香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

政府總部
環境運輸及工務局

香港花園道美利大廈

Environment, Transport and Works Bureau
Government Secretariat

Murray Building, Garden Road,
Hong Kong

Ref : ETWB(PS)106/11 Pt 20
Group : 6

22 August 2003

Environment, Transport and Works Bureau Technical Circular (Works) No. 23/2003

Consultants' Fees for Additional Services

Subsumed

Scope

This Circular introduces amendments to consultancy agreements in respect of the determination of Consultants' fees for additional Services. It applies to consultancy agreements under the purview of the Architectural and Associated Consultants Selection Board (AACSB) and the Engineering and Associated Consultants Selection Board (EACSB).

Effective Date

2. The Circular takes immediate effect.

Effect on Existing Circulars

3. This Circular should be read in conjunction with WBTC No. 16/95, WBTC No. 16/95A, WBTC No. 15/2001, ETWB TCW No. 8/2003, and the AACSB/EACSB Handbooks. If there are discrepancies between the provisions of this Circular and the other documents, this Circular shall prevail.

4. The annexes to WBTC No. 15/2001 shall be superseded and replaced by the annexes to Appendix II of this Circular.

5. PWDTC No. 25/79, PWDTC No. 4/80 and SETW's memo ref. (111) in ETWB(PS)106/11 Part 18 dated 25 January 2003 are hereby cancelled.

Background

6. Under Clause 33 of the Government's General Conditions of Employment and Clause 5 of the Schedule of Fees, the Consultants are entitled to payment where additional Services are performed.

7. For additional Services paid on a time charge basis, partners and directors are currently paid at a preset fixed rate, whereas professional and technical staff are paid according to the salary costs of the staff actually deployed for the job and the time charge multiplier proposed by the Consultants in the Fee Proposals. This method of calculation of fees on a time charge basis has two deficiencies, viz. lack of competitive element in setting the fees for partners/directors, and lack of consistency among the different categories of staff.

Subsumed

Policy

8. Upon review, the method of determining Consultants' fees for additional Services is revised to eliminate inconsistency and to strengthen competitiveness in consultancy bidding. Under the revised method, consultants are free to enter all-inclusive time charge rates for additional Services in their Fee Proposals. These rates shall be used to calculate the adjusted notional value for additional Services which shall then be added to other fee components to arrive at a total fee for assessment of Fee Proposals.

9. Despite the fact that the time charge rates are fixed at the time of submitting Fee Proposals, it is expected that Consultants will deploy the most suitable staff for the additional Services because the quality of their services will be reflected in their performance reports.

Procedures to be Adopted by Departments Before Inviting Proposals

10. Before invitation of Technical and Fee Proposals, the managing department should:

(i) establish the categories of staff e.g. partners/directors, professional and technical staff (with additional categories, and/or further breakdown into different ranks and disciplines if necessary), for the purpose of considering Consultants' fees for additional Services;

(ii) specify the minimum qualifications, experience and other requirements for each and every category of staff (sample at **Appendix III**);

(iii) determine the notional man-hours for additional Services for each and every category of staff;

(iv) estimate the hourly rates for each and every category of staff by making reference to the similar rates proposed by Consultants in recent consultancies and other relevant information;

(v) based on (iii) and (iv), calculate a notional value for additional Services by adding the totals of the notional man-hours for additional Services and estimated hourly rates for all categories of staff.

11. The notional value for additional Services, to cover contingency and any designated services of unknown quantity e.g. S.I. supervision, will depend on the comprehensiveness of the Brief and the nature of the Assignment. The notional value for additional Services should not exceed 10% of the estimated lump sum fee.

Procedures to be Adopted by Departments on Reviewing Consultants' Proposals

12. The consultant shall in response insert in its Fee Proposal a lump sum offer for performing the Assignment and an all-inclusive hourly rate for each and every category of staff for use in valuing any additional Services instructed.

13. The managing department will use the notional man-hours for additional Services and the consultant's proposed all-inclusive hourly rates entered in the Fee Proposal to calculate the adjusted notional value for additional Services, by using the formula

$$\text{Adjusted notional value for additional Services} = \sum \left[\text{Notional man-hours for additional Services} \times \text{Proposed all-inclusive hourly rate} \right]$$

14. The adjusted notional value for additional Services will be added to other fee components to arrive at a total fee for assessment of Fee Proposals. A working example is given at **Appendix IV**.

