the power to exercise all rights expressed to be those of the Employer under the Contract; and
 - (c) shall perform and comply with, and be bound by, each and every duty and obligation of the Employer under the Contract

in every way as if the Novatee were named in the Contract in place of the Employer.

2. By its execution of this Novation Agreement, the Novatee hereby represents to the Contractor and the Employer that it is duly incorporated, validly existing, has full power, authority and legal right to enter into the transactions contemplated by, and perform the obligations assumed pursuant to, this Novation Agreement and the Contract, and has taken all necessary action to authorise execution of this Novation Agreement.

Release

3. With effect from the Novation Date, the Contractor (a) releases and discharges the Employer from all obligations, liabilities, duties, actions, claims, proceedings and demands of any kind, known and unknown, existing and contingent, actual and otherwise in connection with the Contract without any recourse against the Employer, and (b) accepts the obligations and liabilities of the Novatee under the Contract in lieu of the obligations and liabilities of the Employer otherwise under the contract, and (c) agrees to be bound by the terms of the Contract in every way as if the Novatee were named in the Contract in place of the Employer.

Acknowledgement and acceptance

4. The parties hereto hereby acknowledge that this Novation Agreement constitutes novation of all the rights and obligations of the Employer under the Contract to the Novatee and the Contractor hereby agrees and accepts that this Novation Agreement constitutes a sufficient undertaking by the Novatee to perform the obligations of the Employer under the Contract.
5. This Novation Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region. For any dispute over the validity of this Novation Agreement (if any), the parties irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong. For the avoidance of doubt, this clause shall not affect the dispute resolution mechanism under the Contract.

This Novation Agreement had been executed as on the day and year first before written.

For and on behalf of
the CONSTRUCTION INDUSTRY COUNCIL
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