

Construction Industry Council
Committee on Construction Business Development

Meeting No. 002/20 of the Committee on Construction Business Development (the “CBD”) for 2020 was held on Thursday, 9 July 2020 at 2:30pm at the Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

Present:	Rocky POON	(LKP)	Chairperson of Committee and Chairperson of Task Force on BIM Specifications and Agreement
	Tony HO	(HYK)	Prin AS (Works) 4 of Development Bureau
	CHIM Fu-keung	(CFK)	Sr Mgr/P 3 of Housing Department (representing Mr. Stephen LEUNG - Asst Dir (Dev & Procurement)
	Rita CHUNG	(RC)	Chairperson of Task Force on Construction Expenditure Forecast
	Ricky LEUNG	(RyL)	Chairperson of Task Force on Reasonable Construction Period
	CHAN Chi-chiu	(CCC)	
	CHAN Kim-kwong	(KKC�)	
	CHOW Ping-wai	(CPW)	
	Thomas HO	(KnH)	
	Danny HUNG	(CSH)	
	Eddy TSANG	(TPC)	
	Simon WONG	(SWHW)	
Present (video conference)	Raymond AU	(RA)	Chairperson of Task Force on Reasonable Consultancy Fee Evaluation System
	Eliza WONG	(EWYL)	
In Attendance	Angela HO	(HTY)	AS (Works Policies 4) 4 of Development Bureau
	Stephen HO	(SnH)	Assistant Director – Industry Development & Estate Office
	Rocky CHO	(RYC)	Senior Manager – Construction Business Development
	James WONG	(JsW)	Senior Manager – Construction Productivity (only for item 2.3 &

	Hilda WONG	(HiW)	2.4) Manager – Construction Business Development
	Terry LAM	(TyLm)	Manager – Construction Productivity (only for item 2.3 & 2.4)
	Christopher CHEUNG	(PHC)	Senior Officer – Construction Business Development
	Wallace LAI		The Hong Kong Polytechnic University (only for item 2.3)
	Eric POON		Urban Renewal Authority (only for item 2.3)
	Elvis HUI		Urban Renewal Authority (only for item 2.3)
	Alex LAI		Meinhardt Hong Kong (only for item 2.5)
In Attendance (video conference) :	Albert CHENG	(CTN)	Executive Director
Apologies :	Stephen LEUNG	(KMLE)	Asst Dir (Dev & Procurement) of Housing Department

MINUTES

Action

Before the meeting began, LKP, the Chairperson, reminded members that should they have any potential or actual conflict of interest with an item discussed during the meeting, they should declare as such to the Secretariat. No declarations were received during the meeting.

The chairperson welcomed TPC joining the meeting for the first time as a representative for construction materials sector. TPC currently chaired the Hong Kong Construction Materials Association Limited.

2.1 Confirmation of the Minutes of Meeting No. 001/20

Members took note of the paper CIC/CPT/M/001/20 with no further comments, and confirmed the minutes of Meeting No. 001/20.

2.2 Matters Arising from the Previous Meeting

- (a) Following the item 1.3 from the previous meeting, the CIC had approved the proposed revamping of the Committee of Construction Procurement under the new name “the Committee on Construction Business Development”.
- (b) Following the item 1.4 from the previous meeting, the flat inspection videos had been arranged for official publication in April in all CIC campuses, services centres and on relevant social media channels.
- (c) Following the item 1.5 from the previous meeting regarding the Consultancy Study on MiC and DfMA Procurement, details would be reported in item 2.5 in this meeting.
- (d) Following the item 1.6 from the previous meeting regarding the proposal of updating the expenditure forecast more frequently, the subject matter had been passed to the Task Force on Construction Expenditure Forecast for further discussion.

2.3 CIC Research and Technology Development Fund Application

TyLm briefed members on the paper CIC/CBD/P/004/20. Regarding the two applications for the CIC Research and Technology Development Fund (the “Fund”), the secretariat in their preliminary assessment suggested funding approval for “Establishment of a Roof Condition Monitoring System of Tracing Water Seepage by Time-lapse and Passive Infrared Thermography”. On the other hand, the funding proposal for application regarding “Digitized material management for procurement optimization” was not recommended because similar products had already been available in the market.

Dr. Wallace LAI, applicant for “Establishment of a Roof Condition Monitoring System of Tracing Water Seepage by Time-lapse and Passive Infrared Thermography” briefed members on the research’s purpose, deliverables, estimated costs and resources input.

CSH inquired on the monitoring system’s accuracy, ownership of the system’s intellectual property and compatibility with the current building management system. Dr. Wallace LAI responded that the accuracy of the system was targeted at 85% with a shareable database with other systems. SnH supplemented that the captioned research project was “collaborative project scheme CP75” under the Fund. Thus, the intellectual property of the results

Action

would be owned by the CIC, and the applicant would be entitled for exclusive patent for the research result for the first 4 years.

