

## **CHAPTER 12      Pay for Safety Scheme**

### **12.1      Background**

- 12.1.1      Construction site safety is normally referred to in construction contracts as a general obligation placed upon the Contractor by a combination of a reference to the requirements of the law in the General Conditions of Contract and by some all-embracing preliminaries/preamble wording that expressly transfers as many of the contractual obligations to the Contractor as the law will allow. The Contractor is deemed to have allowed in the tender for the cost of meeting the obligations, but there is no separate, clearly identifiable sum(s) in the tender rates and prices.
- 12.1.2      The result of this situation is that the sum(s) payable for carrying out safety measures cannot be identified, and any failure on the part of the Contractor to perform according to the legal or contractual requirements cannot be valued and the tender price appropriately adjusted to reflect the failure. When money is tight, a contractor may try, to some extent, to “cut corners” on site safety.
- 12.1.3      A Government/industry working group was set up to recommend ways to counter this problem and report to the Works Group Directors Meeting (WGDM).
- 12.1.4      The WGDM at its January 1993 meeting agreed to allow a limited trial in three construction contracts by the inclusion of a schedule of fully specified safety related items, that were pre-priced in the Bills of Quantities (BQ) by the Engineer/Surveyor. These items would be certified and paid to the Contractor, provided the specified activities were satisfactorily performed. Failure to perform would result in no payment for the relevant item(s).
- 12.1.5      The trial scheme involving three contracts was reviewed by the WGDM in April 1995, when it was agreed in principle that the Pay for Safety Scheme (PFSS) should be developed for general use in all BQ based contracts. The second stage of PFSS was promulgated in Works Branch Technical Circular No. 4/96 in March 1996 (now superseded) for inclusion in all non-Airport Core Programme contracts, that were Bills of Quantities based, where a Safety Plan was required and for which tenders

were called after 19 April 1996. The third stage of PFSS was promulgated vide WBTC No. 14/98 dated 15.9.98 to include term contracts which are Schedule of Rates (SOR) based.

12.1.6 The objective of PFSS is to remove site safety from the realm of competitive tendering and it has the support of the construction industry.

12.1.7 The three contracts in the trial PFSS included the use of a safety checklist to audit the safety performance of the contractors and to certify the payment of the “Safety Audit” item to the Contractor. The checklist was marked by a team comprising two representatives of the Employer, and of the Contractor, plus one independent member. For general use, this is too demanding and is replaced by the Independent Safety Auditing Scheme (ISAS). ISAS runs in conjunction with PFSS. A total of 36 works contracts joined the first stage of ISAS in 1996 promulgated under WBTC No. 5/96. The second stage of ISAS, starting in February 2000, was promulgated vide WBTC No. 32/99 and term contracts are also included.

## **12.2 Guidance Notes on the Administration of PFSS**

12.2.1 The present stage (the fourth stage of PFSS) was promulgated vide WBTC 30/2000 dated 20 November 2000 to include all works contracts, term contracts and Design and Build contracts where safety plans are required, irrespective of whether the contract is BQ or SOR based, and which tenders are called on or after 1 December 2000. For works contracts and Design and Build contracts to be included in PFSS, the estimated contract sum shall be \$20M and above, and for term contracts the total estimated expenditure shall be \$50M and above. For contracts where a great portion of the value is on the cost of equipment, the cost of equipment shall be excluded from the estimated contract sum or total estimated value in determining whether the contract should be included in PFSS. Irrespective of the value of the contract, term contracts solely for maintenance works (e.g. some E&M maintenance contracts) and contracts with duration of 12 months or less need not be included in PFSS.

Notwithstanding, if contract drafters consider that there are valid reasons for deviations to the above guidance after taking into consideration the nature, complexity and size of the contract, they shall seek advice from Departmental Safety and Environmental Advisers (DSEA) and the

agreement of the appropriate officer (D2 or above) for such changes.

Preparation of contract documents

- 12.2.2 All appropriate tenders included in PFSS shall include a separate “Site Safety” section in the BQ or the SOR. Each item should be pre-priced on the basis of a total possible payment to the Contractor of approximately between 0.6% and 1.2% of the estimated Contract Sum/total estimated expenditure, not including the Contingency Sum or any sum for the payment of fluctuations.

The sample BQ in Appendix I(a) and I(b) shall be applicable for works contracts using the GCC for Building Works/Civil Engineering Works/E&M Works based on Bills of Quantities. For lump sum contracts, i.e. those which are not remeasurement contracts, the whole sample BQ shall be marked as “All Provisional”.

The sample SOR in Appendix II(a) shall be applicable for term contracts using the GCC for Term Contracts for Building Works/Civil Engineering Works/E&M Works.

The sample SOR in Appendix II(b) shall be used in lump sum works contracts using GCC for Building Works/E&M Works or GCC for Design and Build Contracts based on Schedule of Rates in the following manner:-

A Provisional Sum for “PFSS including Participation in Safety Promotional Campaign” shall be included in the contract document specifying that the contractor will be paid for site safety by the pre-fixed rates and in accordance with the method of measurement as in Appendix ( ). The sum (determined in accordance with the sample SOR) shall be entered against this Provisional Sum item in the Summary of Tender of the contract document as shown in Appendix II(c), and a SOR prepared in accordance with the sample SOR contained in Appendix II(b) of this Chapter and the Method of Measurement in Chapter 3 of the Construction Site Safety Manual shall be included in Appendix ( ). After the contract is awarded, an instruction for the Provisional Sum shall be given by the Architect/Engineer or the Supervising Officer to the contractor to establish and implement the site safety management system required

under the contract and the contractor shall be paid accordingly.

For Design and Build contracts that are tendered as lump sum contracts, approximately 5% of the estimated Contract Sum should be considered as the “design” fee. Therefore the remaining 95% of the estimated Contract Sum should be considered as the estimated Contract Sum for the “Works” and the total payment for safety items should be fixed on this basis.

- 12.2.3 Notwithstanding the general rule that the maximum total value of safety items is set at about 1.2% of the estimated Contract Sum/total estimated expenditure, the price for each item should be realistic even if this means exceeding the 1.2% guidance. In lower value contracts, this is likely to be inevitable. In very high value contracts or very simple ones, something less than 1.2% may be appropriate.
- 12.2.4 The prices placed against the items for very high value contracts also need special attention. The rates in the BQ/SOR items (except those on safety training) could be adjusted to suit the circumstances of the Works (size, complexity etc.) and the sample BQ and SOR are meant to be for reference only. A chart showing the guidance on safety price level is attached in Appendix IV for guidance.
- 12.2.5 The following points should be noted in preparing the BQ:
- (i) A provisional sum is to be included in the BQ/SOR for works contracts/Design and Build contracts to encourage the contractor to participate in safety promotional campaign as instructed by the Architect/Engineer. This is to enable public works contracts to participate in territory-wide safety campaigns co-organised by the Labour Department, the Occupational Safety and Health Council and other related bodies. When such territory-wide safety campaigns are organised, the Development Bureau will notify works departments and the Architect/Engineer shall issue a Variation Order to instruct this item. The same arrangement is also applicable to term contract, however the Architect/Engineer will instruct this item through a Works Order.

12.2.6 In the preparation of contract documents for works contracts/term contracts/Design and Build contracts included in the Pay for Safety Scheme, the following particular points should be noted :

- (i) A warning to tenderers should be attached on the outside cover of the Bills of Quantities (BQ)/Schedule of Rates (SOR) for works contracts/term contracts included in PFSS, which shall include :-

**“This BQ/SOR\* includes a section, “Site Safety”. All items in it are pre-priced or inserted by the Contractor. The sums set out in the BQ/SOR\* for “Site Safety” will only be paid if the Contractor demonstrates compliance with the specifications for these items. Tenderers are advised to study carefully the contractual requirements related to the Pay for Safety Scheme and the further safety measures stipulated in the Particular Specification.”**

- (ii) For Design and Build contracts, in addition to the warning set out in (i) above, a schedule of rate for “site safety” section shall be prepared by the Supervising Officer and included in the tender documents. A Note for Tenderers shall also be included in the tender documents drawing the tenderer’s attention that they are required to include the above-mentioned schedule of rate prepared by the Supervisor Officer in the tender to be submitted.
- (iii) Except for term contracts with rates to be inserted by the Contractor, the following Note should be added to the Form of Tender of a term contract :

**“The Section/Group\* Percentage and Adjustment Percentage/Overall Adjustment Percentage\* applicable to the Schedule of Rates of Section/Group\* ( ) on Site Safety are fixed at 0% and hence the Contract Percentage for Section/Group\* ( ) is also fixed at 0%.**

**Tenderers shall not amend the Section/Group\* Percentage, Adjustment Percentage/Overall Adjustment Percentage\* and Contract Percentage for Section/Group\* ( ).”**

- (iv) A weighting factor of 1.2% or lower in accordance with Appendix IV of Chapter 12 of this Manual should be entered against the Site Safety Section in the table on Schedule of Percentages included in the appendix to the Form of Tender of a term contract except for those term contracts with rates to be inserted by contractors.
- (v) The following clause should be added to the Conditions of Tender clause of term contracts (except for those term contracts with rates to be inserted by contractors) which stipulates how mistakes are to be corrected during the examination of a tender of a term contract:

**“If a tenderer has amended the Section/Group\* Percentage, Adjustment Percentage/Overall Adjustment Percentage\* and Contract Percentage which are fixed, such amendment(s) will be disregarded.”**

12.2.7 With respect to the weekly safety walk required under PS clause no. 11# in Appendix III to Chapter 3 of the Construction Site Safety Manual which applies to term contracts, it is noted that a vast number of Works Orders may have been issued to the contractor and Works are being carried out in multiple locations, it is therefore not possible for the safety walk to cover every active part of the Site. As such it will be up to the Architect/Engineer’s nominated site representative to select the part of the Site to be visited on the day of the safety walk. It should be noted that the safety walks are in addition to the site safety inspections carried out in connection with the preparation of the site safety inspection report each week by the Safety Officer for each Works Order with an estimated value in excess of \$100,000 or similar requirements required by the Contract and/or any other daily or regular safety inspections required by the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations. The preparation of the site safety inspection report each week by the Safety Officer required by the Contract quoted above is just an example of a practice adopted by some works departments, other departments may adopt different practices. Therefore additional sub-clauses to such effect should be included under PS clause no. 13 on reporting in Appendix III to Chapter 3.

12.2.8 In calculating liquidated damages (LD) for works contracts, Architects/Engineers will in general make use of empirical formulas expressing components of LD as percentages of the estimated contract sum including preliminaries and price fluctuation payment but excluding contingencies and daywork. For the avoidance of doubt, the value of safety items should be excluded from the estimated contract sum for the purpose of assessing LD. This is because payment for safety items (including Provisional Sum for Pay for Safety Performance Merit Scheme) are made to the contractor contingent upon their complying with contractual requirements. At the time of preparing the contract, it is not certain whether payment for those safety items will be made and therefore could not be estimated for inclusion in the pre-estimate of LD.

12.2.9 [Not used]

12.2.10 [Not used]

12.2.11 [Not used]

12.2.12 [Not used]

12.2.13 [Not used]

#### Administration and Payment

12.2.14 The Architect/Engineer should comment on the adequacy of the Safety Plan at the commencement stage of the contract. Advice could be sought from DSEA where appropriate. Thereafter the Contractor shall review and update the Safety Plan. In addition, the Particular Specification clause on the agenda of the Site Safety Management Committee (SSMC) meetings include the requirement to review the Safety Plan and update risk assessments for works scheduled to be carried out for the following two months. The Contractor shall be asked to report at the SSMC meeting on the outcome of his review and the revisions which he has made. Such review and revision should also include method statement and safe working procedures for current and forthcoming tasks as and when considered necessary by the SSMC in the last meeting. The SSMC meeting should also consider the adequacy of such review and revisions and point out any deficiencies which should have been made for that

month. After that, the Contractor should be asked to complete and submit any outstanding revisions to the Architect/Engineer.

