SAMPLE

Letter of Award (Without Project Consultant)

Date:

[ABC Construction Co. Ltd.]

[Address]

Dear Sirs,

Re : [TITLE OF CONTRACT] —LETTER OF AWARD

We thank you for your Tender submitted on _____**[Date]** and the subsequent discussions in connection with the above contract.

I have been duly authorized by the **[Name of the Owners' Corporation]** (hereafter referred to as the Employer), to award to you the contract for the captioned works.

The award is subject to the following terms and conditions:-

1. Work Details

The details of the Works are described in the following documents : *(see Drafting Note 1)*

Drafting Note 1:
OCs should include all the Schedule of Works, Drawings and Specifications issued to or submitted by the successful tenderer.

2. Contract Sum

The price for the Works shall be in the amount of HK$ _____(Hong Kong Dollars _____Only). The price is deemed to include the cost of all works necessary for the timely and satisfactory completion of the Works in its entirely.

3. Commencement and Completion Dates

Possession of the Site for commencement of the Works shall be _____**[Date]**, which will also be the Commencement Date of the Contract. *(see Drafting Note 2)*

Drafting Note 2:
The date, usually 2 weeks to 1 month from the date of award, is agreed between the OC and the contractor.

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The whole of the Works shall be completed within _____calendar days from the Commencement Date, that is to say, the Completion Date shall be _____ **[Date]**. *(see Drafting Note 3)*

Drafting Note 3:
The dates should be agreed between the OC and the contractor.

4. Contract Documents

The following letters and documents shall constitute integral parts of the contract hereby awarded :

4.1
4.2 (See Drafting Note 4)
4.3

4.4 The terms and conditions stated in this letter shall prevail in the event of any inconsistency between the terms and conditions stated in the earlier letters and documents identified above.

Drafting Note 4:
The list of letters and documents that constitute integral parts of the contract may include the Form of Tender, drawings, specifications, relevant correspondence and agreements reached between the OC and the contractor, etc. at the tender stage.

5. Contract Conditions

5.1 Contractor's obligations

5.1.1 The Contractor shall organize, carry out and complete the Works diligently and in a good and workmanlike manner, in accordance with the Work Details and the provisions of this Letter of Award. The Contractor shall complete the Works using reasonable skill and care including the selection of any specifications for the materials and goods and workmanship to be used in the Works so far as not stated in the Work Details.

5.1.2 The Contractor shall comply with any and all statutory requirements applicable to the Works including obtaining all approvals and consents and paying all fees and charges including those due to statutory undertakers and utility companies. The Contractor shall also comply with any Deed of Mutual Covenant and Management Agreement in respect of the working hours, control of air, noise, wastewater and waste, delivery of materials and goods, connection to public services, etc.

5.2 Payment

5.2.1 The Employer shall pay the Contractor in accordance with clauses 5.2.3 and 5.2.4 by stage payment (See Drafting Note 5) shown below when each of the following stages of the Works is completed.

Stage	Payment
_____	HK$ _____
_____	HK$ _____
_____	HK$ _____

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Drafting Note 5:
Describe each work stage and the corresponding amount of payment.

5.2.2 When all of the Works are properly completed or when each stage of the work described in clause 5.2.1 is properly completed, the Contractor shall give the Employer an invoice for the amount due. For the purposes of this clause, the Works or each stage of Works shall be considered as being properly completed only when they are free from obvious defects.

5.2.3 The Employer shall pay _____[a percentage to be decided by the OC, e.g. 90%] of the amount of the invoice within 7 days after receiving the invoice from the Contractor unless a greater sum has already been paid.

5.2.4 The Employer shall pay the remaining portion of the amount of the invoice or invoices not more than 7 days after the Contractor has made good all defects in the Works which may be or become apparent at any time within_____[the number of months for the defect liability period to be determined by the OC, e.g. 3 months] after its completion.

5.3 Injury, damage and insurance

5.3.1 The Contractor shall be liable for, and shall indemnify the Employer against, any expense, liability, loss, claim and damage which may be caused to his employees and his sub-contractor's employees of all tiers, or to the Premises and its contents, the Works or neighbouring properties.

5.3.2 Without prejudice to his obligation to indemnify the Employer, the Contractor shall take out and maintain, in the joint names of the Employer, himself and his sub-contractors of all tiers,

(a) Contractor's All Risks insurance to cover the full reinstatement value of the Works;

(b) Third Party Liability insurance to cover the liability to the third party in respect of bodily injury or death and damage to properties with a minimum amount of HK$_____for any one occurrence or series of occurrences arising out of any one event, and

(c) Employees' Compensation insurance in compliance with the Employees Compensation Ordinance to cover claims for bodily injury to or the death of any workers employed in connection with the Works.

6. Ethical Commitment Clauses

[Note : same as the sample provisions in "Ethical Commitment Clauses for inclusion in the Contract"]

Please signify your acceptance of the terms and conditions of this award by signing and returning the duplicate copy to us immediately. The original of this Letter of Award is for your retention.

Your Tender together with the duly signed copy of this Letter of Award shall constitute a binding contract between you and the Employer.

Please submit the following to us for approval prior to the Commencement Date of the Contract :

1. A works program.
2. Insurance policies and premium receipts for the Works in accordance with the Tender Documents.

SAMPLE

Yours faithfully,

Signature:_____

Name:_____

Chairman

Management Committee of the Owners' Corporation

c.c.

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acknowledgement

I, _____in the capacity of _____duly authorized to sign for and on behalf of **[Contractor's Name]** hereby confirm acceptance of the terms and conditions stipulated in this letter.

_____

Signature & Stamp of Contractor

Date : _____

(See Drafting Note 5)

Drafting Note 5

Space the letter such that the "Acknowledgement" portion is an integral part of the last page

_____

Important Note

This sample Letter of Award is only for simple and small scale of works, aiming to provide a general reference to the OCs, and it does not purport to cater for all possible situations and types of works. OCs may also consider using a Form of Contract, and if so, they may make reference to the sample contract documents published by the professional bodies, e.g. the "Standard Form of Contract For Decoration, Repair and Maintenance Works" issued by the Hong Kong Institute of Surveyor.

When preparing the Form of Contract / Letter of Award, OCs may wish to consider the need to include the clauses listed in Checklist D (page 21 of the Toolkit) in the document.