



FACSIMILE TRANSMISSION

Date : 12/07/1999 Fax No. : 2845 1641

To : Cheung Kong Property Development Ltd.

Attn. : Mr. Albert Lui

From : Stephen Lai

c.c. : Cheung Kong Property Development Ltd. - Mr. Anthony Kwan (2525 9230)
Hsin Yieh Architects & Engineers Ltd. - Mr. Alfred Tam (2564 2069)

Ref. : Tung Chung Development - Package Three (Job No:2525.5)

Total No. of Pages : 2 (including this page)

Levett & Bailey
Chartered Quantity Surveyors
利比士工程測量師

Eastern Central Plaza 20th Floor
3 Yiu Hing Road
Shaohkwan
Hong Kong

Telephone : (852) 2823 1823
Facsimile : (852) 2861 1283
E-mail: surveyor@lbb.com.hk

Construction of Sales Office (Contract No.:505)

Contract arrangement

We refer to the meeting held among CKPDL, HYAE and L&B on 9/7/1999 regarding the captioned matter.

We opine that Sectional Completion may not be suitable for this Contract because the portion of work to be sectionally completed is actually not a complete structure. When we require the Main Contractor to complete the building envelope ready for the fitting-out works nominated sub-contractor to execute his works within 135 days, the building envelope will not be of a state or standard which is acceptable to the Architect. The word "complete" merely means that the area is ready for the fitting-out works nominated sub-contractor to commence his construction, i.e. the erection of show flats and the Main Contractor has to provide attendance on the fitting-out works nominated sub-contractor throughout the remaining contract period. This is quite uncommon to issue a Certificate of Sectional Completion at this stage as the Architect cannot certify that the works are capable of occupation or use by the Employer.

As an alternative, we propose to delete all the milestone dates and have only one "Date for Completion" for the whole of the Works. However, we shall state in the Specification 'A' - Preliminaries the tentative date for the fitting-out works nominated sub-contractor to commence his works (i.e. 135 days from the Date for Possession) so that the Main Contractor can programme his construction sequence to accommodate this requirement. Furthermore, in order to try to ensure the Main Contractor will have the basic building envelope ready on time, we shall add "The Main Contractor is responsible for the provision of attendance on the Nominated Sub-Contractor, coordinate and sequence the work

Sectional Completion

- 2 -

programmes to suit the progress of the Nominated Sub-Contractor. He shall also need to carry out all work necessitated by any failure in such arrangement and to indemnify the Employer against all expenses properly incurred as a result of such failure." in Section 2.03 - Works to be carried out by Nominated Sub-Contractor of the Specification 'A' - Preliminaries.

Your comments on the above proposed arrangement would be much appreciated.

Regards,

SL/LSW/LF

Sectional completion of structure
not recommended,
for starting N.S.C. fitting out works

statement for ensure
MC to provide envelope for fitting out works

cc-f
AC