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6 June 2006

Ref. : (47) in RTHK/CR 12/38 III

Ms Miranda HON
Clerk, Public Accounts Committee
Legislative Council Building
8 Jackson Road
Central
Hong Kong

BY FAX and EMAIL

Dear Ms HON,

**The Director of Audit's Report on the
results of value for money audits (Report No. 46)**

Chapter 7 – RTHK: financial control and resource management

As requested, the additional information PAC requires vide your letter of 2nd June 2006, is set out in the papers attached and also sent email to cwywong@legco.gov.hk.

Yours sincerely,

(J.M. Gardner)
for Director of Broadcasting

Encl

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Reply to the Public Accounts Committee on the Director of Audit's Report on the results of value for money audits (Report No. 46)

Question (a)

The number of DCS Cat III employed by RTHK in each year since January 1998 up to January 2006, as well as the respective numbers of DCS Cat I and Category II service providers (previously known as DCS II) employed by RTHK during the same period; and whether any DCS Cat I or Category II service providers had been transferred to DCS III during that period.

Answer

The number of DCS Cat I, Cat II service providers and DCS Cat III employed by RTHK since January 1998 up to January 2006 is set out below:

Position as at	No. of DCS Cat I	No. of Cat II service providers*	No. of DCS Cat III
1.1.2006	19	688	148 (35 full-time and 113 part-time)
1.1.2005	25	519	130 (46 full-time and 84 part-time)
1.1.2004	26	565	97 (43 full-time and 54 part-time)
1.1.2003	31	609	95 (36 full-time and 59 part-time)
1.1.2002	39	Not Available	Not Available
1.1.2001	44	Not Available	Not Available
1.1.2000	56	Not Available	Not Available
1.1.1999	79	Not Available	Not Available
1.1.1998	126	Not Available	Not Available

** Formerly called DCS Cat. II.*

Remark: Our Form 9A system which is a centralized computer system for processing contracts and payment in respect of DCS Cat II and DCS Cat III was not fully rolled out until end of 2001. Many of the contracts in respect of DCS Cat II and DCS Cat III before this were maintained manually at Divisional level. As such, we are unable to provide accurate figures on the number of DCS Cat II and DCS Cat

III for the period from 1998 to 2002. Although it is mentioned in para. 2.46 of the Audit's Report No. 46 that the number of DCS Cat III as at January 1998 is 120, the figure was only an estimate based on the result of ad-hoc stock-taking exercises on the number of DCS Cat III staff employed by respective divisions / units. Several rounds of stock-taking exercises were conducted at the time in order to prepare for the large-scale migration exercises of full-time DCS Cat III to the NCSC framework in 2000 and 2001.

During the period from January 1998 to 2006, 6 DCS Cat I were transferred to DCS Cat III. Due to the reason mentioned above, we are unable to provide accurate figures on the number of DCS Cat II / Cat II service providers transferred to DCS Cat III for the said period, but we believe that the number would not be too large.

Question (b)

The reason why the number of DCS Cat III employed by RTHK had increased from 120 as at January 1998 to 148 as at January 2006, despite the Administration's undertaking in March 2000 to complete conversion of the 130 full-time DCS Cat III to NCSC terms by end of 2000.

Answer

Definition of DCS Cat III in RTHK

First and foremost, for the sake of clarity, we wish to explain in practice that there are basically two categories of DCS Cat III staff in RTHK, namely

- (a) **"full-time" DCS Cat III** - they are (a) remunerated on a monthly basis; and (b) work for at least 44 conditioned hours per week; and
- (b) **"part-time" DCS Cat III** – they are all appointed on a short-term basis to meet ad-hoc and irregular programme needs. Most of them are not on a continuous contract of employment, i.e. they may work for either more than 18 hours per week but not exceeding 4 weeks, or work for less than 18 hours per week for any duration. They are usually remunerated on the bases of project, hour, session, programme or episode.

Conversion of full-time DCS Cat III to NCSC framework

2. Since the completion of RTHK's review on the continued employment of Departmental Contract Staff in 1997, **we have been committed to reducing the number of long serving and full-time DCS Cat III staff**, i.e. those in para 1(a). RTHK had thereafter completed the conversion of some 139 full-time DCS Cat III staff to the service-wide NCSC framework by end of 2000. From 2001 to 2006, RTHK has further regularized a total of 64 full-time DCS Cat III to the NCSC framework. The number of full-time DCS Cat III has been reduced to **25** as at **1.6.2006**.

