

**Sir David Trench Fund for Recreation (Main Fund)
Procedural Guidelines for Successful Applicants
of Capital Works Project and / or Special Project 2019-20**

1. Introduction

These procedural guidelines set out the necessary requirements which the successful applicants of Capital Works Project and / or Special Project under the Sir David Trench Fund for Recreation (Main Fund) (SDTFR) must comply. The guidelines should be read in conjunction with the approval letter (Approval Letter) issued by the Secretariat of the Sir David Trench Fund Committee (the Secretariat) to the successful applicants.

2. Important Points to Note

- a) The Secretariat informs the successful applicant of an approved project with an Approval Letter listing out the approved item(s) with respective cost(s). The total grant means the ceiling of grant for the approved project. The actual grant to be disbursed will be adjusted according to the approved tender sum, subject to the ceiling of grant.
- b) The approved project cost is made up of two parts of costs, i.e. “brick and mortar” part¹ and “furniture and equipment” part². The distinction of costs is for the successful applicant to follow the respective sets of tendering procedures set out in paragraphs 4 and 5 below.
- c) One of the tendering procedures refers to the invitation of tenders. It should be noted that the invitation of tenders must be conducted afresh. The quotations / tenders obtained during the application stage are for initial cost estimation only and cannot be used as a substitute of this tendering requirement.
- d) The successful applicant should advise its members or employees or agents to avoid any conflict of their private interest, whether past, present or future, with their official duties in the successful applicant and declare any such conflict to the successful applicant which should report the same promptly to the Secretariat. Potential conflict of interest, if any, should be declared in the reply slip.
- e) The successful applicant must immediately report to the Secretariat if it obtains funds from other sources, e.g. the Hong Kong Jockey Club

¹ “Brick and mortar” part normally refers to costs incurred for builder works, installation works and / or fitting-out works (including professional and design fees). A Capital Works Project normally comprises “brick and mortar” part of costs only.

² “Furniture and Equipment” part normally refers to cost incurred for purchase of furniture and equipment items for direct sporting use.

Charities Trust, etc., to finance the approved project. If that is the case, the successful applicant must use funds from other sources in the first instance. The grant from the SDTFR should be utilised only when funds from other sources are exhausted.

- f) The successful applicant should designate one contact person and one project manager, if any, as its representative (they can be the same person) for the project and inform this Secretariat accordingly.
- g) The successful applicant should submit an implementation timetable for the project (including estimated project commencement and completion date) before the commencement of work. When submitting requests for disbursement, the successful applicant should provide the exact dates of project commencement and completion.
- h) Unless specified, the guidelines for Special Project are also applicable to projects under Community, Culture & Sports Initiatives.

3. Letter of Indemnity

The successful applicant is required to return the reply slip (copy at **Annex I**) to the Secretariat within 14 days from the date of the Approval Letter.

4. Tendering Procedures (applicable to “brick and mortar” part of costs)

- I. For approved project cost (“brick and mortar” part) less than \$827,000³:
 - a) The successful applicant should invite not less than five quotations from reliable contractors capable of supplying or performing the work. A copy of the invitation letter to the contractors and all the quotations received together with the successful applicant’s recommendation should be forwarded to the Secretariat for approval. Under normal circumstances, the successful applicant should recommend the lowest quotation in full compliance with the specifications for acceptance. If the successful applicant recommends accepting a higher conforming quotation, it must provide full justifications for the consideration of the Secretariat.
 - b) The successful applicant should not accept the quotation until the Secretariat has expressed no objection in writing for it to accept the quotation. A copy of the letter of acceptance issued to the successful contractor should be forwarded to the Secretariat.

³ This figure is only subject to applications of Capital Works Project and / or Special Project 2019-20.

- c) The successful applicant is responsible to ensure that the approved project (“brick and mortar” part) is carried out in full compliance with all government legislations and regulations, e.g. Buildings Ordinance, etc.