- 12.2.15 Notwithstanding the above, there may be situations that in some small contracts or contracts where works are repetitive in nature that the necessity to update risk assessments could be nil and revisions may be limited to changes in the safety organisation or contact telephone numbers. In such case, payment for this item should also be made if the Chairman of the SSMC agrees with the Contractor on the outcome of his review that no significant revisions to the Safety Plan are necessary. A note to such effect should also be made in the minutes of the SSMC meeting. It should be noted however that there are always rooms for improvements, thus the Contractor should be encouraged to carry out a review of the Safety Plan.
- 12.2.16 For the item on “provide Safety Officer”, if the contract warrants the employment of a part-time Safety Officer, then the Safety Officer should be asked to sign on the Site Diary kept in the Site Office whenever he arrives or leave the Site. This is to check that the total time spent per week will not be less than the number of hours stipulated in the Contract, exclusive of the time spent in attending the Site Safety Committee and the SSMC. At the end of each month, the site staff should check that the time requirement is complied with before certifying payment. The most senior staff on site shall spot check the Site Diary on the attendance of the part-time Safety Officer. Apart from attendance on site, whether the Safety Officer has performed his duties and obligations stipulated in the Contract should also be checked before certifying payment.
- 12.2.17 For the item on “attend Site Safety Management Committee”, payment should be made after the completion of items listed in the item coverage and not just after the meeting has been held. If there are items identified in the meeting for follow-up actions after the meeting, these items shall be recorded in the minutes. Payment for these items should only be made after checking that the follow-up actions have been completed. However, it should not be mixed up with outstanding action items identified during the weekly safety walk. Sometimes, certain follow-up actions may take a longer period than one month to complete, e.g. procurement of materials and approval of temporary traffic scheme. Under such circumstances, the minutes of the meeting shall record the agreed completion date(s) for



enabling the payment. The same principle should be applied to item on “attend the Site Safety Committee”.

- 12.2.18 For term contracts, the SSMC shall be chaired by the Architect/Engineer or one of his representative in the professional rank or above. The Architect/Engineer shall also appoint another officer to be the secretary of the SSMC. In view of the fact that many officers are authorised to issue Works Orders to a term contractor, it may not be possible for all of them to attend the SSMC. The Chairman of the SSMC shall determine the most appropriate composition of the SSMC for communication and reporting on the Contractor’s safety performance in the SSMC meetings. The determination of appropriate representatives in the SSMC shall be based on the nature and/or the majority of works orders issued to the term contractor.
- 12.2.19 For the item on “arrange and attend weekly safety walk”, the Contractor shall be asked to prepare and use the comprehensive check-list stipulated in P.S. clauses 11(2) and 11(3) during the safety walk. The contents of the comprehensive check-list could be discussed and agreed with the Contractor before use and subsequently modified to suit the prevailing activities of the site. More than one comprehensive checklist may need to be prepared by the Contractor to suit the variety of works at various portions of the Site. Payment will only be made after the Contractor has completed all the rectification/improvement measures within the agreed completion dates, normally before the next weekly safety walk. The Contractor’s Safety Officer and Site Agent or his representative shall carry out the safety walk with the Architect/Engineer’s nominated representative who should be of the rank of Assistant Inspector of Works or /Assistant Clerk of Works or above.
- 12.2.20 For some contracts it may not be able to inspect every active part of the Site during the safety walk. As such it will be up to the Architect/Engineer’s nominated site representative to select the part of the Site to be visited on the day of the safety walk. For the joint site inspection to be conducted prior to the meeting of the SSMC, it could be conducted either on the day before the meeting or in the morning if the meeting is held in the afternoon.

- 12.2.21 For items on “provide safety training”, Contractors are required to submit a programme on proposed training to be provided in the next month for the approval of the Architect/Engineer’s Representative. It shall contain the topics, dates, venues, the target participants of the proposed training, the names and qualification of the trainers. After approval of the proposed training programme, payment will be made against the attendance records submitted by the Contractor. Whilst the safety training for specified trade workers (Silver Card) courses are carried out at Construction Industry Council or other approved training centres, random checks should be made to check that “site specific induction training” or “toolbox talks” have been conducted as proposed if the Architect/Engineer’s Representative is doubtful about the attendance records. For terms contracts, after approving the proposed programme, the Maintenance Surveyor/Engineer shall then issue covering Works Orders to the Contractor for the safety training.
- 12.2.22 The Architect/Engineer’s Representative shall be entitled to deduct payments when dissatisfied with the frequency, arrangements, numbers certified, relevance or quality of the site specific induction training and toolbox talks and the Contractor cannot provide any justification acceptable to the Architect/Engineer’s Representative.
- 12.2.23 For contracts where token allowances are to be paid for Silver Card training, payment of the token allowance to the workers completing the relevant safety training for specified trades shall be based on the Silver Card being produced as evidence. To prevent workers claiming the token allowance from more than one contracts, the Architect/Engineer should check the payrolls and attendance records, original receipts and Workers Registration Card of the workers concerned.
- 12.2.24 The Architect/Engineer shall keep a record of non-payment of site safety items. Repeated non-compliance shall be brought to the attention of the senior management of the Contractor and duly reflected in the Report on Contractors’ Performance. For the control of expenditure, the Architect/Engineer should maintain a register of quantities and the sums certified, in particular those on safety training. If the quantities and/or the total sum certified are close to the sums allowed, the Architect/Engineer should then make arrangement to apply for an increase in the contract sum if required.

**[Not used]**

**[Not used]**

### **12.3 Extension to PFSS/PFSES**

- 12.3.1 It is observed that since the promulgation of PFSS and subsequently revised as the Pay for Safety and Environment Scheme (PFSES) via the Environment, Transport and Works Bureau (ETWB) TCW No. 19/2005 “Environmental Management on Construction Sites” and as amended by the Interim Guidance Note in June 2006, some contractors have become more focused on complying with the processes rather than the actual performance. In addition, there is no provision to incentivize contractors to strive for better safety performance. Therefore in November 2013, the Pay for Safety Performance Merit Scheme (PFSPMS) as an extension to PFSS and PFSES is promulgated with a view to further uplifting site safety performance in public works contracts.
- 12.3.2 Under the PFSPMS, payment will be made under a set of pre-priced performance-tied payment items which are measured according to the contractors’ achievements in respect of the safety performance indicators specified in the contract. The payment for PFSPMS is in addition to that for PFSES/PFSS.
- 12.3.3 The total value of the performance-tied payment items under the PSPMS shall be about 1.7% of the estimated Contract Sum or total estimated expenditure as stipulated in Annex B to the Guidelines for PFSPMS at Appendix IV.
- 12.3.4 The PFSPMS shall be applicable to all capital works contracts including electrical and mechanical (E&M) contracts and Design and Build (D&B) contracts which adopt PFSS or PFSES with tenders to be invited on or after **1 February 2014**.

## Appendices to Chapter 12

- Appendix I
  - Sample Bill of Quantities for works contracts included in PFSS
    - (a) \$200M contract value or below over a construction period of 2 years
    - (b) \$500M contract value over a construction period of 3 years
  
- Appendix II(a)
  - Sample Schedule of Rates for term contracts included in PFSS
- Appendix II(b)
  - Sample Schedule of Rates for lump sum works contracts included in PFSS
- Appendix II(c)
  - Sample Summary of Tender for lump sum works contracts included in PFSS showing how the Provisional Sum is included
  
- Appendix III(a)
  - [Not used]
- Appendix III(b)
  - [Not used]
  
- Appendix IV
  - Chart showing "Guidance on Safety Price Level"
  
- Appendix V
  - [Not used]
  
- Appendix VI
  - Guidelines on the Inclusion of the Pay for Safety Performance Merit Scheme (PFSPMS) as Extension to the Pay for Safety Scheme (PFSS) and the Pay for Safety and Environment Scheme (PFSES)

**Appendix I(a) - Sample Bill of Quantities for works contracts included in PFSS**  
Based on \$ 200M contract value or below over a construction period of 2 years

<b>Item No.</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Suggested Amount (% of contract value<sup>#</sup>)</b>
A	Provide Safety Officer	48	nr-mth	0.216%
B	Attend Site Safety Management Committee	24	mth	0.050%
C	Attend Site Safety Committee	24	mth	0.050%
D	Arrange and attend weekly safety walk	104	nr	0.150%
E	Provide safety training in the form of safety training for specified trade workers			
	(i) One day course	33	nr	0.011%*
	(ii) Half day revalidation course	40	nr	0.007%*
F	Provide safety training in the form of site specific induction training	30	mth	0.051%
G	Provide safety training in the form of toolbox talks	30	mth	0.102%
H	<u>Provisional Sum</u>			
	Participate in safety promotional campaign as instructed by the Architect/Engineer	-	sum	0.030%
I	Arrange and hold Pre-work Activities of Site Safety Cycle	30	mth	0.480%
J	Prevention of heat stroke at work in a hot environment	10	mth	0.050%
<b>Total to Collection Sheet</b>				<b>1.2%</b>

## Notes:-

# Estimated Contract Sum/ total estimated expenditure excluding the Contingency Sum or any sum for the payment of fluctuations.

\* The rate for E(i) and E(ii) shall be \$650 and \$350 respectively. The quantities can be adjusted.

mth month

nr number

nr-mth number-month

All quantities are for reference only.

The column of "Rate" is omitted in this sample for clarity.

**Appendix I(b) - Sample Bill of Quantities for works contracts included in PFSS**  
Based on \$ 500M contract value over a construction period of 3 years

<b>Item No.</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Suggested Amount (% of contract value<sup>#</sup>)</b>
A	Provide Safety Officer	96**	nr-mth	0.151%
B	Attend Site Safety Management Committee	36	mth	0.035%
C	Attend Site Safety Committee	36	mth	0.035%
D	Arrange and attend weekly safety walk	156	nr	0.105%
E	Provide safety training in the form of safety training for specified trade workers			
	(i) One day course	60	nr	0.008%*
	(ii) Half day revalidation course	70	nr	0.005%*
F	Provide safety training in the form of site specific induction training	42	mth	0.036%
G	Provide safety training in the form of toolbox talks	42	mth	0.071%
H	<u>Provisional Sum</u>			
	Participate in safety promotional campaign as instructed by the Architect/Engineer	-	sum	0.021%
I	Arrange and hold Pre-work Activities of Site Safety Cycle	42	mth	0.336%
J	Prevention of heat stroke at work in a hot environment	15	mth	0.035%
<b>Total to Collection Sheet</b>				<b>0.84%</b>

## Notes:-

# Estimated Contract Sum/ total estimated expenditure excluding the Contingency Sum or any sum for the payment of fluctuations.

\* The rate for E(i) and E(ii) shall be \$650 and \$350 respectively. The quantities can be adjusted.

\*\* Assuming two Safety Officers for 36 months and one for 24 months.

mth month

nr number

nr-mth number-month

All quantities are for reference only.

The column of "Rate" is omitted in this sample for clarity.



## Appendix II(a) - Sample Schedule of Rates for term contracts included in PFSS

Based on total estimated expenditure of \$200M over 2 years

Item No.	Description	Quantity#	Unit	Scheduled Rate <sup>^</sup>	Suggested Amount# (% of total estimated expenditure)
A	Provide Safety Officer	48	nr-mth		0.216%
B	Attend Site Safety Management Committee	24	mth		0.050%
C	Attend Site Safety Committee	24	mth		0.050%
D	Arrange and attend weekly safety walk	104	nr		0.150%
E	Provide safety training in the form of safety training for specified trade workers				
	(i) One day course	33	nr	650	0.011%*
	(ii) Half day revalidation course	40	nr	350	0.007%*
F	Provide safety training in the form of site specific induction training	30	mth		0.051%
G	Provide safety training in the form of toolbox talks	30	mth		0.102%
H#	Participate in safety promotional campaign as instructed by the Architect/Engineer (Provisional Sum)	-	Sum		0.030%
I	Prevention of heat stroke at work in a hot environment	10	mth		0.05%
Total to Collection Sheet					0.72%

## Notes:-

# The shaded columns and item H are for illustration purpose and should not be included in the Schedule of Rates. Item H is to be issued via a Works Order.

