

CONTROLLING OFFICER'S REPLY

SB502

(Question Serial No. 3347)

Head: (30) Correctional Services Department

Subhead (No. & title): ()

Programme: Not specified

Controlling Officer: Commissioner of Correctional Services (YAU Chi-chiu)

Director of Bureau: Not Specified

Question:

Regarding outsourcing of service in your department, please inform this Committee of the following in respect of the past 3 years:

1. the total number of outsourced service staff employed by your department and the percentage of outsourced service staff against the total number of staff with the same types of duties in your department;
2. the total expenditure on staff of your department; the total amount paid to outsourced service providers; and the percentage of amount paid to outsourced service providers against the total expenditure on staff of your department; and
3. the nature of your department's outsourced services and the duration of the relevant contracts.

In addition, according to the Government's guidelines for tendering of outsourced services revised last year, 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 regard, please inform this Committee of the following:

4. the current number of outsourced service contracts involving a large number of non-skilled workers awarded by your department since the implementation of the guidelines;
5. the departments which have adjusted their assessment criteria in respect of wage rates and working hours for the outsourced service contracts involving a large number of non-skilled workers in the light of the new guidelines since their implementation; how your department has made adjustment; and if no relevant information is available, the reasons for it;
6. whether there have been any rises in the average wage rates for workers in the contracts of outsourced services that rely heavily on deployment of non-skilled workers since the implementation of the guidelines; if so, the number of contracts with rises in wage rates; if no relevant information is available, the reasons for it;

7. your department's measures to evaluate the effectiveness of the new tendering guidelines;
8. whether your department is required to adopt the existing mechanism of two-envelope assessment of the technical and price aspects when evaluating tenders for contracts of outsourced service; if not, the number of contracts awarded without adopting the existing mechanism of two-envelope assessment of the technical and price aspects in the past 3 years;
9. the annual numbers of cases of government service contractors breaching the service contracts, the Employment Ordinance or the Occupational Safety and Health Ordinance as revealed by the inspections conducted by your department, and the annual numbers of complaints lodged by the outsourced service staff;
10. the details of follow-up actions on the aforementioned non-compliance and complaint cases; and
11. the number and details of cases involving contractors being punished for non-compliance or sustained complaints.

Asked by: Hon LEUNG Yiu-chung (Member Question No. 92)

Reply:

In the past 3 years, the number of staff employed by outsourced service providers of the Correctional Services Department (CSD) and its percentage against the number of staff with the same types of duties in the Department, the total expenditure on staff of the Department, the total amount paid to outsourced service providers and its percentage against the total expenditure on staff of the Department are as follows:

	2014-15	2015-16	2016-17 (As at 31 January)
Number of staff employed by outsourced service providers	106	115	121
Percentage of outsourced service staff against the number of staff with the same types of duties in the Department	There is no staff taking up the same type of duties in the Department		
(1) Cleansing and general security services			
(2) Information technology-related services	56%	53%	51%
Total expenditure on staff of the Department (\$ million)	2,618	2,717	2,343
Total amount paid to outsourced service providers (\$ million)	21.79	24.31	20.05
Percentage of the amount paid to outsourced service providers against the total expenditure on staff of the Department	0.83%	0.89%	0.86%

In the past 3 years, the types of outsourced services engaged by CSD and the contract duration are as follows:

Types of outsourced services	Contract duration
Cleansing services	varies from 6 to 36 months
General security services	varies from 12 to 24 months
Information technology-related services	varies from 6 to 24 months

Regarding the guidelines revised last year for tendering of outsourced services, CSD does not employ a large number of non-skilled workers through outsourcing.

It is stated in the Stores and Procurement Regulations that as a general rule, departments shall award contracts to tenderers who comply fully with the tender specifications, terms and conditions as specified and who are fully capable of undertaking the contracts and whose prices are the lowest tenders. In the past 3 years, CSD awarded 64 contracts following this principle.

In the past 3 years, the CSD did not find any breaches of the relevant contractual terms and ordinances by outsourced service contractors or receive any complaints from outsourced service staff.

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