

**PART 2**  
**GENERAL CONDITIONS OF CONTRACT**  
**(Version : February 2025)**

**1. Total Services and Variation**

- (a) The Services to be performed under the Contract shall be as laid down in the Schedule and Special Conditions (if any) and shall be carried out, as and when required, to the satisfaction of the Inspecting Officer. All orders placed under the Contract shall be issued in writing and Government will not be responsible for Services performed on oral instructions issued by any person whomsoever.
- (b) The Contractor shall not extend the Services beyond the requirements specified in the Schedule except as directed in writing by the Government Representative; but the Government Representative may, subject to the proviso hereinafter contained, at any time during the Contract period by notice in writing direct the Contractor to alter, amend, omit, add to, or otherwise vary any of the Services and/or the Contract period, and the Contractor shall carry out such variations, and be bound by the same conditions, so far as are applicable, as though the said variations were stated in the Schedule.

Provided that no such variation shall, except with the consent in writing of the Contractor, involve a net addition to or deduction from the Contract price of more than twenty per cent or the Contract period of more than six months, unless otherwise mutually agreed by the Contractor and Government.

- (c) Where a variation has been made to the Contract the amount to be added to or deducted from the Contract price in accordance with that variation shall be determined in accordance with the rates specified in the Schedule so far as the same may be applicable and where rates are not contained in the said Schedule, or are not applicable, such amount shall be such sum as is reasonable in the circumstances.

**2. Assignment**

The Contractor shall not, without the written consent of the Government Representative, assign or otherwise transfer the Contract, or any part share or interest therein, and the performance of the Contract by the Contractor shall be deemed to be personal to him.

**3. Quality of Services**

- (a) The Services shall be as specified in the Schedule and shall fulfil all the conditions and terms of any drawings and specifications (if any) supplied to the Contractor.

- (b) Any drawings and specifications reasonably required for the Contractor's guidance in the execution of the Contract shall be provided by Government free of charge but shall be returned on completion of the Contract.

#### **4. Inspection and Acceptance**

All Services performed in pursuance of the Contract shall be subject to inspection and shall not be deemed to have been accepted unless either:

- (a) The Government Representative shall so certify; or
- (b) The Services are not rejected as being unsatisfactory within 21 days of the date upon which they were executed.

#### **5. Rejections**

- (a) Without prejudice to any statutory rights, the Inspecting Officer or the Government Representative may reject any Services (or part thereof) which do not strictly conform to the conditions of sub-clause (a) of clause 3 hereof.
- (b) Within 24 hours of being notified in writing of the rejection of any Services the Contractor shall be required to take the necessary action to rectify such rejected Services.

#### **6. Government Property**

When Government property is issued to the Contractor under the Contract, the Contractor shall be responsible for the due return of all such property. Should any such property be lost or damaged from any cause whatsoever while in the possession or control of the Contractor or his servants, workmen or agents, the Contractor shall pay for the same at total original cost plus 20%. A count of the articles or material in the possession of the Contractor may be made at any time by the Government Representative and the Contractor shall render such assistance as is necessary for this purpose.

#### **7. Government Premises/Contractor's Premises**

- (a) The Contractor shall ensure that all persons engaged by him in carrying out the Contract keep to such parts of Government premises as are necessary for the due discharge of the Contractor's obligations under the Contract.

- (b) Where the Services are carried out on the Contractor's premises such premises shall be open to inspection by the Government Representative or Inspecting Officer at all reasonable times.
- (c) The safety of any craft, vessel and vehicle used by the Contractor and brought alongside or onto Government premises, piers or wharves, as the case may be, shall be the responsibility of the Contractor, who shall indemnify the Government in respect of any loss or damage to such Government premises, piers or wharves.

## **8. Payment for Services**

The Contractor shall render to the Government Representative:

- (a) an itemised account on or before the 10th or the 25th day of each month of the charges which he considers due to him for Services completed under the Contract; or
- (b) on completion of any separate portion of the Services (in respect of which a charge is laid down in the Schedule) an account for such portion.

All such accounts shall be signed by the Government Representative or the Inspecting Officer. Unless otherwise agreed by the Government Representative such accounts shall be paid within 30 days of the date upon which:

- (i) where the said accounts are signed by the Government Representative or Inspecting Officer, or
- (ii) where the Services have been accepted pursuant to clause 4 of the General Conditions herein,

whichever date is the earlier.

