

Carrying out Procurement for Clients and Prevention of Bid-rigging

Best Practice Guide

Code No.: G11/2022



PROPERTY MANAGEMENT SERVICES AUTHORITY

Best Practice Guide on Carrying out Procurement for Clients and Prevention of Bid-rigging

Guide No.: G11/2022

Effective Date: 22 April 2022

Preamble

For the purpose of enabling licensees¹ to comply more effectively and professionally with the guidelines set out in the code of conduct² entitled “Carrying Out Procurement for Clients and Prevention of Bid-rigging” (Code No.: C11/2022) (“Code”) issued by the Property Management Services Authority (“PMSA”) on 22 April 2022, the PMSA provides relevant guidelines in this best practice guide (“Guide”) pursuant to section 44³ of the Property Management Services Ordinance (Cap. 626) (“PMSO”). While licensees are encouraged to use their best endeavours to follow the Guide, failure to comply with the Guide will, however, not be regarded as a disciplinary offence referred to in section 4 of the PMSO.

Licensees, during the provision of property management services (PMSs) for properties, may carry out procurement in respect of the supply of goods or provision of services for clients⁴.

When licensees carry out procurement for clients, they have to comply with the Building Management Ordinance (Cap. 344) (BMO) and the Code of Practice on Procurement of Supplies, Goods and Services (Code of Practice)⁵ issued by the Secretary of Home Affairs under the BMO.

Moreover, bid-rigging occurs if two or more bidders that would otherwise be expected to compete, secretly agree that they will not compete with one another for

¹ The term “licensee” means the holder of the following licence: a PMC licence; a PMP (Tier 1) licence; a PMP (Tier 2) licence; a provisional PMP (Tier 1) licence; or a provisional PMP (Tier 2) licence.

² With regard to the code of conduct containing practical guidance issued by the PMSA under section 5 of the PMSO for the purpose of section 4 of the PMSO (disciplinary offences), although a licensee does not incur a legal liability only because the licensee has contravened a provision of the code of conduct, the code of conduct is admissible in evidence in disciplinary hearings, and proof that a licensee contravened or did not contravene the relevant provision of the code of conduct may be relied on as tending to establish or negate a matter that is in issue in the hearings.

³ Section 44 of the PMSO provides: “The Authority may do anything it considers appropriate for it to do for, or in relation to, the performance of its functions”.

⁴ The term “client” has the same meaning as defined in section 16 of the PMSO, i.e. “in relation to a property for which a licensed PMC provides property management services, means— (a) the owners’ organization of the property; and (b) the owners of the property who pay or are liable to pay the management expenses in respect of the services”. According to such definition, a tenant is not a client.

⁵ The Code of Practice (Revised Version Effective from 1 September, 2018) is issued by the Secretary of Home Affairs under section 44(1)(a) of the BMO. For details, please refer to [https://www.buildingmgmt.gov.hk/file_manager/en/documents/code_of_practice/221805064_HAD%20\(eng\)\(full\).pdf](https://www.buildingmgmt.gov.hk/file_manager/en/documents/code_of_practice/221805064_HAD%20(eng)(full).pdf)

particular projects during the procurement process. For example, they may agree among themselves which bidder will win the bid, and the outcome of the process is therefore rigged. Bid-rigging is inherently a serious anti-competitive conduct and will contravene the Competition Ordinance (Cap. 619)⁶.

Code of conduct

- Code : A(1)** A licensed PMC has to ensure that the procurement process is competitive, fair and accountable⁷ when carrying out procurement for clients.
- A(2) When a licensed PMC carries out procurement for clients, the licensed PMC (including its employees) must not solicit or accept any unauthorized advantage or hospitality that would impair its impartiality. A licensed PMC (including its employees) has to, as far as practicable and to the best of its knowledge, declare conflict of interest arising from any financial (including investments) or personal (including family members or relatives) relationship with the suppliers or service providers bidding for contracts.

