

Construction Industry Council

Committee on Procurement and Subcontracting

Meeting No. 002/14 of the Committee on Procurement and Subcontracting was held on Friday, 17 October 2014 at 10:00am at Meeting Room No.1, CIC Headquarters, 15/F, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

Present : Tai-chong CHEW (TCC) Chairman
Paul CHONG (PC)
Luen-kiu CHOW (LKC)
Kevin POOLE (KP)
Lawrence NG (LN)
Derrick PANG (DP)
Mike WONG (MW)
Wilfred WU (WSCW)
Jennie AU YEUNG (JAY) Independent Commission Against
Corruption
Steve GRIFFIN (SGN) Chairperson of Task Force on
Employer-Procured Insurance
Policies in Construction Contracts
Sing-mo HO (SMH) Chairperson of Task Force on NEC3
Collaborative Contracts
Francis LEUNG (FLG) Development Bureau
Andrew SIMPSON (ASN) Chairperson of Task Force on
Competition Law
Ki-cheung TANG (KCT) Chairperson of Task Force on
Standard Contract Provisions for
Domestic Subcontracts
Franklin YU (FIY) Hong Kong Institute of Architects
Irene CHENG (ICG) for Permanent Secretary for Transport
and Housing (Housing) (*on behalf of
Ada FUNG*)

In Attendance : Wai-kei LOK (WKLK) Contractor's Authorized Signatory
Association (*on behalf of WONG
Sing-lam*)
Miranda YEAP (MYP) Senior Manager – Council Services
Carmen LIU (KML) Manager – Council Services
Belle HO (CYH) Manager – Council Services
Chi-wai LAI (CWL) Manager – Registration Services
Natalie LI (NaL) Assistant Manager – Council Services

Apologies	:	Allan CHAN (SKC)	
		Hau-wai CHEUNG (HWC)	
		Stephen LAI (SLI)	
		Melissa Kaye PANG (MKP)	
		Tat-tong CHEUNG (TTC)	Chairperson of Working Group on the Review of the Implementation of the Dispute Resolution Mechanism
		CHUNG Ling-so (LsC)	Construction Site Workers General Union
		Ada FUNG (AF)	For Permanent Secretary for Transport and Housing (Housing)
		Thomas Kwok-kwan (KnH)	Chairperson of Special Group on On-Demand Bonds
		HO	
		LEUNG Hing-fung (HfL)	Hong Kong International Arbitration Center
		Alfred Wai-ho (ADL)	Hong Kong Institution of Engineers
		LEUNG	
		Chun-yuen TSE (CYT)	Chairperson of Task Force on Enhancements to Subcontractor Registration Scheme
		WONG Sing-lam (SLW)	Contractor's Authorized Signatory Association

PROGRESS REPORT

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2.0 Welcome Note from the Chairman

The Chairman welcomed Members for joining Meeting No. 002/14 of the Committee on Procurement and Subcontracting (Com-PNS), particularly the new Co-opted Members who joined the meeting for the first time. The Chairman also informed Members that Mr. Anthony Chan, upon his resignation from the Council, had ceased to be a Member of the Com-PNS.

2.1 Confirmation of the Progress Report of Meeting No. 001/14 of the Committee on Procurement and Subcontracting

Members took note of the Paper CIC/PNS/R/001/14 and confirmed the Progress Report of Meeting No.001/14 of the Com-PNS held on Friday, 23 May 2014.

2.2 Matters Arising from the Previous Meeting of the Committee on Procurement and Subcontracting

(a) Item 1.4 – Proposed Nomination of Co-opted Members for

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the Committee on Procurement and Subcontracting from February 2014 to January 2016

Members were informed that the proposed list of Co-opted Members for Com-PNS was approved by the Council at its meeting held on 20 June 2014. Letters of Appointment were subsequently sent to all Co-opted Members in July 2014.