15. The fee ceiling for additional Services to be approved by the consultants selection board shall be equal to the adjusted notional value for additional Services, or 10% of the Consultant's lump sum offer for performing the Assignment accepted by the Employer, whichever is the lesser ("the fee ceiling").

Subsumed

Implementation

16. The revised set of Schedule of Fees and Fee Proposal Proforma at **Appendices I and II** should be adopted for all consultancy assignments for which the submission for approval of a shortlist has not been made to the AACSB/EACSB.

(W S Chan)
Deputy Secretary for the Environment,
Transport and Works (Works) 2

Subsumed

Appendix I

STANDARD FORM OF SCHEDULE OF FEES

AGREEMENT NO. _____

SCHEDULE OF FEES

Table of Contents

1. Definition
2. Basis of Fee
3. Interim Payment
4. Expenses
5. Payment for Additional Services
6. Reduction of Lump Sum Fees
7. Payment for Delays
8. Fees on Time Charge Basis

Subsumed

AGREEMENT NO. _____

SCHEDULE OF FEES

Definition

1. 'approved' hereinunder means approved in writing by the Director's Representative before the cost, remuneration or expense is incurred.

Basis of Fee

2. (A) The remuneration of the Consultants for the performance of the Services (other than in respect of the Resident Site Staff)[+] shall be a Lump Sum of *HK$ _____, subject to the limitations, reservations and adjustments in Schedule of Fees Clauses 4, 5, 6 and 7 and adjustments under sub-clause (B) of this Clause.

[[+]omit if no RSS will be employed]
[insert the value on Agreement signing]*

(B) (i) There shall be no adjustment in the Lump Sum until the first anniversary of the date on which this Agreement is due to commence. An adjustment proportional to any increase or decrease in the Consumer Price Index (C) over the year immediately preceding the adjustment shall be applied on the day after the first and every subsequent anniversary to the balance of the Lump Sum still unearned according to the Payment Schedule at the time of the adjustment.

(ii) "Consumer Price Index (C)" in this Schedule of Fees shall mean the Consumer Price Index (C) (October 1999 - September 2000 based) compiled by the Census and Statistic Department, and published monthly in the Hong Kong Monthly Digest of Statistics, or, in the event that the Index ceases to be compiled, such other Index as is, in the opinion of the Secretary for the Environment, Transport and Works, substantially equivalent.

Subsumed

Interim Payment

3. Interim payments on account for the fee stipulated in sub-clause (A) of Schedule of Fees Clause 2 shall be made in such amounts and at such times as are set out in the Payment Schedule below:

Payment Schedule

[Method of payment to be specified, i.e. % of completion, stages, milestones, and agreed by the AACSB/EACSB].

Expenses

4. In addition to the Lump Sum stipulated in Schedule of Fees Clause 2, the Consultants shall be reimbursed by the Employer out-of-pocket expenses actually and properly incurred by them in respect of:

(i) the cost of approved boring tests, trial pits, test piles,

models, soil investigations and other special investigations;

(ii) the approved fees and expenses of specialists employed with the approval of the Director's Representative for inspection of works processes and the testing of work or plant and the testing and analysis of materials;

(iii) the cost of approved provision of the following computer facilities *[Give the details];*

and *[To be specified]*

Payment for Additional Services

5. (A) Where the Consultants consider that they are entitled to payment pursuant to General Conditions of Employment Clause 33, the Consultants shall advise the Director's Representative in writing of such claims before the Consultants commence performing the additional Services.

(B) The notice provision in sub-clause (A) of this Clause shall be a condition precedent to payment for additional Services.

(C) If the Director's Representative agrees that the Services are additional, he shall attempt to agree with the Consultants a lump sum payment for the additional Services.

(D) The lump sum payment shall be negotiated on the basis of the Director's Representative and the Consultants identifying which staff of the Consultants will be required to perform the additional Services and the estimated hours required to complete the additional Services. The charge rates shall be based on the all-inclusive hourly rates referred to in Schedule of Fees Clause 8(A) for cumulative fees up to or equal to the fee ceiling referred to in Schedule of Fees Clause 8(B).

(E) Where the staff or hours required cannot be identified and agreed, additional Services will be paid on a time charge basis in accordance with Schedule of Fees Clause 8, subject to a fee cap set by the Director's Representative which should not be exceeded without his approval.

