

Please find our comments on the consultation paper below :

1. *Demarcation Limit*

We would suggest raising the demarcation limit of the service fee of each service group, i.e. HK\$2 million for Minor Service Group and HK\$12 million for Major Service Group. For the past few years, the salary of IT staff has increased significantly and the rental cost has also surged by double-digit percentage.

2. *Number of Contractors*

There is no need to change the current number of contractors for each service category / group.

3. *Duration of the Contract*

There is no need to change the current duration of the contract.

4. *Service Charging Structure*

The present arrangement is satisfactory.

5. *Standard Staff Categories*

The existing staff categorization and supplier specific staff category are satisfactory.

6. *Sub-contracting*

We agree the HKSARG should continue with the non-intervention in the commercial relationship between the prime contractors and sub-contractors.

7. *Time for Submitting Proposal*

It is suggested to maintain a range of working days dependent on the complexity of project. For minor group, it is suggested to be 10-15 working days.

8. *Payment for Services*

The present arrangement is satisfactory.

9. *Staff Turnover Issues*

It should be judged based on the effort involved in individual engagements to ensure there is no over-allocation of a staff for an extended period of time.

10. *Staff's participation in Multiple Project Issues*

Same as staff turnover issues.

11. *Project Delay and Quality Issues*

Though there are different categories in assessing the performance, there are no clear guidelines as to how each bureau / department (B/D) would follow.

12. *Miscellaneous*

a. Standard Marking Scheme : OGCIO should review its tender evaluation criteria rather than heavily based on the price. They should consider other criteria, e.g. how well the proposal addresses some critical issues in the tender brief, the project team qualification and experience, implementation approach etc. These are good for a healthy development of IT industry in Hong Kong. Value for Money = Value / Money.

b. Project Requirements : OGCIO should try to enforce mandatory guidelines for B/Ds to follow, so that sufficient information is provided in the work assignment brief for the contractors to assess the complexity of the project and estimate the required effort more accurately. Here are some examples ;

Example 1 : It was stated in the tender there were system interfaces with other systems. When we wished to clarify the number of interfaces involved, we got the department's response to refer to the tender specifications. When we put down the assumptions or dependencies on the proposal to limit the number of interfaces, we were required to drop this assumption. It turned out there were about 20 interfaces involved.

Example 2 : Quite a number of SM&S work assignments under Service Category 2 were issue without any past support statistics. When we raised clarification and

requested for more information, the B/D just replied saying no such information can be provided.

Example 3 : We have come across a SI&I project with 1-year nursing support service. The B/D mentioned to us since “fire-fighting” services were required in the brief, we were supposed to provide 7x24 (M3) service level during the nursing support period, while we had only quoted M1 effort in our Price Proposal, and the brief also did not mention M3 support service was needed.

c. Factors governing the selection of Minor / Major Group : OGCIO should also review whether the B/D has made a reasonable request within the demarcation limit of each service group. Some departments got a wrong impression that IT staff's costs are low that they can complete a lot of things within an unreasonable budget. It is not uncommon that some tenders for Combined System Development Services lasting for 12-14 months plus 3-years SM&S services are issued under the minor service group.