

16 August 1995

Works Branch Technical Circular No. 16/95

**Selection and Remuneration of
Engineering and Associated Consultants**

(This Circular supersedes WBTC No. 12/91, which is hereby cancelled)

Introduction

A review of the system for the selection and remuneration of consultants introduced by WBTC No. 12/91 on 31 May 1991 has recently been undertaken by the Works Branch, in conjunction with the EACSB, Finance Branch and ACEHK. The review has identified a number of desirable changes which need to be implemented. In addition, it is necessary to lay down certain procedures of the existing system which, in the light of EACSB's experience, are considered desirable, and for which departments have already been reminded from time to time.

2. This Circular updates WBTC No. 12/91 and incorporates the changes generated by the review. It also gives additional information on certain procedures of the existing system which, in the light of EACSB's experience, are considered desirable. It replaces WBTC No. 12/91, which is hereby cancelled, and provides full details of the Government's revised system for the selection and remuneration of engineering and associated consultants that provides for an element of fee competition in the selection process and which aims, as far as possible, to base the remuneration of consultants on a fixed lump sum fee independent of the cost of the works.

3. This Circular should be read in conjunction with the Handbook on Selection, Appointment and Administration of Engineering & Associated Consultants, 2nd Draft, November 1990 (EACSB Handbook), issued by the Engineering & Associated Consultants Selection Board (EACSB), the provisions of which shall apply in so far as they are not incompatible with the provisions of this Circular. The EACSB Handbook will be revised in due course to incorporate this system.

Applicability

4. The provisions of this Circular shall be applied to all consultancy agreements under the purview of EACSB.

Outline of the System

5. The selection of consultants for all consultancies, including Feasibility Study (FS), Investigation (I), Design & Construction (DC), and Investigation, Design & Construction (IDC) consultancies are determined on the basis of assessment of technical merit combined with cost. Shortlisted consultants are required to submit, in separate envelopes, both a Technical Proposal and a Fee Proposal.
6. The Fee Proposals are opened after assessment of Technical Proposals using a pre-determined marking scheme. On the basis of a pre-determined system of evaluation and weighting, the fee proposals are then combined with the technical assessment to determine which consultant should be awarded the consultancy.
7. The EACSB may, in exceptional circumstances, agree to the direct selection of a consultant for a consultancy, except that all fee packages shall be negotiated as far as possible as a lump sum fee independent of the cost of the works. Circumstances warranting direct selection of a single consultant include those where a consultant has unique knowledge or experience or where there are extreme time constraints.
8. Selection of a consultant for a consultancy shall normally be through a two stage process, namely longlisting and shortlisting. Where there is a need to shorten the normal consultant selection process because of a severe time constraint, the managing department may be allowed, subject to the approval of the EACSB, to combine the two stages into one. For this purpose, the managing department will identify, without the need to seek expressions of interest, an adequate number of consultants, which shall normally be four, and invite Technical and Fee Proposals from them. Under this simplified procedure, the consultants shall be asked to declare in their submission involvement or interest as described in paragraph 33.
9. In the usual situation, where the scope of design and construction services for a DC project cannot be adequately defined until the Investigation stage has been carried out, the project shall be split into two separate consultancies - one for investigation services and another one for design and construction services. Submissions for the Design & Construction consultancy shall be invited only after the Investigation consultancy has been completed, by which time the scope of design and construction services will have been adequately defined to enable consultants to submit competitive lump sum fee proposals.
10. If there is sufficient justification, the EACSB may agree to negotiation of the Design & Construction consultancy exclusively with the Investigation stage consultant. Normally, however, the Investigation stage consultant and those consultants shortlisted through the normal shortlisting procedures shall be invited to make submissions for the Design & Construction consultancy.
11. In the unusual situation, where the full scope of investigation, design and construction services can be adequately defined at the start for the purposes of competitive lump sum fee proposals, a single IDC consultancy may be awarded.

12. On occasion, the managing department may receive from a shortlisted consultant an alternative Technical Proposal in addition to a conforming Technical Proposal. In such a case, if, in the opinion of the managing department, acceptance of the alternative Technical Proposal, even taking the corresponding fee into account, will clearly be advantageous to Government, then the managing department may make a fully-justified case to the EACSB to recommend adoption of the alternative Technical Proposal and appointment of the consultant. Such a recommendation shall only be made on condition that the consultant has submitted, in addition to the alternative Technical Proposal, Technical and Fee Proposals in conformity with the requirements of the Brief and standard fee proforma, and that the Fee Proposal for the alternative Technical Proposal is also in conformity with the standard fee proforma. Negotiation of the fee is not permitted.