Guide:

- a(1) A licensed PMC (including its employees) should notify the owners' organization⁸ (if any) in writing (including emails or other electronic means) if there is any potential financial, monetary or pecuniary interest with suppliers or service providers. Unless it is objected by the owners' organization (if any) in writing (including emails or other electronic means), the licensed PMC (including its employees) may take part in the meeting whereby the concerned item is discussed and may take part in any assessment, negotiation or voting relating to the procurement process.
- a(2) A licensed PMC (including its employees) should take steps to avoid any conflict of interest with any persons who intend to participate in the procurement by not putting himself in a position of obligation towards any of them, for example, by not accepting any favour or lavish or excessive

⁶ The explanation of bid-rigging is extracted from the "Fighting bid-rigging" brochure published by the Competition Commission and is consistent with the definition of bid-rigging stipulated in Section 2 of the Competition Ordinance.

⁷ For details, please refer to Section 3.3 of the Building Management Toolkit issued by the Independent Commission Against Corruption (ICAC), the Home Affairs Department (HAD), the Hong Kong Housing Society (HKHS), jointly with the Law Society of Hong Kong (LSHK), the Hong Kong Institute of Surveyors (HKIS), the Hong Kong Institute of Housing (HKIH), the Housing Managers Registration Board (HMRB), the Chartered Institute of Housing Asian Pacific Branch (CIHAPB), and the Hong Kong Association of Property Management Companies (HKAPMC). (https://cpas.icac.hk/UploadImages/InfoFile/cate_43/2019/280eaeaa-d72a-4b9c-be2f-37fb305c86ec.pdf)

⁸ The term "owners' organization" has the same meaning as defined by section 2 of the PMSO, i.e. "in relation to a property, means an organization (whether or not formed under the Building Management Ordinance or a deed of mutual covenant) that is authorized to act on behalf of all the owners of the property".

entertainment, and not over-socialising with any of them⁹.

- a(3) A licensed PMC should declare in writing any actual or potential conflict of interest¹⁰ arising from the procurement work in accordance with the guidelines¹¹ issued by the Independent Commission Against Corruption (ICAC).
- a(4) A licensed PMC should record and keep any declaration made according to paragraph A(2) of the Code for at least six years¹².

Bidding for service contracts

- Code: B(1)** A licensed PMC is not to exercise or participate in “serious anti-competitive conduct”¹³ when bidding contracts for PMSs.
- B(2) After a licensed PMC has successfully won a tender, it has to, for the property for which PMSs are provided by it, adopt appropriate measures to minimise the risk of “serious anti-competitive conduct” such as bid-rigging during procurement.

Guide:

- b(1) A licensed PMC should refer to the guidelines issued by the Competition Commission to understand which acts may constitute an anti-competitive collusive conduct. In general, when competing for service contracts, the competitors shall not negotiate or exchange any price-related information (whether directly or indirectly) and shall not agree on bidding only in regions they have been individually assigned; nor shall they agree on retaining the status quo and allowing each other to run as usual in their own original markets¹⁴.
- b(2) A licensed PMC should refer to the “Getting the most from your tender” brochure¹⁵ and the “Fighting Bid-rigging” brochure¹⁶ to assist its employees responsible for procurement in preventing, identifying and reporting collusive conducts such as bid-rigging.

⁹ For details, please refer to Section 2.5 of the Code of Practice. https://www.buildingmgt.gov.hk/en/Daily_Operation_of_Building_Management/5_2_2_2.html

¹⁰ For details, please refer to Sections 2.2 and 2.3 of the Code of Practice. https://www.buildingmgt.gov.hk/en/Daily_Operation_of_Building_Management/5_2_2_2.html

¹¹ Guidelines are provided in Section 4.6.4 of the Building Management Toolkit. For details please refer to https://cpas.icac.hk/UploadImages/InfoFile/cate_43/2019/280eaeaa-d72a-4b9c-be2f-37fb305c86ec.pdf

¹² For details, please refer to Section 2.8 of the Code of Practice. https://www.buildingmgt.gov.hk/en/Daily_Operation_of_Building_Management/5_2_2_2.html

¹³ The definition of “serious anti-competitive conduct” is consistent with Section 2 of the Competition Ordinance. This includes price fixing, market sharing, output restriction and bid-rigging.

