

FREQUENTLY ASKED QUESTIONS ON SCALE OF FEES

- 1. *How are fees computed when a consultant is employed to carry out a number of components of works such as civil, structural, mechanical and electrical?***

The Scale of Fee Table in sub-para 1(i)(b) in Part B of the Scale of Fees (Rev. 1998) indicates that the percentage to be applied for the computation of the fee is based on “Total Cost of Components of the Works in the respective type in RM”. Based on this description in the Table, the percentage used for fee computation should be worked out on the basis of each component of Works rather than just on the total cost of works.

- 2. *Is the cost for general and preliminaries to be included in the computation for the cost of works?***

Based on the definition of the cost of works in the Scale of Fees (Rev. 1998), the cost for general and preliminaries should form part of the computation for the cost of works.

- 3. *Is the cost of capital contribution items especially for utilities considered as part of the cost of works for the purpose of fee computation?***

The definition of the cost of works in the Scale of Fees (Rev. 1998) indicates that ‘a fair proportion of the total cost to the client of any work executed in connection with the provision or diversion of public utilities system under arrangements made by the consulting engineer, assessed with reference to the cost incurred by the consulting engineer in making such arrangements’ should be included.

The basis is the cost incurred by the consultant in carrying out the works and making the necessary arrangements for the utility providers and this differs on the basis of the requirements of each project. If the requirements for these works are extensive, then the consultant should discuss the matter with the Client before agreeing to the fee.

- 4. *The terms of reference (TOR) for Type C works does not include for the preparation of Bill of Quantities (BQs) although the present practice in the industry is that M&E consultants actually prepare BQs for their projects. Should M&E consultant be paid for the additional works that he carries out?***

Since the TOR does not require the preparation of BQs, this would constitute additional works and should be paid for separately by the Client. However, the M&E consultant should be clear that when he claims for this additional service he is actually preparing BQs for the project and not just Schedule of Prices or Schedule of Rates.
