

Construction Industry Council

Committee on Construction Business Development and Mainland Liaison

Meeting No. 003/23 of the Committee on Construction Business Development and Mainland Liaison (the “Com-CBD & ML”) for 2023 was held on Thursday, 14 September 2023 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
David LEUNG (DvLg) Prin AS (Works) 4 of
Development Bureau
CHAN Kim-kwong (KKCN)
Calvin CHAN (CaC)
Marvin CHEN* (MCh)
CHEUNG Man-tim (MTC)
Ivan FU* (FI)
Conrad FUNG (KKF)
Thomas HO (KnH)
Eddy TSANG (TPC)
Simon WONG (SWHW)

In Attendance : Annisa NG (AaNg) AS (Works Policies 4) 6 of
Development Bureau
Isaac LUM (IsLm) Representative of Henry
CHANG
Alex HO (AHKK) Director – Industry
Development
Timothy LEUNG (TLG) General Manager – Industry
Development
Gordon GUO (GoG) Senior Manager – Mainland
Liaison Services
Eric JIANG* (EJ) Manager – Mainland Liaison
Services
Eros LAM* (ELLT) Manager – Management
Support
Michelle LEUNG (MYWL) Manager – Construction
Business Development
Liza LI (LaL) Assistant Manager –
Mainland Liaison Services
Lynn CHENG (LyC) Assistant Manager –
Mainland Liaison Services
Chivas CHEUNG (CvC) Assistant Manager –

	Bosco LEUNG	(BLG)	Construction Business Development Assistant Manager – Construction Business Development
	Joyce LEUNG	(KYLg)	Senior Officer II – Construction Business Development
	Yoyo PAN	(YyP)	Senior Officer II –Mainland Liaison Services
	Faye GUAN	(FG)	Senior Officer II –Mainland Liaison Services
	Christy CHAN	(NCC)	Graduate Trainee
Apologies	: Henry CHANG	(CYS)	Ch Bldg Services Engr 2 of Housing Department
	Barry SUM	(BSPT)	
	Andrew YOUNG	(AYMC)	
	Louis LEE	(LMHL)	
	J Scott MACKENZIE	(JSM)	
	WONG Ka-lung	(KLWg)	

* attended the meeting online via Microsoft Teams

MINUTES

Action

LKP welcomed Mr. David LEUNG, who replaced Mr. Tony HO as a representative of the Development Bureau, joining the Com-CBD & ML meeting for the first time.

Prior to the commencement of the Meeting, LKP reminded Members to declare any potential or actual conflict of interest with item(s) to be discussed at the meeting. No declaration was received during the meeting.

3.1 Confirmation of the Minutes of Meeting No. 002/23

Members took note of the paper CIC/CBDML/M/002/23 and confirmed the minutes of Meeting No. 002/23.

3.2 Matters Arising from the Last Meeting

- (a) Following the item 2.2 from the previous meeting regarding the Work Plan of Follow-up Actions for Recommendations of the Report of Study on Strategic Review for Uplifting

**CIC
Secretariat**

MINUTES

Action

Construction Capacity, TLG reported that the 16 initiatives had been disseminated to the relevant departments and a joint working group meeting had been held to go through the follow-up actions with relevant departments including the Construction Digitalisation Department, Construction Productivity Department and School of Professional Development Department, among others. Substantial progress on the follow-up actions had been reported.

- (b) Following the item 2.3 from the previous meeting regarding the Construction Expenditure Forecast (2022/23 – 2031/32), TLG reported that the forecast has been published on the CIC website, along with a press release.

LKP apprised that during the last Executive Committee Meeting, Ir Ricky LAU, the Permanent Secretary for Development (Works) of the Development Bureau, had commented that in addition to the updates on Construction Expenditure Forecast provided every six months, it is important to also include information on (i) the retention rate after graduation from the training programmes organised by the HKIC and (ii) labour shortage.

