

## SECTION 3 PRE-CONTRACT PROCEDURES

### 3.1. Introduction

3.1.1 The various stages of pre-contract procedures are illustrated in **Figure 3.1**. Not all stages are necessary, and stages may also run in parallel or a manner other than that shown. The major involvement in the pre-contract stage lies with works departments, who may use consultancy services for some tasks. The procedures for the pre-contract stages are common to all types of contract and are well covered in the Project Administration Handbook for Civil Engineering Works or Project Administration Handbook of the Architectural Services Department or in TC(W) and Financial Circulars (FC).

3.1.2 In the event that there are discrepancies between these procedures and the prevailing SPR / TC(W), the SPR and TC(W) shall take precedence as appropriate.

### 3.2 Technical Feasibility Statement

3.2.1 Procedures for this stage are the same as a conventional contract. Works departments shall follow the requirements of the Project Administration Handbook for Civil Engineering Works or Project Administration Handbook of the Architectural Services Department as appropriate.

### 3.3 Decision to Undertake the Project by Design and Build

3.3.1 The decision to undertake a project by D&B shall be made by an officer not lower than D2 rank of works departments in consultation with the Vote Controller (normally the Head of that works department). The reasons for the choice of D&B are likely to be:-

- (a) Special expertise of the contractor.

- (b) Fast track (speed).
- (c) Design economy (cost).
- (d) Client requirements are well defined and stable at the project inception.

3.3.2 Although there are notable exceptions, where no special contractor's expertise is likely to be required, and/or where fast track is not needed, there is probably little merit in selecting D&B.

3.3.3 A list of the advantages and disadvantages of D&B is at **Appendix A**. Works departments shall consider these points in making their decision. Further guidance is provided in the TC(W) on the Reference Guide on Selection of Procurement Approach and Project Delivery Techniques.

3.3.4 Pre-tender Estimate

There were several occasions on which the returned tender sums of D&B contracts had far exceeded the Pre-Tender Estimate (PTE). As a trial, attempts had been made to introduce "tender cap" measure<sup>2</sup> in a few projects but the outcomes were not satisfactory. There are many potential causes for inaccuracy of PTE. While there is no hard and fast rule to produce accurate PTE, estimation based on a notional design is considered as one of the possible ways to improve the accuracy of PTE. In addition, adequate project contingencies should be allowed for market and design risks for D&B contracts.

### 3.4 Prequalification

3.4.1 Prequalification is not mandatory for D&B projects. The need for prequalification should be justified on a project by project

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<sup>2</sup> In accordance with SPR 345(d), departments should not normally disclose the estimated contract value to the tenderers as it may become a main guiding factor in the preparation of their tender proposals, thus undermining the principles of competition and value for money. Disclosure of the tender cap should be justified on a case-by-case basis.

basis from a value for money angle. Works departments may prequalify tenderers who are financially and technically capable of undertaking the D&B contracts with a view to reducing tender cost and / or shortening the duration of the procurement process. Other relevant factors for consideration may include the complexity of the project concerned, the need to contain tender assessment efforts to a manageable level, the extent of market interests in the D&B tenders (if only a few tenderers are expected to bid for the projects, there may not be a strong case for prequalification) and the need of having substantial design input from Contractors. It should be noted that for those projects that are delivered by D&B approach primarily for the purpose of operational efficiency & effectiveness from the project delivery point of view and no substantial design input is required during the tendering stage (e.g. term D&B contracts), prequalification of tenderers should not be required. Prequalification of tenderers, if required, shall be in accordance with the guidelines provided under the SPR and the prevailing TC(W) on Prequalification of Tenderers for Public Works Contracts. For the procurement covered by the WTO GPA, the prequalification of tenderers shall also be subject to the requirements of WTO GPA and TC(W) on Tender Procedures for Procurement governed by the WTO GPA and any amendments currently in force.

3.4.2 The following are the major activities for prequalification :-

- (a) drawing up qualification requirements, including the expertise required for specialist works and determining evaluation criteria;
- (b) obtaining approval, in accordance with the requirements of the SPR, from the Permanent Secretary for Financial Services and the Treasury (PS(Tsy)) acting on the advice of the Central Tender Board (CTB) for the use of prequalified tendering and the evaluation criteria<sup>3</sup> as appropriate for prequalifying applications;

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<sup>3</sup> Works departments should note that a Standard Prequalification Marking Scheme comprising Stage I Screening and Stage II Marking has been approved by PS(Tsy) as indicated in paragraph 3.4.8 below

- (c) developing a list of prospective tenderers;
- (d) preparing prequalification document;
- (e) inviting prospective tenderers to prequalify;
- (f) issuing prequalification documents following receipt of response to the invitation;
- (g) analysing and evaluating the prequalification submissions according to the established evaluation criteria;
- (h) making a recommendation to CTB on a list of prequalified applicants from whom tenders will be invited and
- (i) seeking PS(Tsy)'s approval of the prequalified tenderers, sending a notice of invitation to successful applicants and asking them to confirm their intention to submit a tender.

3.4.3 The maximum number of prequalified tenderers should be set at a reasonable level, whilst enabling Government to invite tender submissions from a pool of technically and financially capable tenderers without limiting competition unnecessarily. Based on different primary objectives and conditions of D&B projects, works departments should make reference to the recommended maximum number of prequalified tenderers in the table below.

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and in Appendix B. The use of it in its entirety should be expressly stated in the request for approval of prequalified tendering but seeking approval of the use of it is not necessary.

<b>D&amp;B Contract Primary Objectives and Conditions</b>	<b>Recommended Maximum No. of Prequalified Tenderers<sup>4</sup></b>
1. Superb design quality with highly complex functional requirements and/or construction methodology involving specialised plant/equipment	4
2. Highly complex functional requirements and/or construction methodology involving specialised plant/equipment with special constraints (delivery programme, site/environmental constraints etc.)	5
3. Special constraints (delivery programme, site/environmental constraints etc.)	5
4. Operational efficiency & effectiveness (e.g. term D&B contracts <sup>5</sup> )	No prequalification is required normally.

3.4.4 Prequalification documents for D&B tenderers shall be designed to make prospective tenderers aware of all salient features of the project and any major constraints. The documents shall expressly spell out the fact that the contracts shall be executed on a design-and-build basis.

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<sup>4</sup> Work departments should note that any limitation on the number of prequalified suppliers should be justified on the basis of "efficient operation of the procurement system". Factors which may generally be taken into account in determining the limitation on the number of applicants to be prequalified on the basis of "efficient operation of the procurement system" include time (e.g. time needed to conduct evaluation, time available before tender closing, etc.) and resources (e.g. high costs incurred in the evaluation process, efforts spent or to be incurred, etc.). Since considerations for each case may vary, works departments should ensure that there are adequate justifications for prequalification and seek legal advice in the event of doubt.

<sup>5</sup> Term D&B tenders may adopt marking scheme or formula approach according to the complexity and scale of proposed works.

- 3.4.5 Prequalification document must be prepared on an individual basis, taking account of the circumstances of a particular project. A specimen prequalification document for use in D&B tenders is in **Appendix B**. Prequalification document shall be collected by those applicants who have expressed an intention to apply for prequalification.
- 3.4.6 The prevailing TC(W) on Prequalification of Tenderers for Public Works Contracts provides guidance on the information required to be submitted by contractors seeking prequalification. In addition, applicants seeking prequalification for D&B tenders may be required to submit the following :-
- (a) details of consultants, if any, or the applicants' own in-house staff who shall be responsible for carrying out the design;
  - (b) qualifications, experience and availability of the consultants and/or staff as referred to in (a) above; and
  - (c) proposals for undertaking the project which shall comprise proposals for the control and co-ordination of the D&B process with due acknowledgement of the necessary approvals, integrated quality assurance, environmental and safety considerations.
- 3.4.7 Prequalified tendering including its need and the evaluation criteria for the prequalification shall be established in advance by works departments based on SPR and TC(W), but still subject to approval by PS(Tsy)<sup>6</sup>, acting on the advice of CTB having regard to the circumstances and merits of individual submissions.
- 3.4.8 A Standard Prequalification Marking Scheme comprising Stage I Screening and Stage II Marking which has been approved by the PS(Tsy), is given in Appendix B and the use of it should be expressly stated in the request for approval of prequalified tendering as stated in above item 3.4.7. If the Standard

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<sup>6</sup> See footnote 3 above.

