

2024 CAA/CEA Fee and Scope of Services Reference

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Introduction to the Scope and Fee Guide

History / Use of Document

- 2009 – CAA and CEA agreed that the 1998 Recommended Conditions of Engagement and fees by AAA and APEGA needed to be updated
- Collaboration between the CAA and CEA; V1 - 2009; V2 – 2013 and V3 - 2017 and V4 – 2024
- Feedback from industry on what is basic vs additional services – various committee meetings
- Advocacy of document and Communication with Owners - COE, COC, UofA, COL, UofC & others.

Why the Scope and Fee Guide is Important for our Industry

- Offers a framework and suggestions on how to determine appropriate professional fees. It is not a mandatory schedule. Each project is unique, and members are free to negotiate appropriate fees in each instance - it is offered for information purposes only
- Guideline for Architects and Engineers as well as for Owners to understand what our fees are based on and the types of contracts that are formed between the Owner, Prime Consultant and Sub Consultants
- Establish a set of best practices for establishing fees based on scope of work
- QBS is still a recommended method of selection of the consultant team

Introduction to the Scope and Fee Guide

Overview of Structure of the Document

- Describes the intent of how to use the document to assess scope and fees
 - Part 1 – Basic Services for Building projects in Alberta
 - Part 2 – Suggested Fee Guidelines for Basic Services
 - Part 3 - Additional and Specialty Consulting Services
- Guideline for deliverables to be included in each phase of a project
- Describes different building categories that links the appropriate fee % to each type of project; factoring in whether the building is new or a renovation
- Defines what is basic services vs additional services to ensure clients are aware of the difference

Alignment with APEGA/AAA

- Discussions took place with APEGA and AAA council in 2015 on comments and adoption

Key Changes to the Scope and Fee Guide 2024

1. Overall clean up of document format

- Section numbering following Part 1, Part 2 & Part 3
- Update of hyperlinks (RAIC, APEGA & others)
- Table of content links to all section (PDF is also searchable if that is a preferred method)

2. Re-alignment with RAIC CHOP

- Pre-design & post construction are not included in basic services
- Alignment of basic services & supplemental services follow RAIC
- Refer to tables on pages 14 to 18

3. Alignment with AAA / APEGA

- Added clarification on Insurance Requirements and the impact it has scope of services

Key Changes to the Scope and Fee Guide 2024

4. Alignment with language in NBC (AE) 2019

- Coordinating Registered Professional
- Same language used in 2023 edition

5. Updated Matrix of Basic versus Additional Service

- Format update
- List of additional services that are not specifically tied to SD, DD, CD, T or CA

6. Updated fee split and clarifications on disbursements

- Typical disbursements - better aligns with our digital world
- Fee split better reflects use of BIM and increased demands in early design stage and at CA stage

Key Changes to the Scope and Fee Guide 2024

7. Reference to the Prompt Payment legislation

- Impact on payment
- Recommendation for progressive release of holdbacks on fees

8. Clarifications added in relation to delegated design

- Alignment with the requirements for C3 schedules through the NBC (AE)
- Client / Contractor responsibility

9. Additional services & Specialties Services sections

- Clarification and additions to reflect current industry trends
- Increase level of specialization and/or client requested services

Key Changes to the Scope and Fee Guide 2024

10. Scalable Additional or Specialty Services

- BIM has been included as a base of information, but level of service (basic or additional) greatly depends on client requirements
- Same for building envelope, sustainability services, etc.

11. Clarifications and additions to the section related to changes through the course of project delivery

- Refer to section 3.5.1
- This should be considered in conjunction with the additional services / out of scope items in your fee

Key Changes to the Scope and Fee Guide 2024

12. Take note of section related to the performance of the contractor and impact on fees

- Refer to Section 3.6.18
- Just like consultant services, the qualification of the contractor for the set scope has a notable impact on the success of the entire team

13. Added information / notes on Alternative Project Methodologies

- P3, DB & IPD
- Additional references provided

14. Overall clarifications/language tweaking

Sample Fee Calculation (Part 1):

Simple Project Information

Sample Fee Calculation (Part 1)

Step 1. Gather relevant Project Information

Example.

