THE HONG KONG HOUSING AUTHORITY

Memorandum for the Rental Housing Committee

Service Contracts

PURPOSE

To inform Members of the number of tenders approved for service contracts and actions taken in respect of list management of service contractors for the quarter ending December 1999.

NUMBER OF TENDERS APPROVED

2. A total of 78 tenders/extensions for cleansing and security contracts were approved during the last quarter as detailed at Annex A.

ACTIONS TAKEN ON SERVICE CONTRACTORS

3. In the last quarter, tender/appointment bar was imposed on four cleansing contractors and uplifted from two cleansing contractors. Detailed information is listed at Annex B.

INFORMATION

4. This paper is issued for Members’ information.

File Ref. : HD(H)S 2/14/14
Date : 25 January 2000
Actions Taken on Cleansing Contractors

October to December 1999

I. Registration/Deregistration

Nil

II. Upgrading/Downgrading

Nil

III. Imposition/Lifting of Tender/Appointment Bar

(I) Imposition of Tender/Appointment Bar on Service Contractors

<table>
<thead>
<tr>
<th>Type of Contractor</th>
<th>Name of Company</th>
<th>Debarring Period</th>
<th>Reason</th>
<th>Approving Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band I Cleansing Contractor</td>
<td>Lee Kwan Cleansing Services Co.</td>
<td>Bar from tendering 4 contracts</td>
<td>Breach of Employment Ordinance</td>
<td>ACSRC Paper No. 17/98</td>
</tr>
<tr>
<td></td>
<td>Sun Lee Cleansing Co. Ltd</td>
<td>Bar from tendering 12 contracts</td>
<td>Breach of Employment Ordinance</td>
<td>ACSRC Paper No. 17/98</td>
</tr>
<tr>
<td>Band IIA Cleansing Contractor</td>
<td>Hong Shing HK Cleansing Co.</td>
<td>Bar from tendering 16 contracts</td>
<td>Breach of Employment Ordinance</td>
<td>ACSRC Paper No. 17/98</td>
</tr>
</tbody>
</table>

(II) Lifting of Tender/Appointment Bar

<table>
<thead>
<tr>
<th>Type of Contractor</th>
<th>Name of Company</th>
<th>Reason</th>
<th>Approving Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band I Cleansing Contractor</td>
<td>Lee Kwan Cleansing Services Co.</td>
<td>Expiry for bar from tendering</td>
<td>ACSRC Paper No. 17/98</td>
</tr>
<tr>
<td></td>
<td>Sun Lee Cleansing Co. Ltd</td>
<td>Expiry for bar from tendering</td>
<td>ACSRC Paper No. 17/98</td>
</tr>
</tbody>
</table>
(Note: ACSRC stands for Approved Contractors Selection and Review Committee)
## Security Services

<table>
<thead>
<tr>
<th>Activities</th>
<th>Responsible Parties</th>
<th>Remarks for duties involved by 2 parties (Works taken up by Services Unit)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maintaining the list of approved security service contractors</strong></td>
<td>FAB</td>
<td>Services Unit</td>
</tr>
<tr>
<td>• Conducting biennial re-registration of contractors on the Approved List</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>• Conducting annual recruitment exercise</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>• Vetting applications based on criteria</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>• Assessing applications in re-registration (technical assessment)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>• Assessing applications in recruitment exercise (technical assessment)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>• Drafting presumption paper to ACSRC for endorsement and seeking approval from BD/M</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>• Maintaining the approved list</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>◊ keeping the approved list in order and updating the list according to the regulations of different systems, e.g. banding and capping limits, etc.</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>◊ collecting and compiling the results of security services contract from individual estates</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>◊ analysing the statistics on tender bids of the various contractors, recording the contract holders and making recommendations to remove inactive contractors</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>◊ preparing tender invitation list and sending the list to the estate staff whose security contract is on “estate-basis”</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>◊ preparing letters to contractors informing them of their existing workload and the no. of additional contracts they can hold</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>• Monitoring the listing status of the approved contractors according to the banding of contractors, capping limit on workload, tender bar review, annual workload growth of contractors, duplicate attendance, risk management system, etc.</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>◊ monitoring the penalty system on contractors in breach of Employment Ordinance</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>◊ updating records on numbers of tender bar to be imposed/uplifted on contractors</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Tendering

- • Bringing up security contracts due for tender ✓
- • Preparing procedure guidelines on award of security service contract ✓
on “estate-basis” for estate staff’s compliance

