

Consultation on
the Standing Offer Agreement for
Quality Professional Services 2 (SOA-QPS2)
in the Government of the
Hong Kong Special Administrative Region

(Version 1.0)

Office of the Government Chief Information Officer
The Government of the Hong Kong Special Administrative Region
15 March 2012

I. Introduction

Since 1994, the Office of the Government Chief Information Officer (OGCIO) has adopted a bulk supply arrangement to enable Government bureaux/departments (“b/ds”) to obtain IT professional services as and when required.

2. Over the years, such arrangements have been continuously improved. The present arrangement, called the Standing Offer Agreement for Quality Professional Services 2 (SOA-QPS2) launched in July 2009, has 25 contractors in 53 Standing Offer Agreements. The SOA-QPS2, as the replacement of its immediate predecessor, the Standing Offer Agreement for Quality Professional Services (SOA-QPS), has incorporated enhancements such as placing more emphasis on the service quality in the selection of contractors to undertake work assignment. The SOA-QPS2 will expire in July 2013. The OGCIO is now reviewing the arrangement prior to developing another replacement, and wishes to explore if there are any areas for further improvement.

3. This consultation paper describes the present arrangement and discusses some issues and areas for potential improvement that have been identified through feedback from b/ds. It also provides some initial analysis of the options.

4. **We would like to invite views from the IT industry in response to the discussions in this paper, and solicit comments and suggestions on improvements to the current arrangement. Please send your comments to the Office of the Government Chief Information Officer on or before 11 April 2012 by one of the following means:**

By Post: Office of the Government Chief Information Officer
6/F, North Point Government Offices
333 Java Road
North Point
Hong Kong
(Attention: Mr. Paul P K PANG)

By Fax: (852) 2574 3670

By E-mail: soaqps2_review@ogcio.gov.hk

5. Please address enquiries concerning this consultation exercise to:

Mr. Gilmen W F CHAN, Systems Manager
by telephone at (852) 2231 5533
or
Mr. Paul P K PANG, Senior Systems Manager
by telephone at (852) 2231 5480
or
the above persons by E-mail
at "soaqps2_review@ogcio.gov.hk".

6. To facilitate our processing, please mark on your reply email or document the title "**Feedback on SOA-QPS2 Review**". **To enable further communication where necessary, please supply your name, contact telephone number/email and the name of your organization in your feedback.**

7. This consultation document does not constitute legal, commercial or technical advice, nor does it commit the Government to adopting any or all of the suggestions received. We assume that all submissions to this consultation are not made in confidence unless you specify otherwise. We may reproduce and publish the submissions in whole or in part in any form and use, adapt or develop any proposals put forward without seeking permission from or providing acknowledgement to the parties that submit the proposals.

II. Background

The Need for IT Professional Services

8. The Government of the Hong Kong Special Administrative Region is a major consumer of IT professional services. The Government leads by example in the use of IT, both for internal operation as well as delivering public services, through the implementation of the e-government programme. This requires a large IT professional service capacity to deliver IT solutions. The Government adopts a vigorous IT outsourcing strategy so as to meet its IT needs and to benefit from the state-of-the-art technologies and services to enhance its operation and the delivery of public services. Under this strategy, we have outsourced about 90% of our capital-funded IT projects in the fiscal year 2011-12.

Government Procurement

9. Government procurement is based on the principles of fair and open competition, transparency, public accountability, and value for money. This is a long-standing policy proven to be effective in ensuring that public money is well spent through an open and transparent procurement process. Government procurement process is governed by the Financial Secretary/Secretary for Financial Services and the Treasury under the Public Finance Ordinance (Cap. 2).

10. For procurement of stores and general services (including IT stores and services) exceeding HK\$1.43 million in value, it is normally done by the use of open and competitive tendering procedures so as to obtain the best value for money. Limited or restrictive tendering procedures are only permissible under exceptional circumstances.

11. A typical open tendering exercise involves the formal process of invitation and submission of tenders, opening and evaluation of tenders, recommendation for acceptance of tenders for consideration by the relevant tender board, and award of contract.

Procurement of IT Products and Services

Objectives

12. The primary objective in procuring IT professional services is to obtain the best value for money in meeting the operational and service needs of b/ds. Given the rapid changes in IT and its product/service market, it is imperative that the procurement arrangements have to be efficient, responsive and able to provide timely solutions to address the business and operational needs of b/ds.

13. In addition to meeting the above requirements, we also continue to find ways and means through our procurement arrangements to facilitate the development of the local IT industry, particularly the participation of small and medium enterprises (SMEs) in Government IT projects.

