

Construction Industry Councils

Committee on Construction Procurement

Meeting No. 002/19 of the Committee on Construction Procurement was held on 20 June 2019 (Thursday) at 2:30pm at the Board Room, CIC Headquarters, 38/F, COS Centre, 58 Tsun Yip Street, Kwun Tong, Kowloon.

Present	:	Stephen LAI Yuk-fai HO Ying-kit WONG Mung-wan Dick KWOK Ricky LEUNG CHAN Kim-kwong CHOW Ping-wai Rita CHUNG Fung-hing HUNG Cheung-shew Rocky POON Lock-kee Simon WONG Hin-wing Eliza WONG Yeuk-lan	(SLI) (HYK) (MWW) (DkK) (RyL) (KKCN) (CPW) (RC) (CSH) (LKP) (SWHW) (EWYL)	Chairperson Prin AS (Works) 4 Assistant Director (Development & Procurement) Chairperson of Committee on RMAA Procurement Chairperson of Committee on Reasonable Construction Period
In attendance	:	CHAN Ka-kui CHAN Lok Fai Stephen HO Rocky CHO Parco LAU Christopher CHEUNG	(KKCh) (ECN) (SnH) (RYC) (PLU) (PHC)	CIC Chairman AS (Works Policies 4) 2 Assistant Director – Industry Development Senior Manager – Construction Procurement Manager – Construction Procurement Senior Officer - Construction
Apologies	:	Ivan FU Chin-shing Robert LAM	(FI) (PHL)	Chairperson of Working Group on Flat Inspection Chairperson of Task Force on Selection of Contractors

Raymond AU (RA)
CHAN Chi-chiu (CCC)

MINUTES

Action

2.1 Confirmation of the Minutes of the Meeting No. 001/19 of the Committee on Construction Procurement

Members took note of the paper CIC/CPT/M/001/19 and confirmed with no further comments.

2.2 Matters Arising from the Previous Meeting

Members noted that there were no matters arising from the last meeting.

2.3 2020 Work Plan of Committee on Construction Procurement

SnH briefed the Members about the paper CIC/CPT/P/004/19 and aimed to seek Members' endorsement of the 2020 work plan and budget of the Com-CPT. He first briefed about that Com-CPT would continue its work of 2019, including creating a healthy construction market and promoting fair allocation of risks and collaborative culture. Apart from the mentioned duties, Com-CPT would also promote and explain the security of payment legislation to the industry and organise events related to the procurement of modular integrated construction in 2020.

LKP enquired the Development Bureau about the preliminary timetable for the enactment of the security of payment legislation. ECN replied that the Development Bureau is communicating with the industry, and industry stakeholders will be informed for further update.

KKCh stated that the construction cost continued to rise currently, and thus suggested the Com-CPT including the study on how to reduce construction cost to the work plan of 2020.

CSH stated that the risks that contractors bear would be reflected on the construction cost, and thus suggested to review the impacts of statutory construction requirements on construction cost. HYK stated that there were various statutory construction requirements so it was necessary to confirm which requirement should be reviewed and such matter should be handled step by step.

RyL suggested studying on feasibility of reducing construction cost by the adoption of design and build contracts. CSH responded

that contractors would also bear greater risks if the design and build contracts were adopted, therefore it may not be able to reduce the construction cost. LKP supplemented to explore the feasibility of subsidizing the contractors which participated design and build contracts tenders but failed to be awarded.

SLI suggested conducting research on BIM-related contract terms and reasonable consultancy fees and promoting good practice to the industry. He also enquired whether a Joint Working Group would be established with Committee on Building Information Modelling (Com-BIM) for the purpose of studying the construction contracts involved in building information modelling. After discussion, Members agreed that Com-BIM should examine whether the scope of research of the committee on building information modelling in another organization overlapped the duties and responsibilities of the proposed Joint Working Group. Besides, Members also agreed that although Com-BIM would set up a new working group, Com-CPT would only delegate a member as representative to support the working group and would not jointly set up a working group.

After discussion, Members endorsed the work plan and relevant budget in the above mentioned paper, and agreed to include reduction of construction cost, BIM contract terms and reasonable consultancy fees in the 202 work plan for exploration.

2.4 Tender Evaluation Method of Public Works Contract

RYC reported and briefed the paper CIC/CPT/P/005/19 to Members, and reported the status of the Tender Evaluation Method of Public Works Contract. Member were invited to explore ways to improve.

HYP stated that government had considerations to establish the Tender Evaluation Method of Public Works Contract; if contracts considered the requirements of the Tender Evaluation Method demanding, they could report the case through the existing mechanism and the relevant departments would clarify.

Upon discussion, Members unanimously agreed that the Tender Evaluation Method of Public Works Contract was worth exploring, and that the agenda could be further discussed with the relevant departments of the Development Bureau in the future.

[Post-meeting note: The CIC Secretariat would conduct another meeting on 22 August 2019 with the Development Bureau for further discussion on this agenda.]

2.5 Research on Procurement of Modular Integrated Construction

RYC briefed Members about the paper CIC/CPT/P/006/19, and suggested conducting research on the procurement method of modular integrated construction (MiC) and setting up the scope of research, and approved to prepare reference material. The expense of the entire research would be around HK\$ 400,000.

After discussion, Members unanimously approved to conduct the research and that Com-CPT would directly oversee the research.

[KKCh left the meeting at this juncture.]

2.6 Task Force on RMAA

DkK reported the latest progress to Members.

The consultancy, Arcadis Consultancy Hong Kong Limited, had completed the questionnaire and interview work and was analysing the data. In addition, Arcadis also suggested expanding the scope of study by interviewing companies which involved in the procurement of repair, maintenance, alterations and additions, and compared their data with that of companies not involved in the procurement of repair, maintenance, alterations and additions. The Secretariat was currently negotiating with Arcadis for the additional cost incurred by the expansion of the scope of study, with a view to controlling the research cost as far as possible.

After discussion, Members unanimously agreed on the expansion of the scope of study, and that the Secretariat negotiated with Arcadis for the additional research cost.

2.7 Task Force on Reasonable Construction Period

RyL reported the latest progress to Members.

The Secretariat had circulated the consultancy assignment brief to Task Force members and had sought their views. With reference to their views, the Secretariat amended the assignment brief. The study was to devise a construction time index mainly through obtaining the construction period data of various construction projects, so as to calculate the reasonable construction period and to study the influencing factors of construction period.

Members noted the work progress of the Task Force, and agreed to use the assignment brief for tendering.

[HYK and LKP left the meeting at this juncture.]

2.8 Working Group on Flat Inspection

RYC reported the latest progress to Members on behalf of FI.

The Working Group had engaged a media production house. The Hong Kong Institute of Clerks of Works also provided professional opinions to the Working Group. It was expected that the video script would be finalised in July, the filming of the two videos would be completed in August and the post production would be concluded in September. The Working Group would also follow up the production of the remaining three videos.

Members noted the work progress of the Working Group.

2.9 Task Force on Selection of Contractors

RYC reported the latest progress to Members on behalf of PHL.

The Task Force engaged Sr Kenneth POON as the copywriter for editing and enhancing the reference material, and it was expected the editing would be completed in August and the reference material would be ready for publication in September.

Members noted the work progress of the Task Force.

2.10 Any Other Business

- (a) RYC shared with Members the journey of and experience gained from the London visit.

2.11 Next Meeting

The next meeting was scheduled for 5 September 2019 (Thursday) **All to note** at 2:30pm at the Board Room, 29/F, Tower 2, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon.

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

CIC Secretariat
June 2019