

## LCQ8: Provision of cleansing, security services etc. for Government

Following is a question by the Hon Shiu Ka-chun and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (April 22):

Question:

The Government has established a debarment mechanism and a demerit point system in respect of the government service contracts (excluding construction ones) that rely heavily on the engagement of non-skilled employees. Under the debarment mechanism, the tenders submitted by service contractors (contractors) will not be considered for a period of five years from the date on which the contractors are convicted of having contravened a specified ordinance relating to employment rights and benefits. Under the demerit point system, contractors may be given demerit points if they have failed to sign a Standard Employment Contract (SEC) with their employees or have breached the clauses in SEC in respect of wages, working hours and payment of wages by autopay. In addition, the Government may issue verbal warnings, written warnings and default notices to contractors who have breached the contracts, and may also withhold payment of monthly service charges or make deductions thereof. Regarding the provision of cleansing, security services etc. for the Government, will the Government inform this Council:

(1) of the respective numbers of service contracts expiring in the coming three years which were awarded by the Food and Environmental Hygiene Department (FEHD) and the Leisure and Cultural Services Department (LCSD), and set out the following relevant information by (a) type of service (i.e. cleansing or security) involved in the contracts and (b) District Council (DC) district: (i) names of contractors, (ii) service locations and details, (iii) contract values, (iv) number of non-skilled employees, (v) total amount of wages and (vi) expiry dates of the contracts;

(2) whether it knows, in respect of the non-skilled employees engaged by the cleansing and security service contractors of the FEHD and the LCSD respectively, their (i) monthly wage ranges, (ii) average working hours, (iii) average length of employment and (iv) age distribution, in each of the past three years (set out in a table);

(3) of the respective numbers of Workman II currently employed by the FEHD and the LCSD; among them, the respective (i) numbers, (ii) minimum pay points, (iii) maximum pay points and (iv) average weekly working hours of those who are required to carry out cleansing duties in public places, and whether they are entitled to the relevant travelling allowance and hardship allowance when they work under inclement weather;

(4) of the current number of refuse collection points (RCPs) under the FEHD,

and among such RCPs, the respective numbers of those provided with (i) individual rest rooms, (ii) changing rooms, (iii) water dispensers and (iv) mobile refuse compactors, with a tabulated breakdown by DC district;

(5) in respect of the current contracts for the provision of (a) property management, (b) cleansing and (c) security services respectively at public rental housing estates, of the following details: (i) effective dates, (ii) expiry dates, (iii) names of contractors, (iv) contract values, as well as the (v) numbers, (vi) total amounts of wages, (vii) monthly wage ranges, (viii) average working hours and (ix) age distribution of the non-skilled employees (set out in a table);

(6) of the following details of the punishments imposed by (a) the FEHD and (b) the LCSD on their cleansing service contractors in the past five years: (i) the respective numbers of verbal warnings, written warnings and default notices issued, (ii) the numbers of times for which deductions of the monthly service charges were made and the total amounts of money involved, and (iii) the numbers of times for which demerit points were awarded;

(7) of the respective numbers of cases for which (A) the FEHD and (B) the LCSD imposed punishments on their cleansing service contractors in each of the past five years for breaching (a) the clauses relating to the demerit point system and (b) other clauses in SEC, as well as the following details of such cases: (i) names of contractors, (ii) number of breaches, (iii) details of the breaches, (iv) the respective numbers of verbal warnings, written warnings and default notices issued, and (v) total amount of the monthly service charges deducted;

(8) of the current cumulative numbers of written warnings or default notices that the contractors of (i) the FEHD and (ii) the LCSD have received within a period from have breached those clauses in SEC which are unrelated to the demerit point system before deductions will be made to the monthly service charges paid to them and punishments will be imposed on them under the debarment mechanism;

(9) of the respective numbers of complaints received by (a) the FEHD and (b) the LCSD last year against their cleansing service contractors for having committed the following contraventions: (i) underpaying wages, (ii) defaulting on wage payments, (iii) failing to sign SEC, (iv) the number of working hours of the employees having exceeded the limits and (v) failing to make severance payments/long service payments; among each category of complaints, the numbers of those found substantiated, and the numbers of contractors punished as a result (with a breakdown by form of punishment); and

(10) whether the cleansing service contractors of (i) the FEHD and (ii) the LCSD are required under the service contracts to provide the non-skilled employees engaged by them with anti-epidemic items; if so, whether it knows the quantities of each type of anti-epidemic items (including face masks, gloves and sanitising items) given to each of such employees on average on each working day since the outbreak of the Coronavirus Disease 2019?