The SOA-QPS2

14. In July 2009, OGCIO launched the SOA-QPS2 to enable b/ds to obtain IT professional services efficiently under a competitive environment. The SOA-QPS2 is a bulk supply arrangement that aims to strike a reasonable balance between maintaining efficiency and competition in the acquisition of IT professional services. **Annex A** provides a general description of the SOA-QPS2.

15. The SOA-QPS2 involves a two-stage procurement process. In the first stage, the Government enters into a number of standing offer agreements (the SOAs) with suppliers that have been selected through open tendering. During the second stage, that is within the validity period of the SOAs, b/ds invite price quotations/proposals and technical proposals for individual IT assignments from the SOA-QPS2 contractors. Services will be awarded to the contractor with a proposal meeting the technical requirements and attaining the highest overall Technical and Price Score according to a Standard Marking Scheme. **Annex B** provides a general description of the Standard Marking Scheme.

16. From the statistics and feedback collected from regular returns, SOA-QPS2 was well received by b/ds as an effective and efficient means to acquire IT professional services. Between the launch of SOA-QPS2 in July 2009 and the end of December 2011, 73 b/ds have awarded 501 SOA-QPS2 work assignments at a total contract value of about HK\$561 million. About 41% of the work assignments were awarded within 30 working days from the invitation for proposals and over 89% were awarded within 60 working days. The procurement process was found to be greatly expedited.

17. We are however not complacent with these achievements, and we would like to explore if there are any areas for further improvement. We therefore launch this consultation exercise with a view to soliciting opinions from the IT industry so that we would enrich or further improve our new arrangement that would succeed the current SOA-QPS2 upon its expiry in July 2013.

III. Consultation

18. Industry feedback during this process is crucial to developing a new arrangement with further improvements. We encourage the IT industry, including the existing SOA-QPS2 contractors and sub-contractors, to contribute generously to this consultation exercise.

19. The following paragraphs discuss a few particular issues that we would like to invite specific inputs from respondents.

- (a) Categorisation of Services and Suppliers
- (b) Participation by Suppliers
- (c) Length of Contracts
- (d) Bidding Performance
- (e) Categorisation of Human Resources
- (f) Sub-contracting
- (g) Timing for Proposal Submission
- (h) Payment for Services
- (i) Continuity of Project Staff
- (j) Project Delay

(a) Categorisation of Services and Suppliers

20. The SOA-QPS2 divides professional services into four (4) service categories. For Service Categories 1 and 4, there is no sub-division into Service Groups. For each of Service Categories 2 and 3, contractors are sub-divided into two groups based on value of work required. (Please see paragraph 2 of **Annex A**.) A supplier can be a contractor in more than one service category but can only be in either one group within Service Category 2 or within Service Category 3. The group sub-division has the effect of creating two competition platforms within a service category. This, to an extent, enhances the opportunity for contractors of different capacities to compete in different platforms.

21. We noted that existing service categorisation is effective in

facilitating b/ds to identify contractors with the right skills. Since the service categorisation is designed to be independent from technical platform/technology, new technology like Electronic Information Management (EIM), Cloud Computing, Mobile Applications might have generally been fulfilled with the existing service categories. The four services categories and the Major and Minor Groups in Service Categories 2 and 3 in SOA-QPS2 will likely continue to stay, but **we also welcome views from the industry, especially on whether the new technology such as Mobile Applications should be explicitly separated from or subsumed within the existing service categories or groups.**

22. There have been suggestions that a new service category on Independent Testing to be introduced as the service nature and people skills are totally different from the existing service categories. However, further division of this new category into Major and Minor Group may not be necessary. The increasing demand of high quality IT systems from B/Ds in response to public's demand generated the needs for Independent Testing services. The Independent Testing service may include designing and executing various kinds of testing e.g. unit test, functional test, regression test, integration test, load test, accessibility test, and usability testing, etc. We are positively considering this suggestion and would like to know the views from the industry. We also welcome suggestions on the scope of services and staff categories to be included in this new Independent Testing service category.

23. Under the existing SOA-QPS2 arrangement, Service Category 2 and Service Category 3 are sub-divided into two groups, namely Minor Group (\leq HK\$1.3 million) and Major Group ($>$ HK\$1.3 million and \leq HK\$10 million). There have been suggestions of adjusting upward the demarcation limit so that small-size companies, including SME, might participate more on government IT projects. However, increasing the demarcation limit may also have the effect that more medium to large-size companies may join the Minor Group to compete with small-size companies. We would like to know the views on the demarcation arrangement and the demarcation limit from the Industry.