<sup>^</sup> To be fixed by the Architect/ Engineer for the Contract.

\* The rate for E(i) and E(ii) shall be \$650 and \$350 respectively.

mth month

nr number

nr-mth number-month

All quantities are for reference only.

**Appendix II(b) - Sample Schedule of Rates for lump sum works contracts included in PFSS**  
Based on total estimated expenditure of \$200M over a construction period of 2 years

<b>Item No.</b>	<b>Description</b>	<b>Quantity#</b>	<b>Unit</b>	<b>Scheduled Rate<sup>^</sup></b>	<b>Suggested Amount# (% of total estimated expenditure)</b>
A	Provide Safety Officer	48	nr-mth		0.216%
B	Attend Site Safety Management Committee	24	mth		0.050%
C	Attend Site Safety Committee	24	mth		0.050%
D	Arrange and attend weekly safety walk	104	nr		0.150%
E	Provide safety training in the form of safety training for specified trade workers				
	(i) One day course	33	nr	650	0.011%*
	(ii) Half day revalidation course	40	nr	350	0.007%*
F	Provide safety training in the form of site specific induction training	30	mth		0.051%
G	Provide safety training in the form of toolbox talks	30	mth		0.102%
H#	Participate in safety promotional campaign as instructed by the Architect/Engineer	-	sum		0.030%
I	Arrange and hold Pre-work Activities of Site Safety Cycle	30	mth		0.480%
J	Prevention of heat stroke at work in a hot environment	-	item		0.050%
<b>Total to Collection Sheet</b>					<b>1.2%</b>

Notes:-

# The shaded columns and item H are for illustration purpose and should not be included in the Schedule of Rates.

<sup>^</sup> To be fixed by the Architect/ Engineer for the Contract.

\* The rate for E(i) and E(ii) shall be \$650 and \$350 respectively.

mth month

nr number

nr-mth number-month

All quantities are for reference only.

**Appendix II(c) – Sample Summary of Tender for lump sum works contracts included in PFSS showing how the Provisional Sum is included**

	Page	\$	¢
1. SPECIFICATION PRELIMINARIES		( )*	
2. SCHEDULE OF RATES (to be submitted by the Contractor)			
Section A – Contractor’s Designed piled Foundations		( )*	
Section B – Contractor’s Designed Pile Caps and Strap Beams		( )*	
Section C – Ancillary Work		( )*	
3. PROVISIONAL SUM			
Provide the following sum to be expended in part or in whole as directed by the Architect/Engineer or wholly deducted from the Contract Sum if not required.			
Provide the Provisional Sum of [1.2% of total estimated expenditure] for establishing and implementing the site safety management system including participating in safety promotional campaign as required under the Contract. The Contractor shall be paid in accordance with the Method of Measurement and the pre-fixed rates for the items included in the Schedule of Rates for PFSS in Appendix ( ) to the Specification.	sum	***[1.2% of total estimated expenditure]	
4. CONTINGENCY SUM			
Contingency Sum	sum	**2,000,000	00
<b>TOTAL CARRIED TO FORM OF TENDER \$</b>			

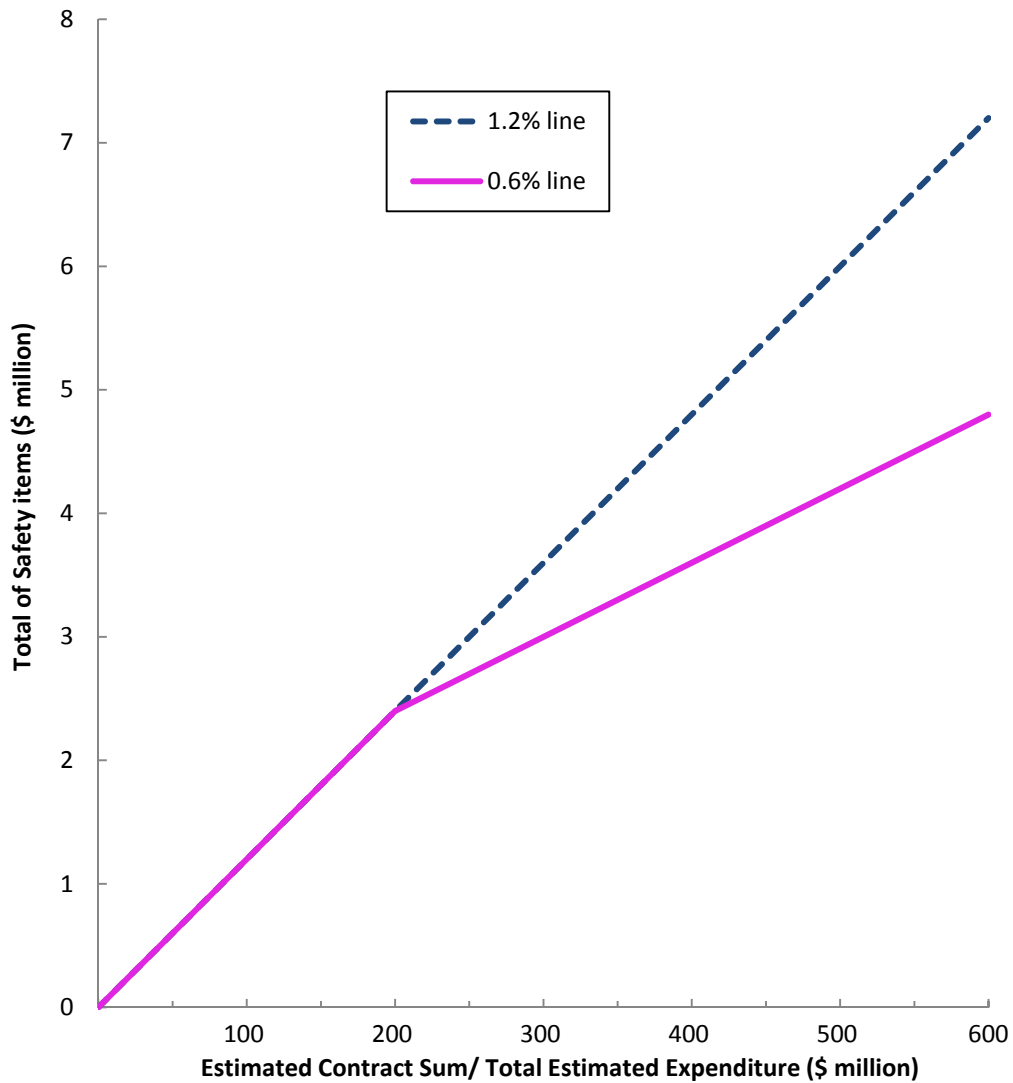
Note :

\* Amount to be inserted by the tenderer

\*\* Amount fixed by the Architect/Engineer/Supervising Officer for the Contract

\*\*\* This sum shall match with that in the SOR (prepared in accordance with the sample SOR in Appendix II(b)) and provided to the tenderers.

### Appendix IV – Guidance on Safety Price Level



Note:

1. For Estimated Contract Sum/Total Estimated Expenditure between \$ 20 M and \$ 200 M, total of safety items = 1.2 % of Estimated Contract Sum/ Total Estimated Expenditure.
2. For Estimated Contract Sum/Total Estimated Expenditure > \$ 200 M,  
total of safety items = \$ 2.4M + (Estimated Contract Sum/Total Estimated Expenditure - \$ 200M) x 0.6 %

## **Guidelines on the Inclusion of the Pay for Safety Performance Merit Scheme (PFSPMS) as Extension to the Pay for Safety Scheme (PFSS)**

### **Purpose**

These Guidelines set out the policy and procedures to introduce the PFSPMS in public works contracts, as an extension to the existing PFSS and PFSES with a view to further uplifting site safety performance in public works contracts.

### **Scope**

2. These Guidelines shall be applicable to all capital works contracts including electrical and mechanical (E&M) contracts and Design and Build (D&B) contracts which adopt PFSS.

### **Effective Date**

3. These Guidelines shall be applicable to capital works contracts with tenders to be invited on or after **1 February 2014**.

### **Existing Relevant Circulars**

4. [Not used]

### **Background**

5. Since 1990s, a series of safety measures including the PFSES and PFSS have been introduced in public works contracts. While the measures have significantly improved the safety performance of public works contracts, it is observed that some contractors have now become more focused on complying with the processes rather than the actual performance. In addition, there is no provision to incentivize contractors to strive for better safety performance under the current PFSES/PFSS.

6. Under the PFSS, there is a separate section in the Bills of Quantities (BQ) or Schedule of Rates (SOR) entitled 'Site Safety' with all the items pre-priced and the total value of the section is set at a maximum of about 1.2% of the estimated Contract Sum or total estimated expenditure<sup>1</sup>. Contractors are paid if they have completed the respective task-tied safety measures, such as attending site safety committee meetings/walks, and provision of safety trainings, etc. The task-tied payment, however, is not linked to the contractors' safety performance.

7. The PFSPMS, which serves as an incentive scheme to motivate contractors to strive for better safety performance through a performance based payment approach, is introduced as an extension to the PFSS. Under the PFSPMS,

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<sup>1</sup> Unless otherwise specified in the Guidelines, "estimated Contract Sum" is for contracts with BQ and "total estimated expenditure" is for contracts with SOR. Both exclude the contingency and provisional sums.

payment will be made for the performance-tied items which are measured according to the contractors' achievements in respect of the designated safety performance indicators under the contract as shown at **Annex A**.

## Policy

8. Capital works contracts including E&M contracts and D&B contracts which adopt the PFSS shall also adopt the PFSPMS.

9. Where a capital works contract adopts the PFSS and PFSPMS, the provisions as listed in paragraph 14 below shall be incorporated into the tender/contract documents.

10. The total value on safety items under the PFSS and PFSPMS against the estimated contract sum or total estimated expenditure is shown in the chart at **Annex B**.

11. For contracts where a substantial portion of the estimated contract value is for the supply of equipment, the cost of equipment shall be excluded from the estimated contract sum or total estimated expenditure for the purpose of determining the total value of safety and environmental management items under the PFSS and PFSPMS.

12. The total value of the safety items determined in paragraph 10 above shall be distributed between the PFSS and PFSPMS as follows:-

<b>(a) Task-tied payment items under PFSS</b>	
Estimated contract sum/total estimated expenditure from and including \$20M, up to and including \$200M	1.2% of the estimated contract sum or total estimated expenditure
Estimated contract sum/total estimated expenditure exceeding \$200M	[\$2.4M + (estimated contract sum or total estimated expenditure - \$200M) x 0.6%.]
<b>(b) Performance-tied payment items under PFSPMS</b>	
Estimated contract sum/total estimated expenditure from and including \$20M, up to and including \$200M	1.7% of the estimated contract sum or total estimated expenditure
Estimated contract sum/total estimated expenditure exceeding \$200M	[\$3.4M + (estimated contract sum or total estimated expenditure - \$200M) x 0.85%.]

13. Where there are practical difficulties in incorporating part or all of the requirements of these Guidelines under a particular contract, the project office concerned shall seek the approval of an officer at D2 level or above for full or partial exemption.

### **Contract Preparation Stage**

#### Tender/Contract Provisions

14. The project office shall include the following provisions in the tender/contract documents for the PFSPMS in addition to those for PFSS:

- (a) A Provisional Sum for PFSPMS with value as per paragraph 12(b) above.
- (b) The Notes to Tenderers (NTT) at **Annex C**.
- (c) The Special Conditions of Contract (SCC) at **Annex D**.
- (d) The Measurement Rules (to be included as appendix to the above SCC) and a section in the Bills of Quantities (BQ) or Schedule of Rates (SOR) prepared based on the samples at **Annex E**.
- (e) The revised Particular Specifications (PS) on Site Safety at **Annex F**.

