

Construction Innovation and Technology Fund

Application Framework

June 2021

(A) Technology Adoption

1. Building Information Modelling (BIM)

	BIM Training	BIM Adoption (including BIM Experiential Use and Project Adoption¹)
Funding Mode	Cash rebate (subject to satisfactory completion of the course)	Co-fund with 70% grant from CITF for costs involved
Funding Ceiling	<ul style="list-style-type: none">● A ceiling of HK\$800,000 per applicant can be shared between BIM Training and BIM Adoption	
	<ul style="list-style-type: none">● Within the funding ceiling, each person enrolling training is entitled to HK\$3,000 per course at maximum	<ul style="list-style-type: none">● Experiential use is capped at maximum HK\$200,000● Within the funding ceiling, CITF will only fund each computer at maximum HK\$21,000 and BIM software license period up to 3 years (computers subsidised by CITF are required to have BIM software installed and be used for this purpose)

¹ In the context of CITF, “Project adoption” means the adoption of relevant technology in a local construction project in Hong Kong, either under planning or on-going, at the time of application.

2. Advanced Construction Technologies (ACT)

	Project Adoption
Funding Mode	<ul style="list-style-type: none"> ● Co-fund with 70% grant from CITF for costs involved ● Rental of equipment for experiential adoption, co-fund with 50% grant from CITF for costs involved
Funding Ceiling	<ul style="list-style-type: none"> ● Funding ceiling is HK\$800,000 per technology ● Within the HK\$800,000 per technology ceiling, the funding ceiling for rental is HK\$200,000 per technology for a maximum rental period of 6 months. The cumulative maximum funding ceiling for rental is HK\$500,000 per applicant

3A. Modular Integrated Construction (MiC)

	Project² Adoption	
Funding Mode	Co-fund with 70% grant from CITF for costs involved	Financial subsidy for costs involved
Funding Ceiling	<ul style="list-style-type: none"> ● Consultant – Support the Project Consultant to employ specialist MiC consultant – HK\$2,500,000 per project ● Contractor – Purchase / rental of MiC specific construction plant – HK\$2,500,000 per project ● Contractor – Purchase / offsite production of MiC modules – HK\$5,000,000 per project 	<ul style="list-style-type: none"> ● Consultant³ – Support the Project Consultant for additional cost incurred in implementing MiC project⁴ (apart from the subsidy for the Project Consultant to employ specialist MiC consultant) – HK\$4,000,000 or 15% of the consultancy fee accepted by the project client, per project, whichever is the lesser

² For projects with tender invitation date on or after 1 July 2021, the MiC project shall be a building project with buildings of 6 storeys or higher.

³ The applicant shall provide evidence such as commencement of MiC module installation on site.

⁴ The MiC project shall be a building project with buildings of 6 storeys or higher, with a minimum of 60% GFA on all typical floors, and with a minimum GFA of 5,000m² in MiC for which the installation of MiC modules commenced on site after 1 July 2020.

3B. Modular Integrated Construction (MiC)

	Entry of MiC systems to the Buildings Department (BD)'s Lists of Pre-accepted MiC Systems
Funding Mode	Financial subsidy (subject to successful admission of the MiC system into the BD's List of Pre-accepted MiC Systems)
Funding Ceiling	<ul style="list-style-type: none">• Consultant – Support the firm of Authorised Person (AP) and Registered Structural Engineer (RSE) and architectural or engineering consultant firms for costs incurred in its application for in-principle acceptance of MiC systems to the BD's Lists of Pre-accepted MiC Systems – the funding ceiling is HK\$1,000,000 per application, depending on MiC scale and complexity

Remarks:

- (a) *The MiC systems shall be manufactured by manufacturers not yet on the BD's List of Pre-accepted MiC Systems⁵ and are designed for application for buildings of 6 storeys and above in Hong Kong.*
- (b) *The applicant shall be the firm of the AP / RSE or the architectural or engineering consultant firm responsible for the submission to BD but not individuals.*
- (c) *Three tiers of funding subsidy for different MiC scale and complexity are as follows:*
- *1st tier: MiC systems for buildings of 6-10 storeys entitling to HK\$400,000;*
 - *2nd tier: MiC systems for buildings of 11-29 storeys entitling to HK\$600,000;*
 - *3rd tier: MiC systems for buildings of 30 storeys or above entitling to HK\$800,000; and*
 - *An extra subsidy of HK\$200,000 to each tier for more complex MiC design (e.g. MiC modules also contribute to the overall stability of the building against wind load apart from cores/shear walls, etc.)*

⁵ The MiC Systems must have been admitted to the BD's List of Pre-accepted MiC Systems on or after 15 May 2020. The manufacturer of the MiC system under the CITF application shall be the manufacturer named in the Buildings Department (BD)'s letter of In-Principle Acceptance and a genuine MiC module manufacturer with appropriate production capability to be substantiated by the applicant. BD's letter of In-Principle Acceptance shall be submitted with the CITF application.

4. Prefabricated Steel Rebar

	Project Adoption
Funding Mode	Cash rebate HK\$300/tonne⁶
Funding Details	Funding ceiling is HK\$5,000,000 per project

Remarks:

- (a) For subsidising contractors to use prefabricated steel rebars produced by yards on the CEDD's list of steel reinforcing bar prefabrication yards.
- (b) The percentage by weight of straight rebars without processing (cutting and/or bending) in each delivery shall be less than 25%.

5. Industrialised Process – Robotic Welding

	Project Adoption
Funding Mode	Co-fund with 15% grant from CITF for the processing fee involved
Funding Details	Funding ceiling is HK\$800,000 per applicant

Remarks:

- (a) Only prefabricated components manufactured by off-site robotic welding in Hong Kong will be subsidised and the subsidy shall apply to processing fee only;
- (b) The price of processing fee for each type and size of welding products submitted by the supplier to the CITF Secretariat would form the basis of the CITF Funding Price Ceiling; and
- (c) The funding ceiling is independent of the HK\$3,000,000 funding ceiling for BIM and ACT.

Notes:

1. The combined funding ceiling for BIM and ACT is **HK\$3,000,000 per applicant**. Applicants can submit multiple applications within the funding ceiling.
2. In general, CITF will not fund the maintenance cost, office overheads, materials cost, consumables, spare parts, solutions, services and other administrative expenses incurred in the project.

⁶ This rate shall only apply for new Disbursement Request made on or after 22 September 2020.

Eligibility

(a) Levy-paying Contractors

Levy-paying contractors which have paid levy for construction works under the Construction Industry Council Ordinance (Cap. 587) to the CIC in the 24 months preceding the time of application;

(b) Registered Specialist Trade Contractors and Registered Subcontractors

Specialist trade contractors and subcontractors which are registered with the CIC and hold a valid registration at the time of application;

(c) Consultants

Consultants on the lists maintained by Government and professional bodies, including:

- (i) the Engineering and Associated Consultants Selection Board;
- (ii) the Architectural and Associated Consultants Selection Board;
- (iii) the Band 3 Architectural Consultants and the list of Registered Practices maintained by the Hong Kong Institute of Architects;
- (iv) the Band 3 Architectural Consultants maintained by the Association of Architectural Practices Ltd;
- (v) member companies of the Association of Consultant Quantity Surveyors;
- (vi) member companies of the Hong Kong Institute of Surveyors;
- (vii) member companies of the Association of Consulting Engineers of Hong Kong; or
- (viii) member companies of the Association of Registered Engineering Consultants; or

(d) Other players, including material suppliers⁷, in the construction process may be considered on a case-by-case basis.

Related enterprises (i.e. enterprises with different business registration certificates but having the same individual(s) holding 30% or more ownership) would be treated as one single enterprise in counting towards the funding ceiling per applicant.

⁷ Eligibility of material suppliers: a) the production process and processing facilities of the material supplier should be wholly or substantially locally-based; and b) the innovative or new technology adopted by the material supplier should be able to add value to the construction process conducive to improve productivity, build quality, safety and environmental performance for local construction projects through automation, industrialisation or digitisation technologies.

In-house BIM Training Course by External Trainer

Applicants interested in engaging external trainer to organise in-house BIM Training Course should submit the duly completed CITF application form and the below information before committing the training service:

1. Training details
 - (a) Course contents/syllabus, duration and course fee;
 - (b) Course trainer's curriculum vitae including education level, teaching experience, professional qualifications, BIM related credentials (Mandatory Requirement); and
 - (c) Course Assessment with samples provided (Mandatory Requirement).
2. Course establishment such as trainer to student ratio, class size, venue and equipment, software specification to conduct the course

Approved funds will be disbursed on a reimbursement basis.

Flexibility under “No retrospective approval” Principle

To facilitate project planning and implementation, applicants could either:

1. Commit expenditure (i.e. confirm purchase order or equivalent) according to the notification of approval issued by the CITF Secretariat; or
2. Proceed to commit expenditure (according to clause 10.3 of the Terms and Conditions) upon submitting the CITF application⁸. However, applicants shall do this at their own risks in case the application is turned out being rejected in whole or in part.

Expenses incurred before submitting CITF application (i.e. date of confirming purchase order was before date of submitting CITF application) will not be reimbursed⁸.

⁸ Specialist MiC consultants engaged before CITF application would be supported, provided that any such expenditure on the specialist MiC consultants by the eligible applicant is made after the CITF came into effect, i.e. on or after 2 October 2018.

Higher Matching Ratio for Applying Local Inventions

To encourage the use of local technological innovations and products, CITF will bear a higher maximum ratio of 75% (as opposed to the ratio of 70% in general cases) of the total costs of the Approved Project which adopts locally developed innovations or products. For the purpose of CITF, local research and development projects which have been approved and completed under relevant funding schemes of the Government's Innovation and Technology Fund ("ITF") are regarded as locally developed innovations or products. For other locally developed innovations or products not involving ITF, applicants should provide information to substantiate that such innovations or products are developed in Hong Kong or by local talents or by local tertiary institutions. The Vetting Sub-Committee will assess whether such innovation or product can qualify for the higher maximum matching ratio of 75% on a case-by-case basis.

Disbursement of Funding

For technology adoption applications, unless otherwise specified, applicants will normally be reimbursed in two instalments, the first instalment (up to 80% of the approved funding) upon provision of documentary proof of payments, and the remaining instalment 12 months after the first instalment. For prefabricated steel rebars, applicants will normally be reimbursed every three months upon submission of proof of purchase.

For entry of MiC systems to the Buildings Department's (BD) Lists of Pre-accepted MiC Systems, the disbursement mode shall be as follows:

- (i) 100% of approved funding upon provision of the proof of successful admission of the MiC system into the BD's Lists of Pre-accepted MiC Systems and the proof of the applicant being the firm of Authorised Person (AP) or Registered Structural Engineer (RSE) or architectural or engineering consultant firm getting the BD's approval.

For the support to the Project Consultant for additional cost incurred in implementing MiC project, the disbursement mode shall be as follows:

- (i) 80% of approved funding upon provision of the proof of the commencement of MiC module installation on site for the MiC building project.
- (ii) 20% of approved funding upon provision of proof of completion of the assembly of the MiC modules at the project site.

All disbursements will only be reimbursed upon fulfilment of all Terms and Conditions.

(B) Manpower Development

	Eligible Applicants	Target Beneficiaries	Funding Scope	Submission requirements	Funding mode	Evaluation
Local collaborative courses	Local higher education institutions, Professional institutions and Trade associations and unions	Professionals, Technicians, Registered skilled workers, Tertiary students and Academic staff	To cover the costs, including venue, air passage and accommodation for speakers, and administration fees for organising the event	Applicants to submit the following for vetting: (i) Course details/ proposals (ii) Budget (including itemised income and expenditure) (iii) Target number of participants Vetting considerations: ● Non-profit making ● Reasonableness of number of participants	Reimbursement to applicants. Cap HK\$300,000 / course	Applicants to submit evaluation report , containing participants' feedbacks Applicants to provide some course materials for sharing on public domain
Non-local Enrichment courses for students	Local higher education institutions	Full time undergraduates / postgraduates in construction related disciplines [Hong Kong permanent resident]	To cover training fees, accommodation for the duration of training, air passage and administration fees	Applicants to submit the following: (i) Course details / proposals (ii) Budget (including itemised income and expenditure) (iii) Target number of participants Vetting considerations: ● Non-profit making	Reimbursement to local higher-education institutions Cap HK\$100,000 / student (including admin fee) A student can only be supported once by CITF for non-local course and eligible students' personal particulars must be submitted	Applicants to submit training reports by students Students may be invited to conduct presentation / experience sharing
Non-local Training / visits for Practitioners	Local higher education institutions, Professional institutions and Trade associations and unions	Professionals, Technicians, and Registered skilled workers [Hong Kong permanent resident]	To cover training fees, logistical expenses required by the applicant and administration fees	Applicants to submit the following: (i) Course and visits details (ii) Budget (including itemised income and expenditure) (iii) Target number of participants Vetting considerations: ● Non-profit making	Reimbursement to applicants. Cap HK\$20,000 / person / course or visit (including admin fee)	Applicants to submit evaluation report , containing training reports / evaluation by participants Participants may be invited to conduct presentation / experience sharing
International Conferences in Hong Kong	Local higher education institutions, Professional institutions and Trade associations and unions	Professionals, Technicians, Registered skilled workers, Tertiary students and Academic staff	To cover the costs, including venue, air passage and accommodation for speakers, and administration fees for organising the event	Applicants to submit the following: (i) Conference details / proposals (ii) Budget (including itemised income and expenditure) (iii) Target number of participants Vetting considerations: ● Non-profit making ● Reasonableness of number of participants	Reimbursement to applicants. Cap HK\$1,000,000 / conference	Applicants to submit evaluation report , containing participants' feedbacks Applicants to provide some conference materials for sharing on public domain

For related enterprises (i.e. enterprises with different business registration certificates but having the same individual(s) holding 30% or more ownership) would be treated as one single enterprise in counting the funding ceiling per applicant.

Reimbursable Costs for Local Courses or Conferences

All costs directly incurred for delivery of the empowerment programmes during the programme duration may be funded by CITF. Typically, reimbursable direct costs may include:

- (i) Event venue and set up expenses, and reasonable meals, food and beverage inclusive in the courses / conferences;
- (ii) Expenses of procuring or leasing of additional equipment for implementing the programme (Applicants are encouraged to use their existing equipment or to lease additional equipment to the extent possible, rather than to purchase new ones);
- (iii) Salary (including employer's contributions to the Mandatory Provident Fund) of additional manpower directly incurred for the project;
- (iv) Travel and accommodation expenses for overseas speakers travelling to Hong Kong to conduct seminars and/or other individuals approved by CITF. Honorarium for speakers is not included. For flight charges, normally only cost of economy class fare is covered;
- (v) Expenses of training materials or equipment for training purpose necessary for implementing the programme;
- (vi) Administrative overheads⁹ for programmes undertaken by UGC-funded institutions in accordance with their financial policies; and
- (vii) External audit fees relating to the programme and arising from compliance with the requirements of CITF (to be reimbursed separately from the funding ceiling).

⁹ The overhead charges should be up to 18.5%.

Reimbursable Costs for Non-Local Courses or Visits

All costs directly incurred for delivering non-local courses or visits (hereafter referred to as “programmes”) may be funded by CITF. Typically, reimbursable direct costs include:

- (i) Training fee/course fee and the administrative expenses, covering salary (including employer’s contributions to the Mandatory Provident Fund) of additional manpower directly incurred for the programmes, associated enrolment fees and other expenses for participation of the staff of the organising body to support the programmes, expenses of required insurance for the programmes;
- (ii) Logistical expenses (including local transport at the visiting country / city, such as coach rental for non-local training / visits by practitioners) and other training-related expenses (including those relating to organising training session(s) on-the-spot, such as venue, set-up and reasonable meals, food and beverage inclusive in the courses / visits);
- (iii) One economy class airfare to the city nearest to the programme venue for the students attending technology enrichment courses at the start of the programme and one economy flight back to Hong Kong at the conclusion of the programme;
- (iv) Accommodation expenses during the course period for students attending technology enrichment courses;
- (v) Expenses of training materials or equipment for training purpose necessary for implementing the programme;
- (vi) Administrative overhead ¹⁰ for programmes undertaken by UGC-funded institutions in accordance with their financial policies; and
- (vii) External audit fees relating to the programme and arising from compliance with the requirements of CITF (to be reimbursed separately from the funding ceilings).

¹⁰ The overhead charges should be up to 18.5%.

Budget

For applications under Manpower Development, Applicants should submit a complete budget covering expected sources of income and detailed expenditure items. Related expenditure items in the budget should be grouped under the applicable categories of reimbursable costs for local courses / conferences or non-local courses / training / visit (as appropriate) set out above.

Flexibility under “No retrospective approval” Principle

To facilitate project planning and implementation, applicants could either:

1. Commit expenditure according to the notification of approval issued by the CITF Secretariat; or
2. Proceed to commit expenditure (according to clause 10.3 of the Terms and Conditions) upon submitting the CITF application. However, applicants shall do this at their own risks in case the application is turned out being rejected in whole or in part.

Expenses incurred before submitting CITF application will not be reimbursed.

Disbursement of Funding

Approved funds will be disbursed on a reimbursement basis within two years from the date of approval, subject to prior approval up to the specified ceilings. For local courses or conferences, payments on an instalment basis may also be allowed subject to proof of payments.

All disbursements will only be reimbursed upon fulfilment of all Terms and Conditions.

In the event of any inconsistency between the English version and Chinese version of any provision of the Application Framework, the English version shall prevail.