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Panel on Security

Background brief prepared by the Legislative Council Secretariat for the meeting on 6 December 2011

Development of asset management and maintenance system in the Fire Services Department

Purpose

This paper summarizes past discussions of the Panel on Security ("the Panel") on the development of asset management and maintenance system in the Fire Services Department ("FSD").

Background

- 2. When the Public Accounts Committee ("PAC") of the Legislative Council discussed the procurement of ambulances in 2009, the Administration indicated that it would adjust the procurement procedures in order to shorten the lead time required for procuring ambulances, and similar arrangements would apply to the procurement of fire services equipment.
- 3. In 2009, the Security Bureau ("SB") and FSD commissioned the Efficiency Unit ("EU") to conduct a study to improve the procurement process of fire services equipment. The scope of the study included -
 - (a) the procurement arrangement of FSD;
 - (b) the organization and manpower for procurement at FSD;
 - (c) the potential application of information technology management systems in support of logistics management; and

(d) review on the training arrangement for frontline staff in the use of newly procured equipment.

Deliberations of the Panel

- 4. The subject of development of asset management and maintenance system in FSD has not been discussed by the Panel. However, it has been raised in the context of discussions on the procurement of fire services equipment at the Panel's meetings on 4 May 2010 and 17 January 2011.
- 5. Concern was raised whether the existing computer system in FSD was able to capture raw data only and unable to consolidate the data submitted by different divisions or Fire Commands to give a full and coherent picture of the flows and availability of various fire services equipment, as in the case of fire Members considered FSD's existing tunics and over trousers for all firemen. stores procurement and stock management systems far from efficient and There was a suggestion that FSD should establish an integrated computer system to centralize the information on the usage, stocking and distribution of various equipment, which would in the end allow information exchange and data analysis. In addition, FSD should develop a new computerized procurement and supply system with enhanced functionalities which could help improve FSD's efficiency and effectiveness in inventory management.
- 6. According to the Administration, FSD was reviewing its existing procurement management system to see whether the system could cope with the prevailing needs of the department. If justified, FSD would propose to replace the existing system with a new procurement system with enhanced functionalities which would enable FSD to better monitor and control the stock of equipment and improve its capability in data retrieval, so as to facilitate management decision-making and strategic planning.
- 7. Grave concern was raised as to whether the inefficiency and confusion in the procurement of fire services equipment was only a manifestation or symptom of a broader and more fundamental problem of management and administration in FSD. There was a suggestion that EU should conduct a study on the procurement and management issues for FSD.
- 8. Members were advised that in the light of the recommendations made by PAC and with a view to strengthening FSD's internal information and resource management functions, the assistance of EU had been enlisted to conduct a study on another related subject of improvement to the processes and

procedures regarding the procurement of ambulances. The study, which commenced in September 2009, had been completed before the end of 2010. The Administration had taken on board the advice of EU and FSD had adjusted the procurement procedures in order to shorten the lead time required for procuring ambulances. Similar arrangements also applied to the procurement of fire services equipment.

- 9. Members noted that the report of EU recommended, among others, the development of an integrated computer system to help improve FSD's procurement efficiency and effectiveness. EU noted that FSD was planning to develop an Asset Management and Maintenance System ("AMMS"). The key modules included planning, acquisition, inventory control, asset management and maintenance. Before AMMS was put into operation, FSD should introduce a simple database in the department's uniform store, together with the use of e-forms, to enhance the efficiency of managing the inventory record of uniforms, stock replenishment and request for uniform replacement. Given the complexity of the system, a business process review would be conducted by EU. The review would map out the business process such as procurement, scheduled and unscheduled maintenance, asset replacement and inventory management under the computerized environment.
- 10. Members also noted that FSD had set up a working group to follow up on the implementation of the above recommendations and improvement measures. SB would set up a task force comprising representatives from SB, FSD and EU to monitor the progress of implementation.

Relevant papers

11. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2
<u>Legislative Council Secretariat</u>
30 November 2011

Relevant papers on Development of asset management and maintenance system in the Fire Services Department

Committee	Date of meeting	Paper
Panel on Security	4.5.2010 (Item VI)	Agenda Minutes
Panel on Security	17.1.2011 (Item III)	Agenda Minutes

Council Business Division 2 <u>Legislative Council Secretariat</u> 30 November 2011