

Construction Industry Council

Committee on Procurement and Subcontracting

Meeting No. 003/15 of the Committee on Procurement and Subcontracting (Com-PNS) was held on Thursday, 27 August 2015 at 2:30pm at Meeting Room No.1, CIC Headquarters, 15/F, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

Summary Notes of the Com-PNS Meeting No. 003/15:

Agenda Item	Paper	Major Resolutions/ Progress Highlights
3.1	CIC/PNS/R/002/15 (for discussion)	Confirmation of the Progress Report Members confirmed the Progress Report of the previous meeting held on 18 June 2015.
3.2	CIC/PNS/R/002/15 (for discussion)	Matters Arising from the Previous Meeting <u>Item 2.3(c)</u> – Members took note of the final draft report of the “Consultancy Services on Development Strategy for the Hong Kong Industry”, incorporating various comments raised from concerned parties. Details were discussed under agenda item 3.4. <u>Item 2.7</u> – Regarding workers union representative in Subcontractor Registration Scheme (SRS) Management Committee (MC), the Council Chairman had empowered Com-PNS to decide on the membership of SRS MC. The Task Force on Enhancements to the SRS would consider the necessity to invite relevant trade unions for participation. <u>Item 2.9(e)</u> – The Chairman suggested that the reference materials on Competition Law could be reviewed in the future for possible revision to include other areas such as building maintenance.
3.3	CIC/PNS/P/016/15 (for endorsement)	Report of the Task Force on Competition Law (a) <u>Reference Materials on Competition Law for the Construction Industry</u> “Reference Materials on Competition Law for the Construction Industry” was endorsed for Council’s approval.

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3.3	CIC/PNS/P/017/15 (for endorsement)	(b) <u>Animation Video on Bid-Rigging in Construction Industry</u> “Animation Video on Bid-Rigging in Construction Industry” was endorsed in principle for Council’s approval subject to some comments raised being taken into account for revision. The revised animation video was circulated to Members on 16 September 2015. One minor comment was received and would be brought to the Council’s attention for approval of the animation video.
3.4	CIC/PNS/P/014/15 (for discussion)	Consultancy Services on Development Strategy for the Hong Kong Construction Industry <ul style="list-style-type: none"> • Members were briefed on the previous discussion on the Consultancy Report on Development Strategy for the Hong Kong Construction Industry. • Members expressed their opinions on the Report and the Consultancy Service in general. Some of the issues discussed: <ul style="list-style-type: none"> - Procurement issues - Progress of BIM development - Subcontractor Registration Scheme
3.5	CIC/PNS/P/018/15 (for information)	Update on Subcontractor Registration Scheme (SRS) Operation <ul style="list-style-type: none"> • Members took note of the latest status of SRS operations. • Registered subcontractor had risen by 30 to around 5100 as of July 2015. • 4 cases of regulatory actions had been taken for safety related convictions since the last report.
3.6	-	Any Other Business (a) <u>Progress Update of the Task Force on Enhancements to Subcontractor Registration Scheme (SRS)</u> <ul style="list-style-type: none"> • Task Force was not in favour of the categorization of subcontractor and mandatory

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		<p>subcontractor registration.</p> <ul style="list-style-type: none"> • The Task Force would meet to deliberate on the recommendation in McKinsey's Consultancy Report relating to SRS operations • Members discussed the effectiveness of the SRS in deterring wage offences. • Members suggested that the current SRS operations should be reviewed for enhancement. <p>(b) <u>Progress Update of the Task Force on Standard Contracts Provisions for Domestic Subcontracts</u></p> <ul style="list-style-type: none"> • Both the English and Chinese versions had been legally vetted. • A simplified version of the standard form was being prepared; the first draft would be available soon. <p>(c) <u>Progress Update of the Special Group on On-Demand Bonds</u></p> <ul style="list-style-type: none"> • The consultancy service for the drafting of the Standard Form of On-Demand Bonds with Conditions would be awarded before the end of September 2015. • The first draft of the standard form would be available in early 2016. <p>(d) <u>Progress Update of the Task Force on NEC3 Collaborative Contract</u></p> <ul style="list-style-type: none"> • The Reference Materials – FAQ on NEC3 Collaborative Contracts would be submitted for Council's approval at the Council Meeting on 28 August 2015. • The case book on NEC3 projects in Hong Kong on Fuk Man Road Nullah project was being prepared by DSD representative. • HYD had also agreed to contribute to the case book on their Noise Barrier project at Tai Po Tai Wo Road. • Further NEC3 accreditation programs might be conducted in collaboration with NEC UK in 2016.

Remarks: The mentioned papers discussed at the Committee on Procurement and Subcontracting and the full progress report can be made available to Council Members from the CIC Secretariat upon request.