

Construction Industry Council

Committee on Construction Business Development

Meeting No. 001/21 of the Committee on Construction Business Development (the “Com-CBD”) for 2021 was held on Thursday, 4 March 2021 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
	Tony HO*	(HYK)	Prin AS (Works) 4 of Development Bureau
	Daniel LEUNG*	(LHWD)	Asst Dir (Development and Procurement) of Housing Department
	Raymond AU*	(RA)	
	CHAN Chi-chiu*	(CCC)	
	CHAN Kim-kwong*	(KKCN)	
	CHOW Ping-wai*	(CPW)	
	Rita CHUNG*	(RC)	
	Ivan FU*	(FI)	
	Thomas HO*	(KnH)	
	Danny HUNG*	(CSH)	
	Ricky LEUNG*	(RyL)	
	Eddy TSANG*	(TPC)	
Eliza WONG*	(EWYL)		
Simon WONG*	(SWHW)		
In Attendance	: Albert CHENG*	(CTN)	Executive Director
	Angela HO*	(HTY)	AS (Works Policies 4) 4 of Development Bureau
	Stephen HO	(SnH)	Assistant Director – Industry Development & Estates Office
	Rocky CHO	(RYC)	Senior Manager – Construction Business Development
	Hilda WONG*	(HiW)	Manager – Construction Business Development
Christopher CHEUNG	(PHC)	Senior Officer – Construction Business Development	

* attended the meeting online via Microsoft Teams

MINUTES

Action

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

The Chairperson welcomed Mr. Daniel LEUNG of Housing Department, joining the meeting of Com-CBD for the first time.

1.1 Confirmation of the Minutes of Meeting No.004/20

Members took note of the paper CIC/CBD/M/004/20 and confirmed the minutes of Meeting No. 004/20.

1.2 Matters Arising from the Previous Meeting

- (a) Following the item 4.5 from the previous meeting regarding the issuance of “Market Alert – Considerations under COVID-19 Epidemic for Construction Projects”, CIC Secretariat issued the Market Alert on 5 January 2021 after incorporating Members’ comments.
- (b) Following the item 4.7 from the previous meeting regarding the CIC Outstanding Contractor Award (OCA) 2021, an implementation plan of the Award would be presented under item 1.5.
- (c) Following the item 4.8 from the previous meeting regarding the follow-up work plan on “Review Report on Quality Site Supervision Practices of the Hong Kong Construction Industry”, CIC Secretariat prepared a two-year detailed work plan and it would be presented under item 1.6.

1.3 ★ Consultancy Study on MiC and DfMA Procurement – Interim Deliverables

This starred discussion paper sought Members’ approval on interim deliverables of the Consultancy Study on MiC and DfMA Procurement: Review Report, Draft Reference Material and Summary Report of Interview Results.

HYK mentioned that comments were provided to CIC Secretariat prior to the meeting [DEVB’s comments are attached in Annex A]. LKP supplemented that further comments were welcomed and would be relayed to the consultant (Meinhardt) for incorporation

into the Final Reference Material where appropriate.

As DEVB had major comments on the draft reference material (Annex B of *CIC/CBD/P/001/21*), a separate meeting would be held to resolve the comments. Meinhardt would further refine the Draft Reference Material according to comments provided by DEVB.

Members in principle approved the Review Report (Annex A) and the Summary Report of Interview Results (Annex C) and the corresponding milestone payments (payment stages 2 and 4) of these two reports would be released to Meinhardt.

[Post meeting note: A meeting was held amongst DEVB, Meinhardt and CIC Secretariat on 24 March 2021 to discuss DEVB's earlier comments. Meinhardt agreed to follow up and revise the reports.]

1.4 ★ Draft Standard Special Conditions of Contract for BIM and BIM Services Agreements for Public Consultation

This starred discussion paper sought Members' approval on the draft standard Special Conditions of Contract (SCC) for BIM and BIM Services Agreements (SA) for purpose of public consultation.

EWYL mentioned that her comments would be supplemented to CIC Secretariat after the meeting. [EWYL's comments and DEVB's comments are attached in Annex B.]

