Application Notes

Smart Tender
Building Rehabilitation Facilitating Services (Pilot Scheme)

Enquiry
3188 1188

www.buildingrehab.org.hk

Please return the completed application form by hand or by post to
Unit 1001, 10/F, Tower 2, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road, Kowloon
with the required documents

如欲索取中文版，請致電3188 1188。
Smart Tender - Building Rehabilitation Facilitating Services (Pilot Scheme)

**Application Notes**

Smart Tender - Building Rehabilitation Facilitating Services (Pilot Scheme) ("the Services") is a fee charging service, targeting to provide professional advice and technical assistance, by external service providers to the Owners’ Organizations (OO) of eligible buildings.

As part of the scheme, an electronic tendering platform, operated by the external service provider, called the “Smart Tender” will be used to facilitate the successful applicants to procure Registered General Building Contractor (RGBC) for building rehabilitation works.

### 1 Application

Starting in early May 2016 with a quota of 50. First come, first served while quota lasts.

### 2 Eligibility Criteria (all of the following criteria must be fulfilled)

2.1 Building age of 30 years or above at the time of application based on the Occupation Permit (OP). All of the building blocks within the application shall reach the required age.

Multiple owned residential or composite used domestic buildings, but **not** including buildings 3 or under 3 storeys high, and New Territories Exempted Houses under Civil Servants’ Co-operative Building Society.

2.2 Average Rateable Value (RV) for Domestic Units (“Average RV”) of all building blocks not exceeding:

   (1) **HK$300,000 in Urban Districts** -
       (Central & Western, Eastern, Kowloon City, Kwai Tsing, Kwun Tong, Sha Tin, Sham Shui Po, Southern, Tsuen Wan, Wan Chai, Wong Tai Sin, Yau Tsim Mong); or

   (2) **HK$160,000 in Rural Districts** -
       (Islands, North, Sai Kung, Tai Po, Tuen Mun, Yuen Long)

The Owners’ Organization applying for the Services (hereinafter referred to as "the Applicant") shall make reference to the most recent Rates Demand Notes from the Rating and Valuation Department (RVD), for domestic units in higher/ medium/ lower floors with different floor areas, to derive the Average RV.

The prevailing Average RV to be adopted in the application shall be based on the latest Average RV information of all building blocks, provided by the RVD to the URA.

### 3 Other Requirements

3.1 At the time of application, the OO must be established for the subject building block(s) under the application (ie. Incorporated Owners or Owners’ Committee), either in accordance with the provisions of Deed of Mutual Covenant (DMC), or under Building Management Ordinance (BMO) - Cap 344, and that the OO has been registered according to prevailing regulations. The OO has to possess with the ability and capacity to organize and manage the building rehabilitation works and to process the associated documentation independently.

3.2 The Authorized Person (AP) / Registered Inspector (RI) for carrying out inspections and supervising the building rehabilitation works must not be appointed when the Applicant applies for the Services. The successful Applicant shall procure the AP / RI by an open tender in compliance with the relevant statutory requirements. *(Note 1)*

**Note 1:** If the Applicant has already appointed a Registered Inspector (RI) and conducted the prescribed inspection as stipulated in the Mandatory Building Inspection Scheme (MBIS) notice from the Buildings Department, and if the Applicant plans to continue to appoint the same RI to carry out the prescribed repair, the Applicant must submit relevant documents with evidence of compliance with the relevant statutory requirements that such appointment was procured in an open tender. The URA will review the evidence submitted and consider whether to accept the application.
3.3 The Applicant must not be currently applying for or under the application/approval/work in progress stage for any building rehabilitation subsidy/loan scheme under the URA and/or other statutory departments.

3.4 The Services targets to assist the Applicant in one or more of the following scope of building rehabilitation works:

(a) Building Structure and Safety;

(b) Sanitation and Hygiene;

(c) Roof/Common Areas Water Seepage; and

(d) Fire Safety.

The Services is not applicable to particular scope of works, such as:

(i) Slope/earth retaining geotechnical structure repair or alterations & additions (A&A) works;

(ii) Recreation facilities upgrade/replacement;

(iii) Electrical installations upgrade or repair; and

(iv) Systems engineering and/or replacing/upgrading elevators.

3.5 The Services does not offer partial service to the Applicant, such as the following situations:

(1) The Applicant has already appointed the Authorized Person (AP) / Registered Inspector (RI) for carrying out inspections and supervising the building rehabilitation works at the time of application for the Services; and/or

(2) Building rehabilitation works has proceeded to a stage when the Applicant is procuring RGBC, and wishing to only adopt URA’s Smart Tender electronic tendering platform.