15. As stipulated in the SCC, the payments of the performance-tied items under the PFSPMS are not subject to retention and adjustment to contract price fluctuations.

#### Measurement Period and Pre-priced Rates

16. Unlike the measurement period for the PFSS, the measurement period of the performance-tied payment items of the PFSPMS shall be from the earliest date of possession of the Site or any portion of the Site by the Contractor to the date six months after the completion date or extended completion date of the Works. The purpose of allowing this six-month period after the completion date or extended completion date of the Works is to encourage contractors to continue to strive for good safety performance in completing the outstanding works during the maintenance period.

17. The period for measurement for performance-tied payment items of the PFSPMS in the BQ or SOR shall include the EOT. Allowance for EOT shall be made in determining the quantities for the relevant items in the BQ or SOR. It is suggested that 2 months of EOT shall be allowed for every 12 months of the original contact period but the project officer shall make his judgement according to the nature of the contract.

18. No payment shall be made in the first 11 months from the earliest date of possession of the Site or any portion of the site by the Contractor for the item on the “12-month rolling accident frequency rate for reportable accidents”.

19. Project office should consider if the pre-priced rates for the performance-tied payment items of the **PFSPMS** calculated in accordance with the methodology at Annex E are appropriate especially for those mega projects with very high contract values or contracts with very short duration. If considered appropriate, the pre-priced rates for the performance-tied payment items so calculated can be adjusted to suit the nature, scope, size, complexity and duration, etc of the contract. All the pre-priced rates to be adopted in the contract shall be endorsed by an officer of D1 level or above and such endorsement should be properly documented.

#### **Administration of the PFSPMS in Construction Stage**

20. The Contractor shall submit a “Monthly Report on Safety Performance” (the Monthly Report) to the Architect/Engineer/Supervising Officer using a prescribed proforma (included as “Appendix I to Particular Specifications on Site Safety”) for the measurement of the performance-tied payment items. The Monthly Report shall be prepared and signed by the Safety Officer and



endorsed by the Contractor's Site Agent. The duly signed Monthly Report shall be submitted to the Architect/Engineer/Supervising Officer together with documentary proof for the performance achievements stated in the Monthly Report.

21. No measurement for the performance-tied payment items shall be made by the Surveyor/Engineer/Supervising Officer unless the achievements in respect of the corresponding indicators reported by the Contractor in the Monthly Report has been agreed by the Architect's/Engineer's/Supervising Officer's Representative.

22. If the Contractor or the Architect's/Engineer's/Supervising Officer's Representative subsequently considers that amendment(s) to any of the submitted Monthly Report(s), including those agreed by the Architect/Engineer/Supervising Officer, is/are required, it is the responsibility of the Contractor to revise and re-submit the concerned Monthly Report(s) with amendment(s) to the Architect/Engineer/Supervising Officer for agreement. Previous measurement(s) and payment(s) made to the Contractor shall be adjusted accordingly.

23. Any accident which is suspected to be a reportable accident shall be counted as a reportable accident in the Monthly Report in the first place. If the accident is subsequently confirmed as non-reportable accident by the authority, the Contractor shall revise and re-submit the concerned Monthly Report(s) to the Architect/Engineer/Supervising Officer and previous measurement(s) and payment(s) made to the Contractor shall be adjusted in accordance with paragraph 22 above.

24. If there is any mis-reporting of the achievements in respect of the performance indicators by the Contractor (e.g. late reporting or under reporting of accidents) in the Monthly Report(s), and if considered appropriate, the Architect/Engineer/Supervising Officer shall reflect the mis-reporting in rating the site safety section of the Contractor's Performance Report.

25. The Architect/Engineer/Supervising Officer is to note that there will not be any payment for the performance-tied payment items after the measurement period (i.e. six months after the completion date or the extended completion date of the Works).

#### Accident Frequency Rate and Man-hours Worked

26. The accident frequency rate is calculated as the number of reportable accidents per 100,000 man-hours worked. Reportable accident means accidents arising from activities of the Works (including those accidents which happen in Civil Engineering and Development Department's sorting facilities) resulting in any person suffering from death or injury with incapacity for more than three days but excluding the following types of accidents:-

- (a) accident occurred in a site office but was not related to any activity of the Works;
- (b) accident concerning the injury of a government staff;
- (c) accident concerning the injury of resident site staff of the HKSAR Government or its agents including those employed by consultants; and
- (d) accident concerning the injury of visitors or the public to the Site and was not related to any activity of the Works.

27. As a simplified approach for the calculation of accident frequency rate, the man-hours worked of the general workers and tradesmen can be calculated by multiplying the man-days worked with the average daily working hours. The average daily working hours shall be agreed by the Architect/Engineer/Supervising Officer.

28. The total man-hours worked in the calculation of accident frequency rate shall be the sum of the man-hours worked of the general workers, tradesmen and site management staff employed by the Contractor or the sub-contractors for the Works in accordance with Chapter 9 of the CSSM and agreed by the Architect/Engineer/Supervising Officer.

29. No additional documentary proof for the man-days worked is required for the Monthly Report as long as the corresponding man-days worked in the Labour Relation Officer's report are referred to and the figure is agreed by the Architect/Engineer/Supervising Officer.

**ANNEX A**

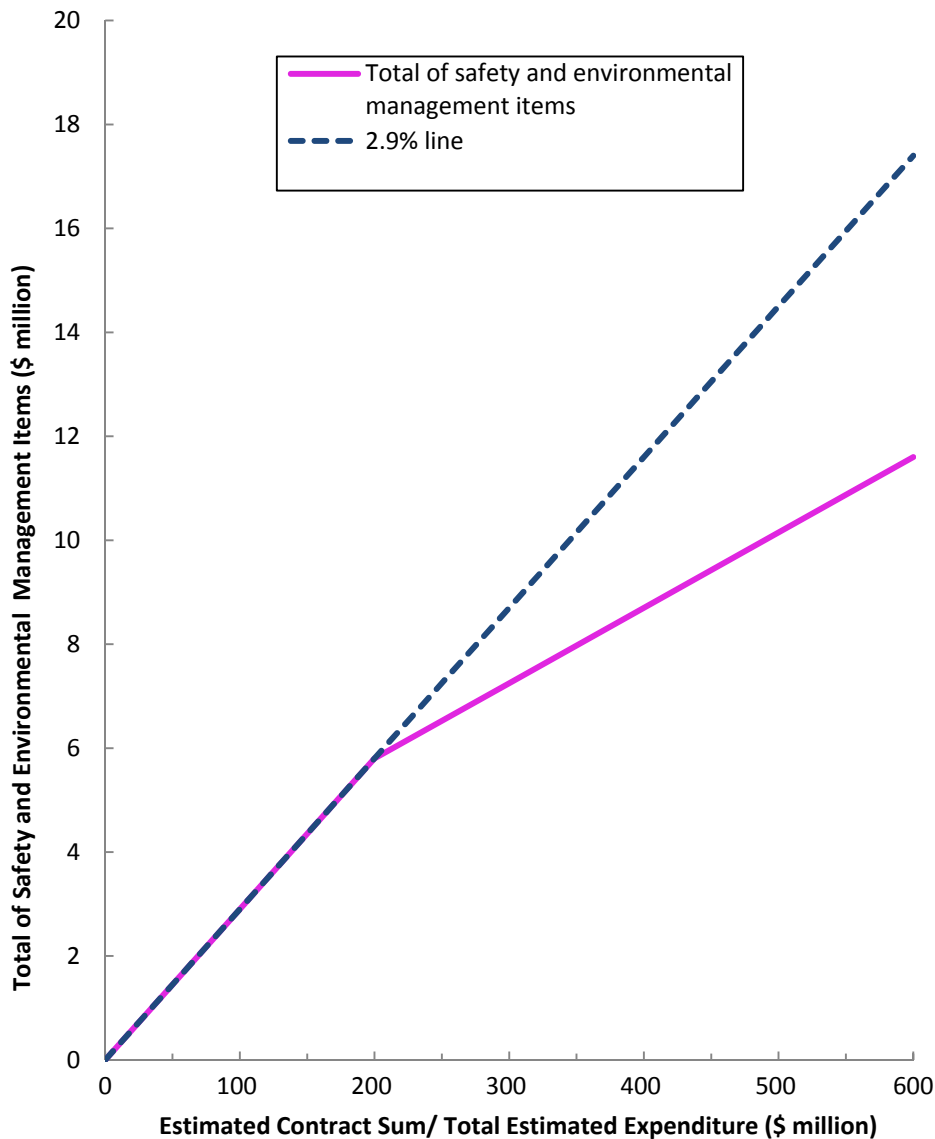
**LIST OF SAFETY PERFORMANCE  
INDICATORS  
FOR  
PAY FOR SAFETY PERFORMANCE MERIT  
SCHEME (PFSPMS)**

**Safety Performance Indicators for PFSPMS**

1. No reportable accident in a month.
2. No notice of safety or environmental prosecution received in a month.
3. Compliance of safety training (Silver Card) for workers of specified trades per month. [Payment is to be made if number of workers with Silver Card training/total number of workers requiring Silver Card > 90%.]
4. Half yearly review of safety performance – based on notices received from Labour Department (LD) in the half year:
  - No Part I Inspection Notice from LD in the half year; and
  - Not more than 5 Part II Inspection Notice from LD in the half year; and
  - No Improvement Notice or Suspension Notice from LD in the half year.
5. 12-month rolling accident frequency rate for reportable accidents (in terms of number of reportable accidents per 100,000 man-hours worked) below **0.25** per 100,000 man-hours worked.
6. Yearly review of safety performance – no fatal accident in a year.
7. Achievement in safety campaigns organized by the Development Bureau [i.e. Considerate Contractors Site Award Scheme (CCSAS)]: -
  - Award under the Considerate Contractors Site Award (CCSA);
  - Award under the Outstanding Environmental Management Performance Award (OEMPA)
  - If the Contractor does not receive any award under CCSA of CCSAS – measurement is made based on the percentage of level 1 (being the highest grade) received in the site assessments.
  - If the Contractor does not receive any award under OEMPA of CCSAS – measurement is made based on the percentage of level 1 (being the highest grade) received in the site assessments
8. Final review of safety performance –
  - No fatal accident in the measurement period as defined in the Measurement Rules; and
  - Cumulative accident frequency rate for reportable accidents below **0.25** per 100,000 man-hours worked in the measurement period as defined in the Measurement Rules.

**ANNEX B**

**GUIDANCE ON SETTING THE TOTAL VALUE  
OF SAFETY ITEMS  
FOR CONTRACTS UNDER  
THE PFSS AND PFSPMS**

**Guidance on the Total Value of Safety Items for Contracts under PFSS and PFSPMS**Note:

1. For estimated contract sum or total estimated expenditure (excluding the Contingency Sum or any sum for the payment of fluctuations) from and including \$20M, up to and including \$200M, total value of safety items under the PFSS and PFSPMS = **2.9** % of estimated contract sum or total estimated expenditure.
2. For estimated contract sum or total estimated expenditure (excluding the Contingency Sum or any sum for the payment of fluctuations) > \$200M, total of safety items = **\$5.8M** + (estimated contract sum or total estimated expenditure - \$ 200M) x **1.45** %.

