

Our Ref: CT/SSPS/20160301VC

Date: March 15, 2016

Office of the Government Chief Information Officer  
6/F, North Point Government Offices  
333 Java Road  
North Point  
Hong Kong  
Attention: Mr. Tony KM WONG, Senior Systems Manager

Dear Mr. WONG

Re: Consultation on the future arrangement of the SOA-QPS

In response to your invitation to the review of the “Consultation of the Future Arrangement of the Standing Offer Agreement for the Quality Professional Services in the Government of the Hong Kong Special Administrative Region”. Computer And Technologies Solutions Limited would like to provide our comments as below:

(a) Categorization of Service

In order to match the Digital 21 Strategy of the Hong Kong SAR Government for new technology adoption and further advancement. We suggest to add one more category which will include implementation of the latest technologies. Under this category, we recommend OGCIO to gain insight on the latest technologies and add them in this category regularly. All B/Ds and contractors should endeavor to speed up the adoption of such latest technologies. For the coming QPS4, Cloud computing, Big data analytics, Internet of Things, Wireless and multi-platform are candidates to be considered in this category.

Due to general price inflation, in particular staff cost increases over the last ten years, and more importantly continuous increased demand for higher skills and capabilities of all contractors, the cost of project implementation has been increased. We suggest to increase the upper limit of future QPS to more than HK\$10M. It can be achieved by adding another category with a higher upper limit or increasing the upper limit of existing categories. It would save B/Ds time for preparing open tenders when the amount is not far from the HK\$10M mark.

(b) Number of Contractors for Each Service Category /Group

From ITPSA to QPS3, it is found that an increasing number of contractors will

generally result in a price war, we submit that it is not good for sustainability and healthy growth of local IT industry. We suggest to maintain a level around 9 contractors per group in Service Category 2 and 3.

	Service Category 1	Service Category 2	Service Category 3	Service Category 4
Major Service group	12 contractors	9 contractors	9 contractors	12 contractors
Minor Service Group		9 contractors	9 contractors	

(c) Duration of Contracts

In order to strike a balance between flexibility and cost saving of the QPS tendering exercise, we suggested to change the duration of contracts for 5 years.

(d) Staff Categories and Charging Structure

Agree with the current arrangement

(e) Sub-contracting

Agree with the current arrangement

(f) Time for submitting Proposal

Agree with the current arrangement

(g) Payment for Services

Although the standing contract has clear guidelines on payment terms, we suggest that directives and governance should be in place to steer B/Ds to follow the guidelines in the WAB.

(h) Other suggestions:

1. Abstract/high-level user requirements:

We invite OGCIO to review and assess whether contractors are struggling financially for the QPS business. Due to the fact that work assignment brief (WAB) normally only provides abstract/high-level requirements, the actual efforts required to complete the assignment are usually highly than the original proposed estimates. To alleviate the burdens of contractors arriving at an accurate estimation up front, we suggest B/Ds provide an effort estimation range in the WAB. When the SA&D stage is completed and finds the required effort exceed the estimation range provided by the B/Ds, the contractor is allowed to terminate

the contract and receive payment in portion to the efforts spent on the SA&D stage. An alternative approach is to encourage B/D's to issue WAB to do Feasibility Study and

SA&D only then followed by an implementation WAB with detailed and clear requirements based on the output of the SA&D.

2. Proposal evaluation:

In order to award the contract with fair prices and prevent awarding contracts to contractors who underestimate the project scope leading to eventual project failure, we suggest changing the Marking Scheme for the WAB as below:

**Technical Evaluation (Weighting: 70%)**

$$\text{Technical Score} = \frac{\text{'Total Technical Mark'}}{\text{Highest 'Total Technical Mark'}} \times 70$$

**Price Evaluation (Weighting: 30%)**

$$\text{Price Score} = \frac{\text{Lowest 'total price'}}{\text{'total price'}} \times 30$$

We also suggest adding a filtering mechanism to reject proposals with bidding price lower than the average proposed price by 20%.

Contact information:

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Should you have any clarification, please feel free to contact me.

Yours sincerely,



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