Reduction of Lump Sum Fees

6. Where it is determined by the Director's Representative that there is a reduction in any Services for which payment is to be made by means of a lump sum fee, then such lump sum fee shall be reduced by negotiation taking into account any financial commitment or obligation properly incurred by the Consultants in accordance with this Agreement.

Subsumed

Payment for Delays 7. Where it is determined by the Director's Representative that the Consultants are entitled under General Conditions of Employment Clause 35 to payment in respect of any additional costs incurred as a result of the delays, such payment shall be determined by negotiation and shall be either a lump sum or on a time charge basis.

Fees on Time Charge Basis 8. (A) Where it is agreed by the Director's Representative that fees shall be paid on a time charge basis, the all-inclusive hourly rates shall be as follows:

(i) Partners/Directors *(specify the minimum qualifications, experience, etc.)*: at the rate of *HK$ _____ per hour.

(ii) Senior Professional Staff *(specify the minimum qualifications, experience, etc.)*: at the rate of *HK$ _____ per hour.

(iii) Professional Staff *(specify the minimum qualifications, experience, etc.)*: at the rate of *HK$ _____ per hour.

(iv) Assistant Professional Staff *(specify the minimum qualifications, experience, etc.)*: at the rate of *HK$ _____ per hour.

(v) Technical Staff *(specify the minimum qualifications, experience, etc.)*: at the rate of *HK$ _____ per hour.

[Departments to modify/insert more categories of staff as appropriate.]

[Insert the values in the Agreement for signing.]*

(B) The all-inclusive hourly rates referred to in sub-clause (A) of this Clause shall be used to calculate the adjusted notional value for additional Services by adding the totals of the all-inclusive hourly rates and the respective notional man-hours for additional Services referred to in the Fee Proposal, which shall be the fee ceiling for the purposes of calculating additional Services unless it exceeds 10% of the Consultants' lump sum offer for performing the Assignment accepted by the Employer, in which case that amount shall constitute the fee ceiling.

(C) For additional Services, charge rates shall be based on the all-inclusive hourly rates referred to in sub-clause (A) of this Clause for cumulative fees up to or equal to the fee ceiling.

Subsumed

(D) Where the cumulative payment for additional Services under the Consultancy Agreement has exceeded the fee ceiling then the all-inclusive hourly rates referred to in sub-clause (A) of this Clause shall not apply for the calculation of payment for additional Services exceeding the fee ceiling. A lump sum or new rates shall be agreed by negotiation based on the agreed time taken to complete the additional Services or the estimated time for the completion of the additional Services, all-inclusive hourly rates offered in the original Fee Proposal and the prevailing market rates. Where such negotiation fails the Employer shall be at liberty to amongst other options, not instruct the additional Services, or instruct a third party to perform the additional Services.

(E) Notwithstanding sub-clause (D) of this Clause, where the ordering of additional Services on a lump sum basis will result in the cumulative value straddling and exceeding the fee ceiling, the all-inclusive hourly rates referred to in sub-clause (A) of this Clause should still apply for the additional Services.

(F) Where additional Services have been ordered on a time charge basis and cumulative fees for the performance of those additional Services equals or exceeds the fee ceiling and negotiations fail between the Director's Representative and the Consultants with respect to agreeing a lump sum then the Employer shall have the option of having the balance of the additional Services performed on the existing time charge rates.

(G) Notwithstanding that the notional value for additional Services is taken into account in fee assessment, the Employer has no obligation whatsoever to order the additional Services.

(H) There shall be no adjustment to the time charge rates until the first anniversary of the date on which this Agreement is due to commence. An adjustment proportional to any increase or decrease in the Consumer Price Index (C) over the year immediately preceding the adjustment shall be applied on the day after the first and every subsequent anniversary to the balance of fees unearned at the time that any variation becomes effective.

(I) All staff proposed by the Consultants to perform the additional Services shall be subject to the agreement of the Director's Representative.

Subsumed

(J) In exceptional cases where, in the opinion of the Director's Representative, the additional Services would best be performed by a particular partner or employee of the Consultants and the use of the all-inclusive time charge rates referred to in sub-clause (A) of this Clause is considered not appropriate, the Director's Representative may, by negotiation, agree with the Consultants a new time charge rate for the particular partner or employee of the Consultant, even when the fee ceiling has not been exceeded.

