



Water Supplies Department

The Government of the Hong Kong Special Administrative Region

**Agreement No. CE 21/2012 (WS)
Desalination Plant at Tseung Kwan O
Feasibility Study**

SCHEDULE OF FEES

(Draft dated 25 June 2012)

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SCHEDULE OF FEES

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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 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 adjustments under sub-clause (B) of this Clause.
*[*insert the value on Agreement signing]*
- (B) (i) There shall be no adjustment in the Lump Sum until the first anniversary of the date on which this Agreement is due to commence. An adjustment proportional to any increase or decrease in the Consumer Price Index (C) over the year immediately preceding the adjustment shall be applied on the day after the first and every subsequent anniversary to the balance of the Lump Sum still unearned according to the Payment Schedule at the time of the adjustment.
- (ii) "Consumer Price Index (C)" in this Schedule of Fees shall mean the Consumer Price Index (C) (October 2009 – September 2010 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 fee stipulated in sub-clause (A) of Schedule of Fees Clause 2 shall be made in such amounts and at such times as are set out in the Payment Schedule shown in Schedule A.

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 boring tests, trial pits, test piles, models, soil investigations, utility mappings and other special investigations; and
- (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.
- (iii) other items approved by the Director's Representative.

Payment for additional Services

5. (A) Where the Consultants consider that they are entitled to payment pursuant to General Conditions of Employment Clause 33, the Consultants shall advise the Director's Representative in writing 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 that the Services are additional, he shall attempt to agree with the Consultants a lump sum payment for the additional Services.

(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 hours required to complete the additional Services. The charge rates shall be based on the all-inclusive hourly rates referred to in Schedule of Fees Clause 8(A) for cumulative fees up to or equal to the fee ceiling referred to in Schedule of Fees Clause 8(B).

(E) Where the staff or hours required cannot be identified and agreed, 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 it is determined by the Director's Representative that there is a reduction in any Services for which payment is to be made by means of a lump sum fee, then such lump sum fee 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 it is determined by the Director's Representative 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 it is agreed by the Director's Representative that fees shall be paid on a time charge basis, the all-inclusive hourly rates shall be as follows:
- (i) Partners/Directors (A director of a company who is a member of the Board with voting power at Board meetings of the company and with extensive experience in the relevant field. The director shall have minimum 15 years relevant post-qualification experience): at the rate of *HK\$_____ per hour.
 - (ii) Chief Professional Staff (Corporate member of an appropriate professional institution or equivalent and with minimum 12 years relevant post-qualification experience): at the rate of *HK\$_____ per hour.
 - (iii) Senior Professional Staff (Corporate member of an appropriate professional institution or equivalent and with minimum 5 years relevant post-qualification experience): at the rate of *HK\$_____ per hour.
 - (iv) Professional Staff (Corporate member of an appropriate professional institution or equivalent): at the rate of *HK\$_____ per hour.
 - (v) Assistant Professional Staff (University degree or equivalent in an appropriate discipline and with minimum 3 years relevant post-qualification experience): at the rate of *HK\$_____ per hour.
 - (vi) Technical Staff (Diploma or Higher Certificate or

equivalent in an appropriate discipline and with minimum 3 years relevant post-qualification experience): at the rate of *HK\$_____ per hour.

(vii) Senior Environmentalist (University degree or equivalent in an appropriate discipline and with minimum 10 years relevant post-qualification experience): at the rate of *HK\$_____ per hour.

(viii) Environmentalist (University degree or equivalent in an appropriate discipline and with minimum 5 years relevant post-qualification experience): at the rate of *HK\$_____ per hour.

(ix) Assistant Environmentalist (University degree or equivalent in an appropriate discipline and with minimum 3 years relevant post-qualification experience): at the rate of *HK\$_____ per hour.

(B) The all-inclusive hourly rates referred to in sub-clause (A) of this Clause shall be used to calculate the adjusted notional value for additional Services by adding the totals of the all-inclusive hourly rates and the respective notional man-hours for additional Services referred to in the Fee Proposal, which shall be the fee ceiling for the purposes of calculating additional Services unless it exceeds 10% of the Consultants' lump sum offer for performing the Assignment accepted by the Employer, in which case that amount shall constitute the fee ceiling.

(C) For additional Services, charge rates shall be based on the all-inclusive hourly rates referred to in sub-clause (A) of this Clause for cumulative fees up to or equal to the fee ceiling.

(D) Where the cumulative payment for additional Services under the Consultancy Agreement has exceeded 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 additional Services exceeding the fee ceiling. A lump sum or new rates shall be agreed by negotiation based on the agreed time taken to complete the additional Services or the estimated time for the completion of the additional Services, all-inclusive hourly rates offered in the original Fee Proposal and the prevailing market rates. Where such negotiation fails the Employer shall be at liberty to amongst other options, not instruct the additional Services, or instruct a third party to perform the additional Services.

(E) Notwithstanding sub-clause (D) of this Clause, where the ordering of additional Services on a lump sum basis will result in the cumulative value straddling and exceeding the fee ceiling, the all-inclusive hourly rates referred to in sub-clause (A) of this Clause should still apply for the additional Services.

(F) Where additional Services have been ordered on a time charge basis and cumulative fees for the performance of those additional Services equals or exceeds the fee ceiling and negotiations fail between the Director's Representative and the Consultants with respect to agreeing a lump sum then the Employer shall have the option of having the balance of the additional Services performed on the existing time charge rates.

(G) Notwithstanding that the notional value for additional Services is taken into account in fee assessment, the Employer has no obligation whatsoever to order the additional Services.

