

Invitation Brief

The 2nd Evaluation Study of the Social Innovation and Entrepreneurship Development Fund (SIE Fund) for the Trustee of the SIE Fund



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INTRODUCTION AND OVERVIEW

1. Purpose

- 1.1. Following the completion of the 1st Evaluation Study of the SIE Fund (“1st Study”) covering up to 30 June 2020 in terms of research period, the Trustee of the SIE Fund (“Trustee”) wishes to engage a consultant (“Consultant”) to conduct the 2nd Evaluation Study of the SIE Fund (“2nd Study”) to further evaluate the performance of the SIE Fund in achieving its objectives covering the research period (“Research Period”) of 1 July 2020 to 31 December 2023 or otherwise as specified by the Trustee in the legally binding agreement to be signed between the Trustee and Consultant covering the engagement of the Consultant for conducting the 2nd Study (“Engagement Agreement”).
- 1.2. This Invitation Brief sets out the scope of services of the 2nd Study, the eligibility and submission requirements, the assessment process and criteria to be used in selection of the Consultant as well as the key engagement terms.

2. Background

- 2.1 The SIE Fund, as a catalyst for social innovation in Hong Kong, connects our community with different sectors, including businesses, non-governmental organisations, academics, philanthropies, etc. to create social impact through innovative solutions that address issues relating to poverty and social exclusion as well as foster the well-being and cohesion of society. Partly through intermediaries, the Fund provides visionary individuals and organisations with diverse resources in support of research, capacity building and the entire life cycle of innovative ventures, from idea incubation and seed funding to implementation and eventual scale-up. The ultimate goal is to foster an ecosystem where social entrepreneurs can thrive and create innovative ideas, products and services that can benefit society by meeting underserved needs and unleashing potential talents.
- 2.2 Established as a Trust Fund in February 2014 under the Secretary for Home Affairs Incorporated, the SIE Fund is overseen by the Commissioner for Efficiency who was appointed by the Trustee as the Secretary-General (“SG”) whereas the SIE Fund Task Force (“TF”) set up under the Commission on Poverty in December 2012 is tasked to advise the SG on all policies and procedures governing the operation of the SIE Fund and matters relating to the administration of the Fund.
- 2.3 In March 2016, the Trustee engaged the Hong Kong Jockey Club Centre for Suicide Research and Prevention (the “CSRP”) of the University of Hong Kong to conduct the 1st Study to evaluate the performance of the SIE Fund in terms of both financial and non-financial impacts on a longitudinal basis. The research period of the 1st Study covers from the inception of the Fund to the end of June in 2020 (as extended from end November 2018 in June 2019). A summary of the key assessment of the 1st Study is at **Appendix 1**.

3. Major Features and Latest Progress of the SIE Fund

Objectives

3.1 The objective of the SIE Fund, as set out in its Trust Deed, is:

“To establish or support schemes and experiments with a view to attracting, inspiring or nurturing social entrepreneurship to develop innovations that aim at creating social impact and build social capital for supporting poverty relief in Hong Kong.”

By way of interpretation, “poverty relief” covers not only alleviation and prevention of poverty but also prevention of social exclusion, enhancement of the overall well-being of the beneficiaries, and facilitation of social cohesion. “Innovations that aim at creating social impact” are also known as “social innovations” which can be exemplified by advances in knowledge, products and services, including applications of existing business models, processes and methods to meet social needs.

3.2 Operation of the SIE Fund is guided by the following principles:

- (a) social innovation is the focus, not social enterprises per se;
- (b) the scope of the SIE Fund should remain flexible for more effective delivery of results in the light of actual experience;
- (c) focus on innovative ideas to alleviate and prevent poverty and social exclusion as well as foster the well-being and cohesion of society;
- (d) risk assessment is important while promoting innovation so as to maintain the prudent use of public money; and
- (e) no overlapping with other existing public funding.

Ultimate Beneficiaries

3.3 The SIE Fund intends to benefit members of the public in Hong Kong who are generally residents of Hong Kong without conditions of stay and in need of assistance such as elderly, people with disabilities, people from different races, underprivileged children/youth, single parents, new arrivals, low income families, and other segments of the community in Hong Kong who are in need of assistance and improved opportunity. To this end, the Fund, among others, funds social innovators/ventures to provide interventions, whether these are goods or services that could benefit those segments of the community. The aim is to bring them hope, dignity and self-worth through the interventions.

Funding Priorities

- 3.4 With a view to building up an ecosystem for nurturing social innovators/ventures to generate innovative ideas, the TF has accorded priority to initiatives that support three areas contributing to the development of a broad base for social innovation and entrepreneurship, namely innovative programmes (“IP”), capacity building (“CB”) and research.
- 3.5 For IP, the objective is to provide funding, incubation and other support for social innovators/ventures and innovative projects of various stages, from idea generation, prototype to start-up and scale-up.
- 3.6 For CB, the objective is to foster the development of the social innovation ecosystem, the work of which includes, for example, nurturing social entrepreneurs, enhancing the capacity of all involved actors, facilitating cross-sector collaboration, building public awareness and understanding of social innovation as a means to addressing social needs, etc.
- 3.7 For research, the objective is to identify areas of needs and opportunities and explore solutions by encouraging and supporting social, applied and action research as well as evidence-based pilots on social innovation.

