

**CONTROLLING OFFICER'S REPLY**

**FHB(FE)188**

**(Question Serial No. 2354)**

Head: (49) Food and Environmental Hygiene Department

Subhead (No. & title): (-) Not specified

Programme: (-) Not specified

Controlling Officer: Director of Food and Environmental Hygiene (Miss Vivian LAU)

Director of Bureau: Secretary for Food and Health

Question:

The Government amended its guidelines on the tendering of service contracts in 2016 so that when a service contract relies heavily on deployment of non-skilled workers and is assessed with a marking scheme, the procuring 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. In this connection, please advise this Committee of the following:

1. given that the current assessment criteria in the marking scheme include "wages", "working hours" and others, the details of "others" and the weighting of each of these items;
2. the number and the contract price of outsourced service contracts relying heavily on deployment of non-skilled workers which have been awarded by the Department each year since the implementation of the guidelines, as well as the number of outsourced non-skilled workers employed each year;
3. details of the adjustment of the assessment criteria regarding wage rates and working hours for outsourced service contracts relying heavily on deployment of non-skilled workers made by the Department in accordance with the new guidelines; if no relevant information is available, the reason(s);
4. since the implementation of the guidelines, whether there has been a rise in the average wage rate in respect of outsourced service contracts relying heavily on deployment of non-skilled workers; if yes, the percentage of the wage rise and the number of contracts involved; if no relevant information is available, the reason(s);
5. the measures taken by the Department to assess the effectiveness of the new tendering guidelines;

6. the number of cases in which the outsourced service contractors were found to have breached the service contracts, the Employment Ordinance, the Occupational Safety and Health Ordinance during inspections by the Department each year, as well as the number of complaints received from outsourced workers; and
7. further to the above question, details of the follow-up actions on the breaches and/or complaints, the number and details of cases in which the outsourced service contractors were penalised due to the breaches and/or the substantiation of the complaints against them.

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 38)

Reply:

1. The information sought is provided as follows –

Current assessment criteria in the marking scheme	Percentage range out of the total technical score
Wages	16.0% to 22.9%
Working hours	5.0% to 14.3%
Others <sup>Note</sup>	62.8% to 79.0%

Note: Including service execution plan, record of compliance with employment-related commitments, experience, past performance, and management accreditation.

2. In 2017-18, the information on outsourced service contracts relying heavily on deployment of non-skilled workers sought is provided as follows –

	2017-2018 (as at 31.12.2017)
No. of outsourced service contracts	130
Contract value	\$4,483.1 million
No. of non-skilled workers	10 667

- 3-5. The revised guidelines promulgated by the Government in 2016 require 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 if a marking scheme is adopted. The Food and Environmental Hygiene Department (FEHD) has adopted such criteria before announcement of the revised guidelines. The average wages of non-skilled workers immediately before and after the promulgation of the revised guidelines have no significant difference.
- 6-7. FEHD carries out regular and surprise inspections to check the contractor's performance and to confirm whether the services have been completed as scheduled in accordance with the contract requirements, approved work plans and staff attendance record. If non-compliance with contract requirement is found, FEHD will take appropriate actions including the issuance of verbal warnings, written warnings and default notices as well as deducting monthly payment of service charge.

Upon receipt of employment-related complaints and/or when irregularities were detected, FEHD would conduct audit and employment-related inspections to check the relevant documents, including Standard Employment Contracts, wage records, attendance records, etc. and to interview the contractors' staff concerned to see if there were any breaches of the contract requirements and/or the relevant labour legislation. Where appropriate, the cases would be referred to the Labour Department, Mandatory Provident Fund Schemes Authority, etc. for necessary follow-up actions. In 2017-18, 1 case of non-compliance with employment-related contract requirements was substantiated. It was detected during audit inspection by FEHD and related to exceeding the maximum daily working hours. 1 default notice was issued to the contractor concerned with deduction from relevant contract payment. In addition, 1 demerit point was registered. This record will be taken into account by the Government in tender evaluation of the contractor's future bids for all Government service contracts the performance of which will rely heavily on the deployment of non-skilled workers and may result in its tender not being considered.

In 2017-18, FEHD has received 15 complaints lodged by contractor staff. Upon investigation, all cases were not substantiated. In 2017-18, a total of about 1 200 default notices were issued to outsourced service contractors for default in performance under the service contracts.

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