



Potential difficulties in applying the Pay for Safety Scheme (PFSS) in construction projects

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ABSTRACT

Since 1996, the Government of the Hong Kong Special Administrative Region (HKSAR) has introduced the Pay for Safety Scheme (PFSS) to the public works construction contracts to uplift their safety performance. However, the adoption of PFSS has also encountered some difficulties that merit considerable attention. This paper purports to provide a concise review of the prevailing application of PFSS in Hong Kong in general, and to explore the potential difficulties associated with PFSS in particular. By means of an empirical questionnaire survey geared towards industrial practitioners with extensive direct hands-on PFSS experience, their opinions were solicited, analyzed and compared between the client group and contractor group of respondents. The three most significant difficulties in implementing PFSS were found to be: (1) "Plenty of paperwork required for certifying payment to contractor"; (2) "Complicated contract documents and lengthy assessment process"; and (3) "Over-tight project schedule requiring rush jobs". The output of this research study is particularly essential in assisting the contracting parties to mitigate the avoidable hindrances when embarking on PFSS. It has also generated valuable insights into developing effective recommendations for alleviating the barriers to PFSS success for future construction projects.

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1. Introduction

Safety issues have always been a major problem and prime concern besetting the construction industry in many countries (Teo and Phang, 2005). Past government statistics have manifested that the highest number of accidents and fatalities are found in the construction industry worldwide (Koehn et al., 1995; Sawacha et al., 1999; Ahmed et al., 2000; Wong and So, 2004; Choudhry and Fang, 2008). Some previous research pointed out that site accidents are primarily attributed to competitive tendering, extensive use of sub-contractors, poor accident record keeping and reporting system, the low priority given to safety, inadequate safety training provided to contractors management and workers, etc. (Poon, 1998; Tam and Fung, 1998). Ngowi and Mselle (1999) observed that some contractors may gain little competitive advantage from good health and safety management. The practices of competitive tendering and award of most public sector contracts to the lowest bidder in many countries compel the contractors to drive their prices low, while cutting costs, which, in turn, affects health and safety considerations.

The Government of the Hong Kong Special Administrative Region (HKSAR) launched a Pay for Safety Scheme (PFSS) in public works contracts in 1996 to alleviate the safety problems associated with competitive bidding and uplift the standard of safety performance of the Hong Kong construction industry. PFSS purports to enhance the safety awareness by taking the contractor's pricing for safety-related items out from the consideration of competitive bidding. Although the scheme has been applied in Hong Kong for over 15 years, the implementation mechanism such as the assessment and certification procedures, and requirements of each of the payable safety items have not been sufficiently evaluated and analyzed. Only a limited number of research studies have investigated PFSS in general, and none on its potential difficulties encountered during implementation in Hong Kong.

Thus, an industry-wide empirical investigation of the major potential difficulties of PFSS is considered to be essential and timely to identify any deficiencies of PFSS and then to ensure its effective implementation. The objectives of this paper are to: (1) review the prevailing application of PFSS in Hong Kong; (2) present the major findings of an empirical questionnaire survey on the potential difficulties of PFSS; and (3) compare the difficulties in applying PFSS between the clients and contractors. The research outcomes of this study could generate some useful insights, optimize the implementation procedures and facilitate a successful application of PFSS within the construction industry.

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