13. If it is not feasible to invite competitive lump sum fee proposals for a consultancy, the EACSB may agree to inviting competitive fee proposals based on time-charges with multipliers for overheads and profit, or based on percentage scale fees.

14. Justification for adoption of any of the exceptional procedures mentioned in paragraphs 7 to 13 above must be fully documented in the submission to the EACSB.

Standard Agreement Documents

15. The Schedule of Fees promulgated under WBTC No. 6/93, with appropriate amendments, shall be used for consultancy Agreements. The Standard Memorandum of Agreement, Standard General Conditions of Employment and the Standard Special Conditions of Employment promulgated under WBTC No. 11/94 and No. 11/94A shall be included in the Agreement documents unchanged. Any amendments to these documents shall be by means of Special Conditions of Employment, which shall be submitted to the EACSB for approval.

The Brief

16. It is of utmost importance for the managing department to write a clear Brief, in order to facilitate the submission of competitive Fee Proposals, especially lump sum fees. The brief for the consultancy shall be as comprehensive as possible, as any omissions may result in claims from the consultant. The Brief must give essential information on the nature, scope and time-scale of the project, including commencement and completion dates, consultant's duties and responsibilities, phasing, programme and provision of information. Areas of certainty and uncertainty, alternatives and options shall be carefully defined. The Brief may be modified following the Shortlisting Stage but must be finalised prior to submission of Technical and Fee Proposals.

17. In order to enable consultants to quote a lump sum fee, the Brief should state the maximum number of external meetings which the consultant will be expected to attend with regard to District Boards, Rural Committees, Regional Council and Urban Council, Advisory Council for the Environment etc. Alternatively, the Brief should quote a maximum number of man-hours to be spent on external meetings. Additional attendance at meetings beyond that stated in the Brief should then be paid on a time-charge basis. Consultants should not be required to provide secretarial services for meetings at which government officers from the managing department are in attendance, particularly Project Steering Groups. Consultants should also not be asked to draft Public Works Sub-Committee or Finance Committee papers.

18. For an Investigation stage consultancy where a different consultant may be awarded the subsequent Design & Construction consultancy, provision shall be made in the Brief requiring

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the Investigation stage consultant to answer queries raised during the Design & Construction stage.

19. For a Design & Construction consultancy, provisions shall be made in the Brief to cover the consultant's duty to administer construction contracts, including dealing with claims, negotiating rates for variations, issuing variation orders and employment and management of resident site staff.

20. The layout of Briefs shall follow the format as set out in WBTC No. 6/93, as amended by WBTC No. 11/94. It should be noted that the section headings are mandatory and should remain unchanged. As far as possible, the Brief should comprise a single document without supplementary Briefs attached as annexes.

Types of Submission to EACSB

21. The most common types of submission to the EACSB are for :-

- (a) recommendation of a Shortlist of suitable consultants (Shortlisting stage); followed by
- (b) recommendation of a preferred consultant (Nomination stage)

OR

- (c) recommendation of the direct selection of a consultant for fee negotiation; followed by
- (d) recommendation of the appointment of a directly-selected consultant (Nomination Stage)

General Format of Submissions to EACSB

22. All submissions should be addressed to DCE, Chairman EACSB (2 copies through Secy, EACSB), copied to FB (Attn: PAS, Tsy(W)) and WB (Attn: DS/WP) and should include all relevant information under the following headings :-

- (a) Consultancy Agreement No. and Title;
- (b) Authority to Employ Consultants; (provide details of PWP Item No. & title, together with estimated fee and source of funding);
- (c) Approval Requested;
- (d) Previous Submissions to the Board;
- (e) Background (in tabulated form) and Argument (provide full justification for the recommendations); and
- (f) Attachments (where appropriate, e.g. Brief; resume of consultant's work in hand; a breakdown of fees; fee schedule; details of the Assessment Panel, marking system)

and score sheets).

EACSB Meetings and Deadline for Submissions

23. The Board meets on a Friday morning, twice each month, unless notified by the Secretary EACSB to the contrary.

24. The deadline for receipt of submissions by the Secretary EACSB is one week prior to the particular meeting. Late submissions will only be considered at the Board's discretion and if accompanied by a satisfactory written justification for urgent consideration.

