

## **Guidelines on Preparation of Fee Proposal** **[for NEC3 PSC]**

### **(A) General**

1. The consultant shall submit the following in the Fee Proposal:
  - (i) the Contract Data Part two (Section 2),
  - (ii) the *activity schedule*;
  - (iii) Annexes A to E of Fee Proposal (using the proforma provided), and
  - (iv) other financial information if any, as specified in these Guidelines and the letter of Invitation of Technical and Fee Proposals (“**T&F Proposals**”) (herein referred to as “**the invitation letter**”).
2. Completion of the Contract Data Part two (Section 2) in full is required to create a complete contract.
3. The consultant must submit the Fee Proposal **in electronic format by uploading the same via e-TS(CS)**. For detailed requirements, please refer to the invitation letter.

### **(B) Annexes A to E of Fee Proposal**

4. The tendered total of the Prices in the Contract Data Part two (Section 2) shall be equal to the total of the prices for all phases in Annex A of the Fee Proposal.
5. Annex C of the Fee Proposal will not be taken into account in the combined score assessment of the Technical and Fee Proposals for the award of this contract.
6. Annex D of the Fee Proposal shall be completed for each phase covered by this contract.
7. The manning schedule details required in Annex E of the Fee Proposal should be provided by using as many sheets as necessary [if this contract lasts longer than 12 months] or [if more than 20 personnel are involved]. The [adjusted staff rates]\* / [staff rates]\* quoted shall be all-inclusive rates.  
\* Delete as appropriate to suit Option A or C.

(C) **Correction Rules for Tender Errors in Fee Proposal**

8. **[Applicable for Option A]**

In respect of the percentage adjustment factor for each staff category specified in the Contract Data Part two (Section 2), irrespective of the number of Subconsultants that may be involved, only ONE percentage adjustment factor shall be inserted as specified. **The consultant's submissions which do not comply with this requirement shall not be considered further in the consultant selection exercise.**

**[Applicable for Option C]**

In respect of each staff category for the “*staff rates*” specified in the Contract Data Part two (Section 2), irrespective of the number of Subconsultants that may be involved, only ONE rate shall be inserted as specified. **The consultant's submissions which do not comply with this requirement shall not be considered further in the consultant selection exercise.**

9. **[Applicable for consultancies involving employment of Resident Site Staff]**

In respect of each collective rank for the “*RSS on-cost rates*” specified in the Contract Data Part two (Section 2), only ONE rate shall be inserted as specified. **The consultant's submissions which do not comply with this requirement shall not be considered further in the consultant selection exercise.**

10. **[Applicable for Option A]**

The consultant's attention is drawn to the requirement to insert the percentage adjustment factor not exceeding the range of -30% to +30% for calculating the *staff rates* in respect of each individual staff category specified in the Contract Data Part two (Section 2), which is essential for bid assessment purpose and for the assessment of the Time Charge for compensation events/management of the *Consultant* upon award of this contract. If the consultant fails to put in any or all of these factors, the relevant factor(s) shall be corrected by deeming the factor(s) as zero. If the percentage adjustment factor(s) entered by the consultant in the Contract Data Part two (Section 2) for calculating the *staff rates* for any or all of the categories of staff is higher than the upper limit of +30%, the relevant percentage adjustment factor(s) shall be corrected to such upper limit. If the percentage adjustment factor(s) entered by the consultant in the Contract Data Part two (Section 2) for calculating the *staff rates* for any or all of the categories of staff is lower than the lower limit of -30%, the relevant percentage adjustment factor(s) shall be corrected to such lower limit. [insert department] will seek confirmation from the consultant to abide by the bid with the relevant factor(s) corrected for calculating the *staff rates* for bid assessment purpose and for the assessment of the Time Charge for compensation events/management of the *Consultant* upon award of this contract. If the consultant confirms his agreement to abide by the bid with the percentage adjustment factor(s) corrected, the combined score assessment of T&F Proposals will then be completed in the prescribed manner in accordance with DEVB TC(W) Nos. 2/2016 and 5/2018 and their subsequent updates (if any) on

the basis of the proposed prices and/or percentage adjustment factors with such percentage adjustment factor(s) so corrected and confirmed. If the consultant fails to confirm his agreement to abide by the bid with the percentage adjustment factor(s) so corrected in writing by a specified deadline, **the consultant's submission shall not be considered further in the consultant selection exercise.**

