

Appendix 2:

Reference Table on the Fee Composition of Turn-key Projects and Fee-charging

Name of fee	Technical content	Main fee-charging methods	Reference standards
1. Survey and engineering fees			
Professional investigation fees	Fees to organize professional technical investigations in the recipient country and other necessary costs to prepare and organize.	Charged according to the public temporary foreign travel budget standard or foreign assistance personnel allowance standard (more than three months).	
Engineering survey fees	Engineering geological survey and mapping fees including the survey fees, the fees to use the survey machine and tools, the fees to organize foreign delegations and other thematic research fees.	Charged according to the survey fee-charging standard for turn-key foreign assistance projects, public temporary foreign travel budget standard or foreign assistance personnel allowance standard (more than three months) and the actual workload.	
Engineering fees	Including fees for programme engineering, detailed engineering service, provision of intelligence outcome and external engineering review.	Charged according the project engineering fee-charging standard for turn-key foreign assistance projects and the content of the specific engineering tasks, and the fee for	

		external review shall be charged according to the actual workload.
2. Project management fees		
Field work fees	Independent field work fees for managing turn-key foreign assistance project.	Charged according to the actual costs based on the market quotations.
Field personnel fees	Independent field work fees for managing turn-key foreign assistance project.	Charged according to the public temporary foreign travel budget standard or foreign assistance personnel allowance standard (more than three months) and based on the market quotations.
Construction supervision fees	Costs needed for monitoring and controlling the construction quality, progress, investment and safety.	Charged according to the fee-charging standard of turn-key foreign assistance projects supervision fees.
Coordination management fees	Costs needed for the general planning, coordination and management throughout the implementation process of the turn-key foreign assistance projects.	The construction installation engineering price multiplied by the management fee rate.
3. Preparatory engineering fees		
Site preparation fees	Costs incurred from the site preparation,	Charged according to the fixed amount

		and earthwork balance.	method; if unable to use the fixed amount method, shall be charged according to the actual engineering work volume.
	Municipal matching project fees	Costs incurred from providing water supplies, drainage, electricity, telecommunications and temporary road works to enable the construction.	
	Other preparatory fees	Costs incurred land acquisition for the construction site, the demolition of building and structures or the removal of obstacles and the relocation of underground pipelines.	
4. Construction and installation costs			
Engineering fees for the construction detailed drawing		Costs needed to conduct construction detailed drawing engineering and the second detailed design for decoration and refurbishing based on the detailed engineering.	Charged according to the foreign assistance turn-key project engineering fee-charging standard.
	Labor cost	Including Chinese labor costs and local labor costs, excluding the fees for the	Charged according to the fixed amount method, comprehensive calculating the labor

Direct costs			management personnel of the general contracting company.	unit cost according to the foreign assistance personnel treatment standard, the market price of local workers and the work efficiency ratio and the labor ratio (refer to Note 1).
	Equipment cost		Costs needed for the procurement, transportation, warehousing, storage and installment of equipment.	Charged according to the fixed amount method; if unable to charge by the fixed amount method, shall be charged according to the actual construction volume; the prices of the equipment and materials shall be charged based on the market quotations.
	Materials cost		Costs needed for the procurement, transportation, warehousing, storage and installment of construction materials, including the transport loss.	
	Costs for construction machinery		Costs to use and tent construction machinery and small-scale machines and tools.	Charged according to the fixed amount method; the prices for the construction machinery and site and the renting fees shall be based on the market quotations; if unable to charge by the fixed amount method, shall be charged according to the certain proportion between the preparatory engineering fees and direct fees.
	Construction	Fees for		Charged according to the actual costs when

	measures fees	other measures	Measures fees directly applied to the construction during the construction process, including the increased costs for construction during the winter season, the rainy seasons and at night; construction auxiliary fees; second transportation fees; construction dewatering and drainage fees.	special operations programmes are used due to the site (natural) situation and transportation situation.	
		Costs for temporary facilities	Costs incurred from temporary building and structures and other temporary facilities required for living and production purposes.	Charged according to the fixed amount method based on the physical construction volume; if unable to charge by the fixed amount method, shall be charged according to the certain proportion of the indirect costs.	Charged proportionally not exceeding 2.5%.
Indirect fees	Management fees		The fees of the management personnel of the general contracting company, office	The certain proportion of the	In general 6-8%.