EACSB Submissions by Circulation

25. Papers for urgent consideration, or which cover minor matters in relation to Agreements, may be considered by circulation. It must be indicated that the paper is for consideration by circulation, must be copied to PAS, Tsy(W) and DS/WP, and must include reasons why consideration is required ahead of the normal EACSB meeting.

26. Papers will be considered 'by circulation' at the Board's discretion and only if adequate justification for urgent consideration is included.

Shortlist Stage Pre-submission Procedures

27. Before the EACSB is approached for the approval of a Shortlist of consultants for submission of Technical and Fee Proposals, the managing department must have :-

- (a) identified the need and obtained authority to the use of consultants, and commenced action to obtain funds for employing consultants;
- (b) defined the scope of the project, including order of cost, estimate of time for consultancy Agreement, and wherever possible a preliminary estimate of fees;
- (c) prepared a preliminary draft Brief;
- (d) convened an Assessment Panel;
- (e) identified an initial list of consultants with the necessary expertise;
- (f) by a qualitative selection process, reduced the initial list to a Shortlist, normally four consultants; and
- (g) obtained a consultancy Agreement number from the Secretary EACSB.

Allocation of Agreement Number

28. Prior to making any submission to the EACSB, the managing department concerned should make application to the Secretary EACSB for the allocation of an Agreement number. This may be done by telephoning the Engineer/Special Duties, CED Hq in the first instance, but should be followed up in writing.

Assessment Panel

29. An Assessment Panel shall be established at the Longlist stage to assess consultants. The Assessment Panel shall be chaired by an officer ranked preferably at D2, but not lower than D1, and composed of members of not lower than senior professional from appropriate Government departments. It is in the interests of the managing department to consult with any departments that have a major interest in such fields and disciplines that are covered by the consultancy and who may be able to make a positive contribution to the qualitative selection process. When the managing department has a major interest in the study, at least one member of the Assessment Panel should if possible come from another department. The Assessment Panel shall convene, prior to sending out invitation letters for expressions of interest, to agree the criteria and a marking system with suitable weightings that will allow for a comparative assessment to be made of those consultants on the Longlist.

Longlisting and Shortlisting of Consultants

30. All available information should be used to obtain a Longlist of qualified consultants, usually 15-20 consultants depending on the nature of the work involved. The EACSB Consultants Services Directory is an obvious but not exclusive source of information, and should not be regarded as exhaustive. Other departments maintain information on specialist consultants, and additional information may be obtained independently or by contacting the Secretary EACSB.

31. The criteria for screening the Longlist to form the Shortlist will vary depending on the nature of the assignment. These criteria must be determined by the Assessment Panel. An example of a set of criteria, with weightings, is as follows :-

- | | | |
|-----|--|--------|
| (a) | Approach to the assignment and appreciation of the requirements. | 10-20% |
| (b) | Previous relevant experience both in Hong Kong and elsewhere. | 20-30% |
| (c) | Knowledge, experience and capability of key staff. | 30-40% |
| (d) | General performance record. | 10-20% |
| (e) | Quality of sub-consultants proposed. | 5-15% |

32. An invitation letter shall normally be sent to those consultants on the Longlist requesting them to express an interest in being considered for the consultancy. This should include a draft Brief giving a description of the consultancy. Consultants should be requested to limit their replies to a maximum of four A4 pages. No attachments whatever should be included, except for the curriculum vitae of the key staff likely to be employed on the consultancy. In addition, each consultant should be asked to submit details of the consultant's current workload. Each consultant shall also be asked to declare any involvement or interest if it is considered by itself to be in real or apparent conflict with the duties to be performed upon its appointment for the consultancy. An involvement or interest declared should be carefully considered but should not automatically bar the consultant from being further considered in the selection process.

33. To provide consultants with the opportunity to form Joint Ventures/Consortia, the invitation letter shall also include the names of all firms that have been approached.

34. A Shortlist of normally four suitable consultants shall then be prepared based on the outcome of the comparative assessment carried out by the Assessment Panel. In special circumstances, a Shortlist of more than four consultants might be appropriate.

35. In cases where there is a very narrow field of potential consultants, there might be justification for a straightforward selection of four consultants for a Shortlist without going through a qualitative assessment process.

