

## ADVISORY COUNCIL ON THE ENVIRONMENT

(18.4.94)

(Para. 51 of Minutes of  
the ACE meeting on 21.3.94  
refers.)

### Environmental Performance of Contractors

1. At the third meeting of ACE on 21st March 1994, Members pointed to the need to penalise contractors who repeatedly break pollution control laws and enquired as to the Government view on this. This note is provided to let Members know the present position.
2. In accordance with paragraph 15 of Works Branch Technical Circular No.11/92, "Past environmental performance, including prosecution actions under any of the pollution control ordinances and breaches of environmental clauses in any Hong Kong Government building and engineering contracts in which the applicant has been involved", is one of the criteria for selection of contractors. There is however no objective guidance in the Technical Circular on how environmental performance should be taken into account.
3. EPD was invited by Works Branch (WB) to advise on the best practicable methodology and approach for incorporating environmental performance as one of the factors to be taken into account when selecting contractors.
4. The paper prepared to provide a basis for discussion identified two approaches, namely the Demerit Points System and the Checklist Auditing System.
5. The idea of the Demerit Point System is borrowed from the point-deduction system for traffic offences. In order to gauge offences in relation to demerit points, 4 options were suggested:
  - Option 1 - Simply counting the number of offences committed by a given contractor;
  - Option 2 - Level of maximum fines for the offences committed;
  - Option 3 - Level of fines imposed for offences; and
  - Option 4 - Assigning demerit points to each offence to reflect the environmental consequences of the offence.
6. The Checklist Auditing System would be similar to that used currently to assess contractor performance on site safety and security. It would involve detailed assessment of all aspects of a contractor environmental performance including statutory, contractual and voluntary aspects.
7. The paper was considered by the Standing Committee on Contractors' Record System (CONREC) Meeting, a committee made up largely of representatives of Works departments, on 25th January 1994.
8. CONREC concluded that wider consultation on the proposals in EPD's paper is needed and this consultation is now in progress.