



測 量 師 導 報

SURVEYING



VOLUME 7 ISSUE 9, September 1998



MESSAGE FROM THE PRESIDENT

Ever since from its inception to its actual formation every professional institute aims at :

1. unifying the profession;
2. providing continuing professional development;
3. acting on behalf of the profession;
4. contributing to society's well being; and
5. working to achieve a high and respectable professional corporate image domestically and internationally.


Domestically the Institute has been actively involved in expressing professional views and comments on Government policy and regulations related to property, environmental planning, infrastructures, building ordinances, land ordinances, and professional standard and practice. Most consultations were proactive. Credit went to our members

who in one way or another had led the Institute to this respectable state.

However, internationally, HKIS is not widely known as a professional institution. Hong Kong is known as the financial centre of the Far East, but it has never been the centre for surveying. In the past may be our members were busy building up Hong Kong and there were enough works to go around. Now the economy is down, and the building and property development are few, some members are feeling the pain. We need to look for new venues to export our professional service and expertise, to the neighbouring countries, if not to the world. Hong Kong economy is now a service-driven economy. Service competing globally needed to reach the highest standard.

Hong Kong Institute of Surveyors is a learned

professional institution with expertise in property and surveying. We should be able to establish our presence in this competitive world. With the introduction of WTO our members can compete with others on equal footing. Moreover HKIS is a member association of International Federation of Surveyors (FIG). We should be doing more networking, representing, promoting, educating, setting standards, producing products and services, providing professional and technical advice, finance and funding. The presence of a strong, well managed, outward looking, and widely representative institute of surveyors will ensure that these changes can be dealt with in the best possible way.

To achieve these we must have planning and strategy of marketing our Institute. 



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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GPD rep.	Melissa Pang
LSD rep.	Paul Ng
QSD rep.	Rowson Lee
JO rep.	David Wan

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 before the 10th of each month.

Information & Contents

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Advertising

All advertisements and small ads are welcome. SURVEYING is reaching over 5,000 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

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Tel: 2526 3679 Fax: 2868 4612
http://www.hkis.org.hk

Office Hours:

Monday to Thursday	9:30am - 5:30pm
Friday	9:30am - 5:00pm
Saturday	9:30am - 12:30pm

Planning and Strategy of Marketing HKIS

By the President

Marketing strategy to determine targets, methods and materials for promoting HKIS domestically and internationally.

Encourage greater participation in HKIS by developing countries and HKIS to developing countries.

HKIS may:

- act as the focal point for HKIS initiatives in developing countries;
- encourage each division to hold at least one meeting with an accompanying CPD program in a developing country;
- promote twinning arrangements between countries to facilitate professional development, the exchange of appropriate technology and personnel, and general support;
- cooperate with other bodies with interests in developing countries;
- encourage the development of networks between countries and with specific geographic zones; to enable good educational practice to be communicated and for the establishment of mutual support systems;
- promote HKIS and full range of surveying services provided by HKIS to the world.
- assist associations of surveyors to gain recognition by their governments; not as a trade association or solely as learned societies but rather as regulated or self-regulated professional bodies; establish a task force to prepare guidelines for constituting professional associations covering, inter alia, suitable structures, educational standards, ethical standards and a list of functions a professional association might undertake; make contact with those who can form a nuclei of new professional associations or help existing associations through the provision of material and government support; make contact with government departments whose support (through the enactment of legislation where necessary) is needed for the establishment and effective functioning of professional associations.
- develop HKIS's contacts with international agencies and non-government organisation

(NGOs) whose activities relate to those of surveyors; build a database of agencies which fund or sponsor projects in which surveyors should be involved; operate and develop the protocol for the identification of surveying consultants; keep members informed of opportunities for working with aid agencies and encourage surveyors to make contributions at seminars and workshops organised by key agencies;

- encourage reciprocal exchange of articles and publications relating to surveying between countries and each country, for publication in their respective newsletters or journals;
- invite members of each country's professional body/bodies to attend HKIS events including appropriate seminars and workshops;
- initiate the formation of regional real estate federation; more participation in the events of South East Asian Survey Congress.
- communication
 - domestically: make maximum use of e-mail, Internet and other developments in information technology (IT) in maintaining and improving communications with members and sponsor organisations; issue a quarterly journal; encourage members to contribute articles and share their practical experiences; ensure that documents relating to arrangements for congresses, technical seminars and administrative meetings are issued to members in good time.
 - internationally: publish an Annual Review which will serve as FIG's main medium of external communication and its principal marketing tool.

Remarks: These are just a few of your President's ideas. Members are welcome to comment. Please do not hesitate to forward your thinking to your Council. We shall work together to overcome the present gloomy days and map forward for a brighter future for our members.

