

For discussion
on 21 January 2019

Legislative Council Panel on Public Service

T-contract Services

Purpose

This paper briefs Members on the latest position regarding engagement of information technology (“IT”) contract staff by Government bureaux and 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 is committed to promoting innovation and technology development and strengthening e-Government services. Following B/Ds’ active planning and development of IT systems to support policy implementation, enhance operational efficiency and improve public services, the number of IT staff required has increased correspondingly. In general, system development work is of time-limited nature. T-contract staff can complement the services provided by IT staff directly employed by the Government¹, and enable B/Ds to better meet the fluctuating IT manpower requirement. This arrangement also taps into the latest expertise and a larger pool of professionals in the market for developing and supporting Government IT systems, and fostering technology knowledge exchange between IT personnel in the civil service and IT professionals in the private sector.

3. To maintain proper management and use of IT professional resources,

¹ IT staff directly employed by the Government include civil servants in the Analyst/Programmer grade, Computer Operator grade and Data Processor grade, as well as those employed on non-civil service contract (“NCSC”) terms.

OGCIO has put in place a manpower management framework and internal guidelines on the use of different types of IT staff (including IT staff directly employed by the Government, T-contract staff, etc.). According to the manpower management framework, B/Ds should establish a core team of civil service IT staff primarily responsible for developing and managing IT strategies to ensure that these strategies align with their operations and policy objectives, and for implementing IT-enabled business transformation. They are also responsible for undertaking projects that are not suitable for outsourcing, such as those involving specific security requirements or sensitive information, as well as specifying, testing, reviewing and accepting deliverables of outsourced services, etc. The main function of T-contract staff is to supplement the IT manpower needs in some short-term or time-limited projects.

T-contract Services

4. The tender of T-contract services has all along been conducted in accordance with the principles and procedures under the Stores and Procurement Regulations, i.e. to secure the most advantageous offers which best serve public interest through a fair, competitive and open bidding process.

5. The existing T-contract (i.e. “T24 contract”) will expire on 31 January 2019. Following an open tender exercise, OGCIO has chosen 15 companies as the T-contractors under the new T-contract (i.e. “T25 contract”). T25 contract will commence on 1 February 2019 for a period of 48 months. When implementing IT projects, B/Ds will invite all T-contractors to propose suitable T-contract staff candidates who meet the required qualifications and experience with their respective individual service rates². B/Ds will then appoint a selection board comprising at least two officers at appropriate ranks to interview the shortlisted candidates who fulfill all service requirements. The selection board report will have to be approved by another officer who has not been involved in the selection process to ensure impartiality and fairness. The above selection procedures have been developed in consultation with the Corruption Prevention Department of the Independent Commission Against

² An individual service rate is the daily service rate of the T-contract staff. The rate must not exceed the contract ceiling rate of the respective staff category as proposed by the T-contractor concerned.

Corruption.

IT Manpower Situation in B/Ds

6. As at 31 December 2018, there were about 3 140 T-contract staff working with a combined civil service and NCSC IT workforce of about 2 241 in different B/Ds.

7. For T-contract positions with long-term service needs, OGCIO has asked B/Ds to critically review and bid for necessary resources under the annual Resource Allocation Exercise to convert the said T-contract positions into civil service posts. OGCIO will continue to support B/Ds in the bidding process.

T25 Contract

8. To address Members' concerns previously raised on the T-contract services, a number of improvement measures have been incorporated in the T25 contract.

Remuneration and Employment Terms of T-contract Staff

9. The flourishing IT market and the strong demand for IT professionals from both public and private sectors have helped kept the wage levels and benefits of T-contract staff at reasonable and competitive levels. To ensure better remuneration packages for T-contract staff, a marking scheme was adopted in the tendering for T25 contract. Tenderers were required to submit proposals regarding enhancement to service quality and development and management of T-contract staff as part of the technical assessment. Contractors under T25 contract have all committed to offering T-contract staff remuneration packages more favourable than the provisions in the Employment Ordinance in various areas, for example, medical insurance covering outpatient and/or inpatient services, more paid annual leave than the minimum statutory requirement, end-of-contract gratuity/long service award, free on-line training, provision of technology update, etc.

10. In addition, new provisions have been included in T25 contract, requiring T-contractors to pay T-contract staff of the “Programmer” category a monthly wage not lower than the latest available “Median monthly wage by industry section: All employees” for the industry of “Information and Communications” as published by the Census and Statistics Department (“C&SD”)³. T-contractors shall also pay T-contract staff of the staff categories above “Programmer”⁴ a monthly wage higher than the wage payable to the “Programmer” category in the same month. As regards the percentage of annual adjustment to the service rates payable to T-contractors, the Government will make reference to the change of Consumer Price Index (B) and the latest available pay adjustment percentage applicable to civil servants in the middle salary band. T-contractors shall adjust the wages of T-contract staff by a percentage not lower than that adopted by the Government to adjust the service rates with effect from the same date.

11. At present, serving T-contract staff are allowed to apply for other T-contract positions through different T-contractors upon expiry of their current employment contracts. Since it takes a few weeks for B/Ds to complete the selection and engagement process, T-contract staff cannot commence employment with a different T-contractor immediately after completion of their current employment contracts. We have fine-tuned the above arrangement to allow serving T-contract staff to apply for other T-contract positions under other T-contractors two months prior to the expiry of their current employment contract. This helps T-contract staff serve in other T-contract positions through a different T-contractor immediately after completion of their current employment contracts.

Monitoring T-contract Services

12. To step up the monitoring of T-contract services, T-contractors are required to submit regular reports on their compliance with the contract provisions during the term of T25 contract. In addition, OGCIO will arrange inspections of the records kept by T-contractors to ensure they have fulfilled their contractual obligations. In case where non-compliance or breach of contract

³ For illustration, the relevant median monthly wage as promulgated by C&SD in March 2018 was \$21,600.

⁴ Under T-contract, there are five staff categories above “Programmer”, namely “Analyst/Programmer”, “Systems Analyst”, “Senior Systems Analyst”, “Project Manager” and “Senior Project Manager”.

provisions is found and the T-contractor concerned fails to rectify within a specified period, OGCIO will issue a Notice of Default to the T-contractor concerned. As specified in T25 contract, the Government can terminate the contract with the T-contractor which has received three or more Notices of Default during the term of T25 contract. The Notice(s) of Default issued under T25 contract will also be taken into account in future tender exercise for T-contract services. As in the past, OGCIO will continue to offer timely advice to T-contractors on their service quality and performance in fulfilling contractual obligations through daily work contacts and regular review meetings.

13. To enhance transparency, OGCIO has committed in its first annual open data plan to opening up the dataset on the average government monthly expenditure on T-contract services from July 2019 and update it on a half-yearly basis.

Advice Sought

14. Members are invited to note the content of this paper.

Innovation and Technology Bureau
Office of the Government Chief Information Officer
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