II. For approved project cost (“brick and mortar” part) between \$827,000 and \$1,983,000³ :

- a) The procedures set out in **Annex II** for inviting tenders should be followed. The successful applicant should invite not less than five tenders from contractors on the List of Approved Contractors for Public Works. The list is available on the website of the Development Bureau at http://www.devb.gov.hk/en/construction_sector_matters/contractors/index.html. The appointment of an Authorised Person is not mandatory.
- b) Tenders must be strictly comparable and must include all works to be executed. If it has not been possible to obtain the required number of tenders, the circumstances should be explained and the names of the contractors who declined to tender should be provided to the Secretariat.
- c) Tenderers invited to tender should be provided with full specifications of the standard of workmanship and material required. The successful applicant should prepare a tender report containing detailed analysis and recommendations on tenders received. A copy of the tender invitation letter to the contractors and all the tenders obtained together with the tender report should be sent to the Secretariat for approval. Under normal circumstances, the successful applicant should recommend the lowest tender in full compliance with the specifications for acceptance. If the successful applicant recommends accepting a higher conforming quotation, it must provide full justifications for the consideration of the Secretariat.
- d) The successful applicant should not accept the tender until the Secretariat has expressed no objection in writing for it to accept the tender. A copy of the letter of acceptance issued to the successful tenderer should be forwarded to the Secretariat.
- e) The successful applicant is responsible to ensure that the approved project (“brick and mortar” part) is carried out in full compliance with all government legislations and regulations, e.g. Buildings Ordinance, etc.

III. For approved project cost (“brick and mortar” part) more than \$1,983,000³:

- a) The procedures at **Annex II** for inviting tenders should be followed. The successful applicant should invite not less than five tenders from contractors on the List of Approved Contractors for Public Works. The list is available on the website of the Development Bureau at http://www.devb.gov.hk/en/construction_sector_matters/contractors/index.html. An Authorised Person should be employed to supervise the work and monitor the tendering procedures.
- b) Tenders must be strictly comparable and must include all works to be executed. If it has not been possible to obtain the required number of tenders, the circumstances should be explained and the names of the contractors who declined to tender should be provided to the Secretariat.
- c) Tenderers invited to tender should be provided with full specifications of the standard of workmanship and material required. The successful applicant should prepare a tender report containing detailed analysis and recommendations on tenders received. A copy of the tender invitation letter to the contractors and all the tenders obtained together with the tender report should be sent to the Secretariat for approval. Under normal circumstances, the successful applicant should recommend the lowest tender in full compliance with the specifications for acceptance. If the successful applicant recommends accepting a higher conforming quotation, it must provide full justifications for the consideration of the Secretariat.
- d) The successful applicant should not accept the tender until the Secretariat has expressed no objection in writing for it to accept the tender. A copy of the letter of acceptance issued to the successful tenderer should be forwarded to the Secretariat.
- e) The successful applicant is responsible to ensure that the approved project (“brick and mortar” part) is carried out in full compliance with all government legislations and regulations, e.g. Buildings Ordinance, etc.

5. Tendering Procedures (applicable to “furniture and equipment” part of costs)

I. For approved project cost (“furniture and equipment” part) less than \$827,000³:

- a) The successful applicant should invite at least five quotations from reliable suppliers. A copy of the letter sent to the suppliers for inviting quotations and all the quotations received together

with the successful applicant's recommendation should be forwarded to the Secretariat for approval. Under normal circumstances, the successful applicant should recommend the lowest quotation in full compliance with the specifications for acceptance. If the successful applicant recommends accepting a higher conforming quotation, it must provide full justifications for the consideration of the Secretariat.

- b) The successful applicant should not accept the quotation until the Secretariat has expressed no objection in writing for it to accept the quotation. A copy of the letter of acceptance issued to the successful supplier should be forwarded to the Secretariat.