KnH enquired whether draft SCC and SA had been circulated to The Hong Kong Institute of Surveyors (HKIS) for review and comment. RYC responded that the Task Force members included the representative from HKIS and HKIS' view on the SCC and SA had been sought.

Members approved the draft SCC and SA for public consultation in paper *CIC/CBD/P/002/21*.

[Post meeting note: As there remained issues regarding the draft SCC and SA to be discussed among Task Force and Task Group Members, the public consultation is postponed until further notice.]

1.5 Implementation Plan for CIC Outstanding Contractor Award 2021

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SnH briefed Members on paper CIC/CBD/P/003/21 regarding the Implementation Plan, comprising the publicity plan, marking scheme and the rules and conditions for OCA.

HYK supplemented that DEVB would assist in coordinating with relevant government departments for invitation of Chief Executive as the guest of honour and reservation of Government House as the venue for the presentation ceremony. In addition, he considered that the marking scheme is comprehensive but some assessment criteria could be quite subjective. RYC replied that the marking scheme had considered the balance between the subjective and objective assessment criteria, allowing the judges to have individual views on the submissions but fairness would be ensured at the same time.

CCC opined that the Award should be open for application as soon as possible as to keep the momentum going. LKP replied that it would be open for entry in March 2021.

RyL enquired whether OCA would be more favourable to large-scale contractors in view of the resources they have. RYC replied that OCA was divided into three categories for contractors of different scales, namely major contractor, contractor and specialist contractor. Contractors would only compete with those under the same category.

CPW suggested that higher weighing in the marking scheme should be given for workers welfare for such is an important factor to consider. RYC responded that the relevant marking scheme would be reviewed and adjusted as appropriate.

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After deliberation, Members approved the Implementation Plan for CIC Outstanding Contractor Award 2021 in paper CIC/CBD/P/003/21.

[Post meeting note: Comments from DEVB regarding the marking scheme was received on 4 March 2021. CIC would follow up. OCA is open for entry beginning 15 March 2021. Closing date is 31 July 2021.]

1.6 Two-year Work Plan of Follow-up Actions for Recommendations of the “Review Report on Quality Site Supervision Practices of the Hong Kong Construction Industry”

SnH briefed Members on paper CIC/CBD/P/004/21 regarding the two-year work plan of follow-up actions for recommendations of the “Review Report on Quality Site Supervision Practices of the

Hong Kong Construction Industry”.

HYK enquired if the digital technologies mentioned in item 5 of the work plan covered Digital Work Supervision System (DWSS) only or also other innovative technologies. RYC replied that the work plan was in response to the recommendations of the Review Report and thus the focus would be on the DWSS. Construction Innovation and Technology Application Center (CITAC) and the Construction Innovation and Technology Fund (CITF) would continue to promote and facilitate adoption of other innovation and technologies.

After deliberation, Member approved the two-year work plan in paper CIC/CBD/P/004/21. CIC Secretariat would implement the proposed initiatives and report on the progress every six months.

1.7 Task Force on Greater Bay Area

FI briefed Members on the latest progress of the Task Force.

Tender for the Greater Bay Area (GBA) directory website was closed in February 2021 and it would be awarded in mid-March 2021.

For the Xiji Island Project jointly developed by the Centre of Science and Technology Industrial Development of the Ministry of Housing and Urban-Rural Development and Guangzhou Municipal Construction Group, CIC’s initial collaboration initiatives include development of a digital project management platform, green finance and a Chinese-led BIM platform. Secretariat of Committee on Productivity, Committee on Environment and Committee on Building Information Modelling would follow up with these initiatives while Com-CBD would monitor the development from a market development perspective.

In light of the ongoing COVID-19 pandemic, GBA technical tours previously proposed remained on hold until travel restrictions and quarantine measures were relaxed.

Members took note of the work progress.

1.8 Task Force on Reasonable Consultancy Fee Evaluation System

RA briefed Members on the latest progress of the Task Force.

Ove Arup & Partners Hong Kong Ltd. (Arup) submitted the Inception Report of the Consultancy to CIC on 29 January 2021.

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The Report was presented and approved in Task Force meeting conducted on 23 February 2021. Corresponding milestone payment had been released to Arup upon the approval.

