

# 測量師導報 SURVEYING

VOLUME 7 ISSUE 2, FEBRUARY 1998

## HKIS Five Year Plan

By Andy Wong, Secretary to HKIS Five-Year Plan Working Group

In order to prepare ourselves for the challenges of the ever-changing business environment and to better serve our members, the HKIS Executive Committee has formed a working group to formulate a five-year plan for the Institute. The final draft is expected to be completed on mid March of this year. To collect different views from members, a workshop was held on 18.10.1997 in which those interested members raised some concerned areas regarding the future development of the Institute. The concerned areas are summarized as follows. Members are always welcome to share their views with the working group about the plan.

### 1. Market Positioning

- 1.1 The surveying services provided by different disciplines cause confusion to the public.
- 1.2 The identity of Surveyors is not clear for the public to know.
- 1.3 HKIS should define a clear position of Surveyors to the public as a single entity which provides a full range of real estate related professional services.

- 1.4 Surveying firms should serve the public better. For instance, offer multi-disciplinary services to the market.

### 2. Market Development

- 2.1 Reinforce the local market in order to protect our existing market share. There is a tendency that some of our established strong-holds have been invaded by other competitor and some Government Departments also start recruiting non-surveyors to perform tasks used to perform by surveyors.
- 2.2 Promote surveying services to China which is a huge potential market for surveyors. On the other hand, RICS policy putting pressure on Institute as regards its position with PRC counterparts.
- 2.3 Influx of surveyors into HK market is a problem. Immigration control can act as effective barrier.

- 2.4 Encourage formation of Association of surveying firms to discuss market development matters and foster joint effects.

### 3. Finance and Administration

- 3.1 Inadequate finance is a problem to the Institute. Measures like fund raising projects, activities for income earning, seeking sponsorship and reviewing low





SURVEYING is the newsletter of the HKIS. It is distributed to members, students and friends of the surveying profession free of charge. Anyone wishing to receive a copy may contact the office of the Institute.

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| <b>SECRETARIAT</b>                    |   |
| Secretary-General                     | Eddie S K Lai - 黎兆堅<br>BSc, AHKIS, ARICS  |

#### Editorial Contributions

Surveying encourages article queries and submissions. Article submissions should include both hard (printed) copy and a diskette in Word format. Contributions should reach the editor at the office of the Institute one month before the publication date.

#### Information & Contents

No part of this newsletter may be reproduced without the permission of the Institute. Contents of the newsletter do not necessarily reflect the views or opinions of the Hong Kong Institute of Surveyors and no liability is accepted in relation thereto.

#### Advertising

All advertisements and small ads are welcome. SURVEYING is reaching over 4,500 readers. For detailed information & advertising rates, please contact Ms Margaret Yung of the Secretariat office at 25263679 OR Mr. Charles Yiu of Corporate Culture at 2802 6949.

#### The Hong Kong Institute of Surveyors

1934 Swire House, Chater Road, Central, Hong Kong.  
Tel: 2526 3679 Fax: 2868 4612  
<http://www.hkis.org.hk>



subscription/membership fees should be considered. Besides, long term budgeting for the financial arrangement of Institute is needed.

- 3.2 Ineffective administrative support from the administrative office of HKIS is noted. Strengthen the office organisation is needed. A complaint procedures should also be set up.
- 3.3 Support for attending conference arranged by other professional body like FIG is needed.

#### 4. Welfare

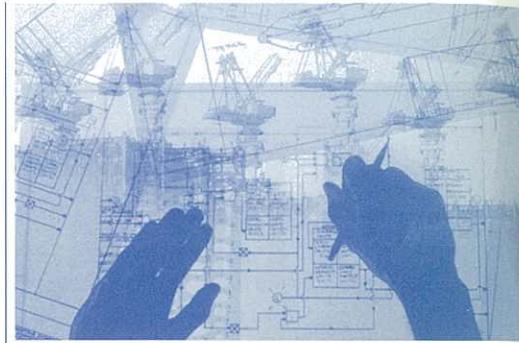
- 4.1 A welfare fund should be set up in view of inadequate welfare provided by the Institute.
- 4.2 A club house should be established to facilitate social contact.

#### 5. Member Services

- 5.1 Information and service support from the Institute is considered inadequate. The following additional services are expected by some of the members:
  - 5.1.1 Entrepreneur's support to small & medium size firms. Advisory services for setting up firms.
  - 5.1.2 Professional advice to members including establishment of a resource centre offering advisory service on legislation and codes of practice. Paid service for supplying information could also be considered.
  - 5.1.3 Rental comparable data, cost information centre and phone in service may also be considered.
- 5.2 The processing time of membership application is too long.
- 5.3 The CPD Lunch and Annual Dinner are too business like. A Members Dinner for general social gathering is needed.

#### 6. Academic Education

- 6.1 The academic education, particularly



degree courses, is required to follow closely the demand of the surveying industry. It is considered that three year course is unable to equip the student to meet the increasing demand of surveying services.

- 6.2 Education should emphasise more on legal, financial analysis/accounting, engineering/construction, and administration rather than on traditional skill.
- 6.3 The feasibility to establish a Higher degree in form of MBA in construction could be investigated with reference to the higher degree for Architects.
- 6.4 As far as the Institute can do, to ensure exemption would only be granted to qualified education institutes.

#### 7. Professional Training

- 7.1 The probability of extending the professional training period of all divisions from 2 years to 3 years should be examined.
- 7.2 The training for APC is generally considered insufficient. Structured training is difficult to enforce while Institute is unable to force employers to provide full range of training to practitioners.
- 7.3 The APC assessment should also be consistent.
- 7.4 The quality of CPD events should be improved.

Some sponsored research could be introduced, more codes of practice and better quality journal should be issued for members.

- 7.5 More cross division CPD events or workshop could be considered.

