Form of Agreement
Between
the Client
And
the Quantity Surveyor
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1. Project Description
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Agreement

THIS AGREEMENT is made the ........................................ day of ..................................................20..............

BETWEEN ........................................................................................................................ (“the Client”) of,
or whose registered office is situated at . ...........................................................................................

...................................................................................................................................................................

and ...................................................................................................................................................................

(“the Quantity Surveyor”) of, or whose registered office is situated at . ....................................................... 

...................................................................................................................................................................

Whereas the Client intends to proceed with ............................................................................................

...................................................................................................................................................................

(“the project”) at ...........................................................................................................................................

...................................................................................................................................................................

...................................................................................................................................................................

(“the site”) all as more fully described in the Project Details attached hereto as Annexure A.

The Client hereby appoints the Quantity Surveyor in respect of the project to provide the services

specified in the Schedule of Services attached hereto as Schedule 1 and the Quantity Surveyor agrees
to provide them.

The law of the Hong Kong Special Administrative Region and the jurisdiction of the Courts in the Hong

Kong Special Administrative Region apply to this Agreement.

SIGNED, SEALED and DELIVERED by the Client)

) .................................................

[signature of witness]

SIGNED, SEALED and DELIVERED by the Quantity Surveyor.

) .................................................

[signature of witness]

Name of witness to the Client’s signature .................................................................................................

Address ................................................................................................. Occupation .............................
Terms of Appointment

1. Quantity Surveyor's obligations

1.1 The Quantity Surveyor shall:

- provide the services with reasonable skill, care and diligence;
- in respect of any work done or information supplied by or on behalf of the Client, report to the Client any errors, omissions and shortcomings of whatever nature of which the Quantity Surveyor becomes aware in the performance of its services or duties under this Agreement;
- indemnify and keep indemnified the Client against all claims, damages, losses or expenses arising out of or resulting from any negligence in or about the conduct of and performance by the Quantity Surveyor of the services under this Agreement;
- without relieving any liability and obligation under the Agreement, at its own cost carry out such works as may be necessary to correct any errors or omissions in its documentation, for which it is responsible.

2. Client's obligations

2.1 The Client shall:

- supply such information to the Quantity Surveyor at such times as is reasonably required for the performance of the services.
- notify the Quantity Surveyor in writing of any agent appointed to act on behalf of the Client and of any change or dismissal of the agent.
- notify the Quantity Surveyor in writing of any instruction to vary the services.

3. Assignment and subcontracting

3.1 Neither the Client nor the Quantity Surveyor shall assign the whole or any part of this Agreement without the consent of the other in writing. Such consent shall not be unreasonably withheld.

3.2 The Quantity Surveyor shall not subcontract any part of the services without the consent of the Client in writing.

4. Confidentiality

4.1 The details of this Agreement shall be confidential as between the parties and will not be divulged to a third party, other than a mediator appointed in accordance with Clause 10 hereof, without the prior written consent of the other party.
Terms of Appointment (Cont'd)

5. Payment

5.1 The Client shall pay the Quantity Surveyor for the performance of the services the fees and charges in such instalments as are set out in the Schedule of Fees and Expenses attached hereto as Schedule 2. The Quantity Surveyor when submitting his invoice shall on each invoice confirm the basis on which the stated amount is calculated.

5.2 The "Date for Payment" in respect of an invoice shall be 28 days after the date of the invoice. Payment shall be made not later than the Date for Payment.

5.3 Where the Client disagrees with the calculation of the amount in a Quantity Surveyor's invoice, and / or intends to withhold payment of any amount stated in a Quantity Surveyor's invoice he shall, not later than 7 days prior to the Date for Payment, give written notice to the Quantity Surveyor stating the amount which the Client proposes to pay and the basis on which that amount is calculated, and / or the amount to be withheld and the grounds for withholding payment.

Where no such notice is given the amount to be paid is the invoiced amount.

5.4 Any amounts due to the Quantity Surveyor under this Agreement, for which no notice of intention to adjust or withhold payment from such amount has been given under Clause 5.3, which remain unpaid by the Client after the Date for Payment shall bear interest at the rate stated in Schedule 2.

5.5 In the event that the Client is in default over payment of amounts at the Date for Payment and no notice of intention to adjust or withhold payment from such amount has been given under Clause 5.3, the Quantity Surveyor may suspend performance of any or all of the services. This right is subject to the Quantity Surveyor first giving the Client not less than 7 days written notice of such intention and stating the grounds for suspension. The right to suspend performance shall cease when the Client makes payment of the amount due. Any such period of suspension shall be disregarded for the purposes of contractual time limits previously agreed for the completion of the services. Such suspension shall not be treated as a suspension under Clause 9.

6. Variations to Services

6.1 The Quantity Surveyor shall notify the Client in writing as soon as it becomes reasonably apparent that any work additional to the subject of this Agreement will be required.

6.2 Where the Quantity Surveyor is involved in additional work because of changes instructed to the services set out in Schedule 1 the Client shall pay to the Quantity Surveyor additional fees calculated (unless otherwise agreed) on the basis of the time charges set out in Schedule 2.

6.3 If the services set out in Schedule 1 for one or more of the stages of work are delayed or extended due to significant changes to the project description or the project dates, the Quantity Surveyor shall submit a claim, or claims, for additional fees having regard to the extent of such delays or extensions. The Client shall respond to such claim(s) within 28 days of their receipt. Any additional fees shall be added to and paid together with the original fee for the respective stages of work.

7. Copyright

7.1 The copyright in all documents prepared by the Quantity Surveyor in providing the services shall remain the property of the Quantity Surveyor. Subject to payment by the Client of the fees properly due to the Quantity Surveyor under this Agreement the Quantity Surveyor grants to the Client an irrevocable non-exclusive royalty-free licence to copy and use the documents for any purpose related to the project.

7.2 The Quantity Surveyor shall not be liable for any use of the documents for any purpose other than the purpose for which they were prepared and provided by the Quantity Surveyor.
8. Suspension and termination

8.1 The Client may suspend performance by the Quantity Surveyor of all or any of the services by giving 7 days written notice to the Quantity Surveyor. If the services have been suspended for a period of more than 12 months either party may terminate the Agreement, by giving written notice to that effect.

8.2 The Client may terminate the appointment of the Quantity Surveyor under this Agreement by giving 14 days written notice to the Quantity Surveyor, provided always that Client is entitled to terminate the appointment of the Quantity Surveyor only if the fees due under clause 5 have been settled.

8.3 Where the Client has suspended the services and the Agreement has not been terminated, the Client may, by giving reasonable written notice to the Quantity Surveyor, require the Quantity Surveyor to resume the performance of the services.

8.4 If the Client materially breaches its obligations under this Agreement the Quantity Surveyor may serve on the Client a notice specifying the breach and requiring its remedy within 14 days, and if the Client thereafter fails to remedy that breach within that period the Quantity Surveyor may terminate this Agreement by giving written notice to the Client.

8.5 If either party to this Agreement:

- commits an act of bankruptcy or has a receiving or administrative order made against it, and/or
- goes into liquidation, and/or
- becomes insolvent, and/or
- makes any arrangement with its creditors

the other may suspend performance of the services or may terminate the appointment by giving written notice.

8.6 The above rights to suspend or terminate this Agreement are without prejudice to the accrued rights and entitlements of the parties and are in addition to, and do not derogate from those granted to the Quantity Surveyor under Clause 5.

9. Consequences of suspension and termination

9.1 If performance of the services has been suspended under Clause 5 or Clause 8 or the Agreement has been terminated under the provisions of Clause 8:

- the Client shall pay the Quantity Surveyor any instalments of the fees due to the Quantity Surveyor up to the date of suspension or termination together with a fair and reasonable proportion of the next following instalment commensurate with the services performed by the Quantity Surveyor
- unless the Agreement has been terminated by the Client because of a material breach by the Quantity Surveyor the Client shall pay the Quantity Surveyor within 28 days of written demand the consequential costs necessarily incurred as a result of the suspension or termination.

9.2 Termination of the Agreement shall be without prejudice to any other rights and remedies of the parties.
Terms of Appointment (Cont'd)

10. Disputes

10.1 If a difference or dispute arises out of this Agreement the Client and the Quantity Surveyor shall attempt to agree a settlement in good faith.

10.2 If the difference or dispute is not thus resolved within 14 days of it arising then the matter shall be referred to mediation in accordance with and subject to the Hong Kong International Arbitration Centre Mediation Rules or any modification thereof for the time being in force.

11. Liability

11.1 The liability of the Quantity Surveyor whether for breach of this agreement, or for any other cause shall be limited to such sum as it would be just and equitable for the Quantity Surveyor to pay having regard to the extent of the responsibility of the Quantity Surveyor for the loss or damage suffered on the basis that all other consultants, the contractor and any subcontractors who have a liability shall be deemed to have provided contractual undertakings to the Client on terms no less onerous than those applying in the case of this Agreement and shall be deemed to have paid to the Client such sums as it would be just and equitable for them to pay having regard to the extent of their responsibility for such loss or damage.

11.2 The parties shall be discharged and released from all liability in respect of any claim under or arising out of this Agreement unless a claim in writing has been presented together with supporting documentation substantiating each and every constituent part of the claim within the period specified in Schedule 3.

12. Notice

12.1 Any notice to be given under this Agreement shall be in writing and delivered by hand or sent by recorded delivery post to the party at the address shown in this Agreement or to such an address as the other party may have specified from time to time by written notice to the other.

12.2 Such notice shall be deemed to have been received on the day of delivery if delivered by hand and otherwise on the next working day following the day of posting.

12.3 Where under this Agreement an act is required to be completed within a specified period of days after or from a specified date, the period shall begin immediately after that date.
Schedule 1

Schedule of Services

The services to be provided by the Quantity Surveyor are those which are set out below:

1.1 Estimation Stage Services

1.1.1 Feasibility Studies

Carry out feasibility studies to evaluate the financial viability of the project, to provide the base for commercial decisions in respect of equity participation, financial arrangements etc. and to provide the framework for monitoring the financial performance of the project.

Carry out sensitivity analysis to check the impact on the financial framework when the deciding factors vary from the basic assumptions.

1.1.2 Concept Design Estimate

Prepare preliminary estimates for alternative designs during the Concept Design Stage. Compare the cost and time implications of the alternative designs to assist the Employer in his final selection and to establish the Budget.

1.1.3 Cost Planning

Discuss with the Architect the conceptual idea and essential particulars of his scheme and prepare a Cost Plan for the project. The total of the Cost Plan should be in line with the Employer’s approved Budget. The Cost Plan shall list in detail the various cost centers complete with their controlling quantities and rates to assist the Architect in his design development and selection of materials.

1.1.4 Cost Studies

In the Preliminary Design/Design Development Stage*, attend design meetings and carry out cost studies on various alternatives to assist the Employer and Architect in their decisions.

When required, prepare cash flow predictions based on the latest cost estimate and development programme.

1.1.5 Preliminary Design/Detailed Cost* Estimate

When the Preliminary* Design Drawings are completed, prepare a detailed cost estimate to check that the design meets the Budget requirements.

(Note: The “Preliminary Design” Stage is a defined submission stage applicable to China projects)

- Delete as appropriate
Schedule 1 (Cont’d)

Schedule of Services (Cont’d)

The services to be provided by the Quantity Surveyor are those which are set out below (Cont’d):

1.2 **Tendering Stage Services**

1.2.1 **Procurement Strategy**

Discuss with the Architect and Employer on the Procurement Strategy for the project and make recommendations on:

i) the total number of main contracts and sub-contracts and their respective scope of works

ii) the cost budgets for each main contract and sub-contract. These estimated cost budgets should follow that determined by the Cost Plan or the Preliminary Design/Detailed Cost* Estimate.

iii) the mode of tendering and tendering schedule for each contract package.

1.2.2 **Prequalification of Tenderers**

Invite tenderers to register for each contract package and carry out prequalification exercises (if necessary) for tenderers so registered and submit report to the Employer.

1.2.3 **Contract Conditions**

Provide advice as to the most suitable Standard Form of Contract for the Works and prepare the necessary special conditions as appropriate for consideration by the Architect and Employer.

1.2.4 **Tender Documents**

Prepare tender documents including conditions to tender, contract conditions, bills of quantities/schedules of rates and other portions for each contract package in accordance with their specialities and requirements.

Bills of Quantities shall be prepared for all trades/building and architectural works only* when appropriate.

Drawings and Technical Specifications, Schedules etc. shall be prepared by other consultants for incorporation into the tender documents.

1.2.5 **Pre-tender Estimates**

Prepare pre-tender estimates for each tender package to check that the packages prepared are in line with their approved budgets.

- Delete as appropriate
Schedule 1 (Cont’d)

Schedule of Services (Cont’d)

The services to be provided by the Quantity Surveyor are those which are set out below (Cont’d):

1.2   Tendering Stage Services (Cont’d)

1.2.6 Tender Queries

In the tendering stage, handle all tender queries. All tender queries should be fully discussed with the Employer and the Architect etc. and answered in a joint reply.

1.2.7 Tender Analysis and Reporting

Carry out analysis on tenders received. Assist the Architect and the Employer to analysis the technical portions of the tender as appropriate and check the tenders for arithmetic errors and contractual qualifications. Issue queries as required to clarify ambiguities in the pricing, technical and contractual points etc. Check the tenders for submissions like bonds, guarantees etc. required. Compile all findings and recommendations into a tender report to the Employer.

All recommended tenders should be compared against their approved budgets. Tender packages that exceed their budgets shall be analysed for the underlying reason and may be subject to value engineering as necessary until it meets satisfaction.

1.2.8 Contract Clarification

Assist the Client in tender interviews to clarify both the terms and pricing of the tenders. Collate records of relevant matters arising for incorporation as necessary into the contract documents. Make recommendations on tenders to be considered for award, listing alterations and clarifications to be incorporated.

1.2.9 Contract Awards and Documents

Assist the Employer to draft, check or negotiate with the successful tender on the final contract documents. All awards shall be made by the Employer. The Quantity Surveyor shall assist the Employer to issue the Letter of Award.

Subsequent to the award of each tender by the Employer, collate all documents and prepare the formal contract documents for signature by the Employer and the Contractor. Drawings shall be prepared and bound by the Architect.
Schedule 1 (Cont’d)
Schedule of Services (Cont’d)
The services to be provided by the Quantity Surveyor are those which are set out below (Cont’d):

1.3 Construction Stage Services

1.3.1 Financial Statements

Prepare financial statements at monthly/quarterly/regular* intervals. The statements shall show all committed and known intended expenses and their comparison with the original budget allowances. Each Statement shall show the financial implication of the latest awarded contracts, issued drawings, architect’s instructions and claims etc. and reflect the estimated final account figure for the Works.

1.3.2 Monthly Interim Payment Valuations

Prepare monthly interim payment valuations in accordance with the progress of work completed as approved by the Architect.

Incorporate financial implications due to design changes etc. as appropriate in the payment valuations.

1.3.3 Design Change Pre-approvals

When a proposal is made to vary the design, a quick estimate of the cost involved and assessment of any contractual implications shall be made and reported to the Employer to assist him in deciding whether to implement the design change or not.

1.3.4 Assessment of Variations

During the course of construction, carry out regular assessments of architect’s instructions, remeasurement of provisional quantities and adjustment of Prime Cost Rates etc. in a timely manner and hold negotiations with the Contractors to achieve preliminary agreements regarding the financial effect of the same.

The assessed variations shall be discussed and agreed with the Contractors and listed for the Employer’s information.

Carry out preliminary assessment of all claims received and incorporate them in the financial statements.

* - Delete as appropriate
Schedule 1 (Cont’d)

Schedule of Services (Cont’d)

The services to be provided by the Quantity Surveyor are those which are set out below (Cont’d):

1.3 Construction Stage Services

1.3.5 Contract Administration

Assist the Architect in his administration of the Contract and advise on the Employer’s rights and obligations under the contract, including that in respect of the construction progress, quality, cost and other subjects.

If significant changes are planned and approved by the Employer, assist the Employer to agree the time and financial implication with the Contractor and prepare Supplementary Agreements to such effect to avoid unnecessary disputes at a later stage.

Assist the Employer to handle claims submitted by Contractors. Analysis the claims and prepare counter-claims complete with arguments and calculations, where appropriate. Analysis the contractual reasons, method of calculation for the claims submitted and assist in the negotiations between the Employer and the Contractor to arrive at an amicable agreement.

1.4 Final Account Stage Services

1.4.1 Draft Final Account

When the Works are practically completed, prepare a draft final account based on the Construction Drawings, Architect’s Instructions, Claims, Inspection Reports and other relevant documents. Within circumstances under control of the Quantity Surveyor, the Draft Final Account shall be completed within the Defects Liability Period.

1.4.2 Verification with the Contractor

Carry out quantity checks and rates discussions with the Contractors to establish the accuracy of all measurements and the validity and reasonableness of all rates applied. Obtain the Contractor’s agreement when possible. After such verifications, compile a final account report listing the calculated final figures, its build-up and all discrepancies with the Contractor’s figures and its underlying reasons for the Employer’s decision on items that have not been agreed.

1.4.3 Final Accounts

When the Employer approves the final account or agrees with the Contractor on the final amount, prepare the Final Account for the Works.
Schedule 1 (Cont’d)

Schedule of Services (Cont’d)

The services to be provided by the Quantity Surveyor are those which are set out below (Cont’d):

1.5 Building Services

The Quantity Surveyors services in respect of Building Services contracts or sub-contracts (i.e. mechanical and electrical services excluding/including* plumbing and above-ground drainage) shall be:

1.5.1 Estimates and Cost Studies

The Quantity Surveyor shall incorporate into his cost plans, estimates and reports where appropriate estimates and cost studies prepared by the Building Services Consultant for the building services.

1.5.2 Tender Documents

The Quantity Surveyor shall assist the Building Services Consultant to prepare the contract conditions and the preliminaries and to put together complete sets of tender documents, based on specifications, schedules of rates and other schedules, etc., supplied by the Building Services Consultant for the building services contracts and sub-contracts. No bills of quantities will be prepared by the Quantity Surveyor for these contracts/sub-contracts.

1.5.3 Post Contract Services

The Quantity Surveyor shall not be involved in the technical tender reporting, preparation of monthly payment valuations, financial statements, checking and agreeing of details of variations, assessment of claims and preparation of final accounts for the buildings services contracts and sub-contracts. All these duties shall be carried out by the Building Services Consultant.

1.5.4 Generally

The Quantity Surveyor shall incorporate all details provided by the Building Services Consultant regarding the building services into his documents where appropriate.*

OR

The Quantity Surveyor shall provide comprehensive quantity surveying and cost consultancy services in respect of the Building Services contracts and sub-contracts. The scope of services shall be the same as those specified in Sections 2.1 to 2.4.*

1.6 Meetings

The Quantity Surveyor shall attend design team meetings, client/consultants’ meetings and monthly site meetings as and when reasonably required.

* - Delete as appropriate
Schedule 1 (Cont’d)

Schedule of Services (Cont’d)

The services to be provided by the Quantity Surveyor are those which are set out below (Cont’d):

1.7 Works or Services Excluded

1.7.1 No Quantity Surveying services shall be provided in respect of the following works packages:

- a) Site investigation work
- b) Demolition
- c) Piling and pile caps
- d) Fitting Out/Interior Decoration to Sales Offices, Show Flats and Tenancy Areas
- e) Manufacturing Equipment
- f) Process Work
- g) Alterations and additions to existing works
- h) Name other contracts or nominated sub-contracts below, as necessary

Additional fees will be charged if Quantity Surveying services are subsequently provided for these works packages.

1.7.2 The following are excluded from the scope of services:

- a) Price negotiation with contractors/sub-contractors.
- b) Involvement in litigation, arbitration or mediation between the Employer and the Main Contractor or between the Main Contractor and his sub-contractors.
- c) Additional measurement work arising from changes in the scope of works after the measurements have been completed.
- d) Re-tendering of any work package.
- e) Additional work due to termination of contracts/work packages before completion.
- f) Services in connection with fire damage to buildings.
- g) Services in connection with taxation matters.
- h) Valuation of materials or goods off-site.

Additional fees will be charged for these services if subsequently carried out.

Note:

In preparing the Final Account, the Quantity Surveyor shall not be required to:

- take into account any materials or information provided to him by the contractor(s) outside the measurement period specified in the construction contract unless the work involved in taking account of such materials or information is treated as a Variation to the Services under Clause 6 hereof.

- agree the final account with the contractor(s)
Schedule 2

Fees and Expenses

1. Percentage or lump sum fees

Where fees are quoted as lump sums they shall be fixed for the scope of services set out in Schedule 1 above and for the extent of the project as set out in Annexure A below.

Where fees are quoted as percentages the percentages shall be applied to the total construction cost at completion of the project.

The total construction cost of the project shall comprise the actual amounts payable to the contractor(s) and subcontractor(s) for constructing and/or managing the construction of the project including any fluctuations, amounts agreed in settlement of claims, work carried out directly by the Client which would normally be included in a building contract and the cost of any items provided by the Client for installation by the contractor(s). The total construction cost of the project shall not be reduced by the amount of any Liquidated and Ascertained Damages payable by the contractor(s).
Schedule 2 (Cont'd)

Fees and Expenses (Cont'd)

1. **Percentage or lump sum fees (Cont'd)**

   The basis of charging fees shall be as set out below:

   **EITHER**

<table>
<thead>
<tr>
<th>Percentage Fee</th>
<th>Component of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Estimation Stage Services and Tendering Stage Services as defined in Schedule 1</td>
<td>Feasibility Studies, Concept Design Estimate, Cost Planning, Cost Studies and Preliminary Design/Detailed Cost Estimate</td>
</tr>
<tr>
<td></td>
<td>Procurement Strategy, Prequalification of Tenderers, Contract Conditions, Tender Documents, Pre-tender Estimates, Tender Queries, Tender Analysis and Reporting, Contract Clarification and Contract Awards and Documents</td>
</tr>
<tr>
<td></td>
<td>Financial Statements, Monthly Interim Payment Valuations, Design Change Pre-approvals, Assessment of Variations and Contract Administration</td>
</tr>
<tr>
<td></td>
<td>Draft Final Account, Verification with the Contractor and Final Accounts</td>
</tr>
<tr>
<td>Total Fee</td>
<td></td>
</tr>
</tbody>
</table>

   **OR**

<table>
<thead>
<tr>
<th>Lump Sum Fee</th>
<th>Component of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Estimation Stage Services and Tendering Stage Services as defined in Schedule 1</td>
<td>Feasibility Studies, Concept Design Estimate, Cost Planning, Cost Studies and Preliminary Design/Detailed Cost Estimate</td>
</tr>
<tr>
<td></td>
<td>Procurement Strategy, Prequalification of Tenderers, Contract Conditions, Tender Documents, Pre-tender Estimates, Tender Queries, Tender Analysis and Reporting, Contract Clarification and Contract Awards and Documents</td>
</tr>
<tr>
<td></td>
<td>Financial Statements, Monthly Interim Payment Valuations, Design Change Pre-approvals, Assessment of Variations and Contract Administration</td>
</tr>
<tr>
<td></td>
<td>Draft Final Account, Verification with the Contractor and Final Accounts</td>
</tr>
<tr>
<td>Total Fee</td>
<td></td>
</tr>
</tbody>
</table>
Schedule 2 (Cont'd)

Fees and Expenses (Cont'd)

2. Time charges

Note: Where a partner/director does work which would normally be done by a member of staff, the rate charged shall be that of an associate or, if not applicable, a senior surveyor. Time spent by a partner/director on general administrative duties is not chargeable.

Where time charges are used as the method of payment for services, these shall be calculated on the hours actually expended by the relevant personnel:

EITHER

(A) at the following hourly rates:

<table>
<thead>
<tr>
<th>Position</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner/Director</td>
<td>HK$_________</td>
</tr>
<tr>
<td>Associate</td>
<td>HK$_________</td>
</tr>
<tr>
<td>Senior Surveyor</td>
<td>HK$_________</td>
</tr>
<tr>
<td>Assistant Surveyor</td>
<td>HK$_________</td>
</tr>
<tr>
<td>Others (state)</td>
<td>HK$_________</td>
</tr>
</tbody>
</table>

with adjustments to the above rates made annually from the date of the Agreement in accordance with changes in the Hang Seng Consumer Price Index.

OR

(B) at the hourly cost of the individual involved plus ____ per cent.

A member of staff shall include technical and supporting staff and a partner/director doing work normally done by technical staff, but shall exclude secretarial staff or staff engaged upon general administration.

The hourly cost shall be calculated by taking the annual cost for the member of staff of:

1. salary and bonus but excluding expenses
2. employer's contributions payable under the MPF and any pension and life assurance schemes and
3. any other payments or benefits made or granted by the employer in pursuance of the terms of employment of the members of staff.

and dividing the total by 1680
Schedule 2 (Cont'd)

Fees and Expenses (Cont'd)

3. Expenses

The method of charging expenses shall be as set out below.

Expenses are either chargeable in addition or included in the quoted fees as indicated below. Each item has a tick inserted in the appropriate column.

<table>
<thead>
<tr>
<th>Item</th>
<th>Chargeable in addition</th>
<th>Included in quoted fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>.1 Lithography, photocopying, printing, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>.2 Local travelling (including mileage for car travel)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>.3 Overseas courier and communication charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>.4 Others (please state)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The basis of charging expenses where **not** included in the quoted fees shall be:

**EITHER**

(A) at net cost plus ____ per cent

**OR**

(B) by lump sums, being:

- pre-contract HK$_______
- post-contract HK$_______
Schedule 2 (Cont’d)

Fees and Expenses (Cont’d)

4. **Instalment payments**

Fees and other charges shall be paid in equal monthly instalments during the respective stages of work as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount of Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upon completion of First Cost Plan</td>
<td>$</td>
</tr>
<tr>
<td>Upon completion of Foundation Tender Documents</td>
<td>$</td>
</tr>
<tr>
<td>Upon completion of Main Contract Tender Documents</td>
<td>$</td>
</tr>
<tr>
<td>Amount paid in equal monthly instalments over the Main Contract construction period</td>
<td>$</td>
</tr>
<tr>
<td>Upon issue of Final Accounts to the contractor(s)</td>
<td>$</td>
</tr>
<tr>
<td>Upon issue of Final Certificate</td>
<td>$</td>
</tr>
</tbody>
</table>

Expenses shall be included in the fee invoice following the date when they are incurred.

5. **Interest**

Simple interest shall be paid to the Quantity Surveyor on fees due and payable but remaining unpaid 28 days after invoicing, the rate of interest being Judgement Debt Rate +1%.
Schedule 3

Miscellaneous

1. **Period of Limitation**

   The period of limitation in respect of the Quantity Surveyors obligations under this agreement shall be ___ years.

2. **Governing Law and Jurisdiction**

   This Agreement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region and the jurisdiction of the Courts in the Hong Kong Special Administrative Region shall apply to this Agreement.
Annexure A

Project Details

1. Project Description

A description of the project is attached giving, *inter alia*:

- The total construction floor area broken down into major building functions,
- The number of blocks with an indication of the extent of repetitions
- The number of floors per block,
- The number of phases for the project
- The maximum number of Nominated Sub-contracts and Nominated Supply Contracts
- Any special contract arrangements
- Any other information which would influence the fee.

2. Project Dates

- It is anticipated that the appointment of all Consultants will be made on or before:
  
  ......................... (insert date)

- It is anticipated that the Main Contract will commence on site on or before:
  
  ......................... (insert date)

- It is anticipated that the Main Contract will be completed on or before:
  
  ......................... (insert date)

- It is anticipated that the Final Account will be issued to the contractor(s) on or before:
  
  ......................... (insert date)