

Construction Industry Council

Committee on Construction Business Development

Meeting No. 003/21 of the Committee on Construction Business Development (the “Com-CBD”) for 2021 was held on Thursday, 2 September 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)	
	Calvin CHAN*	(CaC)	
	CHAN Chi-chiu*	(CCC)	
	CHAN Kim-kwong	(KKN)	
	CHOW Ping-wai*	(CPW)	
	Rita CHUNG*	(RC)	
	Ivan FU*	(FI)	
	Thomas HO	(KnH)	
	Danny HUNG*	(CSH)	
	Eddy TSANG*	(TPC)	
	Eliza WONG*	(EWYL)	
	Simon WONG*	(SWHW)	
In Attendance	: Albert CHENG*	(CTN)	Executive Director
	Percy HAU	(PHu)	Ch AS (Works) 7 of Development Bureau
	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
	Hilda WONG	(HiW)	Manager – Construction Business Development
	Yannie CHEUNG	(YYC)	Senior Officer – Construction Business Development
	Kenneth POON		LESK Solutions Co. Ltd. (only for item 3.4)
	Frankie SO		LESK Solutions Co. Ltd.

	Joe WU	(only for item 3.4) LESK Solutions Co. Ltd. (only for item 3.4)
Apologies	: Tony HO (HYK)	Prin AS (Works) 4 of Development Bureau
	Daniel LEUNG (LHWD)	Asst Dir (Development and Procurement) of Housing Department
	Ricky LEUNG* (RyL)	

* attended the meeting online via Microsoft Teams

MINUTES

Action

Before the meeting began, LKP welcomed CaC joining the Committee on Construction Business Development (Com-CBD) meeting for the first time. Mr. CHAN is a young industry leader and has extensive Mainland connections which would be invaluable to CIC's work in Greater Bay Area.

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.

3.1 Confirmation of the Minutes of Meeting No. 002/21

Members took note of the paper CIC/CBD/M/002/21 and confirmed the minutes of Meeting No. 002/21.

3.2 Matters Arising from the Previous Meeting

- (a) Following the item 2.3 from the previous meeting regarding Construction Time Performance (CTP) index, a proposal on further study on it was presented in item 3.5.
- (b) Following the item 2.4 from the previous meeting regarding draft reference materials on Modular Integrated Construction Procurement, Members in principle supported the reference material on Model Clauses for Building Projects with Use of MiC.
- (c) Following the item 2.7 from the previous meeting regarding the construction expenditure forecast (2021/22 – 2030/31), the forecast was published on CIC website and through

press release on 25 June 2021.

- (d) Following the item 2.13(a) from the previous meeting regarding security of payment legislation (SOPL), the latest status of the legislation was reported in item 3.13.

3.3 ★Update on CIESG Reporting Service

This starred discussion paper provided an update on the CIESG Reporting Service. The CIC Secretariat will continue to promote the Service to industry stakeholders together with Construction Industry Sports & Volunteering Programme (CISVP) team and other related departments.

Member took note of the latest progress of the Services as detailed in paper *CIC/CBD/P/009/21*.

3.6 ★CIC Research and Technology Development Fund Application – Collaborative Material Management Platform

Item 3.6 was discussed prior to item 3.4. Starred discussion paper *CIC/CBD/P/014/21* entitled “Application for the CIC R&D Fund” was tabled.

After careful consideration on the three key assessment criteria – value of research, cost-effectiveness and research implementation. The following research proposals were not recommended:-

- Blockchain External Workflow Triggering Engine (Blockchain 2.0 for construction Workflows) – Building On-chain and Off-chain Workflow Automation Engine for Construction Procurement and Management
- Collaborative Material Management Platform
- Digital Twin Platform Enhancement by leveraging Robots Dog as moving sensors
- Developing a Holistic Smart Computerized Performance Evaluation Model for the Engineering and Construction Contract (ECC) of the New Engineering Contract (NEC) in Hong Kong Construction Projects

Members approved the recommendation that no research proposal from this round of application under the purview of Com-CBD would be funded.

Action

Members were also invited to advise the research agenda for the future application after the meeting.

**Com-CBD
Members**

3.4 Publication of Standard Special Conditions of Contract for BIM and BIM Services Agreement

RYC briefed Members paper CIC/CBD/P/010/21 regarding the standard Special Conditions of Contract (SCC) for BIM and BIM Services Agreement (SA). The draft SCC for BIM and BIM SA were issued for public consultation on 15 July 2021 until 12 August 2021. With incorporation of comments received, the SCC for BIM and BIM SA were revised for publication.

LESK Solutions Co. Ltd. (LESK) representatives briefed Members the purposes, uses as well as the key provisions of the SCC for BIM and BIM SA.

