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## From the Editor

### 編者話

Now our President has laid down the foundation for Members to practise in the Mainland. When there are ample opportunities available, the number of our members working in the Mainland will continue to grow. The President, on the international front will continue his trips to mainland China in the coming months promoting our expertise and fostering relationship with Mainland counterparts. Whilst we face in our country available opportunities, we do face challenges forthcoming like we have always been therefore we should not forget to strengthen ourselves for the challenges ahead.

Our expertise in estate management is unrivaled in the administration of landed property, including land disposal and management, long and short term, covering with terms such as period, user, development conditions, engineering conditions, road access, environmental conditions etc.; building development, development finance, building maintenance, property and facilities management; tender or procurement exercise; boundaries surveys, and disputes; enforcement and control. Like all investment opportunities, investing in property will take into account, vis-a-vis, the bank interest rate, which is one of the factors affecting demand, hence the price of property, along with freedom to travel, business setup from small Mainland operators, availability of finance, etc. The higher the interest rates, the higher the costs in terms of mortgage payments will be, therefore, fewer people will afford to pay for the price to purchase. When it appears to ride on an increasing trend in the economy, we should be cautioned its effect on property prices, although our experience told us at one time of over 20% mortgage interest rate, the house prices were still unguarded and driven higher and higher. However those were the days when the economy of Hong Kong took off spiral growth coupled with limited supply. Supply is regulated by government policies, hence the price of property, on restriction of auction for land supply on development, more concerns on conservation policy, urban renewal strategies, planning controls such as building height, more stringent procedures in obtaining consent, more approval procedures in development process.

On the other hand, discussions continue regarding the relationship with RICS. Members' participation in the discussion is important to lead us through to the future.

Internally, we must build up ourselves to face the changes forthcoming. Therefore, we have appointed a management consultant to look into the many aspects of our Institute, the strategic direction, the branding, and most important of all is how to serve our Members better. The consultant will interview as many members as possible in particular, office bearers, council members, and no doubt our administrative staff. He is going to advise how efficient and effective is our existing setup and whether a change needs be considered. If so, members' view will be sought.



# Opportunities and Challenges



20 August 2004, 97 corporate members of the General Practice Division formally received their membership certificate of the China Institute of Real Estate Appraisers (CIREA) and the Practising Certificate. These certificates signify that they are qualified and are now permitted to practise and provide valuation services in the Mainland. According to the Reciprocity Agreement, there are a similar number of CIREA members to be qualified to practise and provide valuation services in the Hong Kong SAR. All these are the results of more than three years' discussions and negotiations culminating in the signing of the Reciprocity Agreement with CIREA in November 2003. For those who had involved in the negotiations and implementation, this must have been a life memorable experience and the achievement, by any standard, is a landmark event in the history of the HKIS.

The closer relationship with the Mainland and the reciprocal recognition of professional qualification no doubt bring significant impacts on the surveying services in Hong Kong. The admission of Mainland surveyors as Corporate Members of the Institute broadens our membership base and opens up the geographical boundaries for our members to provide surveying services in the years ahead. I foresee opportunities as well as competition.

Whilst the Agreement could provide us with more job opportunities in the Mainland, some members were fearful of their interests being sidelined by the numerical superiority of Mainland surveyors. However, I must emphasize that Hong Kong has always been an open economy. We are facing competition from all over the world each and every minute. Why should we be worried about the Mainland and shy away from them? If we can provide better services at competitive rates, the Mainland surveyors would be the ones who are worried about themselves. What we need is a sharper and more competitive edge.

It may not be unfair to say that thus far the Mainland surveying standards are not as good as Hong Kong but they are improving fast. The Hong Kong surveyors may, in general, have been privileged with wider international exposure and experience, higher English standard, better management concepts and skills. However, there remain many areas for us to work hard on and to improve ourselves. We do not speak good Putonghua and write good Chinese; we are not familiar with the working procedures and system in the Mainland though many have built up a good and efficient network these are and will remain essentials to a successful career and business in the Mainland, despite cultural shocks and mind frame differences.

None will deny the great potential of the Mainland market. The Institute will continue to facilitate members in capturing opportunities in the Mainland. Moreover, with the increasing number of members working in the Mainland, strong link with them would be built up and efforts must be made to promote and elevate the status of HKIS qualification nationwide. Most importantly, we must maintain the quality standard of our services.

Looking ahead, we now have the foundation and the ample opportunities shall be waiting for all those who are capable of and are ready to ride on.

Tony Tse *President*



## 機 遇 與 挑 戰

2004

年8月20日，香港測量師學會產業測量組97名專業會員獲取了中國房地產估價師學會的《國家註冊測量師會員証》及房地產估價師《登記証》，中國房地產估價師學會亦有100多名測量師同時取得香港測量師學會會員資格，

兩地測量專業人士之間的交流合作，進入了一個嶄新的階段，再不局限於地理位置，讓兩地測量估價專業，各自發揮所長。過去三年多的努力，讓我們今天見證了苗兒的生長。對香港測量師學會來說，這肯定是它二十年發展史裏一個重要的里程碑。

香港與內地經貿關係緊密，並不斷發展，專業資格互認在某程度上一定會令本地測量行業受到沖擊。內地測量師的加入，擴寬了學會的會籍基礎，打破了地域疆界，帶來了機遇及市場競爭。

由於人數的差別，專業資格互認是否意味內地的測量師會主導香港測量服務呢？這些憂慮是可以理解的；但香港特區向來秉成自由開放經濟原則，專業行業往往需要面對地區以致

國際性的競爭，優勝劣敗。祇有精益求精，增強競爭力，才是最佳的策略。

中港兩地的測量業在共同邁進更廣闊合作平台的同時，有些會員可能認為香港同業一般的外語水平以致管理經驗都比大陸優勝，國際視野也比較寬；可是，我們的普通話水平；以致漢語書寫能力是普遍地落後於內地同業。如何提高我們在有關方面的水平是未來成功的要點。

大陸市場無疑充滿潛力。香港測量師學會將一如以往，努力為所有會員克服執業障礙，提高專業地位及水平；加強與內地會員的聯系，務使能使我們提供的專業服務不斷提升。

展望未來雖然是充滿機會，但仍賴各會員自身發奮圖強，才能取得成功。

謝偉銓 會長

## From the Council Table

### *Land Surveying Division Regulations – Proposed Amendments*

The Proposal has been endorsed and will proceed to the 2004 AGM of the LSD.

### *Planning and Development Division Regulations*

The proposed Regulations have been endorsed.

### *The Board of Education*

The Council has endorsed the Board's recommendation on the Rules and Guides to the Assessment of Technical Competence of the BSD, GPD and LSD. Copies are available in the Secretariat.

Meanwhile, the appointment of Dr Graeme Baldwin, Francis Lam and the PDD nomination of Edwin Tsang, Eureka Cheng, Professor Bill Seabrooke and Kempis Lam to the Panel of Experts were endorsed.

The appointment of the following external examiners: Wong Chung Hang, Antony Cross, Wong Yau Chung Robert, Nelson Cheng and Alan Tyler was also endorsed.

The General Council has further approved the Board's proposal on bench-marking qualifications for both technical and professional grades.

### *The Board of Membership*

The General Council has endorsed the nomination of Mr Justice Burrell as Honorary Fellow and the matter will proceed to the 2004 AGM. Mr Justice Burrell first obtained his law degree from Cambridge University in 1970 and was called to the England and Wales Bar by Hon Society of Inner Temple in 1971. He

became a permanent magistrate in the Hong Kong Judiciary in 1986 and has been Judge in charge of the Construction and Arbitration List from 1999 to 2003.

### *Business Valuation Standards*

In view of the mounting demand for valuation of trade-related business assets and business enterprises, it was decided that we should take a closer look into the standardization of valuation practices. The First Edition of the HKIS Valuation Standards for Trade-related Business Assets and Business Enterprises (the "Standards") has been endorsed by the General Council.

The objective of the Standards is to provide guidance in preparing business valuation reports and Members are encouraged to observe and comply with the Standards which has been developed to ensure the highest professionalism, integrity, clarity, reliability and impartiality of business valuation practices. More importantly, the promulgation of the Standards shall further enhance the professional standards and international status of Hong Kong's valuation profession.

The HKIS pledges to regularly review and closely monitor the Standards. Amendments and additions will be issued as and whenever HKIS considers appropriate and welcome any comment on the Standards. These Standards contain essentially Practice Statements that apply to Valuers undertaking trade-related business assets and business enterprise valuations in Hong Kong and the Mainland, and where the International Valuation Standards are applicable.

### *Administration Office*

The Council has endorsed the proposal to upgrade existing computer equipment and decided on a re-tendering process for the renovation work to the existing office.

## Public Private Partnership Development Potentials in Hong Kong



Francis Leung, immediate past Chairman of the QSD Council and Paul Ho, Honorary Secretary of the QSD Council spoke to a floor of over 150 members on 10 September on the development potentials of PPP in Hong Kong.

An elaborate introduction to PPP, the concept, its application in other countries and in Hong Kong, a generic PPP model and a comparison between the traditional method of procurement and PPP were given. The floor further heard techniques to be used in PPP application and most stimulating thoughts on the way forward. For more details, please visit [www.hkis.org.hk](http://www.hkis.org.hk)



**Surveyors Luncheon**

HKIS SURVEYO

**14 July 2004**

Wednesday 14 July 2004 saw a Surveyors Luncheon of the Hong Kong Institute of Surveyors in the Marriott Ball Room. Over 60 members and guests attended the Luncheon which passed off in high humour and shared the educational foresight of the Guest Speaker, the Hon CY Leung.

Mr Leung reminded us on the diligence and adaptability of the Hong Kong people which had given Hong Kong its world status edge and the geographical, cultural and language proximity with the Mainland is something to be underscored. Tribute, added Mr Leung, must be paid to the Central and the HKSAR Governments in recognizing the importance of professional services, as they have done in the formulation of CEPA and in many other ways.

Mr Leung asked for greater amount of energy and resources at developing the export of professional services and to realize this potential, professionals must keep on moving up the value chain, building on the very successful economic sectors that we now have. He also spoke about how complex and advancing the frontier is today for the professionals. According to Mr Leung, Hong Kong should work as a team with commitment to each other and his strong commitments to the HKIS is a solid step taken; he also urged members to enjoy the many windows of opportunities that are open to them and they themselves are the ones who must reach out for the bright stars in the sky.

**CPD/PQSL Announcements**

Please be informed that CPD/PQSL event announcements will now appear within the EVENTS ANNOUNCEMENT section, forming part of the Surveyors Times. Members are requested to use the STANDARD REGISTRATION

**8 September 2004**

Wednesday 8 September 2004 saw another Surveyors Luncheon in the Dynasty Club, Convention Centre when there were nearly 60 members and guests attending. The Guest Speaker, Patrick Lau, JP, Director of Lands, HKSAR Government spoke on unauthorized building works in New Territories Exempted Houses. The Director of Lands complimented on the Institute's alertness to public issues and its readiness to contribute its professional expertise to a foreseeable debate on this subject. He further welcomed members of the Institute to offer their views individually or under the auspice of the Institute as to how his Department could stop the visual pollution in the NT and prevent potential disasters resulting from unsafe UBWs.

The full speech by the Director of Lands can be viewed at [www.hkis.org.hk](http://www.hkis.org.hk)



FORM for all CPD/PQSL events registration. Please direct enquiries to the Secretariat on 2526 3679 or email: [cpd@hkis.org.hk](mailto:cpd@hkis.org.hk)

## Quality Building Award 2006

At the QBA 2004 Presentation Banquet on 27 August, the President of the Institute, Tony Tse, reiterates once again the importance of teamwork in the industry; he further pledges that the HKIS will continue to strive to promote understanding towards truly quality buildings in Hong Kong, in the Greater China region and even in Asia Pacific in the days to come. Quality buildings will help to build a quality Hong Kong, Mr Tse says.

