

APPENDIX 4.2 STANDARD FORM OF SCHEDULE OF FEES

AGREEMENT NO. _____

SCHEDULE OF FEES

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*10. Resident Site Staff

[omit if no RSS will be employed]*

SCHEDULE OF FEES

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

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

[⁺omit if no RSS will be employed]

[insert the value on Agreement signing]*

(B) (i) There shall be no price adjustment to the interim payments under Schedule of Fees Clause 3 until the first anniversary of the date on which this Agreement is due to commence. On the first and every subsequent anniversary (collectively referred as index update dates), a price adjustment factor equal to $(L - B)/B$ shall be calculated. The interim payments under Schedule of Fees Clause 3 to be invoiced on or after the latest index update date but before the next index update date shall be multiplied by this factor to determine the price adjustment amounts.

B referred to above is the monthly Consumer Price Index (C) of the due date for commencement of this Agreement and L is the monthly Consumer Price Index (C) of the latest index update date.

(ii) “Consumer Price Index (C)” in this Schedule of Fees shall mean the Consumer Price Index (C) (October 2014 - September 2015 based) compiled by the Census and Statistics Department, and published monthly in the Hong Kong Monthly Digest of Statistics, or, in the event that the Index ceases to be compiled, such other Index as is, in the opinion of the Secretary for Development, substantially equivalent.

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

Payment Schedule

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

- Expenses
4. In addition to the Lump Sum stipulated in Schedule of Fees Clause 2, the Consultants shall be reimbursed by the Employer out-of-pocket expenses actually and properly incurred by them in respect of:
- (i) the cost of approved small scale site investigation works or survey with laboratory and field tests and other special investigations;
 - (ii) the approved fees and expenses of specialists employed with the approval of the Director's Representative for inspection of works processes and the testing of work or plant and the testing and analysis of materials *[Delete if not appropriate]*;
 - (iii) the cost of approved provision of the following computer facilities *[Give the details/Delete if not appropriate]*;
- and *[To be specified]*
- Payment for Additional Services
5. (A) Where the Consultants consider that they are entitled to payment for additional Services pursuant to General Conditions of Employment Clause 33, the Consultants shall advise the Director's Representative in writing of such claims before the Consultants commence performing the additional Services.
- (B) The notice provision in sub-clause (A) of this Clause shall be a condition precedent to payment for additional Services.
- (C) If the Director's Representative agrees the Consultants' entitlement notified under sub-clause (A) of this Clause, he shall attempt to agree with the Consultants a lump sum payment for the additional Services with a corresponding payment schedule.

- (D) The lump sum payment shall be negotiated on the basis of the Director's Representative and the Consultants identifying which staff of the Consultants will be required to perform the additional Services and the estimated time required to complete the additional Services. The charge rates for calculating the lump sum payment shall be determined according to Schedule of Fees Clause 9.
- (E) Where the staff or estimated time required to complete the additional Services cannot be identified and agreed, the additional Services will be paid on a time charge basis in accordance with Schedule of Fees Clause 8, subject to a fee cap set by the Director's Representative which should not be exceeded without his approval.

Reduction of Lump Sum Fees 6. Where the Director's Representative determines that there is a reduction in the Services pursuant to General Conditions of Employment Clause 34, then the Lump Sum stipulated in sub-clause (A) of Schedule of Fees Clause 2 shall be reduced by negotiation taking into account any financial commitment or obligation properly incurred by the Consultants in accordance with this Agreement.

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

Fees on Time Charge Basis 8. (A) Where the Director's Representative agrees that the additional Services shall be paid on a time charge basis, sub-clauses (B) to (G) of this Clause shall apply.

(B) The payment for additional Services on a time charge basis shall be the sum of the multiplication of man-hours properly spent and the charge rates. The charge rates as determined according to Schedule of Fees Clause 9 shall be adopted.

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

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

(E) Time spent by partners and directors, chief professional, senior professional, professional, assistant professional and technical staff in approved travelling shall be chargeable.

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

- (i) printing, reproduction and purchase of all documents, drawings, maps, photographs and records;
- (ii) overseas communications including facsimile transmissions, telephone calls, telegrams, telex and air freight for documents;
- (iii) approved travelling and hotel expenses and other similar disbursements;
- (iv) other items approved by the Director's Representative.

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

Charge Rates for 9. Additional Services

(A) The all-inclusive hourly rates shall be as follows:

- (i) Partners/Directors: at the rate of *HK\$ _____ per hour.
- (ii) Chief Professional Staff: at the rate of *HK\$ _____ per hour.
- (iii) Senior Professional Staff: at the rate of *HK\$ _____ per hour.
- (iv) Professional Staff: at the rate of *HK\$ _____ per hour.
- (v) Assistant Professional Staff: at the rate of *HK\$ _____ per hour.
- (vi) Technical Staff: at the rate of *HK\$ _____ per hour.

wherein the minimum qualifications and experience requirements for the respective staff categories are set out at Annex A.

