

Demerit Point System

The Administration has tightened up the mandatory requirements for tender assessment and management of contractors for government service contracts (excluding construction service contracts) that rely heavily on the deployment of non-skilled workers. For contracts awarded on the basis of tenders invited on or after 1 May 2006, bureaux/departments are required, among others, to implement a demerit point system against their contractors which have breached their contractual obligations in respect of wages, daily maximum working hours, signing of standard employment contracts with and wage payment by means of autopay to their non-skilled workers (except temporary leave relief workers) employed for carrying out government service contracts. Under the demerit point system, a default notice will be issued to the contractor concerned for each breach of any one of these contractual obligations. Each default notice attracts one demerit point.

2. For the purpose of evaluating tenders for government service contracts that rely heavily on the deployment of non-skilled workers, bureaux/departments are required to include a mandatory requirement for assessment of tenderers' past performance in respect of their compliance with those contractual obligations mentioned in paragraph 1 above. If a tenderer has, over a rolling period of 36 months, accumulated an aggregate of three or more demerit points obtained on or after 1 May 2006 from one or more bureaux/departments, its tender offer shall not be considered for a period of five years from the date the third demerit point was obtained. Moreover, without prejudice to any provision in the contracts concerned, bureaux/departments shall terminate a contract if the contractor or its permitted sub-contractor has obtained an aggregate of three or more demerit points over a rolling period of 36 months arising from the same contract.