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Improvement through collaboration

Contract Innovation through Additional Clause 2017

Subcontracting in Happy Valley Underground Stormwater Storage Scheme

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29 September 2017



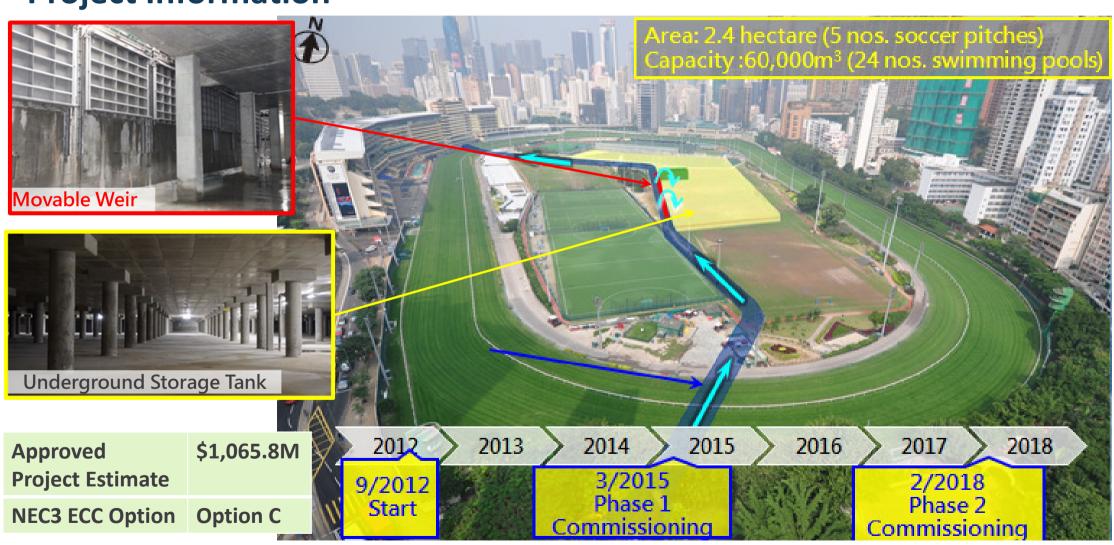
Content

- Background
- Sublet Requirements
- The Pilot Trial in HVUSSS
- PM's and PMR's roles
- Q&A



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Project Information





Project Characteristics

- Numerous workfronts
- Interfacing subcontractors
- Congested site area
- 165 nos. subcontracts
- 55% of contract sum

Risks Programme Logistics





Sublet Requirements

ECC Cl. 26 on Subcontracting

- (1) Conditions of contract for each subcontract; and
- (2) Name of proposed Subcontractor

for PM's acceptance



Additional Z Clause in HVUSSS

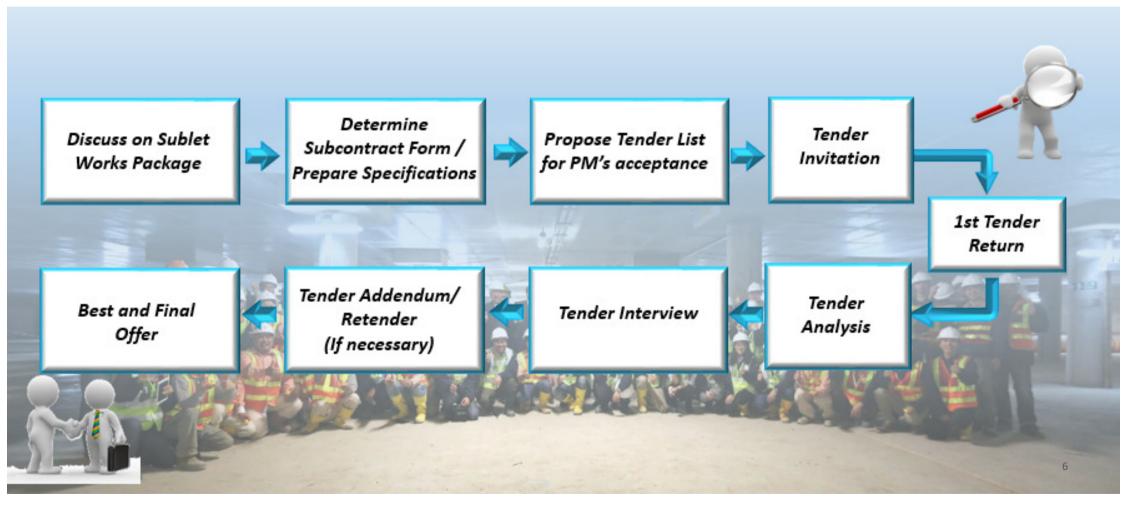
ACC C10: Tendering Requirements of subcontracting

