

(Translation)

**Motion on
“Combating bid-rigging to defend the rights and interests of
property owners”
moved by Hon LAM Cheuk-ting
at the Council meeting of 7 June 2017**

**Motion as amended by Hon LAU Kwok-fan, Hon Alvin YEUNG and
Dr Hon Fernando CHEUNG**

That bid-rigging seriously undermines the fairness and impartiality of the tendering process of building maintenance works, and also causes the price of the successful bid in maintenance works to far exceed the reasonable market rate, thus greatly increasing the maintenance expenses of property owners while the quality of maintenance works cannot be safeguarded; in recent years the situation of bid-rigging in building maintenance works in Hong Kong has become increasingly rampant, and some bid-rigging syndicates even collude with owners' corporations, property management companies and triad members to manipulate tendering process by unlawful means, including significantly inflating maintenance costs to make huge profits, thus causing property owners to suffer serious losses; in order to combat the illegal activities of bid-rigging, this Council urges the Government to:

- (1) expeditiously plug the relevant loopholes under the Building Management Ordinance by requiring the election of consultants appointed for large-scale maintenance works be decided by a resolution at a general meeting of the owners' corporation, so as to safeguard the rights and interests of property owners;
- (2) ensure that law enforcement agencies have adequate resources to investigate bid-rigging activities and step up law enforcement to deter bid-rigging syndicates;
- (3) provide more building management training programmes and seminars on the prevention of bid-rigging, so as to enhance the knowledge of owners' corporations, property management companies and property owners on the relevant subject and their understanding of the Building Management Ordinance, and at the same time enhance public promotion and education to enable members of the public to understand the perils of bid-rigging and take precautions;

- (4) provide property owners with professional support and establish a 'database on building maintenance' to enable them to comprehensively grasp the correct information on building maintenance works;
- (5) set up a 'building maintenance works authority' to centrally monitor the conduct of the industry and quality of maintenance;
- (6) step up the promotion of the Smart Tender scheme, and extend its scope of services to cover the entire maintenance works, including monitoring the progress and acceptance of the works, so as to safeguard the quality of maintenance works;
- (7) increase the staff establishment of District Offices for building management work and enhance the functions of Liaison Officers, so that they can follow up the work relating to building maintenance works in a dedicated manner; and
- (8) set up a 'building affairs tribunal' to resolve existing problems of lengthy time and expensive legal costs required for handling disputes concerning building maintenance works;
- (9) amend the Building Management Ordinance on the instrument appointing a proxy, so as to better safeguard the rights and interests of property owners;
- (10) set up a statutory body to formulate standards of practice and industry guidelines to ensure fair competition and set up a licensing system;
- (11) impose cooling-off periods for the tendering and appointment procedures of large-scale maintenance works, so as to enable property owners to review the relevant decisions; and
- (12) increase the manpower and resources of the Lands Tribunal to expedite the handling of legal disputes arising from building maintenance works; and
- (13) empower the Home Affairs Department to monitor building maintenance works initiated by owners' corporations and residents' organizations and institute relevant prosecutions.