Prequalification Marking Scheme is not used in its entirety, approval by PS(Tsy) on the use of non-standard prequalification marking schemes shall be sought in accordance with SPR.

- 3.4.9 Additionally, the evaluation criteria may include assessment criteria as described in (a) to (c) in paragraph 3.4.6 above. The evaluation criteria, including a prequalification marking scheme and relative weighting assigned for each criterion, shall be stated in the prequalification document.
- 3.4.10 A Tender Assessment Panel as described in the prevailing TC(W) on Prequalification of Tenderers for Public Works Contracts shall be established to evaluate the prequalification submissions.
- 3.4.11 Following receipt of prequalified submissions, an acknowledgement shall be sent to each applicant who made a submission.
- 3.4.12 Following the approval of prequalification results by the relevant tender board, each applicant shall be notified separately of the result. Unless the identities of the successful prequalified applicants are to be disclosed (see paragraph 29 in the “Instructions to Applicants” section of the specimen prequalification document at **Appendix B**), departments should not let individual applicants know who else have been successfully prequalified or the number of successfully prequalified applicants. Until the conclusion of the tender exercise, all oral and written communications regarding the number and identities of the successfully prequalified applicants should be classified as “RESTRICTED (TENDER)” and the access to this information should be restricted on a need-to-know basis. Request for feedback or debriefing from unsuccessful applicants shall only be entertained after the conclusion of the tender exercise. The guidelines and procedures as described in the prevailing TC(W) on Feedback and Debriefing to Unsuccessful Bidders shall be observed in providing feedback and debriefing information to applicants.

3.4.13 The notification to successfully prequalified applicants (hereinafter called tenderers) shall state when tender documents will be available and works departments shall seek their confirmations to submit tenders.

### **3.5 Invitation to Tender**

3.5.1 Except for term D&B contracts under the jurisdiction of ArchSD where the minimum tender period should be set at 40 days, sufficient time shall be allowed for tenderers to develop their tenders. A minimum tender period of 70 days shall be allowed. For complex buildings and buildings of outstanding aesthetic requirements, the tendering period should be set at about 112 days (i.e. 16 weeks). The minimum period should not be changed unless approval is obtained from WB of DEVB.

3.5.2 The tender documentation shall include:-

- (a) Form of Tender.
- (b) Conditions of Tender including any Special Conditions of Tender. It should be made clear to tenderers what information they have to submit with their tenders in order that a full assessment can be made. Instructions shall be provided to identify separate requirements for Tender Price Documents and Technical Submission. See paragraphs 3.5.3 to 3.5.5 below. Any requirement for tenderers to conduct a design presentation of their proposals shall be included as a Special Condition of Tender.

The requirement for contractors to have obtained ISO 9001 certification for works contracts under the prevailing TC(W) on ISO 9001 Certification is not applicable to D&B contracts. Those contractors who have been mandatorily suspended from tendering or are under voluntary suspension, solely due to the failure to obtain ISO 9001 certification, are also eligible to submit

tenders for D&B contracts. The General Conditions of Tender regarding contractors under suspension in **Appendix G Annex G3** should be incorporated in the tender document. Notwithstanding the above, D&B contracts should include a provision in the Employer's Requirements that the contractor shall implement and maintain a documented quality system to control all activities of the Works including the management, design, manufacture, construction/installation, monitoring, testing and commissioning (if applicable) of the Works, and to ensure that these activities comply with the Employer's Requirements.

- (c) D&B General Conditions of Contract (D&B GCC) and any Special Conditions of Contract (D&B SCC). The D&B GCC shall be the prevailing edition of the Government of the Hong Kong Special Administrative Region General Conditions of Contract for Design & Build Contracts. The D&B SCC is shown in **Annex G12** of the Administrative Procedures.
- (d) The Employer's Requirements which shall include :-
  - (i) the design brief;
  - (ii) requirements for environmental management plan;
  - (iii) requirements for design checking and design approval;
  - (iv) requirements for construction and site safety supervision;
  - (v) requirements for a breakdown of the Contractor's rates and prices;
  - (vi) information provided, e.g. where a D&B GCC Inspection of the Site Alternative I (Method

Statement Approach) is used, site survey plans, ground investigation data and other relevant factual information;

- (vii) provisional sum, contingency sum and provisional quantities where applicable;

and will generally also include :-

- (viii) (where a D&B GCC Inspection of the Site Alternative I (Method Statement Approach) is used) requirements for Sub-surface Assessment and associated Method Statements (see **Appendix F**);

and may also include :-

- (ix) the budget of the Project provided that this will not disclose the estimated contract value, and
- (x) details of the Project Control Group meetings.

If works departments have limited experience of a particular type of construction, outside expertise shall be engaged at an early stage of the process for the satisfactory preparation of the Employer's Requirements.

Where consultants are employed by works departments to prepare Employer's Requirements, it is a mandatory requirement to include the standard Special Conditions of Employment Clause in the consultancy agreement to oblige the consultants to report on situations which may give rise to a conflict of interest. In case of conflict of interest arisen, the consultants should be prohibited from participating, bidding or being financially involved in that or any related tender exercise in accordance with SPR 192 and prevailing TC(W).

Guidance notes on the preparation of the Employer's Requirements are in **Appendix C**.

- 3.5.3 Tender documentation may vary depending on the types of projects, i.e. building or civil engineering works and the extent of electrical & mechanical (E&M) and building services works and specialist services involved. However, to assist tenderers to prepare their tender submissions, tender documentation should be clearly defined to identify the parts of tenders to be submitted under Tender Price Documents or Technical Submission. Please see Appendix G Annex G3 on GCT for Submission of Tender.
- 3.5.4 For D&B tenders adopting marking scheme, a two-envelope approach shall be adopted. The tenders shall consist of two parts, namely the Technical Submission and the Tender Price Documents. They shall be enclosed in two separate sealed envelopes, clearly marked with the words "Technical Submission" and "Tender Price Documents" respectively, together with the tender reference on the outside of the envelope and delivered in a manner as required by tender notice. The two envelopes may be placed in a further sealed envelope.
- 3.5.5 It is expected, because of the extent of the technical information to be submitted, that it might not be practicable to have all of the Technical Submission to be placed in the same sealed envelope. In such cases, the Technical Submission shall be placed in more than one sealed envelopes clearly marked with the words Technical Submission - Part 1 of [No.], etc.
- 3.5.6 A Specimen Notes to Tenderers (NTT), General Conditions of Tender (GCT) and Special Conditions of Tender (SCT) is at Appendix G. The NTT, GCT and SCT are to be used selectively in the light of the requirements of D&B tenders in question.