¹⁴ Please refer to Competition Commission’s “Combat Market Sharing” brochure https://www.compcomm.hk/en/media/reports_publications/files/CCMarketingSharing_2021_EN.pdf and its timely updated/issued guidelines.

¹⁵ Please refer to Competition Commission’s “Getting the most from your tender” brochure https://www.compcomm.hk/en/media/reports_publications/files/CC_Getting_Most_from_Tender_Jun2018_EN.pdf and its timely updated/issued guidelines.

¹⁶ Please refer to Competition Commission’s “Fighting Bid-rigging” brochure” brochure https://www.compcomm.hk/en/media/reports_publications/files/CC_Bid_Rigging_2021_EN.pdf and its timely updated/issued guidelines.

Raising employees' awareness of procurement and establishing internal procedure

Code: C(1) A licensed PMC has to provide proper training for employees to strengthen their awareness of issues (e.g. competitive issues) involved in procurement procedures and procurement process. This helps the employees to formulate appropriate procurement procedures to avoid contravening relevant regulations and to minimize the risk of cartel such as bid-rigging.

Guide:

- c(1) A licensed PMC should, so far as reasonably practicable, timely grasp the market information of the goods or services that it has to procure for providing PMSs, such as the prices of relevant goods or services provided by potential suppliers in the past and records of previous procurement of identical or similar goods or services (if any).
- c(2) A licensed PMC should, according to its scale and so far as reasonably practicable, establish an appropriate database to record the market information concerned, past and current procurement matters (e.g. information of activities, actions and results, etc. of tender exercise) and update the data timely to help the employees recognise potential improprieties in procurement procedures and cartel such as bid-rigging.
- c(3) When looking for suppliers to participate in quotation exercises, a licensed PMC should consider the information concerned, such as the scale of the supplier, whether the category of goods provided is suitable, etc.
- c(4) If a licensed PMC requires an outsourced consultant for assistance, it should engage a reputable and independent one. If the consultant(s) engaged may already have a partnership with the potential supplier, relevant risk management has to be carried out.
- c(5) A licensed PMC should arrange for employees to participate in workshops/seminars organized by the Government and/or statutory bodies, including the Competition Commission, to strengthen their knowledge in correct procurement procedures and about the Competition Ordinance.
- c(6) A licensed PMC should conduct random check regularly in respect of procurement documents (e.g. tender documents) and establish internal procedures which encourage and require employees to report suspected situation.

Procurement mechanism

- Code: D(1)** Without contravening the BMO and the Code of Practice⁵, a licensed PMC has to, for the property for which PMSs are provided by it,
- (a) establish a policy by itself (in case there is no owners' organization); or
 - (b) agree with the owners' organization (if any)¹⁷ on various procurement services, including making purchase by petty cash, quotation and tender in order to proceed with the procurement.

Guide:

- d(1) A licensed PMC should establish guidelines by itself (in case there is no owners' organization) or establish guidelines with the owners' organization (if any)¹⁷ on the value, approving procedures and authority of various procurement methods as set out in paragraph D(1) of the Code for carrying out the procurement concerned.
- d(2) For avoidance of doubt, it is stipulated in Section 20A and paragraph 5 of Schedule 7 to the BMO that any supplies, goods or services, the value of which exceeds or is likely to exceed the sum of \$200,000¹⁸ or a sum which is equivalent to 20%¹⁹ of the annual budget (whichever is the lesser), have to be procured by tender. For implementation of the Guide to carry out procurement, a licensed PMC has to follow the respective regulations of the BMO.

