



Agenda Item	Paper	Major Resolutions/ Progress Highlights
		<p>As directed by the Com-PCM, TF Chairman would consider reviewing with TF Members at appropriate time and advising them the intention of not publishing guidance document but possibly a reference document providing good reference relating to multiple milestones, stage payment, milestone combined with interim payment approach etc, as a way to guide the industry.</p> <p><u>Agenda item 2.10</u></p> <p>This item raised by Mr. Thomas HO would be discussed under agenda item 3.8.</p>
3.3.	CIC/PCM/P/010/11	<p>Task Force on Competition Law – Latest progress of the TF was reported and discussed.</p> <p>(a) <u>Membership List</u></p> <p>(i) Nominations of representatives to join the TF had been received from all relevant organisations except that the Real Estate Developers Association of Hong Kong (REDA) responded they had no nomination to join the TF;</p> <p>(ii) Mr. Ming-wai Lau of Chinese Estates Holdings Limited and Mr. Sunny Yeung of K. Wah International had agreed to join the TF to provide views from the developer’s perspective.</p> <p>(iii) TF Members confirmed Com-PCM’s endorsed Membership List with recommendation of including REDA in the list of organisations to be consulted so that their opinions and advices on the draft guidelines / information produced by the TF could be sought at a later stage.</p> <p>(b) <u>Terms of Reference</u></p> <p>(i) The proposed Terms of Reference was refined by the TF Chairperson, and was confirmed at meeting No. 001/11 of the TF.</p> <p>(ii) Com-PCM suggested the TF to consider whether Guidelines or Code of Conduct on Competition Law for the Hong Kong Construction Industry should be produced as if necessary.</p> <p>(c) <u>Information paper on Competition Bill</u></p> <p>Com-PCM Members were briefed about the information paper on Competition Bill for the collection of views and concerns on the possible implications of the future Competition Law from organisations of TF Members. They were welcomed to provide any information on Competitive Bill for the reference of TF to the CIC Secretariat.</p>

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3.4.	Verbal Report	<p>Verbal Report of the Task Force on the Selection of Consultants and Contractors – Latest progress of the TF was reported and discussed. The key issues included:</p> <ul style="list-style-type: none"><li>(a) The outline contents of the guidelines for the selection of consultants was rationalized, chapters were allocated to different parties for their expansion in bullet form and the bullet form was further discussed with changes agreed. Each party was tasked to draft the respective chapter and return input to CIC Secretariat by the end of September 2011.</li><li>(b) The change in stance of the Government in not actively participating in the drafting of the guidelines was also reported.</li><li>(c) The TF intended to invite the Association of Consulting Engineers of Hong Kong (ACEHK), Association of Architectural Practices (AAP) and Association of Consultant Quantity Surveyors of Hong Kong (ACQS) to make a presentation on their concerns stated in their letter of 28 March 2011 to the TF at its next meeting in Oct 2011.</li><li>(d) The TF targeted on working out the Guidelines for Selection of Consultants first.</li></ul>
3.5.	Verbal Report	<p>Verbal Report of the Task Force on Contract Price Fluctuation System (CPFS)</p> <ul style="list-style-type: none"><li>(a) The “Guidelines on CPFS” was revised after the Council Meeting held in June 2011. Further comments on the revised guidelines from the Development Bureau (DEVB) were constructive and helpful, and would be incorporated to the final document.</li><li>(b) DEVB suggested that Guidelines should provide guidance on what to do but not necessarily giving a variety of choices for selection.</li><li>(c) TF Chairperson responded that the revised guidelines was an informative and all-inclusive document which intended to provide guidelines on selecting different options and the TF was keen to issue the document as a “Guidelines” rather than a “Reference Document”.</li></ul>

