APPENDIX 3.16   **DETAILS ON CHECKING OF COMPLIANCE WITH SPECIFIED PERCENTAGE RANGE, WORKED EXAMPLE FOR ASCERTAINING FEE QUALITY SCORE AND SAMPLE TEMPLATE FOR DEFINING DEGREE OF NON-COMPLIANCE WITH MINIMUM ACADEMIC/PROFESSIONAL QUALIFICATIONS AND/OR MINIMUM EXPERIENCE AND STAFF WORKING UNDER OVERLOADING SITUATION**

Checking of Compliance with Specified Percentage Range

1. Checking shall be conducted for the following three staff groups

    - Partners/Directors and Chief Professional   P/D and CP
    - Senior Professional and Professional   SP and P
    - Assistant Professional and Technical   AP and T

2. "Staff rate in lump sum fee" for a staff group shall be calculated as:

$$\frac{\text{Total fee of the staff group}}{\text{Total manpower input of the staff group}}$$

For example, the staff rate in lump sum fee for the staff group "P/D and CP" shall be calculated as:

$$\frac{\text{Total Fee}_{P/D} + \text{Total Fee}_{CP}}{\text{Total Manpower Input}_{P/D} + \text{Total Manpower Input}_{CP}}$$

3. "Staff rate for additional Services (AS)" of a staff group shall be calculated as:

$$\frac{\sum(\text{staff rate for AS} \times \text{Corresponding Notional Manhour})\text{of the Staff Group}}{\sum(\text{Notional Manhour})\text{ of the Staff Group}}$$

For example, the staff rate for AS for the staff group "P/D and CP" shall be calculated as:

$$\frac{\text{Rate for AS}_{P/D} \times \text{Notional Man-hour}_{P/D} + \text{Rate for AS}_{CP} \times \text{Notional Man-hour}_{CP}}{\text{Notional Man-hour}_{P/D} + \text{Notional Man-hour}_{CP}}$$

4. A "% Difference" shall be calculated for each staff group according to the following formula:

$$\% \text{ Difference} = \frac{\text{Staff rate for AS} - \text{Staff rate in lump sum fee}}{\text{Staff rate for AS}}$$

Any bid with "% Difference" for any staff group exceeding the Specified Percentage Range (SPR) of -10% to 40% shall not be further considered.   If the total fee and total manpower input of a particular staff group are both zero, the requirement of SPR is not applicable to this staff group.   However, the procuring department should further evaluate the reasonableness of the concerned manpower input and staff rates of this staff group in accordance with paragraph 26 of this Circular.

Note: If conversion from man-week to man-hour is required, a conversion factor of 40 hours/week is normally adopted.

A Worked Example for Ascertaining Fee Quality Score

Technical and Fee Proposals have been received from four bidders W, X, Y and Z with details as follows --

Table 1:

Bidder	Consultancy Fees ($ million)				
	Lump Sum Fee [A] = [B] + [C]		Adjusted Notional Values for Additional Services [D]	Notional Resident Site Staff On-cost Charges [E]	Total Fee [F] = [A] + [D] + [E]
	Staff Costs [B]	Non-staff Costs [C]			
W	20.57	0	2.53	5.23	28.33
X	30.15	0	3.06	7.23	40.44
Y	16.37	0	1.90	4.80	23.07
Z	31.11	0	2.94	6.53	40.58

The steps for determining the Fee Quality Score for each bidder are as follows:

● **Step 1** : Calculate the weighted total manpower input of the technical proposal for each bidder using the ratio for three staff groups (viz. "P/D and CP", "SP and P", and "AP and T") as determined by the Assessment Panel (a ratio of 6:3:1* assumed in this worked example) by means of the assessment method at Appendix C of DEVB TC(W) No. 2/2016, and insert in Table 2 below.

● **Step 2** : Calculate M_x for each bidder, being the weighted total manpower input of the concerned tenderer divided by the median weighted total manpower input which is equal to the median of the weight total manpower inputs of all conforming bids (including the PTE) using the formula:

$$\frac{\text{weighted total manpower input of the bidder}}{\text{median weighted total manpower input of all conforming bids (including the PTE)}}$$

● **Step 3** : Insert lump sum fee for each bidder into Table 2 below.

● **Step 4** : Calculate the ratio of the lump sum fee to the median of lump sum fees of all conforming bids (including the PTE), for each bidder.