Procurement by petty cash

- Code: E(1)** A licensed PMC has to, for the property for which PMSs are provided by it,
- (a) establish a policy by itself (in case there is no owners' organization); or
 - (b) agree with the owners' organization (if any)¹⁷ on the limit of petty cash to be kept by it to carry out procurement in respect of minor purchases of goods or services for clients.
- E(2)** A licensed PMC has to, for the property for which PMSs are provided by it, establish a policy by itself (in case there is no owners' organization) or follow the guidelines as agreed with the owners' organization (if any)¹⁷ when carrying out procurement by petty cash for clients.

¹⁷ The guideline or guide does not affect a licensed PMC as the manager to carry out its duties according to the BMO or the deed of mutual of covenant of the respective property. The term "manager" has the same meaning as that defined by section 34D of the BMO.

¹⁸ Or such other sum in substitution therefor as the authority may specify by notice in the Gazette.

¹⁹ Or such other percentage in substitution therefor as the authority may specify by notice in the Gazette.

Guide:

- e(1) A licensed PMC may refer to the sample annexed in **Appendix 1** when it makes an agreement with the owners' organization (if any)¹⁷ for carrying out procurement by petty cash.
- e(2) A licensed PMC may refer to the sample annexed in **Appendix 2** if it establishes a policy by itself for carrying out procurement by petty cash.

Procurement by quotation

Code: F(1) A licensed PMC has to, for the property for which PMSs are provided by it, establish a policy by itself (in case there is no owners' organization) or follow the guidelines under the agreement formed with the owners' organization (if any)¹⁷ when carrying out procurement by quotation for clients.

Guide:

- f(1) A licensed PMC may refer to the sample annexed in **Appendix 3** when it makes an agreement with the owners' organization (if any) for carrying out procurement by quotation.
- f(2) A licensed PMC may refer to the sample annexed in **Appendix 4** if it establishes a policy by itself for carrying out procurement by quotation.

Procurement by tender

Code: G(1) A licensed PMC has to, for the property for which PMSs are provided by it, carry out procurement of goods or services according to Section 20A or paragraph 5 of Schedule 7 to the BMO (refer to the regulations in **Appendix 5**).

G(2) A licensed PMC has to comply with the requirement in respect of minimum number of tenders to be invited²⁰ as stipulated in the Code of Practice⁵ if it carries out procurement for clients according to Section 20A or paragraph 5 of Schedule 7 to the BMO:

- A minimum of three invited tenders are required in the case of a contract for the procurement of supplies, goods or services, the value of which exceeds \$10,000 but does not exceed \$200,000;
- A minimum of five invited tenders are required in the case of a contract for the procurement of supplies, goods or services, the value of which exceeds \$200,000.

²⁰ Section 4.1 of the Code of Practice: "Where tender is required pursuant to section 20A of or paragraph 5 of Schedule 7 to the BMO (Cap. 344), the minimum number of tenders to be invited shall be as follows". For details, please refer to [https://www.buildingmgmt.gov.hk/file_manager/en/documents/code_of_practice/221805064_HAD%20\(eng\)\(full\).pdf](https://www.buildingmgmt.gov.hk/file_manager/en/documents/code_of_practice/221805064_HAD%20(eng)(full).pdf)

Where the number of valid tenders obtained is fewer than the number of tenders stipulated above, a licensed PMC has to report to the owners' organization (if any) and propose that the owners' organization has to pass a resolution to accept or reject the result of the tender.

Guide:

- g(1) To facilitate more tenderers to participate in the tender exercise, the cost of the tender should be lowered as much as possible, and feasible methods include:
- (a) avoiding unnecessary amendment to the tender form;
 - (b) avoiding request of unnecessary information;
 - (c) not charging unreasonable administration fee;
 - (d) allowing adequate time for tenderers to prepare and submit tender; and
 - (e) if participating in the “Building Rehabilitation Scheme” of the Urban Renewal Authority, the e-tendering system²¹ may be used. Otherwise, paragraph 5 of the Code of Practice⁵ should be followed, including requesting the tenderers to submit their tenders in writing, to seal and deposit in a double locked tender-box which has to be securely located in a prominent place in the property. If it is impracticable or difficult to submit the tenders as set out above and it is so resolved at a general meeting of the owners' organization (if any), the tenderers may also hand in the tenders or send by post to the registered office of the owners' organization (if any) or to a specific venue as resolved at the general meeting.
- g(2) A licensed PMC should, before the tender exercise is conducted and as far as reasonably practicable, display the relevant notice in respect of the invitation to tender in a prominent place in the concerned property, so as to enable the clients to have sufficient time to learn about the tender exercise.
- g(3) If the tender exercise involved building rehabilitation works, a licensed PMC should propose to building owners to use appropriate services (e.g. “Smart Tender” service²² provided by the Urban Renewal Authority).
- g(4) If a licensed PMC adopts selective or limited tender (e.g. tender invitation), it should, where practicable, refer to the supplier lists compiled by various Government departments, public institutions or professional bodies, for example, the “Service Providers Directory”²³ of the Urban Renewal Authority.

²¹ The Urban Renewal Authority has provided owners of all categories of buildings a free e-tendering system since April 2021 known as “Open E-tendering Platform”. For details, please refer to the Urban Renewal Authority's “Building Rehabilitation Platform” website (<https://openet.brplatform.org.hk/en/index.htm>).

²² Please refer to “Smart Tender” service provided by the Urban Renewal Authority <https://brplatform.org.hk/en/subsidy-and-assistance/smart-tender>

²³ Please refer to “Service Providers Directory” service provided by the Urban Renewal Authority <https://brplatform.org.hk/en/service-providers-directory>

- g(5) To enhance tendering competitiveness, a licensed PMC should, as far as practicable, facilitate more tenderers to participate in the tender (e.g. by public tender) and obtain more than the minimum number of tender invitations as required in the Code of Practice⁵.

Preparing tender documents

- Code: H(1)** A licensed PMC has to set out clearly the relevant requirements, e.g. a clear description of the required goods, its specifications and criteria that tenderers have to meet, etc. in the relevant tender document.
- H(2) A licensed PMC has to include integrity, non-collusion and anti-bid-rigging clauses in the relevant tender document and require tenderers to sign a “Non-collusive Tendering Certificate” when submitting a tender.

Guide:

- h(1) A licensed PMC should refer to the model “Non-Collusion Clauses” and “Non-Collusive Tendering Certificate”²⁴ issued by the Competition Commission and sample “Anti-Bribery and Anti-Collusion Clauses in Tender Documents” at annex 5 of the Building Management Toolkit²⁵, in order to require tenderers to refrain from any anti-competitive collusive conduct, corruptive conduct and set out the consequences of participating in bid-rigging, any anti-competitive conduct and corruptive conduct.
- h(2) A licensed PMC should as far as practicable require tenderers to provide a quotation for each tender item instead of a total sum for a tender. The more information a tender has to provide, the more difficult it will be to rig a bid.
- h(3) A licensed PMC should not hinder tenderers unnecessarily (regardless of their scale) when setting quality or quantity-related criteria during the preparation of a tender document. The tender requirements should, as far as practicable be based on the practical functions of goods or services, should avoid specifying particular technologies or product brands and should consider allowing tenderers to use alternatives, other supply sources or innovative solutions which make bid-rigging more difficult.

Reducing communication between suppliers/tenderers

- Code: I(1)** A licensed PMC has to, as far as reasonably practicable, adopt measures to avoid communication on the supply of goods concerned, provision of services and tendering matters between potential suppliers/tenderers.

²⁴ Please refer to the model “Non-Collusion Clauses” and “Non-Collusive Tendering Certificate” issued by the Competition Commission
https://www.compcomm.hk/en/media/press/files/Model_Non_Collusion_Clauses_and_Non_Collusive_Tendering_Certificate_Eng.pdf

²⁵ Please refer to annex 5 of the Building Management Toolkit
https://cpas.icac.hk/UploadImages/InfoFile/cate_43/2019/280eaaa-d72a-4b9c-be2f-37fb305c86ec.pdf

Guide:

- i(1) A licensed PMC should keep suppliers/tenderers' identities confidential and identify them by a code instead of name. However, the licensed PMC could disclose the identities of the suppliers/tenderers to the party concerned (e.g. the assessment panel or the owners' organization (if any)) for dealing with the assessment of the tender exercise.