## 8. Quality Assurance

- 8.1 It is important to establish Institute's own quality assurance measures to avoid the possibility of the Government or the public to initiate such measures.
- 8.2 The public should be informed of the complaint procedure and the existence of a disciplinary committee. There is lack of promotion of surveyor's quality of services to the public. The disciplinary committee is too passive.
- 8.3 External disciplinary members could be invited from learned professional bodies to avoid the problems with disciplinary committee members investigating complaints against individuals whom they know personally.
- 8.4 Compulsory Professional indemnity could be considered.

## 9. Structure

- 9.1 All divisions should have a unified constitution. The divisional boundary is needed to break through. It is noted that the discipline loyalties is too strong.

9.2 The divisional structure, joint office

structure and bearer tenure are needed to be reviewed.

- 9.3 The Institute is needed support from senior/retired members. More liaison should be done with student members and young members to create a mix of different aged members group.
- 9.4 A long term planning committee should be set up.



- 9.5 Familiarisation of General Council and synergy of members should be developed.
- 9.6 In view of shortage of surveyors providing traditional technical services particularly if education shifts to emphasise on managerial training, technician grade surveyors are needed but careful study of the entire education training and career structure are required.

## 10. Image

- 10.1 Public image and identity should be promoted. The name of RPS should be used.
- 10.2 Public relationship committee could be considered to set up and a panel of trained spokesmen/spokeswoman should be selected from members.
- 10.3 Improvement on Corporate Logo is necessary.

## 11. Sense of belonging

- 11.1 To organize more professional, educational and entertaining activities for members and their families.
- 11.2 To improve the quality of

communication amongst the Institutes, members and the public by improving our professional journal. Encouragement would be made to academics and practitioners to contribute articles.

- 11.3 It is noted that there is lack of positive responsibility from members and difficult to motivate them to participate on Institutional events.
- 11.4 Selfishness must be overcome. Internal collaboration should be strengthened. Information should also be shared.
- 11.5 To explore the possibilities of contacting travel and wine agents to provide value for money services to members.

## 12. Increase the influence of Surveyors

- 12.1 To strengthen participation in all relevant Government committees and consultation groups.
- 12.2 We should initiate special task groups to examine real estate topics that cause public concerns. Upon completion of the studies, reports would be then sent to Government. The Institute would also hold press conference to inform the public about our opinion.
- 12.3 The institute should consider the possibility of organizing professional/ education Institutes.
- 12.4 Speedy response from the Institute to relevant news events and controversial topics should also be encouraged.
- 12.5 Membership is not big enough to exert bigger voice in the community and at international level.

## 13. Accommodation

- 13.1 A long term office (HQ) with library, club house and resource centre is needed.
- 13.2 Consideration to purchase a permanent premises should be given.

## Message From The President

### The Way Forward

You will have witnessed the signing of the reciprocal recognition between HKIS and the Singapore Institute of Surveyors and Valuers (SISV) at our Annual Dinner in November 1997. This is the third professional body from outside Hong Kong having mutual reciprocal recognition. The way forward will be following the implementation of WTO which includes free trade in commodities and services. Hong Kong surveyors shall have more opportunities in offering professional services in other countries.

Internationally, in order to promote our professional image, raise our profile and to be able to offer our professional services, we

must aim at making ourselves known to our surveying counterparts in the world by participating in international conferences or by organising similar surveying conferences in Hong Kong; to develop a relationship with them and have exchange of information; and eventually to focus on mutual recognition.

The Asean Project initiated by the Institution of Surveyors, Australia in 1995 is well underway. The LS Division, also in 1995, had extended the similar idea to the New Zealand Institute of Surveyors (NZIS). This was well received by NZIS. There has been an exchange of information between the two institutes and negotiations are underway. We hope to see reciprocal recognition very soon.

HKIS have received letters from the following surveying bodies expressing interest in mutual recognition with ourselves. These are

The Australian Institute of Quantity Surveyors, The New Zealand Institute of Valuers and The Institution of Surveyors, Australia.

Our Secretary-General is working on these now. Unfortunately, he being familiar with and having good experience in processing mutual reciprocal recognition with SISV will be leaving us soon.

Therefore, we need to find someone who must be very conversant with educational requirements and professional practice, to continue the work of the HKIS.



THE HONG KONG  
POLYTECHNIC UNIVERSITY  
香港理工大學

### Department of Building and Real Estate MSc/PgD in Project Management

(MSc: maximum 6 years and minimum 2.5 years/PgD: maximum 4 years and minimum 2 years)

#### Programme Aims

This is a self-financing, distance learning, postgraduate programme targeted for construction professionals in Hong Kong and the Mainland China. The primary aim of this programme is to provide an opportunity for practising construction managers, engineers, surveyors, technologists, and other related professionals to broaden and deepen their knowledge in project management, in the construction context.

#### Entrance Requirements

Bachelor degree in construction engineering related disciplines, preferably with a minimum of two years of relevant working experience in project management.

#### Credits and Fees

Credits required for graduation (subject to approval): 30 credits for MSc award and 21 for PgD award.  
The fee for each credit is at HK\$3,000

#### Application

Application period from March 14 to April 15, 1998.

By post: Registry Office, Academic Secretariat, The Hong Kong Polytechnic University, Kowloon, Hong Kong.

An electronic application form can be downloaded from the PolyU web site: <<http://www.polyu.edu.hk/admission>>

Automated enquiry hotline: 2333 0600 (fax on-demand)

# GOVERNMENT CIRCULARS

The following are available for inspection at the Secretariat Office.