NEWS FROM THE SECRETARIAT

Forum on Proposed Amendments of HKIS Constitution and Bye-laws

By Winnie SHIU, Hon Secretary

The forum was held on 23rd September 1998 and was attended by 24 members and moderated by Mr Ian WOOTTON.

Topics attracted most attention and deliberations of members, amongst others included:-

- 1 Whether an EGM should be conducted for dissolution, major constitutional and membership amendments, voting manner and need for EGM were considered as of different nature and concern;
- 2 Whether it is fully justified to change from the title "Associate" to "Member";
- 3 Whether 8 years is reasonable to allow probationers to qualify themselves;
- 4 Whether the jurisdictions proposed for the Board of Education and Board of Membership are appropriate; and
- 5 Whether the specific mentioning in the Constitution documents of publishing journals by individual divisions is necessary and preferred.

The Working Group has reviewed the comments received at the forum and formulated its final view for General Council's approval on 12 October 1998. Views from the Institute's solicitor was also sought: A EGM will be held on 25 November 1998 at Room 405, HK Convention & Exhibition Centre at 6:30pm. Please make every effort to attend the EGM.




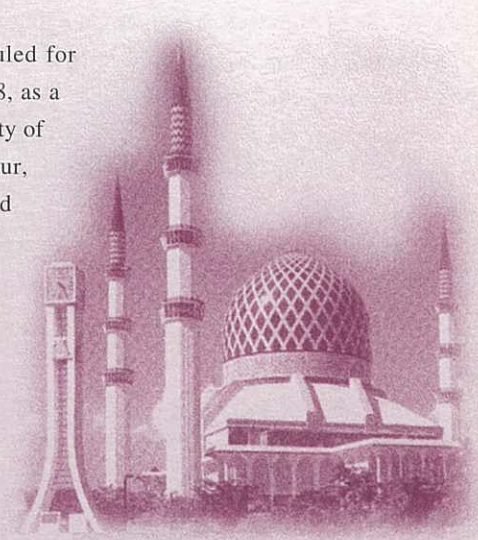
Members of the working group, Ms Winnie Shiu (Hon Secretary), Mr Barnabas Chung (Chairman, Board of Education), Mr T N Wong (President), Mr Graham Heath (Hon Treasurer) and Mr David Chan (Chairman, Membership Committee) and the moderator Mr Ian Wootton.

Overseas Visit

A joint visit with the Shenzhen Society of Surveying and Mapping to our counterparts in Singapore (Singapore Institute of Surveyors and Valuers) and Malaysia (Institution of Surveyors Malaysia) is being organised.

It is tentatively scheduled for October/November 1998, as a 4 to 6 days trip to the City of Singapore, Kuala Lumpur, and maybe to Sabah and Sarawak.

Enrolment details will be announced separately. 




Construction Standards Committee of the Construction Advisory Board

In support of the review exercise conducted by the Construction Standards Committee of the Construction Advisory Board, members are requested to notify Mr Augustine K M CHOW, of any inconsistencies or inadequacies of existing construction standards encountered.

The English-Chinese Glossary of Terms Commonly Used in Hong Kong Construction Industry, published in September 1997, will also be reviewed, any suggestions for improvement are also welcomed.


As a representative of the HKIS on the Construction Standards Committee of the Works Bureau, Augustine will report to the Committee of all these inconsistencies, inadequacies and suggestions for follow-up action.

Augustine K M CHOW can be contacted at telephone no. 2839 7608 or such information can be faxed to his office at fax no. 2882 2432. 

NEWS FROM THE SECRETARIAT


New Forces

By Gordon Ng, Secretary-General

The Institute has recently recruited an Accounting Officer, Miss Angel Wong, to strengthen the financial and accounting function. Angel has a good mix of experience having worked for private firms and property marketing companies. She is also improving her professional knowledge by attending a part-time accounting degree course. Angel is friendly and cooperative and would be happy to attend to members' queries. I take this opportunity to welcome her on board. 

Successful Management of Large Projects

- 23rd to 24th November 1998

The two day seminar is organised by the Hong Kong Productivity Council and HKIS is a supporting association. The seminar will run on the 23rd and 24th November 1998 in the HKPC Building, Tat Chee Avenue, Kowloon. Members of HKIS will receive a 20% reduction in fees. The reduced fee will be \$4,000 and interested members are welcome to pick an application form from the Secretariat Office. 



SURVEYORS ANNUAL DINNER 1998

Regent Hotel
20th NOVEMBER 1998

Further details at back page.