- 3.5.7 A Specimen Special Conditions of Contract (SCC) for D&B Contracts is at **Annex G12**. SCC for D&B contracts which are not part of this standard library (including any modification to the SCC in the library) may be drafted and used as required after approval given by the Head of Department/Office or his delegate. This delegation should not be given to an officer below the rank of D1 level. Should the Head of Department/Office or the delegated officer have any doubt as to the wording of an SCC not in the library, then the clause should be forwarded to the Legal Advisory Division (Works) (LAD(W)) in the DEVB for advice through the relevant Contract Advisor without reference elsewhere. Contentious cases involving a major point of principle or change in policy should, at the discretion of the Head of Department/Office, be referred to the Works Group Directors' Meeting for consideration.
- 3.5.8 Tender documents should be self-explanatory. Clarifications and changes of contractual relevance to tender documentation shall be covered by tender addenda notwithstanding clarifications and changes that have been given in pre-tender meetings. See paragraph 3.12 on Handling of Tender Qualifications.
- 3.5.9 Depending on the nature of D&B projects, works departments may consider making arrangement for site visits for the purpose of tender. The site visits should be arranged as soon as possible after an invitation to tender, and be executed in proper and organised manners.
- 3.5.10 In instances where a deadline is set for tenderers to submit queries on tender documentation then a deadline shall also be set for providing the answers sufficiently in advance of the tender closing date for the tenderers to reasonably finalise their tenders.
- 3.5.11 Questions and answers of contractual relevance must be put in writing, and both questions and answers conveyed to all tenderers as a tender addendum. However, questions and answers regarding information or suggestions of a commercial

nature must be treated as confidential to the relevant tenderers. Handling of tender addendum shall be in accordance with Section 5.2 under Chapter 6 of the Project Administration Handbook for Civil Engineering Works or the Project Administration Handbook of the Architectural Services Department as appropriate.

When there is difficulty in distinguishing whether a question is commercial or contractual, legal advice may be sought from LAD(W) of DEVB. Please also refer to paragraph 3.12 on Handling of tender qualifications.

### **3.6 Tender Evaluation Criteria**

3.6.1 Tender evaluations shall be conducted according to assessment criteria set out in marking schemes. Marking schemes should be exhaustive, whilst tailored to reflect the priorities of the Employer's Requirements. The most suitable tenderer will be recommended for (i) award of contract or (ii) further negotiation.

The goal is to identify a tender which will deliver a project that :-

- (a) fulfils the client's needs;
- (b) provides efficient and reliable services;
- (c) is economically to maintain;
- (d) is environmentally friendly;
- (e) has good safety features; and
- (f) is best value for money.

3.6.2 The use of a marking scheme requires evaluation of Technical Submission to be conducted separately from the evaluation of Tender Price Documents and therefore, a two-envelope approach shall be adopted, i.e. Tender Price Documents and

Technical Submission shall be submitted in two separate sealed envelopes. See paragraphs 3.5 and 3.7 of the Administrative Procedures.

- 3.6.3 Provisions for the use of marking schemes in evaluating tenders are contained in the prevailing SPR. Specific guidelines for adopting marking scheme approach for tender evaluation are contained in Appendix III(G) to the SPR. Reference can also be made to the prevailing TC(W) on Tender Evaluation Methods for Works Contracts as appropriate.
- 3.6.4 Marking schemes for tender assessments must be established prior to tender invitation in order to provide a fair and objective means to assess tenders. Assessment criteria that could be included in marking schemes are listed out under the headings of Price and Non-price in **Table 3.1: Assessment Criteria Checklist**. Works departments may formulate their own assessment criteria checklist based upon that shown in **Table 3.1**. Certain requirements of tenderers which have been established at prequalification stage, e.g. financial standing and project experience need not be the subject of the assessment criteria checklist. However, tenderer's performance should be included in marking schemes to take into consideration their latest performance records. Furthermore, recurrent costs of life cycle shall also be an attribute in marking schemes for tender assessment.
- 3.6.5 Concern on subjectivity cannot be wholly eliminated from assessment procedures. Assessment criteria should therefore be carefully selected to minimise this concern.
- 3.6.6 Marking schemes<sup>7</sup> for use in tender assessment, including assessment criteria, marks and price/non-price ratio, shall be pre-approved by relevant tender boards. Tender Assessment

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<sup>7</sup> Works departments should note that a Standard Tender Marking Scheme for use with D&B contracts, with primary objectives based on operational efficiency and effectiveness where prequalification is not required, has been approved by CTB and included in the prevailing TC(W) on Tender Evaluation Methods for Works Contracts. Separate approval by CTB of the use of it in its entirety is not necessary.

Panel shall be established and hold meetings to agree to the assessment criteria to be included in marking schemes. The Tender Assessment Panel shall agree to the overall marks for each of the assessment criteria. The Tender Assessment Panel should carefully consider and justify the use of a particular price/non-price ratio on a case-by-case basis. Based on the primary objectives of D&B projects, the respective price/non-price ratios are recommended in the table below.

<b>D&amp;B Project Primary Objectives</b>	<b>Recommended non-price to price ratios</b>
1. Superb design quality with highly complex functional requirements and/or construction methodology involving specialised plant/equipment	60%:40%
2. Highly complex functional requirements and/or construction methodology involving specialised plant/equipment with special constraints (delivery programme, site/environmental constraints etc.)	50%:50%
3. Special constraints (delivery programme, site/environmental constraints, etc.)	40%:60%
4. Operational efficiency & effectiveness (e.g. term D&B contracts)	40%:60% May adopt Formula Approach <sup>8</sup>

<sup>8</sup> Section 3 is drafted on the basis that D&B projects adopt marking scheme approach and therefore, some of the paragraphs may not be applicable to D&B projects adopting formula approach. In adopting formula or marking scheme approach for term D&B contracts, works departments shall draw reference to the prevailing TC(W) on Tender Evaluation Methods for Works Contracts.

- 3.6.7 Having first determined the overall marks, Tender Assessment Panel shall determine the individual marks for each of the sub-criteria under consideration.
- 3.6.8 Notwithstanding the guidelines above and others specified elsewhere in the Administrative Procedures, relevant tender boards' approval of marking scheme<sup>9</sup> shall be sought on a project by project basis. Criteria and marks shall not be changed except in exceptional circumstances and such changes must be agreed by the respective tender boards. The reasons for the changes should be recorded.
- 3.6.9 An outline of the assessment criteria including marking schemes shall be included in tender documents as required by the respective GCT and NTT to assist tenderers in preparing their tenders. Works departments may wish to consider the assessment criteria given in the Specimen Tender Marking Schemes for building works and civil engineering works as shown in **Table 3.2** and **Table 3.3 respectively**. Three works categories, namely, roads and bridges, tunnelling works, and process treatment plant, are covered in the Specimen Tender Marking Scheme for civil engineering works. Works departments shall also refer to items 3.6.12 and 3.6.13 below.
- 3.6.10 Marking schemes shall be transparent and understandable and shall be included in the General Conditions of Tender. It shall be pragmatic, systematic, and repeatable for use in projects of a similar nature, scale and constraints. Minimum standards or essential requirements, if any, shall be stipulated in the Marking Guidelines. Non-compliance with such minimum standards or essential requirements shall render the tender as non-conforming tender. The method of evaluation shall ensure that best value for money is recognised and achieved. That is to say, marking schemes shall state clearly: - (1) the mandatory Employer's Requirements on what have to be complied with at tender stages, failing which the tenders will be regarded as non-conforming, and their technical proposals will not be

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<sup>9</sup> Except for the Standard Tender Marking Scheme for D&B contracts with primary objectives based on operational efficiency and effectiveness where prequalification is not required.

further assessed according to the marking schemes; and (2) that marks will be assessed based on the degree of compliance with other Employer's Requirements. The marks and passing marks, if any, for each of the assessment criteria should be shown in the marking schemes. The essential requirements which are required to be submitted with the tender for the purpose of tender evaluation shall be specified in the tender conditions. Failure on the part of the tenderer to comply with the said tender condition shall render its tender invalid.

3.6.11 In order to cut down the cost of tender preparation, works departments may consider suitably limiting the number of pages of technical proposals and drawing submissions and shall specify clearly these limits in the tender documents. Works departments may refer to the proposed Specimen Tender Marking Schemes as shown in Tables 3.2 and 3.3.

3.6.12 For D&B contracts which are adopted with the primary objectives of operational efficiency and effectiveness, e.g. term D&B contracts, their simple nature does not require prequalification of tenderers. Works departments shall use the Standard Tender Marking Scheme or Formula Approach given in prevailing TC(W) on Tender Evaluation Methods for Works Contracts. If works departments wish to make any modifications to the Standard Tender Marking Scheme to suit the particular nature of individual contracts, they shall obtain policy support from DEVB before seeking approval from the relevant tender board in accordance with the SPR.