Assessing tender

- Code: J(1)** A licensed PMC has to formulate the assessment criteria by itself (in case there is no owners' organization) or agree with the owners' organization (if any)¹⁷ on the assessment criteria, and disclose the assessment criteria in the invitation for tender before arranging the tender. If the assessment criteria are to be amended, the licensed PMC has to record in writing the reasons for the amendment.
- J(2) A licensed PMC has to remind the relevant assessment panel:
- (a) the formation of the assessment panel, declaration of conflict of interest and the assessment procedures and mechanism concerned cannot contravene the BMO and the Code of Practice⁵; and
 - (b) to assess the tenders in accordance with the assessment criteria. If the tender assessed as the best according to the assessment criteria is not accepted, the licensed PMC has to remind the relevant assessment panel to provide reasonable causes and make record.

Guide:

- j(1) When setting the assessment criteria (in case there is no owners' organization), a licensed PMC should rely on relatively objective and quantifiable factors as indicators to avoid judgment based on purely subjective opinion.
- j(2) A licensed PMC should propose that the relevant assessment panel should be formed by not less than two members of the owners' organization (if any) and/or the owners of the property concerned.
- j(3) Before assessing the tender, a licensed PMC should remind all members of the relevant assessment panel to declare any relationship with the tenderers, and to declare in writing any conflict of interest (including potential conflict of interest) (the sample in **Appendix 6** refers) in order to ascertain if there is conflict of interest between the members and the tenderers, and make record.
- j(4) If the value is not the only factor for consideration, a licensed PMC should propose that the members of the relevant assessment panel should assess individually and independently first and then record their views before discussing within the assessment panel.

- j(5) If it is intended to arrange for the tenderers to explain their tender, the licensed PMC should, as far as reasonably practicable, invite all the tenderers for the explanation and remind the relevant assessment panel and the owners' organization (if any) not to reveal to the tenderers the content of the tender submitted by other tenderers.

Incorporating protection clauses in contract

Code: K(1) A licensed PMC has to include suitable clauses in the contract with the suppliers or winning tenderers so as to ensure that it has the contractual protection if any illegal acts (including cartel such as bid-rigging) are discovered during the quotation or tendering process.

Guide:

- k(1) A licensed PMC should as far as practicable include in the relevant contract clauses for contractual protection²⁶(e.g. if any illegal acts, including cartel such as bid-rigging, are discovered in the quotation or tendering process, the party making the procurement has the right to rescind the contract entered into with the supplier and claim for damages.).

Keeping records

Code: L(1) Licensed PMCs have to keep all the relevant documents and records of procurement for not less than six years²⁷.

Guide:

- l(1) A licensed PMC should keep all relevant documents and records of procurement in a safe place.
- l(2) Upon the written request of the owners' organization, a licensed PMC should timely provide the concerned information and records for its consideration.

Reporting contravention of procurement procedures and bid-rigging

Code: M(1) A licensed PMC has to establish an internal reporting mechanism for employees to report suspected contravention of procurement procedures or bid-rigging.

Guide:

- m(1) Save and except for providing information to the relevant law enforcement agencies, a licensed PMC should ensure that the personal data of the reporting employee will not be disclosed.

²⁶ Please refer to Competition Commission "Model Non-Collusion Clauses and Non-Collusive Tendering Certificate" https://www.compcomm.hk/en/media/press/files/Model_Non_Collusion_Clauses_and_Non_Collusive_Tendering_Certificate_Eng.pdf

²⁷ This guideline is consistent with Section 20A(4) of the BMO.

m(2) A licensed PMC should refer to the "Getting the most from your tender" brochure²⁸ issued by the Competition Commission to identify the details of bid-rigging. The licensed PMC should report to the relevant law enforcement agencies any suspected bid-rigging and, according to the situation of individual case but without violating the law, notify the owners' organization as soon as possible.

