

**Construction Industry Council**

**Committee on Construction Business Development**

Meeting No. 004/22 of the Committee on Construction Business Development (Com-CBD) was held on Friday, 2 December 2022 at 10:00am at the Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong

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Summary Notes of the Com-CBD Meeting No. 004/22:

<b>Agenda Item</b>	<b>Paper</b>	<b>Major Resolutions / Progress Highlights</b>
4.1	CIC/CBD/M/003/22	<b>Confirmation of the Minutes of Meeting No. 003/22</b> Members took note of the Paper CIC/CBD/M/003/22 and confirmed the Minutes of Meeting No. 003/22 held on Thursday, 15 September 2022.
4.2	CIC/CBD/M/003/22	<b>Matters Arising from the Last Meeting</b> (a) The updated Final Report on Study on Strategic Review for Uplifting Construction Capacity with incorporation of comments from previous meeting and relevant measures as proposed in Policy Address 2022 was endorsed by Com-CBD Members, and was submitted for approval in the Council Meeting No. 006/22 on 9 December 2022. (b) Item 3.5, update on Task Force on Greater Bay Area was reported under item 4.5. (c) Item 3.6, update on Security of Payment Legislation was reported under item 4.7. (d) Item 3.6, update on Temporary Land Allocation was reported under item 4.7. (e) Item 3.6, update on the survey regarding NEC adoption effectiveness was reported under item 4.3.

<b>Agenda Item</b>	<b>Paper</b>	<b>Major Resolutions / Progress Highlights</b>
4.3	--	<p><b>New Engineering Contract (NEC) Adoption and Effectiveness in Hong Kong Construction Industry</b></p> <p>(a) Members were briefed on the results of the survey conducted in mid-October 2022 to collect views from contractors and consultants on NEC adoption and effectiveness in Hong Kong Construction Industry. Results revealed that majority of the respondents that had used NEC have had satisfactory results especially in terms of better control on cost. The survey also highlighted the current challenges and barriers faced when the NEC form of contract was implemented.</p> <p>(b) Representatives from Development Bureau (DEVB) gave a presentation on Hong Kong's 10-year NEC journey, which provided a systematic review of NEC adoption experience in Hong Kong and recommended ways forward. By consolidating the statistical analysis and the feedback collected from the sector, the results concluded that the NEC form in general had an advantage over the conventional contract form. DEVB also introduced a comprehensive set of initiatives for promoting wider adoption of NEC form in public works projects in the coming years.</p>
4.4	CIC/CBD/P/008/22 (for approval)	<p><b>Establishment of Task Force on Review and Enhancement of Construction Contract Terms</b></p> <p>Members approved the establishment of the Task Force on Review and Enhancement of Construction Contract Terms.</p>
4.5	--	<p><b>Progress Update on Task Force on Greater Bay Area</b></p> <p>(a) Members were briefed on the progress of the Task Force. The registration of the Mainland Liaison Office in Guangzhou was still under processing at the time being.</p> <p>(b) The first Signature Course on National Affairs was completed on 28 October 2022. The next course would commence in March 2023.</p>

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		(c) GBA team had paid visits to over 40 companies/organisations in 2022 and information collected was uploaded to the information portal of the GBA Hub website to facilitate construction knowledge exchange and business opportunities exploration among industry stakeholders.
4.6	*CIC/CBD/P/009/22* (for information)	<p>★ <b>Tentative Meeting Schedule for 2023</b></p> <p>This starred discussion paper *CIC/CBD/P/009/22* provided for Members' information on the time and venue of Com-CBD meetings in 2023.</p>
4.7	--	<p><b>Any Other Business</b></p> <p>(a) <b>Update on Security of Payment Legislation (SOPL)</b> Members were briefed on the latest development of SOPL. DEVB had, in collaboration with CIC Secretariat, to introduce the Security of Payment Provisions (SOPP) to quasi-governmental organisations by conducting briefing sessions in the past few months.</p> <p>(b) <b>Temporary Land Allocation (TLA) for Storage of Materials</b> Regarding the 6 pieces of land allocated by DEVB for temporary storage of materials, Members were briefed on the latest development including site readiness timeline and selected contractors. The selections of contractors were conducted by lot drawing on 30 September 2022 and 4 November 2022 respectively, which were witnessed by a Selection Committee formed by representatives from DEVB and 8 Construction Associations.</p>

*Remarks: The mentioned papers discussed at the Committee on Construction Business Development and the full minutes can be made available to Council Members from the CIC Secretariat upon request.*