

CONTROLLING OFFICER'S REPLY

FHB(FE)318

(Question Serial No. 4265)

Head: (49) Food and Environmental Hygiene Department
Subhead (No. & title): (-) Not Specified
Programme: (2) Environmental Hygiene and Related Services
Controlling Officer: Director of Food and Environmental Hygiene (Miss Vivian LAU)
Director of Bureau: Secretary for Food and Health

Question:

The Government has outsourced a large number of public cleansing services for direct delivery by contractors in recent years. In this connection, please advise this Committee on the following:

- (a) information about the outsourcing of various types of public cleansing services (including street sweeping and washing, collection of household waste and management of public cleansing facilities), as well as the manpower and expenditure involved;
- (b) details of the tendering criteria and mechanism for selecting contractors to provide the outsourced public cleansing services;
- (c) a brief description of the mechanism for monitoring contractors providing various types of outsourced public cleansing services and the related non-compliance; and
- (d) Last year, the Government amended its guidelines on the tendering of service contracts. When a service contract relies heavily on deployment of non-skilled workers and is assessed with a marking scheme, the relevant government department is required to include in its assessment criteria the evaluation of the tenderers' proposed wage rates and working hours for non-skilled workers during tender evaluation. Please advise on the estimated number of outsourced cleansing workers who will benefit from the amendment, and the increase in the average wage rate of the outsourced workers.

Asked by: Hon HO Chun-yin, Steven (Member Question No. 38)

Reply

The information sought is provided below -

(a)

Types of public cleansing services	Total no. of contracts (as at 31.12.2016)	Total no. of contractors' staff (as at 31.12.2016)	Total contract value HK\$ (Million) (as at 31.12.2016)
Street cleansing	30	6 973	1,950.3
Waste collection	18	323	1,010.3
Others ^(Note)	9	194	222.5

Note : Other public cleansing services include animal carcass collection services, cleansing and waste removal services for special sites/areas, desludging and mid-night conservancy services, mechanical gully cleansing services, mechanical street sweeping services, portable toilet service and recyclables collection services.

- (b) The Food and Environmental Hygiene Department (the Department) awards its public cleansing service contracts by open tender according to the procurement requirements and procedures of the Government. We evaluate the tenders using a marking scheme. Under the marking scheme, the relative weightings of technical score and price score are 30% and 70% respectively. The assessment is carried out in two phases. The first phase involves an assessment of the technical aspects of the tenders including whether the tenders have met mandatory technical requirements. The assessment criteria for technical score comprise the quality of the proposed implementation plans submitted by the tenderer, the proposed wage level and daily maximum working hours of the cleansing workers employed for executing the contract as well as the contractors' experience/performance track record for relevant government contracts. By established rules, the price proposed should not be looked at at this stage. The second phase involves assessing the prices of all tenders which have met the mandatory technical requirement. The tender with the highest overall score will be accepted by the Government.
- (c) The Department has put in place a contract management mechanism. The service requirements that must be met by the contractor are clearly set out in the contracts. The frontline contract management staff of the Department conducts daily site inspection at random to check the contractor's performance and confirm whether the services have been completed as scheduled in accordance with the contract requirements, and approved work plan including staff attendance. If the Department finds a contractor in breach of contract provisions, it will take appropriate actions including the issuance of verbal warnings, written warnings and default notices as well as withholding/deducting monthly payment of service charge.
- (d) As regards the revised guidelines promulgated by the Financial Services and the Treasury Bureau in 2016 requiring procuring departments to include in its assessment criteria the evaluation of the tenderers' proposed wage rates and working hours for non-skilled workers during tender evaluation, the Department has in fact already

included these criteria in the marking scheme for evaluating tenders involving non-skilled workers before the announcement of the revised guidelines. The average wages of non-skilled workers before and after the promulgation of the revised guidelines have no significant difference.

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