

# 立法會 *Legislative Council*

LC Paper No. CB(1)297/10-11(04)

Ref. : CB1/PL/ITB

## **Panel on Information Technology and Broadcasting**

**Meeting on 8 November 2010**

### **Background brief on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems**

#### **Purpose**

This paper summarizes previous discussions by the Panel on Information Technology and Broadcasting (the Panel) on the funding requirements for 2009-2010 and 2010-2011 for the implementation of computerization projects under the Capital Works Reserve Fund (CWRP) Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems.

#### **Background**

2. CWRP Head 710 Computerization is the Head of Expenditure used for funding administrative computer systems, consultancies for feasibility studies and systems development. These projects serve to deliver the strategic outcome of the action area "Enabling the next generation of public services" under the Digital 21 Strategy. The projects can be broadly classified as projects each costing above \$10 million<sup>1</sup>, projects each costing above \$150,000 but not exceeding \$10 million, and projects each costing \$150,000 or below<sup>2</sup>.

3. Projects each costing above \$150,000 but not exceeding \$10 million are funded through a block allocation under CWRP Head 710 Subhead A007GX (the block allocation). The Financial Secretary has delegated to the Government Chief

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<sup>1</sup> These projects are subject to the approval of the Finance Committee and to be funded under separate subheads of Head 710.

<sup>2</sup> These projects are approved by individual bureaux/departments and funded through their respective operational expenses subheads under the General Revenue Account.

Information Officer (GCIO) the power to approve projects and authorize expenditure under the block allocation. Projects funded this way are normally called block vote projects. The block allocation for a given financial year will fund the estimated cash flow requirements arising from block vote projects proposed by bureaux/departments and approved or to-be approved by GCIO. Each year, the Office of the Government Chief Information Officer estimates the funding requirements for the block allocation in the following financial year by taking into consideration the cash flow requirements of approved block vote projects, new proposals submitted by bureaux/departments and anticipated new projects for various E-Government initiatives to be submitted, as well as the spending position of the block allocation.

### **Discussions at the Panel on Information Technology and Broadcasting**

4. At the Panel meetings on 20 November 2008 and 9 November 2009, members discussed the funding requirements proposed under the block allocation for 2009-2010 and 2010-2011 respectively. Members supported in principle the funding proposals for consideration by the Public Works Subcommittee.

5. Panel members noted that in the past, most of the Government IT projects were awarded to large IT service providers and suppliers. They urged the Administration to consider sub-dividing the projects into smaller items so as to provide more opportunities for small and medium sized enterprises (SMEs) in the IT sector to bid for the contracts.

6. The Administration advised that the Government procurement policy and the award of contracts were subject to the World Trade Organization (WTO) Agreement on Government Procurement and the tendering requirements of individual project. Where the existing procurement and manpower policies so permitted, the Administration would seek to facilitate participation of local SMEs in the projects. A number of contracts awarded to large companies in the past did in turn involve SMEs as sub-contractors. At the Panel's request, the Administration will continue to explore room for flexibility and provide an update on the progress made in providing more business opportunities for local SMEs in the IT sector under the overall Government procurement policy and the WTO Agreement, when there is new development.

7. The Panel noted that to enhance transparency and encourage private sector participation, information on all approved and proposed IT projects had been published on the Digital 21 Strategy website for public viewing since May 2009. However, some Panel members pointed out that only information including a list of project titles and the responsible departments were available in the website. They urged the Administration to consider publishing tender-related statistics and information on the website so that interested SMEs could have a better understanding of the projects concerned and be in a better position to bid for the projects during the tender exercise. Having considered members' view, the

Administration subsequently published the tender-related information on the website starting from mid-August 2010.

8. The Panel also noted that while some bureaux and departments were more advanced in the process of computerization and automation, some were slow in IT development and in the adoption of e-business solutions. Panel members urged the Administration to step up its efforts in drawing up comprehensive and integrated strategies, and putting in place measures to promote and assist those bureaux and departments that were relatively slow in automation and computerization to catch up on E-Government initiatives. Some members also urged the Administration to set a target date for all payments to the Government and applications for licences to be made available online.

### **Latest position**

9. The Administration will brief the Panel on 8 November 2010 the funding requirement for 2011-2012 for the implementation of computerization projects under the block allocation.

### **Relevant papers**

Information paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 20 November 2008

<http://www.legco.gov.hk/yr08-09/english/panels/itb/papers/itb1120cb1-202-12-e.pdf>

<http://www.legco.gov.hk/yr08-09/english/panels/itb/papers/itb1120cb1-328-1-e.pdf>

Minutes of Information Technology and Broadcasting Panel meeting on 20 November 2008

<http://www.legco.gov.hk/yr08-09/english/panels/itb/minutes/itb20081120.pdf>

Information paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 9 November 2009

<http://www.legco.gov.hk/yr09-10/english/panels/itb/papers/itb1109cb1-240-3-e.pdf>

<http://www.legco.gov.hk/yr09-10/english/panels/itb/papers/itb1109cb1-1049-1-e.pdf>

Minutes of Information Technology and Broadcasting Panel meeting on 9 November 2009

<http://www.legco.gov.hk/yr09-10/english/panels/itb/minutes/itb20091109.pdf>