

CONTROLLING OFFICER'S REPLY

THB(H)057

(Question Serial No. 3358)

Head: (62) Housing Department

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Transport and Housing (Housing)
(Stanley YING)

Director of Bureau: Secretary for Transport and Housing

Question:

Regarding outsourcing of services by the Department, please inform this Committee of the following in respect of the past 3 years:

1. the total number of outsourced workers employed and the percentage of these workers in the total number of staff members with the same types of duties in the Department;
2. the total staff cost of the Department; the total amount paid to outsourced service providers; and the percentage of amount paid to outsourced service providers in the total departmental staff cost; and
3. the nature of the services outsourced by the Department and the duration of the service contracts.

Besides, according to the Government's guidelines for tendering of outsourced services revised last year, if the procured service relies heavily on the deployment of non-skilled workers, and a marking scheme for tender assessment is adopted, the procuring department, when assessing the tenders, should include in the assessment criteria the evaluation of tenderers' proposed wage rates and working hours for non-skilled workers. In this regard, please inform this Committee of the following:

1. the number of existing outsourced service contracts that rely heavily on the deployment of non-skilled workers awarded by the Department since the guidelines came into effect;
2. the departments which have adjusted their assessment criteria on wage rates and working hours for the outsourced service contracts that rely heavily on the deployment of non-skilled workers in the light of the revised guidelines since the guidelines came into effect; the adjustments made by the Department; and if relevant information is not available, the reasons for it;

3. in respect of the outsourced service contracts that rely heavily on the deployment of non-skilled workers, whether there have been any rises in the average wage rates for workers since the revised guidelines came into effect; if yes, the number of contracts with a rise in wage rates; if relevant information is not available, the reasons for it;
4. the measures adopted by the Department for evaluating the effectiveness of the revised tendering guidelines;
5. whether the Department is required to adopt the prevailing two-envelope system with technical and price weighting when evaluating tenders for outsourced service contracts; if no, the number of contracts awarded without being assessed under the two-envelope system in the past 3 years;
6. the annual number of cases in which government service contractors have been found breaching the service contracts, the Employment Ordinance or the Occupational Safety and Health Ordinance during inspections by the Department, and the number of complaints by outsourced workers received each year;
7. the details of the follow-up actions on these non-compliant cases and complaints; and
8. the number and details of cases in which service contractors were penalised for non-compliance or substantiated complaints against them.

Asked by: Hon LEUNG Yiu-chung (Member Question No. 103)

Reply:

Information regarding outsourced service contractors directly employed by the Housing Department under Head 62 is as below:-

	2014-15 to 2016-17
Number of outsourced workers employed by the outsourced service providers	<ul style="list-style-type: none"> ◆ Car hiring: 1 person ◆ Cleansing: twice per day ◆ Transcription service and maintenance and support of the Sales of First-hand Residential Properties Authority (SRPA) website and the Sales of First-hand Residential Properties Electronic Platform (SRPE): the contractor to arrange according to operational requirements
Percentage of these outsourced workers in the total number of staff members with the same types of duties in the Department	<ul style="list-style-type: none"> ◆ The Department does not employ staff with the same types of duties.
Total staff costs of the Department in the past 3 years	<ul style="list-style-type: none"> ◆ 2014-15 – \$ 207 million ◆ 2015-16 – \$ 226 million ◆ 2016-17 (revised estimate) – \$ 233 million

	2014-15 to 2016-17
Total amount paid to outsourced service providers in the past 3 years	<ul style="list-style-type: none"> ◆ 2014-15 – \$ 0.593 million ◆ 2015-16 – \$ 0.848 million ◆ 2016-17 (revised estimate) – \$ 0.99 million
Nature of services provided by the outsourced service providers	<ul style="list-style-type: none"> ◆ Car hiring ◆ Cleansing ◆ Transcription service ◆ Website maintenance and support
Durations of the service contracts	<ul style="list-style-type: none"> ◆ Car hiring : 24 months ◆ Cleansing : 24 months ◆ Transcription service : 24 months ◆ Maintenance and support of the SRPA website : 60 months ◆ Maintenance and support of SRPE website : 32 months

The above contracts do not rely heavily on the deployment of non-skilled workers and so the Government's guidelines for tendering of outsourced services are not applicable.

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