

## LCQ8: Outsourcing of estate management services of PRH estates

Following is a question by Hon Michael Tien and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 8):

Question:

Currently, the Hong Kong Housing Authority (HA) has outsourced the estate management of about 60 per cent of public rental housing (PRH) estates to property management companies (PMCs). Some residents of PRH estates have relayed that some new PRH estates, which are managed by PMCs, do not have a sufficient number of security guards on duty after a lapse of more than one year since the intake of residents, and that the security guards employed by such PMCs have not properly followed up complaints about strangers entering the estates to promote products from door to door, making them very worried about their personal safety. In this connection, will the Government inform this Council:

(1) regarding PMCs' failure to meet the manpower requirements and service standards for estate management stipulated in the service contracts, of the measures HA will take to render PMCs meeting the contractual requirements as soon as possible; and

(2) whether HA will review the existing mechanism for monitoring the performance of PMCs; if so, of the timetable; if not, the reasons for that?

Reply:

President,

My consolidated reply to the Hon Michael Tien's question is as follows:

It is stipulated in the contracts for property management services (PSCs) outsourced by Hong Kong Housing Authority (HA) that property services agents (PSAs) should properly discharge their property management duties. In order to assess their overall performance, HA carries out regular inspections and has established a scoring system under which estate staff, Estate Management Advisory Committees and randomly selected households from individual housing estates will assess the performance of their respective PSAs on a quarterly basis. The scores attained by PSAs will affect their contract extension and tender opportunities. HA will request those PSAs with unsatisfactory performance to make improvements. If there is no improvement, the PSAs with unsatisfactory performance will be subject to regulatory actions as decided by the Housing Department's Contractors Review Committee, which may include restriction or suspension from tendering, removal from HA's Lists of Contractors, etc.

HA will take corresponding follow-up actions against PSAs who fail to provide the necessary manpower required under the contracts, such as reducing the monthly service charges to those PSAs who fail to provide a sufficient number of security guards as required under the contracts, and reflecting the deficiency in their monthly performance assessment scores. HA will, where necessary, meet with the management of such PSAs, urging them to resolve the issues of manpower shortage and failure to meet the service requirements as soon as possible.

HA keeps in view the arrangements and monitoring mechanism related to outsourced property management services from time to time. The Government has recently completed a review on its outsourcing system, and has introduced new measures to strengthen the protection of non-skilled workers employed by Government service contractors in the aspects of reasonable remuneration and labour rights. HA has adopted the Government's enhanced measures. Regarding the tender evaluation mechanism for PSCs, HA has aligned with the Government's new measures and adjusted the technical weighting to 50 per cent. HA will also follow the Government's measures by adjusting the weighting of the wages of non-skilled workers in service contracts to 25 per cent of the total technical marks so as to encourage PSAs to offer more reasonable remuneration to their workers, and strengthen the regulatory requirements (Note 1) on occupational safety and health. We believe that these measures will help enhance the manpower arrangements and service quality of PSAs. HA will continue to keep under review its outsourcing arrangements, with a view to ensuring reasonable service quality.

Note 1: Under the current mechanism, a tenderer with a conviction record of any specified offences (i.e. those under the Employment Ordinance (Cap 57); the Employees' Compensation Ordinance (Cap 282); Section 17I(1), Section 38A(4) and Section 41 of the Immigration Ordinance (Cap 115); Section 89 of the Criminal Procedure Ordinance (Cap 221); and Section 7, 7A and 43E of the Mandatory Provident Fund Schemes Ordinance (Cap 485) ) will be debarred from tendering for HA's service contracts for a maximum of five years (counting from the date of conviction), and the service contractor will also be removed from the respective HA List. In line with the Government's new measures, HA will expand the list of such offences to cover those under the Occupational Safety and Health Ordinance (Cap 509) and the Factories and Industrial Undertakings Ordinance (Cap 59); and Section 7AA, Section 43B(3A) and Section 43BA(5) of the Mandatory Provident Fund Schemes Ordinance (Cap 485).