

Voluntary Subcontractor Registration Scheme

Guidelines on Adoption of Complementary Measures

Purpose

This document seeks to provide guidance for client organizations on complementary measures in support of the voluntary subcontractor registration scheme (VSRS) administered by the Construction Industry Council (CIC).

Introduction

2. The VSRS is an industry-wide initiative to improve the regulation and management of subcontracting. It aims at building up a pool of capable and responsible subcontractors with specialized skills and strong professional ethics. The first phase of the scheme comprising a Primary Register with relatively simple and accommodating entry requirements was launched in November 2003. Subject to response and feedback from the industry, a second phase boasting more stringent entry requirements and grading of individual capacity will be rolled out in future.

Complementary Measures

3. Complementary measures introduced by client organizations play an important part in encouraging subcontractors to apply for registration under the VSRS. Some typical examples include contractual conditions governing employment of registered subcontractors or credits awarded in the tender evaluation process to main contractors proposing to employ registered subcontractors.

Contractual requirements

4. Client organizations may impose mandatory requirements for the employment of registered subcontractors through contractual conditions. In order to promote a consistent approach, however, some recommended features are outlined in the paragraphs below. For the avoidance of doubt, such mandatory requirements should apply only to the 52 trades (11 civil and structural trades, 11 finishing trades, 22 E&M trades and 8 supporting services trades) covered by the Primary Register.

5. Ideally, the contractual conditions should apply to subcontractors engaged in all tiers so as to enhance regulation and management across the whole construction supply chain. Nevertheless, discretion could be made by client organizations to confine this initially to the first tier and allow a grace

period for subcontractors to seek registration prior to the commencement of works.

6. In order to secure a critical mass for the VSRS and to widen its ambit, all subcontractors should be encouraged to join the VSRS as far as possible irrespective of their size and level of sophistication. Given that relatively simple and accommodating entry criteria have been developed for the Primary Register, client organizations may grant exemption to individual subcontractors based on their own approved lists which call for comparable standards. However, such exemptions must not be extended to the Premier Register.

7. Sanctions such as refusal to approve subcontractors not registered on the VSRS, downgrading of performance rating or withholding of tender opportunities may be imposed against any non-compliance with the contractual conditions to employ registered subcontractors.

Granting of Credits in Tender Evaluation

8. If marking schemes are used by client organizations in the tender evaluation process, credits may be awarded to main contractors proposing to employ registered subcontractors.

Information and Enquiries

9. A website is accessible at <http://www.hkcic.org> providing background information and details on the VSRS, registration rules and procedures for the Primary Register (including trade classification), a full list of the registered subcontractors and notices of suspension/revocation of registration.

10. Further enquiries may be directed to the CIC Secretariat at the following address –

Room 2001, 20/F, Alliance Building
130-136 Connaught Road Central
Hong Kong.

Tel. no. : 3571 8716
Fax no. : 3571 9848
E-mail : enquiry@hkcic.org

CIC Secretariat
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