



**Submission to the  
The Office of the Government Chief Information Officer (OGCIO),  
The Government of the Hong Kong Special Administrative Region (HKSAR)  
for  
The Feedback on SOA-QPS Review**

**December 2007  
Internet Professional Association**

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

### **Introduction**

The Internet Professional Association (iProA) is pleased to provide for your consideration on the following comments and recommendations to the Office of the Government Chief Information Officer (OGCIO), The Government of Hong Kong Special Administrative Region (HKSAR), for the feedback on Standing Offer Agreement for Quality Professional Services (SOA-QPS) Review.

iProA would like to maintain a fair and level playing field for both large international companies and local IT SMEs in government contracts such as the SOA-QPS. In particular, we would like to draw the Government's attention in the following areas:

- 1) Narrowing down the gap between Major and Minor Service Groups.
- 2) Aligning the marking scheme in SOA-QPS for better quality deliverables.
- 3) Encouraging a regular payment terms for project schedule.
- 4) Shortening the response period of SOA-QPS.

### **(1) Narrow down the gap between Major and Minor Service Groups**

Increasing the Project Ceiling Price of Minor Service Groups is necessary, as the gap between Major and Minor Service Groups is big. At present, the Project Ceiling Prices for Minor and Major Service Groups are HK\$1.3 Million and HK\$10 Million respectively and the difference is too large.

The ceiling price for minor group is suggested to be increased to HK\$3 Million as the cost of IT services has increased as a result of market booming and also, Minor Service Groups are capable in doing bigger size projects.

### **(2) Aligning the marking scheme in SOA-QPS for better quality deliverables**

Aligning the marking scheme in SOA-QPS assessment and individual project assignment to encourage contractors to emphasize more on better quality deliverables is very important. This would encourage contractors to strive for better quality deliverables instead of only focus on price

cutting.

Although 70:30 technical to pricing ratio was used in the marking scheme for selecting contractors for SOA-QPS, 30:70 technical to pricing ratio is used in marking scheme for individual assignment brief. We still believe that more emphasis should be made on the quality for individual project assignment; it is suggested to align the marking scheme for individual assignment brief with that for SOA-QPS in order to encourage the contractors to put more emphasis on technical merit instead of price cutting.

### **(3) Encouraging a regular payment terms for project schedule**

Receiving payments for maintaining a steady cash flow has always been the challenge to contractors, especially those SMEs in the Minor Service Groups in SOA-QPS.

We suggest that regular payment (say monthly, bi-monthly or quarterly) could be encouraged for projects longer than a certain period of time, which helps local IT SMEs to maintain healthy cash flow and financial status.

### **(4) Shortening the response period of SOA-QPS**

A shorter period of SOA-QPS response is more realistically to market changes. Existing SOA-QPS lasts for 42 months with an option of early exit in the last 12 months of the validity period is too long, comparing to the project size.

A shorter contract period of 30 months is suggested as the cost of human resource vary greatly during the market bust and boom. During economic boom, it is difficult to recruit suitable people even at right prices as the market is competing for talents vigorously. Besides, unsuccessful bidders may have a shorter waiting time for a second chance.

## **Conclusion**

We trust the suggestions in our submission will help to maintain a fair and level playing field for both large international companies and local IT SMEs in government contracts such as the SOA-QPS.

It is always been our government's as well as iProA's objective to help and nurture the local IT

industry. SMEs should be given more opportunities to participate in such practices. We hope that government could devise some mechanisms to include or recruit more local IT SMEs to get involved in events such as this new SOA-QPS in 2009.

If there is any aspect of this submission requires elaboration or clarification, we would be happy to do so.

## **Policy Committee**

### **Internet Professional Association**

28 December 2007

#### **About iProA (Internet Professional Association)**

iProA is a non-profit making professional organization founded in December 1999. It represents over 1,400 professionals from Internet related industries, including CEOs and senior executives from leading information technology enterprises. Our members have made contributions in areas like innovative design, sales, marketing, infrastructure, e-commerce, consultancy, investment and other Internet related professional services, aiming to further develop the Internet industry in Hong Kong. We share the common goal of promoting the proper application of Internet technology and enhancing competitiveness of the IT industry. We work towards improving professionalism of information technology practitioners, encouraging IT professionals to share social responsibilities, as well as striving to bridge the digital divide in Hong Kong. Please visit website [www.iproa.org](http://www.iproa.org) for further information.