



14/3/2016 -  
Office of the Government Chief Information Officer  
6/F, North Point Government Offices,  
333 Java Road, Hong Kong  
Attention: Mr. Tony KM Wong, Senior Systems Manager

Dear Mr. Wong

Re: Feedback on SOA-QPS3 from IBM China/Hong Kong Ltd

## **A Categorisation of Services**

- Service Categories
- Minor and Major Service Group

We encourage the Government and OGCIO to consider the trend of **COGNITIVE COMPUTING SYSTEMS** and **CLOUD COMPUTING**, especially QPS4 is going to be deployed in 2017 – 2021, where the abovementioned technology will be matured and in full market deployment/acceptance stage. Whether the existing categorization emphasizing technology independency, will be still efficient in the era post programming systems and traditional bare metal on premise delivery.

We agree with the current setup of HK\$1.43m as the mark for separating Minor and Major Service Group.

## **B Number of Contractor for each Service Category/Group**

For Minor category, as the aim is to encourage local Industry participants and SMEs in Government IT projects, we suggest OGCIO can keep or increase the number of contractor in this category.

For Major category, as it involves more complex studies, on-going service and longer implementation period, larger multi-national IT enterprises will be more capable to deliver successfully. We suggest OGCIO to lower the number of contractor in this category, so each contractor will have enough projects during the SOA period and be able to keep a stable and core implementation/delivery team of IT professional. It should help to ease out some of the current issues of QPS3 of high staff turnovers and quality issues.

## **C Duration of Contracts**

We agree with the current setup.

## **D Staff Categories and Charging Structure**

- Service Charging Structure



We propose the Government to explore pushing the ceiling price of work assignment beyond HK\$10m, as this ceiling has been adopted over 15+ years. Manday cost and CPI inflation has shown that with the same HK\$10m, the project scope is very limited, and B/Ds has to use open tender process which is much slower than the SOA-QPS setup.

Given the SOA has governed the ceiling price of the manday per staff category, we propose the Government to also impose an minimal manday rate to be submitted in work assignment.

- Standard Staff Categories

We agree with the current approach

- Supplier Specific Staff Categories

We agree with the current approach, which gives both the Government and contractors the flexibility for future demands.

## **E Sub-contracting**

We agree with the current approach, the Government should uphold non-intervention in the commercial relationship between the prime contractors and sub-contractors

## **F Time for submitting Proposal**

We agree with the current approach, 10 days for minor category work assignment and 20+ days for major category and complex assignments.

## **G Payment for Services**

- Payment of One-off Services
- Payment of On-going Services

We agree with the current approach.

## **H Typical Performance Issues**

- Staff Turnover Issues
- Staff's Participation in Multiple Projects Issues
- Project Delay and Quality Issues



We understand the concern from the Government and OGCIO on the above mentioned topic. In principle, the Government should have measures against a core member in a full time project deployment to be used in another proposal with timeframe overlapping.

We encourage the Government to look into industry comment about setting the “minimal manday rate” and uplifting the HK\$10m boundary. It would enable the industry to hire the full qualified core member in the delivery team with a satisfied salary and keep them for the project period. Lowering the number of contractor in some Category will also ease the competition among contractors and allow them to establish a stable core service delivery team in Government sector as well.

## I Other comment

**Indemnity/liability** - we suggest a 1.5x cap on the work assignment value for better risk assignment on contractor side. It would encourage more participations from the industry.

**Standard Marking Scheme** – (Performance assessment) Contractor Performance and project delivery success should be awarded more score together with Technical Score up to 50% of the score. The rest is price. We understand Government’s concern that all work assignment should be “value for money”, given in SOA framework, the contractor has already submitted a ceiling price for all of the staff category, so all awarded contractors in the categories has met the criteria of “value for money” already, next they should be competitor for quality of service and success of delivery in individual work assignments.

Should you have any clarifications, please contact me at (852) 2825-6304 or [chanalk@hk1.ibm.com](mailto:chanalk@hk1.ibm.com) at your convenience.

Sincerely yours

A handwritten signature in black ink, appearing to be 'Anfernee Chan', written on a light-colored background.

Anfernee CHAN

Head of Public & Communications sector,  
IBM Hong Kong/China Limited