Draft recommendations on enhanced consultancy fee evaluation methods would be available for consultation in second quarter of 2021. There was no potential budget overrun and delay for this Consultancy up to the moment.

Members took note of the work progress.

1.9 Task Force on Reasonable Construction Period

RyL briefed Members on the latest progress of the Task Force.

Task Force members discussed the promulgation of the Construction Time Performance Index (CTP Index) at the meeting held on 4 February 2021. It was agreed that the CTP Index would be made available on the CIC website with an introductory video explaining the intent and development of the model. User information (e.g. company and job title, etc.) would be requested for accessing to the CTP Index.

Task Force members also endorsed a variation order (VO) for developing a user interface of the CTP Index to be issued to Ove Arup. The VO would cost HK\$42,000 and take one month to complete.

RYC supplemented that the development of the user interface was part of the scope of the Task Force and had been allowed for in the original budget of the entire project. Thus no additional expense was resulted from this VO and no additional budget was sought.

After deliberation, Members took note of the work progress and approved the VO. CIC Secretariat would issue the VO accordingly.

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1.10 Task Force on Sustainable Construction Volume and Resources Utilization

LKP briefed Members on the latest progress of the Task Force.

Expression of Interest (EOI) of Consultancy Study on Sustainable Construction Volume and Resources Utilization was closed on 30 December 2020. Three proposals from Arcadis, Ove Arup and Mott MacDonald respectively were received. All proposals passed the EOI technical assessment and would be invited to tender for the consultancy study.

The tender was targeted to be issued to the shortlisted candidates

in March 2021 and awarded in April 2021.

Members took note of the work progress.

1.11 Any Other Business

(a) Proposals for Further Liberalisation of Trade in Services under the Framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

LKP briefed Members on the letter sent by DEVB dated 22 February 2021 regarding proposal for further liberalisation of trade in services under CEPA. DEVB was conducting a stock-taking exercise to obtain the views or suggestions that can facilitate the provision of professional services and exploration of business opportunities from industry.

CTN encouraged Members to share their views with CIC for consolidation and reversion to DEVB by 5 March 2021.

[Post meeting note: No further comment was received from Members after the meeting.]

(b) Security of Payment Legislation

CTN updated Members on the recent development of security of payment legislation (SOPL). DEVB would issue a technical circular implementing the spirit of SOPL via contract provisions in public works projects. The draft was under review by Works Departments and would be provided to CIC for obtaining views in March 2021.

In parallel, law drafting was in progress. LKP urged DEVB to finalize the SOPL at the earliest opportunity.

KKCN commented that while he supported the implementation of SOPL as contract provisions in public works contracts as an interim measure, he was concerned if the same is not imposed on the private sector through legislation, resources and cash flow would be further drained from the private sector to fulfil obligations being imposed in public works contracts.

1.12 Next Meeting

The next meeting was scheduled for 10 June 2021 (Thursday) at 2:30pm at Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay.

All to Note

Action

There being no other business, the meeting was adjourned at 3:40pm.

**CIC Secretariat
March 2021**

Construction Industry Council

Committee on Construction Business Development

Consultancy Study on MiC and DfMA Procurement – Interim Deliverables

DEVB's comments

1	<p><u>General Comment</u></p> <p>1. “DfMA” is a design concept or philosophy with heavy emphasis on “Design” aspect to facilitate off-site manufacturing and subsequent on-site assembly. In building works, it covers a wide spectrum of different degree of integration of structural works, architectural works and building services works to enhance the productivity. However, MiC is a construction method making use of the highest end of DfMA technology, achieving the highest level of productivity gain in construction practice. Thus DEVB consider the title of the report should be renamed as "Consultancy Study on MiC Procurement" instead of "Consultancy Study on MiC and DfMA Procurement" to avoid confusion and to better match with the content of the report. DEVB re-iterate that all the term “DfMA” should be deleted from the texts as the content of the report is focused on MiC.</p> <p>2. Report title to be renamed as “Consultancy Study on MiC Procurement”</p>
2	<p>C17</p> <p>1. [Para 1.1] It should be noted that DfMA is a design concept embracing design for manufacture and design for assembly. On the other hand, MiC is a construction method making use of the highest end of DfMA technology, achieving the highest level of productivity gain in construction industry. It is suggested that title of the report should be "MiC procurement" instead of "MiC and DfMA procurement" to avoid confusion and misunderstanding.</p> <p>2. [Para 1.2] Please delete all the term “DfMA” from the texts as the content of the report is focused on MiC.</p>

