

## **Management Procedures for Departmental Contractor List (updated on 17.9.2020)**

### 1. Admission to the Departmental Contractor List

- i. Applications from contractors for admission to the Departmental Contractor Lists are submitted to the Secretary of Departmental Report Review Committee (DRRC).
- ii. Upon receipt of an application, the Secretary of DRRC would pass the application to the respective Working Group for Departmental Contractor List (CLMWG) who shall then nominate a senior engineer to carry out the necessary technical investigation to ascertain the candidate's eligibility.
- iii. The senior engineer will investigate whether the applicant has appropriate technical capacity and will submit a recommendation to the DRRC within 90 days from the date of referral, subject to complete and adequate information received from the applicant. If the technical investigation cannot be proceeded due to incomplete or inadequate information from the applicant, the senior engineer shall recommend rejecting the application within 30 days from the date of requesting supplementary information.
- iv. The investigation report would then be submitted to CLMWG to give recommendation and then to DRRC for endorsement.
- v. A holding company and his subsidiaries shall be permitted to be included in the same Departmental Contractor List. However, the holding company and all its subsidiaries who are included in the same List shall each give an undertaking that only one company will submit a tender for a particular contract. Failure to honour this undertaking will render all related tenders null and void. The existence of a holding-subsidiary relationship shall be determined in accordance with the provisions in Section 2(4) to (8) of the Companies Ordinance (Cap. 32).
- vi. In the event the application for inclusion to the List is approved, the respective Contractor shall provide the Secretary of DRRC within 7 working days counting from the date of the notification letter the following items: -
  - a) the names of any of his holding and subsidiary companies, which have been included in the List and provide the necessary undertakings (If the Contractor does not have any holding and subsidiary companies in the Lists, he should confirm in writing);

- b) the names and post titles (both in English and Chinese) of his senior management such as President, Chairman, Director, Managing Director, Executive Director, or General Manager, etc and keep CLMWG updated of any changes at all times.

The above documentation shall then be kept by the respective CLMWG for record.

- vii. Contractor shall inform the Secretary of DRRC in writing immediately of any factor which might affect the Contractor's qualified status. CLMWG reserves the right to review the Contractor's qualified status in the light of any new information relevant to the qualification.

## 2. Change of Company Name

When a contractor changes his company name, he shall notify in writing of the change in name and submit a copy of the Business Registration Certificate in the new name, Certificate of Change of Name issued under Section 107(3)(b) of the Companies Ordinance (Cap. 622) (or equivalent) and a list of all current contracts. He shall also provide updated names and post titles of his senior management as required under Clause 1.v.b) of this Management Procedures. The contractor shall confirm in writing that there is no change on his technical ability in terms of expertise, office and testing facilities, training, documentation, spare and maintenance as required in the Admission Criteria for Departmental Contractors List. If there is any change, or if CLMWG has doubt on the contractor's technical ability, reassessment on the relevant admission criteria shall be carried out.

## 3. Change in Company Structure and Legal Entity

The contractor shall submit the requirements as stated in Clause 2.i. above. For limited company involving a change of legal entity, or changes in partnership involving the death or retirement or replacement of an existing partner, a reassessment of the contractor's technical ability as required in Admission Criteria for Departmental Contractors List shall be carried out.

## 4. Suspension or Removal of the Contractor

- i. Circumstances warranting suspension from tendering in a particular Departmental

Contractor List are listed below: -

- Poor performance in contracts (i.e. two adverse reports given within twenty-four months).
- Suspected misconduct.
- Suspected serious poor performance or other serious causes in any public or private sector works contracts.

A time limit for review to be set in all cases but should not be longer than six months.

ii. Circumstances warranting removal from the List

- Poor performance in contracts (i.e. three adverse reports given within twenty-four months).
- Misconduct.
- Complicity in the misconduct of an employee, agent or subcontractor.
- Bankruptcy and winding up of business.
- Withdrawal of tenders in a category within the tender validity period therefor on two or more occasions within a 18-month period.
- Failure to submit a tender within a period of three years despite being eligible to do so.

iii. Recommendation for suspension or removal of a contractor from the List shall be made by the corresponding CLMWG for DRRC's approval. Upon endorsement of DRRC, the Chairman of DRRC should issue a letter notifying the contractor of DRRC's intention to remove/suspend him from the List and ask if he has any objection. The contractor shall be asked to provide justification in case he wants to make an appeal. If an appeal is made by the contractor, CLMWG should provide further information, if any, to DRRC for consideration in making the final decision. Notification of the final decision shall be issued by the Chairman of DRRC accordingly.

iv. Contractor shall not be allowed for re-admission within two years from the date he was removed from the List.

5. Contractor Performance Report

i. Contractor Performance Reports are reported quarterly (reporting period ending

Feb, May, Aug and Nov). Project officer shall submit an end-of-contract review report at the end of the reporting period to Departmental Report Review Sub-Committee (DRRSC) for endorsement when the substantial completion date of the contract falls within that reporting period.