Congratulations to the following HKIS Members who were elected on 8 September 1998:-

FELLOWS

Chen Yongqi (LS)
Lui Yuet Kum (GP)

ASSOCIATES

BS Division

Ip Man Ching
Lai Kwok Hung


GP Division

Cheng Chak Ho
Cheung Wai Sze
Cheung Wai Ying
Chiu Yat King
Johnston-Smith, Michael James
Kwan Siu Yuen
Kwan Yiu Wah
Kwong Chui Lin
Rankin, Alasdair Macgregor
Wong Wai Tat
Yeung Ka Hong Macgregor


LS Division

Cheng Wo Cheung
Tong Yau Chuen

QS Division

Lin Ho Ming, Edmond
Longbottom, James Bruce
Mok Yuet Ching
Shum Kai Sum, Katherine
Wu Kam Fai 


Congratulations to Professor Anthony Walker

The Chief Executive of HKSAR, has awarded Professor Anthony Walker with the Bronze Bauhinia Star in the 1998 Honours List of the Hong Kong Special Administrative Region. 

NEWS FROM THE SECRETARIAT

HKIS Diploma Presentation

Sixty one members and their guests attended a Diploma Presentation at the Hong Kong Convention and Exhibition Centre on 15th September 1998.

The President, Mr T N WONG presented the diplomas to members elected on 11th June 1998. The presentation was also attended by office bearers and divisional representatives who shared in the joyful event. 



*Building Surveying
Division Members*

*Members and guests listen to the congratulatory
speech by the President, Mr T N Wong*



*The President, Mr T N
Wong congratulates the
newly elected members*

*General Practice
Division Members*



*Land Surveying
Division Members*



*Quantity Surveying
Division Members*

NEWS FROM THE SECRETARIAT

HKIS Gold MasterCard Card


Aiming to raise the Institutes' profile and to broaden members' welfare, the Institute joins hands with Shanghai Commercial Bank Ltd.(SCB) to launch the HKIS Gold MasterCard Card. Cardholders can enjoy the following exclusive privileges:

- *Perpetual Annual Fee Full Waiver*
- *Free HKIS Stylish Sports Watch and Umbrella*
- *Double Bonus Point for transactions at HKIS*
- *Banking Service Privileges* offered by Shanghai Commercial Bank Ltd. including HK Dollar Fixed Deposits, Home Ownership Scheme, Decoration Loan, Tax Loan, Car Loan, Share Overdraft Facility, Unit Trust Trading and privileged brokerage fee of 0.25% for Stock Trading

0.38% of Cardholders' spending contribute to HKIS

For each dollar spent with your HKIS Gold MasterCard Card, Shanghai Commercial Bank Ltd. will contribute 0.38% of the cardholders'

spending to HKIS for the development of members' welfare. For details, please call SCB Hotline 2818 8236.

* An HKIS Gold MasterCard Card application form is attached in this issue of SURVEYING. 

Exclusive for
HKIS Member

FREE



HKIS Stylish Sports Watch
- Water-resistant upto 30M
- Moon-phase and date display



THE HONG KONG
POLYTECHNIC UNIVERSITY

香港理工大學

Global Claims in Construction Disputes (Code: 4142)

Mr. Harold S. Crowter, FRICS, FCI Arb, FFB

This Course is designed for HKIS, HKIE and HKIOB members. It aims to help students to fulfill HKIS CPD & structured learning requirements.

Course Organizer : Mr. K.C.Wong, Department of Building and Real Estate
Date : November 20, 1998
Time : 7:00 pm - 9:00 pm
Venue : To be announced
Medium : English
Fee : \$280 per participant
Remark : Closing date for applications is October 30, 1998.

Course information and application form can be obtained:

- (1) by sending a postage-paid (HK\$1.30) self-addressed envelope to the **Centre for PACE, Room BC311, Core B, The Hong Kong Polytechnic University, Hung Hom, Kowloon** (please specify the course code);
- (2) via fax at our 24-hour hotline: 2766 6666.

For enquiries, Please call tel. no. 2766 5388 during office hours.

CENTRE FOR PROFESSIONAL AND
CONTINUING EDUCATION

LETTERS TO THE EDITOR

Further to John Molloy's article on the consequences of "Default of Nominated Sub-Contractors", in *Surveying*, June 1998 issue, specifically under the Hong Kong Government General Conditions of Contract, I have no dispute with Mr Molloy's briefing, but would take the analysis one step further, based on the common law principle of what can be argued as being in the minds of the parties, ie the Contractor and the NSC, when their contract was made.

Mr Molloy seems to be implying, in point 2 of his summary, that since GCC Clause 67(1) refers to payment to any NSC being limited to such sum as is certified by the Surveyor, the Employer can avoid paying the replacement NSC's price for the work, presumably by the simple expedient of the Surveyor only certifying in accordance with the price accepted by the Contractor for the defaulted NSC.

