

For discussion  
on 20 May 2013

LC Paper No. CB(4)625/12-13(04)

## **Legislative Council Panel on Public Service T-contract Services**

### **Purpose**

This paper provides information on the use of services provided by information technology (IT) contract staff engaged under a term contract (commonly known as T-contract by Government bureaux/departments (B/Ds)).

### **Background**

2. The use of temporary or time-limited staff for the implementation and support of IT systems is a common practice in the IT industry, the reasons for which include a definitive period for IT projects, fast technological development and high mobility of IT personnel. The practice of securing some of the IT manpower required by B/Ds through technical service providers engaged under T-contract centrally administered by the Office of the Government Chief Information Officer (OGCIO) dated back to the 1980s. Through the T-contract arrangement, the T-contract staff engaged can complement the service provided by IT staff directly employed by the Government, namely civil servants in the IT grades of Analyst/Programmer and Computer Operator and, where relevant, non-civil service contract (NCSC) staff.

3. This arrangement allows B/Ds to tap the latest expertise and a larger pool of talented professionals in the market for developing and supporting IT systems and applications, and to better meet their fluctuating IT manpower demands. Moreover, the arrangement can foster technology exchange between IT personnel in the civil service and IT professionals in the private sector. It is generally welcomed and supported by the IT industry. To promote proper management and use of IT professional resources, the OGCIO has set out a manpower management framework and internal guidelines for compliance by B/Ds which include the use of T-contract staff services vis-à-vis the use of other types of IT manpower including civil service IT staff and NCSC staff within the Government.

4. According to the manpower management framework, B/Ds should be staffed by a core team of civil service IT staff of sufficient size, competency and composition that is capable of assuming the leadership and supervisory roles in IT strategy planning and management, IT-enabled business transformation as well as ensuring project success. The civil service IT staff have the responsibility to assure the quality of Government IT activities in developing and aligning IT strategy with business and policy objectives, and to provide the checks and balances of the conflicting interests of various stakeholders in carrying out IT functions and projects. They specify, review and accept deliverables of outsourced services, and undertake projects that are not suitable to be outsourced such as those having specific security or sensitive requirements. To supplement the core team of civil servants, B/Ds may engage T-contract or NCSC IT staff to meet ad hoc, short-term or project-based service needs.

5. The use of T-contract staff to provide IT service has hitherto provided a flexible deployment of IT manpower resources to meet demands of B/Ds and the arrangements are satisfactory.

### **The T-23 Contract**

6. T-contracts are renewed every two to three years since the 1980s. Like its predecessors, the award of the current T-23 to contractors to supply contract staff to B/Ds is governed by the relevant Stores and Procurement Regulations and Financial Circulars. It is also subject to the Government's procurement principles of value for money, transparency, open and fair competition and accountability. The existing T-23 has a contract period of 36 months commencing from 1 February 2013. Under T-23, 13 companies have been selected through an open tendering exercise. They will provide IT staff services to the Government to support the development of IT initiatives on an as-and-when-required basis. By drawing on the contract, B/Ds may engage suitable contract staff for different lengths of duration to meet their requirements, subject to actual service needs and availability of funds. As a standing offer agreement, the Government is not obligated to order any goods or services. Actual expenditure will only be incurred when the requisite staff has provided the services based on the prevailing daily service rates for the respective staff categories.

7. With the continuing development of e-government services and implementation of various infrastructure and initiatives under the Digital 21

Strategy, the number of IT staff required by the Government, including T-contract staff, grew steadily in the past few years. As at 31 March 2013, there were some 1 970 T-contract staff working alongside a combined civil service and NCSC workforce of about 2 000 in different B/Ds to develop, maintain and support IT systems and applications or manage specific IT projects.

