



**Guidelines for  
Reference List of Decoration Contractors**

**Housing Department  
Estate Management Division**

**(August 2015 Version)**

## **Guidelines for Reference List of Decoration Contractors**

### **GENERAL**

Housing Authority (HA) maintains a Reference List of Decoration Contractors (Reference List) and contractors registered on the Reference List are allocated to carry out decoration in new estates. They are required to comply with the Guidelines for Reference List of Decoration Contractors (Guidelines) mentioned below as long as they are registered on the Reference List.

2. All Decoration Contractors (DCs) registered on the Reference List will, subject to paragraph 7, be allowed to carry out decoration in new Home Ownership Scheme (HOS) courts.
3. HA may amend the Guidelines and any criteria pertaining to the administration of the Reference List without reference or prior notification to any of the DCs.

### **LIST ADMISSION**

4. Applications for admission onto the Reference List will be accepted through HA's Counterparty Management Information System (COMIS) during specified invitation period on a regular basis. Advertisement on open invitation through COMIS will also be arranged by press. Procedure and eligibility criteria for admission onto the Reference List will be promulgated through COMIS. The site path will also be publicized in the advertisement on open invitation by press. All new applicants have to satisfy admission criteria as follows-

- (a) have an amount of cash at bank and/or usable unutilized balance of bank overdraft facility to a total sum of not less than \$2.4M;
- (b) have at least 5 years' experience in decoration works;
- (c) total value of works carried out by the applicant in the past three years should not be less than \$3.2M per year;
- (d) have undertaken at least one contract of value not less than \$0.64M in the past three years; and
- (e) possess a proper workshop/shop/office of reasonable size.

5. In admission stage, directors, sole proprietors and partners of eligible DCs should be checked by the Police to confirm that none of them are involved in triad activities.

### **ORDER OF PRIORITY**

#### Public Rental Housing Estates

6. The following arrangements are used to determine the priority of DCs for executing decoration-
  - (a) The priority of DCs to execute decoration in new estates is decided by a ballot;
  - (b) When a new estate is about ready for intake, DCs on top of the ballot list will be allocated to that estate;

- (c) Allocation of DCs to new estates is based on the ratio of one DC to 250 public housing domestic flats. One DC will be allotted for development below 250 units. The sequence of allocation is based on the anticipated completion dates of the new estates. If the anticipated completion dates of two estates are the same, a ballot will be drawn to decide which estate is to be allocated first;
- (d) When the list of DCs decided in any ballot is about to be exhausted (say, when there are 50 DCs remaining on that list), another ballot will be conducted so as to ensure an adequate number of DCs is available for the next intake;
- (e) If the DCs at the bottom of the list decided by the first ballot happen to appear at the top of the list decided by the second ballot, and their turns overlap in the same intake exercise, their priorities in the second ballot will be deferred to the next intake exercise;
- (f) When the turn of any DC for executing decoration in new estates comes, it can either take up the job or give up the opportunity but has no right to defer its priority except under the situation mentioned in paragraph 6(e);
- (g) If a DC cannot take up its turn for carrying out decoration in any new estate for more than once throughout its registration on the Reference List, the DC will be subject to regulatory action under paragraph 9;
- (h) If a DC cannot satisfy the admission criterion in respect of the amount of cash at bank and/or usable unutilized balance of bank overdraft facility (a total sum of not less than \$2.4M) or cannot produce the requisite surety bond (in the amount of \$0.7M) and/or Business Registration Certificate for the purpose of obtaining a Licence, in any of these cases, the DC will be subject to regulatory action under paragraph 10;
- (i) No DC is entitled to any claim of loss arising from subsequent delay of intake caused by slippage in the completion of buildings or other unforeseen circumstances; and
- (j) Licences, normally valid for 12 months, will be issued to the DCs before being allowed to carry out decoration.

### HOS Courts

7. The arrangements mentioned in paragraph 6 are also applicable to DCs for HOS courts except Agreement instead of Licence will have to be signed.

## **CONTROL**

### Obligation to Carry out Decoration Work

8. Pursuant to the arrangement for decoration mentioned in paragraphs 6 and 7, a DC has the obligation to take up the opportunity when its turn for executing decoration in a new estate/HOS court comes. However, for unforeseen circumstances or valid reasons, it may refuse the opportunity once throughout its registration on the Reference List.