Modus Operandi

- 3.8 A mixed business model has been adopted in operating the SIE Fund since its inception whereby:
- (a) intermediaries are engaged to propose and deliver programmes which best fit the needs of the social innovation space; and
 - (b) the Fund, supported by the Secretariat, will also actively identify service gaps across the whole of Hong Kong where there is a need for greater co-ordination and collaboration to achieve bigger impact, and fund infrastructure or institutions that will help plug those gaps. Besides, the Fund, will initiate, drive, finance or support projects/initiatives which are considered strategically important, can bring about greater social impact to address major public concern and enable the scaling up of initiatives for the whole of Hong Kong. The Fund will also finance or support projects/initiatives which cannot be catered for by the programmes run by the intermediaries.

Latest Progress

- 3.9 Since the establishment of the SIE Fund, about \$371 million has been earmarked/allocated to take forward the various initiatives under the three priority areas. As at the end of June in 2020, more than 1 600 ideas for social innovation have been generated, over 4 600 social entrepreneurs nurtured and 221 projects funded. These projects are expected to benefit over 240 000 people in need.

Achievements under the three priority areas are detailed below:

- (a) IP - more than 1 400 ideas for social innovation ideas have been generated and 180 innovative projects funded, benefiting over 70 000 people in need including children and youth, elderly, people from different races, people with disabilities, low income families, etc. The nature of the funded projects is diverse, encompassing healthcare, food support, living, transport, education and learning, job training, job opportunities, and community participation, etc.;
- (b) CB – 10 projects have been funded, including the Food Support Flagship Project and the Community Housing Movement which are expected to benefit 30 000 persons and 1 000 low-income families respectively. Besides, more than 600 training and promotional events have been organised to raise the awareness and support for social innovation across different sectors. Over 150 000 attendances have been recorded, more than 200 ideas for social innovation generated and over 4 600 social entrepreneurs nurtured; and
- (c) Research – 31 research projects have been commissioned or funded. The research findings will help identify social problems and formulate corresponding strategies and solutions. Those applied research projects are expected to benefit over 140 000 persons, including those with mild neurocognitive disorder, students from different races, the hearing, visually and speech impaired as well as children with autism.

3.10 The SIE Fund also seeks to enhance public awareness of and participation in social innovation by communicating with the community via different publicity events and on various platforms, including television and radio stations, online platforms¹ as well as short films shown on outdoor media. Up to the end of June in 2020, we have participated in more than 200 publicity events and generated about 1 100 media reports featuring the Fund's initiatives and the latest development in social innovation.

3.11 Details of the major initiatives of the SIE Fund and its funded projects are available at the SIE Fund website at www.sie.gov.hk.

¹ Including website (www.sie.gov.hk), Facebook (<https://www.facebook.com/sie.fund>), YouTube (<https://www.youtube.com/user/SIEFund>), Instagram (<http://www.instagram.com/siefundhk/>), newspaper, magazines, e-newsletters (<http://www.sie.gov.hk/en/what-we-do/newsletter/index.page>).

SERVICE SCOPE

4. Objective of the 2nd Study

4.1 The objective of the 2nd Study is to evaluate, on a longitudinal basis, the effectiveness of the initiatives of the SIE Fund in achieving its objectives as set out in paragraph 3.1 above. In the context of the 2nd Study, “Initiatives” include the strategies, approaches, events, activities, programmes, projects, etc. adopted, organised, funded or supported by the SIE Fund.

5. Scope of the 2nd Study

5.1 The scope of the 2nd Study includes:

- (a) an outline of the latest development of the social innovation ecosystem in Hong Kong, based on the information and data already available in the community. While proponents in response to this invitation (“Proponents”) are free to propose the aspects of the social innovation ecosystem to be covered under the study, examples of the relevant aspects include -
 - (i) an account of the key players of the social innovation ecosystem and their contribution to the development of the ecosystem;
 - (ii) the types and level of support of different sectors (e.g. including businesses, NGOs, academics, philanthropies, etc.) for social innovation;
 - (iii) the growth in social innovation projects, social enterprises, social innovators/ventures, social innovation events/activities, etc. over the years; and
 - (iv) capacity building, education, training of social innovators.
- (b) measurement of the current level of public awareness of social innovation and the SIE Fund;
- (c) evaluation of the performance, outcomes and impacts, both financial and non-financial, of the SIE Fund at three levels: (i) the Fund level as a whole; (ii) the intermediary level; and (iii) the project level. Detailed scope of (i) to (iii) is set out below -
 - (i) the Fund level: evaluation of the *modus operandi*, performance, outcomes and impacts of the Fund of being a catalyst for social innovation in Hong Kong and its contribution to the latest development of the social innovation ecosystem, including its strengths and weaknesses in fulfilling the role as well as the critical success factors, lessons learnt and impact risks which the TF should take into account in deliberating future positioning and development of the Fund;

