

For discussion  
on 17 February 2020

## **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”) administered centrally by the Office of the Government Chief Information Officer (“OGCIO”).

#### **Background**

2. The Government is committed to promoting innovation and technology (“I&T”) development and improving e-Government services. Promoting I&T is indeed an important policy area under this term of Government. B/Ds have been actively planning and developing IT systems to enhance operating efficiency and improve public services. The number of IT staff required has also increased correspondingly. In general, system development work is of a time-limited nature (such as time-limited IT projects). T-contract staff can complement the services provided by IT staff directly employed by the Government<sup>1</sup>, and enable B/Ds to flexibly and duly cope with fluctuations in IT manpower requirement. This arrangement also taps into the latest expertise and a larger pool of professionals in the market for meeting the business needs of B/Ds and fostering technical knowledge exchange between IT professionals in the civil service and private sector.

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<sup>1</sup> 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 terms.

3. As regards the deployment of different types of IT staff within the Government, including those directly employed by the Government, T-contract staff, etc., OGCIO has formulated a manpower management framework and internal guidelines to assist B/Ds in properly managing and utilising IT professional resources. According to the manpower management framework, B/Ds should establish a core IT team of civil servants responsible for developing and managing IT strategies in accordance with their operations and policy objectives to implement 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. T-contract staff are deployed to supplement the IT manpower needs in some short-term or time-limited projects.

### **T-contract Services**

4. T-contract services have all along been procured through a fair, open and competitive bidding process in accordance with the principles and procedures under the Stores and Procurement Regulations to provide B/Ds with the IT personnel required. T-contractors are responsible for the human resource management of their T-contract staff.

5. The existing T25 contract commenced on 1 February 2019 for a period of 48 months, covering 14 T-contractors. Where T-contract staff is required for implementing IT projects, B/Ds will invite all T-contractors to propose suitable candidates who meet the required qualifications and experiences together with their respective individual service rates<sup>2</sup>. B/Ds will then appoint an internal selection board to interview the shortlisted candidates who meet all service requirements. The selection board report will then be approved by an officer who was not involved in the selection process. The above selection procedures have been formulated after consulting the Corruption Prevention Department of the Independent Commission Against Corruption.

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<sup>2</sup> 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.

## **IT Manpower Situation in the Government**

6. As at end-December 2019, there were about 3 450 T-contract staff and an IT workforce of about 2 310 civil servants and non-civil service contract staff working in different B/Ds.

### **Issues of Concern**

7. Some Members have previously expressed concerns on some issues regarding T-contract services. OGCI has implemented measures to address them.

#### *Remuneration Packages and Employment Terms of T-contract Staff*

8. T-contract staff are employees of the T-contractors. The contractors negotiate and determine the remuneration and benefits of T-contract staff having regard to individuals' academic qualifications, professional skills and experiences as well as prevailing market environment. In view of the flourishing IT market in recent years, there has been a strong demand for IT professionals from both the public and private sectors. To maintain the remuneration packages of T-contract staff at reasonable and competitive levels, T25 contractors have offered more favourable packages in various aspects to T-contract staff in accordance with relevant contract provisions. For example, the monthly wage for T-contract staff of the "Programmer" category is higher than the latest "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")<sup>3</sup>. For T-contract staff of staff categories above "Programmer"<sup>4</sup>, they receive a monthly wage higher than that payable to the "Programmer" in the same month. In addition, over 90% of the T-contract staff are entitled to outpatient and/or inpatient medical insurance coverage, paid annual leave of ten days or more, free online training and technology update, etc.

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<sup>3</sup> The relevant median monthly wage promulgated by C&SD in March 2019 was \$22,800.

<sup>4</sup> Under the T-contract, there are five staff categories above "Programmer", namely, "Analyst/Programmer", "Systems Analyst", "Senior Systems Analyst", "Project Manager" and "Senior Project Manager".

9. T25 contract stipulates that, in adjusting the service rates payable to T-contractors, the Government will make reference to the change in Consumer Price Index (B) capped by the latest 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 the service rates adjustment made by the Government with effect from the same date. OGCIO will continue to monitor closely the wage adjustment process to ensure that T-contractors comply with the relevant contract provisions.

10. At present, around half of the T-contract staff in the staff categories of “Senior Project Manager”, “Project Manager”, “Senior Systems Analyst”, “Systems Analyst” and “Senior IT Assistant” have advanced to their current rank from a lower one during their respective T-contract periods. To avoid limiting the pool of potential candidates, OGCIO has reminded B/Ds to ensure that the qualification and experience requirements prescribed for a specific T-contract post should be justifiable and of a practical need. Moreover, in vetting a proposed candidate’s working experiences, B/Ds should consider, in a pragmatic manner, whether the nature of the candidate’s past duties are comparable rather than only focusing on the work experience gained in the same position.

11. OGCIO has also adjusted the arrangement for position switches under T25 contract. A T-contract staff is allowed to apply for T-contract positions of a different assignment through another T-contractor two months prior to the expiry of their current service contracts. Even for the same T-contract position, if the assignments involved have changed as the project cycle progresses (e.g. from system analysis and design stage to system implementation stage), the B/D concerned will open up the T-contract position for recruitment two months prior to the expiry of the current service contract and the serving T-contract staff may apply for that position through another T-contractor.

#### *Enhancing Transparency and Communications*

12. Since July 2019, OGCIO has released the average monthly service fee paid to T-contractors by each staff category through the Public Sector

Information (“PSI”) portal. Such information is updated on a half-yearly basis. Starting from February 2020, OGCI0 also disseminates via the PSI portal the progress of T-contractors’ implementation of enhancement to the remuneration packages of T-contract staff and the annual service rates adjustment made by the Government. In addition, OGCI0 regularly reminds the T25 contractors to make available information on the remuneration packages offered in the market for IT professionals with different types of skills and experiences for job seekers’ reference.

13. Since April 2019, OGCI0 has been organising regular staff forums and conducting surveys to collect feedbacks and concerns of T-contract staff, and followed up on their enquiries and requests with the respective B/Ds and T25 contractors as appropriate.

#### *Monitoring the Use of T-contract Services*

14. The T-contract arrangement aims to provide B/Ds with the flexibility to meet fluctuating IT manpower requirements, and to tap the market’s latest expertise and pool of professionals. For individual T-contract positions that are considered to have a long-term service need, the B/Ds concerned can seek to create the required civil service posts under the annual Resource Allocation Exercise. In the past three years (i.e. 2017-18 to 2019-20), B/Ds have been approved to create 486 new IT grade civil service posts, of which 195 were to replace T-contract positions.

15. Furthermore, OGCI0 has introduced a new measure since February 2019 to require B/Ds to engage additional T-contract staff only for developing and supporting time-limited IT projects except with the approval by directorate officers on justifiable grounds. In 2019, the overall additional T-contract staff were all responsible for providing B/Ds with non-recurrent IT services. OGCI0 will review the effectiveness of this measure on a regular basis.

16. There is at present no mechanism to directly convert T-contract staff to civil servants. Individual T-contract staff who are interested in different civil service posts are welcome to apply through open recruitment. Apart from uploading relevant information onto the websites of the Civil

Service Bureau and OGCIIO, OGCIIO has been providing T-contract staff with information on the open recruitment exercises of IT grades in the civil service through their respective B/Ds.

**Advice Sought**

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

**Innovation and Technology Bureau  
Office of the Government Chief Information Officer  
February 2020**