(b) Item 1.5 – Task and Budget for 2014

MYP reported that, at the last meeting of the Com-PNS, the Paper CIC/PNS/P/003/14 titled “Tasks and Budget for 2014” was submitted to Com-PNS for endorsement. At the same meeting, the Task Force Chairmen were tasked to review the proposed tasks and budget and submit their spending profile. The following updates were subsequently received:

- The Chairman of the Task Force on NEC3 Collaborative Contracts, SMH, confirmed the proposed tasks and budget as stipulated in the Paper. A small group would be formed to give recommendation on how the allocated budget for the Case Book might be spent, tentatively in 2015 instead of 2014.
- The Chairman of the Task Force on Standard Contract Provisions for Domestic Subcontracts, KCT, suggested a few amendments to the proposed task programme and description of work.
- The Chairman of the Task Force on Enhancements to Subcontractor Registration Scheme, CYT, confirmed that the allocated budget for the Research Study on Enhancement of the Subcontractor Registration Scheme would not be spent in 2014. Details would be discussed under Agenda Item 2.8.
- The initiative of undertaking a Research Study on On-Demand Bonds was dropped at the last Com-PNS meeting held on 23 May 2014. The Special Group would deliberate on the need to engage a law firm for the drafting of the “Standard Form of On-Demand Bonds with Conditions” in 2015.

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- The budget for organisation of seminar/forum/conference and for the production of the Reference Materials on the Selection of Contractors would not be spent in 2014.
- A Work Plan for the Task Force on Competition Law for 2014/2015 was formulated and would be discussed under Agenda Item 2.4.

Members noted and accepted the above updates to the “Tasks and Budget for 2014” received from the Task Force Chairmen.

(c) Item 1.6 – Report of the Special Group on On-Demand Bonds

- i. Procurement Alert on the Use of On-Demand Bonds on Construction Contracts – Status updates on the publication of the Procurement Alert on the Use of On-Demand Bonds in Construction Contracts would be discussed under Agenda Item 2.6.
- ii. Proposed Revised Terms of Reference and Membership List of the Special Group – Proposed revised Terms of Reference and Membership List of the Special Group would be discussed under Agenda Item 2.6.
- iii. Issues on Allocation or Sharing of Risks (previously known as Unfair Contract Terms) in Construction Contracts – Issues on Allocation or Sharing of Risks (previously known as Unfair Contract Terms) in Construction Contracts would be discussed under Agenda Item 2.10(c) Any Other Business.

(d) Item 1.8 – Report of the Task Force on Employer-Procured Insurance Policies in Construction Contracts

Status updates on the publication of the Procurement Fact Sheet on Owner-Controlled Insurance Programme in Construction Contracts would be discussed under Agenda Item 2.5.

(e) Item 1.11 – Probability of Nominating a Vice Chairman for the Com-PNS

MYP reported that the existing CIC structure did not

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provide for the position of a Vice Chairman.

The Chairman informed Members that he would step down from his position as Projects Director of MTR in end October. However, subject to confirmation by the CIC Chairman and Development Bureau (DevB), he would continue his role as the Chairman of Com-PNS for the present term.

2.3 Report of the Task Force on NEC3 Collaborative Contracts

(a) Proposed Collaboration with NEC UK

Members took note of the Paper CIC/PNS/P/011/14 regarding the proposed Memorandum of Understanding (MoU) for collaboration between the CIC HK and NEC UK. MYP informed Members that the same Paper was circulated to Members on 10 September 2014 for endorsement by circulation. She briefed Members on the background to the proposed collaboration.

Members were informed that, as of 13 October 2014, the Secretariat had received replies from 25 Members out of the total 27 Members (including the Chairman and Co-opted Members), of which 19 Members endorsed the proposed MoU, 4 Members objected and 2 Members abstained. MYP and the Chairman invited Members to deliberate on the proposed MoU before it was signed at the Council level by the CIC Chairman.

Prior to Members' deliberation, the Chairman declared that he was also the Chairman of the NEC Asia Pacific Users' Group. The Chairman further pointed out that CIC promoted the use of collaborative contracts as such form of contracts would help foster a cooperative working environment between clients, contractors and other stakeholders. He stated that by signing the proposed MoU, it did not mean the CIC was suggesting that NEC was the "only" or the "best" form of collaborative contracts for Hong Kong. CIC's door was still open to other forms of collaborative contracts. The Chairman further suggested that the terms of the MoU could be reviewed annually and terminated if necessary.

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KCT pointed out that the Hong Kong Institute of Surveyors (HKIS) objected to the MoU and the use of NEC in government projects, not because it was against the use of collaborative types of contracts, but because there were certain elements within the NEC suite of contracts which HKIS found unacceptable, especially those relating to target cost and cost plus contracts. KCT added that NEC had its drawbacks, e.g. where accountability of public money was concerned, and there was no provision for the role of an independent cost consultant.

KCT further stated that CIC as a statutory body should not be a reseller of contracts not drafted by local stakeholders nor should it be seemingly endorsing the NEC suite of contracts without reservation. He suggested that CIC should promote the spirit and good features of the NEC suite of contracts instead.

