

By post and email at [qps\\_consultation@ogcio.gov.hk](mailto:qps_consultation@ogcio.gov.hk)

14 December 2020

Office of the Government Chief Information Officer  
6/F, North Point Government Offices  
333 Java Road, North Point  
Hong Kong

[Attn: Mr Esprit P K LEUNG, Systems Manager (Governance & Resources) 41]

Dear Mr LEUNG

**Consultation on the Future Arrangement of the Standing Offer Agreement for  
Quality Professional Services (SOA-QPS)**

Regarding the Consultation on the Future Arrangement of the SOA-QPS, the Institution is pleased to provide herewith our views and suggestions.

Thank you for your attention.

Yours sincerely



Ir C K HON  
Chief Executive and Secretary

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CKH/SW

**Enclosure**

**Views from the Hong Kong Institution of Engineers  
on the Consultation Paper on the Future Arrangement of the Standing Offer  
Agreement for Quality Professional Services**

The Hong Kong Institution of Engineers (“HKIE”) urges the Office of the Government Chief Information Officer (OGCIO) to facilitate the digital transformation of Government Bureaux/ Departments (B/Ds) so as to increase the overall contract sum and number of contracts award under the Standing Offer Agreement for Quality Professional Services (SOA-QPS) with the aim of fostering the development of IT industry in Hong Kong.

2. The HKIE would like to provide the following suggestions and views with respect to the SOA-QPS5 for the Administration’s consideration:

**NUMBER OF CONTRACTORS FOR EACH CATEGORY/GROUP**

3. The HKIE strongly supports the involvement of more contractors in delivering Government IT projects while striving for a balance between introducing keen competitions and maintaining healthy business environment. Referring to the information of Awarded Projects in SOA-QPS4<sup>1</sup> and Usage Statistics of SOA-QPS4<sup>2</sup> available at OGCIO webpage, the average value of project per contractor for four different categories, which have been adopted since 2005, namely pre-implementation and independent programme/ project management services, On-going services, implementation and combined system development services, and information security and independent testing services, are ranged from \$4.8 million to \$39.2 million of Hong Kong Dollars over a period of slightly over 3 years. In this regard, the further increase of the number of contractors may lower the project values per contractor and as a result, quality contractors may demonstrate less interest in Government IT projects and thus hampering the IT industry development in Hong Kong.

4. However, there is lack of data on the distribution of projects among difference contractors. The OGCIO is suggested to consider the factor of “inactive” contractors, i.e., who are currently in the categories/groups in SOA-QPS4 without actively participating in delivering Government IT projects; which may result in low single digit of work assignments to contractors in each group that normally comprises around 15 contractors. The OGCIO is urged to conduct study as to analyse the recent situation and to create a genuinely competitive environment under the SOA-QPS5 to encourage more companies to participate in Government procurement.

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<sup>1</sup> The Office of the Government Chief Information Officer website, *Awarded Projects in SOA-QPS4*. Retrieved from [https://www.ogcio.gov.hk/en/our\\_work/business/business\\_window/doc/SOA-QPS4\\_Projects.pdf](https://www.ogcio.gov.hk/en/our_work/business/business_window/doc/SOA-QPS4_Projects.pdf).

<sup>2</sup> The Office of the Government Chief Information Officer website, *Usage Statistics of SOA-QPS4*. Retrieved from [https://www.ogcio.gov.hk/en/our\\_work/business/business\\_window/doc/SOA-QPS4\\_Usage\\_Statistics.pdf](https://www.ogcio.gov.hk/en/our_work/business/business_window/doc/SOA-QPS4_Usage_Statistics.pdf).

## **SERVICE CATEGORISATION**

5. The HKIE recognises the economic benefits of merging the pre-existing categories of the SOA-QPS, however, due to the fact that the size of projects under Category 1 and 4 are substantially lower than that of Category 2 and 3, merging all the categories into one may not be appropriate. On the contrary, as the size and nature of the projects in Category 2 and 3 are similar, the OGCIO is suggested to consider the viability of merging the two categories into one so that the contractors would have more opportunities to bid for the work assignments.

6. The HKIE appreciates the recent implementation of common shared IT services to increase the agility, cost-effectiveness and integrity of the provision of services and is planned to roll out to B/Ds from 2022 onwards. Yet, the implementation of common shared services requires a combination of hardware, software implementation and support services, which may not be perfectly categorised in individual category/group. In view of this, it appears that the SOA-QPS may not be the appropriate means for procurement of common shared services.

7. Attributable to the fact that each phase of SOA-QPS lasts for 48 months, the addition of new categories on specific areas may not serve as the most effective means for introducing state-of-the-art technologies and services. As most of the projects of social media analytics and smart city initiatives are likely to have a lower value, they should be procured through B/Ds and the OGCIO is recommended to consider setting up another vetted list of contractors to offer B/Ds more options in selection. In addition, the HKIE further suggests the OGCIO to set up an organisation similar to the Engineering & Associated Consultants Selection Board and to maintain list of contractors to facilitate B/Ds in selecting suitable contractors. In order to attract young talents and to invigorate the IT industry development in Hong Kong, the requirements for the contractors should be minimal in terms of size, revenue and past experiences.

## **DEMARCATIION LIMIT AND GROUP**

8. The HKIE supports the lowering of demarcation limit of major/ minor projects to \$2 million in order to have a more even distribution between major and minor groups in terms of number of contracts.

9. The HKIE noted that the cost of projects has been a major factor in awarding projects and we support the quality of projects should also be given more weight in order to enhance the overall performance of Government projects. In this regard, all submissions of proposal should be accompanied with proposed solution or approach rather than a mere expected cost in order to better assess its functionality and workability. Another point worth mentioning is that new approach of solution, innovation quality and creativity which could not be evaluated objectively in terms of costs should also be taken into account of the selection criteria.

10. The HKIE suggests that the OGCIO should strive for a balance between the project cost and the quality of deliverables by setting up a precise quality standard of

deliverables especially for the standardised projects, e.g., Security Risk Assessment and Audit and Privacy Impact Assessment, to avoid the negative influence of over-compression of cost on the project quality.

11. The HKIE proposes that the OGCIO may establish a monitoring and evaluation mechanism to identify key areas required for imperative resolution and to increase the flexibility of related rules on projects by investigating the cause of non-compliance of and technical challenges faced by contractors with the aim of improving the quality of Government IT projects in the future.