Preface

Achieve more in Building Rehabilitation with Active Participation and Lucid Workflow

'Prevention is better than cure.' This popular proverb, originally refers to the benefits of early detection and intervention for diseases, has homologous implications for building rehabilitation, in that regular and timely repair and upkeep is essential and efficacious in maintaining the sound overall condition of the building and hence, its safety and hygiene standards.

While rehabilitation of common parts of a building serves the interest of all owners, fragmented ownership remains the key obstacle for the majority of private buildings in Hong Kong to plan for building rehabilitation, not to mention the general lack of a solid understanding of the planning and management of building rehabilitation (which often involves professional tasks) among owners, which further dampens the confidence needed to reach consensus and organise rehabilitation works.

Authority (URA) understands owners' hesitation and difficulties in the face of building rehabilitation which involves not just exorbitant expanses but also myriad uncertainties and pitfalls arisen from the lack of knowledge about the building rehabilitation workflow and the roles, rights and responsibilities of stakeholders, including the owners themselves, the owners' organisations, the property management company, work consultants and contractors, etc., not to mention the meagre information available for reference and comparison concerning the scale and cost of works. The URA believes that with better access to information and support, owners can have a better grip on and confidence in building rehabilitation, thereby facilitating its completion with a reasonable price and conducted under open, fair and just process through which disputes can be minimised.

With this in mind, the 'Building Rehabilitation Platform' administered by Hong Kong Building Rehabilitation Facilitation Services Limited (a wholly-owned subsidiary of the URA) publishes this Building Rehabilitation Guidebook (the 'Guidebook') to offer perspicuous guidelines on the rehabilitation and maintenance of common parts of buildings, with a view to facilitating proper planning and implementation of rehabilitation works for buildings with an Owners' Corporation (OC) (some of the content may also be useful reference for buildings without an OC). Laid out cohesively in '6 Steps to Building Rehabilitation², the Guide covers information on building rehabilitation, from preparation to procurement of work consultants and contractors, and to supervision and implementation, alongside supplementary 'Simulated Scenarios' and 'Useful Tips' to offer a realistic illustration of current building rehabilitation such that readers may take heed of possible misconducts in the process of building rehabilitation. In addition to citations of legislative provisions in force, suggested procedures and measures are also provided as recommended operation routine³. Last but not least, timely repair and maintenance are as important in private residential units as they are in common parts of buildings for the whole building to maintain its structural safety and hygiene.

¹ "Building Rehabilitation Platform" is a one-stop information platform offering owners comprehensive information and support in various professional fields under the auspices of relevant professional organisations, institutions and industry representatives. The URA has formed a subsidiary (Hong Kong Building Rehabilitation Facilitation Services Limited) to manage the operation of the Platform, under which three committees, namely Technical Committee, Service Providers Committee and Promotion Committee, are tasked with formulating plans and execution details concerning the best practice guidelines and regulations, cost estimation references, dedicated tender and contract templates for building rehabilitation, and service provider database available on the Platform.

² Refers to the 6 main procedures/steps to building rehabilitation. Please also refer to 'Building Rehabilitation Platform' website (www.brplatform.org.hk) for viewing of videos introducing each procedure concerning building rehabilitation. All simulated scenarios/examples in this Guidebook (which are entirely fictitious and for reference only, where no identification with actual persons or entities is intended or should be inferred) are intended to illustrate the possible misconducts in the process of building rehabilitation works as a reminder for **owners/OCs** to take heed of such risks and to appoint ethical registered work consultants and work contractors to carry out rehabilitation works.

³ All simulated scenarios/examples in this Guidebook (which are entirely fictitious and for reference only, where no identification with actual persons or entities is intended or should be inferred) are intended to illustrate the possible misconducts in the process of building rehabilitation works as a reminder for **owners/OCs** to take heed of such risks and to appoint ethical registered work consultants and work contractors to carry out rehabilitation works.

How to Use this Guidebook Effectively

This guide uses the following icons to facilitate quick search for necessary information:



Scan QR Codes to Watch Videos on 'Building Rehabilitation Platform' Website



Understand the Major Tasks in Building Rehabilitation



Useful Tip



Simulated Scenario



Refer to the Specified Section in this Guide



References



Document / Form / Template



Appendix - Relevant Information

Acknowledgement

This Guidebook was prepared by Hong Kong Building Rehabilitation Facilitation Services Limited (a wholly-owned subsidiary of the URA) in 2019. The following government departments, statutory bodies and professional organization for their valuable comments and contributions are gratefully acknowledged.

