

Construction Innovation and Technology Fund

Application Framework

August 2019

(A) Technology Adoption

1. Building Information Modelling (BIM)

| | BIM Training | BIM Experiential Use and Project Adoption¹ |
|-----------------|--|--|
| Funding Mode | Cash rebate (subject to satisfactory completion of the course) | Co-fund with 70% grant from CITF at maximum for costs involved |
| Funding Ceiling | <ul style="list-style-type: none">● Funding ceiling is HK\$200,000 per applicant● Within the funding ceiling, each person enrolling training is entitled to HK\$3,000 per course at maximum | <ul style="list-style-type: none">● Funding ceiling is HK\$600,000 per applicant, of which BIM 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 install BIM software 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 | Co-fund with 70% grant from CITF at maximum for costs involved |
| Funding Ceiling | Funding ceiling is HK\$800,000 per technology |

3. Modular Integrated Construction (MiC)

| | Project Adoption |
|-----------------|--|
| Funding Mode | Co-fund with 70% grant from CITF at maximum 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 applicant per project ● Contractor – Purchase / rental of MiC specific construction plant – HK\$2,500,000 per applicant per project ● Contractor – Purchase / offsite production of MiC modules – HK\$5,000,000 per applicant per project |

Remarks: The overall funding ceiling for an eligible consultant is HK\$2,500,000 per project; and for an eligible contractor is HK\$7,500,000 per project.

4. Prefabricated Steel Rebar

| | Project Adoption |
|-----------------|---|
| Funding Mode | Cash rebate HK\$200/tonne |
| Funding Details | Funding ceiling is HK\$3,000,000 per project |

Remarks:

- (a) *Prefabricated steel rebars shall be produced by yards on the “List of Approved Steel Reinforcing Bar Prefabrication Yards” under administration of the Civil Engineering and Development Department.*
- (b) *The percentage by weight of straight rebars without processing (cutting and/or bending) in each delivery shall be less than 25%.*

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 and other administrative expenses incurred for the project by the applicant.

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 suppliers², 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.

² 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 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.

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, 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.

All disbursements will only be reimbursed upon fulfillment 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 are 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 overheads³ 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).

³ 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 enrollment fees and other expenses for participation by 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 overhead⁴ 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).

⁴ 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 fulfillment 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.