3	<p>C19</p> <ol style="list-style-type: none">[Para 3.1] Bespoke MiC modules for different room layout in a project can also bring vast benefits in respect of time, cost, quality, safety, etc to the project as well as allow maximum design flexibility for designers to meet client's requirements.[Para 3.2] It is not necessary to have early supplier/contractor engagement. Traditional design contract is also feasible, with project consultant accomplishing a MiC-ready design for the tender by contractors. The project consultant may also engage a specialist MiC consultant under the scope of CITF funding.[Para 3.3] It is worth mentioning in the report that, the requirement from project client to tenderers to obtain in-principle acceptance (IPA) for their proposed MiC scheme from BD as a pre-qualification prerequisite, should not be encouraged. This will not only lengthen the tendering period, but will also increase the tendering cost and subsequently the tender price of the project.
4	<p>C20</p> <ol style="list-style-type: none">[Para 3.5] It is not necessary to have early supplier/contractor engagement for MiC projects. Alternatively, the lead consultant can engage a specialist MiC consultant for assisting the project team to implement a MiC project.
5	<p>C21</p> <ol style="list-style-type: none">[Para 3.8] More in-depth discussion and analysis on this is anticipated.
6	<p>C22</p> <ol style="list-style-type: none">[Para 3.13] The adoption of MiC can significantly reduce the no. of vehicle delivery trips and hence, less disturbance and pollution to local community.[Para 3.14] High capacity tower cranes, which are commonly used for the installation of heavy concrete PPVC modules in Singapore, are now available in the HK market.
7	<p>C23</p> <ol style="list-style-type: none">[Para. 3.17] Design changes to MiC project would not be more difficult and costly when compared with conventional construction method if designers have closely collaborated with the client for incorporation of the anticipated design changes into the original design.
8	<p>C24</p> <ol style="list-style-type: none">[Para. 3.20] Cannot see there would be difficulties in handover as MiC is just a construction method. Buildings constructed by conventional method also require maintenance manual for individual flat owners and management office.

9	<p>C47</p> <ol style="list-style-type: none">1. [General Process of MiC] It is not necessary to have early supplier/contractor engagement. Traditional design contract is also feasible, with project consultant accomplishing an MiC-ready design for the tender by contractors. The project consultant may also engage a specialist MiC consultant under the scope of CITF funding.2. [General Process of MiC] Buildings Ordinance applies to private projects only. Please include more discussions and recommendations on procurement between public and private projects.
10	<p>C48</p> <ol style="list-style-type: none">1. [Design for Manufacture and Assembly (DfMA)] It should be noted that DfMA is a design concept embracing design for manufacture and design for assembly. On the other hand, MiC is a construction method making use of the highest end of DfMA technology, achieving the highest level of productivity gain in construction industry. It is suggested that title of the report should be "MiC procurement" instead of "MiC and DfMA procurement" to avoid confusion and misunderstanding.2. Please delete all the term "DfMA" from the texts as the content of the report is focused on MiC.
11	<p>C49</p> <ol style="list-style-type: none">1. [Funding to support MiC and DfMA initiative] There is funding support from CITF for the adoption of MiC (not from DEVB). Please also take the two new subsidy schemes i.e. Support the project Consultant for additional cost incurred in implementing MiC project; and Entry of MiC systems to the BD's Lists of Pre-accepted MiC Systems into account.
12	<p>C51</p> <ol style="list-style-type: none">1. [Design and Build Contracts] The adoption of D&B contracts may not be helpful to provide a lower tender price to the project client. The design of MiC works should be carried out by the Project Consultant in the design stage, embracing design upfront for ease of modular construction.
13	<p>C56</p> <ol style="list-style-type: none">1. [Para 2.2] Please include more discussions on contractual provisions other than NEC contract form.

