

Trading Items	Selling Price per item	Information				
(a) General English textbooks, "Challenges" for S.1 to S.6	\$100	<ul style="list-style-type: none"> - The Textbook Selection Committee has selected the Australian General English textbooks, "Challenges" for S.1 to S.6 classes since the 2012/13 s.y. As the textbooks are not available at local bookstores, the school has to make direct bulk purchase from the publisher in Australia. It was considered not feasible to conduct quotation/ tendering exercise. - Sufficient sets of teachers' books were provided for free at purchase. - Information about the textbooks: <table border="1" data-bbox="616 523 1877 646" style="margin-left: 20px;"> <tr> <td style="padding: 2px;">Opening stock as at 1 September 2013: 100</td> <td style="padding: 2px;">bought at \$80@ for the 2012/13 s.y.</td> </tr> <tr> <td style="padding: 2px;">New stocks for the 2013/14 s.y.: 1,100</td> <td style="padding: 2px;">bought at \$100@</td> </tr> </table> - There was a 5% cash discount. As no profit should be made from the sale of textbook, all the cash discount received was contributed to funds of Parent Teacher Association (PTA) for its student scholarship. - The trading operation was approved by the SMC on 30 September 2012. 	Opening stock as at 1 September 2013: 100	bought at \$80@ for the 2012/13 s.y.	New stocks for the 2013/14 s.y.: 1,100	bought at \$100@
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(b) School uniform	As per price list from suppliers	<ul style="list-style-type: none"> - Procurement exercise was not conducted. Since the 2010/11 school year, parents have been asked to make direct purchase of school uniform from a specified list of shops in the school's vicinity. - The arrangement was approved by the SMC on 30 September 2010. 				
(c) Tuckshop	As per price list from tuckshop operator	<ul style="list-style-type: none"> - The tuckshop is operated by volunteers from PTA which provides a wide variety of healthy snacks and drinks for students and teachers. - Although the PTA does not make any profits from operating the tuckshop, any surplus from the tuckshop operation will be contributed to the PTA student scholarship. - There is no separate meter for electricity for the two vending machines operated by the tuckshop, which were installed by the school many years ago. 				
(d) Lunch boxes	\$20	<ul style="list-style-type: none"> - The school sponsoring body has delegated its subsidiary caterer to provide lunch boxes to all its associated schools for better control on price and quality. - Every day, the caterer sells around 800 lunch boxes for students and provides 50 free lunch boxes for food tasting by parents and teachers. It also sponsors \$100 per class for their Christmas parties annually. 				

Note: Parents were informed of the above arrangements for trading operations in the 2013/14 s.y. through a school notice issued on 28 June 2013.

Fundamental Principles

2. When a school operates or permits to operate on the school premises, or enters into with any person directly or indirectly (e.g. trading undertakings arranged by the parent-teacher associations (PTAs) / school sponsoring bodies (SSBs) on behalf of the schools), any trading operations, it should observe the following principles:

- No purchase or acceptance of paid services should be compulsory.
- As a rule, schools should not solicit or accept donations or advantages in any form from trading operators/suppliers.
- Acceptance of donations or advantages from the trading operators/suppliers should be considered only in very exceptional circumstances with justification of compelling reasons and should be approved by school management committees (SMCs) / incorporated management committees (IMCs).
- The profits/net income arising from trading operations should be applied for the purposes of directly benefiting the students of the schools as stipulated in the regulations 99A(3) and 99B(2) of the Education Regulations. Non-compliance of the regulations may lead to prosecution.
- Profits/net income arising from trading operations should not be transferred to the respective PTAs or SSBs.
- Schools should select the trading operators/suppliers through competitive tender/quotation exercises at regular intervals, preferably not exceeding three years.

Administrative arrangements

3. Schools should note the following arrangements in handling trading operations:

Communication with Parents

- Parents should be informed that purchase or acceptance of paid services is voluntary.
- Parents should be informed properly of the prices of the goods/services provided by the trading operators/suppliers.
- An adequate description of the items for sale and paid services provided should be given so that parents/students can exercise discretion as to whether to acquire these items/paid services elsewhere or not. If items are made up in packages, each item should be made available for sale separately at reasonable times throughout the year with individual prices clearly shown.
- Schools should not allow the choice of trading operators/suppliers/publishers to be in any way influenced by a donation or any other form of advantages. Should SMCs/IMCs approve the acceptance of such donations or advantages with compelling reasons, parents should be properly notified.