3.6.13 For D&B contracts involving prequalification of tenderers, works departments shall continue to propose tender marking scheme and seek approval from the relevant tender board in accordance with the SPR.

### **3.7 Opening of Tenders**

3.7.1 After tenders have been opened and authenticated, the tender opening team shall place the originals of the Tender Price Documents in a sealed envelope. The sealed envelope,

together with the originals of the Technical Submission, will be collected by the respective works departments while the duplicates of the submissions will be kept by relevant tender boards.

3.7.2 Works departments shall appoint an officer of D2 rank or above, who is not involved in the tender exercise for the safe custody of the sealed envelope. To guard against inadvertent placement of any Tender Price Documents in Technical Submission by tenderers, the officer or his delegated officer not lower than senior professional rank shall check against the Technical Submission collected from the tender opening team before passing them to Tender Assessment Panel for evaluation.

3.7.3 Tender Assessment Panel shall only open the sealed envelope which contains the Tender Price Documents after the completed evaluation of all Technical Submissions based on the approved marking scheme. Generally, no alteration to the Technical Submission and hence the technical scores shall be allowed after the Tender Price Documents are opened. Reference shall be made to the relevant guidelines as contained in the prevailing TC(W) on Tender Evaluation Methods for Works Contracts and TC(W) on Examination of Tenders and Submission of Tender Reports.

### **3.8 Tender Assessment Panel**

3.8.1 A Tender Assessment Panel similar to that as described in the prevailing TC(W) on Tender Evaluation Methods for Works Contracts for marking scheme approach shall be established to evaluate tender submissions.

3.8.2 All members of the Tender Assessment Panel should be identified by name and post in the Tender Report.

### **3.9 Assessment of Tenders**

- 3.9.1 The general procedural requirements for the evaluation and examination of tenders, the submission of tender reports, and WTO GPA are contained in the prevailing TC(W).
- 3.9.2 All conforming tenders shall be treated equally during tender assessment. Works departments shall not consider alternative tenders if they have not been invited according to the relevant SCT 2 as shown in Annex G4. See also paragraphs 3.9.11 and 3.12.1 below.
- 3.9.3 On expiry of tender period or any extension thereto, tender assessment will commence which will include a certain degree of pre-contract communications. These communications will likely include commercially sensitive information/suggestions in relation to respective tenders. Therefore, from tenders are received and opened until a decision is made on the acceptance or otherwise, not only shall all verbal and written communications regarding the tenders be classified as RESTRICTED (TENDER) but particular care must be taken to protect the confidentiality of anything considered commercially sensitive to relevant tenderers.
- 3.9.4 Notwithstanding the Conditions of Tender are specific, tenderers may fail to provide the necessary tender information which may lead to delays in the tender assessment. The Tender Assessment Panel shall examine tenders and identify missing or incomplete technical information and any qualified items. Any clarification or information submitted by a tenderer after the close of tender, irrespective of whether or not the clarification or information is submitted at the invitation of the Employer, will not be considered if such clarification or information would alter the tender in substance or give the tenderer an advantage over the other tenderers. In case of doubts, legal advice should be sought from LAD(W) of DEVB.
- 3.9.5 Tenderers shall not be permitted to revise or correct Technical Submission or Tender Price Documents other than the

provision of missing or incomplete technical information and clarifications of any qualified items as provided in paragraph 3.9.4 above. Where it is necessary to ascertain compliance or otherwise with the Conditions of Tender and Employer's Requirements, only clarifications of the intentions of the tenderer and interpretation of Technical Submission shall be sought.

3.9.6 Essentially two main documents will be considered in the assessment process. These being:

(a) Tender Price Documents; and

(b) Technical Submission;

and the assessment will, in the main, identify a tenderer who best meets :-

(a) the Employer's Requirements at the best price; and

(b) other prescribed criteria.

3.9.7 Members of the Tender Assessment Panel shall evaluate Technical Submissions individually and concurrently in strict accordance with the pre-determined criteria prior to the consolidation of assessment results. Each member's assessment shall be included in Tender Report. Only after Tender Assessment Panel agrees to the final technical assessment results shall Tender Price Documents be considered.

3.9.8 Where tenders are subject to very tight programme schedule and with the personnel approval of Head of Department, the Tender Price Documents and Technical Submission may be separately evaluated by the project team and the Tender Assessment Panel concurrently, but the project team and the Tender Assessment Panel must not exchange any information received on the tenders until the whole evaluation is completed and they shall not make alteration to their assessment

thereafter except for the corrections as quoted in paragraph 3.9.4 above. Heads of Department should only approve the concurrent assessment of the Technical Submission and Tender Price Documents as an exceptional arrangement and should ensure that there are adequate measures to safeguard the integrity of the tender evaluation process. When the concurrent assessment approach is adopted, departments should record the names of the involved parties in the technical assessment and price assessment and keep the period of assessment to the minimum.

- 3.9.9 To achieve a gradation in marking of sub-assessment criteria, the sub-assessment criteria shall be assessed according to agreed marking guidelines. For price assessment, tender prices shall be discounted to the net present values for comparison purposes in accordance with the provisions in the Notes to Tenderers. The Management Accounting Division of Financial Services and the Treasury Bureau may be consulted on the method for calculating the net present value. In performing the discounted cashflow calculation to arrive at the net present value, the officer examining the tenders shall use the construction programmes submitted by the tenderers and only use the tentative construction programme forecast by the Supervising Officer designate where construction programmes are not submitted by tenderers, or where the programmes submitted are found to be unrealistic. Detailed explanation shall be given in Tender Report if the latter applies.
- 3.9.10 Price assessment shall be made in accordance with a system in which marks are calculated in proportion to the lowest tender price or in cases where paragraph 3.9.9 applies, their net present values.
- 3.9.11 As the maximum construction period is fixed, it is unlikely that a tenderer will propose a longer construction period than the required, thus disqualifying his own bid. However, provided that a tenderer is offering the same terms and conditions as the specified construction period, an offer of a shorter construction period shall be dealt with as an alternative tender, and not as a

qualified tender, and shall be evaluated under the aspect of price by discounting the tender price by the known amount of the benefit to the Employer for his early use of the project such as savings on professional and site supervisory staff, interest on the capital invested and gain of revenue, etc. In such case, for the purpose of price assessment, the tender price shall be discounted by the known amount of the benefit prior to performing discounted cashflow calculation to arrive at a net present value.

3.9.12 The assessment of buildability of each tendered design shall be carried out with due consideration of the following :-

- (a) can activities be arranged to form production cycles;
- (b) what is the work content and time for each activity;
- (c) will the design create bottle-necks or constraints;
- (d) can activities be reduced or combined;
- (e) is there adequate skilled labour;
- (f) are appropriate plant and equipment available;
- (g) will the design create waste of material and time;
- (h) will available plant and equipment have to lie idle;
- (i) is the design labour intensive;
- (j) can the design be constructed right at the first time;
- (k) will the design lead to minimal defects; and
- (l) can a better design be engineered?

- 3.9.13 Buildability is defined as the extent to which the design of a project facilitates ease of construction, subject to the overall requirements of the completed project.
- 3.9.14 Designs which encourage logical sequences of operations and embrace the principle of delivering works right at the first and every time will help to achieve the aims of tender evaluation on Tender Price Documents and Technical Submission. However, works departments shall conduct functional analysis for each of the tendered designs before finalising and submitting the Tender Report.
- 3.9.15 Client departments expect that projects they are commissioning will provide the functions they require at a price they are willing to pay. The reduction of functionality of the project will reduce the utility of its respective functions and hence give rise to objection and displeasure. Expenditure to increase the functional utility beyond that which is required is of little value to the client departments.
- 3.9.16 The following questions shall be considered for each functional requirement in each tendered design:
- (a) what is it;
  - (b) what does it do;
  - (c) what is it worth;
  - (d) what does it cost (including its recurrent cost of life cycle);  
and
  - (e) what else would work.
- 3.9.17 Each of the functions of the project provides utility for the client department. Once the value of the function is ascertained and defined, the design and specifications which provide the same utility at the best price can be identified. The objective is to obtain the best value for money.

