



Government Procurement Principles & Open Tenders Procedures

**Government Logistics Department
5 May 2008**



Procurement Principle

- open & fair competition
- transparency
- value for money
- public accountability



Role of Government Logistics Department (GLD)

- Government's central purchasing agent
 - Contract administration for GLD contracts
- GLD remains the contracting party and variations to GLD contract require GLD's prior approval.



IT Purchases

- GLD is responsible for procurement of goods and related services tenders costing >HK\$1.3 million (e.g. IT products and related services, IT systems, Standing Offer Agreements for PC, Network and Server Products)
- Government Departments are responsible for procurement of services (e.g. IT services, ITPSA/QPS by OGCIO) and low value goods items



Government Procurement

- Open Tender is a norm for procurement for goods and general services >HK\$1.3 million
- Compliance with Government regulations and WTO GPA
- Acceptance of lowest conforming offer vs highest combined quality/price score



Tender Invitation

- notice to firms on the relevant supplier list of GLD
- HKSAR Government Gazette
- Local press
- GLD website
- Electronic Tendering System (ETS)
- Consulates and overseas trade commissions
- GLD headquarters
- District Offices



Adoption of Marking Scheme in tender evaluation

- Separate technical assessment from price assessment through two-envelope approach
- Standard quality to price weighting of 30-40% : 70-60%
- Assessment criteria depend on the nature of the item under acquisition and user requirements



Closing Date for Tender

- Public tenders: 4 weeks
- Public tenders covered by WTO GPA: 6 weeks
- Complicated IT tenders: 8 to 10 weeks



Time for Preparation of Demonstration

- normally 2-week notification will be given
- longer time may be allowed depending on
 - Project implementation schedule
 - complexity of demonstration requirements



Purchases on IT products and related services made by GLD

Year	(a) Value on IT products & related services (HK\$)	(b) Total value on all purchases (HK\$)	% of (a) in (b)	Rank
2007	1,332M	3,785M	35%	1st
2006	1,341M	3,816M	35%	1st
2005	1,036M	3,619M	29%	2nd



Useful Web-site

- **Guide to Procurement**

[<http://www.fstb.gov.hk/tb/eng/procurement/tender04.html>]

- **GLD Homepage** [<http://www.gld.gov.hk>]

- **ETS web-site** [www.ets.com.hk]

- Standard Tender Terms and General
Conditions of Contract**

- **Agreement on Government Procurement,
World Trade Organization**

[http://www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm]



Thank You!