Shortlisting Stage Submission to EACSB

36. The EACSB Submission should include:-

- (a) background and scope of project, project estimate and fee estimate;
- (b) brief report on the longlisting of firms;
- (c) a comparative assessment of firms, including the criteria used and marking system, along with score sheets and minutes of the Assessment Panel meeting(s);
- (d) reasons for selecting the Shortlist of firms, taking into account any involvement or interest declared;
- (e) reasons for rejecting those consultants that are not considered suitable for the Shortlist;
- (f) an indication of the consultants' workload in terms of both the number of current assignments and the size of fees involved;
- (g) a draft Brief;
- (h) Schedule of Fees, including payment schedule;
- (i) outline of the proposed marking scheme for Technical Proposals;
- (j) proforma for the presentation of Fee Proposals;

- (k) proposed technical/fee weighting;
- (l) proposed Notional Value of salary costs for additional works and services to be used for assessment of time-charge multipliers;
- (m) estimated resident site staff salary cost (salaries plus gratuities), where appropriate, to be used for assessment of resident site staff on-cost multiplier.

37. After the Board's approval of a Shortlist, the unsuccessful consultants should be notified promptly, and the successful consultants should be requested to submit both Technical Proposals and Fee Proposals.

Marking System for Technical Proposals

38. The marking system for the consultants' Technical Proposals shall be in accordance with the guidelines as set out in Appendix A. The marking system shall include a category on "adequacy of professional and technical manpower input" carrying 10% of the overall mark. As far as possible, the gradings in the guidelines shall be adhered to, with no intermediate gradings being used. This will ensure that there is an adequate spread of technical marks, and that technical merit will predominate over cost.

Invitation for Technical and Fee Proposals

39. The shortlisted consultants shall be invited to submit a Technical Proposal to the managing department and a Fee Proposal to the Chairman EACSB. The Fee Proposal must be submitted in a sealed package which clearly indicates the consultant's name and consultancy reference and which is marked "Restricted (Contract)". The managing department should ensure that all the shortlisted consultants have received the invitation letter by acknowledging receipt.

40. The invitation letter shall include a copy of the draft Brief, together with any additional relevant background information (e.g. timing requirements), and shall give a deadline for submission of Technical and Fee Proposals. The invitation shall also include an outline of the marking scheme for Technical Proposals, a proforma for the presentation of Fee Proposals, the technical/fee weighting, the Notional Value of salary costs for additional works and services to be used for assessment of the time-charge multiplier, and where appropriate the Notional resident site staff salary cost (salaries plus gratuities) to be used for assessment of resident site staff on-cost multiplier. At the time of sending out the invitation letter, a copy of the front page of the Fee Proposal proforma, together with the names of all the shortlisted consultants, shall be sent to Chairman EACSB through the Secretary EACSB to notify the Chairman of the submission deadline for the Fee Proposals.

41. The invitation letter should seek to standardise the format of the Technical Proposals to suit the requirements of the particular consultancy and to restrain the consultants from preparing unnecessarily expensive or glossy submissions. In particular, the maximum length of the Technical Proposal should normally be specified as not more than 30 A4 pages.

42. In order to mitigate against any conflicts of interest, the managing department shall prepare a list of all the consultants and sub-consultants involved in making submissions for the consultancy, and shall include the list with the letter inviting the submission of Technical and Fee

Proposals.

43. With regard to the Schedule of Fees, the dates listed in the Schedule shall be shown as 'invoice' dates. Payments to a consultant shall be made within a period of 28 days after the submission of an invoice. Where it has been agreed by the managing department that a sum of money will be invoiced by the consultant upon the signing of an Agreement, the amount invoiced shall not normally exceed the total lump sum for the consultancy divided by the number of months allowed for the completion of the consultancy.

Pre-submission Meeting with Shortlisted Consultants

44. A single formal pre-submission meeting with all shortlisted consultants shall be held to resolve queries and to ensure that the consultants are fully aware of the requirements of the project, and of the requirements for the Technical Proposal and Fee Proposal. The EACSB may agree to waive this requirement if the project is very simple and straightforward. Other meetings with individual consultants, if requested by them, are permitted, provided all shortlisted consultants are informed of any matters of general applicability arising from the meetings, except those matters related to the confidentiality of individual consultants.

45. Departments should ensure that the consultants are given adequate time prior to the pre-submission meeting to study all the consultancy documents and to formulate any queries they may have.

46. The Brief shall not be finalised until after the pre-submission meeting, so that it can take the consultants' comments and queries into account. Once the Brief is finalised, a copy shall be sent to the consultants, together with any documents amended as a result of queries at the pre-submission meeting.