The circumstances surrounding, and I suggest, therefore limiting the agreement between the Employer and the Contractor, as far as NSC's are concerned include:-

1 GCC Clause 1(1) definitions of "Nominated Sub-Contractor" and "Prime Cost Sum". The definitions make it clear that the Contractor has no right to carry out such work and is not required to include a price for it in the tender beyond adding such overheads, profit and attendance thought appropriate to the sum included by the Employer in the tender document.

2 Government keeps and controls lists of specialist contractors that are considered by Government to be technically and financially competent to carry out work reserved for NSC's. It manages the tender process for such work, drafts the sub-contract imposed by the Employer upon the Contractor and the NSC. The Contractor has, in principle, a wide right of objection to the Employer's nominee (see GCC Clauses 65 and 66) but, given the above mentioned controls exerted by Government, the Contractor would find little reason to exercise the right of objection. Whether it is wise or not, the Contractor habitually accepts the nominee on trust and at face value, even if the misgivings exist in the corporate mind of the Contractor.

3 The Contractor cannot dispense any part of the Prime Cost Sum to any NSC except on the written instruction of the Architect (GCC Clause 65(1)) followed by the certificate of the Surveyor (GCC Clauses 67(1) and 69(2)).

The effect of the above circumstances needs to be added to the legal position set out in Mr Molloy's article and that is, I believe that when a NSC defaults, the Employer must replace the defaulter and pay the replacements' price for the completion work. The Employer's first selection has failed (and we have to assume through no fault of the Contractor). The defaulting NSC would have failed for a number of reasons, mostly under the control of the Employer, eg too low a price for the work (Government employs professional engineers to consider this risk when assessing tenders). At worst, the NSC may default because of not being paid their entitlement by the Surveyor. The Employer's first choice having failed, is replaced by the same set of procedures. The Contract recognises none other. That being so, any argument that proposes the continued application of the defaulter's price has no weight. The whole "package" of sub-contractor, sub-contract, and tender price "disappears" and the replacement package has to be substituted.

On Mr Molloy's point concerning FAIRCLOUGH, any main contractor faced with a re-nomination, who does not have the replacement NSC start and completion dates tied down and agreed with the Employer to the Contractor's satisfaction is in peril. This is the time and place to activate GCC Clause 66(2) - though convincing the Architect of the reasonableness of the objection has its own problems. If the Contractor's case is a good one, but the Architect does not accept it, then the Contractor's options are limited and unenviable. They can proceed under protest and arbitrate the inevitable liquidated damages. They can "hang tough" and risk being suspended for being a difficult, uncooperative and claims conscious contractor. Resolving either route will be painful and expensive.

Peter Berry FHKIS, ARICS, FCI Arb

FIG

By Stephen M W Yip
Vice-chair of Commission 9

“Cadastre 2014”

The International Federation of Surveyors' technical work is implemented through the work plans of the commissions.

One of the working group (“Reforming the Cadastre”) of Commission 7 (Cadastre and Land Management) has presented their results of four years' work in the form of a booklet with the name of “Cadastre 2014”. This is hoped to be able to contribute to the development of the cadastral systems world-wide.

This booklet is now kept at the HKIS Library for members reference and its contents include:

- an overview of the existing cadastral systems,
- the on-going reform projects and trends in the cadastral field,
- v i s i o n s a n d j u s t i f i c a t i o n s f o r r e f o r m, a n d
- suggestions of what role the surveyor should be playing in the proposed reform.



DEFINITION OF SURVEYOR

It should be noted that the works of FIG involve all the five disciplines of the HKIS. Within the statutes of the Federation the “Definition of Surveyor” is as follows:

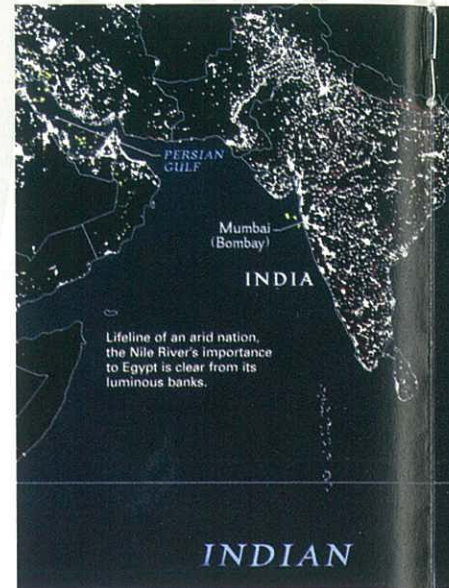
A surveyor is a professional person with the academic qualifications and technical expertise to practice the science of measurement; to assemble and assess the land and geographic related information; to use that information for the purpose of planning and implementing the efficient administration of the land, the sea and structures thereon; and to instigate the advancement and development of such practices.

