

Construction Industry Council

Committee on Procurement

The 6th Meeting of the Committee on Procurement was held on Monday, 13 October 2008 at 2:30 pm at Room 1201, Murray Building, Garden Road, Central.

Present : Russell BLACK (RB) Chairman
Francis BONG (FB)
Andrew CHAN (AC)
James CHIU (JC)
Thomas HO (TH)
LEE Shing-see (SSL)
Conrad WONG (CW)
Ada FUNG (AF) For Permanent Secretary for
Transport and Housing (Housing)
James BLAKE (JB) Kowloon-Canton Railway
Corporation
Ian COCKING (IC) Minter Ellison Lawyers
Colin JESSE (CJ) Evans and Pecks (HK) Ltd
Mohan KUMARASWAMY (MK) University of Hong Kong
Margaret COATES (MC) CLP Power Hong Kong Ltd.
LAU Chun-kay (CKL) Hong Kong Federation of
Electrical and Mechanical
Contractors
LEUNG Tak-fai (TFL) Represented David TONG
MOK Wah-hoi (WHM) ICAC

In Attendance : Alex LEUNG (AL) Senior Manager (Council
Services) 1
Claudia AU (CA) Manager (Council Services) 1
Rico CHEUNG (RC) Development Bureau

Apologies : Teresa CHENG (TC)
CHEUNG Tat-tong (TTC)
LAM Wo-hei (WHL)
Billy WONG (BW)
CHEUNG Lung-hing (LHC) Construction Site Workers
General Union
Hugh WU (HW) Macao Studio City
CHAN Nap-ming (NMC) Housing Department
David TONG (DT) Development Bureau

PROGRESS REPORT

Action

6.1 Confirmation of the Progress Report of the 5th Committee Meeting

Members took note of Paper CIC/PRO/R/005/08 and approved the progress report of the last meeting held on Friday, 1 August 2008 at Murray Building.

6.2 Matters Arising from the Previous Meeting

6.2.1 Paragraph 11 (a)

A meeting on the ICAC's proposal for establishing a list of consultants and cost database for R&M works has been scheduled for 12 November 2008.

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6.2.2 Paragraph 11 (b)

Discussed under agenda item 6.3.

6.2.3 Paragraph 11 (c)

Discussed under agenda item 6.4.

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

Members took note of Paper CIC/PRO/P/013/08 and reviewed the draft Good Practice on the Inclusion of Contract Price Fluctuation Clause in Private Sector Construction Contracts. Members concurred that CPFS was a mechanism for promoting fair and equitable risk-sharing for all industry stakeholders and suggested that the CIC Secretariat to obtain further inputs from Members and organizations (including MTRCL, HKCA and Housing Department) which have relevant experience and expertise in the CPFS application. The coverage could be broadened to detail the pros and cons of including a clause for contract price fluctuation in private sector works contracts, to consider the feasibility in providing sample clauses for application under several key scenarios, etc, so that the final guidelines would be balanced and adequately informative for consideration of voluntary adoption by various industry stakeholders.

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Action

6.4 **Formation of Task Force on Partnering**

Members took note of the paper CIC/PRO/P/014/08 outlining the background for the formation of the said Task Force, its Terms of Reference & Membership Composition. The first meeting to be chaired by Mr Colin Jesse has been scheduled on 27 October 2008. Status of Membership List as at 10 October 2008 was tabled for Members' information.

6.5 **Review of Year Plan**

Members took note of the Paper CIC/PRO/P/015/08 and supported the revised work plan of the Committee. In view of past experience for the time and efforts engaged for the formulation of industry guidelines, Members concurred that the proposed timeline for arriving at the finalized Guidelines on Partnering for CIC Council Members' endorsement might be too tight and would have to be further reviewed depending on the progress of the task.

Focus of perspectives for the coming year in order of priority was agreed as follows:

- Selection of consultants and contractors;
- Procurement arrangement for repair and maintenance works;
- Procurement approaches (Partnering and other approaches); and
- Contract Price Fluctuation.

Review of the priorities would be conducted in six months' period.

6.6 **Any Other Business**

Nil

6.7 **Proposed Tentative Date of the Next Scheduled Meeting**

1 December 2008 (Monday) at 2:30 pm at Room 1201 Murray Building **All to note**

There being no further business, the meeting adjourned at 4:30 pm.

Remark: *The mentioned papers discussed in the Meeting of the Committee on Procurement can be made available to the Council Members from the CIC Secretariat upon request.*