LKP enquired whether the intellectual property right (IPR) of the model would be vested in the employer after the model had been handed over to the employer in view of the confidentiality of the project design. LESK replied that according to the usual practices in Hong Kong and overseas, the IPR of the federated model would be vested in the employer while the model author would own the IPR of the model elements.

FI asked if it would be practical for the property management company to engage BIM manager in operation stage. FI also suggested that the professional organisations, such as The Law Society of Hong Kong could be approached for developing Professional Indemnity Insurance (PII) for adopting of BIM in construction projects. LKP and EWYL advised that a simplified model would usually be produced for operation, the concern of engagement of BIM manager for operation stage was minimal.

KnH observed that there were only a few comments received from public consultation and was concerned if all the industry stakeholders' views had been sufficiently considered. RYC explained that feedbacks on the standard documents had already been collected in various occasions, which included the informal discussions with stakeholders of different sectors conducted by LESK, in-depth discussions in Task Force and Task Group meetings as well as briefing session held in late July. Industry-wide feedbacks had been sought.

Members approved the publication of the SCC for BIM and BIM SA. Upon approval, the SCC for BIM and BIM SA would be published on CIC website and relevant milestone payment would

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be released to LESK.

[LESK representatives left the meeting at this juncture.]

3.5 Further Study on Construction Time Performance Index

RYC briefed Members on paper CIC/CBD/P/011/21 regarding further study on Construction Time Performance (CTP) index. Members were invited to discuss whether further study shall be on different work types, such as civil engineering works or enhancement of the existing CTP index with wider set of parameters and data.

LKP shared the view of RyL provided in advance of the meeting. RyL supported an enhancement of the current index by exploring more sources to secure additional data collection. However, in view of the current CTP index had already included the data up to 2019, further update on it at the moment was not suggested. Enhancement on it in two or three years later would be more appropriate.

Both CSH and CCC agreed to conduct a further study on current CTP index instead of different work types. CSH considered that a survey on stakeholders' view on additional parameters would be useful for the model enhancement.

PHu added that the construction durations for public works contracts were set out after careful consideration and no major deviations were found from the actual ones in general. The mechanism to deal with extension of time currently adopted in the public works contracts is also considered complete and effective. Thus, further study on public works was not suggested.

KnH enquired if the CTP index had been launched and the publicity on it. RYC replied that the index was soft-launched in September 2021. A webinar on launching the index was planned to be held in October 2021, subject to the availabilities of the venue and guest speakers, etc.

In conclusion, Members generally supported a further study on enhancing the current CTP index with a wider set of parameters and data. CIC Secretariat would set up a Task Force and prepare a proposal on it.

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3.7 Termination of Consultancy Study on MiC and DfMA Procurement

Action

SnH briefed Members paper CIC/CBD/P/012/21 regarding termination of consultancy study on MiC and DfMA procurement.

In light of over 7 months delay caused by and poor performance of the consultant, Meinhardt (Hong Kong) Limited (Meinhardt), it was proposed to terminate the engagement of Meinhardt. Payment up to Payment Stage 4 (i.e. 55% of contract sum) was proposed to be released to Meinhardt for completion of work up to Milestone 4 (i.e. completion of Summary Report of Interview Results) of the consultancy.

In the meantime, a set of reference clauses for use in construction projects adopting MiC had been prepared by CIC Secretariat, it would be promulgated as reference materials for adoption by the construction industry.

Members approved the termination of the Consultancy and release of payment up to Payment Stage 4 to Meinhardt.

3.8 Progress Update on CIC Outstanding Contractor Award 2021

SnH briefed Members on the latest progress of the Outstanding Contractor Award (OCA).

As of the application deadline on 20 August 2021, applications for Major Contractor, Contractor and Specialist Contractor received were 22, 8 and 20 respectively.

A series of 8 promotional videos were produced to further promote the OCA to the general public. A video would be posted every few weeks on CIC social medial channels, leading up to the Award Presentation Ceremony in December 2021.

The tentative rundown and guest list of the Award Presentation Ceremony and the Award trophy were shown in the meeting. No comment was given on the trophy.

Members suggested expanding the guest list to also invite the representatives from MTR Corporation Limited, The Association of Architectural Practices (AAP), The Association of Consulting Engineers of Hong Kong (ACE) as well as The Association of Consultant Quantity Surveyors (ACQS) to join the Ceremony. KnH further suggested that only one representative from each learned society would be invited as to release more seats for other organisations to join the event. CIC Secretariat to update the guest list.

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LKP enquired if the Ceremony would be livestreamed. RYC

replied that the Ceremony would be livestreamed simultaneously via the CIC Facebook and YouTube channels.

[Post-meeting notes: After preliminary screening, the qualifying applications for Major Contractors, Contractors and Specialist Contractors were 18, 4 and 20 respectively.]

3.9 Progress Update on Task Force on Strategic Review for Uplifting Construction Capacity

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

After tender evaluation, the consultancy was awarded to the consultant, Arcadis Consultancy Hong Kong Limited. The consultancy would commence on 9 September 2021.

