

Construction Industry Council

Committee on Construction Procurement

Meeting No.001/20 of the Committee of Construction Procurement was held on 5 March 2020 (Thursday) at 2:30pm at Board Room, 30/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay.

Present	:	Rocky POON Lock-kee	(LKP)	Chairperson of Committee and Chairperson of Task Force on BIM Specifications and Agreement
		HO Ying-kit	(HYK)	Prin AS (Works) 4
		CHIM Fu Keung	(CFK)	Sr Mgr/P 3 of Housing Department
		Raymond AU	(RA)	Chairperson of Task Force on Reasonable Consultancy Fee Evaluation System
		Ricky LEUNG	(RyL)	Chairperson of Committee on Reasonable Construction Period
		HUNG Cheung-shew	(CSH)	
		CHOW Ping-wai	(CPW)	
Present(Video Conference)	:	Rita CHUNG	(RC)	Chairperson of Task Force on Construction Expenditure Forecast
		Ivan FU Chin-shing	(FI)	Chairperson of Working Group on Flat Inspection
		Eliza WONG Yeuk-lan	(EWYL)	
		CHAN Chi-chiu	(CCC)	
		Simon WONG Hin-wing	(SWHW)	
In attendance	:	Stephen HO	(SnH)	Assistant Director – Industry Development
		Rocky CHO	(RYC)	Senior Manager – Construction Procurement

CIC/CPT/M/001/20
(for information)

	Hilda WONG	(HiW)	Manager – Construction Procurement
	Karen NG	(KN)	Senior Officer – Construction Procurement
In attendance : (Video Conference)	HO Tai Yan	(HTY)	AS (Works Policies 4) 4
Apologises :	LEUNG Kin Man	(KMLE)	Assistant Director (Development & Procurement)
	Dick KWOK	(DkK)	Chairperson of Committee on RMAA Procurement
	CHAN Kim-kwong	(KKCN)	

MINUTES

Action

1.1 Confirmation of the Minutes of Meeting No. 004/19

LKP, the Chairperson, reminded that should an item discussed during the meeting give rise to any conflict of interest with Members' duties, they should declare as such to the Chairperson. No declarations were received during the meeting.

Members took note of the paper CIC/CPT/M/004/19 with no further comments, and confirmed the minutes of Meeting No.004/19.

1.2 Matters Arising from the Previous Meeting

- (a) Following the item 4.3 from the previous meeting regarding the establishment of the Task Force on Construction Expenditure Forecast, RC had agreed to serve as the Chairperson and would report the detailed work progress on item 1.6 during the meeting.
- (b) Following the item 4.4 from the previous meeting regarding the final report on the RMAA procurement study, the Urban Renewal Authority (URA) shared their work and related information of building rehabilitation with the Secretariat during their meeting on 3 January. The progress of the Task Force would be reported in detail on item 1.7.

- (c) Following the item 4.8 from the previous meeting, the reference material for the selection of contractors had been approved by Members and officially released on the CIC website.
- (d) Following the item 4.11(c) from the previous meeting regarding the New Engineering Contract (NEC) Seminars co-organised by professional institutions, the Secretariat had handed over the follow-up work to the newly established School of Professional Development in Construction under the Hong Kong Institute of Construction.
- (e) Following the item 4.11(d) from the previous meeting regarding the implementation of Security of Payment Legislation, there was no update on the progress as at the date of meeting.

1.3 Revamping of the Committee of Construction Procurement

SnH briefed Members on the paper CIC/CPT/P/001/20, including the background, purpose and terms of reference of the proposed revamping of the Committee of Construction Procurement. Views of Members were sought.

After deliberation, Members agreed that the additional functions of the Revamped Committee should give priority to facilitating the liaison between local industry stakeholders and the supply chain in the Greater Bay Area, and thus to facilitate the industrialisation of construction such as Modular Integrated Construction (MiC). The next step would be to explore the assistance needed for the local industry stakeholders to access the Greater Bay Area.

LKP, the Chairperson, clarified that the revamped Committee would drive the industry to adopt innovative technology and procurement solutions, which should not only restrict to the regional supply chains in the Greater Bay Area, but also consider other regions, such as other provinces in the Mainland, Singapore and even supply chains in whole world. The Greater Bay Area served as a starting point for initial development, the local construction industry should optimise the advantageous location of cities in the Guangdong Province and the existing technology and hardware support to enhance the construction quality, especially in terms of MiC and Design for Manufacturing and Assembly (DfMA).