## **9. Illegal Workers**

- (a) The Contractor undertakes not to employ illegal workers in the execution of any Government contracts. Should the Contractor be found to have employed illegal workers in breach of this undertaking, the Government Representative may, on behalf of the Government, by notice in writing, terminate the Contract and the Contractor is not entitled to claim any compensation.
- (b) The Contractor shall be liable for all expenses necessarily incurred by the Government as a result of the termination of the Contract.

## **10. Default**

If the Contractor shall fail to carry out all or any of the Services provided for in the Contract within the Contract period or such extended period as may be agreed in accordance with clause 1(b) hereof, the Government may at its absolute discretion terminate the whole or any part of the Contract by notice in writing to the Contractor, but without prejudice to any claims by the Government for breach of Contract including but not limited to its right of Government to assign the balance of the uncompleted Services to another contractor or contractors whereupon the Contractor shall be liable for any sums so incurred in excess (hereinafter called 'any excess') of the Contract price.

## **11. Recovery of Sums Due**

Whenever under the Contract any sum of money shall be recoverable from or payable by the Contractor, the same may be deducted from any sum then due or which at any time thereafter may become due to the Contractor under the Contract or any other Government contracts.

## **12. Liability for Damages or Compensation**

- (a) Government and its employees or agents shall not be under any liability whatsoever for or in respect of:
  - (i) any loss of or damage to any of the Contractor's property or that of its employees or agents however caused (whether by any Negligence of the Government or any of its employees or agents or otherwise).
  - (ii) any injury to or death of any of the Contractor's employees or agents save and except any such injury or death caused by the Negligence of the Government or any of its employees or agents.
- (b) The Contractor shall indemnify the Government and its employees or agents against any claim or demand made against or liability incurred (including all costs, charges or expenses whatsoever) by the Government or any of its employees or agents in respect of:
  - (i) any loss, damage, injury or death referred to in sub-clause(a) of this clause (save and except injury or death caused by the Negligence of Government or any of its employees or agents).
  - (ii) any loss or damage sustained by or any injury to or death of any third party in consequence of any Negligence of the Contractor or any of its employees or agents.

- (c) The Contractor shall indemnify the Government against any loss of or damage to any property of the Government or of any of its employees or agents or any injury to any employee or agent of the Government arising out of the Negligence of the Contractor or any of its employees, sub- contractors or agents.
- (d) For the purposes of this clause ‘Negligence’ shall have the same meaning as that assigned to it in Section 2(1) of the Control of Exemption Clauses Ordinance.

### **13. Policy of Insurance and Compensation**

- (a) The Contractor shall effect a policy of insurance against all claims, demands or liability under the Contract with an insurance company approved by Government (which approval shall not be unreasonably withheld) and shall continue such insurance during the continuance of the Contract and shall when required, deposit with the Government Representative for safe keeping during the Contract period such policy of insurance together with the receipt of payment of the current premium.
- (b) If the Contractor shall fail to effect and keep in force the insurance referred to or any other insurance which he may be required to effect under the terms of the Contract then and in any such cases Government may effect and keep in force any such insurance and pay such premium or premiums as may be necessary for that purpose and from time to time deduct the amount so paid by Government as aforesaid from any moneys due or which may become due to the Contractor or recover the same as a debt due from the Contractor.
- (c) In the event of any of the Contractor’s employees or agents suffering any injury or death in the course of or arising out of the Contract and whether there be a claim for compensation or not, the Contractor shall within 7 clear working days give notice in writing of such injury or death to the Government Representative.

### **14. Bankruptcy**

The Government Representative may at any time by notice in writing summarily terminate the Contract without entitling the Contractor to compensation in any of the following events:

- (a) if the Contractor shall at any time be adjudged bankrupt, or shall have a receiving order or orders for administration of his estate made against him, or shall take any proceedings for liquidation or composition under any Bankruptcy Ordinance for the time being in force, or make any conveyance or assignment of his effects or composition or arrangement for the benefit of his creditors or purports so to do; or
- (b) if the Contractor, being a company shall pass a resolution or the court shall make an order for the liquidation of its assets, or a receiver or manager shall be

appointed on behalf of the debenture holders, or circumstances shall have arisen which entitled the court or debenture holders to appoint a receiver or manager.

Provided always that such determination shall not prejudice or affect any right or action or remedy which shall have accrued or shall accrue thereafter to the Government.