14	<p>C73</p> <ol style="list-style-type: none">1. [Para 2.5] It is not necessary to have early supplier/contractor engagement. Traditional design contract is also feasible, with project consultant accomplishing a MiC-ready design for the tender by contractors. The project consultant may also engage a specialist MiC consultant under the scope of CITF funding.2. [Para 2.5] The design of MiC works should be carried out by the Project Consultant in the design stage, embracing design upfront for ease of modular construction, instead of the contractor to carry out the design with assistance by the Project Consultant.
15	<p>C81</p> <ol style="list-style-type: none">1. [Para. 2.8] More in-depth discussion and analysis on this is anticipated.
16	<p>C110</p> <ol style="list-style-type: none">1. [Para. 4] Design changes to MiC project could be facilitated through close collaboration between the designer and the client for allowing anticipated design changes into the original design.
17	<p>C161</p> <ol style="list-style-type: none">1. [Para 3.1] The design of MiC works could also be carried out by the Project Consultant in the design stage, embracing design upfront for ease of modular construction. Moreover, the adoption of D&B contracts may not be helpful to provide a lower tender price to the project client.
18	<p>C162</p> <ol style="list-style-type: none">1. [Para 3.4] It is not necessary to have early supplier/contractor engagement. Traditional design contract is also feasible, with project consultant accomplishing a MiC-ready design for the tender by contractors. The project consultant may also engage a specialist MiC consultant under the scope of CITF funding.
19	<p>C167</p> <ol style="list-style-type: none">1. [Para 3.13] To facilitate MiC construction, TD has issued updated guidelines on Application for Wide Load Permit. According to the pilot projects, daytime transportation of MiC modules with width around 3m has been adopted.
20	<p>C170</p> <ol style="list-style-type: none">1. [Para 3.16] Design changes to MiC project could be facilitated through close collaboration between the designer and the client for allowing anticipated design changes into the original design.
21	<p>C171</p> <ol style="list-style-type: none">1. [Statutory Submissions] The consultant should clarify that it is not a necessary pre-requisite for project clients to obtain in-principle acceptance (IPA) for their proposed MiC scheme prior to submission of plans to BD.

Construction Industry Council**Committee on Construction Business Development****Draft Standard Special Conditions of Contract for BIM (SCC) and BIM Services Agreements (SA) for Public Consultation**

Ms. Eliza WONG's comments

1	<p><u>SCC Cl.12 - Contract Implications</u></p> <p>The previous version states that the BIM Model shall NOT form part of the contract. While in this version, whether the BIM Model shall form part of the contract or not is to be stated in the Principal Contract. It allows that in case the BIM Model is stated to form part of the contract documents, only the data up to the LOIN levels specified in the BIM Execution Plan for each Model Element shall be relevant. Any data that exceeds the specified LOIN shall be for reference only.</p> <p>Please advise if there are standards of LOIN available in the market that we can refer to or if there is any task force working on this. The definition of LOIN in the IOS standard is too generic for adoption in Hong Kong construction industry.</p>
2	<p><u>SA for BIM Manager - CDE</u></p> <p>If the BIM Manager is required to provide the CDE under the agreement, all payments and licenses fees of the CDE shall be borne by them and is deemed to be included in his fee. The CDE is subject to approval by the Appointing Party. I suppose there are many different CDEs available on the market with different prices. The requirements of the CDE shall be specified in the Agreement in order for the BIM Manger to price it in their fee.</p>
3	<p><u>SA for BIM Service Provider - Cover Page</u></p> <p>To rename as “Service Agreement for BIM Service Provider” instead of “Service Agreement for Service Provider”</p>

DEVB's comments

1	<p><u>General Comment</u></p> <p>It is advisable to consult Com-BIM and its Task Force on BIM Standards on the draft SCC for BIM and BIM Services Agreements before promulgation.</p>
2	<p>C427 (Page number of Meeting Document, same below): Typo on title.</p>
3	<p>C248 DEVB TC(W) No. 12/2020 has been issued.</p>