## **ANNEX C**

### **NOTES TO TENDERERS (FOR THE PFSS AND PFSPMS)**

**Annex C**

The following clause is to be added to the Notes to Tenderers:

- (xx) Tenderers shall note that besides the task-tied payment items for the Pay for Safety Scheme (PFSS), performance-tied payment items for the newly introduced Pay for Safety Performance Merit Scheme (PFSPMS) are also included in this Contract. Tenderers shall pay attention to the Special Conditions of Contract Clause SCC # “Pay for Safety Performance Merit Scheme (PFSPMS)”, Measurement Rules for the Performance-tied Payment Items of the PFSPMS and Schedule of Performance-tied Payment Items of the PFSPMS in Appendix # to the Special Conditions of Contract and the Particular Specification (PS) Clause # of “Particular Specification for Site Safety”\*\* for the operation of the PFSPMS.

(\*\*Amend as appropriate.)

(# Insert as appropriate.)



**ANNEX D**

**SPECIAL CONDITIONS OF CONTRACTS  
(FOR PFSPMS)**

The following SCC clause is to be added to the Special Conditions of Contract:

**[Guidance Notes:**

- 1. The following SCC# shall be used when the Pay for Safety Performance Merit Scheme (PFSPMS) is applicable.**
- 2. Pursuant to “Guidelines on the Inclusion of the Pay for Safety Performance Merit Scheme (PFSPMS) as Extension to the Existing System of the Pay for Safety Scheme (PFSS)” in Chapter 12 of the Construction Site Safety Manual, it is a mandatory requirement for public works contracts, but excluding term contracts, that are included in the existing PFSS or PFSES, to be included in the PFSPMS.]**

- |          |   |   |
|----------|---|---|
| SCC# (1) | <p>For the purposes of this Special Condition of Contract:</p> <p>“last Section” means the Section with the latest time for completion;</p> <p>“PFSPMS” means the Pay for Safety Performance Merit Scheme;</p> <p>“performance-tied payment items” means the performance-tied payment items listed in the Schedule of Performance-tied Payment Items of the PFSPMS in Appendix # to the Special Conditions of Contract under the PFSPMS; and</p> <p>“time for completion” means the time for completion prescribed by General Conditions of Contract Clause 49 or, where applicable, the extended time for completion granted under General Conditions of Contract Clause 50.</p> | <p><b>Pay for Safety Performance Merit Scheme (PFSPMS )</b></p> |
| (2)      | <p>The PFSPMS is included in the Contract with the aim of encouraging the Contractor through payment for the performance-tied payment items for achieving better safety performance. The Contractor shall comply with the provisions of this Special Condition of Contract and Particular Specification Clause # “Particular Specification for Site Safety”** for participation in the PFSPMS.</p>  |   |
| (3)      | <p>The Contractor shall submit Monthly Reports on Safety Performance (each of such reports is hereinafter referred to in this Clause as “Monthly Report”) and relevant documentary proof for the performance-tied payment items as required by Particular Specification Clause #</p>  |   |

“Particular Specification for Site Safety”\*\* for the agreement by the Architect\* / Engineer\* / Supervising Officer\*.

- [(4) The Engineer\* / Supervising Officer\* shall assess the amounts for the performance-tied payment items submitted in each Monthly Report on Safety Performance in accordance with the Measurement Rules for the Performance-tied Payment Items of the PFSPMS and the Schedule of Performance-tied Payment Items of the PFSPMS in Appendix # to the Special Conditions of Contract and notify the Contractor of the assessed amounts. The Contractor shall include the assessed amounts in the next interim statement submitted in accordance with General Conditions of Contract Clause 78 or where there is no further interim statement, in the statement of final account submitted in accordance with General Conditions of Contract Clause 79(6).]\***[Note: Use this version of sub-clause (4) with the General Conditions of Contract for Civil Engineering Works, Electrical and Mechanical Engineering Works, or Design and Build Contracts.]**

[OR]

- [(4) The Surveyor upon agreement to the Monthly Report by the Architect shall assess the amounts for the performance-tied payment items submitted in each Monthly Report in accordance with the Measurement Rules for the Performance-tied Payment Items of the PFSPMS and the Schedule of Performance-tied Payment Items of the PFSPMS in Appendix # to the Special Conditions of Contract and notify the Contractor of the assessed amounts. The Contractor shall include the assessed amounts in the next interim statement submitted in accordance with General Conditions of Contract Clause 78. Where there is no further interim statement, the Surveyor shall include the assessed amounts in the priced Bills of Variations provided to the Contractor in accordance with General Conditions of Contract Clause 59(7).]\* **[Note: Use this version of sub-clause (4) with the General Conditions of Contract for Building Works.]**
- (5) (a) If the Contractor or the Architect\* / Engineer\* / Supervising Officer\* considers that adjustment of any of the Monthly Reports, including those submitted and agreed by the Architect\* / Engineer\* / Supervising Officer\* previously, is required, the Contractor shall revise and re-submit the relevant Monthly Report to the Architect\* / Engineer\* / Supervising Officer\* for correction and agreement. Any amounts for the performance-tied payment items previously certified by

the Surveyor\* / Engineer\* / Supervising Officer\* under General Conditions of Contract Clause 79 shall be corrected accordingly.

- (b) Any accident which is suspected to be a reportable accident shall be counted as a reportable accident in the Monthly Report for the month in which the accident occurs. Without prejudice to the generality of sub-clause (5)(a) above, if it is subsequently concluded that the accident is not a reportable accident, the Contractor shall revise and re-submit the relevant Monthly Report to the Architect\* / Engineer\* / Supervising Officer\* for correction and agreement. Any amounts for the performance-tied payment items previously certified by the Architect\* / Engineer\* / Supervising Officer\* under General Conditions of Contract Clause 79 shall be corrected accordingly.
- (6) There shall be no adjustment for retention of the percentage stated in the Contract [or fluctuations in the cost of labour and materials]\* referred to in General Conditions of Contract Clause 79(1) [and Clause 89]\* in respect of the amounts certified by the Surveyor\* / Engineer\* / Supervising Officer\* for the performance-tied payment items. [Note: Delete the words in square brackets where contract price fluctuations are not provided for under the contract.]
- (7) Further to General Conditions of Contract Clause 79(5), the Engineer\* / Supervising Officer\* shall have the power to omit from any certificate the amounts for the performance-tied payment items if he is for the time being dissatisfied with the documentary proof for those items submitted by the Contractor and for that purpose, or for any other reason which to the Engineer\* / Supervising Officer\* may seem proper, he may by any certificate delete, correct or modify any amounts previously certified by him in respect of the performance-tied payment items. [Note: Use this version of sub-clause (7) with the General Conditions of Contract for Civil Engineering Works, Electrical and Mechanical Engineering Works, or Design and Build Contracts.]

[OR]

- [(7) Further to General Conditions of Contract Clause 79(6) [Note: See the SCC “Final payment certificate” introduced by ETWBTC(W) No. 5/2004 ], the Surveyor shall have the power to omit from any certificate the amounts for the performance-tied payment items if the relevant Monthly Report or any part thereof has not been agreed by the Architect and for that purpose, or for any other reason which to the Surveyor may seem proper, he

may by any certificate delete, correct or modify any amounts previously certified by him in respect of the performance-tied payment items. [Note: Use this version of sub-clause (7) with the General Conditions of Contract for Building Works.]

- (8) The Surveyor\* / Engineer\* / Supervising Officer\* shall finalise the assessment of the performance-tied payment items within the time period required by the Contract for the issue of the final payment certificate. Effect shall be given to such assessment in the calculation of the Final Contract Sum and in the payment due from the Employer to the Contractor or from the Contractor to the Employer as the case may be under the final payment certificate issued in accordance with General Conditions of Contract Clause 79.

(\*Delete as appropriate.)

(\*\*Amend as appropriate.)

(# Insert as appropriate.)

**ANNEX E**

**SAMPLE METHOD OF MEASUREMENT  
AND SCHEDULE OF ITEMS  
(FOR PFSPMS)**

**Annex E – Part I****Sample Measurement Rules for the Performance-tied Payment Items of the PFSPMS  
(Appendix to Special Conditions of Contract)****MEASUREMENT RULES FOR THE PERFORMANCE-TIED PAYMENT ITEMS OF  
THE PFSPMS****Performance–tied Payment Items**

<i>Preambles</i>	a	Rates appearing in the Schedule of Performance-tied Payment Items of the PFSPMS are pre-fixed and shall be deemed to allow for all cost and value for the Contractor in achieving the required performance including meeting all statutory and contractual obligations in the upkeeping of management in the execution of the Works and any other related obligations, liabilities, risks and profit.
	b	The submission of the “Monthly Report on Safety Performance” by the Contractor and the agreement of the Architect’s/Engineer’s/Supervising Officer’s Representative on the above Report are pre-requisites for measurement of the performance-tied payment items. No measurement shall be made in respect of any performance-tied payment items if they are not submitted by the Contractor in the above Report or if they are disagreed by the Architect’s/Engineer’s/Supervising Officer’s Representative.
	c	<p>For the purpose of measurement stated in these Measurement Rules:</p> <p>“calendar month” means any of the twelve portions into which a year is divided;</p> <p>“calendar year” means the period of 12 months commencing on 1 January and ending on 31 December;</p> <p>“earliest date of possession of the Site” means the earliest date of possession of the Site or any Portion or part thereof by the Contractor in accordance with General Conditions of Contract Clause 48;</p> <p>“half calendar year” means the time from and including the first day of January of the year to the last day of June of the same year or, as the case may be, from and including the first day of July of the year to the last day of December of the same year;</p> <p>“last Section” means the Section with the latest time for completion;</p> <p>“PFSPMS” means the Pay for Safety Performance Merit Scheme; and</p> <p>“time for completion” means the time for completion prescribed</p>

		by General Conditions of Contract Clause 49 or, where applicable, the extended time for completion granted under General Conditions of Contract Clause 50.
	d	The quantities in the Schedule of Performance-tied Payment Items of the PFSPMS are provisional only. The final quantities shall be measured in accordance with these Measurement Rules.

	<b>1. NO REPORTABLE ACCIDENTS IN A MONTH</b>	
<i>Units</i>	1	The unit of measurement shall be:
		(i) no reportable accidents in a month ..... month
<i>Measurement</i>	2	The first month to be included in the period to be measured for this item shall commence on the earliest date of possession of the Site and end on the last day of the calendar month within which the earliest date of possession of the Site falls. The second month shall commence on the first day of the second calendar month and end on the last day of the second calendar month and the subsequent months shall run in a similar way. The last month to be included in the period to be measured for this item shall end on the date six months after the time for completion of the Works or if the Works are divided into Sections, the time for completion of the last Section or on an earlier or later date notified by the Architect/Engineer/Supervising Officer provided that such date shall not be earlier than the last date of the time for completion of the Works or the last Section, as the case may be. Any month which is not a complete calendar month shall be measured proportionally as a fraction of the relevant calendar month. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	3	The item shall be measured once only for each month when during the month, there is no reportable accident on the Site reported.
	4	No measurement shall be made for this item if there is reportable accident on the Site reported in the month.
<i>No reportable accidents in a month</i>	5	The item for “no reportable accidents in a month” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	<b>2. NO NOTICE OF SAFETY OR ENVIRONMENTAL PROSECUTION RECEIVED IN A MONTH</b>	
<i>Units</i>	6	The unit of measurement shall be:
		(i) no notice of safety or environmental prosecution received in a month ..... month