Practice of the surveyor's profession may involve one or more of the following activities which may occur either on, above or below the surface of the land or the sea and may be carried out in association with other professionals.

- 1 The determination of the size and shape of the earth and the measurement of all data needed to define the size, position, shape and contour of any part of the earth.
- 2 The positioning of objects in space and the positioning and monitoring of

physical features, structures and engineering works on, above or below the surface of the earth.

- 3 The determination of the position of the boundaries of public or private land, including national and international boundaries, and the registration of those lands with the appropriate authorities.
- 4 The design, establishment and administration of land and geographic information systems and the collection, storage, analysis and management of data within those systems.
- 5 The study of the natural and social environment, the measurement of land



CAREERS IN PROPERTY MANAGEMENT

Our client is a highly popular and successful organization with a long history in Hong Kong. It provides a variety of sports, leisure and recreational activities and owns a significant portfolio of properties which requires regular development, renovation and maintenance.

Property Manager (Cost Control) Ref: AR1

The Job

- Oversee contract documentation and prepare estimates on project costs
- Monitor accounts and a sizeable capital expenditure budget
- Advise on contract strategies
- Set up appropriate cost control procedures and liaise closely with finance and other departments

Qualifications

- University degree and a professional accounting qualification
- 7 to 10 years of relevant finance experience
- Exposure to the construction and/or property industries
- First-rate managerial skills and fluency in English and Chinese (written and spoken)

Property Manager (Quality Services) Ref: AR2

The Job

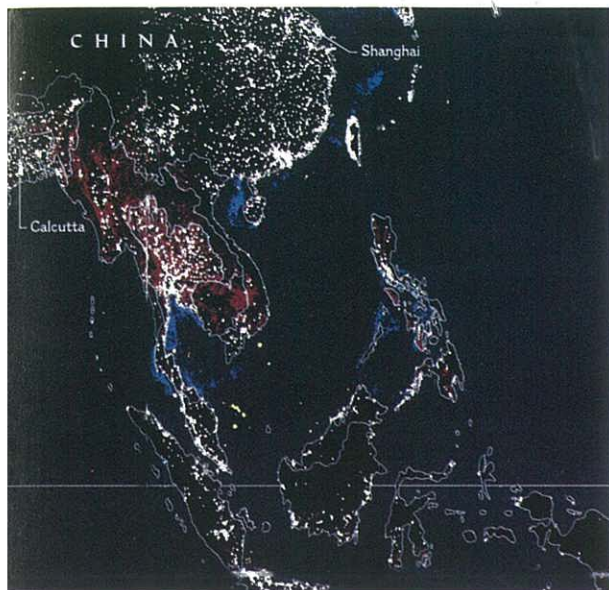
- Establish effective procedures for handling property-related work requests
- Coordinate maintenance and design activities
- Update customers on project progress, conduct customer surveys and evaluate feedback

Qualifications

- University degree with 7 to 10 years of relevant experience in a servicing industry
- Good understanding of facilities management
- Strong communications, people management and training skills
- Fluency in English and Chinese (spoken and written)

Interested persons please send full resume indicating salary expected to Amrop International, at 2905 Two Exchange Square, Central, Hong Kong, or via fax 2527-6264. Applicants not contacted by November 30 should consider their applications unsuccessful.

AMROP
INTERNATIONAL
EXECUTIVE SEARCH



and marine resources and the use of the data in the planning of development in urban, rural and regional areas.

- 6 The planning, development and redevelopment of property, whether urban or rural and whether land or buildings.
- 7 The assessment of value and the management of property, whether urban or rural and whether land or buildings.
- 8 The planning, measurement and management of construction works, including the estimation of costs.
- 9 The production of plans, maps, files, charts and reports.

In the application of the foregoing activities, surveyors take into account the relevant legal, economic, environmental and social welfare affecting each project.





News from the General Practice Division

By Tony Tse, Chairman

1. Assessment of Professional Competence - Autumn 1998

The Assessment of Professional Competence - Autumn 1998 of the General Practice Division is scheduled to be held in mid-October. Like in April 1998, the Assessment comprises two main components, namely, (a) the oral assessment including a presentation and interview; and (b) written assessment. The written assessment will be held on 9 October 1998, whereas the oral assessment will be conducted from 12 October 1998 to 19 October 1998. For the written assessment, candidates will be given on the Assessment's date, questions to answer. A limited choice of questions will be given and one of them will be a compulsory question. It is expected that more than 100 candidates will be sitting for the Assessment.