4	<p>C432</p> <ol style="list-style-type: none"> 1. CDE should be with Main Contractor/Lead Consultant instead of BIM Manager 2. What is CDE under Employer for? 3. Rationale behind the three arrangements is unclear and should be elaborated more. In particular, there are transfer lines in the Arrangement 3 only for small scale projects). Apart from these three arrangements, there may be other possible arrangements.
5	<p>C438 The version of BIM standards should be mentioned. Does it mean the latest version if not quoted?</p>
6	<p>C440 The ownership of CDE should be clarified though it is managed by BIM Manager.</p>
7	<p>C441 For clearer requirements for coordination meetings, the frequency should be identified.</p>
8	<p>C442</p> <ol style="list-style-type: none"> 1. [Para. 8] Even though the provisional sum is mentioned in the Contract Sum, it is very difficult to break down and evaluate the work done. Besides, it is not desirable to let BIM Manger to assess the progress and certify the payment as payment certification is normally performed by the Surveyor/the Engineer. Any details or examples for this? DEVB considers “PAY for BIM” not viable. 2. [Para. 10] The Appointed Party should upload the BIM objects in CDE for the use by the other parties. Does it mean that he should release the ownership of BIM objects to the client? [Para. 11] However, the model authors can retain the ownership right for each model element and nobody is authorized to make any changes to it. It seems that Para. 10 and Para. 11 are contradictory to each other.
9	<p>C443</p> <ol style="list-style-type: none"> 1. [Para. 12] It seems that the contract still relies on 2D drawings generated from BIM model. Does it mean that BIM models are for reference only but not contractually binding? 2. [Para. 13] The BIM workflow with clashes identified by BIM Manager by issuing clash reports is not effective. A more collaborative approach should be adopted.
10	<p>C444 [*] should be put before the 2nd paragraph of Para. 16 as it is an optional item. If an independent BIM auditor will be appointed by the Employer, duties and responsibilities of such BIM auditor should be clearly specified. It is suggested that list of duties and responsibilities should be provided as an annex in this document.</p>
11	<p>C446 Clear definitions on BIM Uses and their contractual requirements should be provided to avoid misunderstanding and disputes on the scope of works.</p>

12	C447 What does it mean the latest BIM Execution Plan? Please clarify if such BIM Execution Plan should be provided by the Employer, BIM Manager or Appointed Party.
13	<u>General Comment</u> CIC should clarify if there is any standard form of consultancy agreement template (e.g. HKIA's template) should be read in conjunction with this document. If so, some general requirements such as disputes, liability, etc. should be made reference to it.
14	C457 Please check if the termination or suspension clauses [Para. 9] align with other services agreements for the construction industry.
15	C459 1. [Para. 10] Please advise how the Employer can be protected to avoid the project delay when the appointed party fails to hand over data files, passwords, etc. which is essential for CDE management. 2. [Para. 11] Please clarify if mediation is a sole dispute resolution method.
16	C460 [Para. 13] CIC had better consult the insurance sector to seek their views on PII cover. Is it possible for BIM Manager to purchase PII on his own?
17	C461 1. Who is responsible for providing CDE? Any guidelines for the Employer? 2. Again, it is not a good practice that certification of payments for "PAY for BIM" for the Project is handled by the BIM Manager.
18	C465 1. Please clarify if BIM Audits are essential scope of services. If so, SME's attention should be drawn to this requirement that a higher consulting fee may be resulted from. 2. [Para. 6] The minimum frequency of meetings should be specified. Why "Appointing Party" instead of "Appointed Party" shall attend/hold design co-ordination meetings. 3. Again, "PAY for BIM" will not be adopted for government projects at this stage.
19	C485 Please clarify why the schedule of services for BIM Manager or BIM Service Provider is greatly different. It is important to let the Employers to understand such difference.
20	<u>Other Comments</u> Apart from comments from committee members and public consultation, will CIC appoint legal/contractual expert to vet these documents prior to issuance as there may be legal/contractual liabilities when using these documents.
21	<u>Other Comments</u> Disclaimer clause may be required for these two documents. Would CIC please advise.

22	<u>Other Comments</u> The consultant should deliver a presentation to Com-BIM and Com-CPD members to brief them the details of these two draft documents.
23	<u>Other Comments</u> These documents should be checked to be compatible with the standard form of contracts/ consultancy agreements currently used in Hong Kong.