- 3.9.18 The tender with the highest combined price and non-price score should normally be recommended. If the tender with the highest combined price and non-price score is not recommended for acceptance, this shall be noted and explained in the Tender Report.
- 3.9.19 The Tender Assessment Panel shall maintain full records of all correspondences that have been exchanged in the process of the tender assessment.

### **3.10 Permitted Alterations**

- 3.10.1 After technical assessment of all tenders, only those tenders complying with the Conditions of Tender and warranting serious consideration shall have the breakdown of the Contractor's rates and prices checked in detail.
- 3.10.2 Except for alterations in accordance with the Special Condition of Tender permitting the Employer's Requirements to be amended to incorporate aspects of the Technical Submission, provisions of GCT, and items as shown below, works departments shall follow prevailing TC(W) on Correction Rules for Tender Errors, rule (2) under Section 2 among others, and any amendments currently in force for permitted alterations without prior approval of relevant tender boards.
- (a) Reducing the amount of the Contingency Sum in accordance with GCT(33) to provide the Employer with the power to unilaterally reduce the amount of the Contingency Sum prior to the award of contract.
  - (b) Errors in calculations of the provisional sum for Mandatory Provident Fund reimbursements.
- 3.10.3 Notwithstanding the above, works departments shall also refer to the prevailing TC(W) and any amendments currently in force on Examination of Tenders and Submission of Tender Reports.

### **3.11 Procedure after Correction of Errors and Examination of Rates and Prices**

3.11.1 After the nature and amount of errors in any tender warranting closer examination have been found and corrected as provided in sub-section 3.10 above, Supervising Officer designate shall communicate in writing to each relevant tenderer on any substantially over or under-priced item and any item not priced. Before making a recommendation in Tender Report, works departments shall require the tenderer to confirm in writing that he is prepared to abide by his tender. Works departments shall also refer to the prevailing TC(W) on Rejection of Unreasonably Low Bids.

### **3.12 Handling of Tender Qualifications**

3.12.1 It is generally stated in tender documents as an instruction to tenderers that any qualification of the tender may cause the tender to be disqualified, and the Employer may not consider the tender further. The tender may, however, be qualified inadvertently owing to different interpretation of particular statements or remarks made by the tenderer in the tender. Approval from the appropriate tender board is NOT required for approaching a tenderer for the purposes of clarifying the purpose or meaning of particular statements or remarks in his tender; reminding him of the likely consequences of a qualified tender; and seeking an unequivocal withdrawal of any qualifications by a reasonable deadline. Provided that a tenderer is offering the same terms and conditions as the specified construction period, an offer of a shorter construction period shall be treated as an alternative tender which should be dealt with as described in paragraphs 3.9.2 and 3.9.11 of the Administrative Procedures.

3.12.2 Care must be exercised in approaching tenderers for clarification of tender qualifications, and legal advice should be

sought where necessary. Under no circumstances can a qualified tender be rejected, expressly or otherwise, without the prior approval of the relevant tender board.

3.12.3 Before making a firm recommendation for contract award, if it is considered necessary or desirable to conduct negotiations with a tenderer or tenderers for a final attempt to remove or modify the tender qualifications which have not been withdrawn during the clarification process, prior approval and authority shall be obtained from the relevant tender board or its delegated authority.

3.12.4 [Not used]

3.12.5 Accepting withdrawals of tender qualifications after clarifying the intention and interpretation with the tenderer shall be in accordance with the prevailing TC(W) on Examination of Tenders and Submission of Tender Reports.

### **3.13 Approval by Relevant Tender Boards**

3.13.1 Works departments shall prepare and submit the Tender Report to the relevant tender board in the same manner as for conventional contracts. Notwithstanding any prequalification exercise conducted and in addition to tender assessment results, marking schemes, price/non-price ratio, assessment criteria and other requirements as shown in the paragraphs below, the Tender Report shall also reflect the tenderers' current qualification, technical and financial capability and performance.

3.13.2 The Tender Report shall contain a description of the tendering/assessment/negotiation process. A representative of the Controlling Officer (normally the Head of Department) should attend the relevant tender board to present the Tender Report and answer queries. Usually a D2 Officer, but in any event an officer not below the rank of D1, should attend.

3.13.3 The duplicate copies of the Form of Tender held by the tender board will be forwarded to respective works departments after the tender board's approval of the acceptance of the tender.

### **3.14 Pre and Post Tender Meetings with Tenderers**

3.14.1 Departments shall follow the procedures promulgated under the prevailing TC(W) on Pre- and Post Tender Meetings, particularly on the following:

- (a) the grounds for holding pre-tender meetings;
- (b) the arrangements for post-tender meetings before acceptance; and
- (c) the needs for resultant changes to the tender documents to ensure any matters agreed are contractually binding.

3.14.2 Departments shall follow guidelines and procedures as contained in the prevailing SPR on Tender Negotiations. Certain aspects of these guidelines are particularly important. These are:-

- (a) Negotiators

The choice of a negotiator to head the team shall be nominated by the Controlling Officer (normally Head of Department), who shall take into account the appointee's negotiation skills and experience.

- (b) Authority

Negotiators shall have the authority to make decisions and reach agreements. If there are any limits on the authority of the negotiators, this shall be made known to all parties. Such limits will be stipulated by the relevant tender board or the concerned Controlling Officer authorising the negotiations.

(c) Records

Records of tender negotiations may assume a high degree of contractual significance. Consequently it is of prime importance that records shall be kept and agreed by both parties.

**3.15 Contract Award**

3.15.1 Following approval of the Tender Report by the relevant tender board, works departments shall send a letter of acceptance to the successful tenderer accepting his tender and inviting him to execute the Articles of Agreement on a specified date.

3.15.2 The Contract to be signed shall contain:-

- Articles of Agreement.
- Form of Tender.
- Letter of acceptance.
- GCC (and SCC).
- Employer's Requirements including the drawings referred to therein.
- Contractor's Proposals including a statement of the Contract Sum, the completed breakdown of the Contractor's rates and prices and the drawings referred to therein.
- Correspondences and other agreed documents pertaining to the award as may be referred to in the letter of acceptance.