## Buildings Department

### Practice Note for Authorised Persons and Registered Structural Engineers

- PN 82 Gas Water Heaters (Building (Planning) Regulation 35A)
- PN 83 Requirements for Qualified Supervision of Site Formation Works, Excavation Works, Foundation Works on Sloping Ground, and Ground Investigation Works in the Sheduled Areas (Building Ordinance Section 17)
- PN 154 Submission of Record Plans for Alteration and Addition Works (Building (Administration) Regulation 46)
- PN 173 Safe Design and Construction of Cantilevered Projecting Structures (revised)

## Lands Administration Office, Lands Department

### Practice Note for Authorised Persons, Surveyors and Solicitors

- APSS 1/98 Applications for Land Exchanges and Modifications of Lease Conditions and Land Registry Trading Fund

## Planning Department

### Plans and Documents available for Public Inspection at the Planning Information and Technical Administration (PITA) Unit

An index (both in English and Chinese) listing the documents, plans and publications and reports etc are available for public inspection at the PITA Unit of Planning Department at 16/F Murray Building, Garden Road, Hong Kong. The index will be updated once every 3 months.

*A copy of the index is also available for inspection from the HKIS Secretariat Office.*

## Survey and Mapping Office, Legislation Section, Lands Department

- LSA Circular No. 1/98 Renewal of Registration as ALS

## Works Bureau

- WBTC No. 16/97 Village Resite and Expansion Areas  
Schedule of Maintenance Responsibilities
- WBTC No. 1/98 Review of Public Works Departmental, Lands and Works Branch, Works Branch and Works Bureau Technical Circulars

**ATTENTION:** Your attention is drawn to an article under Government Circulars, "Subscription of Practice Notes", in the January issue of *Surveying*. The contact telephone number should be 2626 1616 and not as printed.

# NEWS FROM THE SECRETARIAT

## DATES FOR YOUR DIARY

16/3/1998

HKIS QSD CPD

Time : 6:30 pm

Speaker : Mr John B. Molloy, Director, James R. Knowles (HK) Ltd.

Topic : The Major Contractual Difficulties in Hong Kong Government Contracts

Venue : Rm 404-405, HKCEC, Wan Chai

Cost : \$130 per person

Booking : Through Surveyors Services Ltd.

24/3/1998

HKIS JO CPD

Time : 7 pm - 8:30 pm

Speaker : Mr Elvis Au, Principal Environmental Protection Officer, EPD

Topic : Introduction to the Environmental Impact Assessment Ordinance

Venue : Chiang Chen Studio, Core A, HKPU, Kowloon

Cost : \$100 per person

Booking : Through Surveyors Services Ltd.

27/3/1998

HKIS GPD CPD

Time : 7 pm - 8 pm

Speaker : Mr Andrew H C Pang, Government Co-Ordinator, KCRC

Topic : Railway Development - West Rail, Ma On Shan Rail Link and TST Extension

Venue : 8/F, The Hall, Chinese General Chamber of Commerce, 25 Connaught Road C, HK.

Cost : \$100 per person

Booking : Through Surveyors Services Ltd.

29/3/1998

HKIS JO SOCIAL EVENT - WAR GAME FUN DAY

Time : 8:15 am - 5 pm

Venue : 施樂園, Tai Mo Shan, N.T.

Cost : \$550 per person to include admission, lunch, and transportation to/from Tsuen Wan MTR

Booking : Through Surveyors Services Ltd.

Further enquiries : David Wan 2846 5541. Chris Kam 2541 2282 or Kenneth Au 2378 8667.

2/4/1998

HKIS JO CPD

Time : 7 pm - 8:30 pm

Speaker : Dr Lawrence W C Lai, Senior Lecturer, University of Hong Kong

Topic : Leasehold and Planning System in Hong Kong

Venue : Rm 404-405, HKCEC, Wan Chai, Hong Kong

Cost : \$100 per person

Booking : Through Surveyors Services Ltd.

8/6/1998 (Tentative)

VALUATION SEMINAR - Jointly organised by HKIS GPD/ Guangdong Real Estate Appraisers Institute (GREAT)

Time : 9 am - 5:30 pm

Venue : To be advised.

Speakers : Various HKIS GPD and GREAT members

Topics : Valuation practice, statutory requirements and case studies in the two regions.

Cost : To be advised.

Further enquiries to Surveyors Services Limited.

## BRIEFING ON ELECTION COMMITTEE SUBSECTOR ELECTIONS AND LEGISLATIVE COUNCIL ELECTION

All HKIS corporate members are invited to attend the above briefing to get themselves familiarised with the electoral framework and the voting arrangement.

Date: 17 March, 1998

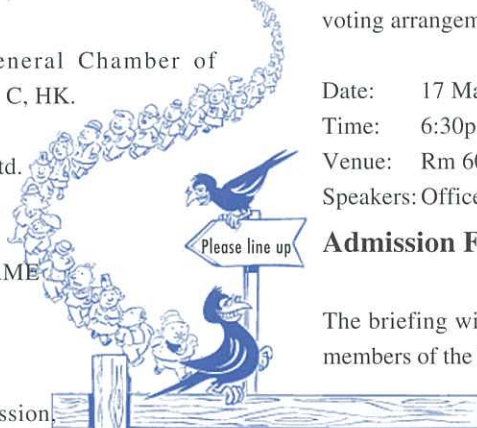
Time: 6:30pm

Venue: Rm 608, HKCEC, Wan Chai

Speakers: Officers of the Constitutional Affairs Bureau and the ICAC

**Admission Free. No advance booking necessary.**

The briefing will be followed by a joint discussion forum involving members of the HKIS, HKIA, HKIP, HKILA and Mr. Edward S T Ho.