CTN reminded that the price fluctuation would be one of the key issues to be reviewed for this study. CTN also enquired if there was any mechanism to review the relevant material and labour indices currently adopted for public works as to ensure they were updated enough to reflect the latest market situation.

PHu replied that Technical Circulars (TC) (Works) no. 4/2021 on the use of the contract price fluctuation system for civil engineering and building contracts was issued on 27 August 2021. A new series of labour and material costs indices entitled “Index Numbers of the Costs of Labour and Materials used in Public Sector Construction Projects (April 2021=100)” would be published by Census and Statistics Department (C&SD) in September 2021 to cater the changes in the nature of works, labour trades and construction materials.

Members took note of the work progress.

3.10 Progress Update on Task Force on Greater Bay Area

RYC briefed Members the latest progress of the Task Force.

CIC Secretariat had been working closely with Hong Kong Development Council (HKTDC) on GBA issues. A webinar was held in collaboration with HKTDC on 27 August 2021 to provide information for Hong Kong companies who wish to start their business in GBA. The CIC would also jointly with DEVB participate the SmartHK event to be held at Guangzhou on 8 December 2021, where the innovative technologies or products would be showcased.

The CIC online contact point in GBA had been set up. GBA

counterparts may make their enquires to CIC through HKTDC Guangzhou and Shenzhen offices or use QR code for direct contact to CIC Secretariat.

On the other hand, the GBA Construction Platform was completed and soft-launched in September 2021. Apart from providing GBA information, the Platform aims to facilitate the business matching in GBA. Grand launch of it was expected in year end.

A GBA Summit would be included in the upcoming Construction Innovation Expo 2022. Members would be updated for any progress.

FI further brief Members on progress of the proposed construction of zero carbon park in Qianhai to promote carbon reduction, green product certification and carbon assessment tools, etc. It was proposed that the project would be supported by Shenzhen Qianhai Authority for the land acquisition and funding, while CIC would be responsible for operation of it after completion. A preliminary design and cost estimation for the proposed construction had been conducted, the proposal would be presented to the relevant authority for consideration.

Members took note of the work progress.

3.11 Progress Update on Task Force on Reasonable Consultancy Fee Evaluation System

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

Ove Arup & Partner Hong Kong Ltd. (Arup) submitted the revised Review Report (with draft recommendations) and Summary Report of Engagement Session on 23 July 2021 for approval. Task Force members approved the Summary Report of Engagement Session on 16 August 2021.

However, Task Force members felt that more justifications were required for the recommendations. Arup was to further review and substantiate for the proposed recommendations. It is expected that the reference material would be ready in September 2021.

With comments extensively sought from various industry stakeholders to make sure all views had been considered, extra time had been involved in compiling the reports. It was anticipated that the consultancy would be completed in late September 2021, which was 2 months later than scheduled.

Members took note of the work progress and granted an extension

of time for the consultancy with an extended completion date in end September 2021.

3.12 Brainstorming Session on Review and Enhancement of Procurement System in Tendering by Public Bodies

SnH briefed Members on the introduction of the brainstorming session to the meeting for the first time. It is a session inspired by the same being adopted in the Executive Committee meeting for the Members to provide ideas or views on topics which are of the industry concern.

Procurement system was one of the industry concerns. While there are different procurement systems adopted by the public sectors and quasi-government, Members were invited to deliberate on whether a review or an enhancement on them would be required.

Members deliberated on the topic and identified the unreasonably low bid as one of the issues required to be tackled.

PHu considered that the procurement systems currently adopted by government were comprehensive enough and able to screen out those unreasonably low bids. Instead of reviewing the existing system, a survey collecting views from industry stakeholders, including bidders, on low tender price issue as the first step was suggested.

3.13 Any Other Business

(a) Security of Payment Legislation

RYC briefed Members on the latest development of security of payment legislation (SOPL).

The Technical Circular (TC) and SOP Provisions were to be promulgated in September 2021 tentatively with a planned implementation date in all new works contracts tendered in or after December 2021.

(b) Integrity Charter Launching Ceremony

The Integrity Charter launching ceremony jointly organised by the DEVB and CIC would be held at CIC Zero Carbon Park on 24 September 2021.

(c) Establishment of Benchmark for Better Understanding of RMAA Market

Action

According to the 3-year strategic plan for 2022 to 2025, the market facilitation of repair, maintenance, addition and alteration (RMAA) sector would be one of the areas to be tackled by Com-CBD. CIC Secretariat would prepare a proposal on establishment of benchmarking for better understanding of RMAA market and present it to the Members in the next meeting.

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3.14 Next Meeting

The next meeting was scheduled for 10 December 2021 (Friday) 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 17:30pm.

**CIC Secretariat
September 2021**