

**Construction Industry Council**  
**Committee on Procurement and Subcontracting**

Meeting No. 001/16 of the Committee on Procurement and Subcontracting (Com-PNS) was held on Thursday, 24 March 2016 at 2:30pm at Meeting Room No.1, CIC Headquarters, 15/F, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

Summary Notes of the Com-PNS Meeting No. 001/16:

<b>Agenda Item</b>	<b>Paper</b>	<b>Major Resolutions/ Progress Highlights</b>
1.1	CIC/PNS/R/004/15 (for discussion)	<b>Confirmation of the Progress Report</b> Members confirmed the Progress Report of the previous meeting held on Monday, 23 November 2015.
1.2	CIC/PNS/R/004/15 (for discussion)	<b>Matters Arising from the Previous Meeting</b> <u>Item 4.8(d)</u> – Details were discussed under Agenda Item 1.3. <u>Item 4.8(f)</u> – KnH suggested CIC to consider endorsing the “Standard Form of Contract for Maintenance and Renovation Works” published by the HKIS. Incidentally, the Com-PNS might consider setting up a new task force on RMAA to explore new initiatives in this sector. Further discussion of the Standard Maintenance Contract might be under the purview of this new task force.
1.3	CIC/PNS/P/001/16 (for discussion and endorsement)	<b>Work Plan and Budget for 2016 and 2017 cum Implementation Plan of Report on ‘Building for a Better Future – Vision 2030’</b> Members took note of Paper CIC/PNS/P/001/16, which set out the following for Members’ discussion and endorsement (attached at Annex A): <ul style="list-style-type: none"><li>• Proposed tasks carried forward from 2015 and the associated budget;</li><li>• The implementation plan for relevant recommendations stated in the Interim Report ‘Building for a Better Future – Vision 2030’ for the Hong Kong Construction Industry was presented via a powerpoint for Members consideration. Among the 60 recommendations, 4 were related to procurement and subcontracting;</li><li>• New initiatives for consideration in 2016.</li></ul> During the discussion, the Chairman supplemented that Ir Kevin POOLE has expressed his wish to step

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		<p>down from the chairmanship of TF-SCC due to heavy office commitments. The Chairman encouraged nomination from Members for a new chairperson to the TF-SCC.</p> <p>After deliberation, Members endorsed the work plan and corresponding budget for 2016/2017 set out in Paper CIC/PNS/P/001/16. Regarding the implementation plan for the Interim Report, Members were invited to submit their further input/suggestions to the Secretariat within one week after the Com-PNS meeting.</p> <p><i>[Post Meeting Note: Up to 15 April 2016, the Secretariat did not receive any comments or new suggestions from Members regarding the implementation plan of the Interim Report. With Chairman's consent, the implementation plan would be submitted to the Council for approval.]</i></p>
1.4	CIC/PNS/P/002/16 (for endorsement)	<p><b>Proposed nomination of Co-opted Members for the Com-PNS for 2016 to 2018</b></p> <p>Members took note and endorsed the proposed restructure of Task Forces, Task/Working/Special Groups and management Committee under Com-PNS. The endorsed restructure list was attached at Annex B.</p> <p>Members endorsed the proposed list of Co-opted Members for the Com-PNS for 2016 to 2018 and suggested including representative from the Hong Kong General Building Contractors Association. The proposed list of Co-opted Members was attached at Annex C.</p>
1.5	CIC/PNS/P/003/16 (for information)	<p><b>Update on Subcontractor Registration Scheme (SRS) Operations</b></p> <p>Members took note of the Report on SRS Operations.</p>
1.6	CIC/PNS/P/004/16 (for endorsement)	<p><b>Membership List of Management Committee of the Subcontractor Registration Scheme</b></p> <p>Members endorsed the Membership list of Management Committee of the SRS (attached at Annex D).</p>
1.7	-	<p><b>Any Other Business</b></p> <p>(a) <u>Progress Update of the Task Force on NEC3 Collaborative Contracts</u> - Members noted the drafting progress of the Case Book (Vol. 1) on the Fuk Man Road Nullah Project of Drainage Services Department (DSD). The Case Book was expected to be published in mid 2016.</p> <p>(b) <u>Progress Update of the Task Force on Standard Contracts Provisions for Domestic Subcontracts</u> – Members noted that the drafting work of the simplified Standard Form of Domestic Sub-contract would be completed very soon and the draft document would be circulated to the Task Force for</p>

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		<p>further comments.</p> <p>(c) <u>Progress Update of the Special Group on On-Demand Bonds</u> – Members noted that the 1st draft of Standard Form of On-Demand Bond with Conditions had been circulated to Task Force Members in January 2016. Comments from Members had been conveyed to the drafting consultant for consideration and incorporation into the 2<sup>nd</sup> draft. Subject to no major comment on the 2<sup>nd</sup> draft, it would be circulated to relevant industry stakeholders, including “Employers”, “Consultants and Professional”, “Contractors and Sub-contractors” and “Finance and Insurance sector” for further comments.</p> <p>(d) <u>Progress Update of the Task Force on Enhancements to Subcontractor Registration Scheme</u> – The Task Force planned to make use of the research project initiated by a scholar from the University of Hong Kong on reviewing the SRS to shed some light on the way forward and proposed possibly with roadmap of implementation of the Recommendation 22 “Make the Subcontractors Registration Scheme mandatory for all sub-contractors” of the Interim Report. The research project was applying funding under the CIC Research Fund. Based on the research findings, the Task Force would explore potential area(s) that worthy of further investigation/study.</p> <p>(e) <u>Contracts (Right of Third Parties) Ordinance</u> – Members noted that the Contracts (Rights of Third Parties) Ordinance that came into effect on 1 January 2016. Members suggested the CIC to organise technical seminars on this topic to disseminate the direct implications of the ordinance to industry stakeholders.</p> <p>(f) <u>Others</u></p> <ul style="list-style-type: none"><li>• Re-name of Com-PNS – Members took note on the Committee on Procurement and Subcontracting being renamed as “Committee on Construction Procurement” subject to approval from the Council.</li><li>• Members suggested 2 initiatives for the CIC’s consideration: 1) drafting of “Statistical Reference on the construction period” and 2) drafting of “General specifications on construction works”.</li></ul>

*Remarks: The mentioned papers discussed at the Committee on Procurement and Subcontracting and the full progress report can be made available to Council Members from the CIC Secretariat upon request.*