



**DISCOVERY BAY HILLGROVE VILLAGE OWNERS' COMMITTEE**

**Minutes of Meeting No 4 2011-2012**

**held on 27 October 2011, 8:00 pm in Discovery Bay Office Centre**

**Present:**

Mr Christian Chasset	(CC)	- Chairman
Mr. Michael McGuire	(MMG)	- Vice-Chairman
Ms Alice Li	(AL)	- Member
Mr. Chung Kwok Wah	(CKW)	- Member
Mr. Chan Ping Leung	(CPL)	- Member
Ms Daggie Tse	(DT)	- Member
Mr. Ho Kin Lok	(HKL)	- Member
Mr. Lee Shap Chun	(LSC)	- Member
Mr. Ravi Ranjan	(RR)	- Member
Ms. Umehara Yukiko	(UY)	- Member
Mr. Kenneth Chan	(CYY)	- Senior Manager, Estate – City Management (CM)
Mr. G H Koo	(GH)	- Manager, Estate – CM
Mr. Sam Lo	(SL)	- Manager, Contracts – CM
Mr. Kelvin Siu	(KS)	- Officer, Estate – CM
Mr. Calvin Ting	(CT)	- Assistant Officer, Estate – CM
Ms Emliy Yuen	(EY)	- Officer, Community Relations – CM
Ms Peral Curren	(PC)	- Officer, Community Relations – CM

**Absent with Apologies:**

Mr. Fan Chak Wah	(FCW)	- Member
Mr. Law Chi Wing	(LCW)	- Member
Ms. Wong Wai Man	(WWM)	- Member

**In Attendance:**

Mr. Chiu Tat Hung	(CTH)	- Brilliance Court
Mr. Lam Pak Keung	(LPK)	- Brilliance Court
Ms. Lo Yuk Shan	(LYS)	- Brilliance Court

**1. Confirmation of Previous Meeting Minutes**

The meeting minutes of the Village Owners' Committee (VOC) Meeting No 3 of 22 September 2011 was approved.

CC suggested proceeding to Item No 5 of the Agenda, i.e. Update on Outstanding Issues of Renovation Project. The Committee agreed.

## 2. Update on Outstanding Issues of Renovation Project

CC welcomed the owners present in this Meeting. He mentioned that before this meeting, he had received a communication jointly signed by about twenty owners of Hillgrove including an exchange of letters between CM and SkyPac raising concern about the integrity of the tenderer Sky Pacific Architects and Surveyors Consulting Limited (SkyPac) and requesting to exclude SkyPac from this tendering exercise. In response to this communication, CC replied to these owners enclosing two earlier letters from SkyPac furnished by CM about the very same renovation in Peninsula Village of Discovery Bay: Blossom, Cherish and Twilight making declaration that the company was not subject to any litigation, criminal or bribery investigation. For easy reference, CM provided translation of these two letters and also copied the whole set of the correspondence to these owners. CC also mentioned that this tenderer was the best at the interview and offered the best price. CC then invited the owners present to join the discussion and to express their views or queries in this matter.

LYS mentioned that she had been approached by two owners in the mid-October during which the two owners explained to her about some bad job reference of SkyPac in Discovery Bay and in other part of the territory. Upon the request of the two owners, she signed the letter as she felt that this was a great concern to her. However she said that she was now confused as the communication above presented to her by the owners at the time did not include the exchange of letters presented by CC at the Meeting. The letters being self-explanatory and in contradiction to the communication presented to her by the said owners.

### 2.1 History of Tender Progress

Before the discussion, CM provided a brief account of the work done by the Committee in the past eleven months for the tender exercise:

December 2010	First discussion about Hillgrove upcoming renovation project and the scoring ratio of two-envelop system, as well as forming Renovation Working Group (RWG).
December 2010	Notice of working group formation sent out to residents.
January 2011	All VOC members agreed to be RWG members. Briefly discussed the time frame of the renovation project.
March 2011	Confirmation of a preliminary condition survey questionnaire to residents. Time frame for the whole renovation project. Past performance of consultants worked in Discovery Bay.
April 2011	Questionnaire sent out to all owners / residents by post or distributed into letter box.

May 2011	Discussion on condition survey questionnaire results, and advertising in newspapers to invite consultants. Agreed by the Committee.
May 2011	Advertising in Sing Tao and South China Morning Post respectively for express of interest.
June 2011	Chairman speech during Annual General Meeting - Update of Renovation was mentioned to residents.
July 2011	Confirmation of two-envelop scoring system with Members and 13 firms (which had expressed their interest to tender) out of the 22 which would be included for invitations.
August 2011	Sending out invitation document to the selected 13 firms.
September 2011	Opening the first envelop.
September 2011	Confirmation of 5 firms being invited to the tender interview on 15 October.
15 October 2011	Tender interview started at 9:30am and finished at about 3:30pm. SkyPac were rated the highest score at 90.67, while Wealthy Gate Architects and Associates Limited, the second at 79.43. Grand Winning Consultants Limited ranked the third at 73.43.

