

Feedback on SOA-QPS Review

We, Kinetix Systems Limited, are serving as one of the Category 3 Minor Group Contractor for the current SOA-QPS. Within the past 24 months of contract period, we have been awarded on 14 Work Assignments with a total contract value of HK\$9,257,200.

In response to the consultation paper issued by OGCIO on the subject, we would like to put forward our comments as following:

(a) Categorisation of Services and Suppliers

We have no comment on the categorization of service type Category 1 to Category 4.

However, we would like to suggest adjusting the \$1.3 million separation line between the major and minor Supplier Group to around \$4 ~ 5 million. The suggestion is based on the fact that total awarded work assignment value of Category 3 Major Group is 5+ times more than the Minor Group. And also, projects of around 12 ~ 18 months duration, and also non-mission critical, always exit the budget of \$1.3 million. We strongly believed that these projects are well within the capability of Minor Group contactors.

Other than the \$1.3 million value, we would also suggest OGCIO to put up a more rigid guideline on the determination of major/minor work assignment grouping. We often find that some projects that are used to be appear in Minor Group, e.g. Departmental Portal Implementation, were issued to Major Group.

(b) Participation by Suppliers

We believe that the number of suppliers for Category 3 is just right. Further increase in number of contractors will result in the average awarded work assignment value per contractor to decrease. The decreased value will directly causing profit to decrease and the cost of SOA-QPS overhead, e.g. PMO, will be relatively increased. The increased cost of operation will directly affecting the quality of service to B/D users.

(c) Length of Contracts

We have no comments on the length of contract.

(d) Selection of Contractors and Quality Consideration

The Price Score of each work assignment is bearing 70% of the total Price-Quality Score, which is a major component that affecting whether we can win a work assignment. The behavior of some contractor(s) on using “low bid” to win work assignment always caused a chain-reaction to all contractors, continue to compete with each other by further lowering their bidding price. The long term impact to SOA-QPS will be continue service quality dropping, in an endless manner.

One of the possible solution to the above issue can be “taking away the highest and lowest bidding price” on each work assignment. This arrangement has already be in practice by some oversea Governments, and found to be useful to stop those unhealthy pricing bidders.

Currently, we are regularly receiving our “company score” from the SOA-QPS contractor administrator. However, there is no any indication on the calculation method and contributing parameters of the score. We believe that opening up the calculation detail would definitely help us to understand our service value to the Government and in turn making ways for further improvements. In addition, the score of “ALL” contractors should be openly visible to all contractors within the same group. Knowing our current position, amount the other contractors, will also be helpful for service quality improvement.

Other than the company score, we suggest that the Price/Quality combined score of each Work Assignment Proposal should also be visible to contractors, or, at least to the proposal submitting contractor. It will help use to know what is our weakness and where should be need improvements.

(e) Categorisation of Human Resources

We have no comments on the categorization of human resources.

(f) Sub-contracting

We have no comments on the sub-contracting.

(g) Contractor's Liability

We have no comments on the contractor's liability.

(h) Timing for Proposal Submission

We have no comments on the timing for proposal submission by contractor.

However, during the past 24 months contract period, we noticed that the awarding period is always much longer than the 90 days. Some work assignments even required more than 180 days before awarding. We suggested that OGCIO should impose a more rigid control on the period of awarding a work assignment.

(i) Payment for Services

We have also observed there was a tendency for B/D users to put most of the work assignment payment to the end, or even after nursing period, of the work assignment. Some of them even putting 100% payment to the end of work assignment. And they also do not accept any counter proposal to the payment schedule.

Since SOA-QPS is a manpower business, the extended payment period will seriously impact the cash flow of our company. (** and also most of the SME IT companies **)

We suggest OGCIO to enforce “regular monthly payment”, which is based on the man-power consumption of each respective period.

(j) Other Issues

We also observed that there is a common to ALL IT, not only SOA-QPS, project scenario that SA&D stage is always running much longer than project proposal expected duration. Users are always reluctant to sign-off the SA&D report. And there are “ALWAYS” new user requirements/changes come out during UAT stage. These

situations will only have one common result – projects are running in a much longer period (** If it can be finished **)

We believed that it is caused by the “Full SDLC” work assignment arrangement. Full SDLC, will always means that users are NOT clear about the actual requirement of the system, when issuing a work assignment, or even an open tender. Contractors are based on minimal un-clear information to make up their bid, which is bound to be un-accurate. An easy example will be a single step input screen can be easily turn-out to be a serious of 4-steps input screens, which means a total of 4 times manpower efforts.

A possible way to minimize the above mentioned problem can be “mandatory” all system development project to be separated into a “FS + SA&D project”, and then followed by a “SI&I project”. It can help users to clear-up their minds during the 1st project and save everybody’s wasted effort on the 2nd project.

The above summarized our comments on the current operation of SOA-QPS. We are pleased to have further discussion on any issues/aspects of the current and future SOA-QPS arrangements.

Regards

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