

Construction Industry Council

Committee on Construction Business Development

Meeting No. 002/21 of the Committee on Construction Business Development (the “Com-CBD”) for 2021 was held on Thursday, 10 June 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
	Raymond AU*	(RA)	
	CHAN Chi-chiu*	(CCC)	
	CHAN Kim-kwong	(KKCN)	
	CHOW Ping-wai*	(CPW)	
	Ivan FU*	(FI)	
	Thomas HO	(KnH)	
	Danny HUNG	(CSH)	
	Ricky LEUNG*	(RyL)	
	Eliza WONG*	(EWYL)	
	Simon WONG*	(SWHW)	
In Attendance	: Albert CHENG	(CTN)	Executive Director
	Angela HO*	(HTY)	AS (Works Policies 4) 4 of Development Bureau
	Rayson WONG*	(RaW)	Chief Structural Engineer (Development and Construction) of Housing Department
	Stephen HO	(SnH)	Assistant Director – Industry Development & Estates Office
	Rocky CHO	(RYC)	Senior Manager – Construction Business Development
	James WONG*	(JsW)	Senior Manager – Construction Productivity (only for item 2.7)
	Hilda WONG	(HiW)	Manager – Construction Business Development
	Angus NG*	(ANg)	Assistant Manager – Construction Productivity (only for item 2.7)
	Christopher CHEUNG	(PHC)	Senior Officer – Construction Business Development
	YU Hon-kong		Rider Levett Bucknall Limited (only for item 2.7)

	IP Hiu-lam		Rider Levett Bucknall Limited (only for item 2.7)
Apologies	: Tony HO	(HYK)	Prin AS (Works) 4 of Development Bureau
	Daniel LEUNG	(LHWD)	Asst Dir (Development and Procurement) of Housing Department
	Rita CHUNG	(RC)	
	Eddy TSANG	(TPC)	

* 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 declaration was received during the meeting.

2.1 Confirmation of the Minutes of Meeting No.001/21

Members took note of the paper CIC/CBD/M/001/21 and confirmed the minutes of Meeting No. 001/21.

2.2 Matters Arising from the Previous Meeting

- (a) Following the item 1.5 from the previous meeting regarding the implementation plan for CIC Outstanding Contractor Award 2021, CIC revised the marking scheme to allow higher score weighting for worker welfares in response to Members' comments. The Award was since opened for application in March 2021.
- (b) Following the item 1.9 from the previous meeting regarding the Task Force on Reasonable Construction Period, the variation order (VO) for developing user interface of the Construction Time Performance (CTP) index was issued to Ove Arup & Partners Hong Kong Ltd. (Arup) on 7 April 2021. The work progress of the Task Force would be reported in item 2.3.

2.3 Task Force on Reasonable Construction Periods

Action

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

Upon the issuance of the VO, the consultant, Arup, had commenced the work accordingly. The design of the CTP index user interface was completed in May 2021 and the index was targeted to be rolled out in June 2021 after the backend system was ready.

With the launch of the CTP index which concludes the current study, LKP consulted Members on the way forward. While the CTP index to be launched was specifically for private building superstructure works, whether a similar one on other work types, such as foundation/ civil works, would be the needs of the industry.

RyL suggested a further study on advancing the CTP index. There were a few potential parameters identified as having high impact on construction duration but yet to be considered in the CTP index due to the lack of data availability. Such as statutory inspection, use of BIM and use of Modular Integrated Construction (MiC) method. The correlation between these parameters and the construction duration was worth studying in advancing the CTP index.

LKP asked CIC Secretariat to prepare a proposal on further study of CTP index for Members further deliberation at the next meeting.

**CIC
Secretariat**

Members took note of the progress.

2.4 ★ Draft Reference Materials on Modular Integrated Construction Procurement

This starred discussion paper provided two pieces of reference materials on MiC procurement drafted by CIC for Members' information. They were Reference Material on Model Clauses for Building Projects with Use of MiC and Reference Material on Use of Digital Technologies for QA/QC for Acceptance of MiC Modules in MiC Factory and riding on the draft report under the consultancy study on MiC and DfMA Procurement.

CSH enquired whether the reference materials would be for the use of contractor or other parties. RYC explained that the one on Model Clause would be applicable for setting out the contract conditions between client and contractor when MiC was adopted in construction projects. The reference material on use of digital technologies for inspection had covered the responsibilities of all the relevant parties during the process. The reference materials were not for one designated party only.

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CPW asked if the reference material on use of digital technologies for acceptance of MiC modules in MiC factory was drafted based on the presumption that remote inspection would be the default mode of inspection given travel restrictions being imposed under COVID-19 pandemic. RYC responded that while travel restrictions were expected to relax as the pandemic subsides, recent development in technologies had enabled remote inspection as a viable means of supervision and could be considered as a genuine alternative to deploying supervision staff at off-site factories.

KnH suggested circulating the reference materials to Hong Kong Institute of Surveyors (HKIS) for review for such had established a task force on MiC. CIC Secretariat expressed that feedbacks from the industry stakeholders were more than welcomed.