PC suggested a record of all the reasons for objection be kept for further review. MYP informed Members of the objections received from four Members, namely Ms. Ada FUNG of the Hong Kong Housing Authority (HKHA) and Sr Thomas HO, Sr Tat-tong CHEUNG and Sr Kai-cheung TANG of the HKIS. MYP stated that the Secretariat had already kept a register of all the responses, including the reasons for objection of the four Members as well as PC's previous comment concerning sole qualification for future reference.

KP stated that he was in support of the proposed MoU as he considered that it was important for the CIC to assist stakeholders' understanding on the different forms of contracts, including the NEC collaborative contracts, to enable them to make the right choice. He concurred with the Chairman that CIC should continue to look at other forms of collaborative contracts and that CIC should be clear in its message that it was not advocating the NEC as the "only" or "preferred" form.

ICG stated that, whilst HKHA objected to the signing of the MoU, HKHA was in support of the use of collaborative contracts in the construction industry.

FLG stated that the DevB would adopt the NEC form of

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contracts for all public works tenders to be gazetted in 2015/2016 except those excluded for special reasons. He added that the DevB had received positive feedback for the NEC pilot projects undertaken so far.

In response to the comments raised by KCT on target cost contracts, FLG clarified that, although the DevB had issued directives for its works department to adopt NEC in public works contracts, the works departments had the freedom to choose the appropriate payment options to suit the specific nature and circumstances of their projects. The choice was not just limited to target cost or cost-plus.

SGN stated that, whilst the NEC suite of contracts had a spectrum of payment options available, including lump-sum payment, there had been misconception in the construction industry that NEC only applied target cost or open book accounting.

PC suggested and Members agreed the wordings of the second paragraph of the MoU be amended as follows to make it more neutral:

“Its purpose is to collaborate together to raise awareness of the construction community to the increasing adoption of collaborative type contracts of which NEC is one of them. The collaboration, for those who opt to use NEC contracts, will aim to support NEC products and support services in the order of priority:.....”

KCT further suggested deletion of Clause 8.1 regarding the lack of legal effect in the MoU. MYP would liaise with NEC UK on the appropriateness for deleting this clause.

**CIC
Secretariat**

MW agreed to PC’s suggested amendment and added that CIC should not be seen as advocating NEC as the “prime” or “best” contractual arrangement especially in the private sector.

After much deliberation, the Com-PNS endorsed the proposed MoU with PC’s suggested amendments incorporated by a majority vote. The MoU would be reviewed annually and a register of all the comments/objections received would be kept on record.

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(b) Reference Materials on Frequently Asked Questions on NEC3 Collaborative Contracts

Members took note of the Paper CIC/PNS/P/012/14 regarding the draft “Reference Materials on Frequently Asked Questions on NEC3 Collaborative Contracts”. SMH briefed Members on the background to the drafting of the FAQ document and the latest progress of the Task Force.

SMH reported that subsequent to the last meeting of the Com-PNS, the Task Force had reviewed the Independent Commission Against Corruption (ICAC)’s comments; and, instead of inserting a new section on “corruption risks and prevention measures for NEC contracts” in the FAQ document, the Task Force had added a paragraph referring the readers to the ICAC for such guidance. SMH further reported that a letter was received from the HKIS on 13 October 2014 reiterating some of their previous comments on the draft FAQ document and he invited representative of the HKIS to present its views and suggest the way forward.

In response, KCT, representing the HKIS, advised that although the HKIS was of the view that further “caution notes” could be added to the FAQ document to alert stakeholders of the potential drawbacks of NEC contracts, given the time and effort that had been put into the preparation of the document and to avoid delay in its publication, HKIS would support the release of the current FAQ document to the public. KCT further suggested that a mechanism should be developed to collect feedback from industry stakeholders after the publication, e.g. via a feedback form attached to the publication or electronic means; and a review on the FAQ document should be undertaken by the Task Force in future, say in one to two year’s time, to take into account any experience gained or updates or comments received.

SMH

Members accepted KCT’s suggestions and endorsed the FAQ document be sent for translation and legal vetting before submitting to the Council for approval for publication. The Chairman thanked the Task Force for its efforts in completing the draft FAQ document.

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2.4 Report of the Task Force on Competition Law

Members took note of the Paper CIC/PNS/P/013/14 regarding the proposed work plan of the Task Force on Competition Law for 2014/2015.