24. **We welcome views from the industry on the categorisation**

of services and the demarcation of the contractors into groups within service categories. Suggestions with supporting reasons will be most appreciated.

(b) Participation by Suppliers

25. The SOA-QPS2, through open tendering, pre-selects contractors to commission work for multiple projects. The arrangement embodies a two-stage competition process that enhances efficiency in the selection of contractors for individual projects. The contractual arrangement also enables an effective governance framework to be put in place to ensure overall integrity of the system.

26. Within each of the four service categories, eight (8) to nine (9) contractors are available for selection to undertake IT projects. (Please see paragraph 2 of **Annex A**.) Altogether 25 principal contractors participate in the SOA-QPS2, and five (5) of them were identified as SMEs¹ at the time of tendering in 2009.

27. We are reviewing the number of contractors to be included under each of the service category and service group. With the increase of the Government IT expenditure over the past years, it is desirable to reasonably increase the number of contractors in each service category / service group so as to enhance the delivery capacity. It will also allow more companies to participate in government projects and so promote the IT industry. However, we also note that making the pool of contractors too large may erode the attractiveness of the SOA arrangement and undermine the effectiveness of the assignment bidding and selection process.

28. **We welcome views on the number of contractors to be included under each service category-group.**

¹ *The following definition of SME is adopted:*

- Any manufacturing business which employs fewer than 100 persons in Hong Kong; or
- Any non-manufacturing business which employs fewer than 50 persons in Hong Kong.

(c) Length of Contracts

29. Length of contracts has been of interests to most suppliers. A short validity period would give suppliers that have not been selected for inclusion in the current arrangement another opportunity sooner, and is thus generally favoured by the unsuccessful bidders. On the other hand, a long validity period is commonly preferred by the successful contractors, but it may render the arrangement less responsive to market and technology conditions.

30. The existing SOAs are valid for 48 months (as compared with 42 months in previous SOA) with an option of early exit in the last 12 months of the validity period. It seems to be a common view that technological changes during the validity period should not have any substantial impact on the effectiveness of the arrangement because the services covered by the arrangement are largely technology neutral.

31. It is noted that tendering exercises generally involve administrative costs for both the Government and the bidders. All successful bidders will incur additional administrative costs in setting up their respective programme management systems and providing assignment proposals and project statistics to support the ongoing execution of the SOAs. A right balance should therefore be struck in determining the duration of the SOAs so that resources investment would be optimal and fair opportunities would be provided to market players. There have been suggestions that the existing duration of 48 months should remain.

32. **We welcome views on the duration for the new arrangement to succeed the current SOA-QPS2.**

(d) Bidding Performance

33. Relating to the Bidding Performance as stated in item a in paragraph 2 of Annex B, there have been suggestions that the bidding performance rating of a contractor should not be negatively affected if the contractor does not submit a proposal against service invitations

occasionally. Otherwise, it may lead to a situation that the proposal is submitted just to maintain the bidding performance but not really intentionally bid for the service. One suggestion is that full mark should be given if the participation rate (the ratio of the number of submitted proposals to the number of invitations) reaches a certain percentage say 50% or higher rate. We are considering the suggestion and welcome views from the industry.

34. We welcome views from the industry on the subject of bidding performance.

(e) Categorisation of Human Resources

35. The work assignments under SOA-QPS2 are conducted on a fixed-price and deliverable-based basis. The service charge is determined by the manpower required (say, man-days) at the unit prices for different Staff Categories. There are ceiling unit prices on all Staff Categories to regulate the prices of service proposals for individual work assignments.

36. Some Standard Staff Categories are defined under SOA-QPS2 based on general IT qualification and length of relevant working experience (Please see paragraph 3 of **Annex A**). The ranking structure so constituted represents a common frame of reference that applies across work assignments. It also serves as an objective yardstick for benchmarking.

37. Apart from the Standard Staff Categories, the SOA-QPS2 also allows Supplier-specific Staff Categories proposed by individual SOA-QPS2 contractors that are unique to their human resources profiles. Although there is no new Staff Category so introduced, this is an enhanced feature under the SOA-QPS2 which aims to open up suggestion from contractors and to enable the Government to access new and specialist skills that are available in the industry.