- (c) Following the item 2.4 from the previous meeting regarding the Business Plan 2024 of the Com-CBD & ML. TLG reported that the study on the review of the tendering approach to encourage wider adoption of innovative technologies has been included in the 2024 Business Plan and the associated Budget. The study would commence upon final approval from the Council Meeting in October 2023.
- (d) Following the item 2.5 from the previous meeting regarding the Study Tour to London, it was reported under Agenda item 3.3.
- (e) Following the item 2.6 from the previous meeting regarding the Release of “Alert on Cashflow Problems”, TLG reported that the Alert had been published on the CIC website and disseminated to relevant industry stakeholder groups and associations. A follow-up survey had been sent out for response, and the results were reported under Agenda item 3.10. The Alert had also been discussed in the meeting with The Real Estate Developers Association of Hong Kong held on 4 August 2023. Recommendations have been made to adopt the suggested good practices aimed at improving cashflow problems.

MINUTES

Action

3.3 Report on Study Tour to London 2023

TLG briefed Members on Paper CIC/CBDML/P/009/23 regarding the post-visit report of the Study Tour to London 2023. The report included information on the itinerary, delegation, details of visits and proposed follow-up actions.

LKP suggested that the digital twin platform such as Asite Solutions should be arranged to apply for “pre-approved” item under CITF.

LKP also expressed concern about the adoption of NEC4 in the government’s term contract. A survey on the project manager’s knowledge of NEC in government term contract should be conducted to promote wider adoption of NEC.

TLG responded that a partnering workshop had been organised to promote a collaborative culture and provide a general introduction and overview of NEC concept for RMAA practitioners. In the Committee on RMAA, a survey would be conducted to gather information regarding the adoption of NEC4 in the government’s term contract, the number of accredited NEC4 project managers and their knowledge of NEC contracts.

**CIC
Secretariat**

Members acknowledged the report on Study Tour to London 2023.

3.4 Applications for the CIC R&D Fund and Discussion on Research Agenda

TLG briefed Members on Paper CIC/CBDML/P/010/23 regarding an application of research proposal received in April 2023 for the CIC Research and Technology Development Fund (R&D Fund). Based on the initial assessment, no research proposal is recommended by the CIC Secretariat for further assessment.

KKF inquired whether it would be possible to modify the research scope of work to align with our primary objective of studying contractual BIM. The application of contractual BIM in project management is of significant importance.

TLG reported that the research scope of work is to utilise blockchain technology to register digital contract documents and signatures, with the aim of facilitating the implementation of Smart Contracts in the industry and paving the way for future

MINUTES

Action

adoption. However, given the limited adoption of contractual BIM in the construction industry, it is deemed premature to conduct a study specifically focused on the digital registration of contract documents and signatures at this time.

LKP suggested that the research scope of work, which focuses on leveraging blockchain technology for registering digital contract documents and signatures, deviates from the promotion of contractual BIM adoption. It is expected that the research could provide us with tools such as BIM track, clash analysis and walk through, to refine BIM model for improved project execution.

AHKK supplemented that the core focus of the research is to secure E-contracts through technology. It is important to consider that platforms like Common Data Environment can also achieve secure E-contracts if they are operated in a mature manner.

Members confirmed the follow-up actions for the received research proposal, which included the decision that no research proposal recommended by the CIC Secretariat would undergo further assessment.

3.5 CIC Outstanding Contractor Award 2024

TLG presented the Paper CIC/CBDML/P/011/23 regarding the preliminary proposal of the CIC Outstanding Contractor Award 2024 including the proposed date, venue, categories of awards, judging criteria, key dates, composition of organising committee and judging panel.

LKP inquired if the estimate of HK\$200,000 for the professional services by a third party to provide support on screening applications and conducting interviews is sufficient.

TLG responded that the estimate was based on the reference of the Construction Industry Outstanding Young Person Award, which was set at HK\$200,000 to HK\$300,000.

LKP clarified that eligibility for participation in the category of specialist contractors is not limited to registered specialist contractors under the Construction Industry Council's Register of Specialist Trade Contractors. It also included specialist contractors listed in the Development Bureau's List of Approved Suppliers of Materials and Specialist Contractors for Public Works and the registered specialist contractors with the Buildings Department

MINUTES

Action

who have completed at least one construction project with a contract sum of HKD 3 million or above in the past three years.

KnH expressed concern regarding the number of participations for the category of RMAA contractors. As the designated trades of interior fitting-out and building maintenance were set to be launched in October 2023, it is recommended to review the criteria for applying the award under the category of RMAA contractors in October to ensure that there are sufficient participations.