— END —

If there is any inconsistency between the Chinese version and the English version of the Guide, the Chinese version shall prevail.

²⁸ Please refer to Competition Commission "Getting the most from your tender" brochure https://www.compcomm.hk/en/media/reports_publications/files/CC_Getting_Most_from_Tender_Jun2018_EN.pdf and its timely updated/issued guidelines.

Sample (for reference only)

Appendix 1

Name of Property : _____
Management Company : _____
Address : _____

The PMC makes the following agreements with [owners' organization] for carrying out procurement by petty cash²⁹:

1.	The petty cash is managed by an authorized employee and kept in a locked device	<input type="checkbox"/>
2.	Set a time limit for claiming petty cash	<input type="checkbox"/>
3.	The relevant employees will claim payment or reimbursement by using serially-numbered petty cash vouchers with the original invoice or receipt attached, and sign on the petty cash voucher if a receipt is not available for the procurement ³⁰	<input type="checkbox"/>
4.	Sign the voucher and stamp "Paid" on the invoice and receipt (if any) after vetting or making payment or reimbursement to employees in order to prevent them from re-using the same for making claims ³⁰	<input type="checkbox"/>
5.	Other agreed arrangements	<input type="checkbox"/>

Signature : _____

Name : _____

²⁹ For details of procurement of smaller values, please refer to the guidelines at Sections 4.5 and 4.6.1 of the Building Management Toolkit. (https://cpas.icac.hk/UploadImages/InfoFile/cate_43/2019/280eaaa-d72a-4b9c-be2f-37fb305e86ec.pdf)

³⁰ For details, please refer to the guidelines in "Making "Petty Cash" Purchases" under Section 2.11 of the Best Practice Checklist issued by the ICAC. (https://cpas.icac.hk/UploadImages/InfoFile/cate_43/2016/b4e94be0-46d9-4edd-abc8-5b89e431e32b.pdf)

Sample (for reference only)

Date : _____ **Appendix 2**

The PMC makes the following agreements for carrying out procurement by petty cash²⁹:

Name of Property : _____
Management Company : _____

Address : _____

1.	The petty cash is managed by an authorized employee and kept in a locked device	<input type="checkbox"/>
2.	Set a time limit for claiming petty cash	<input type="checkbox"/>
3.	The relevant employees will claim payment or reimbursement by using serially-numbered petty cash vouchers with the original invoice or receipt attached, and sign on the petty cash voucher if a receipt is not available for the procurement ³⁰	<input type="checkbox"/>
4.	Sign the voucher and stamp "Paid" on the invoice and receipt (if any) after vetting or making payment or reimbursement to employees in order to prevent them from re-using the same for making claims ³⁰	<input type="checkbox"/>
5.	Other arrangements	<input type="checkbox"/>

Signature : _____

Name : _____

Date : _____

Sample (for reference only)

Name of Property : _____
 Management Company : _____
 Address : _____

The PMC makes the following agreements with [owners' organization] for carrying out procurement by quotation:

1.	Invite at least two different suppliers for verbal or written quotation for procurement of the supply of goods or services with a value above \$500 but not exceeding \$2,000 ³¹	<input type="checkbox"/>
2.	Invite at least three different suppliers for written quotation for procurement of the supply of goods or services with a value above \$2,000 but not exceeding \$10,000 ³¹	<input type="checkbox"/>
3.	If a verbal quotation is received from a supplier, record in detail the relevant information in writing, including the name of the supplier, contact information, quotation of procurement and period of validity of the quotation, and have it signed and verified by the employee in charge	<input type="checkbox"/>
4.	Other agreed arrangements	<input type="checkbox"/>