- (1) Open and Competitive Tendering Stores and Procurement Regulation of Hong Kong
- (2) Enhance communication and promote early bonding with the subcontractor





Sublet Procedure in HVUSSS





A Cooperation in Subcontract Packaging

- Mutual understanding on design and construction requirements
- Early identification of Risks

Example – Concreting Works of Storage Tank

Risk: Unsteady concrete supply

PM



- 1. Construction Noise Permit
- 2. Construction joint requirements

Contractor



- 1. Removable noise barrier
- 2. Separate BQ item for night works
- 3. Phasing and sequencing of works

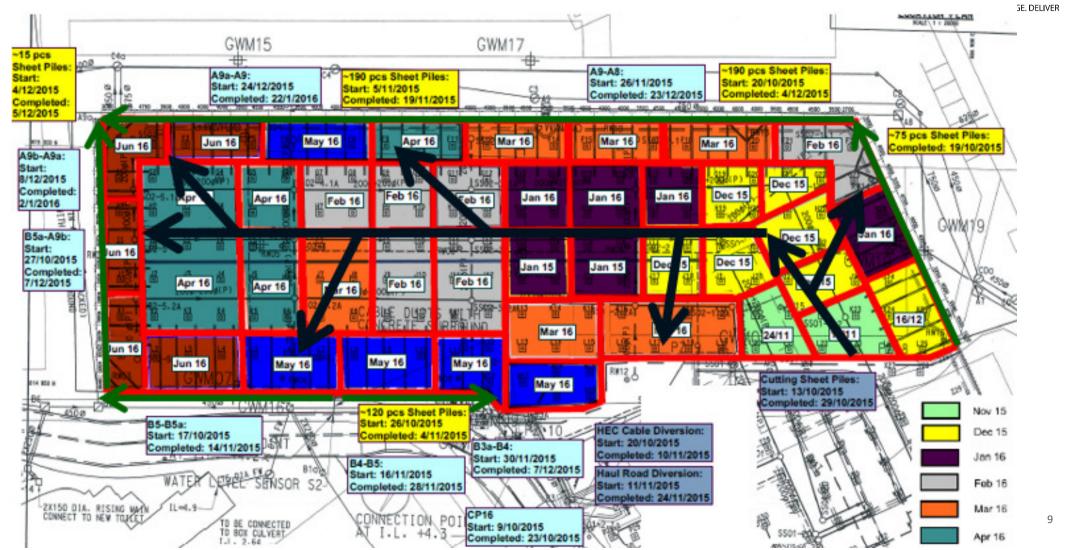














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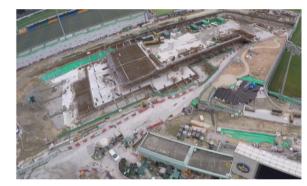


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Capturing subcontractor's expertise

- Proprietary Product
- Innovative Construction Method
- Multiple Trades

Example –

Reinstatement of Sports Pitches





Proprietary Product to fulfill the Performance Requirements



Mutual Trust and Cooperation

- Enhanced Communication
- Better Site Awareness
- Project Ownership
- Team Building

Model Subcontractor Awards in CCSAS











PM and PMR's roles

- Discuss with the Contractor to plan for sublet packages
- Accept tender estimates and tenderer list
- Arrange tender briefing
- Attend tender opening
- Attend tender interview
- Prepare tender addendum/ re-tender (if substantial amendment)
- Accept Contractor's recommendation for subcontractor engagement

	<\$50,000	\$50,000 -\$200,000	\$200,000 - \$300,000	\$300,000 -\$4M	>\$4M	Total
Subcontract Package	63	14	9	49	29	165





5 years after...



2012

9/2012

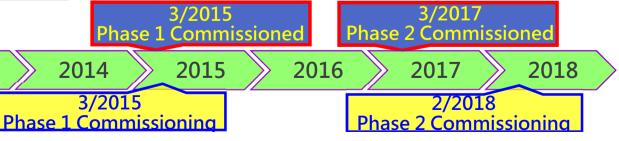
Start

2013

SDev's Blog on 30.7.2017

Furthermore, the DSD introduced innovative contract clauses to promote the **tripartite co-operation** of the DSD, the contractor and its subcontractors with a view to **optimizing the construction process in a collaborative manner**, which in turn helped improve the quality of works and accelerate the progress of construction.

The HVUSSS was fully commissioned in March this year and ahead of committed schedule. In addition, a saving in the administrative costs due to the shortened construction period, together with some other cost savings, amounted to some \$60 million, which is approximate 5 percent of the final target cost of the works contract.





Thank You



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