2. CPD Event on Pre-Sale Consent Scheme Update

On 7 September, a CPD event was successfully held with more than 200 participants. The speaker was Mr. Pius Cheng, Partner of Baker & McKenzie, who delivered a talk on the Pre-Sale Consent Scheme. Herebelow are some of the key points extracted from Mr. Cheung's speaking notes:-

(A) Relaxation of Conditions of Consent from 4 June 1998

The following measures no longer apply:-

- (a) The prohibition of sub-sale of uncompleted flats;

- (b) The requirement for the developer to put onto the market, all the flats in the development (or phase), which is the subject of consent, within 6 months from the effective date of consent;

- (c) The requirement for the developer to put onto the market, not less than 20% of uncompleted flats, which are the subject of the consent at any one time;

- (d) With immediate effect, consent to sell uncompleted units will be given so as to be effective not more than 20 months before the Authorised Person's estimated date of completion of the development and the compliance with the Conditions of Grant.

(B) Conditions of New Consent

New consent is given subject to the following conditions:-

- (a) Each Sale and Purchase Agreement is in the approved form;

- (b) The Statutory Declaration by the developer's solicitors in the approved form is duly registered by memorial in the Land Registry prior to entering into the first Sale and Purchase Agreement;

- (c) Only the person signing the preliminary agreement will be permitted to sign the Sale and Purchase Agreement;

- (d) No attorney, trustee or nominee of any kind by the purchaser can be accepted by the developer for the purchase of signing the Sale and Purchase Agreement;

- (e) Once a preliminary agreement has been entered into, the developer shall not withdraw from or cancel it and must complete the Sale and Purchase Agreement;


- (f) Where the prospective purchaser is an incorporated company, no change of directorship shall be allowed before signing the Sale and Purchase Agreement and payment of the balance of the deposit;

- (g) The sale is conducted by personal registration in a way which avoids any disorder being created in any street or public;

- (h) All the proceeds shall be paid into an account with a licensed bank held by the developer's solicitors in trust for the developer, and the proceeds shall not be transferred to the developer;

- (i) Not less than 7 working days prior to the commencement of registration, the developer shall make available to the public:

- (i) sale brochures which should contain some required basic information; and

- (ii) the price list or lists of all units offered for sale to the public at any one time. 

LAND SURVEYING



EGMs for Land Boundary Survey Regulations and LSD Regulations

By Jacky Tull, Vice Chairman

Two EGMs were held to seek members' approval for the Land Boundary Survey Regulations and the Land Surveying Division Regulations. The first EGM was held on 17th July 1998. However, there were only 24 LSD members present in the first EGM. According to the Constitution and Bye-Laws of the HKIS, a quorum was not present and the EGM was adjourned. The second EGM was held on 18th August 1998 and there were 19 LSD members presented with 24 proxy received. The LSD Council decided in the EGM to withdraw the two regulations. The decision was based on the debate of the members at the EGM.

The LSD Council also decided on the amendments for the two regulations. According to the Constitution and Bye-Laws, the Divisional Council has power, subject to approval of the General Council, to make the Land Surveying Division Regulations. Therefore, the LSD will bring the LSD Regulations into effect. On the other hand, the Land Boundary Survey Regulations will be amended as a guidance notes and will be published as "Guidance Notes For Land Boundary Survey".

Working Group on Mutual Recognition of ISA

The LSD Council decided to set up a working group to study the matter of the Mutual Recognition and Reciprocal Membership between the HKIS LSD and The Institution of Surveyors, Australia Inc. (ISA). The working group consists of the following members:


Miss Helen Chan
Mr. Ng Tak-cheong
Mr Conrad Tang
Mr. Tau Yuk-ming
Mr. Jacky Tull

A meeting was held on 11 August 1998 to study the Constitution and Bye-Laws of the ISA and to propose the requirements for Reciprocity Agreement.

Meeting with HKIES

An informal meeting with the Hong Kong Institution of Engineering Surveyors was held on 26th August 1998. In the meeting, we exchanged our views in the development of land surveying profession in Hong Kong. Both parties also agreed to exchange journals and inform members of both parties of the CPD events.

Annual Dinner and Annual General Meeting

The LSD Council would like to call for your support in participating in the coming Annual Dinner and the Annual General Meeting which are scheduled on 23rd October 1998 and 6th November 1998 respectively. 




CPD Event

By YIK Wai-fung, LSD Secretariat

An interesting CPD event titled "An Undiscovered Story - Kan Yu (Feng Shui) Map" was organized on 13th August 1998. It attracted an audience of 100 from different divisions and sectors. The speaker not only introduced the background and theory of "Feng Shui", but also gave a brief comparison between the ancient Chinese Kan Yu map and the contemporary maps.

廣東測繪 (Guangdong Cehui)

We are pleased to learn that a paper known as "The Hong Kong System on Registration of Professional and Practising Professionals" written by Mr. MOK K L, LSD Chairman, was published in "廣東測繪", the journal of 廣東省測繪學會 (Guangdong Province Surveying and Mapping Society). 