Signature : _____

Name : _____

Date : _____

³¹ For details, please refer to the guidelines at Sections 4.5 of the Building Management Toolkit.
 (https://cpas.icac.hk/UploadImages/InfoFile/cate_43/2019/280eacaa-d72a-4b9c-be2f-37fb305c86ec.pdf)

Sample (for reference only)

Name of Property : _____
 Management Company : _____
 Address : _____

The PMC makes the following arrangements for carrying out procurement by quotation:

1.	Invite at least two different suppliers for verbal or written quotation for procurement of the supply of goods or services with a value above \$500 but not exceeding \$2,000 ³¹	<input type="checkbox"/>
2.	Invite at least three different suppliers for written quotation for procurement of the supply of goods or services with a value above \$2,000 but not exceeding \$10,000 ³¹	<input type="checkbox"/>
3.	If a verbal quotation is received from a supplier, record in detail the relevant information in writing, including the name of the supplier, contact information, quotation of procurement and period of validity of the quotation, and have it signed and verified by the employee in charge	<input type="checkbox"/>
4.	Other arrangements	<input type="checkbox"/>

Signature : _____

Name : _____

Date : _____

Schedule 7 to the Building Management Ordinance

[ss. 34D, 34E, 34J, 40D & 42]

(Amended 69 of 2000 s. 25)

Mandatory Terms in Deeds of Mutual Covenant

5. Contracts entered into by manager

- (1) Subject to subparagraphs (2) and (3), the manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed the sum of \$200,000 or such other sum in substitution therefor as the Authority may specify by notice in the Gazette unless—
 - (a) the supplies, goods or services are procured by invitation to tender; and
 - (b) the procurement complies with the Code of Practice referred to in section 20A(1).
- (2) Subject to subparagraph (3), the manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed a sum which is equivalent to 20% of the annual budget or such other percentage in substitution therefor as the Authority may specify by notice in the Gazette unless—
 - (a) if there is a corporation—
 - (i) the supplies, goods or services are procured by invitation to tender;
 - (ii) the procurement complies with the Code of Practice referred to in section 20A(1); and
 - (iii) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the owners passed at a general meeting of the corporation, and the contract is entered into with the successful tenderer; or
 - (b) if there is no corporation—
 - (i) the supplies, goods or services are procured by invitation to tender;
 - (ii) the procurement complies with the Code of Practice referred to in section 20A(1); and
 - (iii) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the owners passed at a meeting of owners convened and conducted in accordance with the deed of mutual covenant, and the contract is entered into with the successful tenderer.
- (3) Subparagraphs (1) and (2) do not apply to any supplies, goods or services which but for this subparagraph would be required to be procured by invitation to tender (referred to in this subparagraph as relevant supplies, goods or services)—
 - (a) where there is a corporation, if—
 - (i) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the corporation by a supplier; and
 - (ii) the corporation decides by a resolution of the owners passed at a general meeting of the corporation that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender; or
 - (b) where there is no corporation, if—
 - (i) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the owners by a supplier; and
 - (ii) the owners decide by a resolution of the owners passed at a meeting of owners convened and conducted in accordance with the deed of mutual covenant that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender.

(Replaced 5 of 2007 s. 32)

Sample (for reference only)

To: All members of the Assessment Panel:

About Tender for [supply of goods/services descriptions]

In this tender, I confirm that there is no actual or potential conflict of interest and pledge to declare immediately if I discover any conflict of interest in the future.

I now declare the following conflict of interest:

a) Persons/Companies with whom I have business dealings in performing my duties

b) My relationship with the above persons/companies (e.g. relatives / parent company)

c) My duties in the quotation/tender exercise

I confirm that I do not and will not reveal to the tenderers the content of the tender submitted by other tenderers

Name and Position : _____

Signature : _____

Date : _____



Related Code of Conduct

Property Management Services Authority

 Units 806-8, 8/F, Dah Sing Financial Centre,
248 Queen's Road East, Wan Chai, Hong Kong

 (852) 3696 1111

 (852) 3696 1100

 enquiry@pmsa.org.hk