<i>Measurement</i>	7	The first month to be included in the period to be measured for this item shall commence on the earliest date of possession of the Site and end on the last day of the calendar month within which the earliest date of possession of the Site falls. The second month shall commence from and including the first day of the second calendar month to the last day of the second calendar month and the subsequent months shall run in similar way. The last month to be included in the period to be measured for this item shall end on the date six months after the time for completion of the Works or if the Works are divided into Sections, the time for completion of the last Section or an earlier or later date notified by the Architect/Engineer/Supervising Officer provided that such date shall not be earlier than the last date of the time for completion of the Works or the last Section, as the case may be. Any month which is not a complete calendar month shall be measured proportionally as a fraction of the relevant calendar month. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	8	The item shall be measured once only for each month within which no notice of safety or environmental prosecution in respect of the Works is received by the Contractor.
	9	No measurement shall be made for this item for a month if notice of safety or environmental prosecution in respect of the Works is received by the Contractor in the month.
<i>No notice of safety or environmental prosecution received in a month</i>	10	The item for “no notice of safety or environmental prosecution received in a month” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	<b>3.</b>	<b>SAFETY TRAINING (SILVER CARD) FOR SPECIFIED TRADE WORKERS COMPLIANCE</b>
<i>Units</i>	11	The unit of measurement shall be:
		(i) safety training (Silver Card) for specified trade workers compliance per month ... month
<i>Measurement</i>	12	The first month to be included in the period to be measured for this item shall commence on the earliest date of possession of the Site and end on the last day of the same calendar month. The second month shall commence from and including the first day of the second calendar month to the last day of the second calendar month and the subsequent months shall run in similar way. The last month to be included in the period to be measured for this item shall end on the date six months after the time for completion of the Works or if the Works are divided into Sections, the time

		for completion of the last Section or to an earlier or later date notified by the Architect/Engineer/Supervising Officer provided that such date shall not be earlier than the last date of the time for completion of the Works or the last Section, as the case may be. Any month which is not a complete calendar month shall be measured proportionally as a fraction of the relevant calendar month. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	13	The item shall be measured once only for a month when the percentage of the number of Silver Card compliance over the total number of workers requiring Silver Card is larger than 90% on a date specified by the Architect/Engineer/Supervising Officer during the month.
	14	No measurement shall be made for this item for a month when the percentage of the number of Silver Card compliance over the total number of workers requiring Silver Card is less than or equal to 90% on the date specified by the Architect/Engineer/Supervising Officer during the month.
<i>Safety training (silver card) for specified trade workers compliance</i>	15	The item for “safety training (silver card) for specified trade workers compliance” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	<b>4.</b>	<b>HALF-YEARLY REVIEW OF SAFETY PERFORMANCE – NOTICES FROM LABOUR DEPARTMENT(LD) IN HALF YEAR</b>
<i>Units</i>	16	The unit of measurement shall be:
		(i) half-yearly review of safety performance – notices from Labour Department (LD) in half year... half year
<i>Measurement</i>	17	The first half year to be included in the period to be measured for this item shall commence on the earliest date of possession of the Site and end on the last day of the half calendar year within which the earliest date of possession of the Site falls. The second half year shall commence on the first day of the second half calendar year and end on the last day of the second half calendar year and the subsequent half years shall run in similar way. The last half year to be included in the period to be measured for this item shall end on the date six months after the time for completion of the Works, or if the Works are divided into Sections, the time for completion of the last Section or on an earlier or later date notified by the Architect/Engineer/Supervising Officer provided that such date shall not be earlier than the last date of the time for

		completion of the Works or the last Section, as the case may be. Any half year which is not a complete half calendar year shall be measured proportionally as a fraction of the relevant half calendar year. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	18	If inspection(s) of the construction site is/are conducted by Labour Department (LD) in the concerned period, the item shall be measured once only for each half year when during the half year, the Contractor has satisfied all of the following criteria in respect of the Works:
		(i) no Part I Inspection Notice is issued by LD; (ii) not more than 5 Part II Inspection Notice is issued by LD; and (iii) no Improvement Notice (IN) or Suspension Notice (SN) is issued by LD.
	19	If no inspection of the construction site is conducted by LD in the concerned period, this item shall be measured once.
	20	No measurement shall be made for this item for any half year within which any of the criteria regarding Notices issued by Labour Department mentioned in the paragraph 24 above is not satisfied.
<i>Half-yearly review of safety performance – notices from Labour Department in half year</i>	21	The item for “half-yearly review of safety performance – notices from LD in half year” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	<b>5.</b>	<b>12-MONTH ROLLING ACCIDENT FREQUENCY RATE FOR REPORTABLE ACCIDENTS</b>
<i>Units</i>	22	The unit of measurement shall be:
		(i) 12-month rolling accident frequency rate for reportable accidents ... 12- month rolling period
<i>Measurement</i>	23	In each 12- month rolling period within the period to be measured for this item, all reportable accidents in the 12-month rolling period shall be included in the calculation of the total reportable accidents on the Site per total man-hours worked as the 12-month rolling accident frequency rate for reportable accidents for the 12-month rolling period. A 12-month rolling period within the period to be measured for this item shall be measured if its 12-month rolling accident frequency rate for reportable accidents is below

		the threshold of 0.25 per 100,000 man-hours worked. The period to be measured for this item shall commence on the earliest date of possession of the Site and end on the date six months after the time for completion of the Works or if the Works are divided into Sections, the time for completion of the last Section or an earlier or later date notified by the Architect/Engineer/Supervising Officer provided that such date shall not be earlier than the last date of the time for completion of the Works or the last Section, as the case may be. Any month which is not a complete calendar month shall not be included in any 12- month rolling period for calculation of the 12-month rolling accident frequency rate for reportable accidents for this item. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	24	The item shall be measured once only for any 12- month rolling period of which the 12-month rolling accident frequency rate for reportable accidents is below 0.25 per 100,000 man-hours worked.
	25	No measurement shall be made for this item for any period which is not a 12-month rolling period or for any 12- month rolling period of which the 12-month rolling accident frequency rate for reportable accidents is equal or higher than 0.25 per 100,000 man-hours worked.
<i>12-month rolling accident frequency rate for reportable accidents</i>	26	The item for “12-month rolling accident frequency rate for reportable accidents” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	<b>6. YEARLY REVIEW OF SAFETY PERFORMANCE - NO FATAL ACCIDENT IN A YEAR</b>	
<i>Units</i>	27	The unit of measurement shall be:
		(i) yearly review of safety performance - no fatal accident in a year ... year
<i>Measurement</i>	28	The first year to be included in the period to be measured for this item shall commence on the earliest date of possession of the Site and end on the last day of the calendar year within which the earliest date of possession of the Site falls. The second year shall commence on the first day of the second calendar year and end on the last day of the second calendar year and the subsequent years shall run in similar way. The last year to be included in the period to be measured for this item shall end on the date six months after the time for completion of the Works, or if the Works are divided into Sections, the time for completion of the last Section or an earlier or later date notified by the Architect/Engineer/Supervising

		Officer provided that such date shall not be earlier than the last date of the time for completion of the Works or the last Section, as the case may be. Any year which is not a complete calendar year shall be measured proportionally as a fraction of the relevant calendar year. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	29	The item shall be measured once only for each year when during the year, no fatal accident on the Site is reported.
	30	No measurement shall be made for this item for a year if fatal accident on the Site is reported during the year.
<i>Yearly review of safety performance - no fatal accident in a year</i>	31	The item for “yearly review of safety performance - no fatal accident in a year” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	<b>7.</b>	<b>ACHIEVEMENT IN SAFETY CAMPAIGNS ORGANIZED BY DEVELOPMENT BUREAU</b>
<i>Units</i>	32	The units of measurement shall be:
		(i) Considerate Contractors Site Award (CCSA)...nr (ii) Outstanding Environmental Management Performance Award (OEMPA)...nr (iii) No CCSA under CCSAS – measurement for level 1 assessment....% (iv) No OEMPA under CCSAS – measurement for level 1 assessment....%
<i>Measurement</i>	33	The number (nr) to be measured for “Considerate Contractors Site Award (CCSA)” under the Considerate Contractors Site Award Scheme (CCSAS) shall be within the period commencing on the earliest date of possession of the Site and ending on the last date of the time for completion of the Works or if the Works are divided into Sections, the last date of the time for completion of the last Section or to a later date notified by the Architect/Engineer/Supervising Officer. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	34	The item “Considerate Contractors Site Award (CCSA)” shall be measured once for each CCSAS participated by the Contractor if the Contractor completes the CCSAS with achievement of either gold award, silver award, bronze award or merit award of CCSA in the CCSAS.
	35	No measurement shall be made for “Considerate Contractors Site

		Award (CCSA)” for the CCSAS participated by the Contractor where the Contractor has not achieved any of the gold, silver, bronze or merit awards of CCSA in the CCSAS.
	36	The number (nr) to be measured for “Outstanding Environmental Management Performance Award (OEMPA)” under the CCSAS shall be within the period commencing on the earliest date of possession of the Site and ending on the last date of the last date of the time for completion of the Works or if the Works are divided into Sections, the last date of the time for completion of the last Section or to a later date notified by the Architect/Engineer/Supervising Officer. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	37	The item “Outstanding Environmental Management Performance Award (OEMPA)” shall be measured once for each CCSAS participated by the Contractor if the Contractor completes the CCSAS with achievement of either gold award, silver award, bronze award or merit award of OEMPA in the CCSAS.
	38	No measurement shall be made for “Outstanding Environmental Management Performance Award (OEMPA)” for the CCSAS participated by the Contractor where the Contractor has not achieved any of the gold, silver, bronze or merit awards of OEMPA in the CCSAS.
	39	The percentage (%) to be measured for “No CCSA under CCSAS – measurement for level 1 assessment” shall be within the period commencing on the earliest date of possession of the Site and ending on the last date of the time for completion of the Works or if the Works are divided into Sections, the last date of the time for completion of the last Section or to a later date notified by the Architect/Engineer/Supervising Officer. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	40	The item “No CCSA under CCSAS – measurement for level 1 assessment” shall be measured once for each CCSAS participated by the Contractor based on the percentage of number of achievement of level 1 assessments by the Contractor per total number of assessments for each CCSAS participated by the Contractor when the Contractor does not achieve any award under the same CCSAS participated by the Contractor. Level 1 assessment refers to the assessment sheet of the CCSAS with level 1 being the highest rating for each item.
	41	No measurement shall be made for “No CCSA under CCSAS – measurement for level 1 assessment” for the CCSAS participated by the Contractor where the Contractor has achieved any of the gold, silver, bronze or merit awards of CCSA under the same CCSAS participated by the Contractor.
	42	The percentage (%) to be measured for “No OEMPA under CCSAS – measurement for level 1 assessment” shall be within the period commencing on the earliest date of possession of the Site

		and ending on the last date of the time for completion of the Works or if the Works are divided into Sections, the last date of the time for completion of the last Section or to a later date notified by the Architect/Engineer/Supervising Officer. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	43	The item “No OEMPA under CCSAS – measurement for level 1 assessment” shall be measured once for each CCSAS participated by the Contractor based on the percentage of number of achievement of level 1 assessments by the Contractor per total number of assessments for each CCSAS participated by the Contractor when the Contractor does not achieve any OEMPA under the same CCSAS participated by the Contractor. Level 1 assessment refers to the assessment sheet of the CCSAS with level 1 being the highest rating for each item.
	44	No measurement shall be made for “No OEMPA under CCSAS – measurement for level 1 assessment” for the CCSAS participated by the Contractor where the Contractor has achieved any of the gold, silver, bronze or merit awards of OEMPA under the same CCSAS participated by the Contractor.
	45	The item for “Considerate Contractors Site Award (CCSA)” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	46	The item for “Outstanding Environmental Management Performance Award (OEMPA)” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	47	The item for “no CCSA under CCSAS – measurement for level 1 assessment” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	48	The item for “no OEMPA under CCSAS – measurement for level 1 assessment” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
	<b>8. FINAL REVIEW OF SAFETY PERFORMANCE</b>	
<i>Units</i>	49	The units of measurement shall be:
		(i) no fatal accident.....item

