

Construction Industry Council
Committee on Procurement and Subcontracting

Meeting No. 001/14 of the Committee on Procurement and Subcontracting was held on Friday, 23 May 2014 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. 001/14:

Agenda Item	Paper	Major Resolutions/ Progress Highlights
1.1	CIC/PNS/P/001/14 (for information)	Terms of Reference and Membership List of the Committee on Procurement and Subcontracting Members noted the Terms of Reference and Membership List of the Committee on Procurement and Subcontracting.
1.2	CIC/PCM/R/004/13 CIC/SBC/R/001/14 (for discussion)	Confirmation of the Progress Reports Members confirmed the Progress Report of Meeting No.004/13 of the former Committee on Procurement (Com-PCM) and Meeting No.001/14 of the former Committee on Subcontracting (Com-SBC) held on 13 November 2013 and 21 January 2014 respectively.
1.3	CIC/PCM/R/004/13 CIC/SBC/R/001/14 (for discussion)	Matters Arising from the Previous Meeting <i>From the former Committee on Procurement:</i> <u>Item 4.3 – Issues on On-Demand Bonds</u> - Details were discussed under Agenda Item 1.6. <u>Item 4.4 – Issues on Construction Programme</u> - The CIC’s research team had commissioned the PolyU research team to conduct the research on “An Empirical Study of Construction Time Performance of High-Rise Private Building Projects in Hong Kong”. The research programme would cover a period of 18 months from 1 June 2014 to 30 November 2015. <i>From the former Committee on Subcontracting:</i> <u>Item 1.4 – Standard Contract Provisions for Domestic Subcontracts</u> <ul style="list-style-type: none">• <i>ICAC’s comment</i> - ICAC expressed disappointment on the Task Force’s refusal to add an

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		<p>anti-bribery clause to the Standard Form. The Task Force and Com-SBC opined that the principle of Standard Contract Provisions for Domestic Subcontracts was to produce precise and simple documentation, and to avoid duplicating requirements which were already laid down under relevant legislation. The Secretariat had already reported the same message at the Council Meeting held on 28 Feb 2014, and Council Members had taken note on this.</p> <ul style="list-style-type: none"> • <i>Publishing the Standard Form on CIC's website</i> - The Standard Form had been published on CIC's website for industry's access in February 2014, with a view to collecting more comments from the industry on the draft. • <i>Legal vetting of the English and Chinese versions</i> - Upon the completion of industry consultation in mid May 2014, the Secretariat would engage a consultant or advisor for legal vetting of the English and Chinese versions. <p><u>Item 1.5 – Enhancements to Subcontractor Registration Scheme</u> - Details were discussed under Agenda Item 1.9.</p> <p><u>Item 1.6 – Update on SRS Operations</u> - The enhanced services to be provided to Registered Subcontractors would be handled by the Task Force on Enhancement to Subcontractor Registration Scheme.</p>
1.4	CIC/PNS/P/002/14 (for endorsement)	<p>Proposed Nomination of Co-opted Members for Committee on Procurement and Subcontracting from Feb 2014 to Jan 2016</p> <p>Members endorsed the Proposed Nomination of Co-opted Members for Committee on Procurement and Subcontracting from Feb 2014 to Jan 2016.</p>
1.5	CIC/PNS/P/003/14 (for discussion)	<p>Tasks and Budget for 2014</p> <p>Members noted the proposed Tasks and Budget of the Committee for 2014. The Chairman requested each Task Force Chairman to review the proposed tasks and budget with their task force and submit their spending profile at the next meeting.</p>

