

**Construction Industry Council**

**Committee on Construction Procurement**

Meeting No. 002/17 of the Committee on Construction Procurement (Com-CPT) was held on Wednesday, 14 June 2017 at 2:30pm at the Boardroom, CIC Headquarters, 38/F, COS Centre, 58 Tsun Yip Street, Kwun Tong, Kowloon.

Summary Notes of the Com-CPT Meeting No. 002/17:

<b>Agenda Item</b>	<b>Paper</b>	<b>Major Resolutions / Progress Highlights</b>
-	-	(a) The Chairperson and Members welcomed the following attendees: (i) new Member, Mr. MW WONG attending the meeting on behalf of Ms. Ada FUNG; (ii) new Co-opted Member, Sr. Dick KWOK, joining the meeting in the capacity of Chairperson of the Taskforce on RMAA Procurement; and (iii) Executive Director of CIC, Ir. Albert CHENG, joining the meeting for the first time.  (b) The Chairperson and Members thanked Mr. TANG Ki-cheung, the Chairperson of the Task Force on Standard Contract Provisions for Domestic Subcontracts and Members of the Task Force for their contributions in completing the tasks. The Task Force had been disbanded henceforth and Mr. TANG Ki-cheung would no longer be required to attend the meeting of Com-CPT.
2.1	CIC/CPT/R/001/17 (for discussion)	<b>Confirmation of the Progress Report</b> Members took note of the Paper CIC/CPT/R/001/17 and confirmed the Progress Report of Meeting No. 001/17 held on Thursday, 23 March 2017.
2.2	CIC/CPT/R/001/17 (for discussion)	<b>Matters Arising from the Last Meeting</b> <u>Item 1.3</u> – HKCA commissioned a study on Risk Sharing Pattern in the Construction Projects in Hong Kong. Mr. Danny HUNG briefed Members on the consultancy report in the meeting. Details were spelt out under agenda item 2.4.
2.3	CIC/CPT/P/005/17 (for information)	<b>2018 Work Plan and Budget</b> Members took note of Paper CIC/CPT/P/005/17 on the 2018 Work Plan and Budget. Members noted that the 2017 Work Plan and Budget of Com-CPT endorsed by the Com-CPT on 23 March 2017 and approved at the Council Meeting on 28 April 2017 respectively spanned across 2017 and 2018 and would be reflected

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		in the CIC's overall budget of 2018.
2.4	Powerpoint Presentation	<p><b>Consultancy Report – A Study of the Risk Sharing Pattern in the Construction Projects in Hong Kong</b></p> <p>Mr. Danny HUNG of the HKCA gave a presentation on the consultancy report. The report pointed out that misallocation of risks and unfair terms imposed on main contractors in Hong Kong led directly to the poor performance of construction projects. Mr. Danny HUNG suggested CIC to conduct research on the subject to examine what could be done to improve the situation.</p> <p>Members would further study the consultancy report. The Secretariat would also prepare a paper summarising the discussion at Breakfast Roundtable with industry stakeholders chaired by the CIC Chairman on 8 June 2017. Members could study the report and the paper and advise on follow up action at the next meeting.</p>
2.5	CIC/CPT/P/006/17 (for information)	<p><b>Update on Subcontractor Registration Scheme (SRS) Operations</b></p> <p>Members took note of the report on SRS Operations. There were 5,565 companies registered under the SRS, indicating a moderate increase of around 80 Registered Subcontractors compared with the last report in March 2017.</p> <p>Members were also briefed that the Management Committee of the SRS handled 5 cases related to arrears in making MPF contributions and fatal site accidents in its 3<sup>rd</sup> regulatory hearing of 2017 on 16 May 2017. In addition, in order to avoid potential conflict of interest of one of its members in the Appeal Panel of the SRS, according to the Rules &amp; Procedures of the SRS, second hearing of the Appeal Panel of this year to be conducted on 10 July 2017 would follow after the appointment of a new member by the Chairman of the CIC.</p>

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2.6	-	<p><b>Any Other Business</b></p> <p>(a) <u>Progress Update of the Task Force on Selection of Contractors</u> – Members noted that the consultant had been working with the Task Force on the reference materials which were expected to be completed by the end of this year for publication early next year.</p> <p>(b) <u>Progress Update of the Task Force on RMAA Procurement</u> – Members noted that the Task Force was being formed and were briefed on the possible overlapping areas in respect of RMAA works covered by URA and CIC. The direction and scope of works of CIC would be subject to the discussion of the Members of the Task Force at the first meeting to be held in July/August 2017.</p> <p>(c) <u>Briefing on Automatic Opt-in of Schedule 2 of the Arbitration Ordinance for Domestic Arbitration</u> – Members noted the key amendments of the Ordinance and would be provided with more information in the next meeting.</p> <p>(d) <u>Other A.O.B.</u> – Ir Albert CHENG called on Members to promote the CIC Construction Innovation Award 2017 via their network.</p>

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