Submission and Assessment of Technical Proposals

47. A Technical Proposal should demonstrate the consultant's will to achieve total project cost-effectiveness, and that he has the skills, resources and proven experience to do so. It should be noted, however, that 'cost-effectiveness' relates to a consultant's ability to propose cost effective *solutions* and is in no way related to the consultant's Fee Proposal. If the nature of the consultancy is such that the notion of 'cost-effectiveness' cannot be meaningfully applied, the managing department should not allocate a mark for 'cost effectiveness'.

48. The Technical Proposal shall contain details of the total professional and technical manpower inputs in terms of man-weeks. In addition, it shall include a Manning Schedule, in a bar-chart form, to show the time inputs of key staff such as Study Directors/Managers and Team Leaders of relevant disciplines. In providing the Manning Schedule, the consultants shall not give any information in the Technical Proposal on charge rates or fees.

49. The marking system for Technical Proposals shall be subject to approval by the EACSB prior to inviting submissions. The consultants shall be informed of the marks allocated to each of the main sections of the Technical Proposal.

50. The Technical Proposals shall be received by the managing department and assessed by the Assessment Panel, and a summary of the results shall be sent to the Secretary EACSB. The Chairman EACSB will open the Fee Proposals only after the Assessment Panel's results are received. The Fee Proposals will then be provided to the managing department.

51. In certain circumstances, the managing department may decide to require the consultants to make short presentations of their Technical Proposals prior to the marking of the Proposals. Such presentations may be made to the Assessment Panel alone or to a wider audience, at the discretion of the managing department.

Submission and Assessment of Fee Proposals

52. The Fee Proposal shall include, as appropriate to the project :-

- (a) lump-sum fee figure (or adjustments to scale of percentage fees, or time-charge multipliers where it is not feasible to invite lump sum fees);
- (b) breakdown of fee among stages of the Agreement;
- (c) breakdown of fee among disciplines or phases of the project;
- (d) make-up of lump-sum fee for staff cost, in the form of a Manning Schedule with all-inclusive unit rates shown against each staff member (This information is for checking that the consultant has fully accounted for the work and has not made arithmetical errors. The rates shown will not be used for calculating payment for additional works and services);
- (e) time-charge multiplier for salary costs to be used in calculating payment for additional works and services; and
- (f) on-cost multiplier for salary costs to be used in calculating payment for the administration of resident site staff (where appropriate).

53. Consultants shall be required to present their Fee Proposals on a standard proforma prepared by the managing department in the format specified by the EACSB. Provision shall be made in the proforma for the consultant to list any items of additional works and services that he recommends should be included in the Brief. The consultant shall provide an estimated lump-sum fee for each item. Such lump sums shall **not** form part of the lump sum used in the application of the technical/fee weighting.

54. Standard technical/fee weightings have been established for three categories of project. These will be kept under review by the EACSB. The categories of projects and their appropriate weightings, are :-

- (a) Multidisciplinary projects that require special emphasis on technical input, including complex Feasibility Studies and Investigation-stage consultancies :-

80% technical : 20% fee.

- & (b) Less complex Feasibility Studies and Investigation-stage consultancies, and Design Construction consultancies of above average complexity :-

70% technical : 30% fee.

- (c) Technically straightforward Design & Construction consultancies :-

60% technical : 40% fee.

55. The choice of weighting for a particular project shall be made by the Assessment Panel and shall be subject to the approval of the EACSB prior to inviting submissions.

56. An example of the method of applying the approved weighting to determine the award of a consultancy is given in Appendix B.

57. To take account of the time-charge multipliers quoted in the Fee Proposals, a Notional Value of salary costs for additional works and services shall be determined by the managing department. The Notional Value will depend on the department's confidence in the comprehensiveness of the Brief, how well the project can be defined, and the nature of the project. The EACSB will normally use the Notional Value to set the time-charge ceiling for additional work.

58. To take account of the resident site staff on-cost multiplier, where appropriate, an estimated resident site staff cost (salaries plus gratuities) shall be determined by the managing department.

59. The Fee Proposals will be received by the Chairman EACSB and kept sealed and secure. To ensure that the Fee Proposals do not influence the technical assessment, they will be opened and sent to the managing department only after receipt by the Secretary EACSB of the summary of the results of the technical assessment. The department shall check the Fee Proposals, apply approved technical/fee weightings and make a formal report and recommendation to the EACSB.