Reply:

President,

Having consulted the Home Affairs Bureau and the Transport and Housing Bureau, our reply to the various parts of the question raised by the Hon Shiu Ka-chun is as follows:

(1) Information of the cleansing and security service contracts of Government departments, including the names of contractors, service districts and details, values of the contracts and their expiry dates, have been uploaded to the website of the Government Logistics Department (GLD) ([pcms2.gld.gov.hk/iprod/#/home?lang-setting=en-US](http://pcms2.gld.gov.hk/iprod/#/home?lang-setting=en-US)) for reference of the public.

The total number of outsourced service contracts of the Food and Environmental Hygiene Department (FEHD) which will expire in 2020-21 to 2022-23 financial years is 118. Information about the cleansing service contracts is set out at Annex 1, and information about the security guard service contracts is set out at Annex 2.

There are 76 outsourced cleansing and security services contracts for facilities and venues under the management of the Leisure and Cultural Services Department (LCSD) which will expire in 2020-2022. Particulars of the relevant contracts can be found in the GLD website mentioned above. According to the information provided by the outsourced contractors of the LCSD, the estimated number of cleansing and security workers involved in the contracts which will expire in 2020-2022 are 6 280 and 3 687 respectively. Since the LCSD is not the employer of the outsourced workers and does not require the contractors to provide details of their employees, the LCSD does not have the details about the employment of outsourced workers such as information on the total amount of wages.

(2) The information about the staff employed by cleansing and security guard service contractors of the FEHD and the LCSD are set out in List 1 and List 2 at Annex 3 respectively.

(3) As at February 29, 2020, the FEHD employed 2 773 Workmen II. Among them, 2 000 Workmen II provided public cleansing services. At present, the minimum pay point of Workman II is Model Scale 1 Pay Scale Point 0 (\$13,730 per month) and the maximum pay point is Model Scale 1 Pay Scale Point 8 (\$16,175 per month). Their average working hours per week is about 45 hours. If Workmen II are required to work when a Black Rainstorm Warning Signal or a Tropical Cyclone Warning Signal No. 8 (or above) is in force, they are entitled to the Rainstorm Black Warning Allowance or Typhoon Allowance.

As at February 29, 2020, the total number of Workman II employed by the LCSD was 108. They are required to provide general support services such as dispatching documents, providing pantry/reception services, delivering stores items, distributing and posting up publicity materials, moving/setting up

furniture and facilities, and assisting in performing simple gardening work and cleansing duties in various offices and leisure and cultural venues. There is no Workman II post in the LCSD that is only required to perform cleansing duties. Workmen II are remunerated on the Model Scale 1 Pay Scale Points 0 – 8 (\$13,730 – \$16,175 per month). Their conditioned hours of service are 45 hours net per week, exclusive of meal breaks. They may claim travel allowance and hardship allowance subject to meeting the payment criteria under relevant civil service rules and regulations. In addition, they may claim Rainstorm Black Warning Allowance and Typhoon Allowance for performing duties under specific weather conditions, subject to meeting the payment criteria of respective allowances.

(4) There are 161 permanent off-street refuse collection points (RCPs) under the FEHD, among which 143 are managed by the FEHD's cleansing service contractors.

Generally speaking, RCPs with roll call points are provided with changing facilities but not separate rest rooms. If changing facilities are not available in some RCPs due to space restriction, contractors are allowed to provide, where feasible, temporary changing and storage facilities in the RCPs. As for the FEHD's newly constructed RCPs, changing and storage facilities are provided. Moreover, the FEHD would install filtration type water dispenser in the RCPs for the use of employees of the FEHD and contractors if the site is feasible to do so.

Under the service contracts signed between the FEHD and its contractors, it is stipulated that contractors shall comply with all legislation in relation to the execution of the contracts, including the Occupational Safety and Health Ordinance (Cap. 509) and its subsidiary regulations. Therefore, employers have to ensure, as far as reasonably practicable, their employees' safety and health at work, which includes the provision of sufficient drinking water for employees.

Mobile refuse compactors are provided by the FEHD in RCPs depending on operational needs and the site conditions.

The numbers of RCPs provided with changing facilities, drinking facilities and mobile refuse compactors managed by the FEHD's cleaning service contractors with a breakdown by 18 districts are set out at Annex 4.

(5) Details of the contracts for the provision of property management, cleansing and security guard services at public housing estates under the management of the Hong Kong Housing Authority are tabulated at Annex 5, Annex 6 and Annex 7 respectively.

(6) The number of verbal warnings, written warnings, default notices issued, cases of monthly service payments deduction, times of giving demerit points, as well as the amount of monthly service payments deducted in the past five financial years by the FEHD to its cleansing service contractors are set out at Annex 8.