(K) Time spent by clerical staff shall not be chargeable.

(L) Time spent by partners and directors, and professional and technical staff in approved travelling shall be chargeable.

(M) In addition to remuneration to be paid under sub-clause (A) of this Clause, the Consultants shall be reimbursed by the Employer all reasonable out-of-pocket expenses actually and properly incurred by them in respect of:

(i) printing, reproduction and purchase of all documents, drawings, maps, photographs and records;

(ii) overseas communications including facsimile transmissions, telephone calls, telegrams, telex and air freight for documents;

(iii) approved travelling and hotel expenses and other similar disbursements;

(iv) the cost of purchase of approved equipment, such equipment becoming the property of the Employer when reimbursement has been made; and

(v) other items approved by the Director's Representative.

(N) The all-inclusive time charge rates referred to in sub-clause (A) of this Clause shall be regarded as maximum and applicable to additional Services requiring short term or part-time working. The Employer reserves the right to negotiate before Services have started, reduced rates for long term or full time continuous periods of working.

(O) The Consultants shall render monthly accounts, annexing copies of time sheets, in respect of fees on a time charge basis.

Subsumed

Conditions To be Incorporated in the Letter Inviting Technical and Fee Proposals from Consultants

1. Your submission should be concise and accurate and should comply with the following conditions:

   (i) Each consultant must provide information in the Technical Proposal on the manpower input for the assignment. You are therefore required to state your proposed total professional and technical manpower input in terms of man-weeks. However, you should not provide any information in the Technical Proposal on charge rates or fees.

   (ii) In addition, you are required to give a manning schedule (with charge rates and fees), in a bar-chart form, to show the time input of key staff such as Study Directors, Managers and Team Leaders of the relevant disciplines. The manning schedule (with charge rates and fees) should be included in the Fee Proposal only and not in the Technical Proposal.

   (iii) The proposed lump sum fee on the first page of the Fee Proposal shall be equal to the total fee for staff and non-staff charges for all stages in the summary breakdown of lump sum fee. The information/data, in particular, the manpower input in the Fee Proposal, shall tally with the Technical Proposal.

   (iv) The proposed all-inclusive time charge rates for additional Services could be different from the staff charge rates indicated in the manning schedule at sub-paragraph (ii) of this paragraph.

2. We will not accept Fee Proposals in which the lump sum fee on the first page of the Fee Proposal is different from the total fee for the staff and non-staff charges for all stages in the summary breakdown of lump sum fee.

3. Where the lump sum fee on the first page of the Fee Proposal is different from the total fee for the staff and non-staff charges for all stages in the summary breakdown of lump sum fee or the information/data, in particular, the manpower input in the Fee Proposal, does not tally with the Technical Proposal, you will be asked to rectify the discrepancy by correcting arithmetic errors or making adjustments to the unit charge rate or amending any information/data in the Fee proposal to bring it in line with the Technical Proposal, where appropriate. If you fail to rectify the discrepancy within _____ days/weeks of the date of the request for rectification, your submission will be disqualified and will not be considered. You are not, however, allowed to make any adjustment to the lump sum fee on the first page of the Fee Proposal.

Subsumed

RESTRICTED (CONTRACT)
ARCHITECTURAL & ASSOCIATED CONSULTANTS SELECTION BOARD

FEE PROPOSAL
(*Comparative / Direct Selection)

To: Chairman AACSB+
Director of Architectural Services
35/F Queensway Government Offices
66 Queensway, Hong Kong

Consultancy Agreement No. & Title:

We submit our Fee Proposal at Section B and the Annexes hereto. I/We confirm that technical proposals have been submitted under separate cover to the Liaison Officer.