## 2.2 Query raised by Owner

LPK felt that VOC might incline to award the job to SkyPac which were rated the highest score in term of both technical and price aspects. He then submitted copies of alleged correspondence and alleged meeting minutes regarding projects under SkyPac with other management companies and Incorporated Owners showing dispute and disagreement occurring during works in other part of Hong Kong. He believed that the performance of SkyPac was questionable. Since renovation was important to all the owners in Hillgrove, he felt that he had the duty to advise the Committee and the owners on this information as much as possible, so that the appointment could be reviewed in a more comprehensive manner. He further anticipated that if this information could not be clarified, it was likely to generate bias among the owners against SkyPac. As a result, it would badly affect the venture if SkyPac were awarded the contract.

In view of the above, he proposed the following three options to solve the dilemma:

Option A - To award Stage A of the contract only to SkyPac, and to revisit the tendering process for Stages B and C;

- Option B - To re-tender the consultancy service contract as a whole with new group of consultancy firms in three months' or four months' time; or
- Option C - To carry out price negotiation with Wealthy Gate Architects and Associates Limited in order to achieve a level of prices acceptable to the Hillgrove owners.

### 2.3 Comment from the Chairman

CC clarified that the project run by SkyPac that LPK was referring to was the Blossom, Cherish and Twilight renovation in Peninsula Village (DB) which has been going on for about 2.5 years. CC explained that he learnt from the Peninsula VOC Chairperson that the delay was caused by communication issues among the renovation working group and its convener, Mr Albert Chu, and not by the consultancy performance delivered.

In addition, CC also said he had approached Chairpersons of other VOCs and CM for a reference check. The replies from both Chairpersons and CM Senior Manager, Estate showed that there was no factual evidence to prove any allegation of criminal or bribery accusation to be true. The performance of Stage A condition survey was generally acceptable, however, there was some discontentment in one village about the Stage C project management during which the Clerk of Works did not perform well in a project.

CC stressed that the Hillgrove VOC was open-minded. Working on a democratic principle, any feedback or suggestion from the owners was welcome.

### 2.4 Current Projects run by SkyPac in Discovery Bay

LYS asked how many projects in Discovery Bay had been awarded to SkyPac currently. CM replied that there were a total of five (5) in various stages as set out below:

Blossom Cherish Twilight Courts in Peninsula in Stage A  
La Costa in Stage A  
Lower Caperidge Drive with project completed  
Midvale with project completed  
Parkland in Stage A

### 2.5 Comments from The Committee

CC then invited Members to express their comments on the matter.

MMG and RR were of the opinion that any allegation should be supported by evidence, without which an allegation could not be substantiated and should be disregarded. Rumours should never be taken for granted. Further, the Committee had spent a considerable amount of hours to work out the tender

result and this needed to be taken into account. Although there was a risk in employing SkyPac in view of the above unfavourable information, the owners would also expose themselves to another risk of excluding SkyPac which would possibly result in a higher cost for less-satisfactory performance with other firm. According to the tender interview, SkyPac rated the highest tenderer by the panel. However, AL and CKW argued that they did not have any knowledge about the above allegation until this Meeting; otherwise the scoring result might have been different.

DT commented that the main issue was not for the Committee or the owners to prove whether these allegations were true or not, but the discussion revealed that the owners had no confidence in appointing SkyPac for the renovation. To move forward, it was more preferred to vote for the options above as not to jeopardize the whole process. On the other hand, RR believed that it would be imprudent to rush into any option while pro and cons should be considered. RR asked if there was any contingency in case of similar scenario. Also, in absence of evidence to support the allegations, it would be unreasonable to dis-qualify a tenderer.

LPK pointed out that there was a difficulty in Option A regarding the continuity of project management. The project manager of Stages B and C might hold a different opinion from the condition survey render by the surveyor of Stage A. The loophole would create a potential discrepancy during construction stage and damage the interest of the owners.

It was concluded that further discussions to construct feasible options was definitely required.

## 2.6 Market Rates of Condition Survey

LPK asked if the prices quoted by SkyPac were in line with the market. CM replied that the market rate could hardly be defined as far as professional service was concerned. CM cited the prices of condition surveys in Discovery Bay ranged from about HK\$80,000 to over HK\$200,000, depending on the nature of the properties and the pricing strategy of a particular consultant over the three various stages.

## 2.7 Decision of The Committee

To conclude the discussion, CC requested Members to express their views whether they were in favour of approving or disapproving the appointment of SkyPac and selecting a most preferred option for further review. Eight (8) out of ten (10) Members present expressed their disapproval and half of the Members present inclined to re-tender the consultancy services.

2.8 Way Ahead

As a result, it was agreed to suspend the appointment of consultancy services and to re-tender the whole exercise. In principle, a new group of consultancy firms would be provided for selection. CM stressed that the rule of awarding the contract in phases would still apply for the owners' benefit. Again, CC appealed to the Hillgrove owners to join the RWG such that the tender mechanism and project works could be enhanced.

2.9 Notice to All Owners

To update Hillgrove owners of the progress, a management notice jointly issued by the Committee and CM would be prepared shortly for the rationale and decision above.

3. Date of Next Meeting

It was noted that the above discussion had been conducted in length and there would be insufficient time for other items in the Agenda. CC proposed to defer the discussion to next meeting and the Committee agreed.

The date of next meeting to be confirmed.

There being no other business, the meeting was adjourned at 10:05 pm.



Chairman