## **15. Corrupt Gifts**

- (a) If the Contractor or any employee or agent of the Contractor shall be found to have committed an offence under the Prevention of Bribery Ordinance (Chapter 201) or any subsidiary legislation made thereunder or under any law of a similar nature in relation to the Contract or any other Government contracts, the Government Representative may, on behalf of the Government, summarily terminate the Contract, without entitling the Contractor to any compensation therefor.
- (b) The Contractor shall be liable for all expenses necessarily incurred by the Government as the result of the termination of the Contract.

## **16. Consent to Disclosure**

The Government shall have the right to disclose whenever it considers appropriate or upon request by any third party (written or otherwise) information on the awarded contract, without any further reference to the successful tenderer, the name and address of the successful tenderer, description of services and the contract amount.

## **17. Publicity**

The Contractor shall submit to the Government Representative all advertising or other publicity material relating to the Contract or the products supplied or other work done in connection with the Contract wherein the Government's name is mentioned or language used from which a connection with the Government can reasonably be inferred or implied. The Contractor shall not publish or use any advertising or other publicity material without the prior written consent of the Government Representative.

## **18. Governing Law**

The Contract shall be governed by and construed in accordance with the laws of Hong Kong and the parties hereby agree to submit to the jurisdiction of the courts of Hong Kong in relation to any matters arising out of the Contract.

## **19. Admission of Contractor Personnel to Government Premises**

- 19.1 Upon request from time to time by the Government, the Contractor shall provide to the Government a list of the names, posts, staff identity card numbers, addresses and telephone numbers of all Contractor's employees, agents, sub-contractors and those employees and agents of the aforementioned sub-contractors (collectively "Relevant Personnel") who may at any time require admission on behalf of the Contractor to any premises occupied by the Government for the purposes of the Contract if so required by the Government Representative, and in that event such list shall specify the capacities in which those persons are employed by or connected with the Contractor and shall contain such other particulars as the Government Representative may reasonably require.
- 19.2 The Contractor shall ensure that while any of the Relevant Personnel is on the Government's premises they will conform to the Government's normal codes of staff and security practice.
- 19.3 The Government Representative reserves the right to refuse to admit to the Government premises any person, whose admission would be, in the reasonable opinion of the Government Representative, undesirable.
- 19.4 In the event that the Contractor fails to comply with this Clause 19 and it is determined that such failure is prejudicial to the interests of the Government, the Government Representative may thereupon terminate the Contract forthwith pursuant to the Termination Clauses as specified in the quotation documents.

## **20. Termination and Effects of Termination**

- 20.1 Without prejudice to any rights and claims of the Government under the Contract or otherwise at law, the Government shall be entitled to forthwith terminate the Contract if any one event mentioned in any of the clauses 20.1(i) to (xii) below occurs-
- (i) the Contractor fails to observe or perform any of the terms and conditions of the Contract and (in the case of a breach capable of being remedied but not otherwise) has failed to remedy the breach to the satisfaction of the Government Representative within seven (7) days (or such longer period as the Government Representative may, in its sole discretion, allow) after the issuance by the Government Representative to the Contractor of a request in writing requiring it to do so; or
  - (ii) the Contractor is persistently in breach of any provision of the Contract (whether the persistent breaches relate to the same provision or different provisions); or
  - (iii) any warranties or undertakings, representations made or deemed to have been made by the Contractor to the Government in the Contract or in its

quotation for the Contract or otherwise from time to time during the term of the Contract is untrue; or

- (iv) the Contractor becomes bankrupt or goes into liquidation or a petition has been filed for the bankruptcy or the winding up of the Contractor otherwise than for the purpose of a solvent reconstruction or amalgamation previously approved by the Government Representative in writing or the Contractor has become insolvent or make any composition or arrangement with creditors; or
- (v) the Contractor abandons the Contract in part or in whole; or
- (vi) the Contractor assigns or transfers or purports to assign or transfer all or any part of the Contract without the prior written consent of Government; or
- (vii) the Contractor is found to have provided or supplied any incomplete, false or incorrect statement or information or document in bidding for the Contract or from time to time during the continuance of the Contract; or
- (viii) the Contractor is found to have employed illegal workers in the execution of the Contract; or
- (ix) the Contractor has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security; or
- (x) the continued engagement of the Contractor or the continued performance of the Contract is contrary to the interest of national security; or
- (xi) the Contractor has made any false declaration or untruthful revelation in regard to the record of convictions of offences under any of the relevant Ordinances in its quotation submission made during the bidding process of the Contract; or
- (xii) the Government reasonably believes that any of the events mentioned above is about to occur.