QBA is a biennial award organized to acknowledge quality building teams that help construct buildings with outstanding quality. The event is jointly organized by: the Hong Kong Institute of Surveyors, the Hong Kong Institute of Architects, the Hong Kong Institute of Construction Managers Building Division, Building Services and Structural Divisions of the Hong Kong Institution of Engineers, the Hong Kong Institute of Housing, the Hong Kong Quality Assurance Agency, the Real Estate Developers Association of Hong Kong and the Hong Kong Construction Association.

The HKIS will be the host organization for QBA2006.

## Heritage Conservation:

### Opportunities & Challenges

### Conference 23 October 2004

In collaboration with the HKIA and HKIE, the Institute is participating in this Conference which aims at initiating discussions over the building, social and economical aspects of conservation of our built environment and its implication on the building profession. Papers for the following categories are invited:

Conservation Policy and Legislation; Assessment for Significance of Heritage Sites; Conservation Methods; Techniques and Materials of Conservation; Cost of Conservation; Conservation Management and Maintenance.

The Keynote Speaker at the Conference is Dr Patrick CP Ho, Secretary for Home Affairs, HKSAR. The Conference will take place in the JW Marriott on Saturday 23 October 2004 and is designed for one CPD Day or 6 CPD hours. For enquiry, please call Donna at the Secretariat on 2526 3679 or email: cpd@hkis.org.hk

## Open Discussion Forum

### on the Relationship between HKIS and RICS 23 September 2004

HKIS and RICS signed a Co-operation Agreement in 1998 following the dissolution of the Hong Kong Branch of the RICS in August 1997. The Cooperation Agreement lays out the undertaking by the RICS and the HKIS, membership reciprocity and educational arrangement between the two institutes. Most HKIS members are also members of the RICS.

With the return of the RICS to Hong Kong, the General Council has set up a Working Group comprising representatives from all Divisions to review the relationship between the two institutes under the following terms of reference:

- a) to review the existing cooperation agreement signed between HKIS/RICS in 1998 and assess the need for changes to meet prevailing circumstances
- b) to review and recommend to the General Council for action on RICS globalization strategy and its setting up of the Hong Kong Chapter.

An open discussion forum had been scheduled for Thursday 23 September 2004 at 6:30 pm in the Surveyors Learning Centre and would be chaired by the President, Tony Tse and Chairman of the Working Group, Stephen Liu.

## HKIS Scholarship

The HKIS is devoted to the betterment of the surveying profession and will continue to sponsor the HKIS Scholarship to local tertiary educational institutes that offer surveying courses.

## ERRATUM

On page 5 in the July issue, under The Board of Education, Building Service Division should read "Building Surveying Division". Our apologies for the mistake.

## Introducing the Administration Office - Part III



▲  
From left to right:  
Patrick and David (back row), Angel, Liza and Rita (front row)

### 測量精英 不斷提升 Surveying Professionals in Search of Excellence

#### 持續專業發展 Continuing Professional Development

Surveyors Learning Centre, 8/F Jardine House,  
1 Connaught Place, Central, Hong Kong  
香港中環康樂廣場 1 號怡和大廈 8 樓  
測量師研習中心

#### For reservation

Please call the Secretariat on  
2526 3679 or email: [slcbooking@hkis.org.hk](mailto:slcbooking@hkis.org.hk)

#### 歡迎預定設施

請電 2526 3679 或電郵 [slcbooking@hkis.org.hk](mailto:slcbooking@hkis.org.hk)



This is the final part at a look behind the scenes of the administration office of the Institute.

#### Accounting Officer - Angel Wong

Angel has the task of maintaining the accounts and preparation of financial reports and analysis for both the HKIS and SRB. As well as ensuring that the books do not go into the red, Angel also assists in company secretarial work, human resources and maintenance of the Surveyors Learning Centre.

#### IT Officer - David Kwong

Apart from providing IT support to the administration office, David is responsible for maintenance and management of the web pages of HKIS and SRB. If you have a problem in accessing your web mail account or have forgotten your password, please contact David.

#### Secretary - Liza Ho

Liza is secretary to the Secretary General Gordon Ng. Aside from providing secretarial and administrative support, Liza also provides support to the President; makes travel arrangements for members going on visits and attending seminars and conferences; assists in meetings and conferences both locally and on the Mainland.

#### Receptionist - Rita Lo

Rita will be the first person to greet you if you visit the office or make a telephone enquiry. If you want to join as a HKIS or SRB member; apply for APC; purchase a publication; collect your SRB souvenir or information about HKIS, Rita will be more than pleased to serve you.

#### Office Assistant - Patrick Wong

Patrick provides clerical support in the general office as well as some outdoor duties. He is also involved in providing assistance in the set up of the seminar room in the Surveyors Learning Centre and with registration at CPD, PQSL and other events of the institute.



## 內地房地產估價師（CIREA）與香港測量師學會（產業組）— 資格互認頒証大會圓滿成功



在建設部、人事部、商務部、國務院港澳辦的大力支持下及安排，經過中國房地產估價師學會及香港測量師學會的通力合作及努力下，第一批通過兩地專業資格互認的估價師，測量師於八月二十日正式拿到他們的資格證書。

在當天典禮上，香港測量師學會會長謝偉銓指出今年是香港測量師學會成立二十周年，兩會的資格互認為大家帶來一個良好的開始，通過資格的認可，不但可以為會員帶來更多機遇及發展的空間，擴大個人的視野，同時也另雙方集合力量，尋求互惠互利的合作商機，充分利用香港的國際平台及兩地的優勢開拓更大的市場，提升兩地專業地位及水平。

他又指出，作為香港測量專業的團體，香港測量師學會對專業測量師加入要求，會員的專業操守，服務的水平，會員持續專業進修及專業技能的提升等都有嚴格的要求。學會非常歡迎111名新加入的內地會員，在未來的日子，學會希望大家能多參與學會舉辦的有關

活動，並對學會的工作給予支持，努力使學會專業不斷提高。另外對97名取得中國房地產估價師學會資格的產業測量組的特區會員，學會希望他們更能把握機會開拓事業，除了為內地提供優質的專業服務外，也能夠為推廣測量專業及培訓專業會員作出貢獻。

謝會長同時指出，展望未來，估價測量專業是充滿機遇，同時也充滿挑戰，希望大家共同努力，並祝願大家事事如意，身體健康。



在同一場合，產業測量組主席余錦雄亦指出，在中港兩地經貿關係緊密和內地房地產市場日趨成熟的同時，雙方合作變得迫切需要；由於兩地營商法制不同，資格互認可促使互相學習，互補不足，打破地域隔膜，鞏固香港特區的橋梁作用；他並展望在中國加入世貿及全球化的機遇下，特區的大陸在互惠互利的情况下，演變成亞太區舉足輕重的房地產市場。

### 內地房地產估價師與香港測量師（產業）

#### 資格互認頒証大會上的講話

香港特別行政區行政會議成員、香港專業聯盟主席

梁振英 20. 8. 2004

劉部長、宋會長、劉司長、梁主任、劉署長、謝會長，各位朋友：

今年是《一個國家，兩種制度》，這個偉大構思的總設計師鄧小平先生誕辰一百周年紀念，在全國，尤其在香港，很快就要展開一系列紀念我們國家偉人的活動，最近香港媒體就《一個國家，兩種制度》在香港實施的準備工作做了大量的回顧。

今天我們在北京召開一個國家實施兩種制度的兩個組成部分的內地房地產估價師和香港測量師資格互認，正好說明了這個偉大構思的成功落實，也證明了這偉大構思的強大生命力和兼容性，說明了一個國家裏面，兩種制度之間在互不干預的同時，留有充分空間給在兩種制度下的人民發揮互補、互利、互助的優勢。所以今天我參加這個典禮，感到特別高興。作為一個曾經參與過香港回歸工作的香港市民來說也感到特別感動。在這裏我們應該感謝中央政府，尤其是劉部長和中央其它部門領導

在籌備兩個專業團體資格互認的過程中，給我們的支持。我們也應感謝今天由梁主任、劉署長代表的香港特別行政區政府。

在這次資格互認過程中，中央政府與香港特區政府在一些做法上和思維上都有突破，為香港的專業人士包括測量師，和內地專業人士包括房地產估價師搭建一個非常好的平臺。我提一個建議：在我們國家，現在有200位同時具有內地房地產估價師與香港測量師雙重資格的人員，我覺得這是一個非常好的行業核心，我們應該不斷把200人的核心隊伍壯大，我們也應該繼續鼓勵這200人加強交流，不辜負剛才劉部長講話裏面提到的三個期望。所以我建議組織一個團體，在香港成立這種團體還是比較方便的，我願意在這方面為大家效勞，招募會員，對象就是擁有雙重資格的內地房地產估價師和香港測量師，有了這樣一個平臺，大家就可以繼續交流，互相提高，做到互補、互利。

謝謝各位。



## 中國土地估價師協會第三次會員大會

作者：劉詩韻 產業測量組副主席 內地事務小組召集人

七月二十三日晚上六時，中國科學院院士、中國工程院院士、中華人民共和國建設部特邀顧問兼中國房地產估價師學會會長周干峙先生，設宴接待本會前會長及建設部中國房地產估價高級顧問劉紹鈞教授及本人。出席者還有中國房地產及住宅研究會常務副會長包宗華教授。據悉周會長將於下半年退任。中國房地產估價師學會將要換屆及選出新會長。



當天早上八時三十分，本會兩位前會長林濟先生及劉紹鈞教授，及本人出席參加中國土地估價師協會第三次會員代表大會及換屆典禮。晚



上劉紹鈞教授宴請劉文甲會長、馬克偉副會長、向洪宜付會長，胡存智司長及林增杰教授（本會名譽會員），雙方就內地之土地嚴控制度及兩會互認之初步意見進行交談。據悉，會長將由國土資源部付部長鹿心社先生出任，而國土資源部土地利用司司長胡存智先生將主理會務。



二十五日上午八時，與中國房地產估價師學會付會長兼秘書長柴強博士共進早餐，交談兩會一般事務。中國房地產估價師學會將兼管全國經紀人的考試及發牌事宜，故會改名為中國房地產估價師及房地產經紀人學會。



## 2004 Conference on

## "Development of Construction, Real Estate and Professional Services" 16-17 August 2004, Dalian

The Conference is organized by the Environment, Transport and Works Bureau jointly with the Ministry of Construction and in association with the HKIS and other professional bodies. This year, the 8th conference since inception, has once again provided a platform for the construction industry to meet their Mainland China counterparts and to promote the exchange of construction technology and expertise. The delegation was headed by the Senior Vice President, TT Cheung and a paper was presented on behalf of the Institute by Gary Yeung on "零散業權的住宅大廈之潛伏性維修及安全問題".

The 2005 Conference will take place in a Mainland city and will be organized by the HKIS.

## CONGRATULATIONS

## TO THE FOLLOWING WHO WERE ELECTED AS HKIS MEMBER ON 26 AUGUST 2004

**FELLOWS (4)**BS DIVISION

FU CHI KWONG

GP DIVISION

MAU KING IP (REINSTATEMENT)

SAT WEI LING

QS DIVISION

LEE CHUN SHING JOSEPH

**MEMBERS (20)**BS DIVISION

LEUNG PING FAI

WAN KA CHEUNG (REINSTATEMENT)

GP DIVISION

AU WAI MAN

CHAN KEI KIN

CHENG CHAU PING

CHENG CHUNG FUNG

CHOW SIN YING

LEE MAN HO

LEUNG WAI CHUNG

LIM CHAI GEOK

SHUM SIU FAI

TAM KUI CHING

WONG WAI CHUNG PASSY

WOO TIM

YEUNG CHUNG MING MATTHEW

YU WAI WING

LS DIVISION

FERRIER GORDON

LUI CHING YEE MIRANDA

NG CHI HO TOMMY

QS DIVISION

CHAU HAU SHUN

**TECHNICAL ASSOCIATE (7)**GP DIVISION

CHAN WAI KONG

LS DIVISION

CHENG DICK SANG

CHEUNG CHI WAH

FUNG CHIU KIT

NG SIU YIM

WONG SIU CHEUNG

QS DIVISION

CHAN KIN WAH JONATHAN

**RESIGNATION (2)**

CHAN FU MAN

LUI WEN CHEE

## General Practice Division

### Chairman's Message



Yu Kam Hung  
GPD Council Chairman

#### **Nomination and Appointment**

- Mr. Ng Siu Lam Alex has been appointed by GPD as the co-opted member of the Registration Committee of the Surveyors Registration Board.
- Mr. Wesley Chan has been appointed as the representative of GPD in the Working Group on Public Private Partnerships.

