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**LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE AND
LEGISLATIVE COUNCIL PANEL ON PLANNING, LANDS & WORKS
INFORMATION NOTE**

RE-ENGINEERING OF ARCHITECTURAL SERVICES DEPARTMENT

Purpose

This note informs Members of Government's decision to re-engineer the Architectural Services Department (ArchSD).

New Strategic Role of ArchSD

2. As an on-going exercise, the Government has been exploring ways to enhance the quality of its services and efficiency in their delivery. Following a recent business review of ArchSD, the Government has decided that the Department should now focus on the following strategic roles –

- (a) it will strengthen its professional role as Government's corporate adviser on policies and technical issues related to public buildings, and as building authority for and steward of government buildings;
- (b) it will expand its role in working with the industry to improve the design and maintenance of buildings and in promoting

higher standards in construction, site management and safety;
and

- (c) ArchSD will concentrate more on the project management and supervisory functions in delivering and maintaining public building projects.

Outsourcing

3. In order to allow ArchSD to adopt the new strategic roles and meet the new challenges, the bulk of the building and maintenance works currently undertaken by the Department will be outsourced to the private sector which has the necessary expertise and delivery capacity.

4. ArchSD is set to achieve the following outsourcing targets –

- (a) to outsource up to 90% of all new projects approved in September 2001 and onwards, including both the professional and technical services. The remaining 10% to be handled in-house is the minimum required for emergency projects, and for retaining expertise and staff training purposes; and
- (b) to outsource and devolve responsibility for up to 80% to 100% of a range of maintenance works upon satisfactory transitional arrangements being agreed with user departments and organizations.

5. ArchSD will ensure that this outsourcing initiative will not in any way undermine the standard and quality of building and maintenance works as it will continue to provide advice as well as oversee and upkeep the overall standard of works. ArchSD will also work closely with users (including subvented non-government organizations and schools) in drawing up detailed implementation plans for devolution of maintenance responsibilities. It will also provide necessary support and guidance to users to facilitate smooth transition.

Benefits of Re-engineering and Outsourcing

6. The above-mentioned package of re-engineering and outsourcing initiatives of ArchSD will bring about the following benefits –

Re-engineering

- (a) it reaffirms the strategic roles of the Department as the building authority for and steward of government buildings and Government's corporate professional adviser;
- (b) the Department can focus more on raising the professional standards and promoting best practice in the design for buildings and work towards leading the local construction industry in improving its quality and standards in construction, site management and safety.

Outsourcing

- (c) by harnessing the resources in the private sector for delivering public building projects and maintenance works, it will enhance the partnership between the public and the private sectors to the benefit of both;
- (d) it will enhance professionalism in the fields and promote better use of resources and expertise in both the public and private sectors;
- (e) it will help to create more jobs in the private sector; and
- (f) it will enhance the productivity of ArchSD in its service delivery. With improved productivity, the Department will be able to deliver a more robust and larger building programme while maintaining a smaller overall establishment.

Arrangement for Staff

7. As a result of the expanded programme of minor works scheduled for completion in the next two years the surplus staff arising from outsourcing in these two years will be absorbed internally. Beyond this time frame and as more projects and works are outsourced, there will, eventually, be some surplus staff in ArchSD. The Administration will work out the appropriate arrangements to deal with the matter but has undertaken that this package of re-

engineering and outsourcing initiatives will not lead to any forced redundancy of staff. The Administration looks to the staff for their full support and cooperation to make these initiatives a success.

8. ArchSD will fully consult staff and take necessary action to prepare them for the new and challenging roles. An inter-departmental working group has been set up to work out the detailed staffing arrangements and related matters, which include staff transfers, redeployment, retraining and implementation time table and plans etc.

The Way Forward

9. The staff associations in ArchSD have also been briefed by the management on these plans and formal staff consultation will commence momentarily.

Works Bureau

25 January 2002