Section A (To be completed by the Liaison Officer)

FEE BASIS : *Lump Sum/Adjusted Scale/Time Charge

TECHNICAL / FEE WEIGHTING (ratio) : ____ / ____

NOTIONAL MAN-HOURS FOR ADDITIONAL SERVICES :
- &Partners/Directors : _____ man-hours
- &Senior Professional Staff : _____ man-hours
- &Professional Staff : _____ man-hours
- &Assistant Professional Staff : _____ man-hours
- &Technical Staff : _____ man-hours

NOTIONAL NO. OF MAN-MONTHS OF RESIDENT SITE STAFF (RSS)
(Notional RSS Establishment is given on Page _____ of this Fee Proforma)
- Professional Staff : _____ man-months
- Technical Staff : _____ man-months
- Clerical/General Staff : _____ man-months

Subsumed

Section B (To be completed by the Consultant) @

PROPOSED FEE # : HK$_____

ALL-INCLUSIVE TIME CHARGE RATES
- &Partners/Directors : HK$ _____ / man-hour
- &Senior Professional Staff : HK$ _____ / man-hour
- &Professional Staff : HK$ _____ / man-hour
- &Assistant Professional Staff : HK$ _____ / man-hour
- &Technical Staff : HK$ _____ / man-hour

*ON-COST RATES FOR SECONDMENT OF RSS
- Professional Staff : HK$ _____ / man-month
- Technical Staff : HK$ _____ / man-month
- Clerical/General Staff : HK$ _____ / man-month

Signed : _____ Name : _____

For and on behalf of : _____ Date : _____

Encl.

Remarks

The Proposed Lump Sum Fee shall be **equal to** the total fee for the Staff and Non-Staff Charges in the summary breakdown of fee in Part I.

+ This Fee Proposal must be submitted in **duplicate** in a **sealed envelope** marked "AACSB Fee Proposal for Agreement No._____, submitted by __(Name of consultant)__".

* Delete as appropriate

& To be modified as appropriate

@ Refer to the Notes on the Preparation of Fee Proposals given on Page 8 of this Annex.

Subsumed

Part I

Consultancy Agreement No. _____

SUMMARY BREAKDOWN OF FEE AMONG STAGES OF THE AGREEMENT

1. Staff Charges

Consultancy Stage	Man-Weeks #		Fee (HK$)*
	Professional	Technical	
Stage 1 – Inception Feasibility/Brief Development			
Stage 2 – Outline Proposals & Sketch Design			
Stage 3 – Details Design			
Stage 4 – Documentation/Tendering			
Stage 5 – Construction Supervision			
Stage 6 – Post Handover Services			
Total			

2. Non-Staff Charges

Consultancy Stage	Fee (HK$)*
Stage 1 – Inception Feasibility/Brief Development	
Stage 2 – Outline Proposals & Sketch Design	
Stage 3 – Details Design	
Stage 4 – Documentation/Tendering	
Stage 5 – Construction Supervision	
Stage 6 – Post Handover Services	
Total	

Subsumed

N.B. # The manpower input in this breakdown shall tally with the manpower input in the technical proposal as well as that in Part II.

* The fees for Staff Charges and Non-Staff Charges for all stages shall be carried forward from Part II.

Part II

Consultancy Agreement No. _____

BREAKDOWN OF FEE FOR _____ STAGE*

1. Staff Charges

Discipline	Man-Weeks		Fee (HK$)	
	Professional	Technical	Professional	Technical
Total				

2. Non-Staff Charges

Item	Charge (HK$)
Computing Charges Report Charges Other Charges (please specify, if any):	
Total	

Subsumed

* N.B. (a) A separate sheet must be included in the Fee Proforma issued to the shortlisted consultants for each Stage of the consultancy.

(b) Use supplementary sheets as necessary

Part III

Consultancy Agreement No. _____

BREAKDOWN OF FEE AMONG DISCIPLINES

Description *	Name of Main Consultant(s)/Sub-consultant(s)	Fee (HK$)	% of Total
	Total		100%

Subsumed

N.B. * To be completed by the Liaison Officer

Part IV

Consultancy Agreement No. _____

ADDITIONAL SERVICES/ITEMS PROPOSED FOR CONSIDERATION

No.	Description	Fee (HK$)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		

Subsumed

N.B. (a) "Additional Services/Items Proposed for Consideration" will ***not*** be taken into consideration in the assessment of Fee Proposals.

(b) Use supplementary sheets as necessary

Part V

Consultancy Agreement No. _____

MANNING SCHEDULE AND CHARGE RATES

No	Name	Position	Weekly Charge Rate (HK$)	Time Input (Weeks)	Fee (HK$)	Time Input in the Form of Bar Chart											
						Month No.											
						1	2	3	4	5	6	7	8	9	10	11	12
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	
Total																	

N.B. (a) Charge rates must be all inclusive rates.
(b) A separate sheet should be included for each of the manning schedule for professional staff and technical staff.
(c) Key staff such as partners/directors, professional and technical staff (of relevant disciplines) should be shown.