4 Joint Application for Multiple Owners’ Organizations (if applicable)

4.1 Joint application includes the following situations:

4.1.1 A building block consisting of multiple OO’s intend to carry out joint building rehabilitation works;

or

4.1.2 More than one building block in the same estate consisted of multiple OO’s intend to carry out joint building rehabilitation works.

4.2 Each of the multiple OO’s under a joint application must pass resolution under each of the individual OO’s general meeting to authorize the application to the Services provided by the URA. Refer to Section 5.5 for the requirements.

4.3 Multiple OO’s under a joint application must procure the same AP / RI and RGBC by open tenders (respectively) for the building rehabilitation works, in compliance with the relevant statutory requirements.

5 Submitting Application and the Supporting Documents

For Applicant fulfilling the aforesaid eligibility criteria and other requirements the application form shall be completed tidily, and signed by the authorized representatives, along with the seal of all of the concerned OO’s for the building blocks under the application. Application shall be submitted with the following supporting documents:

5.1 A copy of all of the non-complied statutory order(s)/notice(s)/direction(s) issued by the Buildings Department or other statutory department(s), to the common area(s) of the building blocks under the application, addressed to the building owner(s) and/or the OO’s. Including but not limited to: Section 26 (s.26), Section 26A (s.26A), Section 28 (s.28) orders; MBIS notice (s.30B); Fire Safety Direction (FSDn);

5.2 A copy of the Deed of Mutual Covenant (DMC) for all of the building blocks under the application;
5.3 A copy of the Occupation Permit (OP) for all of the building blocks under the application;

5.4 A copy of the certificate of registration for all of the OO’s under the application;

5.5 The Applicant must pass the resolution of the following agenda in the general meeting, and submit the notice of meeting and the meeting minutes (Note 2):

5.5.1 To apply for Urban Renewal Authority (URA)’s Smart Tender - Building Rehabilitation Facilitating Services (Pilot Scheme) with a charge of HK$ [XX,XXX.00 (Service Charge refer to Section 7.3.1)].

This charge has included the Independent Professional services (to be administered by the URA) provided as part of the Smart Tender - Building Rehabilitation Facilitating Services (Pilot Scheme) for [Building or Estate Name]. The authorized representative [the name of the nominated Owners’ Organization committee member] shall represent [Building or Estate Name] to sign the Service Agreement with URA AND the Tripartite Agreement with the URA and the Independent Professional.

5.5.2 In the Smart Tender - Building Rehabilitation Facilitating Services (Pilot Scheme), the URA shall act as an agent for [Building or Estate Name] to facilitate the appointment of, and the services provided by the following service provider and Independent Professional:

(a) A designated service provider to facilitate the use of electronic tendering platform - “Smart Tender” for an open tender to procure Registered General Building Contractor (RGBC);

(b) A Certified Public Accountant (CPA) or Independent Professional, to administrate and supervise the tender opening process to procure RGBC.

5.5.3 (In addition to Section 5.5.1 and 5.5.2 above, the following is applicable to joint application. Each of the multiple OO’s under a joint application must pass resolution under each of the individual OO’s general meeting.)

To apply for Urban Renewal Authority (URA)’s Smart Tender - Building Rehabilitation Facilitating Services (Pilot Scheme) with a joint application consisting of the following Owners’ Organizations (OO): [List out all of the OO under the same joint application].

Multiple OO’s under this joint application must procure the same Authorized Person / Registered Inspector and RGBC by open tenders (respectively) for the building rehabilitation works, in compliance with the relevant statutory requirements.

5.6 Other supporting documents to be submitted:

5.6.1 Applicable to building / estate with formed Incorporated Owners

To comply with Building Management Ordinance (BMO) - Cap 344, following the requirements in Section 5.5.

5.6.2 Applicable to building / estate without Incorporated Owners but with other formed Owners’ Organization

(a) In accordance with the provisions of Deed of Mutual Covenant (DMC), following the requirements in Section 5.5;

Note 2: The agenda for passing in the general meeting as stipulated in Section 5.5.1 and 5.5.2 may be subjected to variation depending on the particular situation for the building blocks under the application.
(b) The authorized representative for the application (the nominated Owners’ Organization committee member) must be a registered owner of the building he/she represents. A search on the land records at the Land Registry with this information is to be submitted;

(c) If the authorized representative is a registered owner in name of company, such company must appoint a director as its representative and submit the relevant power of attorney. The application form shall be stamped with the company seal and stating the name of the signatory;

(d) If the authorized representative is a registered owner in name of a limited company, the following shall be submitted:

