

Quality Housing : Partnering for Change

List of Recommendations

(I) Building up a Partnering Framework (*Chapter 4*)

1. To reinforce stakeholders' commitments in delivering quality housing through drawing up a Quality Partnering Charter and highlighting their participation in each project by publicizing their names in sale brochures and completed developments. (*Para. 4.4*)
2. To clearly define key stakeholders' roles and responsibilities and to maximize benefits of their contributions and interaction. (*Para. 4.6*)
3. To revise contractual arrangements for achieving more equitable risk-sharing, including (*Para. 4.8*) :
 - widening the use of "engineer's design" for piling projects
 - reviewing the basis for calculating liquidated damages for building and piling contracts
 - setting clear time-frames for submissions/substantiations of claims for time and money by contractors and the Housing Department (HD)'s response
 - reviewing the payment of prolongation costs arising from the granting of time extensions for inclement weather in the extended contract period
 - reviewing the effectiveness of on-demand bonds for building and piling contractors after one year of implementation, i.e. by the end of 2000
4. To strengthen the communication channels with key stakeholders at the strategic level through establishing an annual partnering conference by the HA and regular workshops by the HD's directorate staff. (*Para. 4.10*)
5. To reinforce the partnering spirit with contractors and consultants during project implementation through setting up partnering meetings and review workshops by the HD's project teams at the commencement, implementation and completion stages of the project respectively. (*Para. 4.10*)

6. To resolve disputes speedily during project implementation through the use of adjudication and/or Dispute Resolution Advisers in large-scale building contracts. (*Para. 4.11*)
7. To tap customer feedback more proactively for introducing continuous improvements through (*Para. 4.12*):
 - conducting regular surveys and focus group meetings
 - commissioning consultancy studies regularly
 - setting up a dedicated customer feedback unit in the HD
8. To strengthen the representativeness and coverage of building contractors' performance appraisal system by introducing Performance Assessment Scoring System 2000 from April 2000 onwards. (*Para. 4.13*)
9. To strengthen the appraisal system for consultants to enhance its objectivity and consistency and to draw up clear guidelines for performance evaluation. (*Para. 4.14*)
10. To enhance the objectiveness and independence of the disciplinary mechanism by (*Para. 4.16*):
 - increasing the representativeness of the List Management Committee and the Consultants Review Board by including non-official members and revising their terms of reference
 - drawing up more detailed guidelines for taking sanctions
 - establishing a separate review mechanism through the Building Committee
 - taking prompt action against non-performing contractors and consultants and imposing severe penalties
 - publishing the performance scores of contractors and consultants when the performance appraisal systems mature
 - engaging independent agents to conduct investigation for major malpractices discovered in the construction process
11. To secure competent contractors from the tendering system by (*Para. 4.20*):
 - extending the Preferential Tender Award System and the Bonus Scheme to building services and piling contracts
 - tightening up listing and tendering requirements to focus on competent contractors

- reviewing the current 20:80 score weighting between performance and price used for evaluating building contract tenders, including the methodology, one year after implementation, i.e. by the end of 2000
 - exploring the exclusion of exceptional low tenders from assessment
 - establishing strategic partnerships with consistent top performers
12. To secure competent consultants from the tendering system by (*Para. 4.21*):
- increasing the score weighting between performance and price from 50:50 to 70:30 under the "Two-envelope System"
 - exploring the exclusion of exceptional low tenders from assessment
 - establishing strategic partnerships with consistent top performers
 - tightening up listing and tendering requirements to focus on competent consultants

(II) Assuring Product Quality (*Chapter 5*)

13. To identify "designated sample flats" to provide realistic acceptance benchmarks for contractors to follow during construction and to produce video tapes/CD ROM for demonstrating desirable building procedures/methods. (*Para. 5.3*)
14. To draw up a list of milestone check-points for monitoring contractors' progress and to link up the achievement with performance appraisal and contract payments. (*Para. 5.4*)
15. To require contractors and consultants to submit Quality Supervision Plans on project management proposals. (*Para. 5.5*)
16. To strengthen on-site supervision by providing resident professionals for piling and large-scale building projects. (*Para. 5.6*)
17. To deploy and maintain sufficient and competent supervisory staff by the HD, consultants and contractors on all sites during project implementation. (*Para. 5.6*)
18. To introduce an objective third-party scrutiny on the HA's buildings by putting them under the control of the Buildings Ordinance. (*Para. 5.9*)
19. To streamline handover inspection procedures and define clear acceptance authority during project completion with a view to providing clear and consistent project handover standards to contractors. (*Para. 5.11*)

20. To require contractors to rectify defects after in-take speedily through setting up standby defect rectification teams, adjusting the release of retention money by the HD and extending the defect liability period to 2 years. (*Para. 5.13*)
21. To provide a 10-year structural guarantee to all Home Ownership Scheme and Private Sector Participation Scheme developments from the date of completion. (*Para 5.14*)
22. To explore the introduction of a quality warranty system by contractors. (*Para 5.15*)

(III) Investing for a Professional Workforce (*Chapter 6*)

23. To consider requiring contractors to employ contract workers in core trades by themselves and through their nominated sub-contractors and domestic sub-contractors. (*Para. 6.5*)
24. To support the implementation of the Construction Workers' Registration System for enhancing the industry's professionalism. (*Para. 6.6*)
25. To liaise with training authorities in providing more site management and public housing-oriented courses and continuous training opportunities for workers. (*Para. 6.8*)
26. To uplift the professional qualifications for site supervisory staff and to increase the proportion of trade-tested workers from 35% to 60% in 3 years through contract requirements. (*Para. 6.10*)
27. To strive for better site safety records by implementing the "Pay for Safety Scheme", stipulating the minimum threshold for safety provision budget in contracts and strengthening site safety requirements in tender assessment. (*Para. 6.12*)

(IV) Striving for Efficiency and Productivity (*Chapter 7*)

28. To promote the wider use of mechanized building process, including system formwork and prefabricated building components. (*Para. 7.2*)
29. To promote research within the building industry through (*Para. 7.3*) :
 - providing tendering advantages to contractors who innovate
 - setting up the HA Research Fund and the Excellence Award Scheme

- drawing up a systematic research plan by the HD
 - facilitating the wider use of information technology
30. To facilitate the development of an integrated production process by (*Para. 7.5*) :
- launching a pilot "design-and-build" building project
 - facilitating the wider use of "non-standard" building designs
 - conducting buildability workshops with stakeholders
 - reviewing the "Nominated Sub-contracting System"
 - examining the impact of life-cycle costs of buildings on the HA's procurement policy
 - widening the choices of building materials to be used by contractors
 - reviewing the architect-led consultant appointment system
31. To support the formation of an Organised Specialist Sub-contractors System and the employment of contract workers for tightening up control over sub-contracting. (*Para. 7.8*)
32. To allow sufficient time for contractors to deliver quality housing by extending the normal construction period of new piling and building works by 1 and 2 months respectively. (*Para. 7.10*)
33. To commission a consultancy study to analyze the causes for the relatively high construction costs for residential developments. (*Para. 7.12*)
34. To reform the operations of the HD's Development and Construction Branch by (*Para. 7.13*) :
- re-organizing the branch into 3 core functional lines
 - reinforcing reviews on standard designs and undertaking researches
 - strengthening project management
 - streamlining decision-making by further delegation of authority and staff empowerment
 - strengthening on-site leadership by deploying resident professional
 - reinforcing internal audit functions
35. To plan for a pilot "Green Estate" for developing the concept of sustainable development. (*Para. 7.17*)
36. To reduce construction waste and improve the environment by (*Para. 7.18*):
- improving environmental friendliness of new buildings through the use of the HK-BEAM (Residential)

- introducing a "basic shell concept" for new flat fitting-out to reduce waste arising from decoration
- improving the cleanliness of new estates through the installation of Automated Refuse Collection System
- extending the use of the Waste Management Plan to building and piling contracts

(V) Addressing Existing Public Concerns (*Chapter 8*)

37. To introduce short-term measures for safeguarding the quality of piling works by (*Para. 8.3*) :
 - providing a resident engineer for each piling contract to monitor all critical stages of works
 - re-checking the piling works of all uncompleted projects
 - tightening up the control on sub-contracting activities
 - engaging independent consultants to witness and endorse the final acceptance tests
 - commissioning an independent consultant to audit the HD's piling works
 - reviewing and tightening up the use of pre-cast pre-stressed concrete piles
 - widening the use of the engineer's design for projects with difficult site conditions
 - strengthening on-site supervision teams
 - adopting a flexible approach in considering requests for extension of contract period for current projects where there are genuine needs
38. To improve the quality of piling works in the long run through (*Para. 8.4*) :
 - increasing the qualification and experience requirements for contractors' core site staff
 - extending the use of sonic tubes to all large diameter bored-piled projects so that 100% checking can be made possible
 - establishing the HA's own list of piling and geotechnical investigation contractors

- establishing a new performance appraisal system and introducing the Preferential Tender Award System
 - reviewing the basis for determining liquidated damages for piling contracts
39. To work with other stakeholders to uphold the industry's ethical integrity by (*Para. 8.5*) :
- working closely with the Independent Commission Against Corruption to curb corruption
 - recommending the Government to review the levels of fines for sub-standard building works
 - urging professional institutes and trade associations to develop a Code of Practice and other sanction systems
40. To introduce short-term measures for meeting the completion of the large number of new flats in 2000/01 by (*Para. 8.8*) :
- conducting more surprise checks by the HD's Project Managers and audit teams
 - contracting out part of the final inspection work of new flats
 - drawing up a special operation plan for a mass in-take of new flats