DvLg was aware of the discrepancy between the scheduled date of the presentation ceremony, which was set for October to November 2024, and the date mentioned in the latest KPIs, which indicated December 2024. TLG clarified that the presentation ceremony had been rescheduled for October to November 2024 to avoid clashing with the Construction Digitalisation Award, which is planned for December 2024. DvLg reminded that the KPIs should be updated accordingly.

DvLg enquired about the previous judging panel member from the Housing Sector. TLG responded that Mr. Walter CHAN Kar-lok, the Chairman of the Housing Society, served as the previous judging panel member from the Housing Sector. DvLg took note that composition of the judging panel members would be further discussed and decided upon by the organising committee.

LKP and TLG clarified that the list of judging panel members was a proposed list and would be subject to confirmation. The organising committee would provide recommendations and make confirmation on the composition of the judging panel during the meeting.

DvLg shared the views on item 5.2 in the paper regarding the submission for the judging panel & screening process. He suggested that in addition to written submissions, short video clips and PowerPoint slides could be considered as well to provide a better illustration of the proposals.

KKF asked about the limitation on the number of organising committee members. TLG replied that by referencing similar awards such as the Sustainable Construction Award and Construction Digitalisation Award 2023, the number of organising committee members is typically set at eight to ten.

LKP further clarified that, to address concerns regarding potential

MINUTES

Action

conflicts of interest, no member from HKCA was suggested to be invited as organising committee member.

KKF commented on the necessity of engaging a third party to provide professional services such as screening applications, particularly considering that the application process could be complex and involve technical aspects.

TLG responded by highlighting that one of the reasons for involving a third party is to effectively handle the large volume of applications. Their role would involve conducting the initial screening of applications and shortlisting the final five to ten candidates for the judging panel to perform the final assessment. Additionally, the third-party screening process could ensure transparency and maintain the integrity of the Award.

MCh suggested that the judging panel members should consist of an odd number to ensure the fairness in the assessment process.

Members approved the preliminary proposal of the CIC Outstanding Contractor Award 2024.

3.6 Tentative Meeting Schedule for 2024

Members were requested to take note of Paper CIC/CBDML/P/012/23 regarding the time and venue of Com-CBD & ML meetings in 2024.

3.7 Progress Update on Task Force on Greater Bay Area

FI and GoG briefed Members on the progress of Task Force on Greater Bay Area. The GBA team had completed eighteen visits and events in the first eight months of this year, including visits to Guangzhou Construction Vocational Training School and the MiC factory of Guangzhou Construction Group in Guangzhou.

The Forum of China Contech Development and the Future of Hong Kong Construction Industry had been successfully held on 9 August 2023. In addition, eighteen more visits and events to Mainland China, such as a visit to BYD Company in Shenzhen and DaFang AI in Dongguan have been planned until the end of 2023.

LKP inquired about the registration status of the upcoming signature course. GoG reported that the invitations had been sent out on 13 September 2023 and provided a registration period of

MINUTES

Action

ten days with a quota of thirty participants.

3.8 Progress Update on Task Force on Review and Enhancement of Construction Contract Terms

KKF briefed Members on the progress of the Task Force. The tender of the consultancy study was returned on 3 July 2023 and eight tender submissions were received. The tender assessment was held on 7 July 2023. During the initial assessment of the technical part, three tenderers were shortlisted and their fee proposals were opened. The award of the tender was pending the CIC's internal approval process.

DvLg enquired whether the scope of the study would cover both civil works and building works.

KKF responded that the scope of the study would cover both civil works and building works. The study would involve benchmarking international best practices and referencing the government contracts to make recommendations for enhancing the contract terms with an aim to minimise disputes and improve overall project performance.

DvLg reminded that the key dates of the study in the KPIs should be updated once the consultancy study was awarded.

3.9 Progress Update on 2023 Major KPIs

TLG briefed Members on the progress of 2023 Major KPIs.

TLG reported that all the major KPIs, such as organising partnering workshops, establishing a task force for the study on the review and enhancement of construction contract terms, and building up a GBA hub for business connections between Hong Kong stakeholders and the GBA supply chain were on track.