Subsumed

ARCHITECTURAL & ASSOCIATED CONSULTANTS SELECTION BOARD

NOTES ON THE PREPARATION OF FEE PROPOSALS

1. The Fee Proposal forms should be completed in all respects appropriate to the consultancy using the proforma provided. Two sets of the Fee Proposal should be submitted to the Chairman, AACSB.

2. If the Fee Proposal is submitted by a Joint Venture, all participants in the Joint Venture must sign the Fee Proposal.

3. The time charge rates entered in the Fee Proposal will be used for payment for additional Services not covered by the Brief. In addition, these rates will be applied with the notional man-hours for additional Services to arrive at the 'notional value for additional Services' to be used for fee comparison purposes. Please refer to the Schedule of Fees for details.

4. The Proposed Lump Sum Fee on Page 1 of the Fee Proposal shall be equal to the total of the Staff Charges and Non-Staff Charges for all stages in Part I.

5. Part II shall be completed for each stage covered by this consultancy.

6. Part IV will not be taken into account in comparing fees for the award of this consultancy.

7. The details required in Part V shall be provided by using as many sheets as necessary if the consultancy lasts longer than 12 months or if more than 15 personnel are involved. It should be noted that the charge rates quoted must be all inclusive rates. This information is used for checking that the consultant has fully accounted for the Services and has not made arithmetical errors. The rates shown will not be used for calculating payment for additional Services.

8. Comparative assessment of Technical and Fee Proposals will be carried out in accordance with the AACSB Handbook on Selection, Appointment and Administration of Architectural and Associated Consultants and any subsequent AACSB Circulars.

9. Questions regarding the completion of this Fee Proposal should be made to the Liaison Officer Mr./Ms. _____ (post) at Telephone _____ Fax _____.

Subsumed

Appendix II
Annex C

SAMPLE FEE PROFORMA

RESTRICTED (CONTRACT)

ENGINEERING & ASSOCIATED CONSULTANTS SELECTION BOARD

FEE PROPOSAL

for

_____

(Agreement No.)

submitted by

_____

PROPOSED LUMP SUM FEE (L)[#] HK$ _____

ALL-INCLUSIVE TIME CHARGE RATES

[&]Partners/Directors HK$ _____/ man-hour

[&]Senior Professional Staff HK$ _____/ man-hour

[&]Professional Staff HK$ _____/ man-hour

[&]Assistant Professional Staff HK$ _____/ man-hour

[&]Technical Staff HK$ _____/ man-hour

*RESIDENT SITE STAFF (RSS) ON-COST RATES

*R1 HK$ _____/ man-month

*R2 HK$ _____/ man-month

*R3 HK$ _____/ man-month

*R4 HK$ _____/ man-month

*R5 HK$ _____/ man-month

*R6 HK$ _____/ man-month

*GOVERNMENT STAFF ON-COST RATES

*R7 HK$ _____/ man-month

*R8 HK$ _____/ man-month

*R9 HK$ _____/ man-month

*R10 HK$ _____/ man-month

*R11 HK$ _____/ man-month

*R12 HK$ _____/ man-month

Signed _____ Date _____

( )

Subsumed

Technical/Fee weighting for this consultancy = /

Notional man-hours for additional Services

&Partners/Directors =
&Senior Professional Staff =
&Professional Staff =
&Assistant Professional Staff =
&Technical Staff =

*Notional number of man-months of RSS (Notional RSS Establishment is given on Page ____ of this Fee Proforma)

*for R1 =
*for R2 =
*for R3 =
*for R4 =
*for R5 =
*for R6 =

_____

*Total =

*Notional number of man-months of Government Staff (Notional Government Staff Establishment is given on Page ____ of this Fee Proforma)

*for R7 =
*for R8 =
*for R9 =
*for R10 =
*for R11 =
*for R12 =

_____

*Total =

Subsumed

==========

Two signed copies of this Fee Proposal must be delivered ***by hand*** before 12:00 noon on _____ to:

Chairman, EACSB,
Director of Civil Engineering,
15/F, Civil Engineering Building,
101, Princess Margaret Road,
Ho Man Tin, Kowloon.

The Proposal must be in a sealed envelope marked "EACSB Fee Proposal for Agreement No. _____, submitted by _____".

