



Message from the Chair



Ir James SZE
Chairman, ACEHK

Despite the on-going Covid-19 pandemic, we have had a busy meeting schedule over the last few months and maintained a close connection with DevB and other government departments in exchanging ideas and opinions in assisting the industry to surf through this difficult period of time, as well as securing the prosperity in longer term. These ranged from discussion on practical ways to secure timely approval of statutory submissions for building works, exchange of ideas to rationalise the tender submission requirement and procurement method for public works under EACSB, to refining the grouping of consultants as well as a new scheme for Consultants under EACSB list to provide services in Hengqin, Qianhai and nine cities in the Greater Bay Area through an equivalent qualification approach.

We also reflected the concerns from the industry in persisted losing talent to the government departments and difficulty in getting reimbursed for vetting Contractor's alternative designs during construction stage. With continuing effort, we hope the government will have constructive feedback.

ACE YMC New Research Project

In the recent years it has been observed that a large number of consulting engineers, especially the freshly chartered engineers are keen to leave the consulting engineering industry to join the government works departments or other client organisations, including both semi-government organisations and other private organisations.

It is anticipated that while the high financial reward of the public sector may generally be considered as a key factor, the gap between the private sector and the Industry is not as wide. In addition to the pay gap, other incentives that could give consulting engineering industry a competitive edge/ perks would be crucial for the Industry to continually improve on so that we may sustain the growth and development of the Industry and the quality of works.

The ACEHK YMC intend to carry out a new research project to understand the key factors behind the seemingly low retention rate of staff in consulting engineering firms, especially civil engineers. The main objectives of the research project are to gain an understanding of the core reasons for engineers wanting to: (i) leave consulting engineering firms; and (ii) join the Hong Kong Government; or (iii) join the other private organisations. Equipped with the above understanding, the research project will identify actions or key areas for improvement, so as to enable the consulting firms to retain talent and so enable the sustainable development of the industry.

Pending Revisions to the EACSB Guidelines

After 18 months of implementation, DevB has recently conducted a review of the New Policy to look for any room for improvement to enhance its effectiveness. Some interesting facts emerged:

- 64 consultants in Group 1 (22 restricted); 106 in Group 2 (48); and 34 in Group 3 (3)
- Of the 73 consultants subject to tender award restrictions, only 4 submitted bids as the lead.
- For Service Categories with three Groups, 33% of consultancies were offered to Group 3 and 67% to Group 2/3. Of these, 98% were awarded to Group 3 and just 2% to Group 2. So, overall, Group 3 were awarded 98.67% of all jobs.
- No significant change to prices or lowest fee wins.

ACEHK have been providing feedback to EACSB on revisions to "The Guidelines", which will be issued soon. Key revisions accepted by DevB include:

- Removal of "complexity" in bidding restrictions, meaning no more combined Groups

Tendering Limit	3 Groups	2 Groups
> \$10M	Group 3	Group 2
> \$5M & <= \$10M	Group 2	
<= \$5M	Group 1	Group 1

- Removal of tender award restrictions
- Not capturing the manpower input in T&F Proposal in snapshot for more than twice during tender assessment
- Updates to the Guidelines during bi-annual renewal exercises
- Introduction of a new assessment aspect on consultants' ethical performance in Consultants' Performance Report

Other suggestions made by ACEHK, such as a relaxation on manpower resources for checking and allowing JV bidding with lower Groups, were not supported by DevB.

VTC Increases Subsidy

After VTC increased subsidy quota for those joining the HKIE Scheme A training, DevB initiated another employer support scheme for hiring pf Assistant Professions:

1. Firms hiring those trainees as Assistant Profession who have training end dates between 1 Jan – 31 Dec 2020 will be eligible. The date reflects to the completion date stated in the training agreement.
2. Trainees continued to work as AP in the same firm upon completion their training are eligible. New recruits of those trainees from another firm are also eligible.
3. The firm will receive a subsidy of HK\$10K/month/eligible AP for a maximum of 12 months shall the firm continue to hire them. Subsidy probably to be released in quarterly manner. No strict restriction/requirement how the sum of money is to be used within the firm.
4. The firm will lose the subsidy if the AP no longer works for the firm unless a replacement AP can be recruited (this is more relax than VTC scheme)
5. DevB is likely to have a Press Release in this Friday about the scheme. The targeted application to seek allocation of the quota is end June and the submission deadline end July 2020.
6. This is one-off measure and the quota is set at 750. DevB expected to be sufficient to cover one-year of trainee since government departments and quasi-government organisations are not eligible (similar to ESS).
7. If the submitted quota required by the industry is less than 750, the remaining quota will be left as second batch towards end 2020. If the required quota exceeded 750, somehow, the allocation method will be more beneficial to small firms (similar to existing VTC training subsidy scheme, i.e. large firms quota = small firms).

