

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Commercial Properties Committee

Performance Appraisal System for Carpark Operators and Property Management Agents

PURPOSE

To inform Members of the appraisal system currently in use for performance appraisal of carpark operators (Operators) and property management agents of shopping centres (PMAs) under privatisation schemes.

BACKGROUND

2. Under the existing practice, performance of Operators and PMAs are closely monitored by supervising Housing Managers who are required to conduct performance appraisal and to report the assessments on standard report forms using a point system similar to those widely used in the Department for performance evaluation of service contractors. Such a performance system has been adopted for appraisal on the performance of Operators since 1991 and extended to PMAs in 1995.

THE APPRAISAL SYSTEM

3. The performance appraisal system currently in use takes the form of quarterly reports. The appraising officer is required to check against the descriptive performance indicator in the appraisal report which best reflects the Operator/PMA's standard of performance and award points. In the event that the Operator/PMA scored less than 60 points during the appraisal period, subsequent monthly appraisal report is required until an acceptable standard is attained by the Operator/PMA. Different appraisal report forms were designed and adopted for Operators and PMAs to reflect variations in job descriptions. A copy each of the sample reports for Operators and PMAs are at **Annex A and B** respectively.

4. Listed below are some salient points embedded in the performance appraisal reports -

- a) Key aspects for performance appraisal are devised on a service-orientated approach after thorough job analysis on the primary duties required under the management contracts;
- b) Clear guidance on completion and standard of performance for each of the key aspects are clearly stated in the performance appraisal forms;
- c) Allowance is made in the appraisal report forms for comments and recommendations on further actions by senior officers of the Department; and
- d) Different weightings are allocated to different aspects of performance to reflect their relative importance contributing to the effective performance.

5. The key aspects identified for individual performance evaluation respectively for Operators and PMAs are outlined below for ease of reference -

<u>Carpark Operators</u>	<u>Maximum Points Awarded</u>
a) Control on estate roads and emergency vehicular accesses	25
b) Security	15
c) Provision of staff	10
d) Control at estate entrance and or loading/unloading bays	10
e) Control on covered/open car parks	10
f) Cleansing	10
g) Maintenance and repairs	10
h) Handling of complaints and compliance with contract agreement	10
Total	<hr/> 100

<u>Property Management Agents</u>	<u>Maximum Points Awarded</u>
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a) Cleansing	20
b) Maintenance and repairs	20
c) Obstruction and hawkers control	20
d) Other management functions like handling of complaints/enquiries/incidents, organising promotional activities & securing compliance with tenancy conditions etc.	20
e) Staff provision	5
f) Rent chasing	5
g) Revenue collection and accounting	5
h) Budget control	5
Total	<hr/> 100

6. The overall performance ranging from “Fail” to “Good” are determined in the following manner -

<u>Overall Assessment</u>	<u>Total Points Achieved</u>
Good	over 80
Satisfactory	70 - 79
Acceptable	60 - 69
Fail	below 60

IMPLEMENTATION

7. The appraisal system has been operating for some time and has been working smoothly. Such system is now widely accepted by Operators and PMAs as a means for performance measure. The system which employs a standard report form for all appraisees of the same trade is easy to understand and administer by departmental staff.

8. Besides, the system is open, fair and equitable to the Operators and PMAs who are regularly informed of the results of the performance appraisal. The system also serves as an effective mechanism to providing feedback on performance and acts as a motivational tool for improvement. **Annex C** indicates

the current scorings of existing Operators and PMAs, showing acceptance level of 87% in respect of both cases.

FUTURE DEVELOPMENT

9. Continuous effort will be made to enhance and fine tune the report forms in areas like weightings for key aspects of performance, presentation and standard of markings etc.

10. The Department is currently considering a proposal to modify existing tender selection system for Operators and PMAs to cope with the growing aspiration for quality services from carparks users and shoppers. In order to encourage better performance and to ensure quality services, the result of the performance appraisal reports will be taken into consideration in future in evaluating management proposals submitted by existing Operators and PMAs.

INFORMATION

11. This paper is issued for Members' information.

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Ref. : HD(H)CP6/60/158 II

Date : 23 June 1998

**Overall Assessment of Operators and PMAs
for the Period from May 97 to April 98**

Overall Assessment	<u>Good</u> (≥80)	<u>Satisfactory</u> (70 - 79)	<u>Acceptable</u> (60 - 69)	<u>Fail</u> (<60)
Operators	4%	51%	36%	9%
PMAs	13%	73%	14%	0%