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Notes on the preparation of this Fee Proposal are given on Pages 7 & 8 of this Annex

Remarks

The Proposed Lump Sum Fee shall be equal to the total fee for the Staff Charges and Non-Staff Charges for all stages in the summary breakdown in Part A.

& to be modified as appropriate

* to be deleted if not relevant

A. SUMMARY BREAKDOWN OF LUMP SUM FEE AMONG STAGES OF THE AGREEMENT

1. Staff Charges

Consultancy Stage	Man-Weeks #		Fee (HK$)*
	Professional	Technical	
Feasibility (F) Stage			
Investigation (I) Stage			
Design (D) Stage			
Construction (C) Stage			
Total			

Subsumed

2. Non-Staff Charges

Consultancy Stage	Fee (HK$)*
Feasibility (F) Stage	
Investigation (I) Stage	
Design (D) Stage	
Construction (C) Stage	
Total	

NB # The manpower input in this breakdown shall tally with the manpower input in the technical proposal as well as that in Part D.

* The fees for Staff Charges and Non-Staff Charges for all stages shall be carried forward from Part D.

B. SPLIT OF LUMP SUM FEE AMONG CONSULTANTS

Name of Main Consultant(s)/Sub-consultant(s)	Fee (HK$)	% of Total
Total		100%

Subsumed

C. ADDITIONAL SERVICES/ITEMS PROPOSED FOR THE CLIENT'S CONSIDERATION

No.	Description	Fee (HK$)
1		
2		
3		
4		
5		
6		
7		
8		

N.B. These items will ***not*** be taken into consideration in the assessment of Fee Proposals.

D. BREAKDOWN OF FEE FOR _____ STAGE*

1. Staff Charges for Project Disciplines

Discipline	Man-Weeks		Fees (HK$)	
	Professional	Technical	Professional	Technical
Total				

2. Non-Staff Charges

Item	Charge (HK$)
Computing Charges Report Charges Other Charges (please specify, if any):	
Total	

Subsumed

* N.B. A separate sheet must be included in the Fee Proforma issued to the shortlisted consultants for each of the Feasibility, Investigation, Design and Construction Stages of the consultancy.

E. MANNING SCHEDULE AND CHARGE RATES

No	Name	Position	Weekly Charge Rate (HK$)	Time Input (Weeks)	Fee (HK$)	Time Input in the Form of Bar Chart											
						Month No.											
						1	2	3	4	5	6	7	8	9	10	11	12
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	
16																	
17																	
18																	
19																	
20																	
Total																	

Subsumed

N.B. (a) Charge rates must be all inclusive rates
(b) A separate sheet should be included for each of the manning schedule for professional staff and technical staff.
(c) Key staff such as partners/directors, professional and technical staff (of relevant disciplines) should be shown.

ENGINEERING & ASSOCIATED CONSULTANTS SELECTION BOARD

NOTES ON THE PREPARATION OF FEE PROPOSALS

Client Department

1. Before the Fee Proposal forms are sent to the shortlisted consultants, the Client Department must enter the Agreement title and number, the technical/fee weighting, the notional man-hours for additional Services, and the date on which the completed proposal must be delivered. Where applicable, the notional number of man-months of RSS and the notional number of man-months of Government staff to be posted on site should also be entered.

2. The disciplines into which the fee should be broken down (e.g. civil engineering, E&M engineering, environmental, planning) must be entered in Part D.

3. When the Fee Proposal forms for an Agreement are sent to shortlisted consultants, a copy of Pages 1 and 2 must be sent to the EACSB Chairman.

4. The Client Department must also predetermine the payment schedule and provide this to the shortlisted consultants along with the Fee Proposal forms. The payment schedule should be expressed as a proportion of the fee against time (e.g. monthly) or against progress (e.g. milestones).

Subsumed

Consultant

5. The Fee Proposal should be completed in all respects appropriate to the consultancy using the Proforma provided. Two sets of the Fee Proposal should be submitted to the Chairman, EACSB.

6. If the Fee Proposal is submitted by a Joint Venture, all participants in the Joint Venture must sign the Fee Proposal.

7. The time charge rates entered in the Fee Proposal will be used for payment for additional Services not covered by the Brief. In addition, these rates will be applied with the notional man-hours for additional Services to arrive at the 'notional value for additional Services' to be used for fee comparison purposes. Please refer to the Schedule of Fees for details.