60. No amendment shall be made to the Fee Proposals except for the correction of arithmetical errors. The details of any inconsistencies or omissions, with recommendations on how they should be dealt with, shall be included in the report to the EACSB. No negotiation of the prepared fees will be allowed except with the exceptional approval of the EACSB.

61. If, at the time of the technical assessment, the Assessment Panel considers that a consultant is unacceptable on technical grounds, this fact must be conveyed to Secretary EACSB together with the summary of the results of the technical assessment before the Fee Proposals are

opened. In particular, a consultant who proposes an unacceptably low manpower input shall not be considered further for the consultancy, regardless of the markings of the other aspects of his Technical Proposal.

62. Where a consultant discounts his fee from the summary sheets to the front sheet of his Fee Proposal, the discount shall be deemed to have come from a reduction in the unit charge rates and not from the man-hour input.

Nomination Stage - Submission to EACSB

63. The EACSB submission should include :-

- (a) finalised Brief (if substantially different from the draft Brief), revised estimate/order of cost of project, summary of fees;
- (b) brief report on the Technical Proposals and order of assessment;
- (c) outline of the assessment process, including composition of the Assessment Panel, minutes of the Assessment Panel meetings, marking system, weightings, and any other factors considered;
- (d) summary assessment score sheets; and
- (e) recommendation for a preferred consultant.

64. After the Board's approval has been given and the Agreement has been signed, the Secretary EACSB shall be notified, using the standard memo form at Appendix C, that the Agreement has been entered into. A standard form for consultants' fees (Appendix D) and a certified true copy of the Agreement document shall also be forwarded to Secretary EACSB.

Notification of Technical Marks, Fees and Manpower Input to Shortlisted Consultants

65. Once the Board has approved the appointment of a consultant, the Secretary EACSB will provide the managing department with the information on technical marks, fees and manpower input in the format shown at Appendix E. This information shall be forwarded without delay to all the shortlisted consultants by the managing department.

Direct Selection of a Single Consultant for Fee Negotiation

66. All consultancies shall be awarded on the basis of technical and fee competition unless there are exceptional reasons for a direct selection. Circumstances which might warrant a direct selection of a single consultant without calling for Technical and Fee Proposals are :-

- (a) where, after a detailed preliminary assessment, it is clear that only one consultant is available who possesses the necessary requirements for the assignment;
- (b) where, because of prior association with related works, a particular consultant already possesses unique knowledge or experience which makes him clearly much

better qualified than any other consultant;

- (c) where the work is required so urgently that an extreme problem would arise if a full submission procedure were used, and where a suitable consultant is clearly available;
- (d) where a consultant is obtained by application to PGGE for urgent geotechnical work of an estimated value not exceeding \$15M.

67. A combination of the above circumstances may be used to justify the approach to a single consultant. All fee packages shall be negotiated as far as possible as a lump-sum fee independent of the cost of the works. If it is considered that the negotiation of a lump sum is not feasible, the fee should be based on standard percentage scales or time-charge multipliers.

Adjustment of Lump Sum Fees for Inflation

68. Lump sum fees for consultancies of planned duration greater than one year shall be adjusted to account for inflation. Adjustments shall be made annually to the balance of the lump-sum fee unearned, in accordance with increases and decreases in the Hang Seng Consumer Price Index.

Time-charge Fees

69. The provisions for time-charge fees set out in sections 5.5.1 to 5.5.3 of the EACSB Handbook shall apply, except that the rate for each member of the professional and technical staff shall be calculated using the actual Annual Salary Cost (ASC) and the Multiplier (M) quoted in the consultant's Fee Proposal. The rate of payment shall be given by :-

$$\text{Hourly Rate} = (M \times \text{ASC}) / 1680$$

(Note : Annual Salary Cost is defined as basic salary, including bonus and gratuity, if any, and the consultant's contributions to pension and provident funds.)

(J Collier)
Deputy Secretary (Works Policy)

GUIDELINES ON THE PREPARATION OF TECHNICAL PROPOSALS

The Technical Proposal shall normally be limited to 30 pages in length, excluding drawings & appendices. It shall be inexpensively bound and shall be of A4 size.

The Proposal shall normally be divided into sections under the main headings given below. Sub-sections shall be generally as described below, with variations to suit the type and nature of a particular project, and shall be specified in the invitation to submit Proposals.

1. CONSULTANT'S EXPERIENCE

Relevant experience and knowledge

2. RESPONSE TO THE BRIEF (TERMS OF REFERENCE)

To include sub-sections on -

- (a) understanding of objectives;
- (b) identification of key issues;
- (c) appreciation of project constraints and special requirements; and
- (d) presentation of innovative ideas.

