

**CONTROLLING OFFICER'S REPLY**

**DEVB(PL)279**

**(Question Serial No. 3420)**

Head: (82) Buildings Department  
Subhead (No. & title): (-) Not Specified  
Programme: (1) Buildings and Building Works  
Controlling Officer: Director of Buildings (CHEUNG Tin-cheung)  
Director of Bureau: Secretary for Development

Question:

Regarding the Department's outsourced service, please inform this Committee:

1. of the total number of outsourced workers of the Department and the percentage of outsourced workers against the total number of staff performing the same kinds of work in the Department in the past three years;
2. of the total staff expenditure of the Department, the total expenditure for outsourced service providers and the percentage of expenditure for outsourced service providers against the total staff expenditure of the Department in the past three years; and
3. of the nature and duration of outsourced service contracts in the past three years.

Besides, the Government revised the tendering guidelines for outsourced service contracts last year, stating that if the procured service relies heavily on the deployment of non-skilled workers, and a marking scheme for assessing the tenders is adopted, the procuring department, when assessing the tenders, should include in the assessment criteria the evaluation of tenderers' proposed wage rates and working hours for non-skilled workers. In this connection, please inform this Committee:

1. of the number of outsourced service contracts that rely heavily on deployment of non-skilled workers awarded by the Department since the guidelines have taken effect;
2. of the departments which have made adjustments to the evaluation criteria of wage rates and working hours in outsourced service contracts that rely heavily on deployment of non-skilled workers in accordance with the new guidelines after they have taken effect. What adjustments have been made by the Department? If no such information is available, what are the reasons?
3. whether there has been any increase in the average wage of outsourced service contracts that rely heavily on deployment of non-skilled workers since the guidelines have taken effect; if so, what is the number of contracts with an increase in wage rate; if no such information is available, what are the reasons?
4. what are the measures taken by the Department to evaluate the effectiveness of the new tendering guidelines?

5. whether the prevailing two-envelope mechanism which assesses the “technical and price aspects” has been adopted when the Department evaluates the outsourced service contract tenders; if not, what are the number of contracts which did not adopt this mechanism in the past three years?
6. of the number of violations of service contracts, the Employment Ordinance and the Occupational Safety and Health Regulation by government outsourced service contractors found during inspections by the Department, and the number of complaints received from outsourced workers every year;
7. what are the details of the actions taken to follow up such violations and complaints?
8. what are the number and details of cases where penalty has been imposed against the contractors due to substantiation of violations or complaints?

Asked by: Hon LEUNG Yiu-chung (Member Question No. 113)

Reply:

The Buildings Department (BD) engages outsourced services in office cleansing, security and maintenance of engineering systems and equipment. The BD does not have staff performing these duties. The requested information is provided below -

	2014-15 <sup>(1)</sup>	2015-16 <sup>(1)</sup>	2016-17 <sup>(1)</sup>
Number of full-time/part-time outsourced workers	25	33	37
Total BD staff expenditure (\$ million)	\$760.9	\$828.5	\$913.4
Total expenditure for outsourced service providers (\$ million)	\$1.5	\$3.4	\$2.4
Percentage of expenditure for outsourced service providers against the total staff expenditure	0.2%	0.4%	0.3%

The nature and duration of outsourced service contracts in the past three years are tabulated below -

Nature of Service Contracts	Duration of Service Contracts		
	2014-15	2015-16	2016-17
Security	2 years	1 year	1 year
Cleansing	1 year	1 year	1 year
Maintenance of engineering systems and equipment	4 years		

Note (1) : The latest available position for 2016-17 is 31 January 2017. The figures for the same period in 2014-15 and 2015-16 are provided for comparison purpose.

The revised tendering guidelines introduced in May 2016 on Government service contracts that rely heavily on the deployment of non-skilled workers are not applicable to the service

contracts of the BD in the past three years as tabulated above. Given the low value of the service contracts on security and cleansing (below \$1.43 million each), these procurements were processed by way of quotations and were not subject to tender procedures according to the Stores and Procurement Regulations. As regards the maintenance of engineering systems and equipment, they did not heavily rely on non-skilled workers. No violation or complaint of service contracts was found or received in the past years.

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