In early August, DevB will reply firms on the allocated quota. If such quota cannot be fully utilised (e.g. some trainees will only complete their training in late 2020 so quota obtained from DevB but somehow they resign), the unused quota will form part of the second batch as mentioned above.

ACEHK Supporting Other Organisations

- Supporting the Hong Kong Institute of Surveyors *HKIS Annual Conference – Beyond 2020: The Trend of Surveying* to be held on **Saturday 28 November 2020**.
- Hong Kong Trade Development Council (HKTDC)'s Belt and Road Initiative. ACEHK is a Strategic Partner and One Belt, One Road (formerly the Belt and Road Portal) Advisor . The 2020 Belt and Road Summit is re-scheduled to **Monday 30 November 2020**.

ACEHK Action During the Past Three Months

- **Government Liaison** was maintained regular dialogue with the Development Bureau (DevB) through the Consulting Engineering Committee (CEC) meeting and communication meeting with the Architectural Services Department (ArchSD) to exchange views on government practices and policies that may affect the delivery of consultancy services.
- **Supplementary Agreement for RSS Handbook.** After several rounds of discussion, DevB have taken onboard ACEHK's comment regarding the possibility of claims for additional services. This will be addressed in the revision to SCE YY (A) of the GCE version and C2 (A) of NEC3 version.
- **World Bank Survey on Impact of COVID-19 pandemic on Public Procurement Practices.** ACEHK participated in this survey on behalf of consulting engineers in Hong Kong.
- **Consultancy Study on Reasonable Fee Evaluation System.** ACEHK provided comments on a draft Brief from CIC on their proposed consultancy study.
- **Concern at the Government Hiring Policy for Engineering Staff.** Letter sent jointly by ACEHK and HKCA on 6 May regarding Government's recent hiring of experienced engineers from the private sector, to the detriment of the consulting and construction engineering firms.
- **Comparison of Construction Industries in Hong Kong and Mainland - Sharing of Experience in the Mainland under CEPA.** Zoom meeting held on 26 May.
- **New Policy for Selection, Appointment and Management of Consultants under the Purview of the EACSB.** Questionnaire circulated by ACEHK to all Member Firms on 2 June to provide views to DevB. Based on the 16 responses received, there is a general negative view from Member Firms.
- **New Assessment Criteria for Consultants Performance Report.** ACEHK provided feedback to DevB on their proposed new assessment criteria on "Essential Obligations".
- **YMC Discussion Forum on Tender Procedure vs Quality of Works.** Held on 23 June with speakers Kevin POOLE from AAHK, Barry SUM from MTRC and Harry MA from DevB.
- **YMC Meeting with Ir Dr The Hon LO Wai Kwok.** ACEHK YMC members held a zoom meeting on 15 July with the LegCo Member for the Engineering Functional Constituency to discuss topical issues.
- **Briefing on New Measures in the Greater Bay Area.** ACEHK attended a briefing by DevB on 15 July on how EACSB and AACSB-listed firms and registered professionals can provide services in the GBA by obtaining equivalent qualifications to the Mainland through a forthcoming registration system.
- **NEC Procurement Method.** VC with DSD on 16 July in which DSD clarified the details of pre-bid request of the sub-consultants and also said that the NEC 4 would emphasize the actual cost plus the percentage to be put by the consultants. DSD is currently preparing document for pilot NEC 4 consultancy agreement, which will be ready in the end of 2020.
- **Strategic Study on Uplifting the Quality of Project Design.** ACEHK met with DevB on 17 July to discuss procurement methods, including rationalising tender submission requirements; promoting NEC4; higher percentage of payments allocated to design stage, prolongation mechanism; reimbursement for vetting of alternative designs submitted by the contractor, review of elements in the Consultant Performance Report to better reflect design quality, more reasonable consultancy fee through innovative design package, piloting combined lump sum and reimbursement, etc.

