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Highways Department Technical Circular No. 5/2002

Authority to Issue Works Orders  
Chargeable to Recurrent and Non-recurrent Votes  
and for Works Executed on Private Account

Introduction

This circular promulgates the financial limits on the issue of works orders for works chargeable to recurrent and non-recurrent votes and works executed on private account.

Effective Date

2. This Circular shall take immediate effect.

Effect on Existing Circulars

3. This circular supersedes HyDTC No. 11/97, which is hereby cancelled. It also supersedes memo from the Director of Highways (DHy) ref (6) in HYD F9/15 III dated 27.3.1997 and updates the financial limits given in the Project Administration Handbook (PAH) Chapter 8 paragraph 5.2.1 and the Maintenance Administration Handbook Appendix 6.3 to streamline the works order issuing procedure.

General Principles

4. The officers issuing the works orders shall ensure that the works are within the scope of the relevant term contracts. They shall also satisfy themselves that the term contractor has the resources and capability to carry out the works. For works executed on private account, officers shall follow the guidelines given in the PAH Chapter 8 Section 3.

Works Chargeable to Recurrent Vote  
and Works for Private Parties

5. Works orders chargeable to the recurrent vote and for works for private parties shall be signed by the Engineer or the Engineer's Representatives subject to the following financial limits:

<u>Works order to be signed by</u>	<u>Financial Limit</u>
Assistant Engineer/ Assistant Landscape Architect	Up to \$ 150,000
Engineer/Chief Technical Officer/ Landscape Architect	Up to \$ 600,000
Senior Engineer/ Senior Landscape Architect	Up to \$ 1,500,000
D1 rank officer as Engineer for the Contract (in the case of landscape term contract, the Engineer for the Contract with prior approval from a D1 rank officer)	Up to \$ 3,000,000
The Engineer for the Contract with prior approval from a D2 rank officer	Up to \$ 6,000,000
The Engineer for the Contract with prior approval from a D3 rank officer	Up to \$ 9,000,000
The Engineer for the Contract with prior approval from DHy	no limit

6. The approval of the Secretary for the Treasury (S for Tsy) has to be obtained if the private works form a substantial part of the contract or if the physical element of the private works would have significant political/financial implication. If in doubt, advice from S for Tsy may be sought.

Works Chargeable to Non-recurrent Vote

7. Works orders based term contracts are standing offers by the contractors to undertake works in accordance with agreed conditions. Each issue of a works order amounts to acceptance of the Contractor's offer. As the term contracts are obtained by competitive tendering, the Engineer or

Engineer's Representatives shall, for works not exceeding \$3.0 M, follow the financial limits given in Stores and Procurement Regulations 280 (b) and (h) when issuing works orders. For works above \$3.0 M, S for Tsy delegated her authority to issue works orders subject to limits and conditions vide memo ref (2) in FT36/88 dated 14.2.1995. The provisions in S for Tsy's memo were reflected in the PAH Chapter 8 paragraphs 5.2.1 and 5.3.2.

8. For easy reference, the financial limits for issue of works orders charged to non-recurrent votes mentioned in paragraph 7 are listed below:

<u>Works order to be signed by</u>	<u>Financial Limit</u>
Assistant Engineer/ Assistant Landscape Architect	Up to \$ 50,000
Engineer/Chief Technical Officer/ Landscape Architect	Up to \$ 600,000
Senior Engineer/ Senior Landscape Architect	Up to \$ 1,500,000
D1 rank officer as Engineer for the Contract (in the case of landscape term contract, the Engineer for the Contract with prior approval from a D1 rank officer)	Up to \$ 3,000,000
The Engineer for the Contract with prior approval from a D2 rank officer	Up to \$ 6,000,000
The Engineer for the Contract with prior approval from a D3 rank officer	Up to \$ 9,000,000
The Engineer for the Contract with prior approval from DHy	Up to \$15,000,000
The Engineer for the Contract with prior approval from S for Tsy	> \$15,000,000

9. When seeking approval to use the term contractor for works chargeable to non-recurrent votes from D2/D3/DHy/S for Tsy, the D1 officers shall confirm that the conditions in the PAH paragraph 5.3.2 are met.

(Original signed)  
( Y. C. LO )  
Director of Highways