# NEWS FROM THE SECRETARIAT

## MAINLAND-HONG KONG CONSTRUCTION, ENGINEERING DESIGN MANAGEMENT & ENTERPRISE CO-OPERATION EXCHANGE SEMINAR 1998 1998 內地與香港建造工程設計管理與企業合作交流研討會

The above seminar, to be held in Qingdao between 25-27th March 1998, is to be represented by the following members :

Mr P C Lau, Immediate Past President  
Mr Samson Wong, Senior Vice-President  
Mr Kenneth Chan, Chairman, BSD  
Mr Edwin Tsang, Council Member, GPD  
Mr Escode Yuen, Council Member, QSD

The HKIS delegation will be presenting papers related to professional surveying qualifications, the surveyors registration system and an article on the role played by surveyors in joint venture projects. The seminar is organised by the Works Bureau and the Geotechnical Investigation Surveying and Construction Designing Department of the Ministry of Construction. The co-organisers from Hong Kong include the HKIS, HKIA, HKIP, HKIE, HKILA, HKCA, ACEHK and HEMCA.

## HKIS MASTERCARD GOLD CARD 香港測量師學會萬事達金卡

In the next few weeks, every member and student of the insitiute shall receive from the Shanghai Commercial Bank Ltd (SCB) an invitation to apply for the above credit card. The card offers an excellent opportunity for you to show your profession in pride and also to help the Institute, simply by using the card everytime you make a purchase or pay for services.

If you have any further queries, please contact SCB Credit Card Services Department on 2855 2433 (Mr Perry Mak).

## MEMBERSHIP

By Winnie Shiu (Hon Secretary)

The formation meeting of the HKIS Membership Committee was held on 20 February, 1998. The Chairman, Mr. David CHAN from BSD and Deputy Chairman, Mr. K K CHIU from GPD were elected amongst members of the Committee at the meeting.

The rest of the composition of the Committee is:

**Ex-Officio Members**

- Hon Secretary
- Chairman of Board of Education

**Divisional Representatives**

|                      |     |
|----------------------|-----|
| • Mr. David M W CHAN | BSD |
| • Mr. Augustine CHOW | BSD |
| • Mr. C M LAU        | GPD |
| • (To be nominated)  | GPD |
| • Mr. S C LEUNG      | LSD |
| • Mr. K L MOK        | LSD |
| • Mr. Peter HO       | QSD |
| • Mr. T T CHENG      | QSD |

**J.O. Representatives**

- Mr. Ivan NG J.O.
- Ms. K W WONG J.O.

During the meeting, one of the major issues was to review the approving procedures of membership application. There are in fact a lot of queries from different applicants but asking the same question - 'how long does it take to approve my membership application, and when will I be elected if the application is approved?' The Committee has come up with the following resolution:

*All applicants must submit application forms at least 21 days before the date of the HKIS Membership Committee Meeting. Applicants will be discussed at the Meeting and the decisions made will be submitted to the General Council for approval. The date of election will be the date of the General Council Meeting at which the applications are approved. Any late applications will be deferred to the next HKIS Membership Committee Meeting.*

The tentative schedule of the HKIS Membership and General Council Meetings in 1998 are as follows:

| Meeting | HKIS Membership Committee | General Council  |
|---------|---------------------------|------------------|
| Date    | 3 June 1998               | 11 June 1998     |
|         | 27 August 1998            | 8 September 1998 |
|         | 30 October 1998           | 10 November 1998 |

**Please do take a note of the above schedule and ensure that your application is submitted at least 21 days before the HKIS Membership Committee Meeting.**



THE HONG KONG  
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## DEPARTMENT OF BUILDING AND REAL ESTATE

### Professor in Real Estate/Property (Re-advertisement)

The Department of Building and Real Estate offers four undergraduate Honours Degree programmes and two Master's programmes. These are BSc(Hons) in Building Technology and Management, BSc(Hons) in Building Surveying, BSc(Hons) in Real Estate, BSc(Hons) in Construction Economics and Management, MSc in Construction and Real Estate, and MSc in Project Management (starting 1998/99).

The Department is now seeking to make an appointment at a senior level to support its continued development of research, postgraduate and undergraduate studies.

The appointees will be required to (a) take up a major role in the management and administration of the Department; (b) assume a leading role in planning, developing and teaching courses at undergraduate and postgraduate level; (c) generate, undertake and supervise research into real estate and property matters in Hong Kong and China in the context of their specialism; and (d) further develop links and cooperation with industry and the profession.

Applicants should have a Higher Degree, preferably at Doctoral level in a field related to real estate, and membership of a relevant professional body. They should have a distinguished record of research and publication, and significant experience in teaching and leading undergraduate and postgraduate courses.

If no suitable applicants are found at Professor level, the appointment may be made at Associate Professor level.

[Applicants who have responded to the previous advertisement in December 1997 will be considered together with new applications and need not re-apply.]

#### Salary and Conditions of Service

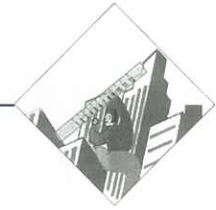
Professor : HK\$70,615 - HK\$93,810 per month  
Associate Professor : HK\$67,685 - HK\$90,925 per month

Initial appointment will be made on a fixed-term gratuity-bearing contract with generous fringe benefits.

Applicants are invited to send in detailed curriculum vitae (in duplicate if by post) with names and addresses of two referees (including current employer) to the **Personnel Office, Room AG426, Core A, Chung Sze Yuen Building, The Hong Kong Polytechnic University, Hung Hom, Kowloon, Hong Kong** [by Fax: (852) 2764 3374, or by E-mail: [postaff@polyu.edu.hk](mailto:postaff@polyu.edu.hk)]. **The closing date is Thursday, 26 March 1998.** Applicants who are not invited to an interview within two months of the closing date should consider their applications unsuccessful. Please indicate the Department, post and specialism in your application. The University will keep the data on unsuccessful candidates up to one year. Applicants should indicate in the application if they do not wish to give consent to this. General information about the University and the above-mentioned post is available on the University's and the Department's World Wide Web Homepage [<http://www.polyu.edu.hk>] and [<http://www.bre.polyu.edu.hk>]



# QUANTITY SURVEYING



## News from the Quantity Surveying Division

By Eric Chung, Chairman

### QSD APC For 1997

The last Joint HKIS/ RICS APC for the quantity surveyors was held on 23 and 24 September, 1997 and attracted 407 candidates. The 55 passes account for slightly less than 14% of those participating. This is a noticeable decline from the 24% for the previous year, though comparing marginally with the 15% pass rate for 1995. All the results were released to the candidates before the Lunar New Year.

