

[Second Hong Kong Edition New Engineering Contract launched to promote collaborative partnering in public works projects \(with photo\)](#)

The Hong Kong Edition of New Engineering Contract (NEC) Term Service Contract (TSC) standard template was launched today (November 28) for appointing contractors over fixed periods to provide maintenance, repair or other services on operational assets. The launch of this Hong Kong Edition reinforces the Government's commitment to promoting collaborative partnering in the delivery of public works projects, and strengthens Hong Kong's leading role in the global construction industry.

Announcing the launch at the NEC Asia Pacific Conference 2024, the Permanent Secretary for Development (Works), Mr Ricky Lau, said that NEC, which adopts a more proactive and participative approach, is widely accepted by various stakeholders of the local construction industry, and has come as the right tool to help contracting parties focus on common objectives, and provides incentives for them to walk the extra mile in managing and resolving contractual problems.

Unlike the conventional form of contract previously adopted in public works contracts that focused more on contractual obligations and responsibilities, NEC advocates for contracting parties to work together to resolve contractual problems in a proactive and collaborative manner within prescribed timeframes, thereby achieving all-win situations. With this new form of contract, contractual problems are handled in a timely manner, which helps avoid time and budget overruns.

Over the past decades, Hong Kong has been investing continuously in its infrastructure, making it one of the top cities globally for infrastructure for a number of years. Now that NEC has become the backbone of Hong Kong's public works contracts, it will certainly contribute to the successful delivery of a number of mega projects in the pipeline, including the Northern Metropolis, the Hospital Development projects, public housing, and railway projects, which will in turn reinforce Hong Kong's position as an international infrastructure centre.

The Hong Kong Edition of NEC TSC is the second standard contract template published by the Development Bureau (DEVB), following the one on Engineering and Construction Contract launched in 2023. These two standard contract templates fully align with local legislation requirements and procurement practices, while encouraging the adoption of innovation and technology in public works contracts to bring enhancement to site safety, site supervision efficiency and decarbonisation, which will in turn help the industry better cope with the mega projects mentioned above.

In support of the above initiatives, the DEVB advocates for training practitioners of public works at all tiers to enhance their understanding of the contractual mechanism under NEC, which promotes collaborative partnering among contracting parties with a view to enhancing project performance.

NEC was first developed in the UK in the early 1990s to promote collaborative partnering and clear communication among all parties involved in a construction project, including clients, contractors and consultants. The DEVB piloted the use of the NEC form in public works projects in 2009 and has expanded its application since then. The Hong Kong Edition will be completed with the launch of the third one on professional service contracts in 2026. As of today, more than 680 public works contract, with a total value of over HK\$450 billion, have adopted the NEC form.