(ii) the Intermediary level: periodic review of the performance of each of the four intermediaries appointed in 2019 and 2020² for designing and administering IP under the SIE Fund, and the effectiveness of the IP administered by each intermediary in meeting the objectives and intended outcomes/impacts of the programme during the engagement periods of the intermediaries as specified in paragraph 7.1(e) below. The periodic review report of the four intermediaries should include, without limitation, the following information –

- (1) the latest implementation progress of the relevant IP;
- (2) the problems encountered in administering the IP and remedial measures made or to be made;
- (3) evaluation of the effectiveness of intermediary services at least in respect of the services set out in **Appendix 2** and against the performance indicators³ as stipulated in the engagement agreement signed between the Trustee and intermediary;
- (4) evaluation of the effectiveness of the IP against the performance indicators⁵, the objectives and intended outcomes/impacts of the programme;
- (5) views, comments, feedback from the stakeholders, including, without limitation, the TF members, the Trustee and his/her representatives, social innovators/ventures funded under the IP and participants of the programme activities, in respect of the intermediary services and IP;
- (6) recommendation of areas for improvement in terms of the

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Name of IP Intermediary	Name of Intermediaries' Programme (Link to the programme's webpage)	Engagement Period of the Intermediary
Hong Kong Council of Social Service	Impact Incubator (https://socialinnovation.org.hk/en/)	1 February 2020 to 31 January 2023
PolyU Technology and Consultancy Co Ltd	Good Seed (http://goodseed.hk/)	1 December 2019 to 31 May 2023
Fullness Social Enterprises Society	Innovator Farm (https://www.if-program.hk/)	1 March 2020 to 30 June 2023
The Society of Rehabilitation and Crime Prevention, HK	BEHub (https://www.sie.gov.hk/en/intermediaries/programme.page#BEHub)	1 May 2020 to 30 April 2023

³ Examples include the number of funding applications received and processed, number of funding applications supported by the Fund, percentage of matching fund sourced, overall satisfaction rate of applicants/funded innovators and ventures over the IP, satisfaction rate of applicants/funded innovators and ventures over the tailored and handholding incubation received under the IP, etc.

intermediary services and administration of the IP; and

(7) any other information as the Trustee may require.

(iii) the Project level:

(1) evaluation of the outcomes and impacts of the projects funded under the IPs of the SIE Fund; the project outcomes and impacts specifically benefiting the target beneficiaries of the projects; and the project outcomes and impacts particularly attributed to the support rendered by the SIE Fund, including –

- an overall evaluation of the prototype projects completed during the Research Period⁴;
- evaluation of individual ongoing and completed start-up and scale-up projects during the Research Period⁵ by means of Social Return on Investment (SROI). In case the SROI model to be adopted by the Consultant is different from the one adopted under the 1st Study⁶, the Consultant will also be required to measure the SROI of 10 start-up and scale-up projects completed before the commencement of the Research Period using its SROI model.

(2) evaluation of the outcomes and impacts of individual ongoing and completed projects funded under the priority areas of CB⁷ and Research⁸ of the SIE Fund during the Research Period, and the project outcomes and impacts particularly attributed to the support rendered by the SIE Fund; and

(3) identification of the critical success factors and lessons learnt of the IP, CB and Research projects under evaluation.

(d) recommendation of areas for improvement in terms of the performance,

⁴ The number of completed prototype projects during the research period is estimated to range from 156 to 170. A list of the prototype projects funded so far is available at <https://www.sie.gov.hk/en/our-work/funded-ventures/index.page?category=p01>.

⁵ A list of the start-up and scale-up projects funded so far is available at <https://www.sie.gov.hk/en/our-work/funded-ventures/index.page?category=p02> and <https://www.sie.gov.hk/en/our-work/funded-ventures/index.page?category=p03> respectively.

⁶ The SROI model adopted under the 1st Study is illustrated at <https://csrp.hku.hk/wp-content/uploads/2019/07/sia-sroi-eng.pdf>

⁷ A list of the CB projects funded so far is available at <https://www.sie.gov.hk/en/what-we-do/cb.page>.

⁸ A list of the research projects funded so far is available at <https://www.sie.gov.hk/en/what-we-do/research.page>.

outcomes and impacts of the SIE Fund at the three different levels set out in (c) above.

5.2 Some of the scope of the 2nd Study set out in the preceding paragraph is optional (versus the other which is mandatory, for details, please see the template for fee proposal (“Fee Proposal”) at **Appendix 3**) and the Trustee shall have the sole and absolute discretion to decide whether or not to include any part of the optional scope as listed in the Fee Proposal and if so, the quantity of assignments involved, in the final scope of the 2nd Study to be covered in the Engagement Agreement. Proponents are required to provide a technical proposal (“Technical Proposal”) covering the full scope set out in preceding paragraph (see the template at **Appendix 4**) and quote service fees for the mandatory scope and optional scope separately as set out at **Appendix 3**. More details about proposal submission are set out in paragraph 9 below.