ASN briefed Members on details of the proposed work plan, in particular the three stages of proposed deliverables and timeline. ASN also updated Members on the current status of the Competition Law enactment. Members were informed that subsequent to the passing of the Competition Ordinance in 2012, a Competition Commission was formed. The Competition Commission was preparing for full implementation of the Competition Ordinance tentatively in 2015.

MYP reported that with the budget endorsed at the last Com-PNS meeting, an “Assignment Brief for Provision of Services on the Drafting of Reference Materials on Competition Law” was issued. An Assessment Panel would be formed to review the submitted proposals. MYP further reported that, as part of the stage 1 deliverables, a 2-minute still motion or digital animation video on bid-rigging was proposed and she sought Members’ endorsement on the estimated budget for engaging a production house for its production.

After deliberation, the Com-PNS endorsed the proposed work plan of the Task Force on Competition Law for 2014/2015, including the proposed action plan and estimated budget for the stage 1 deliverables. The action plan and estimated budget for the next stage deliverables would be submitted in due course.

[ASN left the meeting at 11:35am.]

2.5 Report of the Task Force on Employer-Procured Insurance Policies in Construction Contracts

Members took note of the Paper CIC/PNS/P/014/14 regarding the “Procurement Fact Sheet No. 001/14 – Owner-Controlled Insurance Programme in Construction Contracts”.

MYP reported that with Members’ endorsement at the last Com-PNS meeting, the Procurement Fact Sheet was sent for translation and legal vetting in June 2014. The legally vetted version of the Procurement Fact Sheet was subsequently

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submitted to the Council for approval at its meeting held on 29 August 2014. At the said meeting, the CIC Chairman requested mentioning in the Fact Sheet that Owner-Controlled Insurance Programme was also used in the West Kowloon Cultural District Project.

The final version of the Procurement Fact Sheet with the CIC Chairman's comment incorporated had been published on the CIC website and a copy of which was appended at Annex A of the Paper CIC/PNS/P/014/14 for Members' information. The Com-PNS thanked the Task Force's efforts in preparing the Procurement Fact Sheet.

2.6 Report of the Special Group on On-Demand Bonds

Members took note of the Paper CIC/PNS/P/015/14 regarding the "Procurement Alert No. 001/14 – Use of On-Demand Performance Bonds in Construction Contracts" and the proposed revised Terms of Reference and Membership List of the Special Group.

Members were informed that the legally vetted version of the "Procurement Alert No. 001/14 – Use of On-Demand Performance Bonds in Construction Contracts" had been published on the CIC website and a copy of which was appended at Annex A of the Paper for Members' information.

Members were also informed that subsequent to the discussion at the last meeting regarding the initiative of producing a standard form of on-demand bonds with conditions as the stage 2 work of the Special Group, the Special Group Chairman had worked with the CIC Secretariat to prepare a revised Terms of Reference and Membership List of the Special Group and enclosed them at Annex B of the Paper for Members' endorsement.

MYP highlighted to Members the Special Group Chairman's recommendation to keep the existing membership of the Special Group and his proposal to engage a law firm or legal practitioner for the drafting work. The Com-PNS took note of the recommendations and endorsed the revised Term of Reference and Membership List of the Special Group as appended at Annex B of the Paper.

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2.7 Report of the Task Force on the Selection of Consultants and Contractors

Members took note of the Paper CIC/PNS/P/016/14 regarding the “Reference Materials on the Selection of Consultants”.

The Chairman invited KP to brief Members on the latest progress in relation to the drafting of the Reference Materials. KP reported that the latest circulation to Task Force Members for comment took place earlier this year. Many comments were received, with diverse views from Task Force Members representing the clients, consultants and contractors. Much time was spent in the preceding months to accommodate those comments and seeking the Task Force’s endorsement before submission to the Com-PNS.

KCT reported that the HKIS requested more time to provide comments, as they would need to submit the document to its council members to solicit views. However, noting that there had been many rounds of circulation in the past and that the document only served as Reference Materials, KCT stated that HKIS would be happy for the document to be published as it was, but with the view that the document could be updated or revised in future as necessary. KCT also stated that, whilst the Reference Materials seemed a good document from the clients’ perspective, the future revisions should consider more from the consultants’ perspective.

With Members’ consent, the Reference Materials were endorsed. The Reference Materials would be submitted to Council for approval before publishing on the CIC website. The Chairman suggested a briefing session be held to introduce the publication and a mechanism be developed to collect feedback from industry stakeholders, e.g. via a feedback form attached to the publication or electronic means, for incorporation in future revision(s).

KP

2.8 Report of the Task Force on Enhancements to Subcontractor Registration Scheme

Members took note of the Paper CIC/PNS/P/017/14 enclosing a copy of the Progress Report for Meeting No. 001/14 of the Task Force on Enhancements to Subcontractor Registration Scheme (SRS) for information.

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CWL reported on behalf of the Task Force Chairman, CYT, the progress of the Task Force. He informed Members that the second meeting of the Task Force was held on 28 August 2014. At the meeting, two important issues were deliberated as follows:

(i) Issues on categorisation of Registered Subcontractors under the SRS

After considering the pros and cons of the proposed categorisation and the impact that it would bring to the operation of the construction industry at large, the Task Force recommended not to proceed with the categorisation of Registered Subcontractors under the SRS. Summarised below were the key reasons for the Task Force's recommendation:

- Subcontractors or subcontracting practices, unlike main contractors, involved diversified trades and each trade in turn had its unique mode of operation. This made it very difficult, if not impossible, to draw up detailed criteria for their categorisation, not to mention getting further consensus from various stakeholders. As reported in the first meeting of the Task Force, the diversity was evidenced from the data collected from the Registered Subcontractors in 2013 and it was not possible to draw up a set of criteria for the proposed categorisation.
- Task Force Members representing the main contractors, subcontractors and workers did not indicate strong demand for proceeding with the proposed categorisation. It was considered that the current SRS arrangement had already provided an administrative mechanism to regulate Registered Subcontractors for designated misconduct; and in practice, the SRS should not be viewed as the only measure for removing "cowboys" from the market.
- The proposed categorisation might limit the employers' choice of subcontractors or restrict normal business activities in an otherwise free market and might further reduce the market supply.
- The implementation of the proposed categorisation would demand significant long-term resources whereas the CIC should focus on and deploy its limited resources

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to areas such as training and safety.

(ii) Issues on mandatory implementation of the SRS

The Task Force also reviewed the need for introducing a mandatory registration scheme for subcontractors. Key points of the Task Force deliberation were as follows:

- The Task Force focused its discussion on the legislative intent. It was suggested that it would be difficult to ascertain the underlying public or industry interests to be protected through legislation.
- In response to a Task Force Member requesting a mandatory registration scheme for subcontractors so as to strengthen the protection for workers in terms of payment of wages and MPF contributions from employers, the Task Force considered that there were already existing legislations which address the matters.
- The Task Force opined that legislative measures should only be used as the last resort after all administrative measures were exhausted and should be handled with prudence. The efforts of the Task Force should be focused on strengthening the support from stakeholders on the SRS, enhancing its operation as well as exploring means to provide further support and incentives to subcontractors to enable their continuous improvement.
- In conclusion, the Task Force recommended not to continue with the study on reviewing the need for introducing a mandatory registration scheme. As such, the corresponding budgeted reserved by the Task Force for 2014 would be released.

The Com-PNS took note of the above two recommendations of the Task Force. LKC expressed his view that legislation to protect workers' wages and welfare was needed. DP also expressed that the SRS should be made mandatory.

2.9 Updates on SRS Operations

Members took note of the Paper CIC/PNS/P/018/14 regarding updates on SRS operations.

CWL reported the updated status of the SRS operations. He

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briefed Members on the details regarding the hearing of regulatory actions conducted by the Management Committee of the SRS on 16 July 2014. CWL also briefed Members on the proposed changes to the Membership of the Management Committee as detailed in the Paper CIC/PNS/P/018/14.

Members took note of the report on SRS operations and endorsed the proposed changes in membership of the Management Committee.

2.10 Any Other Business

(a) Progress Update of the Task Force on Standard Contract Provisions for Domestic Subcontracts

KCT informed Members that the Task Force had its latest round of discussion at its Meeting No. 002/14 on 14 October 2014. At the meeting, consensus was reached on the final amendments to the draft Standard Form of Domestic Subcontract and the document would be further revised before submission to the Com-PNS. KCT also reported that the Task Force would target to have the legal vetting on both the English and Chinese versions completed by early 2015, and upon receipt of the legal advice, the draft would be finalized by Task Force Members.

KCT highlighted the request from Task Force Members that the document should be further simplified for the industry's use. LN suggested proceeding to the legal vetting of the existing document for its publication and preparing a simplified version as a second stage deliverable.

Members took note that a letter was received from the Hong Kong Construction Association (HKCA) on 15 October 2014 stating that HKCA no longer supported the Standard Form of Domestic Subcontracts. The letter did not explain the reason for HKCA's objection and the Chairman suggested the KCT to contact HKCA to find out the reasons for its non-support.

KCT

DP responded that one reason for HKCA's non-support was the complexity of the document which would deter people from using it; the other reason was the concern that one general standard form would not be applicable. The

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KCT

Chairman suggested the Task Force to review the standard form of domestic subcontract further and hold a meeting with the Task Force and HKCA to find ways to resolve the matter before the next Com-PNS meeting.

[Post-Meeting Note: At the Council Meeting on 24 October 2014, CIC Chairman encouraged HKCA to adopt a positive attitude by sending representatives to participate in the discussions at the task force meeting again. A simplified version of the Standard Form of Domestic Sub-Contract would be prepared as a second stage. Mr. Allan CHAN, Chairman of HKCA, agreed to the proposed way forward. As the matter would be further discussed at the Task Force/Com-PNS level, the legal vetting would be put on hold.]

KCT subsequently met Mr. Thomas Tse of HKCA after the Council Meeting, Mr. Tse said that they would not want to spend further resources on either simplifying the present draft or drafting another simpler one.

Furthermore, upon circulation of the Progress Report of the Task Force Meeting No. 002/14 for Task Force Members' comment on 12 November 2014, Mr. Thomas Tse of HKCA replied that since HKCA was no longer involved in the Task Force, HKCA would not be in a position to offer any comments nor agree to any discussion at the meeting.]

(b) Progress Update of the Working Group on the Review of the Implementation of the Dispute Resolution Mechanism

Members took note that a letter was received from the Hong Kong Construction Arbitration Centre (HKCAC) in September 2014, proposing an alternative model to the one stipulated in CIC's Reference Materials for Application of Dispute Resolution in Construction Contracts. The model proposed to establish a new unified body comprising of HKIA, HKIS, HKIE, etc.. The Working Group would discuss the matter at its upcoming meeting.

(c) Issues on Allocation/Sharing of Risks in Construction Contracts

MYP briefed Members on the background to the Issues on

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Allocation/Sharing of Risks (previously known as Issues on Unfair Contract Terms).

Members were informed that, subsequent to the discussions at the last Com-PNS meeting, the HKCA and the CIC had exchanged correspondences on the subject and the matter was discussed at the Council Meeting held on 20 June 2014. MYP briefed Members on the key points of the correspondences or discussions and CIC's proposed course of action as follows:

- HKCA requested the CIC to engage in a thorough research to compare the contract terms used in existing Hong Kong contracts with those widely used in different countries.
- A Council Member expressed that "unfair contract terms" might not be the correct description of the situation portrayed because there was no unfairness so long as the terms were clear and understood by both parties.
- The CIC Chairman concluded that the focus of the issue was more about the sharing of risks.
- The CIC replied that the Council would be proactively looking into the matter and that incidentally the CIC had commissioned a consultant to look into the strategy and way forward for the construction industry.
- The CIC also reassured the HKCA that it would provide the consultant with the relevant background and concerns on the aforesaid issues and ensure that the consultant would approach HKCA in the course of the study for an in-depth understanding of their views to facilitate its consideration on the subject.

Representative of the HKCA, DP, stated that he was unsatisfied with the proposed course of action because the consultancy study, as suggested by the CIC, was more about setting the general direction for the construction industry instead of focusing on the risk sharing issues. DP stated that HKCA hoped that an individual study could be commissioned to look into the risk sharing between the Contractor and the Employer in construction contracts.

TCC

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The Chairman suggested that he would set up a separate meeting with the HKCA to discuss the matter.

[Post-Meeting Note: SKC emailed the Secretariat on 17 October 2014 stating that HKCA believed that CIC should take the lead to develop a set of good practices to avoid unfair allocation of risks among the parties involved in a construction contract. The development should involve government officials, REDA, HKIA, HKIE, HKIS and HKCA.]

2.11 Date of Next Meeting

Tentatively 19 November 2014 at 2:30 pm at Meeting Room No. 1, CIC Headquarters, 15/F, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong. **All to note**

[Post-Meeting Note: The next meeting of the Com-PNS was re-scheduled to Monday, 15 December 2014 at 2:30pm]

There being no further business, the meeting adjourned at 12:40pm.

CIC Secretariat
October 2014