#### **Business Valuation (Convenor: Mr. K.K. Chiu)**

- The Business Valuation Standard has been established and has undergone consultation until 15th July 2004.
- The final version of the Business Valuation Standard has been handed in by Joseph Ho. It will be sent to the General Council for approval in the next meeting.

#### **Education and APC (Convenor: Mr. Simon Wang)**

- Rules and guides of APC (Assessment for Technical Competence) are under review. Any comments and suggestions are welcomed.

#### **Mainland Affairs (Convenor: Ms. Serena Lau)**

- Serena Lau has attended the “中國產業估價師協會第三屆會員大會開幕禮” in Beijing on 24th July.

#### **Public Relation (Convenor: Mr. Daniel Mak)**

- Luncheons with Swire Properties and Hang Lung Properties have been scheduled to be held on 11th August 2004 and 20th September 2004 respectively.

#### **Government Practice and Local Affairs (Convenor: Mr. C.K. Lau)**

- The Lands Department/ HKIS Liaison has addressed issues on the forbearance fee assessment, the proposal of landscaping course, the joint forum between HKIS and the Government Estate Surveyor, the formation of joint working section, and the recent withdrawal of premium offer.

#### **CPD and Internal Communications (Convenor: Mr. Ronald Cheung)**

- Newly qualified members are invited to attend the GPD Council meeting.
- Two Macau Visits have been scheduled on 7th August 2004 and 28th August 2004.

#### **International Affairs (Convenor: Ms. Monita Leung)**

- Miss Serena Lau and Mr. Ronald Cheung have represented GPD in a visit to Malaysia and Singapore from 30 July 2004 to 1 August 2004.

#### **Information and Technology (Convenor: Mr. Andrew Fung)**

- The website of HKIS will be updated.

#### **CIREA Working Group (Convenor: Mr. Alex Lam)**

- CIREA working group will inform GPD about the latest changes to the official name of CIREA.

#### **Sales and Lettings (Convenor: Mr. Ronald Cheung)**

- The awards "Best Property Marketing Projects of The Year 2003", "Best Property Sales Brochures" and "Best Flat Layouts" will be discussed in the next Panel meeting.

#### **Professional Development (Convenor: Ms. Serena Lau)**

- Members generally agreed on the establishment of a system of granting the Certificate of Professional Specialization. Details on that will be discussed and submitted to the Board afterwards.
- Application from J R West (HK) Limited, Sherman Appraisal Ltd. and Advice Surveyors Ltd. for inclusion in the list of firms providing GP Surveying services has been approved.

#### **Property Management (Convenor: Mr. W L Mak)**

- More human resources are required to work on the Code Of Practice for Project Management and Facilities Management.

#### **Valuation Practice (Convenor: Mr. Charles Chan)**

- Mr. Ernest K.W. Ip has been appointed by GPD as a member of the Appeal Panel for the List of Valuers for Listing Valuation to be adopted by Hong Kong Stock Exchange and Securities and Futures Commission.

The GPD Council has become increasingly busy. We need more hands. If you are available to assist, please call me on (+852) 2820 2932. We welcome any comments and/or suggestions on our work and practice.

## Land Surveying Division

### Chairman's Message



Lam Li Wah  
LSD Council Chairman

#### *Proposed amendments of regulations for Land Surveying Division*

Subsequent to the amendments of the HKIS Constitutions and Bye-laws, a working group comprising of Mr LAM Li Wah, Mr SIU Wai Ching, Ms Rina TSOI, Mr CHAN Yue Chun, Mr TANG Wing Lun, Ms Amy WONG Pui Yu, Mr George LEUNG Chi Yan, Mr SUNG Hon Kwong and Mr Marvin CHAU Ming, has completed the review of the regulations for LSD. A series of proposed amendments has been drawn up and recommended to LSD council for comment and follow-up actions. One of the key proposed amendments is to include two Technical Associate (LSD) members in the LSD Council. More details are available in the following website address: [http://www.hkis.org.hk/hkis/html\\_lsd/](http://www.hkis.org.hk/hkis/html_lsd/). The proposed amendments will be forwarded to each LSD member for comment in due course. Should you have any comments, views, please feed back to me (email address: [lwlam@hkis.org.hk](mailto:lwlam@hkis.org.hk)) as soon as possible.

#### *Press Meeting held on 28 July 2004 (Wednesday)*

Mr. Tony Tse, our president, Mr. P. C. Lau, Legislative Councilor (2000-2004), Mr. Lesly LAM, JO Vice Chairman and Ms. Rina TSOI, LSD Hon. Secretary, met the media after the incident of water main burst in Central. The temporary suspension of water supply to the area and the close of the main road caused great inconvenience to the general public and substantial loss in terms of economical value.

In the press meeting, we urged the government to implement a comprehensive and accurate utilities information system; to set up a database for utilities to be shared amongst the government departments and the utilities companies; and to establish a framework of the Hong Kong Spatial Data Infra-structure as far as possible.

A proposal for setting up such information system is being prepared and it will be forwarded to the Administration for consideration once ready.

#### *Deformation Monitoring by using Seismic Technology*

Hubei Province Science and Technology Association (HPSTA) visited Hong Kong on 2 August 2004. The LSD Mainland Committee together with the LSD CPD committee have the pleasure to organize a one day seminar on 3 August 2004 at the Hong Kong Polytechnic University followed by a technical visit to Tsing Ma Bridge on 4 August. Members of HKIS, HPSTA and HKPU took this opportunity to update and share the latest technological development in deformation monitoring and to establish friendship with the Mainland counterpart. The event was jointly organized by HKIS, HPSTA and HKPU. Thanks to Leica Geosystems Ltd., Henry Chan Surveyors Ltd., Ted Chan & Associates Ltd. and Eric Tang & Associates Ltd. for their support and sponsorship.

## Quantity Surveying Division Chairman's Message



Gilbert Kwok  
QSD Council Chairman

### *Reciprocity Agreement between HKIS and CECA*

As reported last month, the terms of the agreement have been accepted by both HKIS QS Division and CECA. I have been told that, in general, the only major thing left to be done is for the Ministry of Foreign Affairs and the Ministry of Human Resources to approve the agreement before the agreement is to be signed by the two organisations. I have also been informed that the agreement has already been passed by the Ministry of Construction to one of the above mentioned Ministries.

### *Dinner for Newly Qualified QS Members*

On Friday 27 August 2004, we had a dinner for welcoming those newly qualified QS members at the Happy Valley Race Course. About 40 newly qualified members attended the gathering with Council Members. I would take this opportunity to say thank you to the New Member Liaison Sub-Committee headed by Ms Sandy Tang for arranging this enjoyable evening. I hope that the newly qualified members had fun that evening and at the same time had a better understanding of the QSD Council.

### *QS International Convention 2004 in Malaysia*

There is an international QS convention to be held in Malaysia on 20 to 21 September 2004. The convention is organised by a number of organisations including the Institution of Surveyors, Malaysia. Our Divisional Council has three members contributing papers and speaking at the convention.

### *Honourable Mr Justice Burrell*

At the General Council meeting on 26 August 2004, the QSD's proposal that Mr Justice Burrell was to be awarded the honorary fellow membership of the Institute was approved. This proposal will be an item at the next Annual General Meeting of the Institute.

### *Honourable Mr Justice Reyes*

As mentioned earlier, Mr Justice Reyes has agreed to give a seminar on 12 November 2004. The topic is expert evidence. For those

members who are involved in construction dispute resolution, they would certainly want to hear from the Judge in charge of the Construction List his views on the use of expert evidence. In particular, for those members who provide expert evidence, this will be a unique opportunity for them to get a few tips from the Judge as to how expert evidence should be presented in Court. This is a seminar that cannot be missed.

### Members' Privilege

All holders of the HKIS and Shanghai Commercial Bank (上海商業銀行) co-brand gold or platinum credit card can now enjoy

#### **Cosmos Bookstore 天地圖書**

- 15% discount on books and 10% on stationery purchases (except fix priced and special priced items) in the Cosmos Bookstore on 32 Johnston Road, Wanchai and 96 Nathan Road, Tsimshatsui from 1 August 2004 to 31 January 2005. Inquiries please call 2866 1677.

#### **Towngas Avenue**

- a 10% discount on purchase of accessories, food & beverage spending (except Towngas appliances) from 1 September 2004 to 30 November 2004. Inquiries please call 2367 2713 (Tsimshatsui) or 2367 2710 (Causeway Bay)

#### **i-Control Ltd**

- NEC Plasma 42VP4 at HK\$26,500 (include pair of side mount speaker, wall mount or table top stand installation, one year warranty); LG Plasma TR-42PX10 at HK\$24,800 (include build-in speaker, tuner, wall mount or table top stand installation, one year warranty) and NEC VT460K Projector at HK\$9,800 (two years warranty) from 1 August 2004 to 31 July 2005. Inquiries, please call 2590 0299 or visit [www.i-control.com.hk](http://www.i-control.com.hk)

**Note:** No liability of any kind will be borne by the HKIS. All business transactions made under the membership benefits of HKIS are strictly between the merchant and HKIS members. The HKIS will not be involved in any complaints made by any party in any business transaction. All inquiries should be made to the merchant directly.

For general information, please call the Secretariat on 2526 3679



## Shanghai Logistics Market

### Ready to Take Off

The marketing opening of the logistics industry drives demand for distribution facilities.



Jim Yip  
MHKIS MRICS  
Head of Industrial  
Jones Lang LaSalle Shanghai



▲ UPS new distribution facility in Waigaoqiao Free Trade Zone

International logistics companies are gearing up for expansion in Shanghai to capture the new investment opportunities spurred by China's commitment under WTO to further lift the industry barrier by the end of this year.

DHL, which already has had a significant investment in the city, has recently announced plans to develop a new 15,000 sq.m logistics center in Waigaoqiao. Its competitor UPS also made a similar move in May by signing up a lease for a 16,000 sq.m. warehouse in Waigaoqiao Free Trade Zone. Hong Kong-based logistics company Kerry Logistics will open its first self-owned distribution facility of a gross floor area of 14,000 sq.m. in Shanghai later this year.

#### Investment barriers phased out

The flurry of interest amongst foreign players is driven up by China's forthcoming move to lift the investment restriction in the logistics sector. After December 2004, foreign logistics companies will be permitted to set up wholly-owned logistics operations outside the Free Trade Zone area. There will be no geographical restriction and the threshold for capital requirement will also be lowered considerably.

Shanghai has long been seen as a market of huge growth potential for logistics services, thanks to the city's superior logistics infrastructure, rapidly growing manufacturing industry and trading power.

Throughput handled by Shanghai Port first reached to 10 million TEUs in 2003, after rising at an annual average of 27% over the past decade. Industrial output, exports and imports have all achieved record growths in 2003. It is interesting to note that exports and imports soared by more than 50% in last year.

#### The worlds' largest container port

In order to meet growing demand, Shanghai, home to the country's largest container port and second largest international airport after Beijing, is stepping up investment aggressively in its port and airport facilities.

A new deepwater port at Yangshan Islands, an offshore location some 30 kilometers from Shanghai's southern coast in the middle of Hangzhou Bay, and Phase 2 extension of the Pudong International Airport are now under construction.

With the completion of the Phase 4 and Phase 5 of the Waigaoqiao Container Port as well as the Yangshan Deepwater Port Phase 1 in 2005, container throughput handling capacity will increase from 10 million TEUs to 12 million TEUs. By 2020 when the all the remaining phases of Yangshan Deepwater Port will be completed, the total throughput capacity will rise to 35 million TEUs, likely overtaking Hong Kong to become the biggest and busiest container terminal in the world.

#### Shift of focus in domestic distribution network

In addition, Shanghai, which aspires to become an international purchasing centre, is rolling out incentives to lure global purchasing companies to set up operations in Shanghai. So far, over 200 companies from such retail giants as Carrefour, Metro, OBI and industrial behemoths like GE, Siemens, Alcatel, and Kodak have set up their sourcing and purchasing operations in Shanghai.

