

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2356)

Head: (95) Leisure and Cultural Services Department

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

Programme: Not Specified

Controlling Officer: Director of Leisure and Cultural Services (Ms Michelle LI)

Director of Bureau: Secretary for Home Affairs

Question:

The Government revised the guidelines in 2016 on tendering procedures for outsourcing of services. It is prescribed that when a marking scheme is adopted for tender evaluation of outsourcing services that rely heavily on the deployment of non-skilled workers, the procuring department should include in the assessment criteria the evaluation of the tenderers' proposed wage rates and working hours for non-skilled workers. In this connection, will the Government inform this Committee of the following:

1. Assessment under the existing marking scheme is based on "wage rates", "working hours" and other criteria. What are the details of "other criteria"? What is the respective weighting of each criteria?
2. For each year since the implementation of the new guidelines, what are the number and value of outsourced service contracts that rely heavily on the deployment of non-skilled workers awarded by the Department and the number of outsourced non-skilled workers deployed?
3. What are the revisions made, in view of the implementation of the new guidelines, to the assessment criteria on wage rates and working hours for outsourced service contracts that rely heavily on the deployment of non-skilled workers? If no relevant information is available, what are the reasons?
4. Has there been any increase in the average wages for outsourced service contracts that rely heavily on the deployment of non-skilled workers since the implementation of the new guidelines? If so, what are the percentage increase in wages and the number of contracts involved? If no relevant information is available, what are the reasons?
5. What measures are available to evaluate the effectiveness of the new tendering guidelines?
6. What are the annual numbers of cases of outsourced service contractors not complying with the provisions in service contracts, the Employment Ordinance or the

Occupational Safety and Health Ordinance as revealed by government inspections, and the annual numbers of complaints lodged by the outsourced service staff?

7. Further to the above, what are the details of follow-up actions on the non-compliance and/or complaint cases? What are the number and details of cases for contractors being punished for non-compliance and/or substantiated complaints?

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 40)

Reply:

1. The Leisure and Cultural Services Department (LCSD) has been adopting a marking scheme for tender evaluation with assessment criteria including “wage rates”, “working hours”, other labour rights and benefits, as well as other criteria. The weighting of each criterion is set out below –

Technical marks (full marks: 100)			
Wage rates	Working hours	Other labour rights and benefits (Note 1)	Other criteria (Note 2)
10 marks	3 marks	8 marks	79 marks

Notes

- (1) Account is taken of, among other things, whether a tenderer has been awarded demerit points under the Demerit Point System or has breached the terms of the Standard Employment Contract.
- (2) Account is taken of, among other things, a tenderer’s past performance in undertaking LCSD contracts, the management plan for the service, the academic qualifications and experience of management staff, employment of people with disabilities, and holding of certificates in occupational safety and health or other management qualifications.

To strengthen the protection of labour rights and benefits of the non-skilled workers employed by government service contractors and ensure reasonable wages for them, the Labour and Welfare Bureau has set up an inter-bureaux/departmental working group to explore feasible options to improve the government outsourcing system. The LCSD will actively consider the working group’s recommendations in order to enhance the assessment criteria under the marking scheme.

2. The details of service contracts that rely heavily on the deployment of outsourced non-skilled workers awarded by the LCSD in 2016 and 2017 are as follows –

	2016	2017
Number of contracts awarded		
•Cleansing	20	13
•Security	19	15
•Horticultural Maintenance	1	7
•Venue Management	8	1
Total	48	36
Value of contracts awarded		

(\$ million)		
•Cleansing	905	1,077
•Security	700	192
•Horticultural Maintenance	8	224
•Venue Management	<u>200</u>	<u>21</u>
Total	1,813	1,514
Number of outsourced workers		
•Cleansing	6 269	6 274
•Security	3 044	3 197
•Horticultural Maintenance	1 004	1 123
•Venue Management	<u>497</u>	<u>594</u>
Total	10 814	11 188

3. to 5. The LCSD has been adopting a marking scheme for tender evaluation with the assessment criteria of the wage rates and working hours for non-skilled workers even before the implementation of the said revised guidelines. As the above practice already meets the requirements of the guidelines, there is no need to revise the assessment criteria and hence the Department does not have information on changes in the average wages after the implementation of the guidelines.
6. to 7. The numbers of non-compliance notices issued by the LCSD to outsourced service contractors in 2016 and 2017 are set out below –

	2016	2017
1. Deduction of monthly service fee notices	2 187	2 933
2. Verbal warnings	475	262
3. Written warnings	1 136	1 281
4. Default notices	102	47
5. Recorded demerit points	0	0

Note: The above information covers non-compliance of service contracts in cleansing, security, horticultural maintenance and venue management by outsourced service contractors.

The main reasons for issuing the aforementioned types of non-compliance notices include contractors' failure to provide sufficient manpower or meet the required service standards as stipulated in the contract, and outsourced workers' unsatisfactory attitudes or performance.

According to the LCSD's records, the above information does not involve cases related to violation of the requirements of the Employment Ordinance and the Occupational Safety and Health Ordinance.

In addition, details of complaints lodged by outsourced workers against the respective contractors received by the Department in 2016 and 2017 are set out below –

Year	Number of complaints received	Subject of complaint			Number of substantiated cases	Number of substantiated cases in which the contractors were penalised	Follow-up action/Form of penalty
		Salaries	Leave	Uniform			
2016	3	2	1	0	0	Not applicable	Not applicable
2017	7*	4	2	1	0	Not applicable	Not applicable

* Among the 7 complaint cases, 4 of them were confirmed to be unsubstantiated after investigation; the remaining 2 cases involving salaries and 1 case involving leave counts have been referred to the Labour Department (LD) for investigation; and appropriate follow-up actions would be considered upon the completion of investigation by LD.

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