Reason for the employment of full-time DCS Cat III

3. Before completely phasing out of the DCS Cat III structure, we still need to allow the appointment of full-time contract staff on DCS Cat III terms. There is an operational need for our programme producers to flexibly secure the required manpower to meet their production needs. Nevertheless, we have built in a well-established mechanism to control the number of full-time DCS Cat III and to cease their appointment on long-term basis. According to revised departmental policy implemented since 1 March 2006, the appointment period of DCS Cat III **is confined to less than 12-month period**. Exceptional approval, supported by strong justifications, has to be sought from the Deputy Director of Broadcasting if the appointment of full-time DCS Cat III lasts for more than 12 months. The appointment of full-time contract staff on DCS Cat III in this way can help to draw **a clear line of distinction** with those appointed on NCSC terms in that the appointment period of the former is clearly confined to a short-term basis of less than 1 year.

Reason for the increasing number of part-time DCS Cat III

4. Due to our unique operational requirement and nature of business, it has not been possible to *completely phase out* the DCS Cat III structure so far based on the considerations explained in para. 5 below. As stated in the Progress Report in respect of issues outstanding in the Government Minute of September 1997 and April 1998, RTHK would further explore the option to *reduce its dependence on "full time" DCS Categories II and III staff*. In parallel to keeping our undertaking in reducing the appointment of full-time DCS Cat III, we have kept appointing **part-time DCS Cat III**, i.e. those defined at para 1(b) above to meet ad-hoc and short-term programme production needs. The 148 DCS Cat III at January 2006 as stated in para.

2.46 of the Audit Report in fact consist of **113 part-time and 35 full-time DCS Cat III**. The increase in the overall figure of DCS Cat III from 120 as at January 1998 to 148 as at January 2006 is **thus mainly due to the increase in the number of part-time DCS Cat III**. These part-time DCS Cat III are subject to different contract durations, which may last from several days to six months, and are remunerated on different bases, such as project, hour, session, programme or episode. The statistics provided in the above table also show that there is an increasing demand for RTHK to employ part-time DCS Cat III amidst the challenges of cost cutting and freeze in recruiting civil service staff. This trend reflects our need to flexibly secure the required manpower to meet our fluctuating operational needs. Before the phasing out of the DCS Cat III structure can be completed, RTHK still needs some part-time workforce which affords more flexibility and cost-effectiveness for certain projects.

Prudent approach in phasing out part-time DCS Cat III

5. As mentioned in our initial response in para. 2.48 of the Audit Report, the pay packages, terms and benefits of these part-time DCS Cat III are completely different from those of the NCSC staff appointed on full-time and monthly-rated basis. It is a rare practice in other government departments to frequently appoint temporary staff of varying contract durations on part-time basis and remunerated them on different bases. Without any prevailing practice to follow and having regard to the fact that the operation of the NCSC staff scheme could not be said to have been fully matured in the first few years of its implementation, we needed to be very careful before deciding to completely phase out DCS Cat III lest it might hinder our operations. New employment packages distinctly different from those of the full-time DCS Cat III staff have to be worked out, often individually in the first instance, before migration can be effected.

Conclusion

6. Yet, please rest assured that RTHK has pledged to **completely rationalize DCS Cat III**, both part-time and full-time staff, to the NCSC framework **by end of December 2006**.

Question (c)

RTHK's comment on Audit's above conclusion.

Answer

The RTHK return used the date of the OB (27 February 2005) as the basis for calculation. Whereas, we note that Audit uses the contractual date (4 August 2003). RTHK does not have any further comments to offer on Audit's conclusion.

Question (d)

The minimum years of relevant experience required by RTHK in the tender specifications in respect of the provision TV OB services for the live coverage of "City Forum".

Answer

The minimum relevant experiences, ranging from 5 to 10 years depending on the job category, are shown in Appendix I.

Question (e)

Details of the marking scheme for the tender; the scores obtained by Company B in the different aspects of the marking scheme, including the average years of relevant experience of the core members, and those obtained by the second most competitive tenderer.

Answer

Details are shown in Appendices (I) and (II).

The total score obtained by Company B was 100 and that by Company C (the second most competitive tenderer) was 87.3. The experience of the core members is shown in Appendix I.

Question (f)

The reason why, despite the introduction of the floating rest-day scheme by the TSA contractor in 1999, 39% of TSA staff still had their rest days on Sundays during the period September 2004 to March 2005, as revealed in paragraph 4.19 of the Audit Report.