6. Assignment of the Consultant

6.1 The Consultant shall conduct the 2nd Study according to the objective and scope set out in paragraphs 4 and 5 above.

6.2 The Consultant shall ensure that the research methodologies and the related processes, information and data to be adopted for conducting the 2nd Study are fair, impartial, consistent and proved to be applicable to Hong Kong.

7. Deliverables

7.1 The Consultant shall submit to the Trustee the following deliverables in accordance with the schedule set out below or otherwise specified by the Trustee. Time is of the essence.

Timeframe	Deliverables
(a) Within three months after the commencement date of the Study (“Commencement Date”) as prescribed in the Engagement Agreement	Inception Report – an update on the research design, evaluation approach and methodology, measurement framework/tool, detailed work plan, etc. as outlined in its proposal for the 2 nd Study after taking into account, without limitation, the views of the Trustee, the TF, and any other relevant information collected/compiled after the submission of the proposal.
(b) Within one month after every six-month period throughout the engagement period of the Consultant commencing from the	Half-yearly Progress Report – a report on the latest progress of the 2 nd Study with reference to the detailed work plan set out in the Inception Report. The

<p>Commencement Date and ending on 30 June 2024 or otherwise specified by the Trustee in the Engagement Agreement (“Engagement Period”) (i.e. seven reports in total)</p>	<p>Consultant is required to propose the content and format of the Half-yearly Progress Report for the Trustee’s prior approval.</p>
<p>(c) Within three months after every 12-month period throughout the Research Period (i.e. three reports in total)</p>	<p>Annual Interim Report with an executive summary – an in-depth report on the effectiveness of the initiatives of the SIE Fund with respect to the scope of the 2nd Study specified in paragraph 5 above based on the findings, analysis and interpretation of the data and information gathered from the commencement of the Research Period up to the end of the relevant 12-month period. The Consultant is required to propose the content and format of the Annual Interim Report for the Trustee’s prior approval. The report should cover, among others, a full description of the research design, evaluation approach and methodology, measurement framework/tool adopted in conducting the 2nd Study.</p>
<p>(d) 30 April 2024 (i.e. four months after the end of the Research Period)</p>	<p>Final Report with an executive summary – an in-depth report on the effectiveness of the initiatives of the SIE Fund with respect to the scope of the 2nd Study specified in paragraph 5 above covering the whole Research Period. The Consultant is required to propose the content and format of the Final Report for the Trustee’s prior approval. The report should cover, among others, a full description of the research design, evaluation approach and methodology, measurement framework/tool adopted in conducting the 2nd Study.</p>
<p>(e) Within three months after the end of the following engagement periods of the four IP intermediaries:</p>	<p>Review Report of the Four Intermediaries running IP – an in-depth report on (i) the performance of each IP intermediary and the effectiveness of the IP administered by the intermediary</p>

<p>(i) December 2019 – June 2021</p> <p>(ii) July 2021 – June 2022</p> <p>(iii) July 2022 – June 2023</p>	<p>in meeting the objectives and intended outcomes/impacts of the IP as specified in paragraph 5.1(c)(ii); and (ii) a comparison of the performance and effectiveness of the four IP intermediaries during the specified intermediary engagement periods.</p>
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ELIGIBILITY REQUIREMENTS

8. Eligibility Requirements

- 8.1 Subject to paragraph 8.2 below, without limitation, the Consultant can be (i) a charitable institution of a public character exempted from tax under section 88 of the Inland Revenue Ordinance (Cap 112); (ii) a company (private or public) formed and registered under the Companies Ordinance (Cap 622); (iii) a co-operative society registered under the Co-operative Societies Ordinance (Cap 33); (iv) a society registered under the Societies Ordinance (Cap 151); or (v) a statutory body established under the legislation in Hong Kong. For a legal entity not specified above, its eligibility will be considered on a case-by-case basis.
- 8.2 The Consultant must have been duly formed, registered, established or constituted in Hong Kong under the relevant legislation on the date that it enters into an Engagement Agreement with the Trustee. It must be an entity capable of entering into an Engagement Agreement with the Trustee and must not be a natural person only or sole proprietor only.
- 8.3 The Consultant shall provide a dedicated team of personnel (the “Evaluation Team”) to conduct the 2nd Study. The Consultant shall appoint one team member who is a senior staff member of the Evaluation Team to be the project leader and main liaison officer of the study (“Project Leader”).
- 8.4 **Proposals received from Proponents that do not meet the eligibility requirements set out in paragraphs 8.1 to 8.3 above will not be considered further.**

