13 April 2012

Mr Daniel Lai, BBS, JP Government Chief Information Officer Commerce and Economic Development Bureau 19-20/F, West Wing, Central Government Offices 2 Tim Mei Avenue, Tamar Hong Kong

Dear Daniel,

Re: Consultation on the Standing Offer Agreement for Quality Professional Services 2

The Hong Kong General Chamber of Commerce would like to present our views in response to the consultation document of the Office of the Government Chief Information Officer ("OGCIO") on the Standing Offer Agreement for Quality Professional Services 2 ("SOA-QPS2").

The Digital Information and Telecommunications Committee of the Chamber has collected views from its members about SOA-QPS2, and we have two major comments. We are pleased to see that a new category on 'Independent Testing' is under serious consideration. Members feel that this new service category will encourage the development of a new batch of local IT companies and further enrich the eco-system. Therefore, we support the creation of a new Category 5 on 'Independent Testing' in QPS3.

One issue that the contractors under QPS2 have been raising with OGCIO consistently is the one on contractor's liability. Under SOA-QPS2, the Government is asking contractors to shoulder up unlimited liability. This causes hardship on contractors to manage their risks in projects. The Chamber supports the IT industry's proposal for the Government to come up with a formula to determine a project-specific liability cap to enable better risk management for contractors. We invite OGCIO to consider introducing a range of cap of liability of one to three times of the contract sum that will match the complexity of the projects under SOA to expedite the negotiation on work assignments.

Yours sincerely,

Shirley Yuen CEO

c.c. Mr Paul P K Pang, Senior Systems Manager, Office of the Government Chief Information Officer