### The Practice Problem

As before, 3 questions were assessed on the first day under the Candidate's office environment, and 2 on the second day in an examination hall.

Most failed candidates display a clear lack of experience in handling the practical problems posed. Their answers are typically academic approach without sufficient appreciation of the underlying issues inevitably associated with those specifically identified in the questions.

**QUESTION 1** requires the Candidate to prepare a preliminary cost estimate for an I/O building, to compare and comment on the unit costs between the new building and the existing building owned also by the client, and finally to advise on the financial viability for providing fan coil units and ceiling tiles in anticipation of higher rental revenues. The Candidate may prepare the estimate either by adjusting the final contract sums of the existing building with the application of Tender Price Indices, adjusted to account for the differing specification, or on the basis of

physical dimensions, areas, number of storeys, outline specification giving due regard to quantity factors, cost data and assumptions. Proper allowances/adjustments need to be made for the foundation, the basement construction including temporary support and de-watering as necessary, the differing building envelope, the construction of a footbridge, external landscaping and site investigation. The Candidate should identify and explain the factors he/she considers cost significant and is free to make reasonable assumptions in his/ her estimate. As a guide, any total unit cost in the range of \$10,000 to \$15,000 at the September 97 price will be acceptable to assessors as a reasonable price



for the nature and size of the proposed project. The Candidate shall prepare a cost/benefit analysis demonstrating his/her awareness of and making proper allowances for capital cost, rate of return, cost of maintenance and replacement, obsolescence, rental increase/ review. The Candidate shall provide a conclusion and recommendation summarizing his/her findings using figures discounted to present value and identifying the break-even point within a 5 to 6 year mark.

**QUESTION 2** requires the Candidate to advise the client on the practicality of adopting a design and build procurement

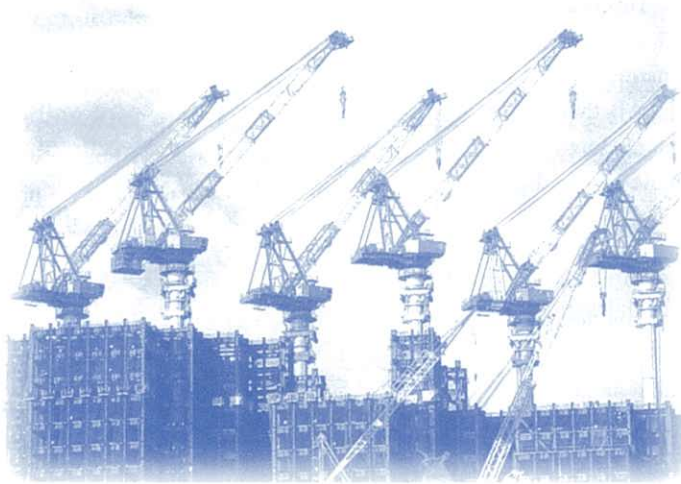
method. Some candidates ignored completely the partner's suggestion to contact other project team members regarding the current status of their respective designs, which would be significant factors that need to be taken into account with the advanced stage of the architectural design in concluding whether the design and build would still be an attractive alternative procurement method. While demonstrating a sufficient understanding of the pros and cons of the design and build method is necessary, an ability to apply such knowledge in practice with particular regard to constraints of the project in question will appeal more to assessors. The Candidate should be aware of the extent of the abortive work already carried out by the Architect and possibly also by other project team members if design and build is adopted at this late stage, and of the necessity to terminate the existing consultancy agreements. Success in design and build depends to a great extent on having the right Architect's and Contractor's input and therefore the experience and track record of performance of the previous contractor and his design architect will need to be canvassed carefully. The client's indication of his satisfaction of the present design is probably the most compelling reason against a swift of procurement method. The Candidate should rectify any misconception that design and build would necessarily produce a greater financial certainty - a lot depends on the existence or otherwise of a clear and specific Brief - and alleviate his concern that settling variations under the traditional contracting method would again run into a long-drawn and costly process. Having taken all the constraints into consideration, a sensible recommendation to the client should be one declining the design and build proposal.



# QUANTITY SURVEYING

**QUESTION 3** expects the Candidate to draw the client's attention to the protection already offered in the usual contract provisions and propose what pro-active actions that may be taken in preparing the contract documents and in the selection of the contractor in view of the client's concern sparked by the recently reported cases of contractor refusing to rectify defects, failing to proceed with the project regularly and diligently and failing to comply with the safety laws. As regards defects, references to Clauses 6, 15, 30 and 31 are expected. The Candidate shall propose pro-active measures such as deferring the release of performance bond until after practical completion, provision of guarantee/ warranty by specialists and material suppliers, tighter quality control during construction by way of the installation of a quality control system, and the importance of selecting a contractor with very strong and proven track record of producing quality work. Long-established contractors are also faced with financial difficulties as well as others. It is important that when progress slows down in the absence of any major technical difficulties, or the NSCs do not get paid on time, the contractor needs to be closely monitored and direct payments made to NSCs if necessary. Decisive determination may be necessary. Few candidates advise the client to obtain from the potential contractors audited accounts for the past few years and proof of adequate funding before award of contract. Though determination of the contractor's employment is automatic when he goes into liquidation, the possibility of a reinstatement is ignored by many, which sometimes is advisable if agreement can be reached with his receiver/ provisional liquidator to avoid greater loss to either party. Most candidates are aware of the existence of

a requirement under the standard form of contract that a joint-name insurance policy needs to be arranged by the contractor to indemnify the client's liability to workers, not all of them point out the statutory requirement on the contractor to arrange workmen compensation policy. Bonus will be given to those who know that the client's legal liability owed to workers in fact is very limited. In



selecting contractor, consideration may be given to those who have a good safety record. The Candidate may propose more stringent safety provisions and enforcement procedure in the contract to improve awareness at site level.

