

**For discussion
on 20 February 2017**

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

Purpose

This paper briefs members on the engagement of information technology (“IT”) contract staff by Government bureaux/ departments (“B/Ds”) under a term contract (commonly known as “T-contract”) centrally administered by the Office of the Government Chief Information Officer (“OGCIO”).

Background

2. The Government has been fostering IT development and enhancing e-Government services. As B/Ds developed more IT systems to support policy implementation, the number of IT staff required has increased correspondingly. However, system development work is generally of time-limited nature. Upon its completion, the service of the relevant IT staff would no longer be required. The engagement of T-contract staff 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 non-civil service contract (“NCSC”) staff, and better meet the fluctuating IT manpower demand. This arrangement allows B/Ds to tap the market’s latest expertise and pool of professionals for developing and supporting IT systems and programmes, and to foster technology exchange between IT personnel in the civil service and IT professionals in the private sector. This arrangement is generally well-received and supported by the IT industry.

Job nature and responsibilities of T-contract staff

3. To maintain proper management and use of IT professional resources, OGCIO has put in place a manpower management framework and internal guidelines for compliance by B/Ds on the use of T-contract

staff services and other types of IT manpower, including civil service IT staff within the Government. According to the manpower management framework, B/Ds should set up a core team of civil service IT staff. The job nature and responsibilities of the civil servants in this team are different from those of T-contract staff. The civil servants are responsible for developing and managing IT strategies to ensure that these strategies align with business and policy objectives, and implementing IT-enabled business transformation. They are also responsible for undertaking projects that are not suitable to be outsourced, such as those involving specific security requirements or sensitive information, as well as specifying, reviewing and accepting deliverables of outsourced services, etc. The main function of T-contract staff is to supplement the manpower needs in certain short-term or time-limited projects.

4. The use of T-contract staff to provide IT services has allowed B/Ds to flexibly deploy IT manpower resources to meet demand. The arrangement is satisfactory.

Procurement of T-contract services

5. The procurement of T-contract services has all along been conducted in accordance with the principles and procedures stipulated in the Stores and Procurement Regulations, i.e. to secure the most advantageous offers which best serve public interest through fair, competitive and open bidding. T-contracts are renewed every two to three years since the 1980s.

6. The existing T-contract (i.e. “T-24 contract”) commences from 1 February 2016 and has a contract period of 36 months. Currently, a total of 13 companies are selected to be contractors under the T-24 contract through open tender. When T-contract staff are required to support the development of various IT projects, the relevant B/Ds will invite all contractors to propose suitable candidates who meet the required qualifications and experience with the respective individual service rates¹. B/Ds will then shortlist the candidates who meet all the requirements of

¹ An individual service 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.

the service requests in accordance with their individual service rates. An interview board of at least two officers at appropriate ranks will interview the shortlisted candidates and the board report will have to be approved by another officer to ensure impartiality and fairness. The above selection procedures were developed in consultation with the Corruption Prevention Department of the Independent Commission Against Corruption.

7. As T-contract is a standing offer agreement, the Government is not obliged to order any goods or services. Actual expenditure will only be incurred when the requisite staff has provided services based on the prevailing daily service rates for the respective staff categories.

Employment protection

8. T-contract staff are professionals with qualified IT skills and experience. The flourishing IT market and the strong demand for IT professionals from both the public and private sectors have helped keep the wage levels and benefits of T-contract staff at reasonable and competitive levels.

9. To ensure that T-contract staff are given reasonable treatment and due protection by their employers, there are provisions in the T-contracts requiring contractors to act as responsible employers, to comply with the employment legislation of Hong Kong, and not to include unreasonable terms in the employment contracts. In case of receiving complaints from individual T-contract staff involving the employer, OGCI 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 T-contract staff do not have any employer-employee relationship, any reports of exploitation, if substantiated, will be regarded as a breach of contract. The Government can issue warning letters to the contractor or even terminate the service contract. On the other hand, OGCI will regularly conduct performance monitoring meetings with contractors, at which performance of contractors, including their fulfillment of contractual obligations and handling of T-contract staff issues, will be evaluated having regard to the feedback from B/Ds.

Employment of IT staff by B/Ds

10. As at 31 December 2016, there were some 2 760 T-contract staff working alongside a combined civil service and NCSC IT workforce of about 2 000 in different B/Ds.

11. At present, there is neither a mechanism nor a plan to directly convert T-contract staff to civil servants. Individual staff may consider applying for related civil service posts which they are interested in. In the past five years, the Government employed over 300 civil servants of the IT grades through open recruitment, and some T-contract staff have been recruited as civil servants.

12. T-contract services supplement the core team of civil servants in response to requirements of individual IT projects and time-limited service needs, in order to flexibly meet the fluctuating IT manpower demand. Therefore, it is not effective and efficient to replace T-contract posts completely with permanent civil service posts.

13. OGCIO has put in place a mechanism requiring B/Ds to annually submit their IT manpower plans, including the types of staff required. OGCIO will examine the manpower situation of individual B/Ds based on their IT plans. For the posts that have long-term manpower requirements, individual B/Ds can apply for additional resources in the annual Resource Allocation Exercise for the creation of civil service posts to be filled by civil servants. OGCIO will assist in coordinating the relevant applications. OGCIO will also continue to remind B/Ds to follow the manpower management framework and internal guidelines stated in paragraph 3 above in their use of T-contract services.

Innovation and Technology Bureau
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