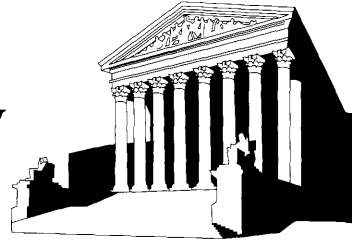


# Quality Housing

## — New Directions at the Housing Authority



Last month Hong Kong's Housing Authority released its long-awaited report: *Quality Housing — Partnering for Change — A Consultative Document*. Regular contributor Arthur McInnis looks at their proposals.

### Background

The Housing Authority (HA) is in trouble and it knows it. In the chairman's foreword to the proposal, Dr Rosanna Wong writes of recent events undermining public confidence and casting a shadow over the industry. Secretary for works, Lee Shing Yee, likewise, in his opening message writes of community concerns and the need for urgent action.

They are both correct and readers will be familiar with the details of the sad story that gave rise to their comments. *Quality Housing — Partnering for Change — A Consultative Document* (the CD) is the HA's response to their past problems and wishes for the future.

### The Partnering Theme

The title of the CD reveals the main theme that runs throughout it — *partnering*. It is a subject I have given some attention to in previous columns in this magazine. In essence, partnering is about trying to work more closely together as a team. It is a way of seeking to bring out and accentuate the shared or common interests in the projects' stakeholders rather than their differences. It asks a lot but delivers as much. The overwhelming weight of authority on research into partnering that has been elsewhere suggests that it works. So how does the HA intend to build up a partnering framework? It intends to do so in several important ways including:

- Signing Quality Partnering Charters with stakeholders to reinforce their commitments to delivering quality housing;
- Symbolising and providing greater recognition of stakeholders' real contributions to projects;
- Revising contractual arrangements to achieve more equitable risk-sharing;
- Implementing the changes through training, meetings, workshops and reviews;
- Introducing adjudication or dispute resolution advisers;
- Establishing new contractor performance appraisals under the Performance Assessment Scoring System 2000, and;
- Enhancing the objectivity and independence of the disciplinary process.

These are merely some of the more important contours of the partnering framework. Others entail far more changes to the way in which a rejuvenated HA will work in the future if the recommendations are implemented. They form the backdrop for some other important themes that come out of the CD as well.

### Other Themes —

#### **Product Quality**

The CD moves forward with an equally progressive set of recommendations to those addressing partnering with a series of new initiatives focusing upon quality. It is now clear that quality is at the heart of the changes which the public is now demanding.

The HA has responded to this demand. Most significant, from my point of view, is the stated intention to secure competent contractors by revising the way in which work is tendered. While the HA had moved away from the traditional means of awarding work to the lowest bidder using an 80:20 price/performance mix or score weighting, the HA has signalled its intention to reconsider this ratio.

Currently consultants tendering for HA work are weighted at a 50:50 price/performance mix and this may move to 30:70 in the future. That's fine but what I would like to see is the 50:50 ratio applied to the evaluation of contractor's bids. That would mark a significant shift. If the HA is serious about working with and getting the best quality then it should consider this suggestion.

It is of course a dramatic shift in practice if one recalls that it is not that long ago that the HA actually moved away from lowest tender awards. The fact that lowest tender awards are still an industry standard demonstrates how far the HA is willing to move on these changes.

A series of other recommendations pertaining to quality:

- Add a requirement to submit quality supervision plans;
- Step-up site supervision;
- Subject future HA work to buildings ordinance controls;
- Extend the defects liability period to two years;
- Introduce 10-year structural guarantees for all HOS and PSPS developments; and
- Raise a full warranty scheme by contractors.

#### **Training**

The construction industry has an image problem. Customers often do not see the added value it brings to the economy and its workforce. Too often construction work is perceived as low paid and unrewarding.

It does not have to be this way. In other countries with lower relative gross domestic products than Hong Kong the construction industries are seen in a different light offering better wages, conditions and prospects. The HA would like to

try and change this situation. To do so it is willing to invest more in upgrading and training the present workforce than ever before, in particular:

- Working with the CITA and VTC to increase the percentage of trades-tested workers on sites;
- Moving toward continuous training and advancement;
- Upgrading craft courses;
- Strengthening ethics in the industry through the ICAC, and;
- Pursuing major initiatives to improve site safety.

It is in the interest of the whole community that its workers are invested in and offered the best possible training and prospects for advancement if a truly professional workforce capable of delivering on Hong Kong's housing needs is to be realised.

### ***Productivity and Efficiency***

One of the last themes to come through in the CD is productivity and efficiency. While Hong Kong has led in many civil engineering respects, the building sector has not. Insufficient attention has been paid to issues such as buildability, integrated production and environmental protection. The HA is seeking to advance these and other issues so as to contribute to greater overall productivity and efficiency in construction.

To this end numerous recommendations have made pertaining to matters such as:

- Promoting mechanisation;
- Fostering research initiatives;

- Integrating the production process at all levels;
- Encouraging information technology, and;
- Further stepping-up environmental protection mechanisms.

### **Conclusion**

The proposals for reform may be the most far reaching in scope that the construction industry in Hong Kong has faced, and this short article cannot begin to fully address their implications. Only some of the key themes the CD raises have been touched upon here.

Many of the recommendations will seem far-reaching. Most have had little if any attention paid to them by industry to this point in time.

In my view the reasons for the proposals are now less important than the demonstrated willingness of the HA to move forward and embrace change.

The Consultative Document holds out a tremendous opportunity to begin to innovate in local practices through means which are both bold and convincing. The recommendations deserve the closest possible attention and, if adopted, should also be seriously considered by others in government and the private sector. ■AAC

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