

Busan Metropolitan City Ordinance on the Promotion of Fostering the Regional Construction Industry

Article 1(Purpose) The purpose of this Ordinance is to prescribe necessary matters to promote the regional construction industry of Busan Metropolitan City (hereinafter referred to as the "City") and to contribute to the development of regional economy.

Article 2(Definitions) The definitions of terms used in this Ordinance are as follows.

1. "Regional Construction Industry" refers to the construction business and construction service business which are registered pursuant to the Framework Act on the Construction Industry or other acts and operate within the City.
2. "Regional Construction Enterprises" refers to enterprises which listed the City as the main location for business in the copy of corporate registration for foundation or in the copy of business operator registration.

Article 3(Obligation of the City) ①The Mayor of Busan Metropolitan City(hereinafter referred to as the "Mayor") shall develop various supporting policies such as improving systems related to the construction industry, providing information on new technology in construction and, etc. for the development of the regional construction industry.

② The Mayor shall increase the total working volume in the regional construction industry through positive promotion of urban and dwelling environment improvement business, and shall endeavor for reinforcing competitiveness in the regional construction industry by continuous effort for the reorganization of faltering regional construction enterprises.

③ The Mayor shall take proper measures to establish fair trade practices in subcontract transactions by continuous control over unfair subcontracting practices in the construction industry.

Article 4(Obligation of Regional Construction Enterprises) Regional construction enterprises shall restraint themselves from excessive competition among enterprises and all kinds of constructional irregularities, and shall prevent fraudulent planning and construction as an effort to establish a sound regional construction industry.

Article 5(Research on Actual Condition) ①The Mayor shall establish a plan every year to research the actual condition of construction industry to find out whether the registration standards are followed or whether the practices of subcontracting, planning and constructing are proper.

② The Mayor shall conduct the following research of actual condition according to the

plan for research on the actual condition of the construction industry prescribed in Paragraph 1 more than twice a year. In this case, the Mayor may request the cooperation of the associations related to construction industry when necessary for the research.

1. Matters concerning the participation practice of a regional construction enterprise as a contractor or as a subcontractor
2. Matters concerning the usage of materials and facilities.
3. Matters concerning the properness of subcontract
4. Other matters necessary for the sound development of regional construction industry
 - ③ A notice on the date, purpose and contents of the research shall be made 7 days in prior to the research to the construction industry enterprise subject to research when a research is being conducted pursuant to Paragraph 2.
 - ④ The Mayor may post the results of analysis obtained from results of the research pursuant to Paragraph 3.

Article 6(Distinguished Constructor) ① The Mayor may select a regional construction enterprise which has contributed in fostering the regional construction industry as a "distinguished constructor" after consulting with the Busan Metropolitan City Regional Construction Industry Development Committee prescribed in Article 7 through the research on actual condition pursuant to Article 5, Paragraph 2.

- ② Standards for selecting the distinguished constructor are as following subparagraphs.
 1. Construction enterprises which have provided various participation opportunities to the regional construction industry.
 2. Construction enterprises objectively recognized to have contributed to the development of the regional construction industry.
- ③ The distinguished constructor selected according to Paragraph 1 shall be considered as an excellent businessman pursuant to Article 4 of the Busan Metropolitan City Ordinance on the Honorable Treatment of Distinguished Businessmen and the Promotion of Business Activities.

Article 7(Regional Construction Industry Development Committee) ① There shall be the Busan Metropolitan City Regional Construction Industry Development Committee(hereinafter referred to as the "Committee") for the revitalization of the regional construction industry.

- ② The Committee shall deliberate on the following matters.
 1. Matters concerning the support and fosterage of competitive regional construction enterprises
 2. Matters concerning the plan for enhancing the order receiving ratio of

regional construction enterprises and enlarging participation as subcontractors

3. Matters concerning the prevention of fraudulent planning and faulty construction
 4. Matters concerning the collection and settlement of complaints of regional construction enterprises
 5. Matters concerning the establishment of research plan on the actual condition of construction industry
 6. Matters concerning the improvement of construction-related system and amendment proposal of related laws
 7. Matters concerning the selection of distinguished constructor pursuant to Article 6
 8. Other matters submitted for consideration which the Mayor feels the necessity of consultation.
- ③ The Committee shall consist of no more than 20 persons including one chairman and one vice chairman.
- ④ The chairman shall be the Deputy Mayor for Administrative Affairs, and the vice chairman shall be the head of the Construction and Disaster Prevention Bureau, and the members of the Committee shall be either appointed or commissioned among the following persons.
1. Public officials of Grade ? or higher Grade working in the City.
 2. Persons recommended by the Busan Metropolitan Council.
 3. Persons recommended by public corporations established by the City pursuant to the Local Public Corporation Act
 4. Persons recommended by construction industry-related associations
 5. Persons who have professional knowledge and abundant experience on the construction industry
- ⑤ Commissioned members of the Committee shall hold office for 2 years, and the consecutive commission shall be permitted only once. Yet, the term of office for committee members who are filling vacancies shall be the remainder of the predecessor.
- ⑥ The chairman shall represent the Committee, and supervisethe Committee affairs, and the vice chairman shall act on behalf of the chairman when the chairman inevitably can not perform his/her duties.
- ⑦ There shall be regular meeting held twice a year and special meetings held when the chairman approves of the necessity. The chairman shall inform all committee members on matters regarding the date and the place of meeting, and the agenda to be deliberated 7 days before the actual meeting takes place. However, this does not apply in case of emergency.
- ⑧The Committee meeting is to start with a majority of the registered committee

members present and shall pass a resolution with a majority vote of the committee members who are present.

⑨ The Committee shall have one executive secretary and one clerk to handle the affairs of the Committee. The director in charge of Construction Affairs Division shall be the executive secretary, and the deputy director who is in charge of construction affairs at the above division shall be the clerk.

⑩ Allowance and traveling expenses may be provided within the limit of the budget to the commissioned Committee members.

⑪ The chairman shall decide on necessary matters for the operation of the Committee other than those regulated in this Ordinance with obtaining the Committee's favorable vote.

Article 8(Practical Affairs Team) ① A Practical Affairs Team shall be organized for the effective operation of the Committee.

② The Practical Affairs Team shall collect various data and assist the Committee functions for the revitalization of the regional construction industry.

③ The director in charge of Construction Affairs Division shall be the head of the Practical Affairs Team and the team members shall consist of no more than 10 persons including deputy directors of construction industry-related divisions in the City and the secretary generals of construction industry-related associations, and etc..

④ Meeting of the Practical Affairs Team shall be held regularly once in three months, and may be held at any time on demand.