9. Any DC which fails to take up the opportunity of its turn to carry out decoration in new estate/HOS court for the second time throughout its registration on the Reference List (as stated in paragraph 6(g) or paragraph 8) shall be removed from the Reference List together with revocation of its Licence and/or cancellation of Agreement being held in hand with effect from the date of its second failure.

#### Licence /Agreement

10. Prior to granting of Licence/Agreement, DCs have to provide valid Business Registration Certificate, documents to prove satisfaction of entry requirement in respect of the amount of cash at bank and/or usable unutilized balance of bank overdraft facility, and surety bond. Those failing to meet the requirements will be removed from the Reference List.

11. Any DC which is found being involved in a ‘Notice of First Instance Companies Winding-up Proceedings’ will be suspended immediately from being appointed as a DC for carrying out decoration in new estates / HOS courts. Any Licence / Agreement already signed or executed by the DC will be revoked and/or cancelled. The status of the DC will be reviewed upon resolution of the court proceedings and on production of a satisfactory financial account.

12. In DC allocation stage, directors, sole proprietor, partners, authorized signatories and site supervisory staff of selected DCs are required to be checked by the Police to confirm that none of them are involved in triad activities.

13. No person is allowed to work concurrently in more than one company as the authorized signatory of a DC.

14. All DCs are required to specify and reproduce at the back of their works orders, which are used for accepting tenants’ / HOS owners’ orders for decoration, in exact terms of all the conditions (see **Annex**). No amendment whatsoever of any of these conditions may be made by a DC unless with the prior written consent of the concerned Housing Manager (HM) / Property Service Manager (PSM). The conditions must be printed in legible Chinese characters, each of which is not less than 4mm x 4mm in size.

### **PERFORMANCE MONITORING**

#### Under-performance

15. The performance of each DC is monitored by the HM / PSM throughout the period of its Licence / Agreement. Any unfavorable comments from tenants / HOS owners on the performance of the DC will be investigated by the estate staff. As an ongoing control measure, Written Warning (WW) will be issued by the estate staff to a DC if under-performance is found. WW will be copied to concerned Regional Chief Manager (RCM), District Senior Housing Manager (DSHM) / Senior Property Service Manager (SPSM) and Senior Housing Manager/Estate and Development Services (SHM/EDS) for information; and copied to Senior Manager/Procurement 2 (SM/P2) for follow-up action, if necessary, in HA Contractors Review Committee (Services) [CRC(S)]. For cases where the defaulting DC fails to make good its faults despite having been warned, its Licence / Agreement in hand and its status on the Reference List as a DC will be suspended with effect from the date of approval of the regulatory action by CRC(S). Uplifting of the suspension is subject to rectification of fault(s) and/or compliance with the uplifting conditions.

## Bimonthly Assessment

16. A survey form on the performance of the DCs will be given to tenants / HOS owners who choose to patronize the DC. The performance of each DC is subject to bimonthly assessment throughout the period of its Licence / Agreement in new estate / HOS court. Based on the assessments made by tenants / HOS owners in the survey form as well as the estate staff, a bi-monthly Assessment Report will be compiled. Appropriate regulatory action will be imposed on a DC if it fails to attain an acceptable level of performance.

- (a) For one count of failure (i.e. below the passing mark of 50) in any Assessment Report, a Warning Letter (WL), valid for a rolling period of 36 months, will be issued to the defaulting DC by concerned HM / PSM. WL will be copied to RCM, DSHM / SPSM and SHM/EDS for information; and copied to SM/P2 for taking the necessary regulatory action;
- (b) For second failure within the rolling period of 36 months, the DC's Licence / Agreement in hand and its status on the Reference List will be suspended for 6 months with effect from the date of approval for taking regulatory action; and
- (c) For third and further failures in a rolling period of 36 months, the DC will be removed from the Reference List.

## Serious Misdeed

17. If a DC which has committed serious misdeed (e.g. offence, misconduct, misbehavior, act which would cause serious damage to HA's properties or create such nuisances/disturbances that would be detrimental to the HA's interest), appropriate regulatory actions such as suspension of Licence / Agreement and status on the Reference List, or even removal from the Reference List will be imposed on the DC where the circumstances of the case warrant. To align with other HA Lists, 'misconduct' should refer to any unlawful behaviour involving corruption or fraud or breach of faith whether or not the person charged with an offence is convicted for offence involving the unlawful behaviour but a conviction of a criminal offence shall be conclusive for the requirement of misconduct. HM / PSM will provide the case report to SM/P2 for follow-up action in CRC(S). Regulatory action will be approved by CRC(S). In the event of multiple faults, regulatory actions (e.g. suspension, debarment from re-admission) will be enforced singly (i.e. one by one).