(H) There shall be no adjustment to the time charge rates until the first anniversary of the date on which this Agreement is due to commence. An adjustment proportional to any increase or decrease in the Consumer Price Index (C) over the year immediately preceding the adjustment shall be applied on the day after the first and every subsequent anniversary to the balance of fees unearned at the time that any variation becomes effective.

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

(J) In exceptional cases where, in the opinion of the Director's Representative, the additional Services would best be performed by a particular partner or employee of the Consultants and the use of the all-inclusive time charge rates referred to in sub-clause (A) of this Clause is considered not appropriate, the Director's Representative may, by negotiation, agree with the Consultants a new time charge rate for the particular partner or employee of the Consultants, even when the fee ceiling has not been exceeded.

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

(L) Time spent by partners and directors, and professional and technical staff in approved travelling shall be chargeable.

(M) In addition to remuneration to be paid under sub-clause (A) 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) the cost of purchase of approved equipment, such equipment becoming the property of the Employer when reimbursement has been made; and
- (v) other items approved by the Director's Representative.

(N) The all-inclusive time charge rates referred to in sub-clause (A) of this Clause shall be regarded as maximum and applicable to additional Services requiring short term or part-time working. The Employer reserves the right to negotiate before Services have started, reduced rates for long term or full time continuous periods of working.

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

Payment Schedule

Item	Description	Payment (% of the Lump Sum)
1.	5% of the Lump Sum one month after signing of the Agreement and at the end of each subsequent month but only up to an aggregate total of 30%	Total 30%
2.	On submission of Inception Report	0.7%
3.	On acceptance of Inception Report	0.3%
4.	On submission of Public Engagement Plan	0.6%
5.	On acceptance of Public Engagement Plan	0.3%
6.	On submission of Public Engagement Report	0.6%
7.	On acceptance of Public Engagement Report	0.3%
8.	On submission of Site Investigation Desk Study Report	0.6%
9.	On acceptance of Site Investigation Desk Study Report	0.3%
10.	On submission of Site Investigation Report	0.6%
11.	On acceptance of Site Investigation Report	0.3%
12.	On submission of Geotechnical Assessment Report	1.0%
13.	On acceptance of Geotechnical Assessment Report	0.5%
14.	On submission of Natural Terrain Landslide Hazards Assessment Report	1.0%
15.	On acceptance of Natural Terrain Landslide Hazards Assessment Report	0.5%
16.	On submission of Traffic Impact Assessment Report	1.0%
17.	On acceptance of Traffic Impact Assessment Report	0.5%
18.	On submission of Marine Traffic Impact Assessment Report	0.6%
19.	On acceptance of Marine Traffic Impact Assessment Report	0.3%
20.	On submission of Drainage Impact Assessment Report	0.6%
21.	On acceptance of Drainage Impact Assessment Report	0.3%
22.	On submission of Heritage Impact Assessment Report	0.6%
23.	On acceptance of Heritage Impact Assessment Report	0.3%
24.	On submission of Tree Survey Report	0.6%
25.	On acceptance of Tree Survey Report	0.3%
26.	On submission of Environmental Impact Assessment Project Profile	1.0%
27.	On acceptance of Environmental Impact Assessment Project Profile	0.5%
28.	On submission of Environmental Impact Assessment Report	5.0%
29.	On acceptance of Environmental Impact Assessment Report	2.5%
30.	On submission of Environmental Monitoring and Audit Report	1.0%

31.	On acceptance of Environmental Monitoring and Audit Report	0.5%
32.	On submission of Options Selection Report	2.0%
33.	On acceptance of Options Selection Report	1.0%
34.	On submission of working paper on the feasibility of coexistence of the explosive off-loading facilities of CEDD	1.0%
35.	On acceptance of working paper on the feasibility of coexistence of the explosive off-loading facilities of CEDD	0.5%
36.	On submission of Hazard Assessment Report	3.0%
37.	On acceptance of Hazard Assessment Report	1.5%
38.	On submission of Hydraulic Assessment and Surge Analysis Report	1.0%
39.	On acceptance of Hydraulic Assessment and Surge Analysis Report	0.5%
40.	On submission of Energy Efficiency Report	1.0%
41.	On acceptance of Energy Efficiency Report	0.5%
42.	On submission of Process and Preliminary Design	4.0%
43.	On acceptance of Process and Preliminary Design	2.0%
44.	On submission of Construction and Demolition Material Management Plan	0.6%
45.	On acceptance of Construction and Demolition Material Management Plan	0.3%
46.	On submission of Value Management Studies Report	1.0%
47.	On acceptance of Value Management Studies Report	0.5%
48.	On submission of Sustainability Assessment Report	0.6%
49.	On acceptance of Sustainability Assessment Report	0.3%
50.	On submission of Report on effect of climate change on project implementation strategy and programme	1.0%
51.	On acceptance of Report on effect of climate change on project implementation strategy and programme	0.5%
52.	On submission of Report on Project Implementation Strategy and Programme	2.0%
53.	On acceptance of Report on Project Implementation Strategy and Programme	1.0%
54.	On submission of working paper on the technology transfer workshop and completion of the technology transfer workshop	0.7%
55.	On acceptance of working paper on the technology transfer workshop	0.3%
56.	On submission of Project Definition Statement	0.7%
57.	On acceptance of Project Definition Statement	0.3%
58.	On submission of Technical Feasibility Statement	2.0%
59.	On acceptance of Technical Feasibility Statement	1.0%
60.	On submission of Draft Report	3.0%
61.	On submission of Draft Final Report	3.0%
62.	On submission of Final Report and Executive Summary	5.0%
63.	On acceptance of Final Report and Executive Summary	5.0%