1. The company's articles of association and a copy of the Business Registration Certificate;

2. A copy of the list of the company’s new director for registration, such as the most recent annual return;

3. The relevant documents recording the passing of resolution by the board of directors to authorize the director as the authorized representative; and

4. Other related information or documents as requested by the URA.

5.7 The duly completed Application Form (Part 1 and Part 2) along with all of the required supporting documents described in this section (Section 5), to be submitted by hand or by post to:

Urban Renewal Authority,
Unit 1001, 10/F, Tower 2, Cheung Sha Wan Plaza,
833 Cheung Sha Wan Road, Kowloon

5.8 For joint application with multiple OO’s, each of the OO shall:

5.8.1 Fill in Part 1 – covers the general information about the building/estate under the application; and Part 2 – covers the detail information of individual building blocks. Applicants are required to complete both Parts for submission; and

5.8.2 Attach all of the required supporting documents in the application.

6 Prioritization Procedures and Considerations

6.1 The date/time of application shall be based on the receipt time stamp at the URA offices;

6.2 The URA shall prioritize the applications based on the building age at the time of application (referring to the OP), “Average RV” of all building blocks under the application, and the urgency for building rehabilitation;

6.3 The URA shall prioritize the eligible applications based on the considerations stated in Section 6.2. If the number of eligible applications exceeds the intended application quota for the Services, the URA shall determine the successful applications based on the prioritization ranking. The outcome of which shall be conveyed to the Applicant by correspondence;

6.4 When the application quota has been filled, such information shall be published on the URA website as per Section 8.3;
6.5 URA will request eligible Applicant to sign the Service Agreement (SA) with URA, and a Tripartite Agreement (TA) with URA and Independent Professional to identify obligations and scope of services.

6.6 The Applicant must settle the stage payment (refer to Section 7.3.2) with the URA for the Services according to the Service Agreement. The Services for that stage shall be provided when the respective stage payment is settled;

6.7 The Applicant shall comply with the statutory requirements for procuring the AP / RI and the RGBC in open tender. The Applicant shall request the AP / RI and RGBC to adhere to the guidelines stipulated in the “DIY tool-kits” supplied by the URA (refer to Section 7.1.1). If it is evident that the aforesaid has been breached and/or that the Applicant fails to achieve reasonable progress according to the requirements stipulated in the Notification Letter (NL) without acceptable justification or remedial action, the URA reserves the right to terminate the provision of the Services immediately and forfeiting the service charge of the uncompleted service;

6.8 The Services shall specify the requirement that the Applicant is obliged to pass the resolution at the general meeting for appointing the most appropriate RGBC within the prescribed period (typically 18 months); and

6.9 The URA reserves the right to decline/ disapprove any application for the Services at any stage, without any liability or obligation to disclose the reason to any third party. The URA reserves the right to have the final decision on the interpretation of all application notes, eligibility and prioritization criteria, and the other requirements for the provision of the Services.

7 Scope of Services and Service Charge

7.1 Scope of Services

The Services provided by or administered by the URA include:

7.1.1 “DIY tool-kits” - Including standard templates, recommendations and the statutory/ mandatory requirements for procuring the AP / RI and RGBC, along with other relevant guidelines and tips in organizing and managing the building rehabilitation works;

7.1.2 To arrange for the Applicant to appoint the Independent Professional, providing professional advice and technical assistance on building rehabilitation works during different stages of the Services. The Independent Professional also provides a ballpark budget estimation and Initial Assessment Report (IAR) to the Applicant;

7.1.3 To administrate the Independent Professional to provide comments (in the form of a report) on the Condition Survey Report (CSR) and the final version of Tender Document submitted by the AP / RI to the Applicant.

The Independent Profession also provides a Pre-Tender Cost Estimate to the Applicant, and after the tender opening, it provides comments (in the form of a report) on the Tender Analysis Report (TAR) submitted by the AP / RI to the Applicant;

7.1.4 To act as an agent of the Applicant to facilitate the use of electronic tendering platform - “Smart Tender” for an open tender to procure RGBC; and

7.1.5 To act as an agent of the Applicant to appoint the Certified Public Accountant (CPA) (or Independent Professional) for the administration and supervision of the tender opening process.
7.2 Workflow of the Services
The workflow of the Services is as follows:

**Procedures for the Applicant**

<table>
<thead>
<tr>
<th>Signing of Tripartite Agreement, and Service Agreement</th>
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<table>
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<tr>
<th>Procuring and Appointing AP / RI in an Open Tender</th>
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<table>
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<tr>
<th>Procuring RGBC in an Open Tender</th>
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<tr>
<th>Appointing RGBC</th>
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**Workflow of the Services**