(7) The number of cases in which the FEHD imposed punishments on its cleansing service contractors in the past five financial years for breaching contractual obligations relating to the demerit point system are set out at Annex 9. There was no information in respect of the FEHD imposing punishments on its cleansing service contractors in the past five financial years for breaching other clauses in the Standard Employment Contract (SEC).

The numbers of non-compliance notices issued by the LCSD to outsourced cleansing service contractors in the past five years are set out in Annex 10. The main reasons for issuing these types of non-compliance notices include contractors' failure to provide sufficient manpower or meet the required service standards as stipulated in the contract and outsourced workers' unsatisfactory attitudes or performance. The LCSD only keeps record of the number of deduction of monthly service fee notices issued; the information on the total amount of deductions involved is not available. As the names of contractors in breach of contractual obligations and details of the breaches involve information on individual companies, the LCSD is not at liberty to disclose such information.

(8) When the FEHD issues a default notice to its service contractor, the monthly service payment will be deducted immediately. While the number of written warnings or default notices issued to a contractor will not affect the contractor's eligibility for tendering, it may affect the contractor's chances of success in bidding for Government contracts.

In case the service contractors of the LCSD breach contractual obligations not related to the demerit point system (such as failure to provide sufficient manpower or meet the required service standards as stipulated in the contract, unsatisfactory attitudes or performance of outsourced workers, etc.), the LCSD will issue non-compliance notices, such as deduction of monthly service fee notices, written warnings or default notices as appropriate to the contractors under the contract terms and conditions. The number of breaches of contractual obligations is not the sole criterion adopted by the LCSD for issuance of non-compliance notices.

Besides, under the "debarment mechanism" of the government procurement policy, if a contractor violates any specified ordinance relating to employment rights and benefits, including any specified offence under the Employment Ordinance, Employees' Compensation Ordinance, Immigration Ordinance, Criminal Procedure Ordinance, Mandatory Provident Fund Schemes Ordinance, Occupational Safety and Health Ordinance and Factories and Industrial Undertakings Ordinance, its tender will not be considered by the Government for a period of five years from the date of conviction, no matter the conviction is related to government or private contracts or not and regardless of the types of services covered by the contract.

Apart from the above-mentioned penalties, if a contractor is in serious breach of contract terms and conditions or is convicted of violating any stipulations of the aforesaid ordinances, the LCSD may consider terminating the contract immediately according to the contract terms and conditions and removing the contractor from the LCSD's Supplier List.

(9) The number of complaints received by the FEHD in 2019-20 (as at February 29, 2020) against its cleansing service contractors about underpayment of wages, non-payment of wages, no signing of SEC, exceeding maximum working hours and failure to grant severance/long service payment, as well as details of these complaints are tabulated at Annex 11.

In 2019, the LCSD received one complaint case about statutory holiday pay against a cleansing service contractor. After investigation, the case was confirmed as unsubstantiated by the LCSD. The LCSD has not received any other complaints against its cleansing service contractors for breaching the above-mentioned requirements. Therefore, there is no case of defaulting cleansing service contractors led to being penalised or debarred from tendering.

(10) It is stipulated in the FEHD's service contracts concerned that contractors must abide by all relevant legislations in performance of service contracts, including the Occupational Safety and Health Ordinance (Cap. 509) and their subsidiary legislation. Contractors have the responsibility to ensure the occupational safety and health of their staff at work, including assessing the risks of employees working under various environments and taking appropriate precautionary measures, providing adequate and suitable personal protective clothing, equipment, safety training and suitable working arrangements, etc. In the light of the development of COVID-19 epidemic and the overall tight supply of face masks, the Government understands that outsourced cleansing service contractors have encountered difficulties in procuring face masks. To protect the health of frontline cleansing workers and maintain essential cleansing service, the Government has decided, as a contingency measure, to set aside the 700 000 additional face masks produced by the Correctional Services Department each month for distribution to frontline cleansing workers engaged under government outsourced contracts. The FEHD does not maintain any statistics on the types and quantity of protective items distributed daily to non-skilled workers employed by contractors.

The LCSD attaches great importance to the occupational safety and health arrangements for outsourced cleansing workers. It is stipulated in all cleansing service contracts that contractors should comply with the requirements of the Occupational Safety and Health Ordinance. The contract provisions also stipulate that contractors should provide their cleansing workers with adequate, effective and suitable personal protective equipment (such as surgical face masks, rubber gloves and other protective clothing) and safety training, and make appropriate work arrangements etc. to ensure their occupational safety and health. Since the quantity and types of personal protective equipment required for cleansing jobs vary according to the size of venues and the requirements and types of cleansing service, and the contractors are not required by the LCSD to record the information on the quantity and types of personal protective equipment distributed to cleansing workers in detail, figures on the average quantity of each type of personal protective equipment received by each outsourced worker on each working day are not available.