LKP reminded that approval on the reference materials were not sought at this stage, but Members' views and suggestions on the documents would be appreciated. Considering the volume of the materials, Members were to respond to CIC Secretariat in one month's time after this meeting, should there be any comments. Formal approval for publication would be sought after consolidating feedbacks.

**Com-CBD
Members**

2.5 Business Plan 2022 of Committee on Construction Business Development

RYC briefed Members on paper CIC/CBD/P/006/21 regarding the Business Plan 2022 of Committee on Construction Business Development.

The Business Plan 2022 was prepared with reference to the 3-year strategic plan of Com-CBD endorsed by Executive Committee (Com-EXE) on 21 May 2021. Apart from continuing the works from 2021, the Com-CBD would tackle the areas of integration with Greater Bay Area (GBA) construction supply chain, gearing up to meet construction demand as well as market facilitation of RMAA market in 2022.

Members approved the Business Plan 2022 in paper CIC/CBD/P/006/21.

2.6 Renaming of Task Force on Sustainable Construction Volume and Resources Utilization to Strategic Review for Uplifting Construction Capacity

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HiW briefed Members on paper CIC/CBD/P/007/21 regarding the renaming of Task Force on Sustainable Construction Volume and Resources Utilization and change of study direction.

Instead of identifying the upper and lower bounds of construction volume, more focus on promoting and putting forward initiatives to enhance the industry productivity to meet the future construction demand was proposed. The study title and the name of the Task Force was proposed to be revised as Strategic Review for Uplifting Construction Capacity accordingly,

LKP enquired whether the project brief had already been prepared and the target date to issue tender for the consultancy. HiW replied that the updated project brief had been commented by the Task Force and was being finalized. Tender for the consultancy would be issued for upon approval of the renaming of the Task Force and change of the study direction, and clearance of CIC internal procurement procedures.

With the change of the study direction, KnH asked whether the two-stage tendering would continue and whether only the consultants previously shortlisted from Expression of Interest (EOI) would be invited for the second stage tendering. HiW explained that a separate tender, in the form of Request for Proposal (RFP), in view of the reduced study work scope, would be issued for the consultancy. Consultants with the required qualifications and experience, including those previously shortlisted, would be invited for the tender.

CSH considered that the change of the study direction was quite substantial. The original proposal was to identify the optimal construction output and had been shifted to the method to uplift the construction capacity lately. CTN clarified that the study remained within the same research area but only from different point of view.

HTY enquired if the cost on conducting the study would be reduced due to the adjustment in work scope. RYC advised that the pre-tender estimate was reduced with the change in scope of the study.

After deliberation, Members approved the renaming of the Task Force and change of study direction.

2.7 Construction Expenditure Forecast (2021/22 – 2030/31)

JsW briefed Members on paper CIC/CBD/P/008/21 regarding construction expenditure forecast from 2021/22 to 2030/31. The

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forecast prepared by consultant, Rider Levett Bucknall Limited (RLB) was endorsed by Task Force on Construction Expenditure Forecast on 31 May 2021.

RLB representatives briefed Members the findings of the forecast. With reference to the data collected up to end of April 2021, the actual expenditure for 2020/21 approached the lower bound and the expenditure on public sectors exceeded that on private sectors for the first time in the past ten years. In overall, it was expected that construction output would be in upward trend in both mid-term and long-term.

LKP enquired the source of data relied upon for the forecast on private sectors of Repair, Maintenance, Alteration and Addition (RMAA) and its accuracy. RLB replied that the forecast had considered the past expenditure on RMAA market, number of aged buildings as well as data collected from survey on estimated expenses on RMAA. The accuracy rate was about 80%.

JsW further briefed Members on the revised timeline in publication of the forecast. The publication dates were proposed to be adjusted from March to June and from September to January respectively as to align with the Government's funding cycle.

LKP mentioned that DEVB arranged regular meetings twice a year with the members of the Building Contractor Committee (BCC) to provide similar information. LKP was concerned about the potential divergence in two sets of data should there be a time difference between the release of this and the forecast. CTN asked CIC Secretariat to further coordinate with DEVB in making sure that the data released to the industry stakeholders through various platforms should not be contradictory.

After deliberation, Members approved the construction expenditure forecast (2021/22 – 2030/31) and the revised timeline for general dissemination of the forecast. CIC Secretariat would disseminate the forecast on CIC website and through press release.

**CIC
Secretariat**

[JsW, ANg and RLB representatives left the meeting at this juncture.]

2.8 CIC Outstanding Contractor Award 2021

SnH briefed Members on the latest progress of the Award.

The application was opened on 12 March 2021 and the deadline would be on 31 July 2021. The Award presentation ceremony had

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been confirmed to be held at Government House on 2 December 2021. Chief Executive would be the guest of honour.

Various publicity including briefings to contractor associations, advertisements at bus stop shelters and journals, newspaper interviews and posts on social media had been conducted in promoting the Award.

KnH considered that there could be contractors of various trades under the category of Specialist Contractor and enquired on how they would be compared with each other in the assessment while the work natures were divergent.