HYK supplemented that, according to the existing “Construction Industry Council Ordinance”, the specified functions of the CIC did

not include promotion of business events, while the Hong Kong Trade Development Council was responsible for such task. The revamped Committee should mainly focus on the exchange of procurement practices between the local industry and the overseas, and avoid tilting towards business development as far as possible. In addition, CSH opined that the name of the revamped Committee should not be too commercialised, and suggested revising the wording.

Members generally supported the proposal on the revamping of the Committee and agreed that, after the name of the revamped Committee had been revised, the Secretariat would submit the proposal to the Executive Committee and CIC respectively for endorsement and approval. If an official approval was granted, the revamped Committee would consider establishing a new task force on the Greater Bay Area, and invite the current members of the Steering Committee on the Greater Bay Area to join.

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1.4 Working Group on Flat Inspection – Promotion Videos

FI, the Chairperson of the Working Group, briefed Members on the latest progress of the Working Group.

Upon revision, the two flat inspection videos about plastering and painting had been approved by members of the Working Group and was played to Members in the meeting.

With reference to the public reaction on the videos, the Working Group would consider producing flat inspection videos with themes of other trades, e.g. the inspection guideline of glazing works. FI stated that the current work aimed to convey a message to the public that there were no regulations on so-called professional “Flat Inspectors” in the industry. It would be more appropriate for the public to seek assistance from members of relevant professional institutions for thorough flat inspection. In the future, CIC would consider further exploring the standardisation of flat inspection to meet the emerging market needs.

Members approved the video content with no further comments. The videos would be arranged for official publication in all CIC campuses and service centres and on relevant social channels

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1.5 Consultancy Study on MiC & DfMA Procurement

The CIC Secretariat had prepared the Assignment Brief (CIC/CPT/P/002/20), and briefed Members on the background,

purpose, scope of work and timetable of the consultancy study.

LKP, the Chairperson, was concerned whether the study would cover the specific requirements of MiC projects in the Mainland. For example, the differences in technical specifications and quality assurance between the Mainland and Hong Kong might result in the products manufactured in the Mainland failing to comply with the local requirements. The Secretariat responded that the Assignment Brief had requested consultancies to refer to and analyse at least three overseas and local construction cases.

EWYL supplemented that CIC and the Development Bureau (DEVB) had formed a Joint Working Group on MiC, which was currently comparing the MiC projects standard requirements among Hong Kong, Mainland and Singapore. It was expected that study findings would be shared with Members at a later stage.

RC suggested including reference construction periods or workflow schedules as the adoption of different procurement procedures in MiC project like how Early Contractor Involvement will affect the construction periods, and it could also showcase the time-saving advantage of MiC with comparison of the traditional construction methods. Members generally agreed on the direction, but the details should be further deliberated to avoid being overly prescriptive or controversial.

Members approved the Assignment Brief. The Secretariat would take into account the views from Members and commence the tendering procedure of consultancies. The work progress and vetting process of the consultancy study would be directly supervised by Members of the Committee.

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1.6 Task Force on Construction Expenditure Forecast

RC, the Chairperson of the Task Force briefed Members on the latest progress of the Working Group.

The Task Force convened the first meeting in mid-February, where the Consultancy, Rider Levett Bucknall Limited (RLB), presented the research methods and the preliminary findings. RLB initially forecasted that the overall construction expenditure in Hong Kong for the next five years would be approximately HK\$230 billion to 300 billion per year. However, Members opined that the impact of the social movement on the construction industry during mid to late 2019 was not adequately reflected, as the data used were collected in September 2019. After the meeting, DEVB provided updated data in late February, including the adjustment made after the

announcement of the Budget. RLB was analysing the updated information, and the made a preliminary forecast that public works would be reduced by 5% to 10% every year in the future. The updated forecast would be circulated to members of the Task Force and the Committee for approval at a later stage, and was planned to be officially published on the CIC website in late March.

LKP, the Chairperson, enquired whether the updated data had reflected the impact of the novel coronavirus on the construction industry. RC responded that as the data had included the adjustment made after the announcement of the Budget, it was believed that the impact of the outbreak had been taken into consideration in the updated data.

In addition, CSH opined that the half-yearly review period was too long and wished that CIC could update the forecast more frequently, especially during the current outbreak when the industry was desperate for such information for reference. The Secretariat would assist in enquiring DEVB about the feasibility, and would respond in due course.