		(ii) cumulative accident frequency rate for reportable accidents.....item
<i>Measurement</i>	50	The period covered by “no fatal accident” shall be the time commencing on the earliest date of possession of the Site and ending on the date six months after the time for completion of the Works or if the Works are divided into Sections, the time for completion of the last Section or an earlier or later date notified by the Architect/Engineer/Supervising Officer provided that such date shall not be earlier than the last date of the time for completion of the Works or the last Section, as the case may be. This item shall be measured in the final review if no fatal accident on the Site is reported during the above mentioned period of time. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	51	The period covered by “cumulative accident frequency rate for reportable accidents” shall be the time commencing on the earliest date of possession of the Site and ending on the date six months after the time for completion of the Works or if the Works are divided into Sections, the time for completion of the last Section or an earlier or later date notified by the Architect/Engineer/Supervising Officer provided that such date shall not be earlier than the last date of the time for completion of the Works or the last Section, as the case may be. This item shall be measured in the final review if the cumulative accident frequency rate for reportable accidents on the Site reported is below 0.25 per 100,000 man-hours worked during the above period of time in the final review. No measurement shall be made for this item for any time before or after the above mentioned period to be measured for this item.
	52	No measurement shall be made for “no fatal accident” if there is fatal accident record reported during the above mentioned period of time in the final review.
	53	No measurement shall be made for “cumulative accident frequency rate for reportable accidents” if the cumulative accident frequency rate for reportable accidents on the Site reported is above or equal to 0.25 per 100,000 man-hours during the above mentioned period of time in the final review.
<i>No fatal accident</i>	54	The item for “no fatal accident” shall include for:
<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
<i>Cumulative accident frequency rate for reportable accidents</i>	55	The item for “cumulative accident frequency rate for reportable accidents” shall include for:



<i>Item coverage</i>		(a) all efforts, costs, expenses, loss or profit provided, incurred or allowed by the Contractor for striving to achieve the performance required by this item.
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**Annex E – Part II (A)****Sample Schedule of Performance-tied Payment Items of the PFSPMS**

(Based on \$200M estimated contract value, excluding the Contingency Sum and any sum allowed for fluctuations, for a contract period of 24 months)

**Schedule of Performance-tied Payment Items of the PFSPMS**

<b>(A) Performance-tied payment items</b>						
<b>Item no.</b>	<b>Description of Payment items on performance indicators</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>	<b>[Assigned % on capped amounts]<sup>®</sup></b>
1.	No reportable accidents in a month	34 <sup>^</sup>	month	12,000	408,000*	[12%]
2.	No notice of safety or environmental prosecution received in a month	34 <sup>^</sup>	month	12,000	408,000*	[12%]
3.	Safety training (Silver Card) for specified trade workers compliance per month Payment to be made if: no. of Silver Card compliance/ total no. of workers requiring Silver Card > 90% on a date specified by the Architect/Engineer/Supervising Officer during the month	34 <sup>^</sup>	month	6,000	204,000*	[6%]
4.	Half-yearly review of safety performance – notices from Labour Department (LD)  Payment to be made if there is:- - No Part I Inspection Notice <sup>(note 2)</sup> from LD; - Not more than 5 Part II Inspection Notice <sup>(note 2)</sup> from LD; and - No Improvement Notice or Suspension Notice from LD in half year	5.6 <sup>^</sup>	Half-year	73,000	408,800*	[12%]
5.	12-month rolling accident frequency rate for reportable accidents below 0.25 per 100,000 man-hours worked	23 <sup>^^</sup>	12-month rolling period	27,000	621,000*	[18%]
6.	Yearly review of safety performance - no fatal accident in a year	2.8 <sup>^</sup>	year	220,00	616,000*	[18%]
7.	Achievement in safety campaigns organized by Development Bureau  (i) Considerate Contractors Site Award (CCSA <sup>#</sup> )  (a) Obtaining gold award	2	nr	120,000	240,000*	[7% or \$0.36M whichever is the lower]

<b>(A) Performance-tied payment items</b>						
<b>Item no.</b>	<b>Description of Payment items on performance indicators</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>	<b>[Assigned % on capped amounts]®</b>
	(b) Obtaining silver award	2	nr	96,000	192,000	<i>(80% of gold)</i>
	(c) Obtaining bronze award	2	nr	72,000	144,000	<i>(60% of gold)</i>
	(d) Obtaining merit award	2	nr	48,000	96,000	<i>(40% of gold)</i>
	(ii) Outstanding Environmental Management Performance Award (OEMPA <sup>#</sup> )					
	(a) Obtaining gold award	2	nr	45,000	90,000*	<i>[3%* or \$0.14M whichever is the lower]</i>
	(b) Obtaining silver award	2	nr	36,000	72,000	<i>(80% of gold)</i>
	(c) Obtaining bronze award	2	nr	27,000	54,000	<i>(60% of gold)</i>
	(d) Obtaining merit award	2	nr	18,000	36,000	<i>(40% of gold)</i>
	(iii) No CCSA under CCSAS – measurement for level 1 <sup>(note3)</sup> assessment:	200	%	24,000	48,000	<i>(20% of gold)</i>
	(iv) No OMEPA under CCSAS – measurement for level 1 <sup>(note3)</sup> assessment:	200	%	9,000	18,000	<i>(20% of gold)</i>
8.	Final review of safety performance in respect of:					
	(i) no fatal accident	1	item	200,000	200,000*	<i>[6%]</i>
	(ii) cumulative accident frequency rate for reportable accidents below 0.25 per 100,000 man-hours worked	1	item	200,000	200,000*	<i>[6%]</i>
<b>Total</b>					<b>3,395,800Δ</b>	
Provisional Sum for PFSPMS to be stated in the Summary of Tender** / General Summary**/Grand Summary**:					<b>[Sum]</b>	

## Notes:

- ^ The period allowed for the completion of the Works is: for every 12 months of the original contract period, a 2 months' period for potential extension of time is added and for the whole contract period, a six months' period after the certified completion of the Works is to be added. E.g. 24 months for original contract period + 2 x 2months for EOT + 6 months after certified completion = 34 months (or 2.8 years or 5.6 half years). Deduction should be made to the above allowed period if the earliest date of possession of the Site or Portion(s) of the Site by the Contractor in accordance with GCC Clause 48(1) is to be later than the date for commencement of the Works.
- ^^ The period allowed for the completion of the Works is: for every 12 months of the original contract period, a 2 months' period for potential extension of time is added and for the whole contract period, a six months' period after the certified completion of the Works is to be added. However, as the countable 12-month rolling period does not include the first 11 months from the earliest date of possession of the Site by the Contractor, the period allowed for this item has to minus 11 months. E.g. 24 months for original contract period + 2 x 2months + 6 months after certified completion for EOT – 11 months = 23 months. Deduction should be made to the above allowed period if the earliest date of possession of the Site or Portion(s) of the Site by the Contractor in accordance with GCC Clause 48(1) is to be later than the date for commencement of the Works.
- # The CCSA and OEMPA are awards under annual Considerate Contractors Site Award Scheme (CCSAS) organized by DEVB. An award can be achieved for each calendar year started usually from the first day of the year to the last day of the year. The proportions of the rates for the gold award, silver award, bronze award and merit award for CCSA and OEMPA and shown in the sample Schedule are for reference and should be adjusted by the project officer to suit the circumstances of the Works.
- @ This column is for guidance only and should not be entered in the Schedule of Performance-tied Payment Items of the PFSPMS.
- \*\* To be deleted or amended as appropriate.
- Δ Total of payment items marked with \*.
1. For estimated contract value (excluding the Contingency Sum and any sum allowed for fluctuations) from and including \$20M, up to and including \$200M, the maximum total amount of all the capped amounts (denoted with \*) allowed for the performance-tied payment items is calculated as:  
 $(\text{estimated contract value} \times 1.7\%) = 1.7\% \text{ of the estimated contract value}$
- The maximum total amount allowed for the performance-tied payment items for estimated contract value of \$200M is approximate to the calculation of:  
 $(\$200\text{M estimated contract value} \times 1.7\%) = \$3.4\text{M}.$
- The capped amount (\*) is approximate to the calculation of:  
 $\$3.4\text{M} \times \text{the percentage assigned to the capped amount}.$
2. Part I Inspection Notice and Part II Inspection Notice refer to the requirements tabulated in Part I and Part II of the Site Inspection Report issued by the Labour Department.
3. Level 1 assessment refers to the assessment sheet of the CCSAS for CCSA and OMEPA respectively with level 1 being the highest rating for each item.

**Annex E – Part II (B)****Sample Schedule of Performance-tied Payment Items of the PFSPMS**

(Based on \$500M estimated contract value, excluding the Contingency Sum and any sum allowed for fluctuations, for a contract period of 36 months)

**Schedule of Performance-tied Payment Items of the PFSPMS**

<b>(B) Performance-tied payment items</b>						
<b>Item no.</b>	<b>Description of Payment items on performance indicators</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>	<b>[Assigned % on capped amounts]<sup>®</sup></b>
1.	No reportable accidents in a month	48 <sup>^</sup>	month	16,000	768,000*	[12%]
2.	No notice of safety or environmental prosecution received in a month	48 <sup>^</sup>	month	16,000	768,000*	[12%]
3.	Safety training (Silver Card) for specified trade workers compliance per month Payment to be made if: no. of Silver Card compliance/ total no. of workers requiring Silver Card > 90% on a date specified by the Architect/Engineer/Supervising Officer during the month	48 <sup>^</sup>	month	7,000	336,000*	[6%]
4.	Half-yearly review of safety performance – notices from Labour Department (LD)  Payment to be made if there is:- - No Part I Inspection Notice <sup>(note 2)</sup> from LD; - Not more than 5 Part II Inspection Notice <sup>(note 2)</sup> from LD; and - No Improvement Notice or Suspension Notice from LD in half year	8.0 <sup>^</sup>	Half-year	85,000	680,000*	[12%]
5.	12-month rolling accident frequency rate for reportable accidents below 0.25 per 100,000 man-hours worked	37 <sup>^^</sup>	12-month rolling period	30,000	1,110,000*	[18%]
6.	Yearly review of safety performance - no fatal accident in a year	4 <sup>^</sup>	year	275,00	1,100,000*	[18%]
7.	Achievement in safety campaigns organized by Development Bureau  (i) Considerate Contractors Site Award (CCSA <sup>#</sup> )  (a) Obtaining gold award	3	nr	120,000	360,000*	[7% or \$0.36M whichever is the lower]



## Notes:

- ^ The period allowed for the completion of the Works is: for every 12 months of the original contract period, a 2 months' period for potential extension of time is added and for the whole contract period, a six months' period after the certified completion of the Works is to be added. E.g. 36 months for original contract period + 3 x 2months for EOT + 6 months after certified completion = 48 months (or 4.0 years or 8.0 half years). Deduction should be made to the above allowed period if the earliest date of possession of the Site or Portion(s) of the Site by the Contractor in accordance with GCC Clause 48(1) is to be later than the date for commencement of the Works.
- ^^ The period allowed for the completion of the Works is: for every 12 months of the original contract period, a 2 months' period for potential extension of time is added and for the whole contract period, a six months' period after the certified completion of the Works is to be added. However, as the countable 12-month rolling period does not include the first 11 months from the earliest date of possession of the Site by the Contractor, the period allowed for this item has to minus 11 months. E.g. 36 months for original contract period + 3 x 2months + 6 months after certified completion for EOT – 11 months = 37 months. Deduction should be made to the above allowed period if the earliest date of possession of the Site or Portion(s) of the Site by the Contractor in accordance with GCC Clause 48(1) is to be later than the date for commencement of the Works.
- # The CCSA and OEMPA are awards under annual Considerate Contractors Site Award Scheme (CCSAS) organized by DEVB. An award can be achieved for each calendar year started from the first day of the year to the last day of the year. The proportions of the rates for the gold award, silver award, bronze award and merit award for CCSA and OEMPA shown in the sample Schedule are for reference and should be adjusted by the project officer to suit the circumstances of the Works.
- @ This column is for guidance only and should not be entered in the Schedule of Performance-tied Payment Items of the PFSPMS.
- \*\* To be deleted or amended as appropriate.
- Δ Total of payment items marked with \*.
1. For estimated contract value (excluding the Contingency Sum and any sum allowed for fluctuations) of more than \$200M, the maximum total amount of all the capped amounts (denoted with \*) allowed for the performance-tied payment items is calculated as:  
 $[\$ 3.4M + (\text{estimated contract value} - \$200M) \times 0.85 \%$
- The maximum amount allowed for the performance-tied payment items for estimated contract value of \$500M is approximate to the calculation of:  
 $[\$3.4M + (\$500M \text{ estimated contract value} - \$200M) \times 0.85 \%] = \$5.95M.$
- The capped amount (\*) is approximate to the calculation of:  
 $\$5.95M \times \text{the percentage assigned to the capped amount.}$
2. Part I Inspection Notice refers to the requirements tabulated in Part I of the Site Inspection Report issued by the Labour Department.
3. Level 1 assessment refers to the assessment sheet of the CCSAS for CCSA and OMEPA respectively with level 1 being the highest rating for each item.