38. While the general feedback from stakeholders reveals that the existing staff categorisation generally serves its purposes, there are also

suggestions that the additional Staff Categories may be needed to cater for the specialised IT services like Independent Testing (see paragraph 22), EIM, Cloud Computing and Mobile Applications, etc. **We welcome suggestions on ways to improve the service charging structure, the human resources categorisation structure and the supplier-specific staff categories in the new arrangement.**

(f) Sub-contracting

39. Sub-contracting is a common practice in Government IT contracts. There are at present 142 sub-contractors under the SOA-QPS2. As at end December 2011, in about 11% of work assignments, the principal contractors involve sub-contractors.

40. As an established practice, the Government does not intervene in the commercial relationship or the operational arrangements between principal contractors and sub-contractors. We however strive to minimize the time required for principal contractors to obtain the Government's approval to engage or change sub-contractors. This is typically accomplished within ten (10) days and there has not been any unsuccessful application to date. We believe that we should continue to uphold the policy of non-intervention in the commercial relationship between principal contractors and sub-contractors.

41. **We welcome views from the industry on this subject of sub-contracting.**

(g) Timing for Proposal Submission

42. Contractors are normally given 10 working days for assignment value not exceeding HK\$1.3M and 20 working days for assignment value exceeding HK\$1.3M to prepare and submit their proposals in response to the work assignment brief issued by b/ds. For complex projects, we also encourage b/ds to give briefing on the service requirements. We believe such arrangement can facilitate contractors in understanding the service requirements as well as preparing proposals within the allowed

timeframe.

43. There has been occasional expression of desire for a longer timeframe for proposal submissions. We believe that efficiency is important to the SOA-QPS2 procurement arrangement. A general increase in the time window for service proposals may erode the attractiveness of SOA-QPS2 and undermine the effectiveness of the invitation and bidding processes. While the present arrangement is basically working well, we will continue to enhance it and find ways to facilitate contractors in preparing their proposals.

44. We welcome views in respect of the process and time window for preparing service proposals.

(h) Payment for Services

45. Under SOA-QPS2, payment for on-going services will either be made in fixed price at regular intervals or on time-and-material basis upon satisfactory completion of tasks based on actual man-effort or time consumption.

46. In the case of one-off services, insofar as the work deliverables are clearly defined and due consideration is given to the risk inherent in the delivery of the outcome, payment schedule can be structured on the basis of both the result of work as well as the effort that has been put in to deliver the result. For this reason, under SOA-QPS2, payment for one-off services may be made upon completion of work or by instalments.

47. We would like to solicit views on ways to further improve the payment schedule.

(i) Continuity of Project Staff

48. Staff turnover issues, leading to adverse effects to the services of the SOA-QPS2 including project delay, were reported by b/ds. Although there is already a mechanism for staff changes in the

SOA-QPS2 in which the staff changes should be agreed by both the concerned b/ds and the contractor, there have been suggestions for improvement. One of the suggestions is to debar the core staff concerned (assumed to be of the systems analyst rank and above) for say 3 to 6 months from participating in other QPS work assignments after release. Another suggestion is to deduct marks on the General Technical Sub-scores according to the staff turnover rate and award marks for work assignment without any staff turnover. There has also been suggestion that the contractor is required to fill in non-chargeable additional resources (in man-days) for the compensation of the impact due to the staff change.

49. It is also reported that some staff were engaged in different projects at the same time. It is suggested that contractors shall stipulate in their proposals for all core staff members whether the staff are in full time deployment to the project. For part-time deployment, number of other projects engaged, the name of other Government projects engaged and the amount of time of the staff to be allocated for the project should also be stated. For changes of a core staff from full-time to part-time or number of projects engaged by a core staff, prior agreement should be obtained from the b/ds concerned.

50. While we understand that staff turnover cannot be avoided and part-time staff would be deployed to several projects, **we welcome views from the industry to minimize the adverse effects on the staff turnover and multiple project deployment.**

(j) Project Delay

51. Whether a contractor can complete a project on time will undoubtedly be a factor to measure the quality of the services delivered. While it will be reflected by the rating of the CPAR (Contractor Performance Appraisal Report) under the current arrangement, we are considering ways to more directly reflect this factor in the General Technical Scores of the contractor.

52. There are suggestions to award marks on the General Technical Scores for contractors who complete projects on-time. **We welcome views on the measures to deal with the project delay issue and the mechanism to encourage timely delivery.**

IV. Briefing Session

53. A briefing on this industry consultation will be held within the week starting 26 March 2012. Exact details will be announced in due course. Interested parties can register via E-mail: soaqps2_review@ogcio.gov.hk with the attendee's name, company name, and contact number by 22 March 2012.