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

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

- (B) An adjusted notional value for additional Services shall be calculated by adding the totals of the multiplication of the all-inclusive hourly rates referred to in sub-clause (A) of this Clause and the respective notional man-hours for additional Services referred to in the Fee Proposal, which shall constitute the fee ceiling for the purposes of calculating payment for additional Services unless it exceeds 10% of the Consultants' Lump Sum offered for performing the Assignment and accepted by the Employer in which case the latter amount shall constitute the fee ceiling. For the avoidance of doubt, notwithstanding the above adjusted notional value for additional Services and fee ceiling, the Director's Representative has no obligation whatsoever to instruct any additional Services whether the estimated cumulative payment for additional Services before price adjustments under sub-clause (H) of this Clause exceeds the fee ceiling or not.
- (C) The charge rates for additional Services shall be the all-inclusive hourly rates referred to in sub-clause (A) of this Clause for estimated cumulative payment for additional Services before price adjustments under sub-clause (H) of this Clause up to the fee ceiling subject to sub-clauses (D) to (G) of this Clause. The payment for additional Services shall be subject to price adjustments under sub-clause (H) of this Clause.
- (D) Where the estimated cumulative payment for additional Services before price adjustments under sub-clause (H) of this Clause will exceed the fee ceiling, then the all-inclusive hourly rates referred to in sub-clause (A) of this Clause shall not apply for the calculation of payment for those additional Services straddling or exceeding the fee ceiling. New charge rates shall be agreed by negotiation based on the estimated time required to complete the additional Services, all-inclusive hourly rates referred to in sub-clause (A) of this Clause, and the prevailing market rates at the ordering of the additional Services for short term or part-time working with conversion to the price level of the date on which this Agreement is due to commence. Where such negotiation fails, the Director's Representative shall be at liberty to, among other options, not instruct the additional Services, or instruct a third party to perform the additional Services.
- (E) The all-inclusive hourly rates referred to in sub-clause (A) of this Clause shall be regarded as rates applicable to additional Services requiring short term or part-time working. Where the additional Services requiring long term or full time continuous periods of working, then the all-inclusive hourly rates referred to in sub-clause (A) of this Clause shall not apply for the calculation of payment for those additional Services and new reduced charge rates shall be agreed by

negotiation based on the estimated time required to complete the additional Services, the all-inclusive hourly rates referred to in sub-clause (A) of this Clause, the staff rates in lump sum fee for the respective staff categories (which are equal to the total fee of the respective staff category / the total manpower input of the respective staff category), and the prevailing market rates at the ordering of the additional Services for long term or full time continuous periods of working with conversion to the price level of the date on which this Agreement is due to commence. Where such negotiation fails, the Director's Representative shall be at liberty to, among other options, not instruct the additional Services, or instruct a third party to perform the additional Services.

- (F) Notwithstanding sub-clause (D) and (E) of this Clause, where the negotiations in sub-clause (D) and (E) of this Clause fail between the Director's Representative and the Consultants, the Director's Representative shall have the option of having the additional Services performed on the charge rates using the all-inclusive hourly rates referred to in sub-clause (A) of this Clause.
- (G) In exceptional cases where, in the opinion of the Director's Representative, the additional Services would best be performed by a particular staff member of the Consultants and the use of the all-inclusive hourly rates referred to in sub-clause (A) of this Clause is considered not appropriate for such staff member, the Director's Representative may, by negotiation, agree with the Consultants a new charge rate for the particular staff member, even when the fee ceiling has not been exceeded.
- (H) There shall be no price adjustment to the interim payments for the additional Services until the first anniversary of the date on which this Agreement is due to commence. On the first and every subsequent anniversary (collectively referred as index update dates), a price adjustment factor equal to $(L - B)/B$ shall be calculated. The interim payments for the additional Services to be invoiced on or after the latest index update date but before the next index update date shall be multiplied by this factor to determine the price adjustment amounts.

B referred to above is the monthly Consumer Price Index (C) of the due date for commencement of this Agreement and L is the monthly Consumer Price Index (C) of the latest index update date.

*Resident Site Staff 10. (A)

The RSS on-cost rates are:

<u>Collective rank of RSS directly employed by the Consultants or Government staff posted to the Consultants by the Employer</u>	<u>RSS on-cost rate of each collective rank (\$/man-month)</u>
<u>^R1</u>	
<u>^R2</u>	
<u>^R3</u>	
<u>^R4</u>	
<u>^R5</u>	
<u>^R10</u>	

(B) The details of the collective ranks of RSS directly employed by the Consultants or Government staff posted to the Consultants by the Employer are in Clause SCE YY [Insert the clause no.] of the Special Conditions of Employment.

[omit if no RSS will be employed]*

[^ Add or delete collective ranks as may be necessary to suit the need of the consultancy agreement by the managing department] [Standard Schedule of Fees clauses relating to the direct employment of resident staff should be inserted if required]

Annex A – Categories of Staff for the Services and Additional Services

Staff category	Minimum academic / professional qualifications	Minimum experience requirement
Partners/ Directors	Corporate member of an appropriate professional institution or equivalent; and <i>*[A partner, or a company director who is a member of the Board with voting power at Board meetings]</i>	15 years relevant post-qualification experience (applicable to professional membership only)
Chief Professional	Corporate member of an appropriate professional institution or equivalent	12 years relevant post-qualification experience
	University degree or equivalent in an appropriate discipline for specialist trades, such as geology, transport, environmental science or other trades where appropriate professional institutions are not commonly in existence	17 years relevant post-qualification experience
Senior Professional	Corporate member of an appropriate professional institution or equivalent	5 years relevant post-qualification experience
	University degree or equivalent in an appropriate discipline for specialist trades, such as geology, transport, environmental science or other trades where appropriate professional institutions are not commonly in existence	10 years relevant post-qualification experience
Professional	Corporate member of an appropriate professional institution or equivalent	No additional requirement
	University degree or equivalent in an appropriate discipline for specialist trades, such as geology, transport, environmental science or other trades where appropriate professional institutions are not commonly in existence	5 years relevant post-qualification experience
Assistant Professional	University degree or equivalent in an appropriate discipline	No additional requirement
Technical	Diploma or Higher Certificate or equivalent in an appropriate discipline	No additional requirement

[To be deleted. The requirement shall be removed from the suggested minimum academic/professional qualification requirement for staff under Partners/ Directors category. However, project offices may consider including the requirement if needed to suit the specific requirement of the project.]*