Conflict of Interest

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Acceptance of Donations

- Schools should observe the general principles/provisions on acceptance of advantages and donations set out in the prevailing circular on Acceptance of Advantages and Donations by Schools and their Staff and the circular memorandum on Notes on Selection of Textbooks and Learning Materials for Use in Schools.
- Schools should not allow the choice of trading operators/suppliers/publishers to be in any way influenced by a donation or any other form of advantages.
- Any benefits contributed by trading operators/suppliers, if any, would rather go to students direct, e.g. in the form of greater discount in prices. Only in exceptional circumstances, where there are compelling reasons to do so, may SMCs/IMCs consider to accept and approve such donations or advantages. For example, based on the economic background of the students, schools have to implement plans/projects (such as purchase of computers or musical instruments for loan to students-in-need) to assist those needy students in enhancing their learning.
- The acceptance should be fully justified, documented and approved by the SMCs/IMCs. Adverse factors such as actual or perceived causing danger of being obliged to the donors or the cost of donations ultimately borne by parents must be duly considered.

Donation Register

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Quotation/Tendering Exercises

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Accounting Records

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Trading Operations Arranged/Undertaken by PTAs and SSBs

- PTAs or SSBs are required to observe the principles and arrangements as set out in the prevailing circular on Trading Operations in Schools should they be delegated by the SMCs or IMCs to make arrangements for trading operations in the schools; and any profits/net income arising from such trading operations should be credited into school accounts and applied for any purposes directly benefiting the students of the schools.
- Before delegations take place, prior approval should be obtained from SMCs/IMCs and such records should be properly documented. SMCs/IMCs have the obligation to ensure their compliance (especially those concerning tendering/quotation exercise and the use of profits/net income arising from the trading operations). In this connection, SMCs/IMCs should obtain relevant records from PTAs/SSBs for proper documentation purposes.
- If PTAs or SSBs wish to undertake trading operations in the schools, they should be treated as one of the bidders and subject to competitive bidding and the same selection procedures applicable to other bidders. Under such circumstances, the tendering procedures should be conducted by schools.

Prevention of Bribery

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Setting Up of Committee(s) to Monitor Trading Operations

4. Schools are strongly advised to form Monitoring Committee(s) on Trading Operations to monitor and steer various types of trading operations.

Recommended Composition

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Duties

5. Duties of the Monitoring Committee(s) on Trading Operations should include the following -

- (a) To adopt an open, fair and competitive system in the selection of trading operators/suppliers by calling for written/verbal quotations or tenders, as appropriate, following the provisions stipulated in the prevailing circular on Tendering and Purchasing Procedures in Aided Schools (the procurement of services from the social enterprises set up by non-governmental organizations should also follow the proper tendering and procurement procedures as stipulated in the circular);
- (b) To maintain security and confidentiality of the tender/quotation exercises to prevent abuse;
- (c) To conduct quotation/tender exercises to compare prices and quality of goods/services and reliability at appropriate intervals, preferably not exceeding three years, or before renewal of a contract as appropriate;
- (d) To ensure that there is a maximum term, preferably not exceeding three years, for each contract;
- (e) To have all selection exercises properly documented;
- (f) To ensure all donations or advantages accepted (i.e. those contributed by any trading operators/suppliers of the schools) and the related information (e.g. reasons for acceptance and subsequent disposal) are properly recorded in a register;
- (g) To consider and approve price revision proposals made by the trading operators/suppliers;
- (h) To review regularly the types of goods/services provided by the trading operators/suppliers and check their quality;
- (i) To consider suggestions from the school and parents on trading operations;
- (j) To hold regular meetings^{Note} to review issues relating to trading operations and to keep proper record of these meetings, including the resolutions made, for future reference;
- (k) To investigate into complaints about trading operations, and to take appropriate action, if necessary; and
- (l) To ensure that there is no acceptance of the contractor sub-contracting services/purchases to a third party.

^{Note} School Head(s) may be invited to attend committee meetings. If required, the trading operators/suppliers should attend committee meetings to answer queries.