**Annex E – Part II(C)****Sample Schedule of Performance-tied Payment Items of the PFSPMS**

(Based on an estimated total expenditure of \$100M, excluding the Contingency Sum and any sum allowed for fluctuations, for a contract period of 24 months)

**Schedule of Performance-tied Payment Items of the PFSPMS  
for Lump Sum Contracts with Drawings and Specification**

<b>(C) Performance-tied payment items</b>						
<b>Item no.</b>	<b>Description of Payment items on performance indicators</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>	<b>[Assigned % on capped amounts]<sup>®</sup></b>
1.	No reportable accidents in a month	34 <sup>^</sup>	month	6,000	204,000*	[12%]
2.	No notice of safety or environmental prosecution received in a month	34 <sup>^</sup>	month	6,000	204,000*	[12%]
3.	Safety training (Silver Card) for specified trade workers compliance per month Payment to be made if: no. of Silver Card compliance/ total no. of workers requiring Silver Card > 90% on a date specified by the Architect/Engineer/Supervising Officer during the month	34 <sup>^</sup>	month	3,000	102,000*	[6%]
4.	Half-yearly review of safety performance – notices from Labour Department (LD)  Payment to be made if there is:- - No Part I Inspection Notice <sup>(note 2)</sup> from LD; - Not more than 5 Part II Inspection Notice <sup>(note 2)</sup> from LD; and - No Improvement Notice or Suspension Notice from LD in half year	5.6 <sup>^</sup>	Half-year	35,000	196,000*	[12%]
5.	12-month rolling accident frequency rate for reportable accidents below 0.25 per 100,000 man-hours worked	23 <sup>^^</sup>	12-month rolling period	13,000	299,000*	[18%]
6.	Yearly review of safety performance - no fatal accident in a year	2.8 <sup>^</sup>	year	105,000	294,000*	[18%]
7.	Achievement in safety campaigns organized by Development Bureau  (i) Considerate Contractors Site Award (CCSA <sup>#</sup> )  (a) Obtaining gold award	2	nr	70,000	140,000*	[7% or \$0.36M whichever is the lower]



<b>(C) Performance-tied payment items</b>						
<b>Item no.</b>	<b>Description of Payment items on performance indicators</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>	<b>[Assigned % on capped amounts]<sup>®</sup></b>
	(b) Obtaining silver award	2	nr	56,000	112,000	<i>(80% of gold)</i>
	(c) Obtaining bronze award	2	nr	42,000	84,000	<i>(60% of gold)</i>
	(d) Obtaining merit award	2	nr	28,000	56,000	<i>(40% of gold)</i>
	(ii) Outstanding Environmental Management Performance Award (OEMPA <sup>#</sup> )					
	(a) Obtain gold award	2	nr	30,000	60,000*	<i>[3%* or \$0.14M whichever is lower]</i>
	(b) Obtaining silver award	2	nr	24,000	48,000	<i>(80% of gold)</i>
	(c) Obtaining bronze award	2	nr	18,000	36,000	<i>(60% of gold)</i>
	(d) Obtaining merit award	2	nr	12,000	24,000	<i>(40% of gold)</i>
	(iii) No CCSA under CCSAS – measurement for level 1 <sup>(note3)</sup> assessment:	200	%	14,000	28,000	<i>(20% of gold)</i>
	(iv) No OMEPA under CCSAS – measurement for level 1 <sup>(note3)</sup> assessment:	200	%	6,000	12,000	<i>(20% of gold)</i>
8.	Final review of safety performance in respect of:					
	(i) no fatal accident	1	item	100,000	100,000*	<i>[6%]</i>
	(ii) cumulative accident frequency rate for reportable accidents below 0.25 per 100,000 man-hours worked	1	item	100,000	100,000*	<i>[6%]</i>
<b>Total</b>					<b>1,699,000<sup>Δ</sup></b>	
Provisional Sum for PFSPMS to be stated in the Summary of Tender** / General Summary**/Grand Summary**:					<b>[Sum]</b>	

## Notes:

- ^ The period allowed for the completion of the Works is: for every 12 months of the original contract period, a 2 months' period for potential extension of time is added and for the whole contract period, a six months' period after the certified completion of the Works is to be added. E.g. 24 months for original contract period + 2 x 2months for EOT + 6 months after certified completion = 34 months (or 2.8 years or 5.6 half years). Deduction should be made to the above allowed period if the earliest date of possession of the Site or Portion(s) of the Site by the Contractor in accordance with GCC Clause 48(1) is to be later than the date for commencement of the Works.
- ^^ The period allowed for the completion of the Works is: for every 12 months of the original contract period, a 2 months' period for potential extension of time is added and for the whole contract period, a six months' period after the certified completion of the Works is to be added. However, as the countable 12-month rolling period does not include the first 11 months from the earliest date of possession of the Site or Portion(s) of the Site by the Contractor, the period allowed for this item has to minus 11 months. E.g. 24 months for original contract period + 2 x 2months + 6 months after certified completion for EOT – 11 months = 23 months. Deduction should be made to the above allowed period if the earliest date of possession of the Site or Portion(s) of the Site by the Contractor in accordance with GCC Clause 48(1) is to be later than the date for commencement of the Works.
- # The CCSA and OEMPA are awards under annual Considerate Contractors Site Award Scheme (CCSAS) organized by DEVB. An award can be achieved for each calendar year started from the first day of the year to the last day of the year. The proportions of the rates for the gold award, silver award, bronze award and merit award for CCSAS and OEMPA shown in the sample Schedule are for reference and should be adjusted by the project officer to suit the circumstances of the Works.
- @ This column is for guidance only and should not be entered in the Schedule of Performance-tied Payment Items of the PFSPMS.
- \*\* To be deleted or amended as appropriate.
- Δ Total of payment items marked with \*.
1. For estimated contract value (excluding the Contingency Sum and any sum allowed for fluctuations) from and including \$20M, up to and including \$200M, the maximum total amount of all the capped amounts (denoted with \*) allowed for the performance-tied payment items is calculated as:  
 $(\text{estimated contract value} \times 1.7\%) = 1.7\% \text{ of the estimated contract value}$
- The maximum total amount of all the capped amounts (denoted with \*) allowed for the performance-tied payment items of estimated total expenditure of \$100M is approximate to the calculation of:  
 $(\$100\text{M estimated contract value} \times 1.7\%) = \$1.7\text{M}.$
- The capped amount (\*) is approximate to the calculation of:  
 $\$1.7\text{M} \times \text{the percentage assigned to the capped amount}.$
2. Part I Inspection Notice refers to the requirements tabulated in Part I of the Site Inspection Report issued by the Labour Department.
3. Level 1 assessment refers to the assessment sheet of the CCSAS for CCSA and OMEPA respectively with level 1 being the highest rating for each item.

**Annex E – Part III****Sample Summary of Tender for Lump Sum Capital Works Contracts (with Drawings and Specification contract or Design and Build contract) included in the PFSS / PFSES and PFSPMS**

**[Guidance Note: Sample Summary of Tender showing how the Provisional Sums are included]**

**Summary of Tender**

	Page	\$	¢
1. SPECIFICATION PRELIMINARIES		( )*	
2. SCHEDULE OF RATES (to be submitted by the Contractor)			
Section A – Contractor’s Designed piled Foundations		( )*	
Section B – Contractor’s Designed Pile Caps and Strap Beams		( )*	
Section C – Ancillary Work		( )*	
Section D – [Pay for Safety and Environment Scheme, Site Cleanliness and Tidiness, etc. Insert as applicable.]		( )*	
3. PROVISIONAL SUM			
<i>[Provide the following sums to be expended in part or in whole as directed by the Architect+ / Engineer+ / Supervising Officer+ or wholly deducted from the Contract Sum if not required.]</i>			
Provide the Provisional Sum of \$_____ for performance-tied payment items under the Pay for Safety Performance Merit Scheme (PFSPMS).	sum	_____	00
4. CONTINGENCY SUM			
Contingency Sum	sum	**2,000,000	00
TOTAL CARRIED TO FORM OF TENDER		\$	

[Notes:

- \* Amount to be inserted by tenderers
- \*\* Amount fixed by the contract drafter
- # Insert the information as appropriate.
- + Delete or amend as appropriate.]

**ANNEX F**

**[Not used]**

**[Not used]**

**[Not used]**

**[Not used]**

The following proforma shall be added in the Particular Specification on Site Safety:-

**To: The Architect/Engineer/Supervising Officer<sup>#1</sup>**

**Contractor's Monthly Report on Safety Performance (Revision No. \_\_\_\_\_ )**  
(for measurement of the performance-tied payment items under PFSPMS)

**A. Contract Details**

Department : \_\_\_\_\_

Contract No. and Title: \_\_\_\_\_

Name of Contractor: \_\_\_\_\_

Reporting Month: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ to \_\_\_\_\_  
(dd/mm/yyyy) (dd/mm/yyyy)

**B. Safety Performance of the Contract in the Reporting Period**

Performance Indicators	Performance achievements in this Reporting Month (to be reported by the Contractor)	Verified by Architect's/Engineer's/Supervising Officer's <sup>#1</sup> Representative
1. No reportable accident(s) in the reporting month	Yes/No <sup>#1</sup> Number of reportable accident(s) in this month:- _____ (nr)	Agree/Disagree <sup>#1</sup> _____ (initial)
2. No notice of safety or environmental prosecution in this month	Yes/No <sup>#1</sup> Number of prosecution received in this month:- Safety _____ (nr) Environmental _____ (nr)	Agree/Disagree <sup>#1</sup> _____ (initial)
3. Safety training (Silver Card) for specified trade <sup>#2</sup> workers compliance per month [Note: Measurement to be made if: no. of Silver Card compliance/ total no. of workers requiring Silver Card > 90% on a date specified by the Architect/Engineer during the month]	Measurement Date : _____ Number of skilled workers who are employed in the specified trades on : _____ Number of skilled workers in above who possessed the relevant Silver Card: _____ Percentage: _____	Agree/Disagree <sup>#1</sup> _____ (initial)
4. Half-yearly review of safety performance – notices from Labour Department (LD) <sup>#3</sup> a. No Part I Inspection Notice in half year b. Not more than 5 nos. of Part II Inspection Notice in half year c. No Improvement Notice (IN) or Suspension Notice (SN) in half year	Half year period : From: _____ to _____ (dd/mm/yyyy) (dd/mm/yyyy) Yes/No <sup>#1</sup> No. of Pt. I received _____ (nr) Yes/No <sup>#1</sup> No. of Pt. II received _____ (nr) Yes/No <sup>#1</sup> No. of SN received _____ (nr)	Agree/Disagree <sup>#1</sup> _____ (initial)
5. 12-month rolling accident frequency rate for reportable accidents <sup>#4</sup> below 0.25 per 100,000 man-hours worked <sup>#5</sup>	Yes/No <sup>#1</sup> 12-month rolling accident frequency rate for reportable accidents <sup>#4</sup> in this end-month of 12- month period :- _____	Agree/Disagree <sup>#1</sup> _____ (initial)