Answer

After the introduction of the floating rest-day scheme in 1999, there has been a

significant reduction of rest-days on Sundays. Now only 39% take Sunday as a rest day and this figure also includes TSA staff who work normal office hours, that is, with rest-days on Sundays e.g. senior engineers, store-men, etc.

Question (g)

Whether there any provisions in the TSA governing the rest days of TSA staff or specifying that their rest days have to be on Sundays and, if there are, what the details are.

Answer

There was no provision in the TSA, in relation to rest-days of TSA staff.

Posts	Minimum experience required (years)	Company "B" 08/2003	Marks/ Scores	Company "C" 08/2003	Marks/ Scores
Technical supervisor	10	26	21	30	25
Cameraman 1	5	23	23	18	18
Cameraman 2	5	21	21	20	20
Cameraman 3	5	23	23	26	26
Cameraman 4	5	14	14	21	21
Audioman 1	5	24	24	16	16
Audioman 2	5	10	10	14	14
Television Engineer	7	20	18	16	14
Video Tape Operator	5	12	12	12	12
Camera Control Unit Operator	5	14	14	11	11
Electrician Cum Lighting man	5	25	25	25	25
<i>(Average Experience, not required per se in tender evaluation)</i>		19.3		19.0	
Total Experience (Marks)			205		202
Normalized, to 100% (experience)			100		98.5
Experience score (max. 40%)			40		39.4
Pricing (HK\$)			443,900		556,600
Normalized, to 100% (pricing)			100		79.8
Pricing Score (max. 60 %)			60		47.9
Total Score (experience score +pricing score)			100		87.3

Tender Ref. RTHK 2/S/8/2003

TENDER SPECIFICATION**1. The Crew**

- 1.1 The contractor shall provide to RTHK one (1) Television Outside Broadcast (OB) production team. The OB team shall consist no less than eleven team members of the following job titles.

Technical Supervisor -----	one person
Cameraman -----	four persons
Audioman -----	two persons
Television Engineer -----	one person
Video Tape Operator -----	one person
Camera Control Unit Operator -----	one person
Electrician cum Lightingman -----	one person

The production team shall work from 0700 hr. to 1500 hr. every Sunday during the contractual period within Hong Kong Special Administrative Region.

- 1.2 The OB team shall operate and engineer RTHK's OB van, generator van, cameras, audio, public address system and other ancillary equipment.
(Key equipment list in Appendix I on page 25)
- 1.3 The services provided by the contractor shall be the live OB production of the 'City Forum' for the period from 1.9.2003 to 31.8.2004. The total estimated numbers of production session will be 46 episodes with a leeway of plus or minus 4 episodes. The quality and the professionalism of each team member shall meet the Commercial TV code of Production on Technical Standards.

2. Selection Criteria

- 2.1 Tenders who meet the criteria below are eligible for consideration in accordance with the marking scheme and evaluation described in para. 7 of the tender specification.

2.1.1 Technical supervisor



He shall have no less than ten years of TV production experience. He shall possess a sound technical and engineering knowledge of television outside broadcast production. He shall supervise and be responsible for all technical, engineering and operational aspects of both his team members and the production. He shall ensure the production to meet the Commercial TV code of Practice on Technical Standards.

2.1.2 Cameraman

He shall have no less than five years experience as a Cameraman. He shall possess the experience and technique to set up professional TV camera on tripod, tri-track and/or

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pedestal. He shall perform professional camera works and be able to move the camera on dolly and track. He shall provide all the required shots with fast response under the direction of a TV producer in the OB Van. He shall assist in set-up and pack-up of the whole OB production system other than camera works.

2.1.3 Audioman

He shall have no less than five years experience as an audioman. He shall process the expertise and technique to set up an audio system and public address system of a discussion panel of six to eight persons. He shall operate a wireless microphone system of two to four microphones. He shall operate a multi-channel audio mixer, playback equipment in the OB Van. He shall be able to perform various audio operations professionally such as, monitoring, mixing, balancing and recording. He shall be able to provide an adequate sound level for the floor audience of 100 by using RTHK's public address system. He shall perform and respond to the direction of a TV producer in the OB van. He shall assist in set-up and pack-up of the whole OB production system other than audio works.