## **REGULATORY ACTION**

18. Appropriate regulatory actions will be imposed on the defaulting DC as mentioned in paragraphs 15, 16 & 17.

19. A DC which has been removed from the Reference List will be barred from re-admission for 2 years or a longer period to be determined by CRC(S). After expiry of the debarment period, its re-admission application will be treated as a fresh one and subject to the satisfaction of all admission criteria then in force.

20. When a DC's Licence / Agreement is suspended, it may not take in new orders from the tenants / HOS owners, however, it must finish any outstanding orders in accordance with the terms and conditions agreed upon with the patrons as specified on the works orders.

21. Where regulatory action is taken against a DC, it will be notified in writing of the reason(s) and the type of the regulatory action being imposed.

22. Where regulatory action is taken against the DC, it may, if it so selects, object to the regulatory action imposed by making written submission with supporting reason(s) and/or requests for presentation of its case for a review to concerned HM / PSM, or to SM/P2, Housing Authority Headquarters at No. 33 Fat Kwong Street, Ho Man Tin, Kowloon. The written objection must be submitted within 14 days from the date of HA's notification. Should any such submission be received, CRC(S) will review the case and present it to the Procurement Review and List Management Board for decision. The decision and the reasons for that decision will be conveyed to the DC in writing. The decision shall be final.

#### **ACCEPTANCE OF THESE GUIDELINES**

23. Any application for admission onto the Reference List and its subsequent inclusion in the Reference List will mean the applicant's unconditional acceptance of the Guidelines and all future amendments and additions.

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**Terms and Conditions for Decoration Works**

(To be printed at the back of works orders used by

Decoration Contractors for accepting \*estate tenants' / \*court owners' orders)

1. The Decoration Contractor mentioned overleaf (the Contractor) has agreed to decorate the public housing rental premises of the Tenant / the premises of the HOS owner at the address mentioned overleaf (the Flat) in accordance with the terms and conditions herein contained.
2. The Contractor shall use all reasonable skills in carrying out all the works mentioned overleaf, and provide all labour and materials necessary for the purpose.
- 3.\*\* The Contractor shall forthwith commence the works which it has undertaken and shall complete the same within one month from the date of the works order.
4. The Contractor shall at its own expenses take out all the requisite insurances.
5. The Contractor shall take precautionary measures to safeguard public health, ensure work safety, and prevent fire hazards. The Contractor shall clear and remove at its own costs all the rubbish, refuse and surplus materials relating to the decoration works as and when they arise during the course, and upon the completion, of the decoration works.
6. If the Contractor fails to execute the decoration works in accordance with these terms and conditions, then the Tenant / HOS owner, after giving seven days' notice in writing to the Contractor, may determine this contract, enter upon the Flat and expel the Contractor therefrom without thereby releasing the Contractor from any of its obligations or liabilities under the contract.
7. The Contractor shall, during a period of six months calculated from the date of the Tenant's / HOS owner' taking over all the completed works mentioned overleaf, attend to all faults and complaints, remedy all defects, replace all defective materials and works immediately after receiving the instructions from the Tenant / HOS owner and shall make good the faults and defects to the satisfaction of the Tenant / HOS owner all at the Contractor's own cost and at no extra charge to the Tenant / HOS owner except such faults or defects are due to the Tenant's / HOS owner's own fault or negligence.
8. Without prejudice to any right or remedy which the Tenant / HOS owner may have against the Contractor under this contract, whenever any sum of money shall be recoverable from the Contractor under this contract, the same may be deducted from the contract price then due or which may become due to the Contractor under the contract.
9. The Contractor shall conform in all respects with the rules and regulations of the Housing Authority and the Housing Department and shall keep the Tenant / HOS owner indemnified against all penalties and liabilities of every kind of breach of any local enactment, by-laws or rules.
10. The Contractor is not employed or engaged by the Hong Kong Housing Authority or the Housing Department, nor is the Contractor an agent or representative of the Hong Kong Housing Authority or the Housing Department. Any dispute or claim for loss or damages arising from this decoration works shall be dealt with and resolved by the Contractor and the Tenant / HOS owner concerned. The Hong Kong Housing Authority or the Housing Department accepts no legal liability whatsoever.

\* Delete where inappropriate

\*\* For HOS courts, this item should be deleted and following items are to be re-numbered.