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Panel on Information Technology and Broadcasting

Special meeting on 20 October 2011

**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 2010-2011 and 2011-2012 for the implementation of computerization projects under the Capital Works Reserve Fund (CWRF) Head 710 Computerization Subhead A007GX (Block Allocation) – New administrative computer systems.

Background

2.   CWRF 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[1], projects each costing above $150,000 but not exceeding $10 million, and projects each costing $150,000 or below[2].

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[1]   These projects are subject to the approval of the Finance Committee (FC) and to be funded under separate subheads of Head 710.

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

3.   Projects each costing above $150,000 but not exceeding $10 million are funded through a block allocation under CWRF Head 710 Subhead A007GX (the block allocation). The Financial Secretary has delegated to the Government Chief 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 9 November 2009 and 8 November 2010, members discussed the funding requirements proposed under the block allocation for 2010-2011 and 2011-2012 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. The Administration subsequently advised that it would 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 was 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 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 when tender was conducted. Having considered members' view, the Administration subsequently published the tender-related information on the website starting from mid-August 2010.

8.	At the Panel meeting on 8 November 2010, members noted that projects costing above $10 million each were subject to the specific approval of FC, while authority to approve projects costing above $150,000 but not exceeding $10 million under the block allocation had been delegated to the GCIO. Noting that there was a total of 543 projects under the proposed block allocation in 2011-2012, some members expressed concern whether the cost of each project had been kept below the $10 million threshold to avoid seeking funding approval from FC. These members requested the Administration to provide detailed information on the projects, including the project descriptions, project owner and the proposed funding requirement for members' information. The Administration advised that to enhance transparency, information on all the proposed new projects, approved projects and their tender-related information had been published on the Digital 21 website (http://www.info.gov.hk/digital21/eng/catalogue/cata.html).

9.	On e-Government service delivery, members urged the Administration to enable users to access different Government services through a single user account on the relevant website so as to enhance convenience to the general public. The Administration advised that a personalized version of GovHK (MyGovHK) would be launched in December 2010 which would provide users with the option of an easy sign-on function to access different online public services via an integrated user account.

10.	On the development of E-Government, the Panel considered that the Government should formulate long-term plan to make all Government forms available on the relevant website and for electronic submission of forms. There should be comprehensive and integrated strategies to encourage and assist those bureaux and departments that were relatively slow in automation and computerization to catch up on e-Government initiatives. The Administration advised that continued efforts would be made to promote the adoption of e-business solutions by departments to improve their service

delivery, and develop technical applications to facilitate electronic submission of forms. A cross-departmental e-government working group had been set up to provide guidance and draw up long-term development strategies to achieve greater synergy.

Latest position

11.   The Administration will brief the Panel on 20 October 2011 the funding requirement for 2012-2013 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

Information paper provided by the Administration for the Information Technology and Broadcasting Panel meeting on 8 November 2010
http://www.legco.gov.hk/yr10-11/english/panels/itb/papers/itb1108cb1-297-3-e.pdf

Background brief prepared by the Legislative Council Secretariat for the Information Technology and Broadcasting Panel meeting on 8 November 2010
http://www.legco.gov.hk/yr10-11/english/panels/itb/papers/itb1108cb1-297-4-e.pdf

Minutes of Information Technology and Broadcasting Panel meeting on 8 November 2010
http://www.legco.gov.hk/yr10-11/english/panels/itb/minutes/itb20101108.pdf

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