**QUESTION 4** tests the Candidate's knowledge of the contractual effect of a declaration made by the contractor at the tender interview of his intention to rely on the structural engineer's temporary work design despite the existence of a contract provision to the contrary intention. Most candidates seek to rely on the preliminaries clauses to dismiss the claim in question and assume them having an overriding effect without giving any reasons. Worst still is an outright answer that these clauses are invalid without explaining

what the contractual arguments are relied upon. Bonus will be gained if consideration is given to the possibility of it being regarded as a tender qualification, and why it should not be and the prospects of a claim based on misrepresentation, and a brief development of that argument. The assessment called for is a rather straight-forward exercise, but few have taken into the possible time and cost overrun.

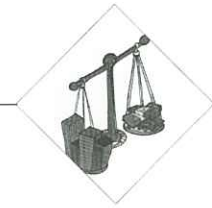
**QUESTION 5** poses practical issues a practising QS often encounters, namely a request from a NSC for direct payment and early release of retention. While most candidates refer to Clause 27 and draw attention to the precondition that the contractor must first be asked to give "reasonable proof" of payment, very few are aware that the sub-contract allows a common law right of set-off which is often relied upon by contractors justifying the non-

payment. Even fewer know how these apparent conflicting clauses are resolved in practice. In relation to the request for an early release of retention, the Candidate should not assume the client will favourably consider this request. He/she should advise that there is no obligation to do so and consider the risks of acceding to this request. Whether or not such is recommended, the Candidate should go on to lay down the requirements of a bond - the detailed description of the remaining sub-contract works, the bond amount and most importantly, the terms and manner under which it may be called.

## Education and Careers Expo 1998

At the invitation of the Labour Department, the divisional chairmen including myself

# GENERAL PRACTICE



spoke on our respective areas in the afternoon of 21 February 1998 at the Convention and Exhibition Centre as part of the Education and Careers Expo. The event was well-received and interests were expressed by non-QS graduates for joining the QS profession via the Post-Graduate Diploma Course in Quantity Surveying, which will commence this summer. The course has been accredited by the RICS as other fully-exempting QS degree courses.

## Overseas Fully Exempting QS Courses

Many commonwealth and UK universities offering fully exempting QS degree courses allow direct entry into second or even final year. The RICS (HKB) and the HKIS did not accept degree holders who had less than 50% of the total attendance required for the complete course. The HKIS will continue this policy. Degree holders who only studied the final year therefore will continue to be barred by the HKIS from a direct entry to the APC, unless the studies were preceded by an approved bridging course.

## Adrian Smith

Adrian Smith, an associate professor of the QS course at the City University, left Hong Kong on 15 February 1998 after many years of service since the establishment of the college. Adrian was for many years, an active member of the QS Divisional Committee and the Chairman of the Education and Membership Board of the General Council and contributed a lot to the development of both the Institute and the QSD particularly the international front. The QSD had a farewell dinner with Adrian after his last attendance in the February meeting. No doubt Adrian will be missed by many of us for his dedication to institutional works and his own charisma.

## News from the General Practice Division

By Tony Tse, Chairman

*Kung Hei Fat Choi!* On behalf of the Council Members I wish you all a better and rewarding year of Tiger!

### 1. Assessment of Professional Competence

The result of the final assessment conducted in October last year is now available. A total of 137 candidates (121 candidates in 1996) attended the assessment and the overall passing rate is about 27% which is lower than what was achieved in 1996 i.e. 35%. Your Divisional Council will review policies relating to APC training and professional skill requirements in the coming months.

The next APC will be held in April. Unlike the previous assessments, the written assessment will take a different form as detailed in the Guide and Rules to the APC. Candidates will be notified in due course of the main areas in which the questions will be set.

I would like to express my thanks for all the assessors' hard work in the last assessment and look forward to their further support in the April assessment.

### 2. Contracting Out Valuation Work for Post 10 Years HOS/PSPS Flats

Divisional Council was advised by the Housing Department that there is a proposal to contract out the assessment of prevailing market value and premium payable for post 10 years HOS/PSPS flats to private surveyors firms, and necessary amendments to the Housing Ordinance to enable the privatization

are now in hand. Divisional Council has been invited for views on the proposal and members will be informed of progress and outcome in due course.

### 3. Contacts with Mainland China

Your Divisional Council will be organizing jointly with Guang Dong Institute of Real Estate Appraisers (廣東省房地產估價師學會) a valuation seminar in Hong Kong during June 1998, details of the seminar will be released later when finalized.

Apart from the above we are currently participating in the Mainland-Hong Kong Construction & Engineering Design Management and Enterprise Co-operation Exchange Seminar (98 內地與香港建造及工程設計管理與企業合作交流研討會) organised by the Works Bureau, SAR, Hong Kong Institute of Architects (HKIA), Hong Kong Institution of Engineers (HKIE), Hong Kong Institute of Landscape Architects (HKILA), Hong Kong Institute of Planners (HKIP) and Hong Kong Institute of Surveyors (HKIS) and the counterpart in China, Ministry of Construction (建設部) in Qingdao on 24-27 March, 1998.

The purpose of seminar is to discuss the registration system of professionals, and Standard/Code of Practice and exchange of views.

The topics will cover the following areas:-

- i) Legislation and administration rules related to construction.
- ii) Qualification and standard of the engineering professionals and enterprises.
- iii) Engineering practice and recognition.
- iv) The function and relationship of the government, professional institutes and the associates.