CTN responded that the judging criteria were to assess the companies' performance in innovation, professionalization, revitalisation as well as Environmental, Social and Governance (ESG). The actual work nature of the company would only account for a relatively small proportion in the assessment.

Members took note of the work progress.

[Post meeting notes: The deadline was extended to 20 August 2021.]

2.9 Task Force on Greater Bay Area

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

Website development for Greater Bay Area (GBA) Business Directory commenced in March 2021 and was named as Greater Bay Area Construction Development Platform. CIC Secretariat had sent invitations to companies who had connections with CIC, such as members of DfMA Alliance. Invitations were also extended to construction related companies who were members of professional institution or associations in GBA, like Building Industrialization Association of Shenzhen. Over ten companies had provided their information for joining the platform up to first week of June. The platform was anticipated to launch in September 2021.

A meeting had been arranged with Hong Kong Trade Development Council (HKTDC) on 16 June 2021 to discuss the setting up of a liaison office in GBA. The office would facilitate the discussion with construction counterparts in GBA.

There was also discussion among Shenzhen Qianhai Authority, DEVB, CIC, professional bodies and contractors in Hong Kong earlier on difficulties encountered by the Hong Kong companies to

start their business in GBA. Further discussion was held between CIC and DEVB on the possibility of initialing a project with focus on carbon reduction at Qianhai inspired by CIC Zero Carbon Park with the support of the Government.

Members took note of the work progress.

2.10 Consultancy Study on MiC and DfMA Procurement

SnH briefed Members on the latest progress of the Consultancy Study.

To follow up with comments on Review Report and Draft Reference Material given by DEVB in early March, a meeting between DEVB, the consultant, Meinhardt (Hong Kong) Limited (Meinhardt) was conducted on 24 March 2021. Meinhardt was requested to revise the Review Report and Draft Reference Material within one month after the discussion. However, the comments had still not been addressed as of the date this meeting.

Meinhardt's performance on this study had been in question and not responsive at all times. This consultancy had been delayed in completion for four months already for it should have been completed in February 2021.

As such, CIC Secretariat had further arranged a meeting on 28 June 2021 with Meinhardt to work out the way forward on the consultancy study.

Members took note of the work progress.

2.11 Task Force on BIM Specifications and Agreement

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

Subsequent to the approval on the draft SCC for BIM and BIM SA for public consultation at last meeting, there was a discussion with DEVB on Pay for BIM in mid-May. It was finally confirmed that the provisions regarding Pay for BIM would not be included in the draft SCC for BIM for the time being.

The updated draft SCC for BIM and BIM SA would be issued for public consultation subject to Task Force's approval in late June 2021. The same was targeted to be approved for publication in upcoming Com-CBD meeting in September 2021.

Members took note of the work progress.

[Post-meeting note: the Task Force meeting was scheduled on 8 July 2021 instead of late June 2021.]

2.12 Task Force on Reasonable Consultancy Fee Evaluation System

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

Ove Arup submitted the Review Report with recommendations of the Study to CIC on 6 May 2021. The Report was presented at the Task Force meeting held on 10 May 2021. Since Task Force members wished to have more time to review the Report in more detail, as well as Project Strategy and Government Office (PSGO) of DEVB's comments were yet to be received, the Review Report was not approved at the meeting but until all the comments had been addressed. Up to the date of this meeting, PSGO's comments were still pending.

On the other hand, the stakeholder engagement session would be conducted on 15 June 2021 to collect views on the findings and proposed recommendations of the study.

There is no potential budget overrun and delay at the moment.

Members took note of the work progress.

2.13 Any Other Business

(a) Security of Payment Legislation

RYC briefed Members on the latest development of security of payment legislation (SOPL). A draft Technical Circular (TC), together with a booklet of SOP provisions (SOPP) for incorporation into sub-contracts and a leaflet highlighting the key features of the SOPP were circulated by DEVB to industry stakeholders for consultation in mid-March 2021.

Subject to legal clearance of the draft documents, the TC on SOPL was planned to be issued in July 2021. A briefing session with collaboration of DEVB and CIC was to be conducted in August 2021.

With the TC and relevant provisions planned to be put into implementation in second half of 2021, LKP enquired about the latest status of the legislation. HTY replied that no information could be shared with Members at the moment but would update Members after the meeting.

DEVB

(b) ESG Reporting Services

RYC briefed Members the latest progress of ESG Reporting Services.

Up to now, there were 11 companies registered for the reporting services and 4 of them had requested reports for the financial year ended 31 March 2021. The reports were issued in April 2021 accordingly. CIC Secretariat was reviewing the reporting services and see if any adjustment to the scheme would be helpful to attract more companies to join.

Members took note the latest progress of ESG Reporting Services.

(c) Other matter

KKCN noted that CIC published a reference material for Standard Form of Domestic Sub-contractor in 2016. KKC asked whether these reference materials would be updated by the time SOPP was implemented. RYC replied that CIC would review if an update should be needed upon the SOPP was in place.

2.14 Next Meeting

The next meeting was scheduled for 2 September 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

There being no other business, the meeting was adjourned at 16:10pm.

**CIC Secretariat
June 2021**