3.15.3 Not Used.

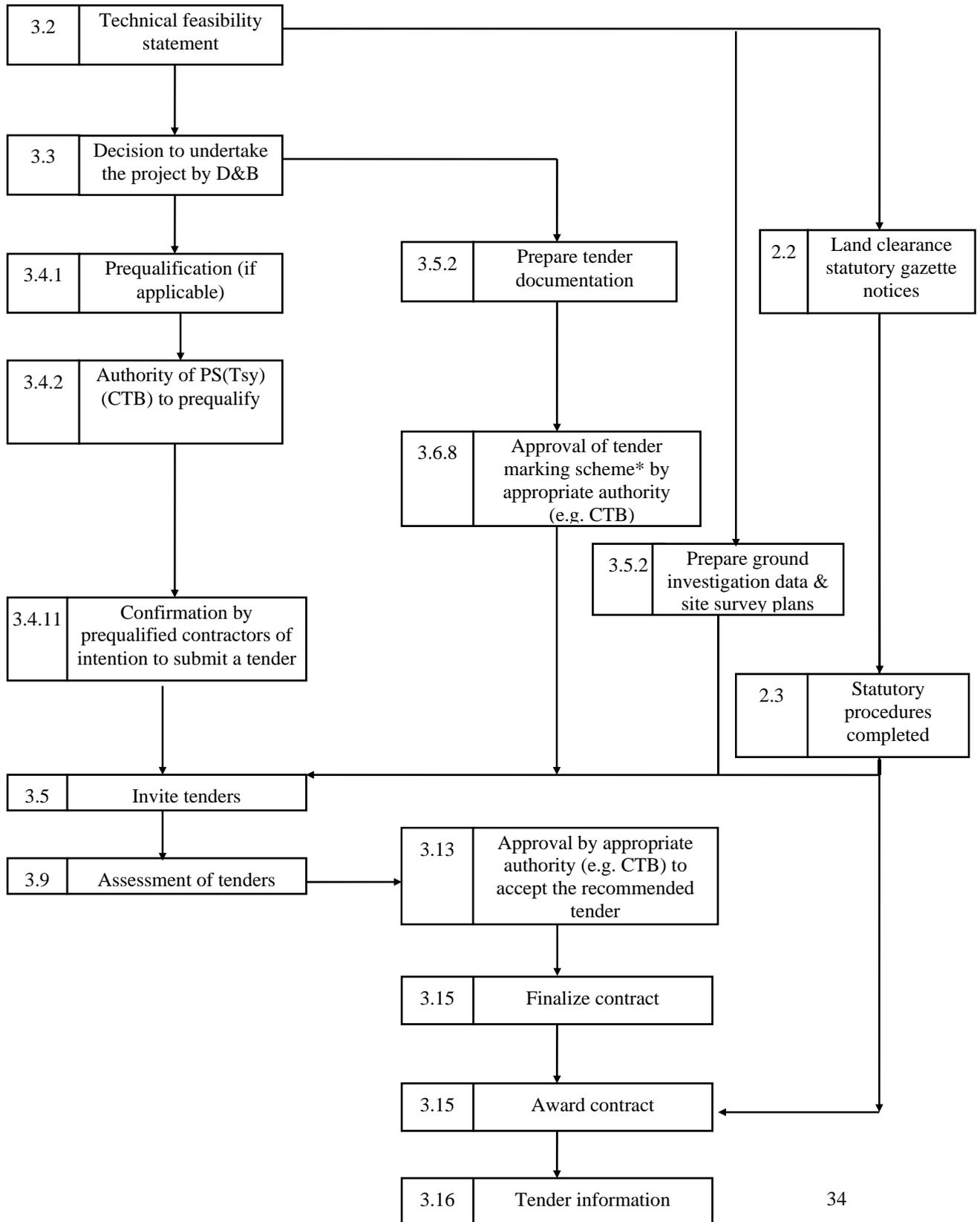
**3.16 Tender Information**

3.16.1 The prevailing FC on Access to Tender Information sets out the types of tender information that may be disclosed and provides guidelines for handling requests for tender information.

- 3.16.2 Guidelines and provisions promulgated in the prevailing TC(W) on Feedback and Debriefing to Unsuccessful Bidders shall be followed in notifying unsuccessful tenderers.
- 3.16.3 Works departments shall keep a record of all contracts awarded that are covered by the WTO GPA. Documentation relating to all aspects of the procurement process covered by WTO GPA shall be retained for 3 years.
- 3.16.4 For tenders which are covered by the WTO GPA, the Bid Challenge System will apply. Details of the bid challenge system can be found in the Rules of Operation of the Review Body on Bid Challenge. See paragraph 28 under Section A “Instructions to Applicants” of Appendix B and Clause (j) of the NTT Clauses in Appendix G Annex G11 of the Administrative Procedures.

FIGURE 3.1

DESIGN & BUILD CONTRACTS - PRE-CONTRACT PROCEDURES



Note : numbers relate to paragraph numbers. \* - See footnote 7 above.

**TABLE 3.1**

**ASSESSMENT CRITERIA CHECKLIST**

Main Points	Sub-Points	Discussion
1. Price	<ul style="list-style-type: none"> <li>• Overall amount</li> <li>• Sufficient breakdown to permit check</li> <li>• Financial offers</li> </ul>	<p>Including compliance with budget</p> <p>i.e. to conduct discounted cashflow calculation, enable milestone payments and a basis for valuation of changes.</p> <p>i.e. shorter construction period. (Tender sum to be discounted, see paragraph 3.9.11)).</p>
2. Non-price	<ul style="list-style-type: none"> <li>• Compliance with Brief</li> <li>• Programme</li> <li>• Sectional completion</li> <li>• Availability of outline design</li> <li>• Aesthetics</li> <li>• Method Statement</li> <li>• Recurrent cost of Life cycle</li> <li>• Quality standards</li> <li>• Quality assurance</li> <li>• Safety aspects</li> <li>• Environmental aspects</li> <li>• Maintenance Factors</li> <li>• Project management</li> <li>• Design method and management</li> <li>• Validity of Sub-surface Assessment and Method Statements</li> <li>• Equipment/Recurrent costs</li> <li>• Guarantees offered</li> <li>• Clear options offered i.e. Lack of 'tags' or ambiguities</li> <li>• Offers exceeds the Design Brief</li> <li>• Others (Project specific items)</li> <li>• Functional and planning requirements</li> </ul>	<p>Assessment of the adequacy and reliability of the technology</p> <p>Clarify and supporting documents to permit check</p> <p>Relevant where there are interfacing projects</p> <p><b>Integration with structure and other design to ensure constructability</b></p> <p><b>Long term operating and maintenance cost shall be duly accounted for</b></p> <p>Clear statement required of specification, finish, quality and standards</p> <p>Of construction in particular</p> <p>Quality of material, availability of servicing, common use of single brand or supplier, access for maintenance</p> <p>Experience of nominated personnel and management structure and plant resource</p> <p>Design programme</p> <p>See Note 8 under <b>Appendix E</b></p> <p>Operation and maintenance. Quality of E&amp;M and BS Equipment Reputation and permanency of Manufacturer/Supplier</p> <p>Warranties, benefits assigned to owner</p> <p>In terms of quality, time and other consequences</p> <p>i.e. provisions with quality or standard over and above major aspects.</p> <p>i.e. Rateable value, maximum net useable floor area, etc.</p>

TABLE 3.2

**SPECIMEN TENDER MARKING SCHEME  
FOR BUILDING WORKS**

**CONTRACT NO.  
DESIGN AND CONSTRUCTION OF  
PROGRAMME NO.  
TENDER MARKING SCHEME**

- A. Assessment of the tenders comprises two stages.
- B. At Stage I, the tenders will be vetted against a set of Mandatory Requirements. At Stage II, the tenders will be assessed based on the marking criteria set out under “Stage II – Marking” below.
- C. The assessment will be carried out by the Tender Assessment Panel.
- D. The Tender Assessment Panel (TAP) comprises the following officers:-

Chairman -

Members -

*[Note: Paragraph D should be included in the submission to relevant tender boards only and need not be included in tender documents]*

**Stage I Screening**

The Tenderer’s submission must satisfy **all** Mandatory Requirements listed below. In the event that the Tenderer’s submission does not satisfy **any one of** the Mandatory Requirements, his tender shall be treated as non-conforming and shall not be considered further.