Specific principles/arrangements

Schools should make reference to the following specific principles/arrangements in respect of different trading operations:

1. Sale of Textbooks, School Magazines and Other Publications

- 1.1 Schools should closely observe the prevailing circular memorandum on Notes on Selection of Textbooks and Learning Materials for Use in Schools and set up subject/key learning area textbook committees to select textbooks for use by students. Schools should note, in particular, the provisions laid down on donation by textbook publishers and consideration of consumer rights and economic burden of parents/students of the aforesaid circular memorandum.
- 1.2 Before allowing any sale of textbooks on their premises as a form of convenience to parents/students or for the benefit of special discount for parents/students, schools should obtain written permission from their school management committees (SMCs)/ incorporated management committees (IMCs). Schools should consider, where practicable, recommending two or three booksellers/textbook suppliers and allowing them to set up stalls on the school premises so as to give parents/students a wider range of choices. Parents/students should also be fully informed of the option of not buying from the school/the recommended booksellers/suppliers.
- 1.3 For sale of textbooks, the Education Bureau holds the stand that financial burden upon parents should be reduced whenever possible, and profit generated from sale of textbooks SHOULD NOT be allowed.
- 1.4 While we understand that some schools may not be able to implement this no-profit policy immediately, they should **stop** such an arrangement **when the earliest opportunity arises**, e.g. as from the commencement of the next contract signed with the successful tenderer. In the interim, any discount or block sum of money received from a bookseller/textbook supplier by a school should not in any case exceed the percentage of rebate it previously obtained.
- 1.5 Parents and students should be informed in advance of the discount or block sum of money received by the school and the discount passed onto students, and that any difference or sum of money received will be used for the benefit of students later, preferably within the same school year.
- 1.6 The discount or block sum of money received from a bookseller/textbook supplier through sale of textbooks should either be passed onto students immediately or entered into the “Sales of Textbooks” account to be used later for the benefit of students. The year-end balance of the account should be carried forward to the following year. Also, the “Sales of Textbooks” account should be available to parents and the public upon request, or put on the Internet.
- 1.7 Schools may encourage students to purchase school magazines and other publications. However, all purchases should be entirely voluntary.

2. Sale of Exercise Books, Stationery and Other School Accessories
3. Sale of School Uniforms, Physical Education Kits, Badges and Ties
4. Provision of Lunch Boxes
5. Provision of School Bus Service
6. Operation of School Tuckshop
 - 6.1 Schools may run tuckshops. The operation of tuckshops is regarded as providing a service to students.
 - 6.2 No cooking is allowed on the school premises, except in specifically designed and constructed kitchens approved by the Director of Fire Services.
 - 6.3 To monitor the operation of the school tuckshop, an independent School Tuckshop Committee may be set up, or the work be taken up by the Monitoring Committee on Trading Operations. In addition to the duties covered under the Guidelines on Conducting Trading Operations at http://www.edb.gov.hk/FileManager/EN/Content_1977/guidelines-e.pdf, the Committee should perform the following duties to ensure that school tuckshop is efficiently operated in the interests of students -
 - (a) In determining the award of tender for tuckshop operation, schools should pay due regard to the prices of items sold in addition to the amount of rental payable.
 - (b) A separate electricity meter must be installed by the tuckshop operator, who is responsible for the electricity charges. For aided schools, any reimbursement of electricity or water charges should be credited to the School and Class Grant Account (SMC schools) or the Expanded Operating Expenses Block Grant Account (IMC schools).
 - (c) The tuckshop operator should be responsible for the rates and the government rent in respect of the tuckshop area. The school should include such term in its contract/agreement with the tuckshop operator. In this connection, the school will not be eligible for any refund of the rates and the government rent for the area of the school tuckshop. Regarding the apportionment of rates and government rent for the tuckshop area, schools should seek advice direct from the Rating and Valuation Department.
 - (d) To decide on the items of food (to be) sold to students in the school tuckshop, including the choice on the supply of drinks, with reference to the hygienic condition and the nutritional value of the items (to be) sold, and to check the standards of these items;
 - (e) To review, at regular intervals, the prices of items sold at the school tuckshop and to ensure that prices are reasonable and will not be above market prices;
 - (f) To make sure that the price list for all items sold at the school tuckshop is displayed at a prominent place at the tuckshop; and
 - (g) To carry out surprise inspections of the tuckshop to ensure that the resolutions made at committee meetings are observed.