

香港特別行政區政府
保安局

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The Government of
Hong Kong Special Administrative Region
Security Bureau

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27 May 2021

Ms Wendy JAN
Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms JAN,

Public Accounts Committee
Consideration of Chapter 1 of the Director of Audit's Report No. 76

Management of birth, death and marriage registrations

I refer to your letter of 18 May 2021 asking for written response of the Security Bureau (“SB”) on various issues relating to the implementation of the Next Generation Application and Investigation Easy Systems (“APPLIES-2”) as identified in the captioned Director of Audit’s Report (“the Audit’s Report”). Our written response is set out below to facilitate consideration of the matters by the members of the Public Accounts Committee.

The existing Application and Investigation Easy System (“APPLIES”) supports a wide range of the services of the Immigration Department (“ImmD”), including -

- (a) processing of visa and permit applications of visitors or Hong Kong residents;
- (b) provision of practical assistance to Hong Kong residents in distress outside Hong Kong;
- (c) processing of birth, death and marriage registrations;
- (d) assessment of right of abode applications; and
- (e) processing of enforcement and investigation cases in relation to those immigration offenders, removees, deportees, etc..

The APPLIES was implemented by phases from 2007 to 2008. The current maintenance contract of the APPLIES will expire in February 2022. The implementation of the APPLIES-2 is to address the obsolescence of hardware and software of the existing APPLIES and to cater for new business needs.

In May 2018, the Legislative Council Finance Committee approved the funding provision of \$453 million for the implementation of the APPLIES-2. In June 2018, the Government Logistics Department issued an open tender on behalf of ImmD to procure two main contracts for the supply and installation of APPLIES-2, and the provision of on-going system support and maintenance services. The tender was closed in August 2018 with eight offers received. During the tender evaluation stage, ImmD had taken a longer-than-expected time in clarifying with tenderers on issues relating to the tender proposals and investigating into allegations in anonymous complaints against the tenderers so as to ensure an open and fair assessment process. The two contracts were respectively awarded to two contractors in November 2019, about one year later than the targeted contract award timeline (i.e. the fourth quarter of 2018).

Taking into consideration of the abovementioned circumstances, the Project Steering Committee endorsed in April 2020 to adopt a “two-phase approach” to ensure a smooth transition from APPLIES to APPLIES-2 without the need to further extend the current maintenance service before the expiry of APPLIES’s maintenance contract in February 2022. In Phase 1, all existing functions of APPLIES would be rolled out by December 2021, which is in line with the original timetable (i.e. the fourth quarter of 2021). As the existing functions of APPLIES would be rolled out before the expiry of the maintenance contract in February 2022, no extra cost/loss would be incurred. In Phase 2, the roll-out of the new functions of APPLIES-2 would be adjusted from the second quarter of 2022 originally to October 2022. At present, the development of the APPLIES-2 is in good progress according to the scheduled timetable. No major risk or issue concerning the project has been identified by ImmD.

With regard to the spending position of the APPLIES-2, apart from the awarded main contracts, more planned procurements for hardware, software and services will be arranged for the full implementation of the APPLIES-2. In addition to the cashflow requirement of \$372 million mentioned in the Audit’s Report, ImmD had completed the latest market researches for the procurement of new system for the 24-hour “1868” hotline of the Assistance to Hong Kong Residents Unit, peripheral devices, anti-virus and application software, etc. in March 2021. The estimated costs of all the upcoming

procurements (together with the contingency provision) sum up to around \$80 million. Subject to the actual amount of the contract sum, ImmD does not foresee any significant underspending of the approved project fund (i.e. \$453 million).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Parson LAM', written in a cursive style.

(Parson LAM)
for Secretary for Security

c.c.
Director of Immigration
Secretary for Financial Services and the Treasury
Director of Audit