Government departments and statutory bodies	Professional organization (names not listed in order)
Buildings Department	Building Services Operation and Maintenance Executives Society Hong Kong Limited (BSOMES)
Fire Services Department	Chartered Association of Building Engineers Hong Kong Chapter (CABEHK)
Home Affairs Department	Contractor's Authorised Signatory Association Limited (CASA)
	Hong Kong General Building Contractors Association Limited (HKGBCA)
Independent Commission	Hong Kong Institution of Certified Auditors Limited (HKICA)
Against Corruption (ICAC)	Hong Kong Institute of Construction Managers, Limited (HKICM)
Hong Kong Housing Society	Hong Kong Institute of Certified Property Manager Limited (HKCPM)
	Professional Building Surveying Consultants Association of Hong Kong Limited (PBSCA)
	Registered Minor Works Contractor Signatory Association Limited (RMWCSA)
	The Association of Architectural Practices Limited (AAP)
	The Association of Registered Fire Service Installation Contractors of Hong Kong Limited (FSICA)
	The Chartered Institute of Building (Hong Kong) (CIOB-HK)
	The Federation of Hong Kong Property Mgt Industry Limited (FHKPMI)
	The Hong Kong Association of Property Management Companies Limited (HKAPMC)
	The Hong Kong Construction Association, Limited (HKCA)
	The Hong Kong Institute of Architects (HKIA)
	The Hong Kong Institute of Clerks of Works (HKICW)
	The Hong Kong Institute of Engineers (HKIE)
	The Hong Kong Institute of Housing (HKIH)
	The Hong Kong Institute of Surveyors (HKIS)
	Hong Kong Registered Contractors Association Co., Limited (HKRCA)
	The Institute of Clerks of Works and Construction Inspectorate (Hong Kong) (ICWCI)
	RICS International Limited (RICS)

Version

May 2019

Disclaimer

This Guidebook provides general guidance only and does not purport to deal with all possible issues that may arise in any given situation. Explanations of the legal requirements under the relevant Ordinances are necessarily general and abbreviated from the layman's angle, and are based on those as applicable at the time of publication of this Guidebook. Steps and practices in relation to the management of building maintenance projects are by no means prescriptive or exhaustive, and do not preclude the need to seek professional technical advice and assistance from relevant professionals. Users of this Toolkit should seek legal advice or consult the relevant authorities in respect of the detailed requirements in force and professional advice and assistance in the carrying out of building maintenance projects as and when necessary. The Hong Kong Building Rehabilitation Facilitation Services Limited and its partners in the production of this Guidebook will not accept any liability, legal or otherwise, for loss occasioned to any person acting or refraining from action as a result of any material in this publication.

The cases and scenarios given in this Guidebook are for illustration only. No relation to any real person or entity is intended or should be inferred. The cases are intended to clarify some of the misconduct that may occur in a building rehabilitation project, thereby reminding the owner/corporation to pay attention to these risks and appoint qualified works consultant and works contractor to carry out building rehabilitation works.

Copyright

The copyright of this publication is owned by the Hong Kong Building Rehabilitation Facilitation Services Limited. Interested parties are welcome to produce any part of this Toolkit for non-commercial use. Acknowledgement of this Guidebook is required.

Contents

6 Steps to Building Rehabilitation		1
Step 1 S	eek Owners' Consensus on Rehabilitation	2
Section 1.1	Understand Building Rehabilitation Thoroughly	3
	1.1.1 Why a building needs rehabilitation	3
	1.1.2 Responsibilities in building rehabilitation and the consequences of its neglect	6
	1.1.3 Commence preparation tasks for building rehabilitation	7
Section 1.2 Form an Owners' Corporation (OC) (Applicable to Buildings without OCs)		12
	1.2.1 Building Management Ordinance(Cap.344)	12
	1.2.2 Deed of Mutual Covenant (DMC)	13
	1.2.3 Purpose and benefits of forming an OC	14
	1.2.4 Methods and procedures of forming an OC	16
	1.2.5 Duties and Role of OCs, MCs and Owners	19
	1.2.6 Duties, Roles and Services of 'Manager'	19
	1.2.7 Organisational Structure of Building Rehabilitation Project Management	22
Section 1.3 Convene Owners' Meetings about the Rehabilitation Project		on 23
	1.3.1 Procedures and rules for various meetings (applicable to Buildings with OCs)	23
Appendix		31
Sample / Form / Template		56
Step 2 Engage Professional Works Consultant for the Rehabilitation Project		69
Section 2.1	Define Works Consultant's Service Scope	70
	2.1.1 What is a Works Consultant?	70
	2.1.2 Basic Service Scope of Works Consultant	74