# LAND SURVEYING

## NEWS FROM THE LAND SURVEYING DIVISION

### LSD Council

By K L Mok, Chairman

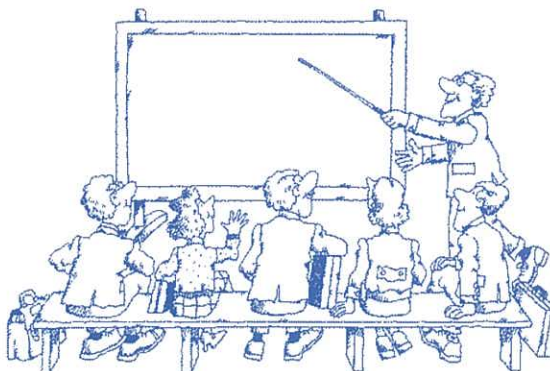
In the second division council meeting the following representatives were nominated:-

|                              |  |
|------------------------------|--|
| Surveyors Registration Board | Mr Andrew LAU<br>Mr W C SO<br>Mr K L MOK |
| HKIS Board of Education      | Mr T C NG<br>Mr Esmond MOK               |
| HKIS Membership Committee    | Mr S C LEUNG<br>Mr K L MOK               |

The division council has endorsed the draft of the Land Surveying Division (LSD) Regulations and the Land Boundary Survey (LBS) Regulations. Mr Jacky TULL, Vice-Chairman, will arrange to circulate the draft of the LBS Regulations to all LSD members for comments. Mr Esmond MOK will finalise the LSD Regulations before full circulation to all members.

Professor LI De Ren, Principal of Wuhan Technical University of Surveying and Mapping, has agreed to arrange with LSD, a visit to the University this year. He will also arrange the 2nd Conference on Exchange of Survey and Mapping Technology cross the Strait. The first conference was held at Chengdu in 1992. I will keep in contact with Professor Li and inform you of the progress.

Reciprocity Agreement between HKIS and New Zealand Institute of Land Surveyors will be followed up by the Vice-Chairman. He will also be involved in the reciprocity recognition between HKIS and the Institution of Surveyors, Australia.



### LSD Secretariat and the Services Unit

By W F Yik

#### 1998 Calendar of LSD

(please mark your diary)

| Date          | Event                         |
|---------------|-------------------------------|
| 1 May (Fri)   | Land Surveyors, Lunch         |
| 19 June (Fri) | EGM for LBS & LSD Regulations |
| 23 Oct (Fri)  | LSD Annual Dinner             |
| 6 Nov (Fri)   | LSD AGM                       |

### LSD Careers Talk

The Student Affairs Unit has invited Mr KWAN Lam Fat, Senior Land Surveyor/New Airport of Lands Department, and Mr Jacky TULL, General Manager of Sam Mak & Associates Surveying Ltd, to deliver a Careers Talk to student members. The talk will include the prospects of a land surveying career in both private and government sectors; the path to be an associate member of HKIS; and the appointment of volunteer supervisors etc. All student members are welcome to attend the talk. The details of the talk are as follows:-

Date : 17 March 1998 (Tuesday)

Time : 5.30 - 7.00 pm

Venue : Room CF304, Hong Kong Polytechnic University, Hunghom

A number of CPD events are being proposed. Upon finalization, the details of the events will be announced.

A review of the Scale of Charges for Land Surveying Services is also taking place. It is anticipated that a revised version of the Scale of Charges will be released in April 1998.

# BUILDING SURVEYING



## News from the Building Surveying Division

By Mr Kenneth Chan, Chairman

### Organization and Management Study for Buildings Department

The Buildings Department has commissioned Management Services Agency, a Government agency, together with its consultant, Coopers and Lybrand to carry out a study of its organization and management to improve service to the public. We have nominated Mr. C. K. Lau to act as the Institute's representative to provide views on the service provided by Buildings Department. Members who have specific comments in this regard may contact Mr. C. K. Lau direct.

### Authorized Persons Registration Committee

Messrs. Raymond Cheng, Augustine Chow, Thomas Choi, Benson Wong and Raymond Chan, nominated by SRB, have been appointed to the Authorized Persons Registration Committee Panel and Committees for a term of 2 years.

### Structural Engineers Registration Committee

Mr. Thomas Choi, nominated by SRB, has been appointed to the Structural Engineers Registration Committee Panel and Committee for a term of 2 years.

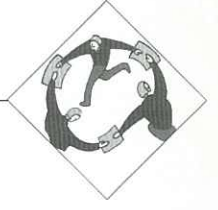
### Promotion of Building Surveying Services

The BSD has just published its first fully-fledged promotional brochure. This publication would be initially distributed free-of-charge which was made possible with the generous contribution from Building Surveyors in private practice. The publication carries a Slogan highlighting the expertise of Building Surveyors. The Slogan is

**Professional Building Surveyor:  
Your Project Manager and Expert  
for Quality Buildings**

專業建築測量師  
卓越工程總理事  
樓宇專才顯創思  
務實忠誠眾所依

# JUNIOR ORGANISATION



## News From the Junior Organisation

### Dragon Boat Competition 1998

#### CREWS WANTED!

We are looking for energetic members who are tough, outgoing and able to cooperate with others. We will provide professional training and you may even be awarded upon satisfactory performance.

To become one of the Institute's representatives in the coming Dragon Boat competition in May or June, you should be:-

- Student, Associate or Fellow member
- Either sex
- Age 18-55
- With or without experience and
- Willing to learn

*The Institute needs you!* Please contact Mr Leo Lee immediately on 2929 7931 for further details.

2919 7931

### New Year Hiking

The New Year Hiking was held successfully on a sunny day on 8th February 1998, with a total of 15 participants. We started hiking at 10.30 am and completed the journey in three and a half hours. The atmosphere that day was filled with fun and laughter even though the journey was rugged in places.