According to statistics, the value of the goods sourced by global companies in Shanghai has been growing by 30% each year. The rate of increases in global sourcing activities in Shanghai will fuel demand for movement of goods from and within Shanghai and as a result demand for logistics services and warehouse space.

Along with the opening of logistics industry under China's WTO commitment, retail sector will also open further to foreign retailers by the end of this year. To date, foreign retailers have been active in expanding in China, but the further opening of the market is expected to see an increase in this activity.

In June US home improvement giant Home Depot, announced plans to establish retail stores in China. Tesco, UK's largest

supermarket chain retailer, made its first move into China in July by buying up a 50% stake in Hymall which runs 25 hypermarkets nationwide. Retailers like Carrefour, Wal-Mart, B&Q who have long established operations in China have also announced initiatives for expansion earlier this year.

The deregulation of the domestic retail sector will spell out a growing emphasis to build an efficient domestic distribution chain, as well as a need to build logistics parks at strategic locations with excellent access to highways and multimodal transport.

**Acute shortage of land saw rent rise over 10% this year**

Waigaoqiao Free Trade Zone, one of the largest free trade zones in China, is the largest logistic hub in Shanghai due to its close proximity to the container port. Many international logistics companies set up their operations in the zone.



▲ One new warehouse in Waigaoqiao International Logistics Park

Its current warehouse stock, which is estimated at 1 million sq.m., is virtually full. Rental rate has risen over 10% since the beginning of this year. Existing tenants face problems in finding space for growth within the Free Trade Zone, as most of the 10 sq.km. land zone has been developed over the past decade.

When the Waigaoqiao International Logistics Park Site 1, a high priority project earmarked by Shanghai government to boost logistics industry development, was launched at the end of last year, Phase 1 warehouse development with 100,000 sq.m. of gross area was quickly taken up by logistics companies, many of whom already own warehouse operations in the Free Trade Zone.

The distribution facility offers many sophisticated design features unavailable in many of the warehouse properties in Shanghai, such as large floor spans, high ceilings, ample docks and car parking areas, and warehouse on upper floor provided with direct vehicular access. In addition, it provides direct drive-in access to the container port.

**New Logistics park offers new tax advantages**

In what can be described as a blending of tax incentives of Free Trade Zone and Export Processing Zone, the logistics park provides an advantageous tax policy designed to draw international companies to set up offshore distribution centers in Shanghai. Similar to the Free Trade Zone, payment for import duty and value-added tax are deferred for imported goods. Adopting a practice in Export Processing Zone, locally sourced goods

for export transferred into the park will be considered as exported and valid for VAT refund, In the Free Trade Zone, VAT reclaim can only be considered until the exported goods leave the port. The unique tax policy offered by the logistics park enables logistics operators to provide integrated logistics services in local sourcing, warehousing, packaging and distribution to overseas markets.

The establishment of the logistics park signifies Shanghai's resolve to be a key player in global supply chain. Whether it would succeed will remain to be seen.

**Developers moving in the logistics sector**

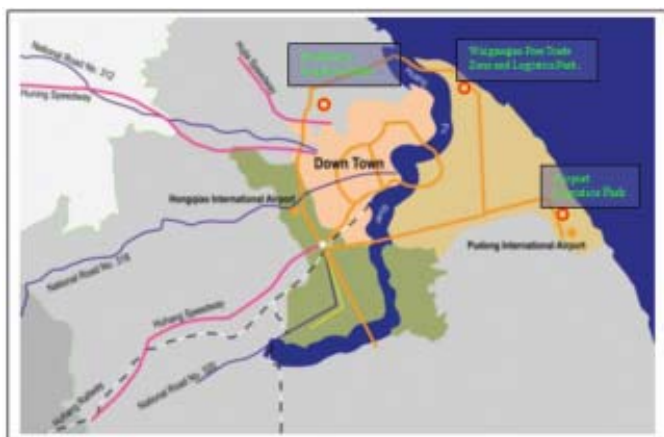
The opportunities in the logistics market have caught increasing attention from developers. Foreign developers with expertise in developing specialized distribution centers, knowledge of the global supply chain and access to international clients can have a huge competitive advantage over local developers in logistics development.

ProLogis, the leading US distribution developer has been the most aggressive amongst foreign developers moving into China's logistics market. In little more than one year of its operation in China, it has signed up two logistics development deals: developing a 120,000 sq.m. logistics park in Shanghai North-West Logistics Park where part of the facilities have been leased to Hymall, and a 400,000 sq.m. logistics park in Suzhou Industrial Park.

Despite the attractive potential in the logistics market, developers face challenges in land acquisition. Many of the prime logistics sites are located within industrial zones and owned by local government bodies. They themselves also being developers are not usually willing to sell land to other developers.

Moreover, the land negotiation process for logistics sites can be quite lengthy. The land sale mechanism for industrial land is less transparent compared with other property sectors such as residential and commercial. There is no requirement for industrial land sales to be conducted by auction, tender or public listing – the disposal mechanisms for residential and commercial land under the government land policy.





Lack of planning and infrastructure in many of the logistics sites means high development risks as developers need to spend considerable upfront capital on site improvement.

### Brighter Outlook

The outlook of logistics market will be underpinned by the growth of both domestic and foreign third party logistics operators on the back of continuing market deregulation in the logistics and retail sectors. A lack of supply of high-quality warehouse space coupled with already strong demand should boost the rental rates, and the long-term investment prospect in this sector. It is expected more developers will make inroads into logistics development.

## Key Logistics Parks in Shanghai

Park	Waigaoqiao Free Trade	Waigaoqiao International Logistics Park Site 1	Waigaoqiao International Logistics Park Site 2	Linkang Logistics Park	Airport Logistics Park	North-West Logistics Park
<b>Location</b>	Waigaoqiao Free Trade Zone, Pudong	Next to Waigaoqiao Free Trade Zone, Pudong	Next to Waigaoqiao Free Trade Zone, Pudong	Luchao Port, Nanhui District	Next to Pudong International Airport, Pudong	Taupo District, north-west of Shanghai
<b>Location Advantage</b>	Close proximity to Waigaoqiao Container Port	Close proximity to Waigaoqiao Container Port	Close proximity to Waigaoqiao Container Port	Close proximity to Yangshan Deepwater Port	Close proximity to Pudong International Airport	Gateway to nearby provinces and hinterland Intermodal transport hub
<b>Users</b>	Bonded warehouse processing, freight consolidation and distribution	Bonded warehouse, processing, freight consolidation and distribution		Freight consolidation and distribution	Air freight consolidation, express center, inventory warehouse	Warehouse and distribution for domestic market
<b>Area (sq.km.)</b>	10	1.03	2.73	13.8	0.6	4.78
<b>Warehouse space (sq.m.)</b>	1 million	700,000 (planned)	2 million (planned)	N/A	230,000	N/A
<b>Current status</b>	90% leased	Phase 1 (100,000 sq.m.): Completion in Nov 04. Phase 2 (250,000 sq.m.) Completion end of 05 Phase 3 (350,000 sq.m.) Work starts early 05	Under planning	Under construction	Fully leased	Mostly owner-occupied properties
<b>Monthly rental (USD per sq.m.)</b>	4.6	5.5	—	—	3.6	5.5
<b>Tenants</b>	BAX Exel Kerry Logistics Dow BASF	Orient Overseas Nippon Express KWE ALPs	—	—	DHL TNT China Cargo	Ikea Hymall Hualian Supermarket, APW Schneider
<b>Tax incentives</b>	Free Trade Zone benefits – No customs duty and VAT for imported goods entering into FTZ	Dual benefits of Free Trade Zone and Export Processing Zone: Imported goods – no import duty and VAT Exported Goods – VAT refund when goods entering into logistics park		—	—	—
<b>Property development opportunity</b>	No	No	Possible	Possible	No	No

Source: Jones Lang LaSalle Industrial Department

## Quantity Discrepancies

# in Bills of Quantities



James B Longbottom  
Brian E Rawling &  
Associates Limited

### Introduction

Most contracts that incorporate bills of quantities will also provide that any errors in their preparation (e.g. descriptions, quantities or omissions) be corrected as variations. The employer as such guarantees the accuracy of the bills by agreeing to adjust the contract price to take account of any discrepancies or errors that may have occurred in their preparation.

The employer, therefore, will, or should, end up paying the proper price for the job based upon correct or corrected quantities, items and descriptions determined in accordance with the Standard Method of Measurement. This is a rational and fair risk allocation as the contractor receives payment for what it built and the employer pays for what it received.

What though is the position where bills of quantities are not guaranteed by the employer and the contract is a fixed price lump sum? In other words, tenders are sought on the basis that any quantity discrepancies between what is itemised and measured in the bills of quantities and the true scope of works determined from the contract documents will not be adjusted and the risk of such discrepancies is stated to lie with the contractor.

Notwithstanding that it is a shocking indictment of an employer's trust in its professional consultants and the state of the industry, many employers now elect to place the risk for discrepancies in the bills of quantities on tenderers who, usually, have inadequate time to check the bills prior to submission of tenders.

It is almost inevitable, where the bills of quantities have been hurriedly prepared at the last minute by unqualified and/or inexperienced consultants, that there will be discrepancies. Usually the discrepancies are under-measured quantities or forgotten items. What can a contractor do where it finds such a discrepancy, which will affect its profit margin?

### Misrepresentation

The usual basis for a claim concerning discrepancies in bills of quantities is misrepresentation, either at common law or under statute. In its simplest form, a misrepresentation is a representation that is untrue. The representations considered in this article are those made fraudulently or negligently or that give rise to a collateral warranty or arise under statute.

### Fraudulent Misrepresentation

Fraudulent misrepresentation is the most difficult to prove. The leading case is *Derry v Peek* [1889] 14 Appeal Case (HL), where the English House of Lords held that for there to be a fraudulent misrepresentation, the claimant must prove fraud by showing that the respondent falsely made statements either:

- knowingly; or
- without belief in the truth; or
- recklessly, careless whether it be true or false.

This intentional aspect of the test places a heavy burden of proof on the contractor. For the contractor to be successful it would have to provide evidence that the employer, or its consultant, intentionally understated quantities in the bills of quantities such that they no longer accurately reflected the scope of works.

### Negligent Misrepresentation or Misstatement

A negligent misstatement or misrepresentation occurs where a person with special skill provides information and knew, or ought to have known, that reliance would be placed on this information and his skill and/or judgement. The leading case is the English House of Lords case of *Hedley Byrne v Heller & Partner* [1964] AC 464. Two factors seemed to have been required for a liability in tort to arise:

- there has to be a special relationship between the claimant and respondent such that the respondent assumes responsibility for the information provided (e.g. solicitor/client); and
- reasonable reliance placed on the information by the claimant.

Such special relationships would almost certainly apply to construction professionals (e.g. quantity surveyors, engineers and architects) and tenderers.

What then of reliance? Most bills of quantities will include a statement that they are deemed to have been prepared in accordance with the procedures contained in the appropriate standard method of measurement and that, as such, they provide an accurate representation of the works to be performed. Tenderers should, therefore, arguably be entitled to treat the bills of quantities as being sufficiently accurate as to enable a tenderer to place reasonable reliance on them in calculating the tender price.

Accordingly, a person who prepares the quantities and represents that they are accurate or have been compiled with reasonable care may be liable to the contractor in damages if they prove to be inaccurate so that the contractor suffers loss. That person, of course, is not likely to be the employer but the quantity surveyor or engineer.



## Collateral Warranty

Where the bill of quantities is not part of the contract a collateral contract may exist where the courts are satisfied that the parties intended the bills to form part of the contractual relationships. In other words, the bill of quantities constituted a promise by the employer, in consideration of a tenderer entering into the contract. Therefore, any inaccuracies in the bills of quantities may entitle the contractor to claim damages from the employer due to breach of warranty.