LKP inquired whether the system might identify the cause of seepage, and about the lifespan of the heat detector as well as the monitoring camera. Dr. Wallace LAI responded that the system is used to detect rooftop seepage in the early stage and find out the location that caused seepage. Regarding the heat detector and monitoring camera, their usable lifespan varied with differences in specifications. The research would strike a balance between costs and relevant lifespan as well as deviation of the relevant equipment, and provide recommendations for detecting devices suitable for the monitoring system.

CCC inquired the reason for the research project to seek approval from CBD. RYC responded that one of the terms of reference of CBD was to promulgate the utilisation of innovative solutions and technology for procurement, project management and quality supervision in the industry. As the use of infrared imaging technology to detect rooftop seepage fell within the ambit of innovative solutions for quality control, it was opined that the project should be approved by CBD.

RyL and TPC expressed concerns on the huge costs involved in using the monitoring system. Dr. Wallace LAI responded that heat detector and monitoring camera had been widely used in recent years, and he was confident that the operating costs, which included procuring detecting devices, would reach an acceptable level in future.

After deliberation, members approved in principle the funding for research project “Establishment of a Roof Condition Monitoring System of Tracing Water Seepage by Time-lapse and Passive Infrared Thermography”, but required applicants to submit the following supplementary documents for the secretariat to follow up with:

- (a) clarifying whether the researchers listed in the application conduct the research as full-time researchers;
- (b) providing practical suggestions on how to apply the research results in the industry;
- (c) explaining how the practical guideline of the monitoring system might be applied in the industry;
- (d) explaining how the monitoring system might achieve the greatest economic benefits with the least use of rooftop space.

[Dr. Wallace LAI, Mr. Eric POON and Mr. Elvis HUI left the

CIC
Secretariat

Action

meeting at this juncture.]

2.4 Report on the Improving Time, Cost and Quality Performance of the Hong Kong Construction Industry (Phase 1)

JsW briefed the members on the background, purposes and major research findings of “Improving Time, Cost and Quality Performance of the Hong Kong Construction Industry” (Phase 1) as well as the work on Phase II. In addition, members agreed that KnH would represent CBD to participate in the work of the steering committee in Phase 2.

[HYK, JsW and TyLm left the meeting at this juncture]

2.5 Inception Report of the Consultancy Study on MiC and DfMA Procurement

RYC briefed the members on the progress. Meinhardt Hong Kong Ltd. (“Meinhardt”) was appointed to conduct the consultancy work, in which there is no potential budget overrun and delay for this consultancy service contract up to now.

The representative for Meinhardt, Mr. Alex LAI briefed the members on the background, research purpose and scope, challenges and limitations for the project, methodology, first draft of reference materials, working plan for research as well as its progress of the consultancy.

KnH inquired whether whole set of standard contract or just special conditions would be prepared in the reference materials for the procurement guidelines. RYC responded that different contracts would be adopted for different projects in the industry. Therefore, only sample(s) of relevant contractual conditions would be provided in the reference materials for industry’s reference.

CSH suggested that if stakeholders engagement session would be conducted, the consultancy company must invite relevant government departments to participate in the session, as government should have strengthened the promotion of using MiC in the industry. Furthermore, CSH supplemented that as some MiC manufacturers established their offices in mainland China, the research should clarify on how to monitor the factories of producing modular units. CSH also wished more companies in private sector to adopt MiC and the reference material.

CTN opined that the interview list suggested for stakeholders engagement session might not sufficiently represent MiC

CIC
Secretariat

Action

stakeholders, so he suggested the Secretariat revising the list. RYC responded that the revised preliminary report and interview list, after having received opinions from members, would be circulated for members' approval.

[Mr. Alex LAI left the meeting at this juncture.]

2.6 2021 Detailed Business Plan and Budget of the Committee on Construction Business Development

SnH briefed members on paper CIC/CBD/P/005/20 regarding the Com-CBD's scope of work and detailed business plan after revamping, and sought members' endorsement on the business plan and related budget for Com-CBD 2021.

Members endorsed the captioned business plan and related budget. The endorsed business plan and budget would be submitted to Executive Committee in September 2020 for preliminary approval, and then seek final approval in Council Meeting to be held in October 2020.

2.7 Establishment of the Task Force on Greater Bay Area and the Greater Bay Area Business Directory

SnH briefed members on paper CIC/CBD/P/006/20 regarding the purpose, resources and budget planning for establishing Task Force on Greater Bay Area, and the matter on preparing a Greater Bay Area Constructions Directory. The captioned directory would consider according priority to establishing "off-site construction" contact database. The Secretariat sought members' approval of establishing Task Force on Greater Bay Area and preparing a Greater Bay Area Construction Directory.

LKP added that the purpose for establishing the captioned Task Force and directory was to build a communication platform for construction industry between HK and the Greater Bay Area.

After deliberation, members approved the suggestion listed in paper CIC/CBD/P/006/20.