● Step 5 :   Calculate a Factor for Marking Fee Quality Score as

$$\frac{\text{lump sum fee of the bidder}}{\text{median of lump sum fees of all conforming bids (including the PTE)}} \times \frac{1}{M_x}$$

- Step 6 : Determine the Fee Quality Score as follows:

Factor for Marking Fee Quality	Fee Quality Score
≤ 0.5	0
> 0.5 but < 0.8	On sliding scale between 0 and 10
≥ 0.8	10

The calculated figures for the above steps for each bidder are tabulated in Table 2 below.

Table 2:

Bidder	Weighted Total Manpower Input (Man-weeks) [G]	M_x [H]= [G] / Median of [G]	Lump Sum Fee ($million) [I]	Ratio of Lump Sum Fee to Median of Lump Sum Fees [J]=[I] / Median of [I]	Factor for Marking Fee Quality [K]= [J]/[H]	Fee Quality Score
W	640.7	0.8712	20.57	0.6823	0.7831	9.44
X	674.0	0.9165	30.15	1.0000	1.0911	10.00
Y	735.4	1.0000	16.37	0.5430	0.5430	1.43
Z	824.6	1.1213	31.11	1.0318	0.9202	10.00
PTE	826.0	-	30.60	-	-	-
Median	735.4	-	30.15	-	-	-

The lump sum fee of a consultant is normally, prima facie, unreasonably low if both ratios of his lump sum fee / lump sum fee of the PTE and his lump sum fee / median of lump sum fees of all conforming bids (including the PTE) are less than 0.6.

* the ratio for three staff groups (viz. "P/D and CP", "SP and P", and "AP and T") shall be 4:2:1 according to DEVB TC(W) No. 5/2018.

Sample Template for Defining Degree of Non-compliance with
Minimum Academic/Professional Qualifications and/or Minimum Experience

Degree of non-compliance	Calculated Percentage = B/A x 100% where A = Weighted total manpower input of the consultant B = Weighted manpower input of the proposed staff claimed to be in a particular staff category not meeting the minimum academic/professional qualifications and/or minimum experience requirements	Mark for the "adequacy of professional and technical manpower input" attribute shall be multiplied by (Exact multiplier to be decided by the Assessment Panel in the Marking Scheme)
Minor	> 0% and ≤ (5%)	0.95 to 0.9 (e.g. 0.95)
Medium	> (5%) and < (10%)	0.9 to 0.8 (e.g. 0.9)
Serious	≥ (10%)	Below 0.8 (e.g. 0.6)

Note:
(a) If the consultant's proposed staff claimed to be in a particular staff category do not meet the minimum academic/professional qualifications and/or minimum experience requirements, the "adequacy of professional and technical manpower input" attribute shall be adjusted by the Assessment Panel using the criteria above.

(b) If the consultant does not input the staff category for any particular staff in the manning schedule of his technical proposal, the consultant may be approached before opening of the fee proposal, for clarification on the ~~applicable~~ staff category for that particular staff, if any, input~~ted~~ in the manning schedule of his fee proposal ~~for the staff~~. ~~If~~In case the consultant clarifies that no staff category has been input for the staff in both technical and fee proposals, ~~the~~that particular staff shall be counted as non-compliance with the minimum academic/professional qualifications and/or minimum experience requirements for the purpose of assessment on this aspect only and the "adequacy of professional and technical manpower input" attribute shall be adjusted by the Assessment Panel using the criteria above. ~~For the scenario with no staff category input in both technical and fee proposals~~In determining the degree of non-compliance under this circumstance, the staff category and the academic/professional qualifications and/or experience of ~~the~~that particular staff shall be determined from the information in the curriculum vitae for named staff or the declaration to meet the minimum academic/professional qualifications and/or minimum experience requirements in the relevant staff categories for unnamed staff submitted in the technical proposal together with any clarification from the consultant on the factual information of the staff if appropriate.

Remarks:

1. The percentages in the brackets should be determined by the Assessment Panel to suit the consultancy agreement.
2. The criteria to determine the degree of non-compliance with explanatory notes above should be included in the Marking Scheme and **made known to the bidders**.
3. The Assessment Panel has its discretion to decide another new set of criteria for determining the degree of non-compliance provided that such criteria with explanatory notes are commented by DEVB, and if necessary, by LAD(W).