## Misrepresentation Ordinance (Chapter 284)

The above causes of action are all based on common law. The alternative and more likely cause of action would be under statute. Section 3(1) of the Misrepresentation Ordinance (Cap 284) provides:

"Where a person has entered into a contract after a misrepresentation has been made to him by another party thereto and as a result thereof he has suffered loss, then, if the person making the representation would be liable to damages in respect thereof had the misrepresentation been made fraudulently, that person shall be so liable notwithstanding that the misrepresentation was not made fraudulently, unless he proves that he had reasonable grounds to believe up to the time of the contract was made that the facts represented were true."

This means that the claimant only has to prove that the bills of quantities were untrue or inaccurate. The burden is then transferred to the respondent who has to show he had reasonable grounds to believe the bills of quantities were true.

## Exemption Clauses

In most construction contracts where the employer lays the risk of discrepancies in the bills of quantities onto the contractor, there is usually an exemption clause which seeks to prevent a duty of care arising, or avoid liability insofar as such information is incorrect.

For example, GCC Clauses 15.1(c)(x) of the KCRC Conditions of Contract provides that the Contractor shall be deemed, prior to the date of the Letter of Acceptance, to have satisfied himself as to:-

"the description of the Cost Centres and item descriptions and quantities, if any, contained in the Pricing Document and that the same are consistent with the scope of the Works ascertainable in accordance with the Contract..."

GCC Clause 15.3(a) provides that no additional payment or extensions of time are to be made on the ground of:

"any misunderstanding or misrepresentation in respect of the matters referred to in Clause 15.1"

However, if the bills of quantities were provided to tenderers in the knowledge that they were bound to rely on such bills in the preparation of tenders, such exemption clauses can be rebutted at law if what is deemed cannot possibly apply.

The first question to ask is who does the exemption clause protect? It may limit the liability of the employer but not necessarily a consultant's failure to exercise a proper duty of care in the preparation of the bills of quantities.

In **Morrison-Knudsen International Co Inc v Commonwealth of Australia** (1972) 13 BLR 114, the Australian High Court went one step further and upheld an action for negligent misrepresentation brought by the contractor that it was misled by site information provided by the employer:-

"It was information which the [contractor] had neither the time nor the opportunity to obtain for themselves. It might even be doubted whether they could be expected to obtain it by their own efforts as a potential or actual bidder. But it was indispensable information if a judgement were to be formed as to the extent of the work..."

There is then the Control of Exemption Clauses Ordinance (Cap 71) which provides that if a party breaches a contractual obligation, or is negligent, and but has attempted to limit its liability in respect of that breach, or negligence, it may do so only insofar as the provision satisfies the test of reasonableness imposed in the Ordinance. Whether the term is reasonable is generally judged by reference to all the circumstances, which were known, or ought to have been known, or contemplated by the parties.

## Conclusions

Where there are discrepancies in bills of quantities, which were provided to tenderers, and there was a contractual provision to the effect that errors will not be corrected, then there may be grounds to raise a claim for misrepresentation. The factors to consider on the merits of such a claim may include:

- whether there was sufficient time or opportunity to check the bills of quantities;
- whether it was reasonable to assume that the bills of quantities had been prepared to provide an accurate representation of the works to be performed and, accordingly, to enable a tenderer to prepare its tender efficiently and accurately; and
- whether it was reasonable to assume that the bills of quantities were sufficiently accurate so as to enable a tenderer to place reasonable reliance on them in calculating its tender price.

All cases should of course be considered on their own merits, facts and with proper legal and technical advice.

## Global Claims and Concurrent Delays

### - An Interesting Decision from a Scottish Court



John B Molloy  
LLB(Hons), BSc(Hons),  
FHKIS, FRICS,  
FInstCES, MAE, MCI Arb,  
RPS (QS) Managing Director,  
James R Knowles (Hong Kong) Limited

It is accepted that for a loss and expense claim under a construction contract to succeed a contractor must prove three matters: firstly, the existence of one or more events for which the employer is responsible; secondly, the existence of loss and expense suffered by the contractor; and, thirdly, a causal link between the event or events and the loss and expense.

The first two matters are relatively straightforward. It is the third, the link between the events and the loss and expense incurred, that traditionally gives difficulty, particularly where the loss and expense results from delay and disruption caused by a number of different events in such a way that it is impossible to separate out the consequences of each of those events.

To counter such difficulties contractors have attempted to shortcut the need to link cause and effect by use of the global claim.

A global claim is a claim where the contractor does not seek to attribute loss to specific breaches of contract, but rather alleges a composite loss as a result of all the alleged breaches.

The justification for such claims came principally from the case of **J Crosby and Sons Ltd v. Portland Urban and District Council** (1977) 5 BLR 121, where the judge said:

*"The delay and disorganisation which ultimately resulted was cumulative and attributable to the combined effect of all these matters. It is therefore impracticable, if not impossible, to assess the additional expense caused by delay and disorganisation due to any one of these matters in isolation from the other matters."*

This case caused a proliferation of global claims as contractors argued that the events which occurred on their contract were so complicated as to make it impracticable, if not impossible, to assess the additional expense caused by delay and disorganisation due to any one of the events in isolation from the other events.

However, the validity of global claims was thrown into doubt by the Hong Kong case of **Wharf Properties Ltd and Another v. Eric Cumine Associates and Others**, (1991) 52 BLR 1. In this case the Privy Council struck out the case of Wharf who made no attempt to link the cause with the effect in respect of a claim by the Employer against his Architect for failure properly to manage, control, co-ordinate, supervise and administer the work of the contractors as a result of which the project was delayed.

It was initially thought, after **Wharf**, that global claims would never again be accepted, but a series of judgments thereafter saw a grudging acceptance by the courts that circumstances could exist where a global claim could be possible.

However, it appeared clear that the situation where a global claim could never be accepted would be where one cause of the delay and disruption has been a matter for which the employer is not responsible. This would particularly be the case where a number of the different events are concurrent, and some are the responsibility of the employer, some the contractor and some neutral events. In such a situation it appeared that a global claim would always fail.

However, this whole area has recently been the subject of examination by a Scottish Court in the very interesting case of **John Doyle Construction Ltd v Laing Management Ltd** (2004).

Laing was the management contractor appointed to carry out the construction of a new corporate headquarters for the Scottish Widows' Fund and Life Assurance Society. The work was let in works packages and Doyle was one of the works contractors appointed by Laing to carry out certain of the works packages relating to the substructure. The work undertaken by Doyle should have been completed in 28 weeks, but due to delays, which were alleged to have been caused by the late issue of information and restricted access, the work overran by 22 weeks. An extension of time of 22 weeks was sought, plus loss and expense resulting from delay and disruption.

Doyle submitted its monetary claim which had been calculated on a global basis. The reason given for submitting the claim in this manner was that despite the best efforts of Doyle it was not possible to identify the links between the causes of delay, disruption and additional expense and their effect. It was at this stage that the court set out to examine the principles which might govern the matter of a global claim.

The court went into some detail to explain how difficult it could be where events that cause delay inter-react with each other so that it becomes very difficult, if not impossible, to identify what loss and expense each event has caused. Where this occurs, if all the events are events for which the employer is legally responsible, it is unnecessary to insist on proof of which loss has been caused by each event. This seems to be common sense in that if all the additional costs have been caused by the employer what would be the point in requiring each item of extra cost to be shown linking to an event?

Accordingly, if a global claim was to succeed, the contractor must eliminate from the causes of his loss and expense all matters that are not the responsibility of the employer. However the court then added that this basic premise was mitigated by three key considerations.

Firstly, it may be possible to identify a link between particular events for which the employer is responsible and individual items of loss. In this way, in effect, parts of the global claim are extracted from the calculation of loss and are separately allocated to individual events.

Secondly, in the event of concurrency, if an event or events for which the employer is responsible could be described as the dominant cause of an item of loss, that would be sufficient to establish liability, notwithstanding the existence of other causes that are to some degree at least concurrent.

This seems to add substantiation to the views of Keating (in Keating on Building Contracts) and Pickavance (in Delay and Disruption in Construction Contracts), that I have described in previous articles, that the dominant cause approach is the correct manner of handling concurrent delays.

Thirdly, and probably most significantly, the court noted that even if it cannot be said that events for which the employer is responsible are the dominant cause of the loss, it may be possible to apportion the loss between the causes for which the

employer is responsible and other causes.

In such a situation either the loss would be apportioned on the basis of the time during which each of the causes was operative, or responsibility could be divided on an equal basis.

However, importantly the court made it clear that such an apportionment would only be possible where the concurrency was between an employer delay and a neutral event. Where a concurrent cause of delay is the contractor's responsibility the court considered it appropriate to deny him any recovery for the period of delay during which the contractor is in default.

This will make it particularly hard for contractors to justify a global claim where their claim is not only global but assessed on a total cost basis i.e. a claim where the quantification of loss is achieved by subtracting the tender cost of the works from the final cost on the premise that the whole of the contractor's additional costs in performing the contract have been the result of events for which the employer is responsible. In such a situation the contractor will have to prove not only that none of the events that caused the loss and expense were ones for which it was responsible, but also that none of the additional costs were resultant from its own problems such as insufficient tender allowances or inefficient working.

Whilst this decision is that of a Scottish court it nonetheless provides some interesting ideas as to when global claims may be acceptable, or how a contractor may modify such a claim to subsequently make it acceptable.

## A series of activities towards professional VM qualification



Leung Mei-yung

**The** concept of Value Management (VM) was first developed by Lawrence Miles in the United States in 1947. VM is applied for assessing the best value in terms of the relationship between function and cost. Today the U.S.A., Germany and Japan are the biggest users of the system.

VM techniques have been adapted in Hong Kong since 1990, while the Hong Kong Institute of Value Management (HKIVM) was established in 1995. A number of formal documents in Hong Kong (WTBC16/1998; Tang 2001; WTBC35/2002) strongly recommend a wider adoption of VE techniques in order to achieve an excellence in the quality of construction products. Typical savings range from 10 to 20% for most projects. Professional surveyors are not only expected to understand the root definition of VE for team decision making from this project, but they should also be competent enough to become Value Specialists for facilitating/co-facilitating VE workshops for construction projects in Hong Kong and Mainland China.

However, qualified facilitators /co-facilitators are hard to come by in Hong Kong. There has different VM training courses arranged in various international countries (e.g. UK, USA, Australia, Japan, etc.), but it is still confusing for someone who wants to be a VM facilitator in Hong Kong. The Hong Kong Institute of Surveyors thus launched a 'Construction Value Management' project and successfully obtained the support from the Professional Services Development Assistant Scheme. The aim of the project is to update and disseminate the VM knowledge and skills as required of construction professionals so as to enhance the competitiveness of professional services in a regional context. Through this project, professional surveyors can gain the benefits, both in Hong Kong and the Mainland, including:

1. quality of professional competence in team decision is enhanced,
2. a good key decision can be made on behalf of the clients for the construction projects,
3. professional services can be expanded as a VM facilitator in the industry, and
4. the professional profile of HK construction professionals is raised internationally, outside of Hong Kong and the Mainland.

The project includes a series of VM seminars, recognized VM courses and international VM congress. VM seminars introduce basic VM knowledge in the construction industry, while the 40-hour VM courses are recognized by the SAVE1: The International Society in USA and the HKIVM in HK. Participants who complete the VM 'module 1' course are eligible to apply an examination of Associate Value Specialist (SAVE) for co-facilitation of VM workshops in Hong Kong and the Mainland. Through the proposed project, the professionals do not only understand the international construction VM knowledge, but also apply them in the practical industry, especially for the key decision making. Forthcoming events include:

### VM seminars

2<sup>nd</sup> Dec 2004 – VM cases in Public and Private Projects

Mr. David YAU, Assistant General Manager, Project Management Department, Henderson Land Development Co.

Mr. Tony Wu, Senior Engineer, Transport Department, Government of the HKSAR.