<table>
<thead>
<tr>
<th>Independent Professional to conduct site inspection on the common areas of building blocks under the application, to provide ballpark budget estimation and Initial Assessment Report (IAR)</th>
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</thead>
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<table>
<thead>
<tr>
<th>Independent Professional to provide comments (in the form of a report) on the Condition Survey Report (CSR) and the final version of Tender Document submitted by the AP / RI. Also, to provide a Pre-Tender Cost Estimate</th>
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<tr>
<th>Using the electronic tendering platform - “Smart Tender” for an open tender to procure RGBC</th>
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<tr>
<th>IP to provide comments (in the form of a report) on the Tender Analysis Report (TAR) submitted by the AP / RI</th>
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**Completion of the Services**

7.3 Service Charge

7.3.1 The Services is a fee charging service, which aims to recover the operating costs. The service charge is determined as follows:

<table>
<thead>
<tr>
<th>Service Charge (HK$)</th>
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<table>
<thead>
<tr>
<th>Number of Domestic and Non-domestic Units Grouping</th>
<th>Category 1</th>
<th>Category 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ≤400 Units</td>
<td>50,000</td>
<td>25,000</td>
</tr>
<tr>
<td>2) 401-800 Units</td>
<td>100,000</td>
<td>45,000</td>
</tr>
<tr>
<td>3) 801-1200 Units</td>
<td>130,000</td>
<td>60,000</td>
</tr>
<tr>
<td>4) ≥1201 Units</td>
<td>160,000</td>
<td>75,000</td>
</tr>
</tbody>
</table>

**Note:**

1) The number of units is the summation of domestic and non-domestic units (excluding car park spaces) in all of the OP’s or DMC’s for the subject building blocks under the application, whichever is higher;

2) If the number of units can neither be precisely derived from the OP nor the DMC, the URA shall conduct a search on the land records at the Land Registry to obtain the prevailing information;

3) The “Average RV” of all building blocks classifies the application into one of the following categories -

   - **Category 1:** >HK$120,000 (Urban – including Hong Kong Island, Kowloon, Kwai Tsing, Sha Tin, Tsuen Wan); or >HK$92,000 (Rural – including districts other than those in Urban);
   - **Category 2:** ≤HK$120,000 (Urban – same as above); or ≤HK$92,000 (Rural – same as above);

4) The actual Service Charge shall be confirmed and written in the Service Agreement.
7.3.2 The Applicant must settle the stage payment with the URA for the Services according to the Service Agreement, the details are as follows:

<table>
<thead>
<tr>
<th>Stage Payment</th>
<th>Payment Ratio</th>
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<tbody>
<tr>
<td>1) Upon signing of the Service Agreement</td>
<td>30%</td>
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<tr>
<td>2) Upon submission of the Condition Survey Report by the AP / RI to the Independent Professional through URA</td>
<td>30%</td>
</tr>
<tr>
<td>3) Prior to the uploading of the Tender Notice into the electronic tendering platform - “Smart Tender”</td>
<td>40%</td>
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</tbody>
</table>

8 Important Notes

8.1 In the Smart Tender - Building Rehabilitation Facilitating Services (Pilot Scheme) [“the Services”], the URA acts as an agent of the Applicant to administrate the services provided by the Independent Professional, also to engage and manage the services provided to the Applicant by the “Smart Tender” service provider, and by the Certified Public Accountant (CPA) (or an Independent Professional).

The URA shall provide professional advice and technical assistance to the Applicant, but shall not intervene or substitute the role and responsibilities of the Authorized Person / Registered Inspector appointed by the Applicant in the administration and supervision of the building rehabilitation works.

8.2 The URA shall not intervene or interfere with the Applicant in shortlisting and making of decision on the appointment of the Authorized Person / Registered Inspector and the Registered General Building Contractor. The Applicant has the right to decide on the most appropriate tenderer according to its willingness.

If the Applicant identifies any possible / suspected misconduct and/or unfairness and/or criminal offence during the course of the workflow, the Applicant should report the situation / incident to the relevant government department(s) or dedicated agency (ies).

8.3 The URA reserves the right to amend the eligibility criteria and/or any detail of the Services without giving prior notice to any third party. The latest information regarding the Services is published on the URA website (www.ura.org.hk) and the “Building Rehab Info Net” website (www.buildingrehab.org.hk).

8.4 This Application Note does not constitute to any commitment or obligation between the Applicant and the URA. The gist of information contained in this document does not provide the full / comprehensive details regarding the Services. The terms and conditions as stipulated on the Tripartite Agreement and the Service Agreement described in Section 6.5 shall prevail.

-END-