

**Construction Industry Council**

**Committee on Construction Procurement**

Meeting No. 003/18 of the Committee on Construction Procurement was held on Thursday, 13 September 2018 at 2:30pm at the Boardroom, CIC Headquarters, 38/F, COS Centre, 58 Tsun Yip Street, Kwun Tong, Kowloon.

Present	:	Stephen LAI	(SLI)	Chairperson
		Francis Leung	(FLG)	
		WONG Mung-wan	(MWW)	
		CHAN Chi-chiu	(CCC)	
		CHAN Kim-kwong	(KKCN)	
		CHOW Ping-wai	(CPW)	
		Rita CHUNG	(RC)	
		Robert LAM	(PHL)	Chairperson of Task Force on Selection of Contractors
		Rocky POON	(LKP)	
		Eliza WONG	(EWYL)	
		Simon WONG	(SWHW)	
		Dick KWOK	(DkK)	Chairperson of Task Force on RMAA Procurement
		TSE Chun-yuen	(CYT)	Chairperson of Task Force on Enhancements to Subcontractor Registration Scheme
In Attendance	:	Ivan FU	(FI)	Chairperson of Working Group on Flat Inspection
		James WONG	(JsW)	Senior Manager – Construction Productivity
		LAI Chi-wai	(CWLA)	Senior Manager - Registration Services
		Iris NG	(IN)	Government Seconded - Construction Procurement
		Parco LAU	(PLU)	Manager - Construction Procurement
Apologies		Raymond AU	(RA)	
		Danny HUNG	(CSH)	
		Ricky LEUNG	(RyL)	Chairperson of Task Force on Reasonable Construction Period
	:	Albert CHENG	(CTN)	Executive Director
		Richard PANG	(RPg)	Director – Industry Development
		LEE Oi-yen	(OYL)	Assistant Director – Registration Services

**MINUTES**

**Action**

**3.1 Confirmation of the Minutes of Meeting No. 002/18**

Members took note of the Paper CIC/CPT/R/002/18 and confirmed no further comment to the Minutes of Meeting No. 002/18.

**3.2 Matter Arising from the Last Meeting**

SLI and FI updated Members on the following matters arising from the last meeting:

**Item 2.2 – Updates on the status of research initiatives under CIC’s research fund**

SLI expressed that the updates on the status of research initiatives under CIC’s research fund would be discussed under agenda item 3.3 by Construction Productivity.

**Item 2.4 – Proposed the transfer of Working Group – Flat Inspection from Com-PRO to Com-CPT**

FI introduced the establishment of the Working Group – Flat Inspection as some unqualified parties who inspect the completed flats in the market causing confusion to the flat owners and industry. He expected that the Working Group can achieve the following objectives:

- To promote that flat inspection should be carried out by the qualified professionals in the construction industry to assist them. For example, members from The Hong Kong Institute of Clerk of Works, The Hong Kong Institute of Surveyors, The Hong Kong Institute of Architects, The Hong Kong Institute of Engineers;
- To let public have basic knowledge of good practices of flat inspection in popular trades via promotion video, guideline and reference standard;
- To advise the owners to inspect their flats with reference to their construction contract of the property.

He supplemented that the Working Group had been established for almost a year, there was no apparent needs for the time being to include representatives from the Consumer Council and Estate Agents Authority. However, the Working Group would take an open view to absorb opinion/ input from various parties as appropriate and might consider engaging them if the Working Group would be further engaged for the second phase of works.

After deliberation, Members had no further comment to the proposed transfer of Working Group from Com-PRO to Com-CPT.

### **3.3 CIC Research and Technology Development Fund and Research Agenda**

JsW presented the revamped CIC Research and Technology Development Fund with elaboration on the Funding Model, Operational Framework, Assessment Criteria and the Research Agenda.

The objective of the framework amendment is to make the research more practical through cooperating with industry. The new funding model consists of three schemes, viz. Explorative Project Scheme and associated Site Trial Scheme, Collaborative Project Scheme, and Key Performance Indicator (KPI) Improvement Project Scheme. The new funding model can provide the research fund to industry and protect the best interest of them. The operation framework is hence optimized.

JsW mentioned that the key factors of assessment criteria shall be the practicality of projects, cost effectiveness and the capacity of research teams. He estimated that any proposals received in October 2018 could be approved by the Committee in March 2019.

After JsW presented the research agenda, members agreed the proposed research agenda for general dissemination and proposal invitation.

### **3.4 Subcontractor Registration Scheme (SRS) Operations**

CWL briefed Members on the Paper CIC/CPT/P/003/18 on the latest status of SRS operations.