II. For approved project cost ("furniture and equipment" part) more than \$827,000³:

- a) The procedures at **Annex II** for inviting tenders should be followed. The successful applicant should invite tenders from potential suppliers (samples of the standard letter and form of reply at **Annexes III and IV** respectively). At least five tenders should be invited.
- b) Tenders must be strictly comparable and must include all items to be supplied. If it has not been possible to obtain the required number of tenders, the circumstances should be explained and the names of the suppliers who declined to tender should be provided to the Secretariat.
- c) Tenderers invited to tender should be provided with full specifications of the standard of workmanship and material required. The successful applicant should prepare a tender report containing detailed analysis and recommendations on tenders received. A copy of the tender invitation letter to the suppliers and all the tenders obtained together with the tender report should be sent to the Secretariat for approval. Under normal circumstances, the successful applicant should recommend the lowest tender in full compliance with the specifications for acceptance. If the successful applicant recommends accepting a higher conforming quotation, it must provide full justifications for the consideration of the Secretariat.
- d) The successful applicant should not accept the tender until the Secretariat has expressed no objection in writing for it to accept the tender. A copy of the letter of acceptance issued to the successful supplier should be forwarded to the Secretariat.

6. Financial Commitment

Any financial commitment accepted without prior approval of the Secretariat shall be the sole responsibility of the successful applicant.

7. Inspection of Works

The successful applicant should conduct half-yearly inspection, the result of which should be recorded and maintained properly. The headquarters office of the successful applicant should also conduct random / surprise inspection.

8. Accounting Arrangements

For “brick and mortar” part of costs

I. For grants of approved project cost less than \$827,000³:

i) Disbursement of approved grant will be made through the Secretariat by the Treasury after all “brick and mortar” type of works are satisfactorily completed. The successful applicant should submit the following documents to the Secretariat:

(a) duly completed Appendix I attached to the Approval Letter;

(b) photos of facilities completed;

(c) original official invoice(s) and receipt(s) duly certified by the Head of the successful applicant and one of the senior officials not lower than the rank of General Secretary (e.g. the Director plus General Secretary or Treasurer) in the following manner:

Certified correct and the contractor(s) has/have completed the works satisfactorily.

Signatures : _____
 () ()

Title : Director/General Secretary/Treasurer/etc.

Name of Organisation : _____

ii) Each page of the invoice(s) and receipt(s) (if more than one) should be certified in the said manner. Other supporting claim documents should be certified by the successful applicant by marking “Certified Correct” thereon.

II. For grants of approved project cost between \$827,000 and \$1,983,000³:

- i) The successful applicant should keep a designated bank account for the approved project.
- ii) The successful applicant may claim interim disbursement⁴ of up to 60% of the approved grant from the Treasury via the Secretariat.
- iii) Disbursement of the remaining 40% of the approved grant will be made by the Treasury via the Secretariat after all “brick and mortar” type of works are satisfactorily completed. In this connection, the successful applicant should forward to the Secretariat the final accounts audited by the certified public accountant, certificate of completion / payment and related documents certified by the Head of the successful applicant and one of the senior officials not lower than the rank of General Secretary.
- iv) The successful applicant should submit the following documents to the Secretariat:
 - (a) duly completed Appendix I attached to the Approval Letter;
 - (b) photos of facilities completed;
 - (c) original official invoice(s) and receipt(s) duly certified by the Head of the successful applicant and one of the senior officials not lower than the rank of General Secretary in the following manner:

Certified correct and the contractor(s) has/have completed the works (funded by the grant of Sir David Trench Fund for Recreation (Main Fund) now to be disbursed) satisfactorily.

Signatures : _____
 () ()

Title : Director/General Secretary/Treasurer/etc.

Name of Organisation : _____

- (d) final accounts of Special Project audited by a registered public accountant in compliance with all the terms and conditions as set out in the Approval Letter and the guidelines.

⁴ The successful applicant needs to settle the expenses first and claim for disbursement of up to 60% of the approved grant from the Secretariat.

- v) Each page of the invoice(s) and receipt(s) (if more than one) should be certified in the said manner. Other supporting claim documents should be certified by the successful applicant by marking “Certified Correct” thereon.