		expenses, travel and transportation expenses, fees to use the fixed assets and tools and equipment, labor protection costs, training costs, personnel medical and accident insurance premium, learning and entertainment expenses, foreign affairs activities fees, security fees, fees for the guarantee letter for contract fulfillment and other management fees.	reparatory construction costs, direct construction costs and temporary facility costs.	
	Planned profit	Expected profit of the constructing company		Not exceeding 5% in general.
Preparatory fees	Unforeseen costs	Cost increase incurred by the must to change the engineering according to the actual situation during the construction process	The certain proportion of the reparatory construction costs, direct construction costs and temporary facility costs.	Not exceeding 5% in general.
	Risk pre-risking fees	Cost increase for the general contracting company due to the price differences for the equipment and materials, exchange		Not exceeding 8% in general.

		rate fluctuations, sporadic construction work costs, project quotation errors and omissions, differences in the construction volume in the bid-invitation and the actual construction volume and the sporadic changes in the construction site.		
5. Independent fees				
Inspection and testing fees		Fees for using the self-owned testing equipment and commissioned inspection and testing.	Charged according to the actual workload.	
Production technical material fees		Technical material fees for putting the industrial project into production, including the product design fees and the production process and technology material fees.	Charged according to relevant industrial fee-charging standards.	

Construction insurance fees	Costs for insuring all works and the third party liability insurance.	Preparatory engineering fees, construction and installment fees multiplied by the insurance premium rate.
Terrorism preventive measures fees	In key terrorism prevention countries, costs to strengthen the terrorism prevention measures.	Charged according to the actual costs in line with MOFCOM's guidance on terrorism prevention for foreign assistance personnel.
Test-production fees	Costs incurred in the test-production stipulated in the agreement, including personnel salary and relevant welfare packages; raw materials, semi-finished products, accessories, water, electricity and fuels, management and personnel training.	Charged according to the actual costs for the test-production duration of three to six months.
Decoration and refurbishing fees	Costs need for separately commissioning a professional art institution to conduct decoration and refurbishing.	Charged according to the actual costs based on the market price.
Consultancy fees	Economic and technical consultancy fees including the interim and final review and	Charged according to the fee-charging standards of consultancy fees.

	acceptance fees.	
Technical services fees	Costs for the Chinese side to provide long-term technical support upon the project completion, including the personnel salary, the spare parts and materials, office, accommodation, transportation, telecommunication, water, electricity and fuels.	Charged according to the actual costs based on the technical service programme.
Other independent fees	Other independent fees borne by the Chinese side according to the project situation, the relevant policy on the division of labor between the Chinese and foreign sides.	Charged according to relevant fee-charging standards in combination with the market quotations.

Note 1: The comprehensive labor unit cost = (the daily unit cost of the Chinese labor + the daily unit cost of the local labor × the ratio of Chinese and foreign labors × the efficiency ratio of Chinese and foreign labors) ÷ (1+ Chinese and foreign labor ratio)

- (1) The daily unit price of the Chinese labor is based on the benchmark of the foreign average monthly income stipulated in the incumbent foreign assistance personnel treatment standards (following the fixed exchange rate of USD 1 = RMB 8). It can be adjusted and increased by a certain percentage of floating according to the country situation and the project type, and the highest percentage shall not exceed

20%.

- (2) To determine the efficiency ratio and the labor ratio of the Chinese and foreign labor, taking into full account of the work efficiency of the workers in the recipient country and the project schedule requirements.

The work efficiency ratio shall be controlled at 1:1.5~1:2.0. The ratio of Chinese and foreign labor shall be determined following the principle of comprehensive labor ratio.

Comprehensive ratio of Chinese and foreign labor = Σ [recommended labor ratio \times (fixed days of work of the work type / total days of work)]

The following labor ratio indicators are recommended according to the differences in the project type, regions and types of work, and can be adjusted within the range of $\pm 20\%$ according to the actual situation.

Types of work/geographic region	Africa (including West Asia)	Asia	America and Oceania
Civil engineering / civil engineering equipment	1: 8	1: 6	1: 4
Decoration and refurbishing	1: 2	1: 2	1: 1.5

Professional/process equipment	1: 1.5	1: 1.5	1: 1
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Note 2: The table mainly provides the reference for the investment pre-estimate, the investment estimate and the budget (modified) at the project establishment and survey and engineering phases.