

Construction Industry Council

Committee on Procurement and Subcontracting

Meeting No. 003/14 of the Committee on Procurement and Subcontracting (Com-PNS) was held on Monday, 15 December 2014 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. 003/14:

Agenda Item	Paper	Major Resolutions/ Progress Highlights
3.1	CIC/PNS/R/002/14 (for discussion)	Confirmation of the Progress Report Members confirmed the Progress Report of the previous meeting held on Friday, 17 October 2014.
3.2	CIC/PNS/R/002/14 (for discussion)	Matters Arising from the Previous Meeting <u>Item 2.3(a) & (b)</u> – Details were discussed under Agenda Item 3.9(a). <u>Item 2.7</u> – Details were discussed under Agenda Item 3.3. <u>Item 2.10(a)</u> – Details were discussed under Agenda Item 3.4. <u>Item 2.10(c)</u> – Details were discussed under Agenda Item 3.9(d).
3.3	CIC/PNS/P/019/14 (for information)	Report of the Task Force on the Selection of Consultants and Contractors Members took note that the “Reference Materials on the Selection of Consultants” had been published on the CIC website. The Task Force Chairman would consider the possibility of organising a briefing session, seminar or forum for industry stakeholders in 2015.
3.4	CIC/PNS/P/020/14 (for information)	Report of the Task Force on Standard Contract Provisions for Domestic Subcontracts Members took note of the latest progress of the Task Force on Standard Contract Provisions for Domestic Subcontracts and endorsed the Task Force to proceed with (i) legal vetting of the revised English draft Standard Form of Domestic Subcontract and (ii) drafting of a simplified Standard Form of Domestic Subcontract based on the legally vetted version.
3.5	CIC/PNS/P/021/14 (for information)	Report of the Working Group on the Review of the Implementation of the Dispute Resolution Mechanism

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		<p>Members took note that the Hong Kong Construction Arbitration Centre (HKCAC) proposed an alternative model, involving the establishment of a new unified body comprising of the Hong Kong Institute of Architects (HKIA), the Hong Kong Institute of Surveyors (HKIS) and the Hong Kong Institution of Engineers (HKIE), etc., to the one stipulated in CIC’s “Reference Materials for Application of Dispute Resolution in Construction Contracts”. Dr. Simon CHEE, Member of the Working Group and President of HKCAC, was consulting HKIA, HKIS and HKIE on the proposal and would advise the Com-PNS of the outcome in due course.</p>
3.6	CIC/PNS/P/022/14 (for endorsement)	<p>Report of the Task Force on Competition Law</p> <ul style="list-style-type: none"> • Members took note of the latest progress of the Task Force on Competition Law and endorsed the proposed action plan and budget for the stage 2 deliverables of the Task Force for 2014/15 as stipulated in the Paper CIC/PNS/P/022/14. • A Member suggested and Com-PNS agreed that a reserved fund should be included in Com-PNS’s budget for seeking legal advice on competition law and other legal or Com-PNS related issues. • A visit to the Competition Commission would be arranged for Members to exchange views with the Commission on the Competition Ordinance and the Commission’s draft guidelines. <i>[Post Meeting Notes: A visit to the Competition Commission was held on 20 January 2015.]</i>
3.7	CIC/PNS/P/023/14 (for information)	<p>Update on Subcontractor Registration Scheme (SRS) Operations</p> <p>Members took note of the Report on SRS Operations.</p>
3.8	CIC/PNS/P/024/14 (for information)	<p>Tentative Meeting Schedule for 2015</p> <p>Members took note of the tentative meeting schedule for the Com-PNS for 2015.</p>
3.9	-	<p>Any Other Business</p> <p>(a) <u>Progress Update of the Task Force on NEC3 Collaborative Contracts</u></p> <ul style="list-style-type: none"> • The “Memorandum of Understanding (MoU) for collaboration between the CIC and the NEC Contracts UK” was signed by the CIC Chairman in October 2014. As part of the collaboration, the NEC would work in partnership with the CIC to deliver NEC ECC Project Manager

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	CIC/PNS/P/025/14 (for discussion)	<p>Accreditation courses in Hong Kong. Several classes would be arranged in 2015 at the ZCB.</p> <ul style="list-style-type: none"> • With Com-PNS’s endorsement on the budget, the “Reference Materials on Frequently Asked Questions on NEC3 Collaborative Contracts” would be submitted to CIC’s legal advisor for vetting before presenting to the Council for approval. <p>(b) <u>Progress Update of the Special Group on On-Demand Bonds</u> – Members took note of the progress of the Special Group and endorsed the estimated budget for producing the “Standard Form of On-Demand Bonds with Conditions”.</p> <p>(c) <u>Progress Update of the Task Force on Employer-Procured Insurance Policies in Construction Contracts</u> – The Task Force Chairman would be consulted on the work plan for the possible stage 2 deliverables of the Task Force, if any, for 2015.</p> <p>(d) <u>Issues on Allocation/Sharing of Risks in Construction Contracts</u> – The Com-PNS Chairman planned to arrange a meeting with the Executive Director of CIC and representative(s) of the Hong Kong Construction Association to discuss the matter in the coming few months.</p> <p>(e) <u>Work Plan of the Com-PNS</u> – Members took note of the draft Year Plan 2015/2016 of the Com-PNS. The Task Force Chairmen would review the proposed tasks and budget and submit their comments or suggestions, if any, to the CIC Secretariat by January 2015.</p> <p>(f) <u>Others</u></p> <ul style="list-style-type: none"> • <i>Progress Update on the Security of Payment (SoP) Legislation for the Construction Industry</i> – Members took note of the key points of discussion at the 15th Working Group Meeting on SoP Legislation for the Construction Industry held on 3 November 2014. • <i>Survey on CIC Publications and Revamp of CIC website</i> – Members were informed that a survey on CIC publications had recently been conducted and revamp of the CIC website was currently underway and expected to be completed by 2015/16.

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.