III. For approved project cost more than \$1,983,000³:

- i) The successful applicant should keep a designated bank account for the approved project.
- ii) The successful applicant may claim for interim disbursement⁴ of to 60% of the approved grant from the Treasury via the Secretariat.
- iii) Payment of the remaining 40% of the approved grant will be made by the Treasury via the Secretariat after all “brick and mortar” type of works are satisfactorily completed. In this connection, the successful applicant should forward to the Secretariat the final accounts audited by the certified public accountant, certificate of completion/payment and related documents certified by the Authorised Person (**Annex V**) together with the Head of the successful applicant and one of the senior officials not lower than the rank of General Secretary.
- iv) The successful applicant should submit the following documents to the Secretariat:
- (a) duly completed Appendix I attached to the Approval Letter;
- (b) photos of facilities completed;
- (c) original official invoice(s) and receipt(s) duly certified by the Head of the applicant and one of the senior officials not lower than the rank of General Secretary in the following manner:

Certified correct and the contractor(s) has/have completed the works (funded by the grant of Sir David Trench Fund for Recreation (Main Fund) now to be disbursed) satisfactorily.

Signatures : _____
 () ()

Title : Director/General Secretary/Treasurer/etc.

Name of Organisation : _____

- (d) final accounts of Special Project audited by a registered public accountant in compliance with all the terms and conditions as set out in the Approval Letter and the guidelines.

v) Each page of the invoice(s) and receipt(s) (if more than one) should be certified in the said manner. Other supporting claim documents should be certified by the successful applicant by marking “Certified Correct” thereon.

IV. In the event that a claim (applicable to I, II and III above) consists of more than one receipt or invoice, an itemised statement showing clearly the total amount to be claimed should be prepared and forwarded to the Secretariat together with the receipts or invoices in support of the claim.

V. If the approved grant is to be paid by several installments (applicable to I, II and III above), then the successful applicant should indicate the amount that has already been claimed, the amount to be claimed and the balance, if any, in the following format –

<u>Ref No</u>	<u>Approved Grant</u>	<u>Amount Already Claimed</u>	<u>Amount Claimed Now</u>	<u>Balance*</u>
	\$	\$	\$	\$

VI. When a project is not completely financed by the SDTFR, the successful applicant is required to certify (by submitting Authorised Person’s certificates, receipts etc.) that its own funds have been used in the first instance before using the grant from the SDTFR.

For “furniture and equipment” part of costs

- I. For approved project cost (“furniture and equipment” part) more than \$827,000³, the successful applicant should keep a designated bank account for the approved project.
- II. The successful applicant should procure the approved “furniture and equipment” items with its own funds and seek disbursement from the Secretariat. A cheque in Hong Kong dollars will be issued by the Treasury to the successful applicant when all accounting arrangements are checked in order.
- III. The successful applicant should submit the following documents to the Secretariat to claim for disbursement of approved grant:
 - a) duly completed Appendix I attached to the Approval Letter;
 - b) photos of equipment received;
 - c) original invoice(s) and receipt(s) of the approved “furniture and equipment” items. The invoice(s) and receipt(s) must be

* Please state whether the unspent balance (if any) is still required or may be reverted to the Fund.

certified by the Head and one of the senior officials of the organisation not lower than the rank of General Secretary in the following manner :

<p>Certified correct and the equipment purchased has been received in good order.</p> <p>Signatures : _____ () ()</p> <p>Title : Director/General Secretary//Treasurer/etc.</p> <p>Name of Organisation : _____</p>
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d) for approved project cost (“furniture and equipment” part) more than \$827,000³, the final accounts of Special Project audited by a registered public accountant in compliance with all the terms and conditions as set out in the Approval Letter and the guidelines.

- IV. Each page of the invoice(s) and receipt(s) (if more than one) should be certified in the said manner.
- V. Supporting claim documents other than invoice(s) and receipt(s) should be certified by the successful applicant by marking “Certified Correct” thereon.
- VI. In the event that the claim consists of more than one receipt or invoice, the successful applicant should submit an itemised statement showing clearly the total amount to be claimed to the Secretariat together with the receipts or invoices in support of the claim.
- VII. If the approved grant is to be paid by several installments, the successful applicant should indicate the amount that has already been claimed, the amount to be claimed and the balance, if any, in the following format –

<u>Ref No</u>	<u>Approved Grant</u>	<u>Amount Already Claimed</u>	<u>Amount Claimed Now</u>	<u>Balance*</u>
	\$	\$	\$	\$

VIII. When a project is not completely financed by the SDTFR, the successful applicant is required to certify (by submitting Authorised Person’s certificates, receipts etc.) that its own funds have been used in the first instance before using the grant from the SDTFR.