2.8 Publication of "Procurement Alert - Prevention of Bribery"

RYC briefed members on paper CIC/CBD/P/007/20, regarding ICAC suggestion on publishing a procurement alert to the industry by CIC on prevention of bribery, reminding industry stakeholders should uphold a high standard of integrity and probity, raise the awareness of anti-corruption and adopt relative measures to prevent bribery. The Secretariat sought members' approval to

Action

publish “Procurement Alert – Prevention of Bribery”.

After deliberation, members approved the suggestion listed in paper CIC/CBD/P/007/20.

2.9 Task Force on Reasonable Consultancy Fee Evaluation System

The Chairperson of the Task Force RA briefed the latest progress of the Task Force to members.

Members of the Task Force agreed to appoint a representative from Hospital Authority to join in the Task Force. The Secretariat had already circulated the assignment brief of the consultancy work for Task Force members’ review. It was expected that the tender invitation for research on reasonable consultancy fee evaluation system would be issued in July.

Members took note of the work progress of the Task Force.

2.10 Task Force on BIM Specifications and Agreement

The Chairperson of the Task Force LKP briefed members on the latest progress of the three Task Groups under the Task Force:

Task Group (1) responsible for BIM Specifications had already received opinions from the industry on standard specifications. The Secretariat would follow-up with it and amend accordingly.

With the agreement of the Task Force members, Task Group (2) responsible for Standard Special Conditions of Contract for BIM and Task Group (3) for Standard BIM Service Agreement were merged in light of the close linkage between the works of the two groups. The consultancy service tenders on drafting standard BIM contracts ended on 13 July, and the awarding of concerned tender was scheduled for August.

Members took note of the work progress of the Task Force.

2.11 Task Force on Reasonable Construction Period

RyL briefed members on the latest progress. There is no potential budget overrun and delay for this consultancy service contract up to now.

Arup had briefed the preliminary report to the Task Force in March and demonstrated the simulated user interface of the Construction Time index. In May, Arup shared also the results from questionnaire, focus group interview and construction projects’

Action

data collected from different sources with the Task Force. In addition, in view of the preliminary results, Arup would organise three stakeholder engagement sessions with stakeholders in July to gather opinions from the industry to refine the reasonable construction period index.

RYC further suggested that because of the COVID-19 situation and follow-up work upon completion of the study, the service terms for members of the Task Force should extend for one more year till March 2021. Members' approval was sought for this.

Members took note of the work progress of the Task Force and approved extending the service terms of members of the Task Force.

2.12 Any Other Business

(a) Follow-up with the Review Report on Site Supervision Practice

RYC briefed the members that the CIC had expressed in its meeting in June that the review report on Site Supervision Practice had to be revised upon receiving stakeholders' opinions. As legal proceedings on related incidents was undergoing for the captioned matter, the review report would be withheld.

LKP opined that suggestion on encouraging industry to adopt digitalised project management in site supervision might be included in the review report. RYC responded that the report had already included this information.

(b) Security of Payment Legislation

RYC briefed members on the latest development of security of payment legislation.

**CIC
Secretariat**

CTN suggested the Secretariat to draft a letter to the Development Bureau to inquire about the details and progress of the enactment of the Security of Payment Legislation in public works.

(c) Monthly wage employment of workers

RYC briefed members that Com-CBD would support the implementation of monthly wage employment of workers by developing templates of contract clauses and employment contracts.

Action

KKCN opined that in implementing monthly wage employment of workers, discussion with construction workers' representatives, subcontractors and contractors had to be carried out as some workers might not accept monthly salary arrangement. RYC responded that they would pass on the opinion from members to Construction Workers Registration Board.

(d) Webinar

RYC briefed members on the upcoming webinars as well as those already completed as follows:

24 June : Contracting for and Managing New Technologies in the Construction Industry

20 July : Establishing an Objective Benchmark of Construction Time Performance for Hong Kong Building Projects

12 October : Preventing Bribery in New Engineering Contract (NEC)

To be confirmed : Urban Renewal Authority's Procurement Works for Repairs, Maintenance, Alterations and Additions

(e) Greater Bay Area Activities

RYC briefed the members that tentatively a forum on Greater Bay Area New Business Development would be organised on 28 and 29 August 2020, subject to the situation of COVID-19, the forum might be organised via video conference. In addition, Com-CBD would interact with Fo Shan Construction Association but the exact dates would be affirmed depending on the COVID-19 situation.

(f) Other Business raised by Members

LKP suggested that, in order to raise meeting efficiency, members delegated the Task Forces with the authority to approve interim deliverables of projects under their purview, while the authority to approve the final deliverables remained Com-CBD's.

After deliberation, members approved the above mentioned suggestion.

Action

2.13 Next Meeting

The next meeting was scheduled for 3 September 2020 (Thursday) at 2:30pm at Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay. **All to Note**

There being no other business, the meeting was adjourned at 5:05pm

CIC Secretariat
July 2020