20.2 Notwithstanding anything herein to the contrary, the Government may at any time during the continuance of the Contract, at its option and without cause, terminate the Contract by giving the Contractor one month's prior written notice of such termination.

20.3 In the event that the Contract is terminated for whatever reason or upon expiry of the Contract Period:

- (i) save for those provisions which are expressed to or which in their context appropriately survive termination, the Contract shall be of no further force



and effect, provided always the Government's rights and claims under the Contract or otherwise at law (1) arising from antecedent breaches of the Contract by the Contractor (including any breach(es) which entitle the Government to terminate the Contract) or (2) which have otherwise accrued or arisen prior to termination, shall not be prejudiced;

- (ii) subject to any rights and remedies which the Government may have under the Contract or otherwise (including any right of set off or counterclaim which the Government may have), the Government shall pay to the Contractor such portion of fee as indicated in the Contract Schedule for such part of the Services actually performed by the Contractor in strict accordance with the Contract and to the satisfaction of the Government (if not paid already);
- (iii) other than any payment under above clause 20.3(ii) above, the Government shall have no obligation to pay to the Contractor any money whatsoever;
- (iv) the Government shall not be responsible for any claim, legal proceeding, liability, loss (including any direct or indirect loss, any loss of revenue, profit, business, contract or anticipated saving), damage (including any direct, special, indirect or consequential damage of whatsoever nature) or any cost or expense, suffered or incurred by the Contractor due to the termination of the Contract;
- (v) in the case of termination other than pursuant to clause 20.2 above, the Contractor shall be liable for all costs and expenses actually incurred by the Government arising from or in the termination of the Contract; and
- (vi) in the case of termination, the Government may, without prejudice to any accrued rights and claims of Government, assign the uncompleted Services to another contractor or contractors or undertake the Services itself whereupon in the case of termination pursuant to clause 20.1 above, the Contractor shall be liable for the contract price payable to such other contractor(s) or the costs incurred by the Government for undertaking such services (as the case may be) in excess of the contract price which would have been payable to the Contractor had the Contract not been terminated plus Government's administrative charge as and for liquidated damages and not as a penalty.

## **21. Conflict of Interest**

21.1 The Contractor shall during the Contract Period and for six (6) months thereafter:

- (a) ensure that it (including each and every officer, employee and agent of the Contractor) and each of its sub-contractors and each of their respective employees, officers and agents engaged in the discharge of the obligations hereunder, and each of their respective associates and associated persons

(collectively “Restricted Group”) shall not undertake any business, activity, service, task, or job or do anything whatsoever for its own account (whether on its own or in conjunction with another person(s) in a joint venture or partnership or other business entity) or for or on behalf of another person (other than in the proper performance of the Contract) which conflicts or which may be seen to conflict with the Contractor’s duties or obligations under the Contract without the prior written approval of the Government; and;

- (b) forthwith notify the Government in writing of all or any facts which may reasonably be considered to give rise to a situation where the interests (of whatsoever nature) of the Contractor or any other member of the Restricted Group, conflict or compete, or may be seen to conflict or compete, with the Contractor’s duties or obligations under the Contract.

21.2 The Contractor shall ensure that itself and each other member of the Restricted Group shall keep themselves informed and that each other member of the Restricted Group shall inform the Contractor and keep it informed regularly of all facts which may reasonably be considered to give rise to a situation in which its and/or their interests conflict or compete, or may be seen to conflict or compete, with the Contractor’s obligations under the Contract.

21.3 In the Contract:

- (a) “associate” of a person means:
  - (i) a relative or partner of that person; or
  - (ii) a company one or more of whose directors is in common with one or more of the directors of that person;
- (b) “associated person” of a person means:
  - (i) any person who has control, directly or indirectly, over the second-mentioned person;
  - (ii) any person who is controlled, directly or indirectly, by the second-mentioned person; or
  - (iii) any person who is controlled by, or has control over, the person mentioned in (i) or (ii) above;
- (c) “control” over another person (“person under control”) means the power of a person to secure:
  - (i) by means of the holding of shares or interests or the possession of voting power in or in relation to that person under control or any other person;
  - (ii) by virtue of powers conferred by any constitution, memorandum or

articles of association, partnership, agreement or arrangement (whether legally enforceable or not) affecting that person under control or any other person; or

(iii) by virtue of holding office as a director in that person under control or any other person;

that the affairs of the person under control are conducted in accordance with the wishes of that person exercising control;

- (d) “director” means any person occupying the position of a director by whatever name called and includes a de facto or shadow director;
- (e) “relative” means the spouse, parent, child, brother or sister of the relevant person, and, in deducing such a relationship, an adopted child shall be deemed to be a child both of the natural parents and the adopting parent and a step child to be a child of both the natural parents and the step parent; and
- (f) “Restricted Group” has the meaning given to it in Clause 21.1 above.