Members took note of the report on SRS Operations. There were 5,973 companies registered under the SRS up to end of August 2018 with an increase of 42 Registered Subcontractors compared to that last report in June 2018.

The Management Committee (MC) of the SRS conducted a hearing on 31 Aug 2018. Regulatory actions ranged from written warning to suspension of registration up to three months were taken against six Registered Subcontractors, in which three for convictions in

relation to fatal site accidents, one for conviction for failure to pay workers' wages on time, one for violation of late MPF contribution and one for not notifying change of director's information within prescribed period.

CITAC guided tours were held on 21 July and 25 August 2018 for introducing the newly established CITAC Centre. Furthermore, "Subcontractor Technovation Series: BIM Practical Application Seminar is scheduled on 20 September 2018 with 133 participants enrolled as of end of August 2018. In addition, SRS Leadership Summit will also be held on 19 November 2018.

### **3.5 Views on the proposed Security of Payment Legislation for the Construction Industry**

CTN updated Members on the latest progress. Development Bureau had drafted bill of the Security of Payment Legislation and would like to solicit the view of industry in order to reach a consensus. Stakeholders discussed unceasingly. The draft Legislation is now under the consultation stage and will be submitted to Legislative Council after confirming the details.

### **3.6 Task Force on Selection of Contractors**

PHL updated Members on the latest progress.

The latest version of Reference Materials had been finished. However, industry stakeholders expressed that the Materials should have better terminology and English presentation. Task force will further discuss with industry stakeholders and amend the materials based on their views.

### **3.7 Task Force on RMAA Procurement**

DkK updated Members on the latest progress.

Four Expression of Interest for the consultancy service of research study on Factors Affecting Consultants and Contractors in Hong Kong in Participating in the Repair, Maintenance, Alteration and Addition (RMAA) Sector were received on 22 August 2018 and 3 proposals were selected. Detailed research specification and tender documentation had been prepared and the consultant companies with potential would be invited to submit detailed proposals by Task Force in September 2018.

### **3.8 Task Force on Reasonable Construction Period**

IN updated Members on the latest progress.

The Task Force on Reasonable Construction Period had been established. The membership composition mainly followed the decision at the last meeting, except the Urban Renewal Authority had declined the nomination. The first meeting will be held on 20 September, 2018. The Secretariat had sent letters to private and public sectors requesting the past construction project information for studying the Reasonable Construction Period. Although four organizations have provided the information, it would still require Hong Kong Construction Association to provide the past construction details in order to expand the database for establishing Reasonable Construction Period. IN suggested to engage academic groups and consultant company to compile the research report. Members were encouraged to express opinion.

EWYL expressed that Reasonable Construction Period was a practical topic and academic group may not necessarily understand the actual situation of industry, so the Task Force could put forward a feasible and effective proposal to make the research result realistic.

CTN explained that consultant company had related experience would be engaged and the research report should be supervised and approved by experienced Task Force members for ensuring the quality of research.

PHL replied that the research result may emphasize on academic if the project was oriented by academic groups. Besides, the researchers proposing by consultant companies may not be the actual researchers doing the study, according to his past experience. The tender document should specify clearly to require the confirmation of consultant companies that the actual researchers should be in line with their proposal, suggested by PHL.

LKP proposed to add an additional representative from Hong Kong Federation of Electrical and Mechanical Contractors (HKFEMC). IN replied that HKFEMC had already nominated their member to join the Task Force.

### **3.9 Any Other Business**

#### **(a) Seminar on Upcoming Tenders**

CTN presented the seminar on upcoming Tenders briefly. Public/private sector will be invited to brief their estimated construction projects for contractors to have sufficient time for preparation in order to improve the construction quality and cost effectiveness. He encouraged Members to participate this seminar for enhancing communication and transparency.

#### **(b) The official language of the documents in committee and Task Force**

IN asked whether the minutes of committee and Task Force should make record in monolingual or bilingual. CTN replied those documents for uploading to CIC website and for submitting to Council would still be bilingual.

After the deliberation by Members, it was confirmed that Chinese would be adopted as the official language for the Com-CPT's documentation.

### **3.10 Date of Next Meeting**

The next meeting would be scheduled for Thursday, 6 December 2018 at 2:30pm at the Boardroom, CIC Headquarters, 38/F COS Centre, 56 Tsun Yip Street, Kwun Tong, Kowloon. **All to note**

There being no further business, the meeting was adjourned at 4:40 p.m.