

**Consultancy on the
Conduct of a Pay Level Survey for the Civil Service
– Supplementary information**

Procedures for the selection of the Phase Two Consultant

The selection and appointment of the Phase Two Consultancy is conducted in accordance with the consultant selection procedures set out in the Stores and Procurement Regulations. The procedures involve a two-stage approval process. In the first stage, procuring departments invite expression of interest from a list of potential consulting firms/organisations. In the second stage, procuring departments invite proposals, including technical proposals prepared on the basis of the scope of work and other requirements as well as fee proposals, from the short-listed consulting firms/organisations.

Declaration of conflict of interest

2. In the invitation for proposals for the Phase Two Consultancy, it was stipulated that each consulting firms/organisations submitting proposals to the Government “shall disclose in their technical proposals any facts which may reasonably be considered to give rise to a situation where the financial interests of the consulting firm/organisation, or any one of the consulting firm/organisation’s permitted sub-contractors or any consulting team member, conflict or compete, or may conflict or compete, with the appointed consultant’s duties to the Government in the performance of the consultancy services”. This requirement is common in invitation for similar kinds of consultancy proposals issued by the Government.

3. An assessment on whether there is a conflict of interest must be based on facts and it hinges on the presence or otherwise of any financial interests of the consulting firm/organisation or members of its consulting team which conflict or compete with the Phase Two Consultancy. The involvement of a consulting firm/organisation in a survey of a similar nature in the past does not give rise to a conflict of interest with the Phase Two Consultancy unless there are financial interests arising from or in connection with that previous survey which conflict or compete with the duties under the Phase Two Consultancy.

4. Watson Wyatt Hong Kong Limited has written to confirm that its participation in the survey for the Hong Kong General Chamber of Commerce (HKGCC) in 2002/03 does not give rise to any situation where the financial interests of the company, or any one of its permitted contractors or any members of its consulting team conflict or compete, or may conflict or compete, with the duties under the Phase Two Consultancy which requires a disclosure in its technical proposal submitted to the Government. The company has further

confirmed that its involvement in the HKGCC survey or to any of its clients does not directly or indirectly bind or constrain in any manner its current or future conduct of similar surveys, including the one to be conducted for the Government, and that no products, services, results or advice arising from the HKGCC survey or from any of its other clients will be applied in the survey to be conducted for the Government.

5. In assessing the proposals submitted for the Phase Two Consultancy (including the proposal submitted by Watson Wyatt Hong Kong Limited), the assessment panel had taken fully into account the pre-determined assessment criteria¹. The participation of these consultancy firms in remuneration surveys in the past in the capacity of a consultant rendering survey services of essentially a technical nature to their clients is one of the factors which had been taken into consideration. Following assessment in accordance with the pre-determined assessment criteria (see Footnote 1), the proposal from Watson Wyatt Hong Kong Limited received the highest total technical/fee score. Recommendation was made in accordance with the established procedures for the Government's procurement of consultancy services for Watson Wyatt Hong Kong Limited to be appointed to undertake the Phase Two Consultancy. The recommendation was approved by the Central Consultants Selection Board. In view of staff side's concerns raised in the meeting of the Consultative Group on Civil Service Pay Adjustment Mechanism (Consultative Group), we have reviewed the consultant selection process for the Phase Two Consultancy. Having consulted the Department of Justice, we are satisfied that there is no valid reason to overturn the decision to appoint the Phase Two Consultant.

¹ The technical proposals received for the Phase Two Consultancy were assessed based on the following criteria as approved by the Central Consultants Selection Board and stipulated in the invitation for consultancy proposals:

- (a) the approach to be employed by the consulting firm/organisation in providing the consultancy service in terms of –
 - (i) its consistency with the Survey Methodology and its feasibility;
 - (ii) its compliance with, and the allocation of resources to meet, the timeframe for submitting the deliverables; and
 - (iii) the credibility of the survey approach;
- (b) the suitability of the consulting firm/organisation and its Consulting Team in terms of –
 - (i) their experience in, and knowledge of, human resource management matters in the Hong Kong civil service, including the work nature and job requirements of the civil service benchmark jobs;
 - (ii) their experience in, and knowledge of, human resource management matters in the private sector of the Hong Kong SAR, in particular the remuneration practices, pay models and systems as well as the ranking structures of organisations in different parts of the private sector; and
- (c) the quality of the consulting firm/organisation and its Consulting Team in terms of their experience and expertise in carrying out survey or research to collect pay data and information on remuneration practices of private sector companies or organisations in Hong Kong.

Measures to ensure credibility of the results of the pay level survey

6. We attach great importance to ensuring the credibility of the results of the pay level survey. To this end, we have adopted the following measures and procedures for the Phase Two Consultancy -

(a) ***Survey methodology***

The survey methodology adopted for the Phase Two Consultancy has been carefully devised following two years of intensive discussions with the staff side members of the Consultative Group and other staff representatives and further refined in the light of the feedback received during an extensive consultation. The Phase Two Consultant is specifically required to follow the finalised survey methodology in undertaking the field work of the pay level survey;

(b) ***Participation of staff and other parties***

We have tasked the Phase Two Consultant to closely involve various parties concerned, including the departmental management, grade management, the Steering Committee on Civil Service Pay Adjustment Mechanism (Steering Committee), the Consultative Group, staff unions/associations and holders of representative posts of civil service benchmark jobs, at different stages of the job inspection process that forms a crucial part of the survey field work; and

(c) ***Transparency***

We have tasked the Phase Two Consultant to take into account all views received during the course of the survey field work and if any views are not taken on board, to explain the reasons to the parties concerned. The Phase Two Consultant will also seek the views of the Steering Committee and the Consultative Group on the draft final report on the survey field work. The Phase Two Consultant is required to present the final report to the parties concerned including the Steering Committee and the Consultative Group.

Civil Service Bureau
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