+ 852 2810 7702 P.01/03

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The Government of the Hong Kong Special Administrative Region Security Bureau

2 Tim Mei Avenue, Tamar, Hong Kong

香港特別行政區政府 保安局

香港添馬添美道2號

本函檔號 Our Ref.:

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來函檔號 Your Ref.:

電話號碼 TEL.NO.: 2810 2632

傳真號碼 FAX.NO.: 2810 7702

26 March 2013

Miss Betty Ma Clerk to Panel on Security Legislative Council Legislative Council Complex 1 Legislative Council Road Central, Hong Kong

Dear Miss Ma,

In response to the concerns expressed by a Member of the Panel on Security about the tender exercise for the replacement of the Digital Radar Security System (DRSS) for Marine Region of Hong Kong Police Force (the Police) at its meeting on 1 March 2013, the Administration's reply is as follows:

Subject to the Finance Committee's funding approval for DRSS replacement in May 2013, we will prepare the tender documents in the second half of 2013. It is anticipated that the tendering, evaluation and award of contract will be undertaken from late 2013 to the third quarter of 2014.

We will invite tenders in accordance with the Government Stores The general procedures on tendering, and Procurement Regulations. evaluation and award of contract are as follows:

Tendering procedure

The Project Management Team of the Police is responsible for collating the user requirements and preparing tender documents. documents will be submitted to the Department of Justice and the Intellectual Property Department for advice. Upon seeking their advice, the Government Logistics Department (GLD) will adopt open tendering for global invitation of tenders. Tender notices stipulating tender closing date and time will be published in the Government Gazette and the GLD's website.

Tender Evaluation and Award of Contract

To facilitate tenderers to prepare their proposals, the Police will set forth the technical specifications and evaluation criteria in the tender documents.

For the purpose of tender evaluation, the Police will establish an assessment panel (AP) which will only award the contract to tenderer who fully conforms to the tender specifications, terms and conditions laid down in the tender documents and who is fully capable of undertaking the contract. Evaluation will be conducted vis-à-vis technical and price aspects with reference to the technical specifications and evaluation criteria in the tender documents. Tenderers' reliability and past records will also be taken into consideration. As far as technical assessment is concerned, the AP will pay attention to any past failure on the part of the tenderers in fulfilling the contractual obligations so as to ensure the tenderers' capability and reliability.

Subsequent to the above processes, the AP will submit the tender report to the tender board chaired by the Permanent Secretary for Financial Services and the Treasury (Treasury) for consideration. After a decision has been made on the acceptance of a tender, the GLD will notify the successful tenderer in writing that his offer has been accepted.

Maintenance Terms of the DRSS

To address the concerns over the DRSS maintenance, we will thoroughly review the user requirements in the course of tender preparation, and lay down relevant maintenance terms and conditions in the tender documents to ensure the smooth operation of the DRSS. At the same time, appropriate provisions will be introduced by the Police with reference to past tender documents. Some examples of the maintenance terms and conditions are given below:

Preventive Maintenance

- (a) item and frequency of regular maintenance work by the contractor; and
- (b) type and inventory level of spare parts kept by the contractor.

Corrective Maintenance

- (a) response time of the contractor and the time required by him to restore the system to its full and proper working conditions in case of system failure; and
- (b) time required by the contractor to restore the system to original performance level if any error or degradation of performance level occurs.

To ensure that a contractor performs to standard and complies with the terms of a contract, the Police will closely monitor and evaluate his performance in accordance with the usual practice. As soon as it becomes apparent that the performance of a contractor is not satisfactory, the Police will step up monitoring and notify the contractor in writing to request him to make improvements. If the contractor fails to make any improvement in performance, the Police will issue written warning to the contractor. Persistent poor performance of the contractor may result in penalties with regard to the substandard items or even termination of contract. The Police may also suspend payment to the contractor in the event that pre-agreed contractual milestones are not achieved.

In case of contract termination, the Police will implement a fallback option in which the Communications (COMMS) Branch will immediately take over the DRSS maintenance work until the commencement of a new contract. With a total of 131 professional and technical staff, the COMMS Branch has sufficient manpower and expertise to tackle such emergency incidents and perform crisis management. Nonetheless, the scenario described above has never occurred in the DRSS contracts of the Police.

Yours sincerely,

(Mrs Millie Ng) for Secretary for Security

CP (Attn: Regional Commander (Marine) Mr LAU Yip-shing)