JUNIOR ORGANISATION

APC Workshop 1998

By Ivan Ng, Hon. Treasurer

Sunbathing on the beach with a gentle breeze is always enjoyable in this extremely hot summer. However, around 500 candidates ready to sit for the coming professional assessment, gave up this attractive event and attended the APC workshop which was fruitfully held on 25 July 1998.

The Junior Organisation has organised this annual event for more than five years, with the aim of providing an opportunity for the candidates to meet with our experienced assessors before the examination. There was a record high attendance rate of around 500 candidates this year gathering at the Haking Wong Technical Institute, Cheung Sha Wan, on a sweaty Saturday afternoon.

After the meeting with assessors in small tutorial groups and the discussion session in the assembly hall, I am sure all the candidates will have a deeper understanding on the examination format, techniques, and of course the utmost important thing, confidence.

I must take this opportunity to apologise for the discussion session which was held in a rather hot assembly hall without air-conditioning, proper audio and visual



Mr. Andy Wong, JO Chairman, presents a souvenir to one of the participating assessors, Mr. Jeff Lam.

equipment. This was because we had extreme difficulties in looking for a suitable venue this year, as most of the tertiary institutions were undergoing renovations this summer, even though I started looking for a venue back in March.

Also I would like to give my sincere thanks to all the helpers in the event and the below assessors who were so kind in contributing his or her personal time to the event. Without you, the event would not have been so successful.



Candidates attending a discussion session, in the assembly hall of Haking Wong Technical Institute.

List of assessors helping in the event:

QS Division	BS Division	GP Division	LS Division
Mr. Eric Chung	Mr. Kenneth Yun	Mr. Jeff Lam	Mr. Ng Tak Cheong
Mr T.T. Cheung	Mr. David Chan	Mr. C. K. Chan	Mr. Jacky Tull
Ms Ellen Lau	Mr. Edwin Tang	Mr. Nixon Ng	
Mr. W.S. Kwok	Mr. Ben Cheong	Mr. C. M. Lau	
Mr. John Law	Mr. Daniel Lam	Ms Evonne Yiu	
Mr. Teddy Ng		Ms Cynthia Yung	
Mr. Patrick Kwok		Ms Nancy Hung	
Mr. Daniel Leung			
Mr. Paul Fung			

Should anyone have any comments or suggestions on the event, please do let us know so that the event can be better arranged in the future.



JUNIOR ORGANISATION




News from the Junior Organisation

By Karen CHU

Badminton Competition

The badminton competition was held successfully at Southern Centre, Wanchai, on 9th May 1998. A total number of 13 participants competed in the men's singles and mixed doubles competition which was held from 2.00 pm to 5.00 pm. All the participants tried their best to give a good performance. The competition turned out to be exciting especially in the final round.

We would like to take this opportunity to give our thanks to the umpires and helpers, which without their support, the competition would not have been held successfully. We hope you will join us next year. 

J.O. Secretary, Ms WONG Kam Wah, presenting the champion's cup to the men's single's champion, Mr NG Chi Wai.



Participants of the badminton competition.



The mixed doubles champions, Mr NG Ka Yue and Ms S Y LEUNG with our Secretary, Ms WONG Kam Wah.

The Calculation of Head Office Overheads

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

One of the principal elements of a claim for reimbursement of the costs of the prolongation of the time for completion of the works, is a claim for the costs of head office overheads.

However such a claim, and the basis upon which it is made, is often misunderstood. In simple terms a contractor may seek reimbursement of its head office costs in one of two alternative ways:

- As lost opportunity costs; or
- As additional overheads actually expended as a result of the delay.

An opportunity costs claim is based on the premise that because of the delay the contractor's organisation is free unable to move on to another project and earn the combined profit and head office overheads of which it is reasonably capable, i.e. the opportunity to earn elsewhere is lost.

This is the normal basis of claims for head office overheads, firstly because it is the easiest to calculate as it adopts a simple formula such as the Hudson formula or the Emdem formula, and secondly because it tends to generate large sums of money.

In order to pursue a claim on the opportunity

costs approach if is necessary for the contractor to prove the following:

- That the overhead represents a reasonable one by reference to audited accounts for the appropriate period. This is generally not a problem provided contractors are able to provide copies of their audited accounts.
- That work of the same level of overhead recovery was available during the period of delay. This can be proved by production of tender enquiries and publications (such as the Government Gazette) indicating the level of construction activity during the period of delay.
- That the method of working of the Contractor was suitable for this approach. This can be proved by showing that the Contractor is actively seeking extra work during the period of delay, and by providing details of tenders which it has submitted. Difficulties can arise where economic conditions are such as to restrict the number of tendering opportunities available.
- That the Contractor was prevented from taking on further works as a result of delay. This is the real difficulty. Few contractors in Hong Kong actually turn work away due to delays on a single contract. They are more

likely to either increase their resources by subcontracting works out or by employing extra staff. Of course this may have the effect of increasing a contractors tender prices and making it less competitive, but to prove that this has denied the contractor the opportunity to carry out work elsewhere is very difficult. The best a contractor can do is to be aware of the need for such evidence and ensure that records of how delays are affecting management decisions are kept by minutes of directors meeting, memos, internal directives and of course letters to the appropriate employer advising of the position.