**[Applicable for Option C]**

The consultant's attention is drawn to the requirement to insert the "staff rates" in respect of each category of staff specified in the Contract Data Part two (Section 2), which is essential for bid assessment purpose and for payment/management of the *Consultant* upon award of this contract. If the consultant fails to put in any or all of *staff rates*, the relevant rate(s) shall be corrected by deeming the rate(s) as zero. [insert department] will seek confirmation from the consultant to abide by the bid with the relevant rate(s) so corrected for bid assessment purpose and for payment/management of the *Consultant* upon award of this contract. If the consultant confirms his agreement to abide by the bid with the rate(s) corrected, the combined score assessment of T&F Proposals would then be continued in the prescribed manner in accordance with DEVB TC(W) Nos. 2/2016 and 5/2018 and their subsequent updates (if any) on the basis of the proposed prices and/or rates with such rate(s) so corrected and confirmed. If the consultant fails to confirm his agreement to abide by the bid with the rate(s) so corrected in writing by a specified deadline, **the consultant's submissions shall not be considered further in the consultant selection exercise.**

11. **[Applicable for AACSB consultancies involving employment of Resident Site Staff]**

The consultant's attention is drawn to the requirement to insert the "RSS on-cost rates" in respect of each category of staff specified in the Contract Data Part two (Section 2), which is essential for bid assessment purpose and for payment/management of the *Consultant* upon award of this contract. If the consultant fails to put in any or all of the *RSS on-cost rates*, the relevant rate(s) shall be corrected by deeming the rate(s) as zero. [insert department] will seek confirmation from the consultant to abide by the bid with the relevant rate(s) so corrected for bid assessment purpose and for payment/management of the *Consultant* upon award of this contract. If the consultant confirms his agreement to abide by the bid with the rate(s) corrected, the combined score assessment of T&F Proposals would then be continued in the prescribed manner in accordance with DEVB TC(W) Nos. 2/2016 and 5/2018 and their subsequent updates (if any) on the basis of the proposed prices and/or rates with such rate(s) so corrected and confirmed. If the consultant fails to confirm his agreement to abide by the bid with the rate(s) so corrected in writing by a specified deadline, **the consultant's submissions shall not be considered further in the consultant selection exercise.**

**[Applicable for EACSB consultancies involving employment of Resident Site Staff]**

The consultant's attention is drawn to the requirement to insert the "RSS on-cost rates" in respect of each collective rank specified in the Contract Data Part two (Section 2), which is essential for bid assessment purpose and for payment/management of the *Consultant* upon award of this contract. The *RSS on-cost rates* (except for R10) shall be within the range of 5% to 30% of the reference average RSS cost of the corresponding collective rank. The reference average RSS cost for each collective rank can be found in paragraph 19 below.

- (i) If the consultant fails to put in the *RSS on-cost rates* for any collective rank (except for R10) in the Contract Data Part two (Section 2), the relevant rate(s) shall be corrected by deeming the same as 5% of the reference average RSS cost of the corresponding collective rank rounded up to the nearest cent.
- (ii) If the *RSS on-cost rates* for any collective rank (except for R10) the consultant entered in the Contract Data Part two (Section 2) is lower than 5% of the reference average RSS cost of the corresponding collective rank, the relevant rate(s) shall be corrected to 5% of the reference average RSS cost of the corresponding collective rank rounded up to the nearest cent.
- (iii) If the *RSS on-cost rates* for any collective rank (except for R10) the consultant entered in the Contract Data Part two (Section 2) is higher than 30% of the reference average RSS cost of the corresponding collective rank, the relevant rate shall be corrected to 30% of the reference average RSS cost of the corresponding collective rank rounded up to the nearest cent.
- (iv) If the consultant fails to put in the *RSS on-cost rate* for R10 in the Contract Data Part two (Section 2), the relevant rate shall be corrected by deeming the same as zero.

[insert department] will seek confirmation from the consultant to abide by the bid with the relevant rate(s) so corrected for bid assessment purpose and for payment/management of the *Consultant* upon award of this contract. If the consultant confirms his agreement to abide by the bid with the rate(s) corrected, the combined score assessment of T&F Proposals would then be continued in the prescribed manner in accordance with DEVB TC(W) Nos. 2/2016 and 5/2018 and their subsequent updates (if any) on the basis of the proposed prices and/or rates with such rate(s) so corrected and confirmed. If the consultant fails to confirm his agreement to abide by the bid with the rate(s) so corrected in writing by a specified deadline, **the consultant's submissions shall not be considered further in the consultant selection exercise.**