54. For enquiry on the registration, please contact Mr. Albert HUI by telephone at (852) 2231 5471 or by electronic mail at "soaqps2_review@ogcio.gov.hk".

V. Invitation for Comments

55. In our regular meetings with the SOA-QPS2 contractors, we have collected some views on the operation of SOA-QPS2. Please refer to Annex C for details. **Comments on their views are also welcomed.**

56. We should be grateful if you would contribute your valuable views and opinions on the various topics discussed in this paper. The method of responding to this consultation is provided in paragraphs 4 to 6 of the paper.

**Office of the Government Chief Information Officer
The Government of the Hong Kong Special Administrative Region**

March 2012

**The Standing Offer Agreement for Quality Professional Services 2
(SOA-QPS2)**

Background

Through open tendering, the Office of the Government Chief Information Officer (OGCIO) has entered into 53 Standing Offer Agreements (SOAs) with 25 companies for the provision of IT professional services for 48 months effective from 31 July 2009 with an option of early exit during the last 12 months of the validity period. The SOAs are non-exclusive contractual agreements with a uniform set of terms and conditions. There are four categories of IT professional services. Each of the Service Categories 2 and 3 is sub-divided into two groups, namely Minor Service Group and Major Service Group. There are eight to nine contractors in each category-group.

2. The service category, service group and contractors of SOA-QPS2 are listed as follows:

Service Category

1	Pre-implementation & Independent Programme / Project Management Services: <ul style="list-style-type: none"> - Departmental Information Technology Plan - Feasibility and Technical Study - Independent Programme Management - Independent Project Management
2	On-going Services: <ul style="list-style-type: none"> - System Maintenance and Support - Network Support Services
3	Implementation & Combined System Development Services: <ul style="list-style-type: none"> - Network Planning, Design and Implementation - Office System Implementation - System Analysis and Design - System Implementation and System Integration - Combined System Development Services

4	Information Security Services: <ul style="list-style-type: none"> - Security Risk Assessment and Audit Services - Security Management Design and Implementation Services - IT Security Monitoring and Incident Response Support Services
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Service Group

For Service Categories 1 and 4, there is no sub-division into Service Groups.

For Service Categories 2 and 3, each of them is further divided into Major and Minor Service Group.

Minor Service Group:	Service Contracts with value not exceeding HK\$1.3 million
Major Service Group:	Service Contracts with value exceeding HK\$1.3 million and not exceeding HK\$10 million

Contractor List

Contractor	Category					
	1	2		3		4
		Group		Group		
		Minor	Major	Minor	Major	
1. Accenture Company Limited			✓			
2. Arcotect Limited	✓	✓		✓		
3. Automated Systems (H.K.) Limited	✓		✓		✓	✓
4. Azeus Systems Limited	✓		✓		✓	
5. China Communications Services Corporation Limited					✓	
6. Computer And Technologies Solutions Limited	✓	✓			✓	✓
7. Dell Hong Kong Limited c/o Dell (Xiamen) Company Limited				✓		
8. Dimension Data China/Hong Kong Limited			✓			✓

Contractor	Category					
	1	2		3		4
		Group		Group		
		Minor	Major	Minor	Major	
9. DMX Technologies (Hong Kong) Limited						✓
10. Doctor A Security Systems (HK) Limited						✓
11. Electronic Business Solutions Limited		✓		✓		
12. ESRI China (Hong Kong) Limited		✓		✓		
13. FDS Solutions Limited		✓		✓		
14. Fusion System Limited				✓		
15. Future Solutions Laboratory Limited		✓				
16. Hewlett-Packard HK SAR Limited	✓		✓		✓	✓
17. Integrated Enterprise Solutions Limited		✓		✓		
18. Jardine OneSolution (HK) Limited		✓				
19. Kinetix Systems Limited	✓	✓		✓		
20. Mappa Systems Limited				✓		
21. NCSI (HK) Limited			✓			✓
22. NEC Hong Kong Limited			✓		✓	
23. PCCW Solutions Limited	✓		✓		✓	✓
24. ST Electronics (Info-Software Systems) Pte Limited			✓		✓	
25. Unisys China/Hongkong Limited	✓				✓	✓

3. The SOA-QPS2 has a set of standard staff categories, which can be augmented by supplier-specific staff categories, if any, for individual SOA-QPS2 contractors that are unique to their human resources profiles. This is an enhanced feature under the SOA-QPS which aims to encourage innovation from contractors and to enable the Government to access new

and specialist skills that are available in the industry. However, this new feature has not been widely utilized by SOA-QPS2 contractors since their proposals were no specific to be differentiated from those General Staff Categories. The following is a summary of the staff categories and their respective requirements on qualification / experience:

Service Category	Staff Category
1 - Pre-implementation & Independent Programme / Project Management Services	There are 10 staff categories requiring from at least 1 year to at least 15 years of IT experience, including specified length of experience in the relevant function/speciality.
2 - On-going Services	There are 10 staff categories requiring from at least 1 year to at least 11 years of IT experience, including specified length of experience in the relevant function/speciality.
3 - Implementation & Combined System Development Services	There are 12 staff categories requiring from at least 1 year to at least 15 years of IT experience, including specified length of experience in the relevant function/speciality.
4 - Information Security Services	There are 6 staff categories requiring from at least 2 years to at least 15 years of IT experience, including specified length of experience in the relevant function/speciality.

4. To obtain IT professional services under SOA-QPS2, a b/d issues a work assignment brief to invite for proposals from contractors in the relevant category-group. The work assignment brief will describe service requirements that should be within the scope of the selected category-group. Every contractor in the category-group would normally have 10 to 20 working days to prepare and submit a service proposal in

response to the work assignment brief. B/d awards the work assignment to the contractor that submits the proposal meeting the technical requirements and attaining the highest Technical-Price Score under the Standard Marking Scheme as set out in Annex B.

5. There is a ceiling charge rate for each staff category under each service category for each contractor in respect of on-site, off-site and off-shore execution of work assignments. The service charge for a work assignment is calculated based on the manpower estimate and relevant staff charging rates limited by the ceiling charge rates. The ceiling charge rates are subject to review and adjustment upward or downward in accordance with the Consumer Price Index B annually. To offer more competitive prices to the Government, contractors may apply a unit rate lower than the corresponding ceiling charge rate in their service proposals.

6. During execution of work assignments, either b/ds or contractors may initiate a request for change. Both parties should follow the change management system in place to handle changes. B/ds will also assess contractors' performance in work assignments periodically.

7. Under the SOA-QPS2, five (5) out of the 25 contractors were SMEs according to information provided in their tenders in 2009.

SOA-QPS2 Statistics

8. Between 31 July 2009 and 31 December 2011, 73 b/ds have awarded 501 SOA-QPS2 work assignments in the six category-groups at a total cost of about HK\$561 million. Among the 501 SOA-QPS2 work assignments that have been awarded, about 41% were awarded within 30 working days from invitation for proposals and over 89% were awarded within 60 working days. A summary of work assignments awarded:

Number of b/ds used SOA-QPS2	:	73
Number of work assignments awarded	:	501
Number of work assignments completed	:	180

Number of work assignments with work in progress : 321
 Value of work assignments awarded (HK\$ million) : 561
 Manpower of work assignments awarded (man-year) : 1078

9. A breakdown of number of work assignments by values:

Assignment Value (HK\$)	No. of Work Assignments	%
Over HK\$5 million but not exceeding HK\$10 million	23	5
Over HK\$1.43 million but not exceeding HK\$5 million	100	20
HK\$1.43 million or below	378	75
Total:	501	100%

10. The latest consumption in the SOA-QPS2 can be found in http://www.ogcio.gov.hk/en/business/business_window/soa_qps.htm

Facilitating the Use of SOA-QPS2

11. SOA-QPS2 is managed and supported by a Contract Administrator, a Client Liaison Officer and a Supplier Liaison Officer to ensure the integrity, efficiency, effectiveness and quality of the SOA-QPS2.

12. The SOA-QPS2 Contract Administrator oversees the effective execution of the 53 SOAs. The SOA-QPS2 Client Liaison Officer, through a dedicated theme page and helpdesk services, provides guidelines and advice to assist b/ds on the use of the SOA-QPS2. The SOA-QPS2 Supplier Liaison Officer maintains close contact with the contractors and advises and assists them in the execution of the SOA-QPS2 and providing quality services to b/ds.

13. The SOA-QPS2 is a non-exclusive arrangement and b/ds can acquire IT professional services through other means in accordance with SPR.