Whilst the opportunity costs approach provides a straightforward and easy method of calculation, and whilst it is probably easy in principle to prove an entitlement to opportunity costs, the reality is that evidence will be far from easy to provide.

Indeed in the mid 1980s comments made by the judge in the non construction case of *Tate & Lyle v. Greater London Council* led many to believe that the courts would no longer accept claims for head office overheads made on the opportunity costs approach at all.

However, in the more recent construction case, of *Alfred McAlpine Homes North v. Property*



FEATURE

and Land Contractors (1995), the court affirmed that there was no objection in principle to a claim for head office overheads made on the opportunity costs approach, and further that there was no objection in principle to such a claim being calculated by reference to a formula. It should be noted however that in this case the court in fact refused to adopt such an approach principally because it was the contractor's working arrangement that they only ever undertook one construction project at a time and did not undertake another until the project was complete. It was therefore inappropriate to use opportunity costs as the basis of calculation.

The second method of calculating a head office overheads claim is the actual costs approach. The basis of this claim is that the prolongation has resulted in the contractor allocating more overhead expenditure to the project than was originally contemplated at the date of the contract.

This is traditionally a less popular approach due to the fact that the records necessary to support the claim are seldom available, because few contractors require their head office staff to fill in time sheets detailing the time spent on each contract. Also the amounts of money generated by this approach are generally significantly less.


However, hope may be in sight for contractors who find it difficult to satisfy the requirements of an opportunity costs claim, and who do not keep sufficiently detailed records for an actual costs claim.

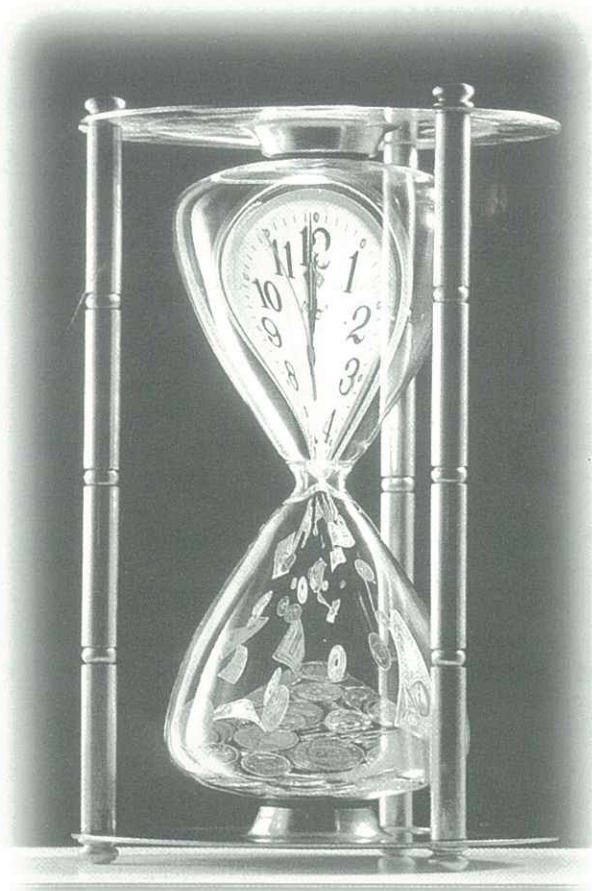
In the above mentioned case of Alfred McAlpine Homes North v. Property and Land Contrac-

tors (1995), and also in the Amec Building Ltd v. Cadmus Investments Co Ltd (June 1996), the courts accepted a claim for head office overheads, based on the actual costs approach but using a formula to calculate the amount attributable to the particular contract.

The court simply calculated the contractor's average weekly overhead costs (by reference to the company's accounts), multiplied this by the number of weeks delay and then allocated them to the particular contract by means of a

pro rata calculation based upon the value of the work carried out on the site during the overrun period and the value of all the works being carried out by the contractor during the overrun period.

This method may at last provide contractors with a simple and acceptable method of calculating head office overheads for inclusion in a prolongation costs claim. 





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Chairman, Land Development Corporation*

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The Regent Hotel
Tsimshatsui
Kowloon

Friday 20th November 1998
7.30 pm for 8.00 pm

Dress: Black tie/Long dress



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