3. APPROACH TO COST-EFFECTIVENESS

To include sub-sections on -

- (a) examples and discussion of past projects to demonstrate the consultant's will and ability to produce cost-effective solutions; and
- (b) approach to achieve cost-effectiveness on this project.

4. METHODOLOGY AND WORK PROGRAMME

To include sub-sections on -

- (a) technical approach;
- (b) work programme; and
- (c) arrangements for contract management and site supervision.

5. STAFFING

To include sub-sections on -

- (a) staff organisation chart;
- (b) relevant experience and qualifications of key staff;
- (c) responsibilities and degree of involvement of key staff; and
- (d) adequacy of professional and technical manpower input. (See Note 1)

6. APPENDICES

- A. Relevant recent projects completed, in table form. (See Note 2)
- B. Current projects, listing total and outstanding cost and duration (table) and staff expertise and deployment (table). (See Note 2)
- C. Brief curriculum vitae for key staff.

- Note
- 1. This category should carry 10% of the overall mark. See paragraph 38 of WBTC No. 16/95
 - 2. An updated EACSB "Profile on Consultant" form may be substituted for items A and B.

The following guidelines shall be followed when preparing a marking system for the Technical Proposals:-

- (a) The marks to be allocated to each main section of the Technical Proposal shall be within the range indicated below and shall total 100% :-

1.	CONSULTANT'S EXPERIENCE	5% - 10%
2.	RESPONSE TO THE BRIEF (TERMS OF REFERENCE)	15% - 25%
3.	APPROACH TO COST-EFFECTIVENESS	15% - 20%
4.	METHODOLOGY AND WORK PROGRAMME	15% - 25%
5.	STAFFING	30% - 40%

- (b) The managing department shall pre-determine :-

- i) the composition of the Assessment Panel (disciplines and departments);
- ii) the weighting to be applied to each discipline represented on the Panel; and
- iii) the marks to be allocated to each section and sub-section of the Technical Proposal.

These details shall be subject to approval of the EACSB, prior to inviting submissions.

- (c) Each Panel member shall grade each sub-section of the Technical Proposal as either 'very good', 'good', 'fair' or 'poor'. The marks that shall correspond to these grades are :-

Grade	Marks (%)
very good	1.0 x Y
good	0.8 x Y
fair	0.6 x Y
poor	0.3 x Y

where Y is the percentage mark allocated to the sub-section under consideration.

The weighted marks of each discipline represented on the Assessment Panel shall be accumulated to give the final marks for the sub-section. Addition of all sub-section final marks will give the total marks for the Technical Proposal.

- (d) In grading the Technical Proposals, the Assessment Panel shall take into consideration each consultant's performance on other projects, for which purpose reference shall be made to the consultant's past performance reports.

EXAMPLE OF ASSESSMENT OF MULTIPLIERS AND METHODS OF APPLICATION OF STANDARD WEIGHTINGS

Assume -

Technical weighting: 70%. Fee weighting: 30%

Pre-determined Notional Value of salary costs for additional works & services: \$0.5 million.

Pre-determined Notional Resident Site Staff salary cost : \$7.0 million.

1. Technical and Fee Proposals are received from three consultants A, B and C. The Technical Proposals are 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 (\$m) (L)	Standard Multiplier	Additional Works Multiplier (M)	Adjusted Notional Value for Additional Works (AN) = $N \times M/2.5$ (\$m)	Notional Value for RSS Salary Cost (\$m)	RSS on-cost Multiplier (R)	Adjusted Notional RSS on-cost (\$m) (AR)
A	87	4.75	2.5	2.5	$0.5 \times 2.5/2.5 = 0.5$	7.0	0.12	0.84
B	79	4.00	2.5	2.0	$0.5 \times 2.0/2.5 = 0.4$	7.0	0.13	0.91
C	70	3.30	2.5	2.7	$0.5 \times 2.7/2.5 = 0.54$	7.0	0.15	1.05

Total Fee for comparisons = (L) + (AN) + (AR)

Consultant A $4.75 + 0.5 + 0.84 = 6.09$

Consultant B $4.00 + 0.4 + 0.91 = 5.31$

Consultant C $3.30 + 0.54 + 1.05 = 4.89$

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

Consultant	Technical Points	Total Fee (\$m)	Comparison	
			Technical	Fee
A	87	6.09	$(87-79)/79 = 10.1\%$	$(6.09-5.31)/5.31 = 14.7\%$
B	79	5.31		

It is seen that A is technically 10.1% better than B, but 14.7% less advantageous than B on fee. The weighted technical advantage of A over B is $0.7 \times 10.1\%$, i.e. 7.1%. The weighted fee disadvantage of A compared to B is $0.3 \times 14.7\%$, i.e. 4.4%. The winner is therefore A.