Standard Marking Scheme under the SOA-QPS2

1. The SOA-QPS2 Standard Marking Scheme for the award of Service Contracts under the Agreement adopts a 60% price weighting and a 40% technical weighting in the computation of the Technical-Price Score:

Technical-Price Score = Technical Score + Price Score

$$\text{where Technical Score} = \frac{\text{'technical score'}}{\text{highest 'technical score'}} \times 40\%$$

$$\text{Price Score} = \frac{\text{lowest 'price'}}{\text{'price'}} \times 60\%$$

'technical score' is the technical score attained by the Proposal of the Contractor

highest 'technical score' is the highest technical score among all conforming Proposals received from Contractors

'price' is the price for the Proposal of the Contractor

lowest 'price' is the lowest price among all conforming Proposals received from Contractors

2. The technical score of a Proposal is the sum of the General Technical Sub-score and the Work Assignment Technical Sub-score. The technical scoring structure is given below.

a. The General Technical Sub-score

Item Scored	Maximum Score
1. Contractor's Performance Index	25
2. Bidding Performance	15

b. The Work Assignment Technical Sub-score

Desirable features/sub-features	Maximum Score
1. Certification of the service providers Relative merits will be given based on <ul style="list-style-type: none"> • the Contractor's possession of certifications for the specified areas such as quality management, service management and IT security for merits • the number of years that a Contractor possesses the specified certification continuously for merits 	5
2. Past experience in the type of projects or business under acquisition Relative merits will be given based on: <ul style="list-style-type: none"> • the Contractor's possession of experience relevant to the specified type of project or business for merits • the number of project/business references for the specified type of project or business for merits 	15

Desirable features/sub-features	Maximum Score
<p>3. Qualification / skill / experience of the personnel proposed to deploy to the Service Contract</p> <p>Relative merits will be given based on</p> <ul style="list-style-type: none"> • the deployment of personnel with specified professional qualifications for merits • the proposed personnel's years of experience in specified skill/qualification for merits 	20
<p>4. Proposed work approach</p> <p>Relative merits will be given based on the deployment of specified work approach/methodology in Contractor's proposed technical solution</p>	5
<p>5. Additional desirable features pertaining to the required services</p> <p>A maximum of 5 additional desirable features can be specified for a work assignment. Relative merits will be given based on the extra value obtained from the additional desirable features</p>	0 - 15

3. The scoring arrangement of the General Technical Sub-score will be as follows:
- (a) Office of the Government Chief Information Officer (OGCIO) will compile the General Technical Sub-scores for all Contractors twice a year.

(b) The assignment of Contractor’s Performance Index (CPI) is as follows:

- (i) B/ds will assess Contractors’ performance upon completion of each Service Contract and at least once every six months during the execution of each Service Contract. The final performance assessment upon completion of a Service Contract will only cover the residual period of the contract. A standard performance appraisal report, with aspects of performance in the area of delivery of work, quality of work and managing of resources, will be used for performance assessment by b/ds. A performance score will be computed based on the assessment by b/ds given in each performance appraisal report.
- (ii) The CPI for a Contractor is the weighted average of the performance scores given to the Contractor in the immediate past three years. The OGCIO will compute the CPI based on all completed performance appraisal reports of the Contractor under all Service Categories forwarded by b/ds. A weighting factor is applied based on the end of the appraisal period of the completed performance appraisal report.

Year of Performance Appraisal Report (as at the end date of appraisal period)	Weighting
Past year (0-12 months ago)	5.0
Past 2nd year (13-24 months ago) (Not applicable in the first 12 months of the Term)	3.0
Past 3rd year (25-36 months ago) (Not applicable in the first 24 months of the Term)	2.0

- (iii) The Government will rate the individual aspects of the Contractor’s performance according to ‘Good’, ‘Satisfactory’ and ‘Poor’ with the corresponding score as follows:

Rating of Individual Aspects	Score
Good	1.0
Satisfactory	0.6
Poor	0

(Note:

Good: Performance of contractor is better than that agreed

Satisfactory: Performance meets requirement in full

Poor: Performance does not meet requirement)

- (iv) The performance score of a performance appraisal report is calculated as follows:

$$\text{Performance Score} = \frac{\text{Sum of the scores of all applicable aspects of performance obtained by the Contractor}}{\text{Sum of the maximum scores of all applicable aspects}} \times 25$$

- (c) The assignment of score on Bidding Performance (hereinafter referred to as “Bidding Performance Score”) is as follows:

- (i) B/ds will document bidding results of each Service Contract in a standard bidding information report form. Information captured includes Contractors invited to submit Proposals, Contractors with Proposals submitted, the Contractor that is awarded the Service Contract and non-conformities of Proposals identified. A Bidding Performance Score for a Contractor will be computed by the OGCIO based on all bidding results, as provided by

b/ds in the bidding information reports, which are relating to the Contractor under all Service Categories.