## **22. Probity**

22.1 The Contractor acknowledges it has been reminded that:

- (a) dishonesty, theft and corruption on its part or that of its officers, employees, agents or sub-contractors are criminal offences and may lead to prosecution under section 9 of the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), sections 17, 18D and 19 of the Theft Ordinance (Chapter 210 of the Laws of Hong Kong) and section 161 of the Crimes Ordinance (Chapter 200 of the Laws of Hong Kong); and
- (b) the soliciting or accepting of advantages, as defined in the Prevention of Bribery Ordinance is not permitted.

22.2 The Contractor shall inform its officers, employees (whether permanent or temporary), agents and sub-contractors that the soliciting or accepting of advantages (as defined in the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)) is not permitted. The Contractor shall also caution its officers (including directors), employees and agents and sub-contractors against soliciting or accepting any hospitality, entertainment or inducement which may impair their impartiality in relation to the selection of its sub-contractors, if any, or the supervision of the work of the sub-contractors.

22.3 The Government shall have the right to terminate the entire Contract pursuant to Clause 20 of the General Conditions of Contract in the event that the Contractor or any of its officers, employees, agents and sub-contractors is convicted of an

offence under the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Theft Ordinance (Chapter 210 of the Laws of Hong Kong) or the Crimes Ordinance (Chapter 200 of the Laws of Hong Kong).

22.4 The Contractor shall within two (2) weeks after the commencement of the Contract draw up and submit a staff code of conduct to the Government Representative including, among other probity issues, a statement explicitly prohibiting its sub-contractor (if any), or any person employed by it to provide the Services from soliciting or accepting any form of advantages in discharging his duties under the Contract. It shall ensure that its sub-contractor (if any), or any person employed by it to provide the Services is well aware of the prohibited acts explicitly stated in Clause 22.2 above and of the staff code of conduct. The code of conduct should form part of the employment contract to ensure acknowledgement and compliance by the employees.

**23. United Nations Convention on Contracts for the International Sale of Goods not applicable**

The Government and Contractor agree that the provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Contract.

**24. Dispute Resolution and Jurisdiction**

- (a) In the case where the Contractor whose place of business is in Hong Kong or the Mainland of the People's Republic of China:-
  - (i) the Parties shall first refer any dispute or difference arising out of or in connection with the Contract to mediation in accordance with The Government of the Hong Kong Special Administrative Region Mediation Rules prevailing at the time ("Mediation Rules"); and
  - (ii) if the said dispute or difference is not settled by mediation according to Clause 24(a)(i) above, a Party may institute litigation in respect of the said dispute or difference. The Parties agree that the courts of Hong Kong shall have exclusive jurisdiction in respect of the said dispute or difference.
- (b) In the case where the Contractor whose place of business is not in a jurisdiction which is Hong Kong or the Mainland of the People's Republic of China:-
  - (i) the Parties shall first refer any dispute or difference arising out of or in connection with the Contract to mediation in accordance with the Mediation Rules; and
  - (ii) if the said dispute or difference is not settled by mediation according to

Clause 24(b)(i) above, the said dispute or difference shall be adjudicated by arbitration to be held in accordance with the Hong Kong International Arbitration Centre Domestic Arbitration Rules prevailing at the time when a notice of arbitration is issued by a Party (“Arbitration Rules”) except that regardless of whether the Arbitration Rules providing anything to the contrary, unless the Parties otherwise agree in writing: (i) the arbitration hearing must be held in Hong Kong and that the Arbitration Ordinance (Chapter 609 of the Laws of Hong Kong) shall apply to the arbitration (including the whole of Schedule 2); and (ii) without prejudice to section 18(2) of the Arbitration Ordinance, the Government may on its own disclose any information relating to (1) the arbitral proceedings under the arbitration agreement; and (2) an award made in those arbitral proceedings.

## **25. Order of Precedence**

In the event that there is any conflict, contradiction or ambiguity between any documents which form part of the Contract, the following order of precedence shall be applied in order to resolve any such conflict, contradiction or ambiguity:

- (a) Special Conditions of Contract
- (b) Services Specifications
- (c) General Conditions of Contract
- (d) Schedule/ Contract Schedule