

LCQ11: Making use of next generation government cloud infrastructure

Following is a question by the Hon Wu Chi-wai and a written reply by the Secretary for Innovation and Technology, Mr Nicholas W Yang, in the Legislative Council today (February 27):

Question:

In May last year, the Finance Committee (FC) of this Council approved a funding of more than \$530 million for the establishment of the next generation government cloud infrastructure (cloud facilities) and a big data analytics platform to support agile delivery of e-Government services. The Government anticipates that those systems will be commissioned in the third quarter of 2020 and they can bring about a one-off cost avoidance of about \$570 million for the Government over the next six financial years. However, when the Government recently put forward proposals of other projects on information technology (IT) systems (e.g. a centralised electronic platform for the administration of Mandatory Provident Fund registered schemes), it did not mention how it would make use of the cloud facilities to achieve greater cost-effectiveness. In this connection, will the Government inform this Council:

(1) of the latest progress (including whether there are changes in the projected (i) commissioning dates and (ii) cost-effectiveness) of the establishment of the two aforesaid systems;

(2) of the number of proposed projects on IT systems, since May last year, in respect of which the Government has submitted discussion papers and/or funding proposals to the panel(s) and FC of this Council, as well as the following details of each of such projects: (i) the name of the project, (ii) the policy bureau/government department (B/D) responsible, (iii) the estimated non-recurrent expenditure, (iv) the (projected) date for awarding the service contract for system development, (v) the (projected) commissioning date for the system, (vi) whether the system will make use of the cloud facilities, and (vii) the panel(s) concerned (set out in a table);

(3) whether the tender documents for the projects in (2) have contained/will contain provisions (i) specifying that the proposed IT system must make use of the cloud facilities, and (ii) encouraging the successful bidder to make use of the cloud facilities in developing the proposed IT system; if so, of the details; if not, the reasons for that;

(4) regarding the estimations of the non-recurrent expenditure and the financial benefits for the projects in (2) submitted by the Government to this Council, of the respective numbers of those projects for which (i) the bases of such estimations included the making use of the cloud facilities, and (ii) quantitative assessments on the cost implications for using the

cloud facilities were provided;

(5) whether the Office of the Government Chief Information Officer (OGCIO) has been involved in the preparatory work and tender exercises for the projects in (2); if so, of the details of OGCI0's involvement in each of such projects (including whether it has conducted any technical and cost assessments on making use of the cloud facilities in the projects concerned), and whether OGCI0 has advised the B/Ds concerned to provide, when drawing up the relevant tender conditions, incentives for encouraging the successful bidders to make use of the cloud facilities in developing the proposed IT systems; if so, of the details; if not, the reasons for that;

(6) whether the Government has put in place policies and guidelines to encourage various B/Ds and public bodies to make use of the cloud facilities in future; if so, of the details; if not, the reasons for that; and

(7) of the estimated number of funding proposals for projects on IT systems to be submitted by the Government to this Council's FC in the coming year and, among such projects, the number of those which will make use of the cloud facilities, and set out by project name the details, such as the B/D responsible?

Reply:

President,

Our reply to the seven parts of the question is as follows:

(1) The Office of the Government Chief Information Officer (OGCIO) is conducting tender exercise for the implementation of the Next Generation Government Cloud Infrastructure (GovCloud) and Big Data Analytics Platform. It is expected that the concerned system and platform will be launched in the third quarter of 2020 as planned. The estimated total expenditure for the project is \$533 million. The cost savings from GovCloud in other government IT systems between 2019-20 and 2024-25 are estimated to be about \$573 million, which include the costs of upgrading individual infrastructures and developing respective government bureaux/departments (B/Ds) systems. The cost-effectiveness figure remains unchanged.

(2) Between May 2018 and January 2019, relevant panels of the Legislative Council (LegCo) have discussed six funding proposals for government department IT system projects and the Finance Committee (FC) has approved five of them. Details are as follows:

Name of Project	B/D	Estimated Non-recurrent Expenditure (\$ million)	Estimated Contract Award Date for System Development Services	Estimated System Commissioning Date	Will GovCloud Panel be adopted
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(1)	Redevelopment of Service Performance Management Information System	Social Welfare Department	65.42	Not applicable (the system is mainly developed by in-house staff)	September 2022	Yes	Panel on Welfare Services
(2)	Redevelopment of Client Information System	Social Welfare Department	316.88	Not applicable (the system is mainly developed by in-house staff)	June 2023	Yes	Panel on Welfare Services
(3)	Electronic Submission Hub	Buildings Department	214.39	Q2 2019	To be rolled out in phases from Q1 2022 to Q2 2025	Yes	Panel on Development
(4)	Information Technology Equipment and Services for the 2021 Population Census#	Census and Statistics Department	202.68	Service contracts for individual sub-systems will be awarded from June 2019 to October 2020	Individual sub-systems will be rolled out progressively from June 2020 to September 2022	Yes	Panel on Financial Affairs
(5)	Development of Smart Library System	Leisure and Cultural Services Department	877.30	December 2020	December 2024	Yes	Panel on Home Affairs
(6)	Information Technology Enhancement Project of the Department of Health (covering 35 projects)	Department of Health	1,057.13	To be awarded in Q4 2019 at the earliest depending on individual projects	To be fully completed by December 2024	Yes	Panel on Health Services

The funding proposal is yet to be approved by FC

In addition, the Financial Services and the Treasury Bureau (FSTB) submitted to the Panel on Financial Affairs the proposal for the IT project "Centralised Electronic Platform for the Administration of Mandatory Provident Fund Registered Schemes" in December 2018. According to the information provided by FSTB, the Mandatory Provident Fund Schemes Authority is considering different options, including the adoption of GovCloud.

(3) to (7) In August 2016, OGCI0 issued guidelines to B/Ds, requesting them to accord priority to adoption of GovCloud when developing new systems or revamping existing systems. Relevant B/Ds should also include the requirement of adopting GovCloud in their tender documents.

The estimated non-recurrent expenditure and financial benefits for the six projects in the reply for part (2) above have included the resources

involved for adopting GovCloud.

Currently, OGCI0 does not have the timetable of other B/Ds' proposals for IT system projects to be submitted to the LegCo in the coming year. It is envisaged that large-scale projects on IT systems submitted to the LegCo FC for funding approval in the coming year will adopt GovCloud.