

## **Feedback on SOA-QPS Review**

**By Y&A Professional Services Ltd.**

In response to the request from the Office of the Government Chief Information Officer (OGCIO) for providing comments of the Standing Offer Agreement for Quality Professional Services (SOA-QPS) in the Government of HKSAR, Y&A Professional Services Ltd. (Y&A) is pleased to submit our feedback on each consultation areas for your consideration.

### **1. Categorisation of Services and Suppliers**

The existing Category 3 services include General System Development Life Cycle and Network System Implementation, which are quite unique in terms of the project work approach and required skill sets. Y&A suggest to put them in two different categories in the new SOA-QPS. Currently Category 2 includes System Maintenance and Support services, which are already covered in Category 3. Y&A suggest to put System Maintenance and Support services under Category 3 only.

Regarding the categorization of Suppliers, Y&A suggest to introduce one more group between Major and Minor, for Work Assignments of contract value between HK\$1.3M and HK\$5M. If the grouping remains the same (i.e. Major and Minor only), Y&A would suggest to increase the limit on the value of work assignments of Minor group. Currently the limit of work assignment value in Minor group of Category 1 and Category 3 is HK\$1.3 million, while the limit in Category 4 is HK\$260,000. Y&A suggest to increase the limits to HK\$5 million and HK\$500,000 respectively.

## **2. Participation by Suppliers**

Y&A suggest not to increase the number of contractors within each service categories in the next SOA-QPS. In fact, if the “Must-Bid” policy will continue (i.e. contractors must bid for all work assignments), Y&A would suggest to lower the number of contractors in Category 1 and Category 3 to four contractors in each group, which we believe are sufficient to maintain the competitiveness within each service group. If it maintains to have six contractors in Category 1 and Category 3, Y&A would suggest to remove the “Must-Bid” policy so that contractors are allowed not to bid for certain work assignments. OGCIO can use a scoring mechanism to promote the bid ratio (i.e. increase the general quality score for those “frequently-bid” contractors, or decrease the general quality score as a penalty for those “seldomly-bid” contractors).

## **3. Length of Contracts**

The existing SOAs are valid for 42 months. Y&A suggest the duration of the next SOA-QPS be increased to 48 months, with an option to further extend for another 12 months.

## **4. Selection of Contractors and Quality Consideration**

The existing general quality score of each Contractor and specific quality score of each Work Assignment are not transparent at all. OGCIO should publish the score of all Contractors on SOA-QPS Theme Page so that each Contractor can understand their relative ranking within their own Group. Currently the general quality score are reviewed on a half-yearly basis. Y&A suggest to shorten it to quarterly review in order to promote the quality awareness.

To emphasize the importance of quality in each Work Assignment and to encourage good performers, Y&A suggest to increase the quality/price ratio to 50:50 (instead of the existing 30:70 ratio) in the selection of contractors to undertake each Work Assignment.

## **5. Categorisation of Human Resources**

Y&A have no comment.

## **6. Sub-contracting**

A full assessment on the quality of sub-contractors should be done before sub-contractors can be registered under SOA-QPS. Two-levels or more levels of sub-contracting should not be allowed, which should be closely monitored by OGCIO during work assignment period.

## **7. Contractor Liability**

Y&A have no comment.

## **8. Timing for Proposal Submission**

Most of the work assignments in the existing SOA-QPS allow 10 to 15 working days for proposal preparation and submission, which is enough in most cases. However some B/Ds sometimes need a long time for proposal evaluation (in some cases even longer to 90 calendar days). It introduces difficulties to all contractors who have submitted proposals and hold up the resources. Y&A suggest OGCIO should set clear guidelines on proposal evaluation period and provide more active assistance to help the B/Ds to finish the evaluation as soon as possible.

## **9. Payment for Services**

Although stage fee or regular payment were introduced by OGCIO, they are not yet widely accepted by the B/Ds. In some cases the B/Ds still insists 100% payment upon completion of project. Obviously this is un-reasonable to service providers, but more importantly, it discourages stage acceptance and it is no good to all parties when problems can only be found at the final stage of the project. Y&A suggest OGCIO should provide more clear guideline to B/Ds on stage payment and promote the value of stage payment and how it contributes to the success of the project.

## **10. Cancellation of Work Assignments**

We have seen several cases in both Category 1 and Category 3 Major and Minor groups that the Work Assignments are cancelled after the contractors submitted their proposal. It wasted the efforts of the contractors to prepare the proposal and the efforts of the B/Ds on proposal evaluation. Y&A suggest OGCIO should review each cancelled work assignments and, if possible, provide necessary assistance to B/Ds before the work assignments are cancelled.

All in all, Y&A agree that the SOA-QPS is both an effective and efficient arrangement for B/Ds to acquire IT Professional Services, and at the same time creates an environment which facilitates the development of local IT industry and encourage their participation in IT projects with HKSAR Government on a long term basis. We hope SOA-QPS will be continuously improved and the next SOA-QPS will be even more successful.