12. The consultant's attention is drawn to the units of the rates as specified in the proforma for the Contract Data Part two (Section 2) and Annexes A to E of the Fee Proposal attached to the invitation letter. Where any of the units of the rates as presented on the Contract Data Part two (Section 2) and/or Annexes A to E of the Fee Proposal the consultant has submitted differs from the unit(s) of the respective rate(s) specified in the prescribed proforma, such discrepancy shall be corrected by

regarding the former as an inadvertent typographical error and the unit(s) concerned in the Contract Data Part two (Section 2) submitted shall be automatically corrected to the corresponding unit(s) as per the prescribed proforma. For such corrections, only the units are to be so corrected, but not the numerical figures as filled in by the consultant in the Contract Data Part two (Section 2) and/or Annexes A to E of the Fee Proposal submitted. [insert department] will then seek confirmation from the consultant to abide by the bid with units so corrected. If the consultant confirms his agreement to abide by the bid with units corrected, the combined score assessment of T&F Proposals would then be continued in the prescribed manner in accordance with DEVB TC(W) Nos. 2/2016 and 5/2018 and their subsequent updates (if any) on the basis of the proposed prices and/or rates with units so corrected and confirmed. If the consultant fails to confirm his agreement to abide by the bid with units so corrected in writing by a specified deadline, **the consultant's submissions shall not be considered further in the consultant selection exercise.**

13. [Applicable for Option A]

Where the tendered total of the Prices in the Contract Data Part two (Section 2) is different from the total of the prices for all phases in the summary breakdown of the tendered total of the Prices in Annex A of the Fee Proposal or other discrepancies are identified, such as where the manpower input in Annex E of the Fee Proposal does not tally with the Technical Proposal, the consultant will be asked to rectify the discrepancy by correcting arithmetic errors or making adjustments to the “adjusted staff rate” or amending any information/data in the Fee Proposal subject to paragraph 14(ii) below to bring it in line with the tendered total of the Prices in the Contract Data Part two (Section 2) and the manpower input in the Technical Proposal where appropriate. If the consultant fails to rectify the discrepancies and confirm his agreement to abide by the bid with discrepancies so rectified in writing by a specified deadline, **the consultant's submissions shall not be considered further in the consultant selection exercise.** However, the consultant is not allowed to make any adjustment to the “tendered total of the Prices”, the percentage adjustment factors for calculating the “staff rates” [(if applicable) and the “RSS on-cost rates”] in the Contract Data Part two (Section 2) (except for the necessary corrections of the percentage adjustment factors pursuant to paragraph 10 above [(if applicable) and the “RSS on-cost rates” pursuant to paragraph 11 above]).

[Applicable for Option C]

Where the “staff rates” in the Contract Data Part two (Section 2) is different from the “staff rates” quoted in the manning schedule in Annex E of the Fee Proposal or other discrepancies are identified, such as where the manpower input in Annex E of the Fee Proposal does not tally with the Technical Proposal, the consultant will be asked to rectify the discrepancy by correcting arithmetic errors or making corrections to the “staff rates” quoted in the manning schedule in Annex E of the Fee Proposal and/or the “tendered total of the Prices” in the Contract Data Part two (Section 2) or amending any information/data in the Fee Proposal subject to

paragraph 14(ii) below to bring it in line with the “*staff rates*” in the Contract Data Part two (Section 2) and the manpower input in the Technical Proposal where appropriate. If the consultant fails to rectify the discrepancies and confirm his agreement to abide by the bid with discrepancies so rectified in writing by a specified deadline, **the consultant’s submissions shall not be considered further in the consultant selection exercise.** However, the consultant is not allowed to make any adjustment to the “*staff rates*” [(if applicable) and the “*RSS on-cost rates*”] in the Contract Data Part two (Section 2) (except for the necessary corrections of the “*staff rates*” pursuant to paragraph 10 above [(if applicable) and the “*RSS on-cost rates*” pursuant to paragraph 11 above]).

14. The following correction rules shall be applied to the *activity schedule*:

- (i) The price for each activity shall be inserted as a percentage of the tendered total of the Prices.
- (ii) Where there is no percentage or an illegible percentage inserted against any activity, it shall be deemed that the price for the activity has been allowed in percentages entered elsewhere in the *activity schedule* and the percentage shall therefore be marked as zero.
- (iii) If one or more pages of the *activity schedule* or any minimum item of activities shown in the proforma for the *activity schedule* are found missing, the percentages for all activities in the missing page(s) or missing minimum items of activities as appropriate shall be marked as zero and the prices shall be deemed to have been allowed for in percentages entered elsewhere in the *activity schedule*. Where the activity description for any minimum item of activities shown in the proforma for the *activity schedule* is amended, if a percentage has been entered against this item, the same percentage shall be used for this item with the activity description rectified to the original one.
- (iv) Should there be a tender addendum introducing changes to the proforma for the *activity schedule* but the changes have not been incorporated into the *activity schedule* by the consultant, then the changes as required by the tender addendum shall be incorporated into the consultant’s *activity schedule* and the percentages for those new activities or modified activities shall be determined as follows:

Where new activity is introduced	Percentage for the new activity shall be marked as zero and the price of the activity shall be deemed to have been allowed for in percentages entered elsewhere in the <i>activity schedule</i> .
----------------------------------	---

Where the activity description is changed	If a percentage has been entered against the original activity, the same percentage shall be used.
Where an activity is deleted	That activity shall be deleted in accordance with the addendum.

- (v) Where the total of the percentages for the additional activities entered by the consultant (referred to as “additional activities” in this sub-paragraph) exceeds [10%]^ of the tendered total of the Prices, the total percentage for the additional activities shall be corrected to the equivalent value of [10%]^ of the tendered total of the Prices. The difference between the corrected total percentage and the original total percentage for the additional activities entered by the consultant shall then be distributed to all other activities in the *activity schedule* in proportion (in term of percentages) according to the original percentages of those activities entered by the consultant. The percentages for the additional activities shall be adjusted on a pro rata basis. **[Optional]**

^ Insert percentage to suit the project specific consideration

- (vi) The sum of inserted percentages for individual group/groups of activities or each phase shall lie within the maximum and minimum limits as specified in the proforma for the *activity schedule* attached to the invitation letter. The consultant is allowed to provide comments to [insert department] on the specified maximum and minimum limits before and in the pre-submission meeting. Any sum of inserted percentages lower than the minimum limit shall be corrected to the minimum limit, whilst any sum of inserted percentages higher than the maximum limit shall be corrected to the maximum limit. The difference between the corrected percentage and the original percentage for the concerned group/groups of activities or the concerned phase entered by the consultant shall then be distributed to other groups or phases in proportion according to the original percentages of those groups or phases entered by the consultant subject to their respective maximum and minimum limits. The percentages for the activities within the groups or phases shall be adjusted on a pro rata basis. **[Optional]**
- (vii) Errors in extension and casting of totals shall be corrected.
- (viii) The tender examiner may adjust the corrected percentages for any activities for any round-off error.
- (ix) Subject to other provisions in these guidelines, the *activity schedule* and/or the manning schedule in Annex E of the Fee Proposal should be corrected to match with each other as far as possible. **[The adjusted staff rates in**

Annex E of the Fee Proposal may be rectified to suit.]\* [Applicable for Option A] / [The percentages for the concerned activities may be rectified to suit.]\* [Applicable for Option C] Where appropriate, the consultant shall note that the tender examiner may allow any minor discrepancies between the *activity schedule* and the *manning schedule* in Annex E of the Fee Proposal, where the former shall prevail and be used for payment/management of the *Consultant* upon award of this contract.

\* Delete as appropriate

- (x) If the consultant is asked to correct any errors under this paragraph, [insert department] will seek confirmation from the consultant to abide by the bid with the corrections. If the consultant fails to confirm his agreement to abide by the bid with the corrections in writing by a specified deadline, **the consultant's submissions shall not be considered further in the consultant selection exercise.**
15. In the event no written correction rule is applicable,
- (i) where ambiguity as to the consultant's true intention exists, it shall be construed by the tender examiner by reference to the best practice or his best judgment; and
- (ii) where errors relate to factual information and there is no room for manipulation by a consultant by virtue of subsequent correction; or where the correction of such errors would not change the tender in substance or the quality of the tender which would give the consultant an advantage over the other consultants, the concerned consultant may be permitted to correct the errors. In other cases, the tender shall be assessed with the errors as submitted.
16. If the consultant is asked to correct any errors under paragraph 15 above, [insert department] will seek confirmation from the consultant to abide by the bid with the corrections. If the consultant fails to confirm his agreement to abide by the bid with the corrections in writing by a specified deadline, **the consultant's submissions shall not be considered further in the consultant selection exercise.**

**(D) Combined Score Assessment**

17. Combined score assessment of T&F Proposals will be carried out in accordance with DEVB TC(W) Nos. 2/2016 and 5/2018 and their subsequent updates (if any). The weightings for technical score, consultancy fee score and fee quality score for this contract are [insert no.]%, [insert no.]% and 10% respectively.



