

**Summary of Responses from Stakeholders**

<b>Recommendations</b>	<b>Summary of Responses</b>
<b>Pillar One – Providing Quality Services and Products to Customers</b>	
<p>To provide a 10 year structural guarantee to all HOS and PSPS (Rec.21)</p>	<p><u>Public</u> The public is supportive to the initiative, as it would provide further assurance to the quality of construction.</p> <p><u>Professional Bodies</u> Some practitioners have opined that the scope and applicability of the structural safety guarantee should be clearly defined to avoid disputes</p> <p><u>The Hong Kong Construction Association (HKCA)</u> The HKCA has offered no objection, but some members have expressed concern about the difficulty in resolving interfacing problems given the separate arrangement for piling works</p> <p><u>Housing Department (HD) Staff</u> Front-line staff are concerned about the difficulty in adjudging the HA’s responsibility for defects referred by owners under the guarantee and the potential staffing implication. The Department will monitor the workload and re-deploy resources flexibly to enable staff to cope with the referrals effectively.</p>
<p>To establish intake hotline and customer services teams in new Home Ownership Courts (Rec.41)</p>	<p><u>Public</u> The public support the initiative as it would provide quality services to the customers.</p> <p><u>The Hong Kong Construction Association (HKCA)</u> The HKCA has no objection to the establishment of the Customer Service Team provided that the additional requirements are dealt with according to contract provisions.</p> <p><u>Housing Department (HD) Staff</u> Departmental staff are concerned about the shortage of manpower to deliver the enhanced defect rectification services. Their concern will largely be addressed subject to the provision of the additional staff resources.</p>

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<p>To extend the defects liability period (DLP) to 2 years and adjust the release of retention money (Rec.20)</p>	<p><u>HKCA</u> The Association offers no objection</p> <p><u>Electrical &amp; Mechanical Contractors Association (EMCA)</u> EMCA has expressed concern about the extension of DLP as the warranty period for E&amp;M equipment is usually 12 months. EMCA however understands that the intention of extending the DLP to 2 years is to better safeguard the interests of the residents against defects which may surface after a full seasonal cycle.</p>
<p>To outsource final inspection of flats to ensure consistency of handover standard during peak production (Rec.40)</p>	<p><u>HKCA</u> The Association offers no objection as long as a consistent handover standard is maintained.</p> <p><u>HD Staff</u> Staff welcome the measure as it will alleviate the resource problem and relieve the staff for the more critical inspection work</p>
<b>Pillar Two – Revamping the Piling Process</b>	
<p>To introduce short-term measures for safeguarding the quality of piling works (Rec.37)</p> <ul style="list-style-type: none"> <li>– Revamping piling process.</li> <li>– tightening up the control on sub-contracting activities.</li> </ul>	<p><u>Public</u> Outline information of the reform packages has been made known to the public through the media. In general, there is public support to the reform measures in revamping HA’s piling process and control of subcontracting activities in piling works.</p> <p><u>Professional bodies</u> The engineering professional bodies generally welcome the reform measures, as they would strengthen the professional’s role and input in the design and supervision of piling works. Nevertheless, these bodies urged for improvement in the provision of site supervisory staff for piling works under the existing consultancy arrangement. The Project Managers are addressing their concerns on project basis.</p>

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<p>To introduce short-term measures for safeguarding the quality of piling works (Rec.37) (Cont'd)</p> <ul style="list-style-type: none"> <li>– Revamping piling process.</li> <li>– tightening up the control on sub-contracting activities.</li> </ul>	<p><u>HKCA</u> While supporting most of our reform measures, HKCA has reservation on the bid-rigging declaration statement as amended by ICAC. We are still actively resolving the matter.</p> <p><u>HD Staff</u> Staff are concerned about the additional workload generated by the implementation. At the start-up phase, system development staff are required to incorporate the reform measures into our practices to enable implementation by project teams. At the implementation phase, some new practices demand additional input from project teams, such as ICU submissions and engineer's design. To address the site staff's concern regarding the proposed change in performance appraisal on their performance, we have been discussing with the concerned staff associations with a view to resolving their reservation to the change.</p>
<p>To improve the quality of piling works in the long run (Rec.38)</p> <ul style="list-style-type: none"> <li>– establishment of HA's own list of piling contractors</li> </ul>	<p><u>HKCA</u> The HKCA has been fully consulted and their inputs have been incorporated into the draft Rules for Administration of the new List.</p> <p><u>ICAC</u> Comment form ICAC has been sought and they have raised no objection.</p>
<b>Pillar Three – Reinforcing Site Supervision</b>	
<p>To reimburse the consultants site supervision cost for providing extra staff for quality supervision (Rec. 42)</p>	<p><u>Consultants</u> They welcome the arrangement of allowing them to recruiting Resident Site Staff as their direct employees with the reimbursable site supervision costs.</p>