When we reached the highest point, both the Kowloon Peninsula, including the soon to be moved Kai Tak Airport, and the Shatin new town, were visible. It was a good time to pay homage to an airport that has accompanied Hong Kong for over half a century. We then climbed over the Lion Rock and visited the Amah's rock which has been waiting for her husband's return for a very long time. These are the sights in Hong Kong which you should not miss!

We all enjoyed the fresh air and the quiet environment which are hard to come by in our busy lives. You would have had a wonderful holiday if you had taken part in this meaningful activity. We hope to see you in the next hike.

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## The Dangers of Withdrawing a Tender

By John B Molloy, LLB (Hons), BSC (Hons), FHKIS, FRICS, ACI Arb, Director of James R Knowles (Hong Kong) Limited

It is common for contractors and consultants to submit tenders for executing work or providing services. Often a term of the conditions of tender is that the tender will remain valid for a certain period of time, usually 90 days.

Tenderers have seldom been unduly worried about such terms, believing that notwithstanding the term, a tenderer was free to withdraw its tender at any time before it is accepted.

Support for this belief comes from the leading textbooks on contract law, such as Chitty on Contracts. In the Twenty Seventh Edition of this famous work, published in 1994, it is stated:

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*"The general rule is that an offer may be revoked at any time before it is accepted. The rule applies even though the offeror has promised to keep the offer open for a specified time for such a promise is unsupported by consideration."*

---

In support of this statement the case of *Routledge v. Grant (1828) 4 Bing 653* is quoted where the defendant offered to buy a house giving the plaintiff six weeks to give a definite answer. It was held that the defendant was free to withdraw at any time before acceptance even though the six week period had not expired.

The result of this is that where a tendering period is very short, tenderers sometimes rush to submit a tender seemingly safe in the knowledge that they can check their figures once the tender is submitted, and if errors are found, withdraw their tender at any time prior to acceptance.

However, a recent Hong Kong case has changed the law in this respect, and contractors and consultants tendering can now not rely on the position as set out in Chitty. The case is *City Polytechnic of Hong Kong v Blue Cross (Asia-Pacific) Insurance HCA No. A10750 of 1993*.

The plaintiff, City Polytechnic, invited tenders from several insurance companies, including the defendant, Blue Cross, to provide health insurance for its staff. The tender form included the following express term:-

We agree to abide by this tender for a period of three (3) months from the date fixed for receiving the same and it shall remain binding upon me/us and may be accepted at any time before the expiration of the period.

Blue Cross submitted its tender but wrote withdrawing it before the acceptance period of 3 months had lapsed.

City Polytechnic nevertheless wrote accepting Blue Cross's tender, but Blue Cross refused to issue any insurance policy. The Polytechnic then accepted another insurer at a higher premium, so as to mitigate its loss, but sued Blue Cross for damages for breach of contract.

At first instance, the claim was struck out on grounds that no reasonable cause of action had been disclosed.

However, the matter was appealed, and on appeal the court held that the modern law of

contract did contemplate the possibility that, in tendering situations, an implied contract could come into existence binding the tenderer to keep his tender open for the specified period.

The consideration for such a contract was that there is either an express or implied agreement on the invitor of tenders part that he would consider all timely and conforming tenders before awarding the contract. In this respect the court followed the case of *Blackpool and Fylde Aero Club Ltd v Blackpool Borough Council [1990] 1 WLR 1195* where it was held that an invitor of tenders was bound to consider all tenders properly submitted.

In this case the court considered that the benefit moving from City Polytechnic to Blue Cross was City Polytechnic's undertaking to consider Blue Cross's tender along with all other conforming and timely tenders.

Accordingly an implied contract existed, whereby Blue Cross agreed to keep its tender open for three months, and by withdrawing their tender prior to the expiry of the three month validity period Blue Cross were in breach of the implied contract and City Polytechnic were entitled to seek damages for that breach.

The measure of damage was the difference between the Blue Cross tender which was the lowest, and the next lowest tender which City Polytechnic were forced to accept.

Contractors and consultants tendering need to be aware of this decision and take great care when submitting tenders because should they discover errors in their tender prior to acceptance it may not be possible to withdraw the tender without being sued for damages for breach of the implied contract between them and the invitor, to keep their tender open for a specified period.

## The New PRC Construction Law

By Stephen Nelson and Rico Chan, Baker & McKenzie, Hong Kong

### Introduction

The Construction Law of the People's Republic of China was promulgated on 1 November 1997 and will enter into effect on 1 March 1998. The Law was promulgated by the highest legislature in China, the National People's Congress (NPC), and is the first general national legislation governing construction activities in China. Prior to promulgation of the Law, the State Council, the Ministry of Construction and many local governments had enacted a substantial body of regulations covering a wide range of matters in the construction industry. The Law now codifies the basic principles of these pre-existing construction regulations, while at the

same time introduces a number of new important principles. As a piece of national legislation, the Law will prevail over all the pre-existing construction regulations.

### Scope of application and Department-in-charge

The Law applies to all "construction activities" in China, which is defined in its Article 2 as the "construction of all types of buildings and auxiliary facilities as well as the installation of ancillary circuitry, ducts and equipment". Article 6 designates the Ministry of Construction and the local construction commissions as the department-in-charge of construction matters in China.

The department-in-charge and the scope of application of the Law were the most controversial issues in the legislative process of the Law. In the earlier draft of the Law

approved by the State Council and submitted to the NPC for enactment, "construction activities" were defined in a much broader manner as "all new construction, expansion, alteration in respect of civil and building works and related installation of circuitry, ducts and equipment as well as all building renovation and refurbishing works". However, the Legislative Works Committee of the NPC and almost all other national ministries except the Ministry of Construction strongly objected to this broad definition of "construction activities" and hence the broad scope of application of the Law. For example, ministries in charge of power, coal, chemical industries argues that the Ministry of Construction and its local commissions should not be the authority-in-charge in respect of specialized construction works such as power plants, coal mining plants or chemical refinery plants.

(To be continued in the next issue)

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