- Briefing the estate staff on the tendering procedure, providing guidelines and samples on the whole procedure to estate staff
- Drafting and preparing of tender documents
- Vetting tender documents and tender analysis
- Attending the Tender Selection Board
- Assessing tender proposal
- Co-ordinating and overseeing the selection of security service contractors according to the capping limits and the annual workload growth of the security service contractors
- Offering advice/assistance to estate staff
- Preparing the tender assessment report and papers seeking approval of award
- Prepare approval letter to successful tenderer and follow up refund of tender deposit
- Checking the surety bond certificate, public liability insurance policy and other relevant document
- Sealing the contract for estate
- Arranging standby contractors, including setting terms of employment, inviting and analysing quotations, seeking approval from SHM/SS and informing estate staff about the successful contractor
- Attending HDTB meeting

**Extension of Contract**

- Bringing up security contracts due for extension
- Prepare procedure guidelines on extension of security contracts on group and estate basis
- Briefing to estate staff and offering advice
- Vetting extension paper for seeking approval of extension
- Prepare HDTB paper for approval if contract sum is over $10 million
- Prepare approval letter
- Checking the surety bond certificate and insurance policy

**Performance Appraisal**

- Monitoring the Estate Return System
- Monitoring Point System Performance Appraisal from each estate through ISHM/manual reports

Providing the full set of tender documents to estate
Double vetting & checking tender documents & providing guidance to estate staff in completing tender analysis
Giving advice to estate staff
Supplying requisite information such as past performance records of each tenderer, current and comparable unit rates etc and give advice on appraising the workplan proposals of the tenderers
Monitoring the capping limit and workload growth of contractors and give guidance to estate staff is selecting contractors
Vetting the reports and ensuring correct procedure taken by estate staff in seeking approval
Assisting in counter-checking of documents
Assisting estate staff to check relevant documents and ensuring that the insurer is on the approved list
Double vetting papers and providing guidance to estate staff
Providing guidance in preparing the paper and advising the timing of paper submission
Assisting in counter-checking of documents
Assisting in checking the relevant documents and ensuring that the insurer is on the approved list
Overall monitoring contractors appraisal score for contract extension and tender award
• Drafting paper to ACSRC via AD for imposing tender bar to unsatisfactory contractors
• Analysing the performance of the contractors according to the returns made by the estate staff and taking follow-up action accordingly
• Conducting Performance Monitoring Meeting with contractors and local HMs

Administration
• Issuing guidelines to estate management staff vide Management Branch Instructions
• Issuing instructions of contractors
• Serving as members of ACSRC meeting
• Serving as Chairman/members/secretary in the Working Groups on monitoring contractor’s performance and the Working Groups on contractual duties of security contractors
• Contract administration
• Risk management - banding of contractors, annual risk assessment including management and financial review and arrangement of emergency support services
• Reviewing manning scale of security guard for various security system
• Developing new initiative

Variation/Adjustment in contract terms and conditions
• Controlling and approving variation of contract sum upon addition/deletion of guards
• For variation where the increases exceed 10% of the contract sum, prepare relevant paper for seeking approval

Supervision and monitoring
• Monitoring the existing group contracts
• Monitoring security guards’ performance, contractors’ supervision and consolidating local HM’s comment with a view to imposing appropriate penalty
• Conducting security guard attendance duplication check for two districts/contracts at the end of each month through Estate Return System and taking follow-up action on the finding
• Conducting random check on the contractors’ management reports & mobile checks reports
• Monitoring the change over of contractors upon expiry of security service contract
• Dealing with complaints and requests
• Maintaining a list of “Trained Guards” and sending the updated list to the relevant estate staff

Compiling individual estate’s report for group contracts before FAB taken up the job

Overall monitoring
Reminding contractors the necessary action in changeover and assisting estate staff when problem in changeover occurs

✓
✓
✓

✓
✓

✓
✓
✓

✓
✓
✓
• Vetting applications from security guards for registration onto the list of “Quality Guard” and preparing Quality Guard Certificates
• Sending the lists of “Trained Guards” and “Quality Guards” to estate staff for their verification on guards’ qualification before payment of monthly bills
• Removing the undesirable guard from the guard list due to poor performance
• Co-ordinating with each Region’s Mobil Operation Unit on core team checking on security guards
• Consolidating the summary of findings of each region’s MOU (Mobile Operation Unit) check on security guards’ attendance and performance
• Setting up a penalty system on breach of Employment Ordinance and liaison with the Labour Department for the details
• Overseeing the existing manning scale & ensuring it is complied with by HMs/Estate
• Arranging and monitoring the tender and procurement procedure of security equipment (e.g. electronic control equipment)
• Overseeing ordinance concerning security service and taking follow-up action for amendment of ordinance or new ordinance
• Keeping the Removed List of security guards in order
• Keeping the Posting Out List of security guards in order