3.10 Any Other Business

(a) Update on Security of Payment Legislation (SOPL)

TLG briefed Members on the latest status of Security of Payment Legislation (SOPL). The CIC had invited the Development Bureau for a briefing session to introduce the details of SOPL and provide updates on the enactment of SOPL.

MINUTES

Action

TLG also informed Member that the draft SOP Bill was being finalised after addressing the received comments and would be submitted to the Legislative Council Panel on Development for consultation in 2023 Q4.

(b) Update on the Resumption of Brownfield Sites in Hong Kong

TLG briefed Members on the update regarding the brownfield sites. A briefing workshop had been held on 30 August 2023 with the representatives from the Development Bureau, the Lands Department, the Planning Department and Hong Kong Construction Association. The main purpose of the briefing presentation was to address the assistance provided to brownfield operations in the construction industry that are affected by government projects.

LKP inquired about the proposed follow-up actions. TLG reported that the CIC Secretariat would seek further detailed information about the brownfield sites arrangement from the government and collect information such as the demand of land and its usage from the industry stakeholders. The target is to gather all the necessary information by October 2023.

DvLg enquired about the methodology for forecasting land demand and whether it should be aligned with the Construction Expenditure Forecast projected by the CIC.

TLG replied that a survey would be conducted to gather information on the current utilisation of brownfield sites and the forecast of land demand. The data collected through the survey would be cross-referenced with the Construction Expenditure Forecast published by the CIC.

(c) Study on Structural Changes and Future Development of the Committee on Construction Business Development and Mainland Liaison

TLG briefed Members on the study on structural changes and future development of the Com-CBD & ML.

LKP supplemented that during the Council meeting held on 18 August 2023, a comprehensive review and study on the workload and significance of the Com-CBD & ML had been

MINUTES

Action

requested. As a result, a discussion had been held among the Members to gather their views for the upcoming Executive Committee meeting.

KnH and TPC agreed on the necessity of establishing a new committee on Mainland Liaison due to the significant workload involved.

MCh also expressed agreement on the establishment of a new committee on Mainland Liaison. However, he emphasised the importance of clear definition and distribution of responsibilities between the Mainland Liaison committee and other committee to avoid duplication of work.

DvLg expressed his understanding of the need to establish a new committee on Mainland Liaison and emphasized the importance of clear definition and responsibilities of the committee. He highlighted that it was also an opportunity for CIC to conduct holistic review of all committee's terms of reference, ensuring there was no overlapping.

GoG further reported that MLS has set a target to participate in the project at Qianhai as a member, with the aim of establishing a corporate centre in Qianhai. This centre would facilitate collaboration with industry practitioners in Shenzhen and Qianhai through business matching initiatives.

Members had no objection on establishing a new committee on MLS that will enable a more focused development on the main tasks and objectives of MLS.

(d) Survey Result for Alert on Cashflow

TLG briefed Members the result of the follow-up survey on the Alert on Cashflow Problems. The survey had been sent out to industry stakeholders for collecting their responses on the Alert on Cashflow Problems. A total of 48 responses were received, with 75% of the respondents were contractors, sub-contractors and suppliers, while the remaining 25% were employers and consultants.

MINUTES

Action

(e) Career Fairs in the Mainland (October and November 2023)

TLG briefed Members on the proposed career fairs to be held in the Mainland in October and November 2023. The Development Bureau will organise career fairs in October and November 2023 at universities in Beijing, Tianjin, Shanghai, Nanjing, Guangzhou and Shenzhen to recruit graduates for the construction industry of Hong Kong.

LKP enquired whether the recruitment through these career fairs was included in the Admission Scheme for Mainland Talents and Professionals.

DvLg clarified that the recruitment concerned was included in the Admission Scheme for Mainland Talents and Professionals. Moreover, a career fair was organised in April 2023 at four universities in Mainland China, resulting in successful recruitment of over 130 applicants. Currently, approximately 70 to 80 of them had received approval from the Immigration Department. The recruited individuals came from various disciplines such as Civil Engineering, BIM and Architect, and other construction-related fields, and worked in consultant/contractor companies.

3.11 Next Meeting

The next meeting was scheduled for 1 December 2023 (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 5:00pm.

**CIC Secretariat
September 2023**