Sample Template for Defining Degree of Staff Working under Overloading Situation

Overloading Situation	Degree of Overloading	Mark for the "adequacy of professional and technical manpower input" attribute shall be multiplied by (Exact multiplier to be decided by the Assessment Panel in the Marking Scheme)
Minor	$\leq (5\%)\%$	0.9 to 0.95 (e.g. 0.95)
Medium	$> (5)\%$ and $< (10)\%$	0.8 to 0.9 (e.g. 0.9)
Serious	$\geq (10)\%$	0.7 to 0.8 (e.g. 0.8)

Note:
(a) The manpower input as at end of [February, May, August or November YYYY][Remarks 4]【*procuring department shall input the end month of the reporting quarter as at which the manpower input is as captured in the final snapshot taken immediately before the tender closing date of the tender under assessment, see Remarks 4 below*】 captured in the final snapshot taken by the Public Works Consultants Resources Allocation Register (PWCRAR) as detailed in DEVB TC(W) No. 5/2018 will be used for checking if any named professional staff or above proposed in the manning schedule of his technical proposal is working under an overloading situation. If overloading is identified for a particular named professional staff or above, the consultant may be approached for clarification.

(b) Where the manpower input data in the PWCRAR, together with relevant clarifications from the consultant (if any) reveals overloading situation in the manpower input, mark to be given for the "adequacy of professional and technical manpower input" attribute shall be adjusted by the Assessment Panel using the criteria above.

(c) Notwithstanding the above, the following circumstances shall be considered by the Assessment Panel as "Serious" overloading situation:

   (i) Where the consultant or any of its proposed sub-consultant fails to provide the first manpower input updating in accordance with paragraph 3 of Appendix 3.7 to DEVB TC(W) No. 5/2018 with refinements as instructed by the procuring departments for any signed consultancies and consultancies having Expression of Interest Submissions or Technical and Fee Proposals (for one-stage procedure) invited before 3 December 2018 (referred to as "existing consultancies") undertaken by the consultant or any of its proposed sub-consultant as the sole consultant or one of the participants in the joint venture. For the purpose of tender assessment in this regard, a consultant will be

considered as failing to provide the first manpower input updating for an existing consultancy if it fails to provide a manpower input updating which enables the procuring department of the existing consultancy concerned to endorse it in the PWCRAR as described in paragraph 2 of Appendix 3.7 to DEVB TC(W) No. 5/2018 for all the reporting quarters before the tender closing date of the tender under assessment; or

(ii) Where the consultant fails to provide the manning schedule as required in the invitation letter for the Technical and Fee Proposal for the consultants selection exercise under assessment and/or failed to provide the manning schedule as required in the invitation letter for Technical and Fee Proposal for any concurrent tender with the same bidder, which make the assessment of overloading situation in accordance with DEVB TC(W) No. 5/2018 unable to be properly performed.   For the avoidance of doubt, concurrent tenders shall mean other tenders registered in the PWCRAR which have been closed but not yet been awarded as at end of 【February, May, August or November YYYY】【*procuring department shall input the end month of the reporting quarter as at which the manpower input is as captured in the final snapshot taken immediately before the tender closing date of the tender under assessment, see Remarks 4 below*】 captured in the final snapshot taken by the Public Works Consultants Resources Allocation Register (PWCRAR) as detailed in DEVB TC(W) No. 5/2018.

Remarks:
1. The percentages in the brackets should be determined by the Assessment Panel to suit the consultancy agreement.
2. The criteria to determine the degree of non-compliance with explanatory notes above should be included in the Marking Scheme and **made known to the bidders**.
3. The Assessment Panel has its discretion to decide another new set of criteria for determining the degree of non-compliance provided that such criteria with explanatory notes are commented by DEVB, and if necessary, by LAD(W).
4. The end month of the reporting quarter to be input is determined as follows:

End month to be input	Final snapshot captured on	Applicable to tender closing dates between
February XXXX (Dec to Feb)	00:00 of 23 March	23 March to 22 June
May XXXX (March to May)	00:00 of 23 June	23 June to 22 September
August XXXX (June to August)	00:00 of 23 September	23 September to 22 December
November XXXX (September to November)	00:00 of 23 December	23 December to 22 March