

Construction Industry Council

Committee on Construction Procurement

Meeting No. 004/16 of the Committee on Construction Procurement (Com-CPT) was held on Thursday, 1 December 2016 at 2:30pm at the Boardroom, CIC Headquarters, 38/F, COS Centre, 56 Tsun Yip Street, Kwun Tong, Hong Kong.

Summary Notes of the Com-CPT Meeting No. 004/16:

Agenda Item	Paper	Major Resolutions / Progress Highlights
-	-	Members welcomed new Co-opted Member, Mr Joseph LEE, representative of the Independent Commission Against Corruption, replacing Ms Jennie AU YEUNG who had recently retired.
4.1	CIC/CPT/R/003/16 (for discussion)	Confirmation of the Progress Report Members confirmed the Progress Report of the previous meeting held on Monday, 12 September 2016.
4.2	CIC/CPT/R/003/16 (for discussion)	Matters Arising from the Previous Meeting (a) <u>Item 3.3</u> - Members provided suggestions on the research agenda under the CIC Research Fund Framework. (b) <u>Item 3.6</u> - The “Reference Materials - NEC Case Book: Improvement of Fuk Man Road Nullah in Sai Kung” was approved by the Council on 28 October 2016 and is published on the CIC website. (c) <u>Item 3.7</u> - An explanatory note addressing Members comment on the “Reference Materials - Standard Form of On-demand Performance Bonds with Conditions” raised in the previous meeting was prepared and was discussed in detail under agenda item 4.6.
4.3	- (for information)	Presentation of the Research titled “An Empirical Study of Construction Time Performance of High-rise Private Building Projects in Hong Kong” Dr Daniel CHAN, Prof Albert CHAN and Dr Patrick Lam of the Hong Kong Polytechnic University gave a presentation of their research for Members’ information. Members opined that the research findings contained limitations affecting its application in the local construction industry, they had reservation in its publication in the current form. However, this research may serve as the foundation for further comprehensive study on the topic.

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4.4	CIC/CPT/P/013/16 (for endorsement)	Application for CIC Research Fund - International Best Practices in Subcontractor Registration and Performance Appraisal Ir Prof Sam CHAN and Dr Kelwin WONG of the University of Hong Kong gave a presentation of their research proposal on the title topic. Members commented on the research proposal and requested the researcher to revise the research proposal for further endorsement. [Post Meeting Note: The researcher submitted a revised research proposal addressing Members' comments. The revised research proposal was endorsed by circulation on 30 December 2016.]
4.5	- (for information)	Presentation of the “Product Conformity Certification Scheme for Passive Fire Protection Products (Fire Door & Non-load bearing Fire Partition)” Dr Lipmann SZE of the Hong Kong Institute of Steel Construction gave a presentation on the “Product Conformity Certification Scheme for Passive Fire Protection Products (Fire Door & Non-load bearing Fire Partition)” and Members offered their views on the certification scheme.
4.6	CIC/CPT/P/014/16 (for endorsement)	Reference Materials - Standard Form of On-demand Bond with Conditions Subsequent to last Com-CPT Meeting, an explanatory note to accompany the Standard Form was prepared by the Secretariat to address Members' comments on the Standard Form. Noting Hong Kong Construction Association's position of objecting any form of on-demand bond in construction contracts, Members nonetheless endorsed the Standard Form as it was agreed that the Standard Form would provide a good reference for the industry in case such bond was used.
4.7	CIC/CPT/P/015/16 (for information)	Update on Subcontractor Registration Scheme (SRS) Operations Members took note of the Report on SRS Operations. The 5th regulatory hearing of 2016 was held on 1 November 2016 by the Management Committee (MC) of the SRS. Amongst the six companies involved, three of them were imposed with the sanction of written warning and the other three with suspension of registration ranged from 3 to 6 months.
4.8	CIC/CPT/P/016/16 (for information)	Tentative Meeting Schedule for 2017 Members took note of the proposed Com-CPT Meeting dates for 2017.

Agenda Item	Paper	Major Resolutions / Progress Highlights
4.9	-	<p>Any Other Business</p> <p>(a) <u>Progress Update of the Task Force on Standard Contracts Provisions for Domestic Subcontracts</u> - Members noted that the Secretariat had engaged a legal consultant to draft the simplified version of the Standard Domestic Subcontract.</p> <p>(b) <u>Progress Update of the Task Force on Enhancements to Subcontractor Registration Scheme</u> - Members noted that the Task Force held its 5th meeting on 19 September 2016 and supported on the proposed research study on holistic review of the SRS as initiated by the HKU researcher under the CIC Research Fund, which was discussed under agenda item 4.4.</p> <p>The Task Force also agreed in principal to extend the renewal period of registration from currently 2 years up to 5 years in order to lessen administrative burdens. The Secretariat was directed to work out the details and study the required changes to computer system settings, fee structure and documents in due course for the Task Force further consideration.</p> <p>(c) <u>Progress Update of the Task Force on Selection of Contractors</u> - Members noted that a consultant would be engaged to undertake the drafting of the Reference Materials. The Task Force deliberated on the general direction and expected outcome of the Reference Materials in their previous meeting. The Task Force would deliberate on other related issues in detail in subsequent meetings.</p> <p>(d) <u>Progress Update of the Task Force on NEC3 Collaborative Contracts</u></p> <p>Members noted that the “Reference Materials - NEC Case Book: Improvement of Fuk Man Road Nullah in Sai Kung” was published on the CIC website.</p> <p>A technical seminar on various topics of NEC3 and third party contract rights was conducted on 22 September 2016 and was well attended by industry stakeholders.</p> <p>In view of the growing popularity in the use of NEC3 in the industry, the Task Force will consolidate the experience gained in the past few years to address the needs of industry stakeholders when undertaking NEC3 projects.</p>

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