2.1.4 Television Engineer

He shall have no less than seven years experience in television engineering. He shall process good electrical and electronic knowledge up to the level equivalent to the Diploma of the tertiary institutions in Hong Kong. He shall engineer the whole OB production system with the assistance of the other team members. He shall provide all necessary engineering supports including repairing on location, whenever there is any technical pitfall or severe engineering break down. He shall ensure the engineering to meet the Commercial TV code of Practice on Technical Standards. He shall overall in charge of the engineering set-up and pack-up of the whole OB production system.

2.1.5 Video Tape Operator

He shall have no less than five years experience as a video tape operator. He shall process good electrical and electronic knowledge up to the level equivalent to the Higher Certificate of the tertiary institutions in Hong Kong. He shall operate the video tape recorders in the OB van. He shall monitor the video and audio signal paths and ensure that such signals are in line with the broadcast standard for live transmission. He shall perform and respond to the director of a TV producer in the OB van. He shall assist in the engineering set-up and pack-up of the whole OB production system other than videotape operations.

2.1.6 Camera Control Unit (CCU) Operator

He shall have no less than five years experience as a camera control unit operator. He shall process good electrical and electronic knowledge up to the level equivalent to the higher Certificate of the tertiary institutions in Hong Kong. He shall operate the four camera control units in the OB van. He shall align and adjust the CCU with the four cameras to obtain a good signal balance and ensure that the video signals are in line with the broadcast standard. He shall perform and respond to the direction of a TV producer

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in the OB van. He shall assist in the engineering set-up and pack-up of the whole OB production system other than CCU operations.

2.1.7 Electrician cum Lightingman

He shall have no less than five years experience as an electrician and/or lightingman. He shall possess good electrical and lighting knowledge. He must be qualified as Electrician Licence B in the electrical industry in Hong Kong. He shall operate the RTHK generator van or other generator van provided. He shall provide electricity with appropriate sockets and cables to all production points in the OB location. He shall ensure proper safety measures on electricity consumption. He shall monitor smooth operation of the generator van. In case of cloudy weather, he shall set up sufficient lighting for production. He shall assist in the engineering set-up and pack-up of the whole OB production system other than electrical and lighting works.

2.1.8 Crew members name list (ref. attach)

The contractor shall provide the name list of the eleven core members of the production team. The contractor can replace no more than 5 members of the production team in each occasion.

3. Transportation

Transportation of equipment for the services shall be provided by RTHK traveling from RTHK's base to the location and returning to RTHK's base after completion of the services.

4. Equipment

- 4.1 The contractor is required to check out all the equipment necessary for the production early in the morning on each production day at RTHK's base and check in at RTHK's base after the completion of the services.
- 4.2 The contractor shall be responsible for the proper handling of all the equipment provided by RTHK for the production. RTHK reserved the right to acquire the repairing or replacement cost for the equipment, where improper handle/damage is arisen.

5. Cancellation

- 5.1 The contractor shall accept without compensation or payment for cancellation of bookings made 24 hours in advance.
- 5.2 For cancellation of booking after the production team has reported to location for duty, 50% cancellation charge would be paid for the production crew.

6. Penalty

- 6.1 RTHK has the right to execute deduction of contract payment, in case of contractor can not provided the service to meet the Commercial TV code of Practice on Technical

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Standards. The penalty in each occasion will not exceed 10% of the contract awarded. In additional, written warning will be issued in case of the failure of service. If three written warnings have been accumulated, RTHK will terminate the contract without compensation for the remaining production session awarded.

7 Marking Scheme & Evaluation

7.1.1 Tenders conforming to the selection criteria specified in para. 2 above will be shortlisted for evaluation. Offers which fail to meet the selection criteria specified in para. 2 above will not be further considered.

7.1.2 Under the marking scheme, the experience of crew members provided and the price weightings will carry 40% and 60 % respectively.

7.1.3 The element of experience of crew members provided as a quality comparison for the services offered by tenders. The marking of the experience of crew members provided will be based on the formula (A) as listed:-

11 crew members which meet the minimum working experience as described in Para. 2 above will get 5 marks each respectively. Each additional year of working experience will offer one more mark respectively. The total marking of 11 crew members X 40 % will be the final score for working experience of crew members.

7.1.4 The element of price serves as price comparison for the services offered by tenders and is determined by the formula (b):-

$$60\% \times \frac{\text{Total contract value of the lowest eligible offer}}{\text{Total contract value of the offer being considered}}$$

7.15 The combined experience/price score will be determined by the formula C :-

Experience score [determined by formula (a)] + Price score [determined by formula (b)]

7.1.6 Order of priority, highest score come first, the first tenders in the list will be selected and will awarded as Contractor for the services so supplied.