* Please state whether the unspent balance (if any) is still required or may be reverted to the Fund.

9. Monitoring Arrangement

For “brick and mortar” type of works

- I. Any variation in the use of a grant from the details laid down in the Approval Letter must be submitted to the Secretariat for prior approval.
- II. Virement of grant is permissible in case of price variation. The surplus of one item can be used to cover the deficit of another item as long as (i) all items approved are purchased, (ii) not exceeding the total approved amount of grant and (iii) the virement is among items under the same part of grant. Virement across parts, e.g. between “brick and mortar” and “furniture and equipment” parts is NOT allowed.
- III. The successful applicant must submit quarterly progress reports (**Annex VI**) to the Secretariat detailing the latest developments of the approved project.
- IV. The successful applicant must submit full reports (**Annex VII**) to the Secretariat by six months and annually after completion of the project, which account for the facilities’ utilisation and evaluation of the degree of satisfaction with the performance of the contractor (and, if so requested, an audited statement of accounts, the expenditure of which will be borne by the organisation).
- V. The Secretariat may visit the facilities to ensure that the approved grant has been properly spent.

For “furniture and equipment” type of works

- I. Any variation in the use of a grant from the details laid down in the Approval Letter must be submitted to the Secretariat for prior approval.
- II. Virement of grant is permissible in case of price variation. The surplus of one item can be used to cover the deficit of another item as long as (i) all items approved are purchased, (ii) not exceeding the total approved amount of grant and (iii) the virement is among items under the same part of grant. Virement across parts, e.g. between “brick and mortar” and “furniture and equipment” parts is NOT allowed.
- III. The successful applicant must submit quarterly progress reports (**Annex VI**) to the Secretariat detailing the latest developments of the approved project.

- IV. The successful applicant should submit full reports (**Annex VII**) to the Secretariat by six months and annually after procurement of the approved items. The reports should contain a fairly detailed description of the activities with which the equipment purchased were used and the storage of the equipment. It should include details of the use of the purchased equipment, names, dates and venues of activities held, and the number of participants and so forth.
- V. The Secretariat may conduct an audit on the items purchased to ensure that the approved grant has been properly spent.

10. Acknowledgement

The successful applicant should arrange to:

- i) acknowledge the receipt of grant from the SDTFR on its website and / or its publications such as newsletters (if no website is available). The acknowledgement should contain the following information in both English and Chinese:

(Name of the organisation) has been granted funding from the Sir David Trench Fund for Recreation (Main Fund) for 2019-20 to support its (project name) under (type of the project).
(機構名稱)獲二零一九至二零年度戴麟趾爵士康樂基金(主要基金)撥款資助(計劃類別)下的(計劃名稱)。

A copy of the acknowledgement should be provided to the Secretariat for reference.

- ii) acknowledge the SDTFR by placing a plaque on the facility funded by the SDTFR. For “Furniture and equipment” items, the successful applicant should arrange to have a sticker or plaque placed on those items. Standard plaques of sizes measuring 29.7cm × 21cm (A4) and 21cm × 14.8cm (A5), and stickers of sizes measuring 12cm × 7cm and 5.4cm × 3cm are available from the Secretariat on request. E-version of the Fund’s logo will be provided on request for producing tailor-made plaques or silkscreening the logo on the funded items subject to the Secretariat’s prior approval.

- iii) acknowledge the support of the SDTFR prominently in all relevant publicity and / or promotional materials, including but not limited to posters, leaflets, enrolment forms, etc., for all events / programmes using the funded items.

Secretariat of Sir David Trench Fund Committee
December 2019