### VM 'module 1' courses (5-day)

recognized by the HKIVM in HK and the SAVE in USA

Nov/Dec 2004 – Enhance Value via Value Management (Facilitators - to be announced)

### International VM Congress 2 – 3 June 2005 – International VM techniques and skills

Five VM students are preparing to attend the AVS examination recognized by the SAVE soon. Hopefully, they will become an international Associate/Certified Value Specialists and a qualified co-facilitator in the approved list of the HK government. Relevant web-sites:

SAVE International : <http://www.value-eng.org/>

HKIVM : <http://www.hkivm.com.hk/introduction.htm>



## A Prelude to International

# Real Estate Finance and Investment Seminar

**This** seminar was originated by Mr. Jim Yip serving as an introduction to the contemporaneous ideas on real estate finance and real estate investment trust in particular. The topics included: 1. What holds back the development of Real Estate Investment Trusts in Hong Kong; 2. HK-REIT governance and the (non) market for corporate control. The role of valuers and standard in asset valuation with case studies; 3. Housing Authority Divestment Plan – Should the HA's commercial assets be structured as a REIT? 4. Global developers in a race to become fund managers. Would the trend be replicated by Hong Kong developers? What are the implications to surveyors? 5. Is commercial real estate overpriced? An appeal to asset pricing theory and discount rate determination; 6. Potential use and mis-use of Weighted Average Cost of Capital (WACC) as discount rate in Discounted Cash Flow analysis; and 7. How to think about and use option pricing to make better investment decisions (real options).

Jim was engaged in Shanghai and in his place, Mr. Lawrence Pang, FRICS FHKIS MBA MSc (Fin) CFA gave the talk instead. Mr. Pang began the seminar by recapitulating



the ideas of REIT and the Code on Real Estate Investment Trust adopted by the Securities and Futures Commission of Hong Kong on 30 July 2003.

He further compared the potential return from REITs with regard to risk from alternative investments. This was, in effect, an appeal to asset pricing theory and discount rate determination. Then, Mr. Pang illustrated with examples on the usual errors committed by the mis-understanding of the WACC and its implication in relation to the Miller - Modigliani Theorem, which also explained our valuation of property irrespective of the mortgage ratios.

The seminar culminated in another climax when Mr. Pang introduced option pricing as an alternative to Discounted Cash Flow analysis. Not as difficult as it appeared, option pricing was in substance considering different investment opportunities with a continuous time-frame. Many investments in real assets have opportunities such as Abandonment, Expansion and Deferral. Mr. Pang also gave an example of buying an opportunity to build a hotel/shopping complex – a scenario not dissimilar in real life represented by the construction of the Prudential Commercial Centre near Jordan.

The seminar was so facilitating that few chose to leave when it had overrun to the third hour in the afternoon although it was originally scheduled from 2.00 p.m. to 4.00 p.m. Thanks to Mr. Pang and also Jim who had arranged this interesting seminar.

## Build-up of Unit Rates

### (from first principle and pro-rata)

**A** PQSL event on the Build-up of Unit Rates was held on 3 July 2004 at the Surveyors Learning Centre. Mr. KC Tang, a Fellow Member of HKIS and an experienced QS APC assessor, was invited as our honorable speaker to share his experience in building-up unit rates and assessing them. This PQSL event was again a popular one with the seminar room fully occupied by enthusiastic members who were eager to learn.

Mr. Tang first presented the principles in building-up unit rates, including build-up by analysis and by statistical method. At the same time, he mentioned about the detailed build-up of fixed rates in the price books of Mainland China and he talked a bit about the current practice of estimating in China.

*Joseph Chong, JO Committee  
Alex Cheung, JO Committee  
Owen Tse, PQSL(QS) Working Group*

He moved on to discuss how to assess the star rates by quoting an example. A Contractor may probably argue for a higher rate when working on a variation to build an additional concrete plinth near the end of the contract period, due to the small quantities of the variation and the difficult working conditions encountered. Also, labourers may have to move their materials to higher stories at a lower productivity as a result of the removal of the tower crane and the material hoist. Some Consultant QSs may argue that the price for small quantities is deemed to be included in the unit rates as stipulated in the Preambles, hence they would turn down the Contractor's application. However, Mr. Tang suggested that some provisional quantities should be allowed in the BQ to get the unit rates if these items are foreseeable. He also proposed that if the unit rates for structural concrete and concrete curb are the same, then these contract rates could be used as a reference, by adding a certain percentage allowance for the change in working conditions.

Next, he discussed about the content of total construction cost, which includes Direct Cost, Site Overheads, Head Office Overheads and Profit. The Direct Cost is usually included in the unit rates of measured works; the site overheads would probably allowed in the Preliminaries; where the Head Office Overheads and Profit would be allowed and apportioned in all the unit rates. Based on the first principle, Mr. Tang detailed the components of a unit rate, including labour, plant, material, overheads and profits. He said that material cost is the easiest part to establish with an appropriate wastage allowed, where the labour cost is

the most difficult part to judge and is usually disputed by Contractors. For the plant cost, only cost of hand-tools should be allowed in the unit rates, as the cost of major plant has already been included in the Preliminaries.

He also quoted some examples to explain how to calculate pro-rata rates and how to adjust the PC rates. For the pro-rata rates, he stressed that if the dimensions of an item have changed, for example timber architrave, the proportion of labour cost to material cost is not constant. Simply adjusting the change in dimensions to pro-rata a BQ rate may result in an unrealistically high or low rate. For the PC rates, if the actual supply rates are less than the PC rates (and for the budgetary control, this will usually be the case), it would be advantageous to the Contractor since they could save some wastage cost (for the same wastage percentage) and thus gain a higher profit.

Near the end of the talk, Mr. Tang listed some useful data for rate build-up, such as the shrinkage and bulking ratio for excavating different types of soil and the consolidation factors for backfilling, and the density of cement etc.

The seminar ended with a question and answer session. Some questions were raised about whether discount percentage should be applied to PC rate items and preliminaries. Mr. Tang offered some satisfactory explanations and all participants were pleased with the informative and inspiring presentations given by the speaker.

## Examination of

# Tender and Report Writing

Joseph Chong  
JO Committee

**Mr.** Victor Lau, an experienced chartered Quantity Surveyor from Levett and Bailey and a dedicated JO Committee Member, presented the above PQSL event on how to examine tenders received and write a report for the Employer after the examination on 26 June 2004 at the HKIS Surveyors Learning Centre.

Victor gave an introduction on the procedure and checks which should be done before and after receiving a tender, including: – checking of the tender submissions as required



in Conditions of Tendering; – checking if there is any tender qualifications; arithmetical check; – checking the company profile; examining the covering letter; checking if all tender addendum have been incorporated; checking all quantities and unit rates have been inserted; – scrutinize the rates to make sure that they are reasonable; – requesting breakdown for the lump sum pricing of preliminaries; – checking if there is any under or overpriced items; and front-end loading or unbalancing the tender (Contractor can secure higher payments in the early valuations so as to avoid high cost of financing i.e. higher rates for excavation).

Victor then talked about how to deal with the tender queries raised from the contractors and how to handle tender qualifications and clarifications. Next, he mentioned that post-tender changes may be taken into account by the tenderers and the original tender sum may be revised. In order not to affect the original tender price and ranking of the tenderers, the Employer better issue amendments as the first post-contract variation orders. This is because post-tender amendments are often taken as the opportunity of price lifting by the tenderers during this stage. Also, the participants are reminded that a revised Form of Tender must be submitted by the tenderers to ensure that there is a formal offer.

Victor moved on to discuss about tender interview and expressed that price negotiation should be done between Employer and Contractor. Finally, he showed an example of tender report and addressed what should be included in a typical tender report. At the same time, he briefly explained some Works Bureau Technical Circulars for use in Government projects regarding tender evaluation and examination.

About 120 members attended this PQSL event and the Junior Organization would like to express their sincere gratitude to Victor for delivering such an informative talk.

## A Review on Fire Safety Codes (Part 1)

*Vincent Lim  
JO PQSL (BS) Working  
Group Member*

### - Code of Practice for Means of Access for Fighting and Rescue 1995 and Fire Resisting Construction 1996

**Fire** Safety is currently one of the important issues in the area of building control and development. It is necessary to understand the rationale behind the statutory requirements and be able to apply them in building design. On 15 May 2004, Miss Wendy S. Y. Leung, a distinguished Building Surveyor from the Buildings Department, was invited to share with us the theories of the Means of Access (MOA) and Fire Resisting Construction (FRC) under the current Code of Practices.

The Means of Access and Fire Resisting Construction are governed under sections 41A–C of the Building (Planning) Regulation and the Building (Construction) Regulation respectively. The minimum safety requirements are listed in the Code of Practices. However, they only serve as guidelines and require no rigid compliance, provided that the practitioners could show that the design is better than the requirements listed in the Code.

Wendy introduced the key issues on the Means of Access, including the requirements on Fireman Lifts, Access Staircases, Fire Rescue Stairways and Emergency Vehicular Access, followed by the discussion of some case studies. She also brought our attention to the necessity of the provision of Fire Rescue Stairways in basements, industrial buildings, warehouses and bulk storages.

Wendy also shared her view on Fire Resisting Construction. One of the important spirit of FRC would be "Compartmentation" i.e. to have sufficient fire separation by walls and floors vertically and horizontally in order to inhibit the spread of fire. Despite the practice of compartmentation is regarded as a better guarantee of safety, it may give rise to some negative drawbacks—the programme and the cost may be affected. It may also affect whether the Fire Resisting Period of the building elements are required or not. Moreover, the project is not always possible to fulfill the requirement of compartmentation. It is particularly difficult when large development projects, such as the Airport and the Disneyland, are involved. Under such circumstances, Fire Safety Engineering would be recommended. In her speech, Wendy also highlighted the requirements on protection to vertical shaft, separation with used occupant, and protection for special hazard.

It was an informative, interactive and interesting seminar. Many questions were raised which led to a series of discussions. The Junior Organization would like to express their sincere gratitude to Wendy for delivering such an informative talk.

## Independent Quantity Surveyor (QS)

### Role in Infrastructure Works

Sunny Chan  
JO Committee



**On** 5 August 2004, the Quantity Surveying Division organized a CPD event delivered by our guest speaker, P C Lau (Legislative Councillor 2000-2004) and Past President of the Hong Kong Institute of Surveyors.

PC illustrated the difference between QS roles under Standard Form of Building Contract and that under Standard Form of Civil Engineering Contract. One of the major differences is that the QS under Building Contract shall evaluate all variation orders instructed by the Architect whereas the Engineer under Civil Engineering Contract shall do the same instructed

by the Engineer. PC also raised the concern that conflict of interest may arise in the case of use of Civil Engineering Contract and impartiality must be seen.

PC then introduced some newspaper articles showing that much money could be saved in infrastructure works if independent QS were appointed to the consultant team directly by the Employer as building projects. In fact, PC has already put a lot of effort to promote the issue. He and other Past Presidents of HKIS wrote a lot of letters to Government Departments and public bodies, like KCRC, MTR etc., to promote this. E.g. lobbying The Secretary for Justice, The Secretary for Works of Works Bureau, the KCRC, the MTRC, Construction Industry Review Committee etc. for paying more attention on this issue.

PC expressed the surveying profession strongly believes that it would be a "win, win, win" situation for the Government/Public Bodies, the Engineering and the Surveying professions if the cost control function, currently undertaken by QS as a subservient service to the Engineer in infrastructure works, is divorced from engineering design and supervision. Besides, QS would help not only avoid "conflict of interest" but also achieve "public accountability", "independence" and "impartiality" which are all so important for infrastructure works spending public money.

No doubt all audiences had enjoyed the talk and enriched their awareness towards the importance of independent QS role in infrastructure works. In order to express QSD's sincere thanks to PC for his invaluable time and effort in

conducting such an informative talk, it was our pleasure to invite Mr Tony Tse, the President of HKIS, to present a souvenir to PC.

This seminar was closed after an interactive question and answer session in which the participants actively exchanged their views over the topic. Although Government Departments and public bodies do not yet accept this issue, PC promised he would continue to fight to the success in future. Any other views are welcome to PC any time at your convenience because he needs your continuous support.





## Western Woman Series II



Kelvin Ng  
JO Committee



### Jill Kennedy Performs 'Can Do Attitude' on the global surveying profession

#### Where did you obtain your degree in surveying? Why did you choose this profession?

I obtained my degree in surveying from Kingston polytechnic, South West London.