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

Consultant	Technical Points	Total Fee (\$m)	Comparison	
			Technical	Fee
A	87	6.09	$(87-70)/70 = 24.3\%$	$(6.09-4.89)/4.89 = 24.5\%$
C	70	4.89		

It is seen that A is technically 24.3% better than C, but 24.5% less advantageous than C on fee. The weighted technical advantage of A over C is $0.7 \times 24.3\%$ i.e. 17%. The weighted fee disadvantage of A compared to C is $0.3 \times 24.5\%$, i.e. 7.4%. The final winner is therefore A.

MEMO

From (Dept/Office) _____

To Secretary, EACSB
Civil Engineering Department

Ref. () in _____

Tel. No. _____

Your Ref. _____ in _____

Date _____

dated _____

EACSB - Information on Consultancy Agreement No. CE /

In compliance with the stipulated procedure for the appointment of consultants for items approved by the EACSB, I append hereunder the information pertinent to the captioned Agreement :

Title of Agreement :

Name of Consultant :

Signing Date :

Works Program No.
from which Funds :
Are Provided

..... Enclosed is a copy of the updated EACSB Record of Consultants' Fees and a certified true copy of the Agreement document.

for ()

RESTRICTED (CONTRACT)**EACSB RECORD OF CONSULTANTS' FEE**

Agreement No. :
 Agreement Title :

Agreement Type :
 (IDC/FS etc)

Date :
 Project Office :
 Project Engineer :
 Telephone :

Commencement Date :
 Completion Date :
 (Latest Estimate)

		ACTUAL/ESTIMATED RATE OF FEE EXPENDITURE (\$ MILLION)							
MAIN CONSULTANT(S)	Up to 31.3.95	Remaining Fee							REMAINING FEE
		95/96	96/97	97/98	98/99	99/ 2000	2000/01	After 31.3.01	
SUB-CONSULTANT(S)									
TOTAL FEE PAID			TOTAL REMAINING FEE (B)						
TOTAL CONSULTANCY FEE (A) + (B)									

ESTIMATED REMAINING FEE FOR EACH STAGE OF AGREEMENT (\$ MILLION)					
MAIN CONSULTANT(S)	FEASIBILITY/ PLANNING	INVESTIGATION	DESIGN & CONTRACT	CONSTRUCTION & COMPLETION	TOTAL
SUB-CONSULTANT(S)					
TOTAL REMAINING FEE (B)					

NOTE

- Both of the above tables should be filled in.
- All fees should be given in \$ million and accurate to two decimal places only (eg. \$x.xx).
- Normally only the lump sum portion of the fees is required to be given in this sheet. But where payment based on time-charge is specified in the Agreement, or where additional work paid by time-charge has been ordered, then the total fee should also include time-charge fee.

STANDARD FORM FOR SUMMARY OF
TECHNICAL AND FEE PROPOSALS

RESTRICTED (CONTRACT)

ENGINEERING AND ASSOCIATED CONSULTANTS SELECTION BOARD
SUMMARY OF TECHNICAL AND FEE PROPOSALS

Agreement No. CE

Consultants :

- A.
- B.
- C.
- D.

Technical Fee Weighting :

Notional Value for
Additional Work (N) HK\$:
RSS Salary Cost HK\$:

Technical Assessments & Fees

Consultant	Technical Mark (Max :)	Lump Sum (HK\$) (L)	Proposed Additional Works Multiplier (M)	Adjusted Notional Value for Additional Works (AN) $= N \times M / 2.5$	Proposed RSS On-cost Multiplier (R)	Adjusted Notional RSS On-cost (AR)	Value for Total Fee (HK\$) (L) + (AN) +(AR)	Manpower Input (Weeks) P:Professional T: Technical
A								
B								
C								
D								

Consultancy awarded to :

This notice has been sent only to the consultants named above. The Client Department for the consultancy is under no obligation whatsoever to discuss the above results of the assessment with any of the consultants.

Secretary, EACSB

Date: