

**Construction Industry Council**

**Committee on Procurement**

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Meeting No. 002/10 of the Committee on Procurement was held on Monday, 22 June 2010 at 2:30 pm at Board Room, 23/F, MTR Headquarters Building, Telford Plaza, Kowloon Bay, Kowloon

Present	:	Tai-chong CHEW	(TCC)	Chairman
		Andrew CHAN	(AC)	
		Oi-ki Peter LAM	(OKL)	
		Kam-hung YU	(KHY)	
		Steve GRIFFIN	(SGN)	MTR Corporation Limited
		Kevin POOLE	(KP)	Airport Authority Hong Kong
		Ming-wai LAU	(MWL)	Chinese Estates Holdings Limited
		Alex KWAN	(AKN)	The Association of Consulting Engineers of Hong Kong
		Wah-hoi MOK	(WHM)	Independent Commission Against Corruption
In Attendance	:	Edward LEE	(ELE)	Civil Engineering and Development Department
		Sheron LI	(SNL)	Architectural Services Department
		Mung-wan WONG	(MWW)	Housing Department
		Vincent CHAU		Housing Department (Item 2.4)
		CF Chan		Development Bureau
		Nigel WHITE		British Chamber of Commerce Construction Industry Group (Item 2.3)
		Robert PEGG		NEC Authorised Trainer (Item 2.3)
		Vincent CONNOR		NEC Authorised Trainer (Item 2.3)
		Christopher TO	(CT)	Executive Director
		Alex LEUNG	(AL)	Senior Manager (Council Services) 1
		Summer LEE	(SrL)	Manager (Council Services) 1
	Apologies	:	Duncan PESCOD	(DWP)
		Ada FUNG	(AF)	
		Siu-hung CHAN	(SHC)	
		Thomas HO	(TH)	
		Wai-wah HO	(WWH)	
		Wo-hei LAM	(WHL)	
		Irene CHENG	(ICG)	Housing Department
		David TONG	(DT)	Development Bureau

**PROGRESS REPORT**

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**2.1 Confirmation of the Progress Report of the Committee Meeting No. 001/10**

Members took note of the Paper CIC/PCM/R/001/10 and approved the progress report of the last meeting held on Monday, 12 April 2010 at Board Room, MTR Headquarters Building.

**2.2 Matters Arising from the Previous Meeting**

Agenda item 1.3:

The reply in response to Mr Peter LAM (HKFEMC)'s email was sent via e-mail on 21 June 2010 for record purpose. A coordinated reply to HKIS was formally issued on 21 June 2010.

Regarding invitation to REDA for more participation in this Committee and its task forces, the CIC Chairman decided to issue a letter to REDA by himself to solicit more involvement of REDA in the CIC and its committees. The letter would be issued to REDA on 23 June 2010.

CIC Secretariat would follow up with REDA and arrange a luncheon / an informal meeting specifically for the Com-PCM among REDA's relevant members, the Committee Chairman and the two Task Force Chairs.

**CIC  
Secretariat**

With respect to Members' interest in joining the Task Forces established under the Committee, the following nominations were received from Members:

Task Force on CPFS for Private Sector Construction Contracts

Mr Lau Ming-wai (Member of the Com-PCM)

Mr SM Ho (Representative of CLP Power)

Task Force on the Selection of Consultants and Contractors

Ms Lily Heo (Representative of CLP Power)

Agenda item 1.4:

The appropriateness of the use of the word 'Guidelines' would be discussed under Agenda item 2.8.

Agenda item 1.8.1:

Regarding the KPI for implementation of the guidelines on partnering in the industry, a meeting had been held with Mr

Colin Jesse to discuss this subject.

2.3 **Presentation on New Engineering Contract (NEC) by British Chamber of Commerce Construction Industry Group and NEC Authorised Trainers**

Representatives from British Chamber of Commerce Construction Industry Group and NEC Authorised Trainers delivered a presentation on NEC.

Members had much discussion on the principles and the application of NEC in Hong Kong. There was a general consensus that collaborative partnering approach should be considered for the delivery of complicated project. However, as to the form and type of contract, the Committee might consider to look into NEC in future as a way of collaborative contracting principle.

2.4 **Presentation on Product Certification by Housing Department**

Representative of the Housing Department delivered a presentation on product certification.

It was also reported that the Housing Authority was discussing with the Hong Kong Construction Association on the establishment of a new system, named Voluntary Supplier Management System (VSMS) as a next step in the development of product certification initiative. All domestic suppliers would have to register with the system before it could supply products for Housing Authority's projects.

Mr Christopher To stated that the Commissioner of Innovation and Technology, who was involved in the CIC in the past, would set up a meeting with the Chairman of Committee on Environment and Technology, the CIC Chairman and the Secretary General of Hong Kong Accreditation Service regarding this subject. The results of the meeting would be reported back to the Committee through the CIC Secretariat, if appropriate.

The Committee took note of the issue and its current development. In view that this initiative had been taken forward and under consideration by the CIC Chairman and other industry stakeholders. The Committee would await further direction from the main Council after their discussion.

**2.5 Progress Report of Meeting No. 002/10 of the Task Force on Contract Price Fluctuation System (CPFS) for Private Sector Construction Contracts**

SGN briefed Members on the Paper CIC/PCM/P/007/10 regarding the progress of the Task Force on CPFS for Private Sector Construction Contracts.

**Contract Price Fluctuation System (CPFS) for Private Sector Construction Contracts**

The revised outline of the Guidelines was agreed. The drafting works had started. Although, the progress of the Task Force (TF) was slightly lagging behind programme, the TF was confident that it could catch up.

**IPS/Milestone Payment**

TF members could not reach consensus as to the best or most suitable payment method and the Committee agreed further discussion and the possible guidelines production could be deferred. The task programme would be revised accordingly.

**2.6 Progress Report of Meeting No. 002/10 of the Task Force on the Selection of Consultants and Contractors & Progress Report of Task Groups meetings**

KP presented the Papers CIC/PCM/P/008/10 and CIC/PCM/P/009/10 regarding the progress of the meetings of the Task Force and the Task Groups.

KP reported that each Task Group had met twice since the last Committee meeting in which the current practices and selection criteria were consolidated and summarized, issues and possible solutions were also briefly discussed. The Task Group members were further divided into sub-groups to summarise the deliberations/discussions into a consolidated schedule. The overall progress of the TF was slightly behind compared to the established programme.

[MWL left the meeting at 16:30.]

**2.7 Year Plan 2010/2011**

AL introduced the paper CIC/PCM/P/010/10 regarding the proposed Year Plan 2010/2011 for the Committee on Procurement.

The progresses of both Task Forces were slightly behind but the Task Force Chairs decided to maintain the current

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programmes at the moment (except the one on IPS with milestones which would be revised).

**2.8      Categorisation of Publications Prepared by the Committee on Procurement**

Members took note of the paper CIC/PCM/P/011/10 and agreed that all of its publications should be classified as “Guidelines”.

**2.9      Tentative Meeting Schedule for 2010**

Members took note of Paper CIC/PCM/P/012/10.

**2.10     Any Other Business**

**2.10.1   Labour Shortage**

The Chairman raised the issue of labour shortage in the imminent future and highlighted that collective actions of all industry stakeholders would be crucial in helping the industry to resolve the situation. This issue would be raised in the Council meeting for discussion.

**2.11     Next Meeting**

6 October 2010, Room 1201, Murray Building, Garden Road, **All to note**  
Central, Hong Kong

There being no further business, the meeting adjourned at 17:00.

**CIC Secretariat**  
**June 2010**