### **Procurement of T-contract Services**

8. As and when T-contract staff are required, the B/D will invite all contractors to propose suitable candidates (who meet the required qualifications and experience) with the respective individual rates<sup>1</sup> through submitting bids. Candidates meeting all the requirements of the service request will then be short-listed in accordance with their individual rates. An interview board of at least two officers at appropriate ranks will interview the candidates and the board report will have to be approved by another officer to ensure impartiality and fairness. The above selection procedures which we call the second-tier bidding<sup>2</sup> approach have been developed in consultation with the Corruption Prevention Department of the Independent Commission Against Corruption.

### **Employment Protection**

9. T-contract staff are professionals with qualified IT skills and experience. There are ten job categories<sup>3</sup> of T-contract staff from Senior Project Manager to Information Technology Assistant in the T-contract providing a range of IT services. They help in the setting of IT standards, assuring information security, planning, implementing and maintaining IT systems, and promoting the adoption of emerging technologies such as mobile technology and cloud computing in B/Ds and the community. The average individual service rates of T-contract staff are, at all levels, well above the Statutory Minimum Wage. The flourishing IT market and the pull factor from the private sector have helped to keep their wage levels buoyant

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<sup>1</sup> An individual rate is the daily service rate of a candidate. The rate must not exceed the contract ceiling rate of the respective staff category as proposed by the contractor.

<sup>2</sup> Second-tier bidding refers to the submission of bids by the 13 T-contractors in response to individual service requests put up by B/Ds. These 13 contractors were first approved and selected under a tender exercise of T-23.

<sup>3</sup> The ten job categories of T-contract are: Senior Project Manager, Project Manager, Senior Systems Analyst, Systems Analyst, Analyst/Programmer, Programmer, Junior Programmer, Senior Information Technology Assistant, Information Technology Assistant (shift duty), Information Technology Assistant (non-shift duty).

and competitive and there has been little concern of wage or middle man exploitation by their employers. Moreover, some T-contract staff have earned a career path with working in Government through employment under more senior categories over the years, e.g. from Analyst/Programmer to Systems Analyst to Project Manager.

10. Despite that the individual T-contract staff is working under the direct supervision of the procuring B/D, there is no contractual or employer-employee relationship between the two. The contractual relationship of the T-contract staff is with their respective contractors who are contractually obliged to be responsible employers for their staff under the relevant employment legislation.

11. In order to ensure the T-contract staff will be given due employment protection and fair treatment by their employers, the terms of T-contracts have included provisions to require the contractors to comply with the employment laws of Hong Kong, to act as responsible employers and not to include unreasonable terms and conditions in the contracts. In the performance monitoring meetings conducted by the Contract Staff Services Unit (CSSU) of OGCIO with the contractors from time to time, the evaluation of performance of contractors also include the contractors' fulfillment of contractual obligations and their handling of T-contract staff issues, having regard to the feedback provided by B/Ds. In advising B/Ds on the engagement of T-contract staff, the CSSU maintains almost daily contacts with T-contractors and their staff. Whenever there is a grievance or complaint received from an individual T-contract staff involving his/her employer, the CSSU will seriously look into the case and offer assistance where necessary, including liaising with the contractor concerned and advising the staff of the employment-related provisions in the T-contract. Although the Government and the contract staff do not have employer-employee relationship, any reports of exploitation, if substantiated, could be regarded as a breach of contract which will lead to issue of warning letters to the contractor or even termination of the service contract by the Government.

### **Proper Use of T-contract Services**

12. B/Ds are required to follow the relevant manpower framework and internal guidelines as mentioned in paragraph 4 above in their use of T-contract services. Given that the nature of T-contract service is basically

project-based and time-limited and it requires flexibility to meet peaks and troughs in project demand, it is not effective and efficient to replace the service by a permanent IT workforce. OGCIO has also put in place a mechanism whereby B/Ds are required to submit their total IT manpower plan, including civil service IT staff, T-contract staff and NCSC staff, to OGCIO on an annual basis. The arrangement will enable OGCIO to see whether B/Ds have the right mix of the different types of IT workforce to implement their IT plan and projects effectively.

**Office of the Government Chief Information Officer  
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