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1.6	CIC/PNS/P/004/14 (for discussion) CIC/PNS/P/005/14 (for approval)	<p>Report of the Special Group on On-Demand Bonds</p> <ul style="list-style-type: none"> • Members took note of the Paper CIC/PNS/P/004/14 enclosing a copy of the draft Progress Report of Meeting No. 001/14 of the Special Group. • Members approved the draft Procurement Alert on the Use of On-Demand Performance Bonds in Construction Contracts (CIC/PNS/P/005/14). • Members also agreed to put aside the research or consultancy study on this issue and the Chairman suggested the Special Group to review their Terms of Reference/ Membership list to cater for the need of producing a standard format for on-demand bonds with conditions for the construction industry as raised at their previous meeting.
1.7	Verbal Report	<p>Report of the Task Force on NEC3 Collaborative Contracts</p> <p>Members were briefed on the progress of the Draft Frequently Asked Question (FAQ) Document on NEC3 Collaborative Contracts.</p>
1.8	CIC/PNS/P/006/14 (for discussion) CIC/PNS/P/007/14 (for endorsement)	<p>Report of the Task Force on Employer-Procured Insurance Policies in Construction Contracts</p> <ul style="list-style-type: none"> • Members took note of the Paper CIC/PNS/P/006/14 enclosing a copy of the draft Progress Report of Meeting No. 003/13 of the Task Force. • Members noted the draft Procurement Fact Sheet on Owner-Controlled Insurance Programme in Construction Contracts (CIC/PNS/P/007/14), and agreed to give one week time for Members to revert with their comments, if any. <p><i>[PMN: No comment was received upon the reply deadline and the draft Procurement Fact Sheet was endorsed and will be put forward to the Council for approval.]</i></p>
1.9	CIC/PNS/P/008/14 (for endorsement)	<p>Report of the Task Force on Enhancements to Subcontractor Registration Scheme</p> <p>Members noted and endorsed the Terms of Reference and updated Membership List of the Task Force on Enhancements to Subcontractor Registration Scheme. Members were also briefed on the progress of the Task Force.</p>

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1.10	CIC/PNS/P/009/14 (for information)	Update on SRS Operations Members were briefed on the progress on the operations of the Subcontractor Registration Scheme (SRS).
1.11	CIC/PNS/P/010/14 (for information)	Any Other Business <ul style="list-style-type: none">• Members were briefed on the progress of:<ul style="list-style-type: none">- the Task Force on the Selection of Consultants and Contractors- the Task Force on Standard Contracts Provisions and Domestic Subcontracts- the Working Group on the Review of the Implementation of the Dispute Resolution Mechanism- the Task Force on Competition Law• Members noted and confirmed the Meeting Schedule of the Com-PNS for 2014.• In response to the Chairman's proposal of nominating a Vice Chairman for Com-PNS, the Secretarial would look into the feasibility of such arrangement.

Construction Industry Council 建造業議會
Committee on Procurement and Subcontracting (Com-PNS)
採購及工程分判專責委員會

Proposed Candidates for Nomination of Co-opted Members
建議增補委員提名人選

A total of 14 co-opted members are proposed as follow:

共 14 位增補委員提名建議如下：

A. Reappointment Proposed 建議再度委任

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| 1. Steve GRIFFIN
紀建勳先生 | Chairman of the Task Force on Employer-Procured Insurance Policies in Construction Contracts
建造合約聘用人投購保險政策專責小組主席 |
| 2. Sing-mo HO
何成武先生 | Chairman of the Task Force on NEC3 Collaborative Contracts
新工程合同第三版專責小組主席 |
| 3. Thomas Kwok-kwan HO
何國鈞先生 | Chairman of the Special Group on On-Demand Bonds
來索即付保證書特別小組主席 |
| 4. Andrew SIMPSON
沈普信先生 | Chairman of the Task Force on Competition Law
競爭法專責小組主席 |
| 5. Tat-tong CHEUNG
張達棠先生 | Chairman of the Working Group on the Review of the Implementation of the Dispute Resolution Mechanism
檢討解決爭議機制實施工作小組主席 |
| 6. Ki-cheung TANG
鄧琪祥先生 | Chairman of the Task Force on Standard Contract Provisions for Domestic Subcontracts
自選分包合約標準合約條款專責小組主席 |
| 7. Chun-yuen TSE
謝振源先生 | Chairman of the Task Force on Enhancements to Subcontractor Registration Scheme
提升分包商註冊制度專責小組主席 |
| 8. Kelvin LO
盧國華先生 | Development Bureau
發展局 |

Nomination from Organisation 以機構名義委任

9. Independent Commission Against Corruption
廉政公署
10. Construction Site Workers General Union
建築地盤職工總會
11. The Hong Kong Institute of Architects
香港建築師學會
12. The Hong Kong Institution of Engineers
香港工程師學會
13. Contractor's Authorised Signatory Association
承建商授權簽署人協會
14. The Hong Kong International Arbitration Centre
香港國際仲裁中心