**DEVB
/CIC
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1.7 Task Force on RMAA Procurement

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

Members of the Task Force had approved, in principle, the final report on the study and planned to convene a meeting again to review and discuss how to implement the recommendations from the report, without overlapping the current work of URA.

Members took note of the progress of the Task Force.

1.8 Task Force on Reasonable Consultancy Fee Evaluation System

RA, the Chairperson of the Task Force, updated Members on the latest progress.

The Secretariat had preliminarily completed the appointment of members of the Task Force, and would convene the first Task Force meeting on 26 March to discuss the deliverables of the Task Force and the engagement of a consultant for the study.

Members took note of the progress of the Task Force.

1.9 Task Force on BIM Specifications and Agreement

RYC reported the latest progress of the three Task Groups under the Task Force to Members.

Task Group (1) BIM Specifications: First draft of BIM standard specification had already been circulated among group members for their review. The Secretariat would base on members' opinions to revise the document accordingly.

Task Group (2) Special Conditions of Contract for BIM: The Secretariat had prepared the first draft for members' circulation at the end of last year, and convened its first meeting in the beginning of March. The Secretariat, upon having collected opinions from the group members, would further revise the document which was expected to be published in mid-year 2020.

Task Group (3) BIM Service Agreement: The Secretariat was conducting a questionnaire survey on standardised BIM service agreement to collect feedback from the industry. The group would refer to the result of the questionnaire survey to determine the content and direction of the service agreement to be drafted.

Once the draft of the above mentioned BIM contract documents could be approved in principle by the Task Force members, they would be presented to Members at the committee meeting. Members took note of the progress of the Task Force.

1.10 Task Force on Reasonable Construction Period

RyL, the chairperson of the Task Force updated Members on the latest progress.

The Task Force received the inception report submitted in January by Arup. The report mentioned that the research would identify the main factors affecting construction period through collecting 300 projects data, conducting 100 sets of questionnaire survey, focus group interviews and the industry engagement sessions. Arup had also demonstrated the preliminary construction period forecasting interface model in February.

The Task Force would convene a meeting on 9 March to discuss in detail the content in the report. The preliminary result from questionnaire survey was expected to receive in March, and the industry engagement sessions were expected to kick off in April. Nevertheless, the progress of interviews might be affected by the COVID-19 situation.

Members took note of the progress of the Task Force.

1.11 Any Other Business

(a) Task Force on Site Supervision Practice

RYC briefed on the latest progress of the concerned Task

Force. It was reported that consultant had already submitted the final report to the Task Force for their review, and that the final report was scheduled for CIC's approval in April. The research suggested that the construction industry should actively adopt a digitalised project management model to improve the level of construction supervision. Specific recommendations would be followed up by the Committee.

CPW opined that the digitalised works supervision systems currently in use in various work projects might differ in quality, and that some systems were not user-friendly. It was suggested that frameworks or guidelines on necessary system requirement should be provided to the industry. HYK expressed that DEVB internally was developing a digitalised works supervision software. HYK would check with the corresponding department about the details and whether the software would be publicised for construction industry reference.

(b) Upcoming Tender Seminar

RYC reflected that due to the uncertainty of future large-scale public works rollout that DEVB found it not an appropriate time to provide details of tendering requirements and related information for CIC to organise an upcoming tender seminar.

Both LKP and CSH expressed the pressing needs of the industry for such an upcoming tender seminar. HYK explained that future public work tender details were published on government website and the government had arranged regular meetings with related unions on construction expenditure forecast. HKY opined that it would be more appropriate for CIC to organise seminars to provide information on specific technical requirements such as MiC requirement for future tenders. DEVB would continue reviewing the situation and share the information with CIC and the industry when appropriate.

(c) Study Tour in 2020

The Committee had planned a study visit in the second half of the year. SnH invited members to provide their suggestions, for example, a visit to study the situation of construction supply chain in the Greater Bay Area. CSH suggested conducting a study tour on digital workflow and quality supervision in the Greater Bay Area.

LKP welcomed members to provide more suggestions for the

Secretariat consideration.

1.12 Next Meeting

The next meeting was scheduled for 11 June 2020 (Thursday) at **All to note**
2:30pm at Board Room, 29/F, Tower 2, Enterprise Square Five, 38
Wang Chiu Road, Kowloon Bay.

There being no other business, the meeting was adjourned at 4:45pm.

CIC Secretariat
March 2020