Section 2.2	Engage Works Consultant in Compliance with Building Management Ordinance and Code of Practice on Procurement of Supplies, Goods and Services		76
	2.2.1	Regulations on Building Management Ordinance and Code of Practice on Procurement of Supplies, Goods and Services	76
	2.2.2	How to Engage Works Consultant	80
	2.2.3	Understand 'Smart Tender' Building Rehabilitation Support Services	82
Section 2.3	Open	and Analyse Tenders	83
	2.3.1	Analysis and Assessment of Consultancy Service Proposals	83
	2.3.2	Risk management / anti-corruption measures (appointment of Tender Assessment Panel)	84
	2.3.3	Using the tender price as the only assessment criteria is not recommended	84
	2.3.4	Checklist of common non-price factors (Assessing and considering factors other than the tender price)	85
Section 2.4	Interv	iew Works Consultant	87
	2.4.1	Why interview?	87
	2.4.2	Interview process flow	88
	2.4.3	Arrangement for Price Negotiation (optional)	88
Section 2.5	Section 2.5 Convene Owners' Meetings on Selection of Works Consultant		89
	2.5.1	Recommended Procedures	89
Section 2.6	Enter	into Consultancy Contract with Successful Tenderer	90
	2.6.1	Use Recommended Sample Documents	90
	2.6.2	Measures for the supervising Works Consultant	90
Appendix			94
Sample / Fo	rm / Tei	mplate	113
Step 3	Conduc	t Building Inspection and Prepare Tender Documents	131
Section 3.1		ing Inspection by Works Consultant	132
	3.1.1	Why Building Inspection?	132
	3.1.2	Scope of Inspection	132
	3.1.3	Methods of Inspection	135
Section 3.2	Prepa	aration of Tender Documents by Works Consultant	136
	3.2.1	Drafting Building Rehabilitation Proposal	136
	3.2.2	Preparing Tender Documents	137
	3.2.3	Types of Tender Documents	140

Section 3.3	Provision of Cost Estimates by Works Consultant		142
	3.3.1	What is a work cost estimate?	143
Appendix			146
Sample / Fo	rm / Ten	nplate	149
Step 4 E	Engage V	Works Contractor for the Rehabilitation Project	154
Section 4.1		ene Meetings to Ratify Tender Documents and cring Procedures	155
	4.1.1	What is a Works Contractor?	155
	4.1.2	Statutory Requirements for Works Contractors	157
Section 4.2	.2 Engage Works Contractor in Compliance with Building Management Ordinance and Code of Practice on Procurement of Supplies, Goods and Services		159
	4.2.1	Procurement Regulations and Code of Practice Prescribed by the Building Management Ordinance	159
	4.2.2	How to Engage a Works Contractor	159
	4.2.3	Common Tendering Methods for Works Contract	160
Section 4.3	Open a	and Analyse Tenders	162
	4.3.1	Tender Opening and Assessment	162
	4.3.2	Risk management/ anti-collusion of tender assessment period	162
	4.3.3	Key Content of Tender Assessment Report	164
Section 4.4	Interview Works Contractor		165
	4.4.1	Interview Arrangement and Flow	165
	4.4.2	Arrangement for Price Negotiation (optional)	167
Section 4.5	ion 4.5 Convene Owners' Meetings to Discuss and Resolve on Work Items and Selection of Works Contractors		168
	4.5.1	Recommended Procedures	168
Appendix			172
Sample / Form / Template		181	
Step 5 Commence Works and Work Sites Supervision		184	
Section 5.1	Prepar	ation for Signing of Contract	185
	5.1.1	'Major Stakeholders' in Building Rehabilitation	185
	5.1.2	Signing of Contract and Task Arrangements before Commencement of Works	187

Section 5.2	Manage Contract and Supervise Works after Commencement of Works		191
	5.2.1	Regular Review of Works Progress	191
	5.2.2	Quality Inspection	193
	5.2.3	Variations of Works	195
	5.2.4	Payment for the Works	196
Appendix			198
Step 6 I	nspectio	on for Acceptance of Works and Confirm Completion	202
Section 6.1	ion 6.1 Conduct Inspection for Acceptance of Works and Apply for Order Discharge (If Applicable)		185
	6.1.1	Testing and Commissioning	185
	6.1.2	Inspection of Works for Acceptance	185
	6.1.3	Statutory Documentation	185
	6.1.4	Engagement of Government Departments	185
	6.1.5	Record Floor Plan	186
	6.1.6	Arrangement for Certifying Completion Date and Extension for Completion	187
	6.1.7	Works Completion Certificate	187
Section 6.2	6.2 Rectifications by Works Contractor within Defects Liability Period		188
	6.2.1	Defects Liability Period	188
	6.2.2	Roles and Responsibilities of Each Party during Defects Liability Period	188
Section 6.3	Drawi Maint	ng up Long-Term Plans for Building	190
	6.3.1	Reasons for Building Maintenance	190
	6.3.2	Preventive Maintenance	191
	6.3.3	Strategies and Standards of Maintenance	191
	6.3.4	Formulate Schedules for Building Maintenance Cycle	193
	6.3.5	Set up Dedicated Building Rehabilitation Fund	193
Section 6.4	6.4 Procure Insurance for the Building		194
	6.4.1	Purpose of Building Insurance	194
	6.4.2	Type of Building Insurance	195
Appendix			197

6 Steps to Building Rehabilitation



Seek Owners' Consensus on Rehabilitation Please refer to Step 1 (Page. 2)





Engage Professional Works Consultant for the Rehabilitation Project



Please refer to Step 2 (Page. 68)





Conduct Building Inspection and Prepare Tender Documents



Please refer to Step 3 (Page. 131)





Engage Works Contractor for the Rehabilitation Project



Please refer to Step 4 (Page. 154)





Commence Works and Work Sites Supervision



Please refer to Step 5 (Page. 184)





Inspection for Acceptance of Works and Confirm Completion



Please refer to Step 6 (Page. 202)