- ii. Simplified version of CPR shall be adopted (Page 6 of this document refers).
- iii. Project officer shall send an advance copy of the CPR to the contractor on or before the third working day (Saturdays not being counted as working days) after the reporting date. The report shall be sent with a caveat that it will be subject to endorsement by the Chairman of DRRSC. Where the report is subsequently amended by the Chairman of DRRSC, the contractor shall be notified accordingly.
- iv. In the event of disagreement with the grading in the performance report, the contractor should notify DRRSC on or before the 6th working day after the reporting date (Saturdays not being counted as working days) and submit written representations to DRRSC for a review of the grading by fax or by hand on or before the sixteenth working day after the reporting date (Saturdays not being counted as working days). DRRSC shall inform the contractor in writing as soon as a decision has been made.
- v. If DRRSC intends to alter any grades in the performance report, it shall notify the contractor its intention in writing on or before the fourteenth working day (Saturdays not being counted as working days). In the event of disagreement with such proposed alterations, the contractor should notify DRRSC on or before the sixteenth working day (Saturdays not being counted as working days) and submit written representations to DRRSC for a review of the grading by fax or by hand on or before the twenty-first working day (Saturdays not being counted as working days). DRRSC shall inform the contractor in writing as soon as a decision has been made.
- vi. The timetable for reporting on contractor's performance is illustrated in page 7 of this document.
- vii. Project officer may initiate the submission and uploading of CPRs to DEVB's contractor performance reporting system if he considers that close monitoring and supervision of contractors are required to ensure that the works will be carried out properly. He shall first submit an application with justifications to DRRC for agreement within 14 working days from the contract commencement and, upon the receipt of the DRRC's agreement, he shall inform the concerned contractor

accordingly. Once an officer has made his decision, the CPR submission process shall follow the procedures and time table specified in the CMH and continue for every quarter until finalization of the quotation.

**REPORT ON PERFORMANCE OF CONTRACTOR**  
**( for quotations with value equal to or not exceeding \$1.4 million /**  
**contractors listed on Departmental Contractor List, EMSD )**

Division / Section : \_\_\_\_\_  
 Submission of report in Quarter \_\_\_\_\_ of year \_\_\_\_\_

REPORTING PERIOD :  
 From : \_\_\_\_\_ To : \_\_\_\_\_

**A Details of Quotation**

Quotation No. :

Quotation Title :

Type of Quotation : Supply & Installation / Maintenance / Others \* ( *please delete as appropriate* )

Contractor's Name :

Name of the Contractor's List :  
 (e.g. Electronic System Integration)

Commencement Date :

Original Completion Date :

Substantial Completion Date :

Quotation Sum :

<b>B Performance</b>	VG	G	S	P	VP	NA	VG : Very Good	P : Poor
1 Workmanship							G : Good	VP : Very Poor
2 Progress							S : Satisfactory	NA : Not Applicable
3 Site safety							<b>Note:</b>	
4 Environmental pollution control							A "Very Poor" in any one of sections 1,2,3,4 shall render a mandatory "Very Poor" in the "Overall performance" and the report will be rated as "Adverse"	
5 Organisation							A "Poor" in any one of sections 1,2,3,4 shall render a mandatory "Poor" in the "Overall performance"	
6 General obligations								
7 Industry awareness								
8 Resources								
9 Design								
10 Attendance to emergency								
Overall performance								

**C Remarks by Reporting Officer**

The performance of the contractor is satisfactory.

Report **NOT ADVERSE** / **ADVERSE** \* ( *delete as appropriate* )

Reported by \_\_\_\_\_

Agreed by \_\_\_\_\_

Endorsed by \_\_\_\_\_

Signed by \_\_\_\_\_

Signed by \_\_\_\_\_

Signed by \_\_\_\_\_

\_\_\_\_\_  
 ( \_\_\_\_\_ )

\_\_\_\_\_  
 ( \_\_\_\_\_ )

\_\_\_\_\_  
 ( \_\_\_\_\_ )

Engineer

Senior Engineer

Chief Engineer

Date .....

Date .....

Date .....

(\*) Delete as appropriate

## Timetable for Reporting on Contractors' Performance

No. of working Days after the Reporting Day (Saturday not counted as working day)

	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	26	27
(1) Reporting Officer to send report to DRRSC	■	■	■																								
(2) Contractor to be sent an advance copy of the report	■	■	■																								
(3) DRRSC to review all the reports				■	■	■	■	■	■	■	■	■	■														
(4) For reports where contractors have raised disagreements																											
(a) Contractor to notify DRRSC of disagreements in advance				■	■	■																					
(b) Contractor to submit representations to DRRSC							■	■	■	■	■	■	■	■	■	■											
(c) DRRSC to review representations and make decisions																	■	■	■	■	■	■	■	■	■	■	■
(5) For reports where DRRSC has proposed alterations																											
(a) Receipt of RRC's proposed alterations by Contractor				■	■	■	■	■	■	■	■	■	■	■													
(b) Contractor to notify DRRSC if they disagree with proposed alterations															■	■											
(c) Contractor to submit representations to DRRSC in case of disagreement																	■	■	■	■							
(d) DRRSC to review representations and make decisions																					■	■	■	■			