Surveying is an incredibly diverse profession offering opportunities through out the world. I always wanted to work overseas and surveying is a profession which enables you to do this.

#### How did you get started with the surveying career?

I initially started work in my year out with Turner and Townsend in London. It was a small friendly office with a huge amount of "can do attitude". It inspired me to complete my degree and go on to qualify.

#### How can surveying attract more women?

Although traditionally surveying has been a male bastion there is no reason why more women should not enter the profession. The essential skills required are skills possessed by both sexes and are similar to those in law and accountancy which has a more equal ratio of women to men.

Part of the difference in ratio may be due to the traditional image of surveying with many people thinking surveying is all about building sites, theodolites, men with hard hats and muddy boots. It's not. Chartered Surveyors these days are involved in all aspects of land, property and construction. They shape corporate development, determine land use, environmental issues and project manage large scale building projects.

Working in the construction industry usually means working long hours which can be at odds with family responsibilities and may deter some women. Flexible working policies are now common

in other professions but in construction we still have a work culture of long hours that can undermine the work/life balance.

There are also a limited number of women in comparison to men in senior managerial levels in the surveying profession and therefore a lack of female role models to attract women into the industry. Women are more likely to take a career break to start a family which means that career progression may be slower than that of their male counterparts. Unfortunately this means that they are less likely to advance to a position where they gain experience of managing people and higher responsibility. In the UK there is an organization called Women in property which was established 14 years ago. *Perhaps we should start a similar - "Women in Surveying" group in Hong Kong to act as a forum for ideas and networking.*

#### What is your career path?

After working for nine years in London I decided on a change and worked in Ghana for two and a half years before relocating to Hong Kong. I've been in Hong Kong since 1997 on post contract management of civil engineering projects. My introduction to working life in Hong Kong was a site posting with Widnell Limited, getting the boat to work at 6.30 am every morning from Queen's Pier to arrive at work on site at Chep Lap Kok for 8am. I could not believe how lucky I was, tourists pay to go out on



boats to Chek lap Kok and look at the pink dolphins and I got to do this 6 days a week! I remained with Widnell's until 2003 as a senior quantity surveyor in the post contract management of reclamation projects and then railway projects. In 2003 I moved to Atkins and became Senior Quantity Surveyor for Central Reclamation Phase III.

## **What an interesting job! How long have you been working on quantity surveying?**

I have 18 years work experience as a quantity surveyor and have worked in Europe, Africa and Asia in the private and public sectors, working on the client's side as well as working for a contractor.

## **What are the difference working among 3 cities; London, Ghana & Hong Kong?**

The work culture in all three cities is different. London and Hong Kong are similar, except the pace of work in Hong Kong is a little faster. London and Hong Kong are developed cities. Nandom, the town where I worked in Ghana, is a rural community. Nandom is situated in the Upper West Region, one of the poorest regions, about 1000km from the capital of Ghana, Accra. I was working on the construction of schools, hospitals and health clinics in a rural area, the projects funded by international aid and development agencies. Everything was challenging. The logistics of getting construction materials to and from site was enormous. The road to and from the capital was unpaved for most of the way. Budgeting for projects was difficult as the cede (currency of Ghana) continuously declined against the US dollar. Communications were challenging. In Nandom we had no telephones, no E mail, no faxes, only letters which took a considerable time. There was no electricity so you worked in the daylight hours only. There was no running water, for construction, water was taken from the Volta river by bucket and then transported in a tank by lorry to site. Consequently construction and the general pace of work in Ghana tended to be slower. However the people I worked with in Ghana were extremely friendly, helpful and the most innovative, with fewer natural resources nothing was wasted.

## **Why did you leave for Hong Kong?**

Working in Ghana was great but it was a harsh environment and although in the main a politically stable country it had its

"hot spots" which were creating problems where I was living in northern Ghana. A college friend suggested Hong Kong and the more I thought about it, the more it appealed the prospect of living in such a vibrant city. I arrived with a rucksack aiming to stay for a year and here I am now a permanent resident and enjoying working in Hong Kong more than ever.

## **When did you develop an interest in 'Post Contract & Contractual Claims' among quantity surveying areas?**

I developed an interest in working in the post contract field of quantity surveying in 1993, working with a multidisciplinary team on site to reconstruct part of Bishopsgate in the City of London following an IRA bomb. It was a challenging project as obviously the Client could not have pre-planned and designed the project prior to commencement of work on site! You really had to think on your feet and close liaison with Contractor, Client, Insurance Loss adjuster were essential to make things work. This was true partnering long before it became a buzz word.

## **What are your responsibilities? Describe a typical day?**

I am responsible for the financial and contractual management for Central Reclamation Phase III. Specializing in post contract quantity surveying on a large civil engineering project you never know what a typical day will hold. Construction projects are anything but predictable and change to suit factors on site and the client's requirements. You have to be ready for anything! A large part of my day is spent reviewing problems and working as part of the Atkins team on site, working closely with the Contractor and the Client to solve problems.

## **How did you get to this stage of your career?**

With a lot of hard work and an element of luck being in the right place at the right time!



## **What would you say is the most demanding part of your job?**

The most demanding element of my job is always trying to reach an equitable solution to problems acceptable to both Client and Contractor.

## **Can you share your memorable working experience and some interesting projects that you have involved in recent years?**

My most memorable working experience has to be in Ghana in 1995/96. Site transport was a motorbike. Site accommodation had no electricity or running water. We had a diesel generator but no diesel for most of the year. The nearest telephone was 100km away and no computers. I dealt with a claim from a contractor, he was claiming for an extension of time and additional money for "damage caused by an elephant"!

## **What is your greatest professional achievement?**

Working in Ghana, what does not kill you, only makes you stronger my mother use to say!

## **What are the essential personal skills and the key attributes that you see as important in the career?**

Quantity surveying is a unique profession which requires a rare combination of skills, interests and abilities. You need to be able to communicate with people at all levels and backgrounds, excellent negotiating skills and the ability to make presentations and write reports. You also need to have financial acumen, an interest in buildings and construction. A good sense of humour helps.

## **What do you think of the prospect in surveying?**

Prospects in the quantity surveying field are dependant on the continuing expansion of the construction industry and the general economic climate in Hong Kong. In a dynamic city like Hong Kong that is constantly changing there will always be work for the construction professional.

## **What would your advice be to young people thinking of entering the surveying profession?**

Surveying is a good profession to be in especially in Hong Kong.

There are many different kinds of surveying all are concerned with valuing assets from major construction projects to rentals/sales in land and property. Be prepared to work hard to become fully qualified. Entry to the profession these days is usually by degree initially followed with on the job training prior to professional examinations. The rewards can be considerable and there are opportunities to work all over the world. No day is typical and most jobs in surveying give you the opportunity to get out of the office. You won't be bored and chained to your desk!

## **What is your favorite building in Hong Kong?**

IFC 2, even before the building was open to the public it was a film star appearing in Tomb Raider 2.

## **What do you do in your spare time?**

I row competitively and train twice a week on the Shing Mun River and four times a week on land and compete in regattas most weekends. Last year my crew won the Hong Kong China Rowing Association annual prize for the top ladies four. I also dragon boat, this year I paddled with the Atkins Admirals and we won the men's expatriate 'B' plate in the Stanley dragon boat races.

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***CPD - Some Thoughts on the Use of Expert Evidence in Construction Litigation (CPD/QS/2004087)***

<b>Guest Speaker</b>	The Honourable Mr Justice Reyes, the High Court Judge in charge of the Construction and Arbitration List	
<b>Date, Time &amp; Venue</b>	12 November 2004 (Friday): 7:00 p.m. to 8:30 p.m.; Surveyors Learning Centre, HKIS Suite 811 Jardine House, 1 Connaught Place, Central, HK	
<b>Details</b>	For those members who are involved in construction dispute resolution, they would certainly want to hear from the Judge in charge of the Construction List his views on the use of expert evidence. In particular, for those members who provide expert evidence, this will be a unique opportunity for them to get a few tips from the Judge as to how expert evidence should be presented in Court. This is a seminar that cannot be missed.	
<b>Language</b>	English	<b>Fee</b> HK\$100.00 per person
<b>Registration</b>	Please complete and return the Standard Reservation Form to HKIS before 30 October 2004 together with payment. In the event of over-subscription, priority will be given to the Quantity Surveying Division Members and/or placed in draw.	

***CPD - Valuation for Tax Purposes - Hong Kong Context (CPD/GP/2004081)***

<b>Guest Speaker</b>	Mr. K.K. Ip, Managing Director, Greater China Appraisal Limited	
<b>Date, Time &amp; Venue</b>	25 October 2004 (Monday); 7:00 pm to 8:30 pm; Surveyors Learning Centre, HKIS, 811, Jardine House, 1 Connaught Place, Central	
<b>Details</b>	<p>Nowadays, there is an increasing numbers of corporate and institutional investors focus on their real estate holdings to ensure full utilization of property resources via regular monitoring of their values, as well as to investigate alternatives to ascertain best allocation of resources within the taxation context. Our guest speaker, Mr. K.K. Ip, will share his view and provide valuation guidelines for the purposes of taxation in the Hong Kong context.</p> <p>Mr. Ip had been heavily involved in provision of large-scale appraisal projects in the PRC such as appraisal projects for most of the "H-share", "red-chip" companies and various local and overseas clients. In addition to his professional appraisal experiences, his consulting expertise includes advice on investment, planning and development strategies of real estate. Mr. Ip is also an expert in the field of property taxation. Currently, giving advice on land tenure system, land law, land use policy, land use and development strategies in China are Mr. Ip's main emphasis.</p>	
<b>Language</b>	Cantonese and supplemented with English	<b>Fee</b> HK\$100 per person
<b>Registration</b>	Please complete and return the Standard Reservation Form to HKIS before 11 October 2004 together with payment. In the event of over-subscription, priority will be given to the General Practice Division Members and/or placed in draw.	

***PQSL - Techniques and Strategies for Preparation of APC Written Examination (QS Division) (PQSL/JO/2004080)***

<b>Guest Speaker</b>	Cheung Kai Tak Franco MHKIS, MRICS	
<b>Date, Time &amp; Venue</b>	27 October 2004 (Wednesday); 7:00 pm to 8:30 pm; Surveyors Learning Centre, HKIS, 811, Jardine House, 1 Connaught Place, Central, Hong Kong	
<b>Details</b>	<p>Probationers are generally very experienced in attempting school examinations. Their skills in the preparation of examinations, however, may not be entirely relevant to the needs of a professional examination. The style of written examination for the Assessment of Professional Competence (APC) has been changed gradually in the past but not the objectives and the assessment criteria. The talk discusses about WHAT and HOW the candidate shall prepare for the APC written examination.</p> <p>Mr. Franco Cheung is an Instructor of the Department of Building and Construction at the City University of Hong Kong. Before joining the Department in 2000, he had worked in consultancy, contracting organization and developer specialising in cost planning and estimation. His research interest includes construction cost modelling, building economics and resources optimization. He teaches at the University on quantity surveying practice and writes papers in international journals.</p>	
<b>Language</b>	Cantonese	<b>Fee</b> HK\$70 per person
<b>Registration</b>	Please complete and return the Standard Reservation Form to HKIS before 15 October 2004 together with payment. In the event of over-subscription, priority will be given to the Quantity Surveying Division's Probationers and Students and/or placed in draw.	