- (ii) The Bidding Performance Score is calculated as 7.5 multiplied by the sum of the participation rate and rate of conforming submissions of a contractor in the immediate past year where:

$$\text{Participation Rate} = \frac{\text{Number of Proposals submitted by the Contractor in response to invitations issued by the Government}}{\text{Number of invitations issued to the Contractor by the Government}}$$

(Note: Number of invitations here refers to those invitations issued to the Contractor but not subsequently cancelled.)

and

$$\text{Rate of Conforming Submissions} = \frac{\text{Number of conforming Proposals submitted by the Contractor in response to invitations issued by the Government}}{\text{Number of Proposals submitted by the Contractor in response to invitations issued by the Government}}$$

- (d) If the requisite information for the calculation of the CPI/Bidding Performance Score of a Contractor is not available, for example the first time that the scoring system is introduced or past performance data is not available for the Contractor, a default score will be assigned to the Contractor. Such default score will be taken as the satisfactory rating (15 marks for CPI and 9 marks for Bidding Performance Score) or the average CPI/Bidding Performance Score of the other Contractors who have been assigned a CPI/Bidding Performance Score, whichever is lower.

- (e) Only one General Technical Sub-score will be assigned to a Contractor at each time of compilation, irrespective of the number of Standing Offer Agreements entered with the Contractor.
- 4. The scoring arrangement of the Work Assignment Technical Sub-score will be as follows:
 - (a) B/ds should assign the score on the basis of criteria and marking scheme regarding aspects in Section 2(b) above, having considered the merit of the Proposal in response to the specific requirements of the Brief. The criteria and marking scheme should be published as part of the Brief in the invitation for Proposals.
- 5. The Contractor shall submit all the necessary information and in the format requested by the Government according to the deadlines given by the Government for the assignment of Technical Score.

SOA-QPS2 Contractors Views Collected in the Regular Meetings

The followings are initial views on a few issues collected in the SOA-QPS2 Contractors Meetings Exercise conducted in 2011.

Issues	Views
1. Categorisation of Services and Suppliers	<ul style="list-style-type: none"> • A contractor suggested dividing Service Groups into 3, rather than 2. • A contractor suggested that there should be mandatory quality requirements on work assignment of Major Group such as quality assurance review (QAR), project management, project control, and deliverable. • A contractor suggested that for Service Category 4, Security Monitoring and Audit Services should be separated into different Service Categories. • A contractor suggested that for Service Category 3, the services involving Cloud Computing and Infrastructure may split to a new Service Category. • A contractor disagreed on limiting contractor participation in Major and Minor Service Groups and suggested to allow the Contractors in Minor Group to bid Major Group work assignments. • A contractor expressed that the current arrangement is fine.
2. Participation by Suppliers	<ul style="list-style-type: none"> • Two contractors suggested that the number of contractors in each Service Category-Group should be as little as possible. • A contractor suggested that 9 is the maximum no. of contractors for each Service Category-Group. • A contractor expressed that there are too many

	<p>contractors for the current arrangement.</p> <ul style="list-style-type: none"> • A contractor suggested resuming the no. of contractors to 6. • A contractor suggested that they should have an option to choose the participation on the individual work assignment.
3. Length of Contracts	<ul style="list-style-type: none"> • No specific views.
4. Categorisation of Human Resources	<p>A. For current arrangement</p> <ul style="list-style-type: none"> • A contractor suggested that staff providing development services and supporting services should be separated in different Staff Categories. • A contractor expressed that the current arrangement is fine. <p>B. For new initiatives such as EIM, Cloud Computing, SOA, and Mobile Computing</p> <ul style="list-style-type: none"> • A contractor expressed that the existing Staff Category cannot be covered. • A contractor expressed that this is the specific staff requirements stated on the work assignment brief. • A contractor expressed that the major functional roles and responsibilities should be enriched. • A contractor expressed that the Staff Function/Speciality is same as traditional. "App developer" is a new term, but also applicable for SA, AP and P, no need to add specific Staff Category.
5. Staff Turnover	<ul style="list-style-type: none"> • A contractor suggested setting up an on-time bonus for encouraging staff to stay in the team to avoid the project delay. • A contractor suggested setting up a staff minimum wages in SOA for next arrangement.

	<ul style="list-style-type: none"> • A contractor expressed that penalty of something like performance bond would discourage contractors to bid the work assignments.
6. Others	<ul style="list-style-type: none"> • Two contractors expressed that the restriction on holding and subsidiary companies should be kept. • A contractor suggested that General Technical Sub-score should be assigned to Contractor by Service Category-Group.