SUBMISSION OF PROPOSAL

9. Submission of Proposal

- 9.1 Interested parties are invited to submit proposals to act as the Consultant to conduct the 2nd Study for the Trustee.
- 9.2 A valid proposal must consist of a **Technical Proposal** and a **Fee Proposal**. Proposal submitted shall be valid for a minimum of 12 months from the Proposal Closing Date (see paragraph 9.6 below). Proponents are required to indicate the validity period of their proposal in the Technical Proposal. The Trustee may request an extension of the validity period of the proposal.
- 9.3 The **Technical Proposal**, in duplicate of hardcopies and with one softcopy (a scanned copy (in pdf format) of the hardcopy and stored in a USB) shall be placed in a sealed envelope (A) marked with “**The 2nd Evaluation Study of the SIE Fund: Technical Proposal**”.
- 9.4 The **Fee Proposal**, in duplicate of hardcopies and with one softcopy (a scanned copy (in pdf format) of the hardcopy and stored in a USB) shall be placed in a sealed envelope (B) marked with “**The 2nd Evaluation Study of the SIE Fund: Fee Proposal**”.
- 9.5 The two envelopes (A) and (B) above should be placed in a **plain** covering envelope (C) duly sealed and marked with “**The 2nd Evaluation Study of the SIE Fund**”.
- 9.6 Proposals [envelope (C)] must be submitted by depositing in the collection box marked as “**The 2nd Evaluation Study of the SIE Fund**” located at the Efficiency Office, 41/F, Revenue Tower, 5 Gloucester Road, Wanchai, Hong Kong, not later than **18:00 hr on 23 November 2020** (Hong Kong Date and Time) or such other date as extended under paragraph 9.7 below (“Proposal Closing Date”).
- 9.7 If a black rainstorm warning or tropical cyclone warning signal No. 8 or above is hoisted between 9:00 hr and 18:00 hr on the Proposal Closing Date, the deadline for submission will be extended to 18:00 hr on the following working day.
- 9.8 In case there are any discrepancies between any hardcopy and the softcopy of the submissions under paragraphs 9.3 and 9.4, the hardcopy will prevail.
- 9.9 **Late submissions or proposals not complying with paragraphs 9.1 to 9.6 above will not be considered further.**
- 9.10 The Technical Proposal is expected to cover the full scope of the 2nd Study as set out in paragraph 5.1 above and contain all the information as specified in the template at **Appendix 4**. To facilitate a comprehensive and accurate assessment of the proposal, the Proponent is strongly recommended to adopt the framework of the template in preparing the proposal and provide all the information required.

- 9.11 Each Proponent shall disclose in the Technical Proposal any circumstances which may reasonably be considered to give rise to a situation where the interests of the Proponent or each of the relevant persons conflict or compete with the Consultant's duties to the Trustee in conducting the 2nd Study (see Part II(a)(B) of the template at **Appendix 4**).
- 9.12 Information to be included in the Fee Proposal is set out in the template at **Appendix 3**. In the proposal, each Proponent must quote fixed, all-inclusive lump sum service fees in Hong Kong Dollars for undertaking the mandatory scope and optional scope of the 2nd Study during the Engagement Period separately as set out at **Appendix 3**. The service fees quoted, with cost breakdown, shall be all-inclusive covering all the necessary expenses including, without limitation, air fares and hotel accommodation in and outside Hong Kong for any member of the Evaluation Team whom the Proponent intends to engage from overseas. No other expenses, costs, charges or disbursements will be payable by the Trustee to the Consultant for conducting the 2nd Study on top of the fixed, all-inclusive lump sum service fees quoted in the Fee Proposal.
- 9.13 To facilitate a comprehensive and accurate assessment of the proposal, the Proponent is strongly recommended to adopt the framework of the template at **Appendix 3** in preparing the Fee Proposal and provide all the information required.
- 9.14 The Trustee shall have the right to disclose to any person (i) the fees and expenses (including detailed breakdown) for engaging the Consultant; (ii) the Fee Proposal (or part thereof) submitted by the Consultant; and (iii) the engagement by the Trustee under the Engagement Agreement whenever it considers appropriate. Each Proponent shall complete, execute and deliver to the Trustee a Consent to Disclosure in the form attached at **Appendix 5** together with its Technical Proposal.
- 9.15 For the purpose of financial vetting mentioned in paragraph 10.12 below, after submission of the proposal, a Proponent shall, upon written request by the Trustee, provide the Trustee with financial-related information and documents on or before a specified date stipulated in the written request. If the Proponent fails to provide the information and documents on or before the specified date, the proposal will not be considered further.
- 9.16 By submitting a proposal, the Proponent represents and warrants that it did not and shall not communicate or fix with any person not related to its proposal on the amount of fee, make any arrangement with any such person as to whether to submit a proposal, or otherwise collude with any person in relation to this engagement. The Proponent further represents and warrants that the proposal has been prepared independently and genuinely with the intention of accepting the engagement if awarded. Breach of any of the aforementioned representations and/or warranties may result in rejection of the proposal, withdrawal of the acceptance of the proposal or termination of the Engagement Agreement (as the case may be), in addition to other rights and remedies against the Consultant and possible disqualification of the Proponent's future standing as the Consultant for the Trustee.