**CPD – The Challenges of Heritage Preservation in Hong Kong (CPD/GP/2004085)**

<b>Guest Speaker</b>	Dr. Louis Ng, Executive Secretary of Antiques & Monuments Office, Leisure and Cultural Services Department Mr. Andrew Lui, Executive Director of Chuang's Consortium International Ltd.	
<b>Date, Time &amp; Venue</b>	21 October 2004 (Thursday): 7:00 pm to 8:30 pm; Surveyors Learning Centre, HKIS, 811, Jardine House, 1 Connaught Place, Central, Hong Kong	
<b>Details</b>	<p>Awareness of conservation of historical buildings and its necessity have been the hot topics in Hong Kong alongside the strike for protection of Victoria Harbour. The issue has been even enlightened when a well-known architectural heritage, King Yin Li (景賢里) at Stubbs Road was put for tender in June. Our guest speakers, Dr. Ng and Mr. Lui will share their views on the challenges of heritage preservation in Hong Kong from the Government's and Private Developer's perspectives respectively.</p> <p>Dr. Louis Ng has rich experience of heritage preservation work in Hong Kong. He has led his team to convert the oldest coastal fortresses (Lei Yue Mun Military Fort) into Museum of Coastal Defence. The hills surrounding the Fort have been zoned as a Park and holiday camp in order to preserve this strategic point in the defence system of Victoria Harbour in the end of the Southern Song Dynasty about 1280. This preservation project has successfully won the preservation award. He will share his experience with cases to illustrate how a balanced policy (battle between economy consideration and heritage preservation) can arrive at the optimum development potential without sacrificing the conservation of the cultural heritage of a city.</p> <p>Mr. Andrew Lui is a fellow member of HKIS and has over 22 years of experience in real estate in Hong Kong and Asia Pacific region. His present job requires him to deal with matters relating to properties and property development. Heading a property team of a private developer, hardly had Mr. Lui been startled by buildings with an uncertainty of being listed. He will share his experience in how to tackle this type of properties so as to safeguard the developer's interest.</p>	
<b>Language</b>	Cantonese and supplemented with English	<b>Fee</b> HK\$100 per person
<b>Registration</b>	Please complete and return the Standard Reservation Form to HKIS before 11 October 2004 together with payment. In the event of over-subscription, priority will be given to the General Practice Division Members and/or placed in draw.	

**CPD – The Importance of Marketing Strategies to the Success of Sales – Site Visit to Bel-Air / Cyberport (CPD/GP/2004086)**

<b>Guest Speaker</b>	Ms. Wendy Gan (B.A., MHKIS, MRICS) Sales and Marketing Director, Pacific Century Premium Developments	
<b>Date, Time &amp; Venue</b>	30 October 2004 (Saturday); 10:00 am - 12:00 noon; Training Theatre, Level 3, IT Street, Cyberport, Hong Kong	
<b>Details</b>	<p>Perched on a gentle hill on the south side of Hong Kong Island with panoramic ocean view, Bel-Air is part of the US\$2 million Cyberport Project comprising 4 modern office buildings, a retail complex and a 173-room international hotel. The complete sell-out of over 1,500 luxury apartments in a matter of months is strong testament to the unique quality of this development and the successful marketing strategies behind the sales of Bel-Air.</p> <p>Ms. Wendy Gan is the Sales &amp; Marketing Director of Pacific Century Premium Developments, the developer of the Cyberport Project. She will bring members on a tour of Bel-Air and Cyberport and will share her experience in the exciting sales &amp; marketing campaign of Bel-Air.</p>	
<b>Language</b>	English and Cantonese	<b>Fee</b> HK\$100 per person
<b>Registration</b>	Please complete and return the Standard Reservation Form to HKIS before 15 October 2004 together with payment. Attendance is limited to 60. Priority will be given on a first-come-first-served basis.	

## HKIS EVENTS

The Hong Kong Institute of Surveyors  
Suite 801, Jardine House  
One Connaught Place  
Central, Hong Kong

### STANDRD RESERVATION FORM

I would like to reserve a place for the following event:

Event name: \_\_\_\_\_

Event date: \_\_\_\_\_ Event code: \_\_\_\_\_

#### Member details

Surname: \_\_\_\_\_ Other names: \_\_\_\_\_

Grade of membership\* : F , M , TA , P  TT , S  HKIS no.: \_\_\_\_\_ Division\* : BS , GP , LS , PD , QS

Postal address (only to be completed if the address is different from your membership record details):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tel no.: \_\_\_\_\_ Fax no.: \_\_\_\_\_ E-mail: \_\_\_\_\_

#### Payment method

- HKIS CPD/PQSL coupons (max. 3 per event). no. of coupons attached. \_\_\_\_\_  
 I enclose a cheque payable to "Surveyors Services Ltd". Cheque no. \_\_\_\_\_ Amount HK\$ \_\_\_\_\_  
 Please charge my HKIS Gold MasterCard as follows:

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To: Shanghai Commercial Bank Limited - Credit Card Service Department

I would like to pay the reservation fee HK\$ \_\_\_\_\_ to Surveyors Services Limited by charging my HKIS Gold MasterCard account as follows:

Cardholder Name: \_\_\_\_\_ HKIS No. \_\_\_\_\_

Card Number: 

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 Expiry Date: \_\_\_\_\_ / \_\_\_\_\_

Cardholder's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

<b>For Bank Use Only</b>	Approved by :	Date:
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#### Notes:

1. A separate reservation form is required for each event/ application. Photocopies of the form are acceptable.
2. Reservations should be returned by post/ by hand to the HKIS office.
3. Payment can be made by cheque, HKIS CPD/PQSL coupons or by HKIS Gold MasterCard.
4. A separate cheque is required for each event/ application.
5. Reservation by fax, telephone and cash payment is not acceptable.
6. For number of seats or priority of allocation of seats, please refer to the individual event details.
7. Reservation cannot be confirmed until one week prior to the event.
8. An official receipt/ admission ticket, which must be presented at the event, will be returned by post upon confirmation of reservation.
9. Incomplete or wrongly completed reservation forms will not be processed.
10. In the event a Typhoon Signal No. 8 or above or Black Rainstorm Warning is hoisted, the event will be postponed and a new arrangement will be announced. Should the aforesaid warnings be lowered 4 hours before the event, the event will proceed as normal.
11. If you have not received any reply from our Institute within 7 days of the event, you may call HKIS at 2526 3679 to check the progress of your reservation.

Date	Event	Organiser	Location
<b>September</b> 19 Sept 2004	PAQS Education and Accreditation Committee meeting	PAQS	Kuala Lumpur, Malaysia
20 – 21 Sept 2004	QS International Convention	PAQS	Kuala Lumpur,
25 Sept 2004	Building Surveying Division – Half Day Seminar	HKIS BSD (CPD)	Hong Kong SAR, China
<b>October</b> 2 – 5 Oct 2004	International Valuation Standards Committee (IVSC) meeting	IVSC	The Netherlands, Europe
3 – 7 Oct 2004	FIG Regional Conference	FIG	Jakarta, Indonesia
5 Oct 2004	Appearance of a Real Professional	HKIS JO (PQSL)	Hong Kong SAR, China
7 Oct 2004	QS's Prospect in Specialising in Construction Dispute Resolution	HKIS QSD (CPD)	Hong Kong SAR, China
8 Oct 2004	The Market Potential for Hong Kong Construction Professionals in Chinese Mainland	HKIS	Hong Kong SAR, China
11 Oct 2004	Choices of Forming a Corporate Body by a Professional: Sole Proprietor, Partnership or Limited Company	HKIS JO (PQSL)	Hong Kong SAR, China
13 Oct 2004	How Surveyors Benefit Most Under CEPA Policy in China	HKIS GPD (CPD)	Hong Kong SAR, China
14 Oct 2004	A New Proactive Way to Control the Cost of Variations	HKIS QSD (CPD)	Hong Kong SAR, China
15 Oct 2004	HKIS 20th Anniversary Photo Competition – Entry deadline	HKIS	Hong Kong SAR, China
15 Oct 2004	A Review of Procurement Methods	HKIS JO (PQSL)	Hong Kong SAR, China
16 Oct 2004	BSD Conference 2004 – Commercial Premises: Participation and Contribution of Building Professionals	HKIS BSD	Hong Kong SAR, China
21 Oct 2004	The Challenges of Heritage Preservation in Hong Kong	HKIS GPD (CPD)	Hong Kong SAR, China
23 Oct 2004	Heritage Conservation: Opportunities and Challenges – Joint Conference	HKIA, HKIE & HKIS	Hong Kong SAR, China
25 Oct 2004	Valuation for Tax Purposes – Hong Kong Context	HKIS GPD (CPD)	Hong Kong SAR, China
27 Oct 2004	Techniques and Strategies for Preparation of APC Written Examination	HKIS QSD	Hong Kong SAR, China
30 Oct 2004	The Importance of Marketing Strategies to the Success of Sales	HKIS GPD (CPD)	Hong Kong SAR, China
<b>November</b> 7 – 10 Nov 2004	AIBS National Conference	AIBS	Tasmania, Australia
12 Nov 2004	Some Thoughts on the Use of Expert Evidence in Construction Litigation	HKIS QSD (CPD)	Hong Kong SAR, China
19 Nov 2004	HKIS Annual Dinner	HKIS	Hong Kong SAR, China
Nov 2004	Surveyors Luncheon	HKIS	Hong Kong SAR, China
Nov 2004	Construction Dispute Resolution in the Mainland	HKIS QSD (CPD)	Hong Kong SAR, China
Nov 2004	Design & Building Contract		
<b>December</b> 2 Dec 2004	Enhancement of Construction Value Management Professionalism for the New Generation	HKIS HKIS QSD (CPD)	Hong Kong SAR, China Hong Kong SAR, China

## HKIS 20th Anniversary Photo Competition

### "Life through the eyes of a surveyor"

To mark the 20th Anniversary of The Hong Kong Institute of Surveyors (HKIS), members are cordially invited to enter a photo competition whose topic is "Life through the eyes of a surveyor". A picture tells more than a thousand words, members like you who are talented, creative, sensitive to the environment and have a passion for the profession must be able to tell something about life through a photo or a series of photos from a special angle.

#### Theme

The theme can be elaborated to include but not be limited to: –  
\* My life in surveying

- \* Surveyor in the eyes of a surveyor
- \* Historical buildings in Hong Kong
- \* Natural scenery in Hong Kong
- \* Preservation/Conservation through the eyes of a surveyor

#### Awards/Prizes

There will be four awards/prizes: –

- \* Grand Prize
- \* "Theme" Prize – for the entry with a theme most relevant to the topic
- \* "Innovation" Prize – for the entry with the most innovative idea
- \* "Photo" Prize – for the entry illustrating the best photographic techniques

Do not miss out on the opportunity to join in this competition and to win spectacular prizes. Members should have received the entry form by post. If you have missed out please visit the website [www.hkis.org.hk](http://www.hkis.org.hk) or contact the HKIS office at 2526 3679 for details and the entry form. Deadline for entry is 15 October 2004.



### HKIA/ HKIE/ HKIS Joint Conference

#### "Heritage Conservation: Opportunities & Challenges"

Date : 23 October 2004 (Saturday)  
Venue : Level 3, JW Marriott Hotel Hong Kong

#### Jointly Organized by :

- \* The Hong Kong Institute of Architects (HKIA)
- \* Hong Kong Institution of Engineers (HKIE)
  - Building Division
  - Structural Division
- \* The Hong Kong Institute of Surveyors (HKIS)

#### Registration Fee:

Early-bird registration: HK\$800/head  
Standard registration: HK\$900/head  
Students, Probationers and Graduate Members of HKIA, HKIE, HKIS: HK\$600/head  
(Registration fee includes a set of conference proceedings, lunch and coffee breaks)

You can download the registration form from:

<http://www.hkis.org.hk> or <http://www.creativegp.com>

For enquiries and registration, please call Ms. Evita Au at 2372 0090.

### HKIS Surveyors Annual Dinner 2004

#### Guest of Honour

The Honourable Michael SUEN Ming Yeung, GBS, JP  
Secretary for Housing, Planning and Lands, HKSAR

#### Date, Time and Venue

19 November 2004  
7.00 pm (Reception) for 8.00 pm (Dinner)  
Grand Hyatt Hong Kong

#### Cost

\$10,200 per table of 12 persons  
\$850 per individual booking

#### Registration

For registration, please visit the website [www.hkis.org.hk](http://www.hkis.org.hk) or contact the HKIS at 2526 3679. Bookings are on a first-come-first-served basis.



# JO Greatest Boat Day 2004



Lesly Lam  
JO Vice Chairman  
MSC (Lond), MHKIS,  
MRICS, MInstCES,  
FIG/IO Cat.A, RPS (LS)

On 1st August 2004, we had the greatest journey on board from Sai Kung Pier to Long Ke Wan.

Look at the photo gallery on JO web site and you can see our happiest faces.