ACEHK Involvement on External Committees

Council Members sit on the following committees to represent the views and the interests of ACEHK:

- CIC – Task Force on Quality Site Supervision Practice. A second draft of the Review Report was tabled during the meeting on 6 May 2020.
- CIC – Task Force on Reasonable Consultancy Fee Evaluation System. Comments returned from ACEHK Members on 22 May 2020.
- 63rd Ventilation Installations Liaison Group Meeting was held on 8 June.
- Hong Kong Green Building Council (HKGBC) – Civil Project Rating System Committee. Name changed to "Infrastructure Project Rating System Committee. Meeting held on 2 July.
- Communication Meeting between ACEHK and ArchSD was held on 21 August. A Site Visit to the Quarantine Camps at Lei Yue Mun Park was held earlier, on 4 May 2020.
- CIC – Focus Group on Projected Construction Expenditure. Meeting was held on 21 August to discuss the forthcoming September 2020 update of construction expenditure forecasts.
- EPD – Task Force on Electric Vehicle Charging-enabling Infrastructure. ACEHK invited to join the task force on a pilot subsidy scheme to promote installation of EV charging-enabling infrastructure.
- DevB – Steering Committee on Construction Innovation and Technology Fund (CITF). ACEHK was invited by DevB to nominate members to serve on the 2nd term of the Steering Committee from 7 September 2020 to 6 September 2022.

New Member Firms and Registered Principals

ACEHK welcomes the following new Member Firms and RPs:

- Wilson & Associates Ltd and Ir CHEUNG Yiu Sun
- Key Direction Ltd and Ir CHANG Che Son
- Cundall Hong Kong Ltd, Ir Joe YANG and Ir Dong CHEN

A number of other applications have been received from consulting engineering companies wanting to join ACEHK. These are under consideration by the ACEHK Council. When approved, the new Member Firms and RPs will be announced to Members Firms by email, website and newsletter.

ACEHK congratulates the following new RPs from current Member Firms:

- Ir HU Chengrui from Hewson Consulting Ltd
- Ir Philip CHAN Kai Shing from Au Posford Consultants Ltd

ACEHK Council Members

Position	Name	Company
Chairman	Ir James SZE	Arup
Vice Chairman	Ir Kenneth LI	WSP
Hon Secretary	Ir Andy KWOK	Black & Veatch
Hon Treasurer	Ir Stephen MAK	Meinhardt
Council Member	Ir Victor CHEUNG	J Roger Preston
Council Member	Ir TONG Wai Lok	Au Posford
Council Member	Ir Chris LEE	CM Wong
Council Member	Ir Johnny LAM	Aurecon
Council Member	Ir Francis SOOTOO	MVA
Council Member	Ir James PENNY	Arcadis
Council Member	Ir Alexi BHANJA	SMEC
Council Member	Ir Julian TYSON	Jacobs
Co-opted	Ir Tony PEARSON	Mott Macdonald
Co-opted	Ir Stephen LAI	AECOM
Observer	Ir Dickson LAW	Atkins
Secretariat	Bernice CHENG	c/o OM Link

Upcoming ACEHK Events

Annual Awards



- **Promote** awareness and enhance presence of the engineering industry
- **Showcase** and give due recognition to truly excellent projects
- **Share** and highlight practices and management that made projects successful

This new event is a prime opportunity for all of us across the engineering industry to be enlightened on what engineering excellence can be. We are confident that this event will be a success, and will act as an accessible platform for valuable project and experience sharing. **The deadline for entries is extended to 5pm on 18 September 2020**, so there's still time!

Details are posted on www.acehk.org.hk. You may also contact stephenmak@meinhardt.com.hk or call 2858 0738

Annual Seminar

"Future Ready to Combat Pandemic Disease" scheduled for **Thursday 12 November 2020** as a half-day afternoon webinar. Keynote speakers from DevB on relief measures, HKHA on isolation wards, CIC on MiC and discussions on quarantine facilities from architectural, CGS and MEP perspectives.

Annual Dinner

Scheduled on the evening of **Tuesday 8 December 2020** at the Langham Hotel in Tsimshatsui – social distancing permitting!

Annual General Meeting

Scheduled on the evening of Monday 14 December 2020 at the Hong Kong Club in Central.

Website and Feedback

The new ACEHK Website is almost ready, so please visit the website to check out all the ACEHK events and latest news <http://www.acehk.org.hk>

Members are welcome to provide feedback on any issue to the ACEHK Chairman at: chairman@acehk.org.hk