8. The Proposed Lump Sum Fee on Page 1 of the Fee Proposal shall be equal to the total of the Staff Charges and Non-Staff Charges for all stages in Part A.

9. Part C will not be taken into account in comparing fees for the award of this consultancy.

10. Part D should be completed for each stage covered by this consultancy.

11. The details required in Part E should be provided by using as many sheets as necessary if the consultancy lasts longer than 12 months or if more than 20 personnel are involved. It should be noted that the charge rates quoted must be all inclusive rates. This information is for checking that the consultant has fully accounted for the Services and has not made arithmetical errors. The rates shown will not be used for calculating payment for additional Services.

12. Comparative assessment of Technical and Fee Proposals will be carried out in accordance with the EACSB Handbook on Selection, Appointment and Administration of Engineering and Associated Consultants and any subsequent EACSB Circulars.

13. Questions regarding the completion of this Fee Proposal should be made to the Client Department.

Subsumed

Appendix III

Suggested Categories of Staff for Additional Services

Paragraph 10 of the Circular refers. The following are some suggested categories of staff prepared for departments' reference, and the list is not meant to be exhaustive. Departments should select, modify and append items to suit individual consultancies. If considered necessary, the categories could be further broken down into disciplines.

Category	**Minimum Academic/ Professional Qualifications**	**Minimum Experience Requirement**
Partners/Directors	Corporate member of an appropriate professional institution or equivalent	10 years relevant post-qualification experience
Senior Professional	Corporate member of an appropriate professional institution or equivalent	5 years relevant post-qualification experience
Professional	Corporate member of an appropriate professional institution or equivalent	No additional requirement
Assistant Professional	University degree or equivalent in an appropriate discipline	3 years relevant post-qualification experience
Technical	Diploma or Higher Certificate or equivalent in an appropriate discipline	3 years relevant post-qualification experience

Subsumed

Appendix IV

Working Example of Assessment of Bids

Assume -
Technical weighting = 70% and Fee weighting = 30%
Pre-determined Notional Value for additional Services (N): $1,000,000.00

1. Technical and Fee Proposals have been received from four consultants A, B, C and D. The Technical Proposals have been assessed, and the consultants are listed in order of technical points achieved, together with details of their respective Fee Proposals, as shown in the following table:

	Technical Points	**Lump Sum ($) (L)**	**Adjusted Notional Value for Additional Services (AN)**	**Notional RSS On-Cost Charges (AR)**	**Total Fee for Comparison = (L) + (AN) + (AR)**
A	85.80	4,380,000.00	760,000.00	1,585,200.00	6,725,200.00
B	83.10	3,500,000.00	640,000.00	889,200.00	5,029,200.00
C	78.97	3,080,000.00	800,000.00	1,023,000.00	4,903,000.00
D	77.70	4,200,000.00	800,000.00	972,000.00	5,972,000.00

Subsumed

2. The first-ranked firm is compared with the second-ranked firm as follows:

Consultant	Technical Points	Total Fee	Comparison	
			Technical	Fee
A	85.80	6,725,200.00	(85.80 – 83.10)/83.10 = 3.25%	(6,725,200.00 – 5,029,200.00)/ 5,029,200.00 = 33.72%
B	83.10	5,029,200.00		

It is seen that A is technically 3.25% better than B, but 33.72% less advantageous than B on fee. The weighted technical advantage of A over B is 0.7 x 3.25%, i.e. 2.27%. The weighted fee disadvantage of A compared to B is 0.3 x 33.72%, i.e. 10.12%. The winner is therefore B.

3. The winner is then compared with the third-ranked firm in a similar manner, thus:

Consultant	Technical Points	Total Fee	Comparison	
			Technical	Fee
B	83.10	5,029,200.00	(83.10 – 78.97)/78.97 = 5.23%	(5,029,200.00 – 4,903,000.00)/ 4,903,000.00 = 2.57%
C	78.97	4,903,000.00		

It is seen that B is technically 5.23% better than C, but 2.57% less advantageous than C on fee. The weighted technical advantage of B over C is 0.7 x 5.23% i.e. 3.66%. The weighted fee disadvantage of B compared to C is 0.3 x 2.57%, i.e. 0.77%. The winner is therefore B.

4. As B is both technically better and more advantageous on fee than D, the final winner is therefore B.

Subsumed