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3.6.	CIC/PCM/P/012/11	<p>Strengths of Hong Kong Construction Industry – Members were invited to deliberate on the strengths of Hong Kong construction industry and were informed that the conclusion of such would be reported to the Strategic Planning Steering Committee at its upcoming meeting scheduled in early Nov 2011. The following strengths of Hong Kong were identified and discussed:</p> <ul style="list-style-type: none"><li>(a) Professionalism, Commitment and Ethics;</li><li>(b) Well Established Procurement System in Public Works Projects;</li><li>(c) Good Project Management;</li><li>(d) One Stop Integrated Services;</li><li>(e) Total Life Cycle Asset Management Approach;</li><li>(f) Environmental Consciousness; and</li><li>(g) Good Quality Control &amp; Consciousness.</li></ul> <p>Details of the above were recorded in the Progress Report.</p>
3.7.	CIC/PCM/P/013/11	<p>Issues on Risk Sharing – Members were invited to discuss and share their views on the issues.</p> <p>TH raised the following examples of unfair issues:</p> <ul style="list-style-type: none"><li>(a) Purchase of demand bond for small or medium size projects;</li><li>(b) Issuance of tender without Bills of Quantities;</li><li>(c) Request of signing all BA forms at tendering stage;</li><li>(d) Having the main contractor to take up all the risks on underground utility works involving the application of excavation permit which might take half to one year and it would significantly affect the works programme;</li><li>(e) Request of unreasonable long years of guarantee, e.g. 20 years, from the contractor on tiles installation which the supplier could only provide it for 5-6 years; and</li><li>(f) No compensation to the contractor for compliance with enactment of new / revised legislation.</li></ul> <p>TH further advised that such unfair issues bothered the Hong Kong Construction Association very</p>

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		<p>much and they would like to have some kind of good practices that could be agreeable and recognized by the industry for the sharing of responsibilities.</p> <p>After in-depth deliberation on reaching proper balance of risks sharing principle adopted between procurers, suppliers and contractors, Chairperson of TF-CPFS was requested to bring such issues to the TF for consideration at a later stage.</p>
3.8.	CIC/PCM/P/011/11	<p>Progress Report of Task Force on NEC3 Collaborative Contracts – Latest progress of the TF was introduced and discussed.</p> <p>(a) <u>Membership List</u></p> <p>(i) Nominations of representatives to join the TF had been received from all relevant organizations except that the Real Estate Developers Association of Hong Kong (REDA) responded they had no nomination to join the TF;</p> <p>(ii) TF Members confirmed the Com-PCM’s endorsed Membership List with recommendations of:</p> <ul style="list-style-type: none"> <li>• including REDA in the list of organisations to be consulted so that their opinions and advices on the draft guidelines / information produced by the TF could be sought at a later stage; and</li> <li>• inviting Hong Kong Institute of Architects to join the TF as architects played an important role in contract administration.</li> </ul> <p><i>(Post meeting Notes: Invitation letter was issued to HKIA on 8 Sept 2011 and nomination was received on 21 Sept 2011.)</i></p> <p>(b) <u>Terms of Reference</u></p> <p>Despite it was observed that some of the TF Members might not keen on applying NEC, the proposed Terms of Reference was eventually confirmed at meeting No. 001/11 of the TF after much deliberation. As the application of NEC in Hong Kong was not that mature, the TF would determine at a later stage for the need on issuance of guidelines / guidance document on NEC. Meanwhile, the TF was collecting information and experience of NEC for TF</p>

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		Members' deliberation.
3.9.	CIC/PCM/P/014/11	<p>Issues for Deliberations – Chairman suggested that the Com-PCM should take an proactive approach in deliberating issues involved in procurement process and raised three topics as a kick off for Members' deliberation:</p> <ul style="list-style-type: none"><li>(a) Electronic tendering process;</li><li>(b) How to procure a contract that would generate zero accident; and</li><li>(c) Quality control / assurance of materials procured from area where the costs of them are lower.</li></ul> <p>Members were also welcomed to raise other issues for discussion which would be beneficial to the industry.</p> <p>After preliminary discussion, sharing of experiences and difficulties on the application of electronic tendering, Members generally supported green procurement process and agreed to consider the application of such in their organisations. CIC Secretariat would prepare a briefing note on electronic tendering for Members' further deliberation</p>
3.10.	CIC/PCM/P/015/11	Year Plan for 2011/2012 Progress Review – Com-PCM Members noted and confirmed the year plan.
3.11.	AOB	No other business was raised by Members.