Liaison and co-ordinating
• Liaison with local HMs relating to security service matters
• Arranging ad hoc security guard service
• Handling requests from estates for addition/deletion of security guards
• Attending District Board on need basis on subject relating to Security Contracts
• Serving as a member of Vocational Training Council Security Services Training Board and its various working parties (by HM/Guards)
• Vetting the training course contents submitted by training institutions and monitoring their standards
• Arranging seminar and briefing to contractors/estate staff including inviting guest speakers, preparation and presentation of speech, recording the proceeding and taking follow-up action on suggestions made in the forum
• Answering enquiries from other departments and compiling returns and statistics
• Assisting estate staff in the maintenance services of the security equipment, e.g. Electronic Patrol Monitoring System, etc.

Formulation of policy
• Formulation policy regarding the enhancement of security service in
public Rental Estates, contract administration/management and monitoring performance of contractors, splitting of group contracts to estate-basis contracts

• Formulating policy on risk management  
  ✔  ✔  Making recommendation to FAB relating to formulation of security policy on risk management

Checking of Nominal Wage Index

• Checking of the quarterly Nominal Wage Index for the Security and Detective Industry and Real Estate Maintenance Management Industry from Census & Statistics Department  
  ✔

• Calculating the % difference for each industry and their average index  
  ✔

• Preparing a reference table as an objective indicators for rates revision for extension of contracts  
  ✔

• Adjusting the minimum wages for Special Guards and Supervisors in accordance with the index  
  ✔

Organising campaign

• Organising the annual selection of Best Services Contractor Award Campaign including preparing the prize presentation ceremony  
  ✔  ✔  Estates to assist in collecting questionnaires from selected tenants. Services Unit is responsible for overall preparation and arrangement

Budgetting

• Confirming the Approved Budget from Finance Section/MB, and informing Computer Division to download the figures to computer  
  ✔

• Verifying and update contract information (e.g. contract rates) in computer  
  ✔

• Vetting budget returns, clarifying discrepancies and recommending allocation of funds to each cost centre of rental estates/THAs/Shopping Centres regarding security account  
  ✔

• Controlling and making budget for the Central Reserve of security service account and screening requests for funds to cover unforeseen expenses  
  ✔

• Controlling the budget of security service account, keeping an account of the Provision of fund for inflation and screening requests for fund to cover the expenses due to inflation  
  ✔

Business Plan and Progress Report

• Preparation of Business Plan and Progress Report  
  ✔
Functions performed by the Guards Team

Among the new initiatives taken up by the Guards Team, group security contracts expiring on or after 30.11.1998 are split into estate contracts and the responsibilities for awarding and extending contracts have been decentralized to the estate HMs. As at 1.1.2000, 19 groups and 65 estate-based contracts are in operation. Services Unit now takes up the role of providing guidelines, coaching/briefing/vetting of all documents, including the relevant manning scale and attending the tender selection boards for individual estates in addition to management of group contracts which will expire by 31.7.2001. Because of this mode of operation, the workload of the unit in award and extension of estate-based contracts has been multiplied.

2. The Unit has also to implement a number of new initiatives for enhancing the security service including the following:

   (i) developing an impartial, standardized and balanced assessment of the tenderer’s ability to take up a contract, a points system has been worked out for tender selection by estate HMs;
   (ii) incorporating improved contract condition to safeguard the interest of HKHA into contract upon new award and contract extension;
   (iii) monitoring contingency support service;
   (iv) monitoring the penalty system for breach of Employment Ordinance;
   (v) working out measure for tightening up supervision of security guards; and enhancing provision of high standard security service;
   (vi) restructuring of guard types to reflect their level of responsibilities;
   (vii) developing a tailor-made security guard retraining programme focusing on the specific job duties of guarding work in rental estates and maintaining a list of quality guards who complete the training course;
   (viii) banding of service contractors in accordance with their performance;
   (ix) recommending risk management including capping of workload of contractors and their progressive workload growth. When they reach a ‘trigger points’ of 35 security contracts, annual risk assessment will be conducted.

3. In addition to the above, Services Unit has spent great effort in controlling the estates’ guard requirement in accordance with the manning scale. We have to oversee the request of additional guards from estates and advise them to delete the guards which are over-provided. The variation of contract upon addition/deletion of guards are also monitored and taken up by Services Unit.

4. In fact, PMSO shared the view that the workload of the Unit has been increased because of the above change. Although some of the list management function have been transferred to FAB recently, the Services Unit is still overloaded.

5. Details of the security service functions performed by the Guards Team are listed below -