	<u>Mandatory Requirement Satisfied</u>
(1) Submission of Declaration of Compliance. <i>[Note: The declaration is for confirmation of compliance with all the mandatory requirements that could not be verified at Stage I, e.g. compliance with special pricing requirements which could not be verified until the pricing envelope is opened after completion of technical assessment. It should state clearly that a tender will be disqualified should subsequent checks reveal non-compliance of any of the mandatory requirements despite that such declaration has been made.]</i>	Yes/No
(2) Confirmation of compliance with the mandatory design requirements (e.g. minimum Net Operating Floor Area and permissible variation, maximum Gross Floor Area, height restriction, etc.)	Yes/No
(3) Other project specific mandatory requirements	Yes/No

*[Note: Mandatory Requirements should be factual, self-contained and required “yes” or “no” answers.]*

## **Stage II - Marking**

- A. The assessment of the tenders is based on the attached marking criteria where marks, subject to a stated maximum, will be given to each of the criteria listed. The maximum marks are chosen to give a suitable weighting to each criterion.
- B. Tenders are required to satisfy the passing mark specified for Assessment Criterion 2.1 of the Marking Scheme in order to be considered to have passed Stage II - Marking.
- C. The marking criteria:-

	Assessment Criteria	Marks	
		Range	Passing
<b>1.0</b>	<b>Price</b> (See item 1 of Annex I)		
1.1	Tender Price	min. 50	
	<b>(A) Sub-total</b>	<b>min. (50)</b>	
<b>2.0</b>	<b>Non-price</b> (See item 2 of Annex I)		
2.1	Design		
	(a) Aesthetics and Overall Appearance	5 – 9	--
	(b) Functional and Planning Requirements	7 – 15	--
	(c) Structure and Buildability	4 – 6	--
	(d) Building Services + M&E + Electronic Systems	4 – 7	--
	(e) Environmental Friendliness, Health & Safety	max. 2	--
	(f) Life Cycle Plan & Energy Efficiency	2 – 6	--
	(g) Innovation and Technology	2 – 8	--
	<b>(B) Sub-Total</b>	<b>max. (36)</b>	<b>(50%)</b>
2.2	<b>Technical Submission</b>		
	(a) Method Statement	3 – 6	--
	(b) Programme	max. 2	--
	<b>(C) Sub-Total</b>	<b>max. (8)</b>	--
2.3	Technical Resources		
	(a) Project Management Team	max. 2	--
	(b) Design Management Team	max. 2	--
	<b>(D) Sub-Total</b>	<b>max. (4)</b>	--
2.4	Quality Assurance / Construction Quality / Safety and Environmental Protection Plans	max. 2	--
2.5	Past Performance	max. 3.5	--
2.6	Offer Exceeding Requirements other than item 2.1(g)	max. 1.5	--
	<b>(E) Sub-Total</b>	<b>max. (7)</b>	--
<b>TOTAL MARKS (A+B+C+D+E)</b>		<b>100</b>	<b>--</b>

### **Limiting Number of Pages**

Works department may consider limiting the number of pages of technical proposal and drawing submissions in the form as shown below:

Tenderer shall submit technical proposal in no more than [X1] pages A4 and [X2] pages A3 drawings with margin not less than 25mm and character font size not less than 12. [X3] mark shall be deducted from the overall mark for each extra page. [X4] mark should be deducted if the submission does not conform to the font size, margins, paper size and other format requirements. The maximum deduction of marks regarding non-conformance on number of pages and formats shall be [X6]. Works departments shall insert figures in [X1,X2,X3,X4,X5 X6] as appropriate according to nature and complexity of tenders

*[NOTE: The above Non-price criteria, maximum and passing marks and the following explanatory notes cater for design and build contracts for building works where the price and non-price weightings are at 50/50 percent of the total combined scores. They are for illustration only and the actual price/non-price ratio shall be determined on a project by project basis and justified to relevant tender boards. Guidance is given in Section 3.6 of the Design & Build Administrative Procedures Handbook Please refer to the “Checklist for Drawing up Marking Scheme for Tender Assessment” maintained by the Government Logistics Department at [http://gld.host.cc.gov.hk/sarg/gld/marking\\_scheme/Tender\\_Checklist.pdf](http://gld.host.cc.gov.hk/sarg/gld/marking_scheme/Tender_Checklist.pdf) for additional guidance.]*

**EXPLANATORY NOTES FOR TENDER MARKING SCHEME****1.0 Price Assessment**

**1.1** Tender Price (maximum 50 marks) : The lowest tender (T1) among all the conforming tenders will be awarded the maximum mark, i.e., M1 = 50. Marks will then be allocated to other conforming tenders (T2, T3 and T4) proportionally in relation to the tender prices as follows:

Tender prices: TP1, TP2, TP3, TP4 (TP1 being the lowest tender price among the conforming tenders)

Note: Tender prices will be discounted to “net present value” for comparison purposes.

Allocation of Marks:	$M1 = \text{Max. Mark (i.e. 50)}$
	$M2 = \text{Max. Mark} \times \frac{TP1}{TP2}$
	$M3 = \text{Max. Mark} \times \frac{TP1}{TP3}$
	$M4 = \text{Max. Mark} \times \frac{TP1}{TP4}$

**1.2** For the purpose of calculation using the above formula, please refer to item 5.2 below for the definition of conforming tender.

**2.0 Non-price Assessment<sup>10</sup>**

- |            |  |                  |
|------------|--|------------------|
| <b>2.1</b> | Design (max. 36 marks)   | -[Criterion]     |
|            | (a) Aesthetics and Overall Appearance (5 -9 marks)   | -[Sub-criterion] |
|            | (1) Projection of the required identity and image of the project (1 – 3 marks)   | )                |
|            | (2) Response to the urban/natural context of the project (0.5 – 2 marks)   | ) -[Aspects]     |
|            | (3) Visual impact (1 – 2 marks)  | )                |
|            | (4) Quality of finish (1 – 2 marks)  | )                |
|            | (5) Landscape provisions and design (0.5 – 1 mark)   | )                |
|            | (b) Functional and Planning Requirements (7 - 15 marks)  |                  |
|            | (1) Optimisation of the development taking into account gross floor area requirements, plot ratio, floor height, permitted site coverage, lighting and ventilation requirements under the Building (Planning) Regulations, etc. (1 – 3 marks), |                  |
|            | (2) Optimisation of the Schedule of Accommodation Area Requirements taking into account the Schedule of Accommodation and Room Data Sheets, etc. (2 – 4 marks)   |                  |
|            | (3) Efficiency in spatial relationship and circulation (vehicles and pedestrian) requirements  |                  |

<sup>10</sup> Items with numbering 2.1, 2.2, etc. are assessment criteria. Items with numbering (a), (b), etc. are sub-assessment criteria. Items with numbering (1), (2), etc. are aspects of sub-criteria.

- (2 – 4 marks)
- (4) Efficiency and completeness of design layout (1 - 3 marks)
  - (5) Adequacy of solutions to meet architectural design requirements, including ease of operation and maintenance (1 – 3 marks)
- (c) Structure and Buildability (4 - 6 marks)
- (1) Effectiveness of structural layout (1 – 3 marks)
  - (2) Adequacy of solutions to meet structural design requirements (1 – 2 marks)
  - (3) Ease of construction (0.5 - 1 mark)
  - (4) Risk mitigation during construction (0.5 - 1 mark)
- (d) Building Services + M&E + Electronic Systems (4 - 7 marks)
- (1) Efficiency of design and planning of services and systems (1 – 3 marks)
  - (2) Adequacy of solutions to meet building services design requirements, including ease of operation and maintenance (1 – 3 marks)
  - (3) Flexibility for future replacement, alterations and expansion (0.5 – 1 mark)
- (e) Environmental Friendliness, Health and Safety (max. 2 marks)
- (1) Sustainability of design with green measures incorporated, including use of environmentally friendly materials, such as reusable and recyclable products and processes (0.5 – 1 mark)
  - (2) Adequacy of health and safety considerations (0.5 – 1 mark)
- (f) Life Cycle Plan and Energy Efficiency (2 – 6 marks)
- (1) Adequacy of Life Cycle Plan for the building with reference to recognized international standards (e.g. ISO 15686) in service-life planning of key materials, equipment and systems used for architectural, structural and building services works, including service life predictions, maintenance and repair requirements, replacement schedules and mid-life refurbishment plans, if appropriate (0.5 – 2 marks)
  - (2) Cost effectiveness of design in terms of durability, maintenance and repair needs, and frequency and availability of replacement of the proposed key materials, equipment and systems throughout the service life of the building development, including *[where possible]* a comparison of economic benefit of each proposed key material, equipment and system with that specified in the Employer's Requirements or other choices which are commonly used in conventional building projects with supporting documentation (0.5 – 2 marks)
  - (3) Optimization of building orientation and design to maximize daylight utilization, control undesirable heat gains and enhance cooling effect in summer (0.5 - 1 mark)