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<p>To deploy and maintain sufficient and competent supervisory staff by the HD, consultants and contractors on all sites during project implementation. (Rec.17)</p>	<p><u>Public, HKCA and HD Staff</u> All the parties overwhelmingly opined that reinforcing site supervision is one of the most important elements in assuring product quality.</p>
<p>To deploy resident professionals to piling and large scale building projects (Rec. 16)</p>	<p><u>Public, HKCA and HD Staff</u> All the parties support the deployment of resident professionals to site as it would strengthen the leadership of site supervisory team and speed up the decision making on site.</p>
<p>To streamline on-handover inspection procedures and define clear acceptance authority during project completion with a view to providing clear and consistent project handover standards to contractors (Rec.19)</p>	<p><u>HKCA</u> HKCA welcome the establishment of benchmark sample flat giving a clear indication of the acceptance standards for them to follow. Clarification of roles of various client parties at completion stage and streamlining administration procedures could reduce unnecessary rounds of inspections.</p> <p><u>HD Staff</u> HD staff are generally in support of the streamlining of the handover inspection procedures as it would improve efficiency and make better use of staff resources.</p>
<p>To provide induction training to in-house and consultant site staff to reinforce site supervision (Rec.43)</p>	<p><u>Consultants</u> Project consultants welcome the provisions of training to their inexperienced site staff.</p> <p><u>HD Staff</u> HD staff are generally in support of the training programme. They have concerns about the shortage of manpower to deliver the training services especially in times of peak production.</p>

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<b>Pillar Four – Reforming Listing and Tendering Practices</b>	
<p>To secure competent contractors from the tendering system (Rec.11)</p> <ul style="list-style-type: none"> <li>- Establishment of the Premier League</li> </ul>	<p><u>Public</u> The public is increasingly conscious about the quality of public housing and expectation amounts. It is envisaged that the ‘Premier League’ is the first step in the positive direction in enhancing quality standards and to convey our commitments towards upholding quality to the industry and the public.</p> <p><u>HKCA</u> HKCA support the idea to reward the good performers. However, their members have divided views on the ‘Premier League’ requirements. Some of them feel that there is room to enhance its attractiveness by providing greater inducement to the Premier Contractors. On the other hand, some of the others concern about whether their tendering opportunities will be eroded significantly by the introduction of the ‘Premier League’. The Department has taken their comments into account when refining the details. The Department considers that the ‘Premier League’ will encourage contractors’ continuous improvement through an open and fair approach.</p> <p><u>HD Staff</u> The HD staff are supportive of the establishment of the ‘Premier League’ as one of the Quality Housing Initiatives for better quality. They see it as a pilot move for improving quality standards and for developing more effective contract administration.</p>

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<p>To secure competent consultants from the tendering system (Rec.12)</p> <p>- Enhanced two Envelope System</p>	<p><u>Professional Bodies and Trade Associations</u> They are supportive of putting heavier weight on technical competence and the normalizing effect on fee bidding. On the other hand, there are still requests on pursuing a baseline fee level. The practicality of which is being jointly examined by HD and the related professional bodies/trade associations.</p>
<p>- Open Architectural Competition</p>	<p><u>The Industry</u> There is overwhelming support from the industry. Over 60 submissions were received. Stakeholders from the academic and professional fields were wholeheartedly involved in the creative thinking process for new housing standard in the new era.</p> <p><u>HD Staff</u> HD Staff treasures the opportunities to articulate their design talent. They benefited from the chance for being the pioneers in working through the site specific design process.</p>
<p>To put PASS 2000 on trial for evaluation its effectiveness (Rec.44)</p>	<p><u>HKCA</u> The Association supports the review of PASS 2000 before the new system is rolled out.</p> <p><u>HD Staff</u> HD staff generally supports the arrangement of deploying the independent team under PASS Unit to take up two-thirds of the PASS Output Assessment (with effect from July 2000) so as to relieve the workload of the project teams.</p>
<b>Pillar Five – Reinforcing Partnering Culture</b>	
<p>To reinforce the partnering spirit with contractors and consultants during project implementation through setting up partnering meetings and review workshops by the HD project teams (Rec.5)</p>	<p><u>Professional Bodies</u> The professional bodies welcome the initiatives of introducing partnering as one that will be inducing teambuilding and co-operation in the industry.</p> <p><u>HKCA</u> HKCA is in support on the development of partnering frameworks.</p>

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<p>To reinforce the partnering spirit with contractors and consultants during project implementation through setting up partnering meetings and review workshops by the HD project teams (Rec.5) (Cont'd)</p>	<p><u>HD Staff</u> HD staff are conscious of the additional workload implication due to the imposition of partnering at the intermediate stage of the projects. To address their concern, we have carefully selected some pilot projects in different project sections in order to nourish a win-win situation before full launching.</p> <p><u>ICAC</u> ICAC has offered no objection to the drive for implanting mutual trust amongst stakeholders of the Industry as far as the situation is not abused to prompt other corruption opportunities without upholding integrity of stakeholders. ICAC has participated to deliver integrity message at the pilot partnering workshops since May 2000.</p>
<p>To extend the construction periods for piling and building contracts by 1 and 2 months respectively (Rec.32)</p>	<p><u>HKCA</u> The Association supports the extension of the construction periods as it would allow sufficient time for delivering quality products.</p>
<p>To revise contractual arrangements for achieving more equitable risk-sharing (Rec. 3)</p>	<p><u>Public</u> The public support the reform.</p> <p><u>HKCA</u> The Association agrees that the proposals are workable solutions to achieve a more balanced contracting arrangement to facilitate the delivery of quality product.</p> <p><u>Construction industry</u> Some practitioners propose the use of re-measurement contract for contractor's design of piling. In view of the practical difficulties in achieving equity in tendering and control over the ordering of additional works, it is decided not to concede to such request. Some practitioners propose the contractual entitlement of prolongation cost due to unanticipated complex ground conditions in case of contractor's design of piling works, in addition to extension of time. To share risk in an equitable manner, it is decided not to make prolongation cost a contractual entitlement.</p>

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<p>To establish ‘Site Works Forum’ for quick resolution of site problems. (Rec.45)</p>	<p><u>HKCA</u> So far, out of the 120 items raised for discussion under 4 forums, over 80 items has already been settled. Very positive feedback has been received from HKCA on the quick resolution received from the ‘Site Works Forum.’ Taking into consideration the support from the industry, the Department will continue to hold such forum on a need basis.</p>
<b>Pillar Seven – Reinforcing Partnering Culture</b>	
<p>To resolve disputes speedily during project implementation through the use of adjudication and/or Dispute Resolution Advisers in large-scale building contracts. (Rec.6)</p>	<p><u>Professional Bodies</u> Members from the HKIA, the HKIE, and the HKIS have been consulted and they generally welcome the proposals as ones that will improve on the conventional mode of dispute resolution in terms of pro-activity and enhance the readiness of parties to compromise. They expect that more of their experienced members will be interested in pursuing the DRA listing status.</p> <p><u>HKCA</u> The HKCA strongly supports the proposal in the light of the following advantages that it sees on ArchSD’s projects :- (a) expedite the agreement of major variations;  (b) avoid undue development of disputes which may lead to expensive and prolonged arbitration or litigation; and  (c) Facilitate settlement of final account within a reasonable time after the Period of Final Measurement.</p> <p><u>HD Staff</u> In-house staff support the DRA initiative. Nonetheless, some professional staff are concerned about the pressure imposed on them and in particular the 28 days limit to resolve disputes at the site representatives level. We would need to suitably adjust the workload of staff involved in the pilot projects to enable them to cope with the commitment in a reasonable, satisfactory and effective manner.</p>

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<b>Pillar Nine – Reinforcing Third Party Control</b>	
<p>To introduce an objective third party scrutiny on HA's building by putting them under the control of the Buildings Ordinance (Rec.18)</p> <p>- Establishment of Independent Checking Unit and the introduction of other interim measures</p>	<p><u>Public</u> It is expected that the third party scrutiny on HA's buildings will be well received by the public.</p> <p><u>Professional Bodies</u> The professional bodies including HKIA and HKIE welcome the equivalent practice as designated AP/RSE. The professional bodies see the value of progressively aligning regulatory control under a unified system.</p> <p><u>HKCA</u> HKCA has offered no objection to the interim measures to strengthen regulatory compliance. Some HKCA members raise concern about the potential programming and contractual implications, especially for piling works that are designed and built by contractors.</p> <p><u>HD Staff</u> HD staff welcome the establishment of the ICU. However, the longer term arrangement on the application of AP/RSE may induce major anxiety over criminal liability and security of employment. Full staff consultation will be made before initiating changes.</p> <p><u>Government</u> The Government sees the need to first address problems of implementation, such as staff resistance, and staff unfamiliarity with the application of the BO and Buildings Regulations.</p>

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<b>Pillar Eleven – Improving Productivity</b>	
<p>To facilitate the development of an integrated production process (Rec.30)</p> <ul style="list-style-type: none"> <li>- Wider use of site specific design</li> <li>- Open design competition</li> <li>- Launch a pilot “design and build” project</li> </ul>	<p><u>Public</u> It is expected that the migration from standard design to site specific design will be well received by the public.</p> <p><u>Professional Bodies</u> The professional bodies welcome the proposals as site specific design would bring improvements to our built environment. They see the value of a more diversified stock of public housing in improving our townscape, architecture and livability.</p> <p><u>HKCA</u> HKCA has offered no objection to a more diverse housing stock. Some HKCA members have concerns about the pace of migration as their investment in system formwork or mechanized construction for the current standard block prototype may not be repaid.</p> <p><u>HD Staff</u> HD staff are worried about the additional workload arising from the site specific design. For this reason, we have carefully determined the pace and choice of pilot project to contain the resources. Parallel to this, we will strengthen the project management function to step up consultant management, to manage special projects such as design and build.</p>