

Mr. C T PANG
Assistant Director
ITSD

Dear Mr. Pang

The following are inputs from our company, Telewide Enterprises Limited:

1. Participation from Suppliers

The size of the service categories should be substantially expanded. At present, sub-contracting is in name only, and in practice seldom happens. As a result, almost the entire 342 ITPSA work assignments worth \$246 million ended up with the twelve contractors.

The 342 work assignment must have presented a wide diversity of skill sets required on the contractors. Whilst these contractors may have been initially shortlisted by virtue of their "general" capabilities, they cannot be reasonably expected to be the "best in breed " for such a wide variety of skill set. Take for example, in the category of "Office systems and network implementation services", there are only two contractors in Group 1 and 3 contractors in Group 2, when the user requirements and solutions involved must be numerous. The end result is that the best solution provider is more often than not outside the "chosen few", and the "best value for money" objective is not achieved in many projects.

Of course the other major objective failure of the present arrangement is that it can hardly be seen to be promoting the local IT industry, when only 12 contractors are benefitted.

We would recommend that each category to expand to around 10 contractors for each of the two groups. This should better achieve the policy objectives without making each work assignment exercise unwieldy (evaluating a maximum of 10 tenderers each time mainly on pricing and compliance with tender specifications should not be too onerous).

2. Length of Contracts

We believe that the current validity period should be suitably shortened to give the unsuccessful bidders another opportunity sooner, and to absorb new blood who might have acquired new capabilities in the fast technology advancements. We believe a validity of 24

months with an option for a 12 month extension would be a reasonable balance. To further ensure continuity, ITSD might also want to consider staggering the validity period of the chosen contractors into two groups 12 months apart (eg one group from 7/04 to 7/06 and another group from 7/05 to 7/07).

3. Selection of Contractors and Quality Consideration

We suggest that in each work assignment, in addition to the user's defined specifications, a "value add" section should be included to enable/encourage the tenderer to propose additional features/ideas, which would be evaluated in addition to price comparison. This would encourage best practices to be transferred from the tenderer's user experience to the government users, and to promote innovation and quality.

4. Categorisation of Services and Suppliers

The current sub-categorisation by "basic" and "stringent" requirements are ambiguous. We recommend to categorise clearly by the value of the project. To ensure that high value projects are provided by organizations with the necessary resources, they should be assigned to the larger contractors. On the other hand, to promote the survival of the SMEs, they should be given a clear priority in the lower value projects.

Thank you for your attention.

Yours sincerely

Gilbert Chan
Managing Director
Telewide Enterprises Limited
1308 Asia Orient Tower
Lockhart Road
Hong Kong

Telephone 2866 3828

www.telewide.com