- (4) Incorporation of energy-saving measures other than those in (03) above, energy-efficient features and renewable-energy technologies with details of benefits provided in qualitative terms (max. 1 mark)
- (5) Estimation of energy efficiency of building design achieved through the incorporation of energy-saving measures, energy-efficient features and renewable-energy technologies, including *[where possible]* a projection of the reduction in energy consumption by each of such provisions with detailed calculation provided (0.5 – 1 mark)

*[Note: The maximum (i.e. 6 marks) should be adopted for this sub-criterion for major building contracts]*

- (g) Innovation and Technology (2–8marks)  
Adoption or application of the following design solutions and technology with demonstration of originality and applicability to enhance quality, improve buildability, minimize risks and impacts of the project or to make meaningful impacts to the end-uses, construction industry and/or stakeholders if possible:
  - (1) Innovative and intelligent structural design solutions (0.5 – 3 marks)
  - (2) Innovative and intelligent design solutions of building services, M&E, electronic systems and other operation and maintenance facilities (0.5 – 2.5 marks)
  - (3) Innovative and intelligent architectural design and landscape design solutions (0.5 – 2.5 marks)
  - (4) New data-driven technology in the design solutions (such as virtual reality / augmented reality / 3D printing for spatial simulation, etc.) (0.5 – 1.5 marks)

## 2.2 Technical Submission (max. 8 marks)

- (a) Method Statement (3 – 6 marks)
  - (1) Understanding of site constraints (0.5 – 1 mark)
  - (2) Adequacy of detailed descriptions of design and construction sequences and building services installations (0.5 – 1 mark)
  - (3) Adequacy of details of proposals for temporary works and monitoring construction impacts (0.5 – 1 mark)
  - (4) Adequacy of safety, health and environmental protection considerations during construction (0.5 – 1 mark)
  - (5) Provision of construction methods / measures / logistics to enhance quality, productivity and safety of construction works by adopting more innovative and intelligent construction solutions (such as smart and holistic construction methods) with due regard to the specific site conditions, or smart and advanced application of other technological means (such as artificial intelligence, virtual reality, augmented reality, 3D printing, digital / we-based technologies, autonomous equipment, drones, etc.) to effectively implement the proposed design solutions (1 – 3 marks)
- (b) Programme (max. 2 marks)
  - (1) Adequacy of design programme (0.5 – 1 mark)
  - (2) Adequacy of construction programme (0.5 – 1 mark)

**2.3** Technical Resources (max. 4 marks)

- (a) Project Management Team (max. 2 marks)
  - (1) Qualification of project management team (0.5 - 1 mark)
  - (2) Experience of project management team (0.5 - 1 mark)
  - (3) Effectiveness in liaison management (0.5 - 1 mark)
- (b) Design Management Team (max. 2 marks)
  - (1) Qualification of design management team (0.5 - 1 mark)
  - (2) Experience of design management team (0.5 - 1 mark)
  - (3) Effectiveness in liaison management (0.5 - 1 mark)

*[Note: Marking shall be based on specified ranges of staff qualification and experience requirements which exceed the Employer's Requirements.]*

**2.4** Quality Assurance/Construction Quality/Safety and Environmental Protection Plans (max. 2 marks)

- (a) Adequacy of details and project specific procedures in Quality Assurance Plan to ensure design and construction quality (0.5 – 1 mark)
- (b) Adequacy of details and project specific procedures in Safety Plan (0.5 – 1 mark)
- (c) Adequacy of details and project specific procedures in Environmental Protection Plan (0.5 – 1 mark)

**2.5** Past Performance (max. 3.5 marks)

- (a) Workmanship (max. 0.4 mark)
- (b) Progress (max. 0.4 mark)
- (c) Site safety (max. 0.4 mark)
- (d) Environmental pollution control (max. 0.4 mark)
- (e) General obligations (max. 0.2 mark)
- (f) Attitude to claims (max. 0.2 mark)
- (g) Record against convictions under the Immigration Ordinance, Employment Ordinance or other site safety, environment related and road opening offences (max. 0.4 mark)
- (h) Safety rating (max. 0.8 mark)
- (i) Training rating<sup>11</sup> (max. 0.2 mark)
- (j) Overall performance (max. 0.4 mark)
- (k) Other aspects, if any (max. 0.2 mark)

*[Note: Guidelines for marking criteria 2.5 shall follow Appendix C1 of the latest update of TC(W) No. 4/2014A on "Tender Evaluation Methods for Works Contracts", including the guidelines for joint venture tenderers.]*

**2.6** Offer Exceeding Requirements other than item 2.1(g) (max. 1.5 marks)

Works departments shall carefully set out the specific aspects and details of this particular assessment criterion so that it will not overlap with other assessment criteria in the marking scheme. If works department cannot identify any such aspects, the mark for this criterion should be redistributed to other assessment criteria.

---

<sup>11</sup> Include "training rating" for Group C tenders. Otherwise delete "training rating".

Notes:

1. Each aspect of the sub-criterion in Assessment Criteria 2.1 and 2.2 and each sub-criteria in Assessment Criteria 2.4 and 2.6 will be assessed in accordance with the Marking Yardstick as shown in the following table to derive the mark awarded for the respective sub-criterion or assessment criterion. The cumulative mark for all sub-criteria will derive the sub-total for each assessment criterion. The total mark of all the assessment criteria will derive the total Non-price score.

Marking Yardstick

Grade	% of Max. Mark to be apportioned to the Respective Aspect/Sub-criterion
Very Good	100
Good	75
Satisfactory	50
Less	25
Poor	0

Detailed marking guidelines should be prepared for the internal use by the Tender Assessment Panel members to facilitate objective and consistent award of non-price scores. These guidelines should be given to the tenderers as far as possible to facilitate their preparation of Technical Submission.

**3.0 Price Score (maximum = 50)**

- 3.1 The Price Score of each tender is equal to the marks allocated to the respective tender in accordance with Para. 1.1 above (i.e., for tender T1, P1 = M1; for tender T2, P2 = M2; for tender T3, P3 = M3; for tender T4, P4 = M4).

**4.0 Non-price Score (maximum = 50)**

- 4.1 The tender with the total of the marks obtained for Assessment Criteria 2.1 to 2.6 (“total non-price marks”) being highest among all the conforming will be awarded the maximum Non-price Score of 50. For example, if T2 has the highest total non-price marks of 45 among the conforming tenders (i.e. N2 = 45 marks), the Non-price Score of this tender will be 50 (i.e. Q2 = 50). Non-price Scores will then be allocated to other conforming tenders (T1, T3 and T4) proportionally in relation to the total non-price marks as follows:

Total non-price marks: N1, N2, N3, N4 (N2 being the highest total non-price mark among the conforming tenders)

$$\begin{aligned} \text{Allocation of Scores:} \quad Q2 &= \text{Max. Score (i.e. 50)} \\ Q1 &= \text{Max. Score} \quad \times \quad \frac{N1}{N2} \\ Q3 &= \text{Max. Score} \quad \times \quad \frac{N3}{N2} \\ Q4 &= \text{Max. Score} \quad \times \quad \frac{N4}{N2} \end{aligned}$$

**5.0 Total Combined Score (maximum = 100)**

**5.1** The Total Combined Score of each tender is equal to the sum of the respective Price Score and Non-price Score (e.g. for tender T1, the Total Score = P1 + Q1).

**5.2** For the purpose of calculation using the formulae quoted above, a conforming tender means which

- (a) conforms to the essential requirements of the tender documentation;
- (b) is submitted by a tenderer which complies with the conditions of participation;
- (c) has passed Stage I – Mandatory Screening; and
- (d) In respect of its technical submissions, has satisfied the passing mark requirements.

A conforming tender with abnormally low or high tender price or is considered unsuitable for recommendation for the award of the contract (such as financially, commercially or technically incompetent) remains to be a conforming tender. However, any tender failing to reach any set passing mark will be disregarded in the formula calculations.