- 9.17 By submitting a proposal, the Proponent shall be deemed to agree that the Trustee may make necessary copies of the proposals and provide the same to any relevant Government officers or other relevant individuals for assessment of the proposals.
- 9.18 All proposals are submitted on the understanding that the Trustee will not be liable to pay any cost and expenses arising out of the preparation and submission or in explaining or clarifying their proposals, or otherwise in response to this invitation.
- 9.19 After submission of the proposals, the Proponents shall not attempt to initiate any further contact, whether direct or indirect, with the Trustee on its proposals or this invitation to submit proposals. Any further contact shall only be initiated by the Trustee. Except as requested by the Trustee, any further information relating to the proposals submitted to the Trustee after the Proposal Closing Date will not be considered.

ASSESSMENT OF PROPOSALS

10. Assessment of Proposals

- 10.1 Proposals received from Proponents will be assessed by an assessment panel (“Assessment Panel”) set up by the TF. Membership of the Assessment Panel comprises some serving members of the TF and a government official from the Efficiency Office.
- 10.2 Proposals will be assessed on both technical and fee aspects. A weighting of 80% and 20% will be applied to the assessment of the Technical Proposal and the Fee Proposal of each proposal respectively.
- 10.3 Technical Proposals received from eligible Proponents will be assessed according to a set of pre-determined assessment criteria as follows:

Assessment Criteria	Maximum Score
1. Understanding of the Study’s Context	15
2. Research Design for the Study	35
3. Capability	35
4. Implementation/Execution	15
Total score:	100

Details of the assessment criteria are provided at **Appendix 6**.

- 10.4 A passing score is set at 60% of the maximum score for Technical Proposals. Those scoring below the passing mark will not be further considered.
- 10.5 Proposals received from Proponents will be subject to a four-stage assessment process as follows:
- (a) Stage 1 – Assessment of Technical Proposals by the Assessment Panel;
 - (b) Stage 2 – Interview by the Assessment Panel;

- (c) Stage 3 – Assessment of Fee Proposals and Recommendation by the Assessment Panel; and
- (d) Stage 4 – Endorsement by the TF.

10.6 In Stage 1, the Assessment Panel will:

- (a) assess each Proponent against the eligibility requirements set out in paragraph 8 above and its compliance with the requirements for submission of proposals set out in paragraph 9. Proposals received from Proponents that do not meet the aforesaid requirements will not be considered further; and
- (b) assess the Technical Proposals received from eligible Proponents against the assessment criteria set out in paragraph 10.3 above. Those Technical Proposals initially assessed to reach the passing score of 60% of the maximum technical score will be further considered in Stage 2 of the assessment process.

10.7 In Stage 2, Proponents passing Stage 1 will be invited to attend an interview conducted by the Assessment Panel. The Assessment Panel may seek clarification from and enter into discussion with the Proponents in relation to any aspect of their Technical Proposals. Any discussion or any assessment carried out through this process does not constitute any engagement or funding commitment by the Trustee.

10.8 The Assessment Panel will finalise its assessment on the Technical Proposals in Stage 2 against the assessment criteria set out at **Appendix 6** having regard to the merits of their proposals as well as clarification sought and discussion with the Proponents after proposal submission. Technical Proposals finally assessed to reach the passing score of 60% of the maximum technical score will proceed to Stage 3.

10.9 In Stage 3, the Fee Proposals of all proposals which have passed Stage 2 will be assessed according to the following formula:

$$20 \times \frac{\text{the lowest total service fees among all the conforming proposals}}{\text{total service fees proposed in the Proponent's Fee Proposal}}$$

The Assessment Panel will formulate its recommendation having regard to total scores of individual proposals.

10.10 For assessment purpose, the “total service fees” featured in the formula set out in the preceding paragraph will be the sum of the service fees quoted for the entire mandatory and optional scope of the 2nd Study as set out in **Appendix 3**. For the sake of clarity, such calculation of the total service fees is for assessment purpose only and shall not be taken as implying or reflecting the final scope of the 2nd Study to be determined by the Trustee at its sole and absolute discretion and covered in the Engagement Agreement. .

10.11 In Stage 4, the TF will review the recommendation of the Assessment Panel and endorse the appointment of the Consultant. Appointment of the Consultant will be

made by the Trustee on the advice of the TF.

