

**Construction Industry Council**

**Committee on Procurement and Subcontracting**

Meeting No. 002/15 of the Committee on Procurement and Subcontracting (Com-PNS) was held on Thursday, 18 June 2015 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. 002/15:

<b>Agenda Item</b>	<b>Paper</b>	<b>Major Resolutions/ Progress Highlights</b>
2.1	CIC/PNS/R/001/15 (for discussion)	<b>Confirmation of the Progress Report</b> Members confirmed the Progress Report of the previous meeting held on 26 March 2015.
2.2	CIC/PNS/R/001/15 (for discussion)	<b>Matters Arising from the Previous Meeting</b> <u>Item 1.3(c)</u> – Members took note of the drafting progress of the three sets of draft “Reference Materials on Competition Law for the Construction Industry”(Reference Materials). The Reference Materials were circulated through email and by post to 9 relevant institutions/organizations for consultation from 13 May to 12 June 2015. Details were reported under agenda item 2.5. <u>Item 1.4(a)</u> –Details were discussed under Agenda Item 2.4(a).
2.3	CIC/PNS/P/005/15 (for discussion)	<b>Consultancy Services on Development Strategy for the Hong Kong Construction Industry</b> Members generally agreed that the content of the Draft Two Report on Development Strategy for the Hong Kong Construction Industry was informative. However, it was suggested that the information could be further categorised by nature and split into several booklets with an executive summary. In addition, it was suggested that CIC’s members should be more involved in working with the consultant to arrive at a Report that was insightful in taking our industry to the next level.

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2.4	CIC/PNS/P/006/15 (for endorsement)	<p><b>Report of the Task Force on NEC3 Collaborative Contracts</b></p> <p>(a) <u>Reference Materials on Frequently Asked Questions on NEC3 Collaboration Contracts</u> - The “Reference Materials on Frequently Asked Questions on NEC3 Collaborative Contracts” was endorsed for Council’s approval.</p> <p>(b) <u>Case Books on NEC Projects in Hong Kong</u> - Members took note that a series of Case Books on NEC Projects in Hong Kong was proposed to be produced in 2015 and 2016, the first of the series would be on the Improvement of Fuk Man Road Nullah Project of the Drainage Services Department (DSD) and Tai Po Noise Barrier Project of Highways Department.</p> <p>(c) <u>NEC ECC Project Manager Accreditation Programme</u> - Members took note that the upcoming sessions of the NEC ECC Project Manager Accreditation Programme (Hong Kong) would be conducted in July, September and November this year. The class size would be limited to around 16 and the duration would be reduced from 5 to 4 days to facilitate more effective training.</p>
2.5	CIC/PNS/P/007/15 (for information)	<p><b>Report of the Task Force on Competition Law</b></p> <ul style="list-style-type: none"> <li>• Members took note that the Reference Materials “Code of Conduct on Competition Law for the Construction Industry” was renamed as “DOs and DON’Ts on Competition Law for the Construction Industry”. By the end of the consultation period in three weeks time, the final version incorporating comments from industry stakeholders would be endorsed at the next Task Force meeting.</li> <li>• Members took note that an animation video on bid-rigging was being produced and would be available for submission to the next Com-PNS meeting.</li> </ul>
2.6	CIC/PNS/P/008/15 (for information)	<p><b>Report of the Working Group on the Review of the Implementation of the Dispute Resolution Mechanism</b></p>

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	CIC/PNS/P/009/15 (for endorsement)	Members took note that the Reference Materials for Application of Dispute Resolution in Construction Contracts (Version 2) would be submitted for Council’s approval at its August 2015 meeting.
2.7	CIC/PNS/P/010/15 (for information)	<p><b>Update on Subcontractor Registration Scheme (SRS) Operations</b></p> <ul style="list-style-type: none"> <li>• Members took note of the latest update on SRS Operations.</li> <li>• In view of comments to the SRS Operations, it was suggested to explore the feasibility in reviewing the composition of the Management Committee (MC) of the SRS to include representative from the trade unions or invite them to attend regulatory hearings of the MC of the SRS, if requested by union.</li> </ul>
2.8	CIC/PNS/P/011/15 (for information)	<p><b>Report of the Task Force on Enhancements to Subcontractor Registration Scheme</b></p> <p>Members took note that the Task Force concurred not to proceed with the mandatory registration scheme and categorization of subcontractors under the SRS at this stage.</p>
2.9	-	<p><b>Any Other Business</b></p> <p>(a) <u>Progress Update of the Task Force on Standard Contracts Provisions for Domestic Subcontracts</u> – Members took note that legal vetting of the Standard Form of Domestic Sub-Contract was completed with minor refinement. The marked up version would be circulated to Task Force Members for consideration.</p> <p>(b) <u>Progress Update of the Special Group on On-Demand Bonds</u> – Members took note that the scope of consultancy for the “Standard Form of On-Demand Bonds with Conditions” has been defined and an assignment brief for consultant engagement has been prepared. An invitation for an expression of interest would be issued.</p> <p>(c) <u>Progress Update of the Task Force on the Selection of Consultants and Contractors</u> – Members took note of the progress of the Task Force regarding the proposed seminar/briefing session to</p>

<b>Agenda Item</b>	<b>Paper</b>	<b>Major Resolutions/ Progress Highlights</b>
		<p>be held in late 2015.</p> <p>(d) <u>Standard Form of Contract for Maintenance and Renovation Works</u> – It was noted that a Standard Form of Contract for Maintenance and Renovation Works prepared by HKIS would be circulated to members to seek their comments in two weeks’ time.</p> <p>(e) <u>Security of Payment Legislation for the Construction Industry</u> - Members were invited to participate in the stakeholders forum on the “Proposed Security of Payment Legislation for the Construction Industry” to express their views on the subject matter.</p>

*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.*