18. Notional man-hours for compensation events are listed in the table below. *[The staff rates calculated in accordance with Note 2 of the Contract Data Part two (Section 2)] \* [Applicable for Option A] / [The staff rates in the Contract Data Part two (Section 2)] \* [Applicable for Option C]* will be applied with the notional man-hours for compensation events to arrive at the “adjusted notional value for compensation events” to be used for purpose of the combined score assessment of T&F Proposals by adopting DEVB TC(W) Nos. 2/2016 and 5/2018 and their subsequent updates (if any).

\* Delete as appropriate

<b>Staff category</b>	<b>Notional man-hours for compensation events</b>
Partners/Directors (P/D)	<i>[insert no.]</i>
Chief Professional Staff (CP)	<i>[insert no.]</i>
Senior Professional Staff (SP)	<i>[insert no.]</i>
Professional Staff (P)	<i>[insert no.]</i>
Assistant Professional Staff (AP)	<i>[insert no.]</i>
Technical Staff (T)	<i>[insert no.]</i>

For the avoidance of doubt, the *\*Employer’s / Client’s* rights and obligations under NEC Clause 6 (Compensation events) remains unchanged.

\* Delete as appropriate

19. The *[notional numbers] \* [Applicable for AACSB consultancies] / [reference average RSS costs and notional numbers] \* [Applicable for EACSB consultancies]* of man-months of collective ranks of Resident Site Staff (“RSS”) directly employed by the *Consultant* or Government staff posted to the *Consultant* by the *\*Employer / Client* are listed in the table below. The *RSS on-cost rates* in the Contract Data Part two (Section 2) will be applied with the notional numbers of man-months to arrive at the “notional RSS on-cost charges” to be used for purpose of the combined score assessment of T&F Proposals by adopting DEVB TC(W) Nos. 2/2016 and 5/2018 and their subsequent updates (if any).

*[The following table is applicable for AACSB consultancies involving employment of Resident Site Staff.]*

<b>Collective rank of RSS directly employed by the <i>Consultant</i> or Government staff posted to the <i>Consultant</i> by the <i>*Employer / Client</i></b>	<b>Notional number of man-months of each collective rank (man-month)</b>
R1	[insert no.]
R2	[insert no.]
R3	[insert no.]
R4	[insert no.]
R5	[insert no.]
R10	[insert no.]

*[The following table is applicable for EACSB consultancies involving employment of Resident Site Staff]*

<b>Collective rank of RSS directly employed by the <i>Consultant</i> or Government staff posted to <i>Consultant</i> by the <i>*Employer / Client</i></b>	<b>Reference average RSS cost (HK\$/man-month)</b>	<b>Notional number of man-months of each collective rank (man-month)</b>
R1	[insert no.]	[insert no.]
R2	[insert no.]	[insert no.]
R3	[insert no.]	[insert no.]
R4	[insert no.]	[insert no.]
R5	[insert no.]	[insert no.]
R10		[insert no.]

*[Add or delete collective ranks as may be necessary to suit the need of the consultancy agreement by the managing department.]*

The notional Resident Site Staff (RSS) establishment is given in **Attachment A**.

The details of the collective ranks of RSS directly employed by the *Consultant* or Government staff posted to the *Consultant* by the *\*Employer / Client* are in clause C2 of the *additional conditions of contract*.

For the avoidance of doubt, notwithstanding the notional RSS on-cost charges, the *\*Employer / Client* has no obligation whatsoever to instruct any *services* in relation to the RSS as the notional Resident Site Staff (RSS) establishment.

20. For the purpose of the combined score assessment of T&F Proposals by adopting DEVB TC(W) Nos. 2/2016 and 5/2018 and their subsequent updates (if any), “lump sum fee” means the “tendered total of the Prices” in the Contract Data Part two (Section 2) and “consultancy fee” means the sum of (i) the “tendered total of the Prices”, (ii) the “adjusted notional value for compensation events” as calculated in accordance with paragraph 18 above [*if applicable*], and (iii) the “notional RSS on-cost charges” as calculated in accordance with paragraph 19 above. [*Amend as appropriate*]

**(E) Enquiries**

21. Questions regarding the completion of the Fee Proposal should be made to [*insert name and post of the project officer*] of [*insert department*].

**Attachment A – Notional Resident Site Staff (RSS) Establishment** [Optional]

<b>(I) Rank</b>	<b>(II) Posts in notional RSS establishment</b>	<b>(III) No. in notional RSS establishment</b>	<b>(IV) Notional number of man-months</b>	<b>(V) Collective rank of RSS directly employed by the <i>Consultant</i> or Government staff posted to the <i>Consultant</i> by the <i>*Employer / Client</i></b>