- 10.12 For the purpose of ascertaining the Proponent's financial capability in conducting the 2nd Study, if the estimated total contract value exceeds \$15 million in Hong Kong Dollars, the Trustee may, in the course of assessing the proposal of the Proponent, conduct financial vetting of the Proponent based on the information and documents provided by the Proponent pursuant to paragraph 9.15 above.
- 10.13 The Trustee may, as a condition for appointment, serve a written notice to and the selected Consultant is thereby required to provide the Trustee on or before a specified date a contract deposit in cash, in the form of a banker's guarantee or in the manner to be specified by the Trustee an amount equivalent to 2% to 6% of the fixed, all-inclusive lump sum service fees agreed between the Trustee and selected Consultant. If the selected Consultant fails to do so on or before the specified date, the offer of appointment by the Trustee may deem to lapse and become invalid.
- 10.14 The Trustee reserves the right, in its sole and absolute discretion, not to accept any proposal, or to appoint any of the Proponents who have submitted proposals in response to this invitation for the whole or any part of the engagement, particularly as to whether or not to include any part of the optional scope listed at **Appendix 3** in the final scope of the 2nd Study to be covered in the Engagement Agreement. The Trustee is also under no obligation to review or discuss the assessment or assessment result of any proposal with any person.

KEY ENGAGEMENT TERMS

11. The following paragraphs set out the essence of the key contractual terms and conditions that may be incorporated in Engagement Agreement to be made between the Trustee and the appointed Consultant. Before entering into the Engagement Agreement, the Trustee reserves the right to modify any of its terms and conditions but is not obliged to do so. The Engagement Agreement shall contain terms and conditions of the engagement, including, without limitation, the matters referred to in this Invitation Brief, expanded and modified as necessary, and other matters relating to the engagement.

12. Engagement and Research Periods

12.1 Unless otherwise specified by the Trustee in the Engagement Agreement, the Engagement Period of the Consultant will commence from the Commencement Date and end on 30 June 2024, covering the Research Period of 1 July 2020 to 31 December 2023. The Trustee has the full discretion to apply contract break clause(s) before expiry of the full Engagement Period.

12.2 The Trustee shall have the option to extend the Engagement Agreement by giving notice in writing to the Consultant before the expiration of the Engagement Agreement on similar terms and conditions. Any additional amount of service fees payable for the period of extension shall be mutually agreed between the parties before the extension. The Trustee shall have the absolute discretion to decide whether or not to exercise the option.

13. Payment Arrangement

13.1 The service fees payable by the Trustee to the Consultant for conducting the 2nd Study shall be payable in periodic instalments, subject to the Consultant's satisfactory performance and compliance with relevant terms and conditions in the Engagement Agreement. Interval of the periodic instalments will be discussed between the Trustee and the Consultant.

13.2 The Trustee is entitled to withhold, defer, forfeit or deduct any instalment of the service fees under circumstances to be specified in the Engagement Agreement.

14. Consultant's Obligations

14.1 The Consultant shall produce a detailed implementation plan for the entire Engagement Period including, without limitation, the major tasks, activities, milestones, deliverables, resource allocation/prioritisation at different stages. The Consultant shall carry out the 2nd Study and submit to the Trustee all the deliverables to the satisfaction of the Trustee.

14.2 The Consultant shall have a base in Hong Kong and have at its disposal sufficient resources in Hong Kong to undertake the 2nd Study. No staff or administrative

support will be provided by the Trustee and the TF to the Consultant or any member of the Evaluation Team.

14.3 All members of the Evaluation Team must be acceptable to the Trustee. The Consultant shall provide the same Evaluation Team to perform the 2nd Study throughout the Engagement Period. Any proposed change in the Evaluation Team by the Consultant requires the Trustee prior written approval and shall be supported with curriculum vitae and proper justifications. The Trustee reserves the right to require any change in the Evaluation Team.

14.4 The Project Leader shall be easily contactable by the Trustee and the TF locally and available to personally attend meetings held in Hong Kong throughout the Engagement Period.

15. Corporate Governance

15.1 The Consultant undertakes to comply with and observe in all respects all applicable laws and regulations of Hong Kong in conducting the 2nd Study including, without limitation, giving all notices, paying all fees, obtaining and retaining all licences, consents and approval required thereunder, and ongoing compliance with all conditions attached to any such licence, consent or approval.

16. Variation in the Service Scope of the Consultant

16.1 The Trustee may during the Engagement Period make variations to the scope of the services provided by the Consultant, subject to good faith discussion with the Consultant regarding the impact upon timelines, costs, etc.

17. Insurance

17.1 The Consultant shall ensure that there will be in place during the continuance of the Engagement Agreement a valid and subsisting public liability policy of insurance sufficient to protect the Consultant and the Trustee from claims for personal injury, bodily injury (including, without limitation, death) and property damage that may arise from or in connection with the performance of the 2nd Study.

18. Conflict of Interest

18.1 The Consultant shall during the term of the Engagement Agreement and for six (6) months thereafter ensure that it, including its directors, employees, sub-contractors, etc., shall not engage in any act which conflicts or competes, or which may be seen to conflict or compete, with the Consultant's duties to the Trustee under the Engagement Agreement. Where required by the Trustee, the Consultant shall procure any of the relevant persons to execute a legally binding written undertaking in a form prescribed by the Trustee agreeing to the avoidance of the conflict provision.

19. Probity and Anti-Corruption

19.1 The Consultant is expected to observe the Prevention of Bribery Ordinance (Cap 201). If offences are committed under the Ordinance by relevant persons, the Trustee shall be entitled to forthwith terminate the Engagement Agreement.

20. Data Security

20.1 The Consultant and all personnel engaged in the performance of the Consultant's obligations under the Engagement Agreement shall observe all their obligations under the Personal Data (Privacy) Ordinance (Cap 486) and ensure compliance with the Ordinance when handling personal data. The Consultant shall implement all necessary technical and organisational measures to ensure security and confidentiality of all personal data involved to prevent, among other things, accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, and all other unlawful forms of processing.

20.2 The Consultant shall indemnify the Trustee against any loss or damage, which the Trustee may sustain or incur as a result of any breach of confidence or violation of the Personal Data (Privacy) Ordinance by any of those who are involved in the handling of personal data under the Engagement Agreement.

21. Confidentiality

21.1 Proponents and the appointed Consultant shall keep all data and information relating to the assessment of their proposals confidential and for internal use only. Any confidential information relating to the Engagement Agreement, the contents thereunder and any other information specified as confidential by the Trustee shall also be subject to obligations of confidentiality during and after the Engagement Period.

22. Intellectual Property Rights

22.1 All intellectual property rights subsisting in any deliverables, including, without limitation, any reports and related materials, prepared, produced or created by the Consultant in relation to the 2nd Study ("Deliverables") shall be property of the Trustee solely, exclusively and absolutely at the time they come into existence. The Consultant shall not use or be allowed to use directly or indirectly any of the Deliverables except for the performance of its obligations under the Engagement Agreement or with the prior written approval of the Trustee.

22.2 It is the responsibility of the Consultant to ensure that it complies with the provisions of the intellectual property laws of Hong Kong (including but not limited to the Trade Marks Ordinance (Cap 559), Patents Ordinance (Cap 514), Registered Designs Ordinance (Cap 522), Copyright Ordinance (Cap 528), if applicable). Under no circumstances should the Trustee be held liable for any breaches of intellectual property rights caused by the Consultant.

23. Termination of the Engagement Agreement

- 23.1 The Trustee may terminate the Engagement Agreement forthwith upon giving written notice to the Consultant, if, in the opinion of the Trustee, there is any breach or default by the Consultant. The Trustee further reserves the right to terminate the Engagement Agreement without cause and/or to suspend the Engagement Agreement.
- 23.2 The Trustee reserves the right to re-assign the 2nd Study to another consultant or take over the 2nd Study anytime within and beyond the Engagement Period if, in the sole and absolute opinion of the Trustee, the Consultant fails to conduct the 2nd Study satisfactorily. Upon the re-assignment or the take-over of the 2nd Study or upon request of the Trustee, the Consultant shall at its own costs provide all necessary assistance to the Trustee as determined by the Trustee.

24. Liabilities and Indemnity

- 24.1 The Consultant shall indemnify and keep indemnified the Trustee against any and all claims which arise directly or indirectly in connection with or out of, or which relate in any way to its breach of the Engagement Agreement or other default as will be more particularly set out in the Engagement Agreement. The Trustee may require the Consultant to take out or maintain (as the case may be) a valid policy of professional indemnity insurance to cover its liabilities under the Engagement Agreement.

25. Non-Assignment, Restrictions on Sub-Contracting and the Use of Sub-contractors

- 25.1 Assignment, transfer of sub-contracting of interests, rights, benefits or obligations under the Engagement Agreement are not permitted without the prior written consent of the Trustee. If all or any part of the 2nd Study is/are sub-contracted to any person in accordance with the Engagement Agreement, the Consultant shall be liable for the full remuneration under the sub-contract and any act or omission of any such person as if such act or omission were its own.

26. Disclosure of Fees Payable to the Consultant

- 26.1 The Trustee shall have the right to disclose to any person whenever it considers appropriate (i) the fees and expenses (including detailed breakdown) for engaging the Consultant; (ii) the Fee Proposal (or part thereof) submitted by the Consultant; and (iii) the engagement by the Trustee under the Engagement Agreement.

27. Nature of Agreement

- 27.1 The Consultant will be engaged by the Trustee as an independent service provider on a principal-to-principal basis and not as a partner, employee or agent of the Trustee or as a trustee for others.

28. Governing Law

28.1 The governing laws of this Invitation Brief and the Engagement Agreement shall be the laws of Hong Kong.

29. Trustee Not Liable for Information

29.1 The Consultant should note that all information and statistics provided by the Trustee in connection with the engagement are for reference only. The Trustee gives no warranty or representation, expressed or implied, and accepts no liability as to the accuracy, availability, completeness, usefulness or future changes of such information and statistics. Therefore, the Consultant shall conduct its own independent assessment of the information and statistics.

30. Third Party Rights

30.1 Unless otherwise specified herein, no third parties shall have any rights pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap 623) to enforce any term contained in this Invitation Brief.

31. Settlement of Disputes

31.1 Any dispute or difference between the parties arising out of or in connection with the Engagement Agreement shall first be mediated, and if still not settled, be referred to arbitration.