Single-Storey Police Station, 800 Square Meters
 2.0 Hectare site with surface parking and enclosed compound

Overall Construction Budget

\$10,000,000

Project Category

Defined from Part 2, Section 2.2 of the Guide
 (Police Station, Fire Station, Emergency Measures Facility, Ambulance Facility)

Category 4

Variables

Defined from Part 2 section 2.1.7 of the Guide
 Assume a simple project, no additional services, single bid

No Variables

Sample Fee Calculation (Part 2):

Simple Fee Calculation

| | | | | |
|---|-------------|-------|--|-----------------------------|
| Overall Construction Budget | | | | \$10,000,000 (a) |
| Construction Budget Incl. Landscaping and On-Site Utilities and Civil Works | | | | |
| Less those items not included in the Base Fee Calculation | | | | |
| Other | | | | \$0 (b) |
| Total Relevant Base Fee Construction Budget | | | | \$10,000,000 (c=a-b) |
| (Overall Construction Budget Less Items not included in Base Fee for Architectural, Structural, Mechanical, Electrical, Civil, Landscaping) | | | | |
| <hr/> | | | | |
| % Calculation for Base Fee for Project Category 4 | | | | |
| Refer to Table 2.3.5 (page 29 of the guide) | | | | |
| On the first | \$8,500,000 | 8.37% | | \$711,450 (d) |
| On the next | \$1,500,000 | 8.08% | | \$121,200 (e) |
| Total Base Fee (Architectural, Structural, Mechanical, Electrical) | | | | \$832,650 (f=d+e) |

Simple Fee Calculation (continued)

| | | |
|---|------------------------------|--|
| Add Fees for Additional Services | | |
| (Includes Prime Consulting Coordination Fee): | | |
| Other | | \$0 (g) |
| Other | | \$0 (h) |
| Other | | \$0 (i) |
| Total Additional Fee | | \$0 (j=g+h+i) |
| Add Fees for Specialty Services | | |
| (Includes Prime Consulting Coordination Fee): | | |
| Specialty Service #1 | Assume none for this example | \$0 (k) |
| Specialty Service #2 | | \$0 (l) |
| Total Specialty Fees | | \$0 (m=k+l) |
| Total Fee | | |
| Base Fee | | \$832,650 (f) |
| Additional Services | | \$0 (j) |
| Specialty Services | | \$0 (m) |
| Total Fee | | \$832,650 (n=f+j+m) |
| Reimbursable Expenses | | |
| See Section 2.1.4 (Typically between 6% to 8%) | 7% | \$58,286 (o=n x Reimbursable %) |

Complex Fee Calculation

| | | | | |
|---|-------------|-----------|--|---------------------------------|
| Overall Construction Budget | | | | \$10,000,000 (a) |
| Construction Budget Incl. Landscaping and On-Site Utilities and Civil Works | | | | |
| Less those items not included in the Base Fee Calculation | | | | |
| Other | | | | \$0 (b) |
| Other | | | | \$0 (c) |
| Other | | | | \$0 (d) |
| Total Relevant Base Fee Construction Budget | | | | \$10,000,000 (e=a-b-c-d) |
| (Overall Construction Budget Less Items not included in Base Fee for Architectural, Structural, Mechanical, Electrical, Civil, and Landscaping) | | | | |
| % Calculation for Base Fee for Project Category 4 | | | | |
| Refer to Table 2.3.5 (page 29 of the guide) | | | | |
| On the first | \$8,500,000 | 8.37% | | \$711,450 (f) |
| On the next | \$1,500,000 | 8.08% | | \$121,200 (g) |
| Total Base Fee (Architectural, Structural, Mechanical, Electrical) | | | | \$832,650 (h=f+g) |
| Complexity Variable (Section 2.3.3) | | | | |
| Assume multiple tender, Construction Management, and somewhat complex site work | | | | |
| | | | | 0.25% (i) |
| Total % Fee Calculations for Base Fee | | | | |
| Base Fee | | | | \$832,650 (h) |
| Complexity % Fee (% of Construction Budget see 3.6.13) | | 0.25% (j) | | \$25,000 (k=e x j) |
| Total Base Fee Calculation | | | | \$857,650 (l = h + k) |

Complex Fee Calculation (continued)

| | | |
|---|----|---|
| Add Fees for Additional Services (Section 3.5) | | |
| (Includes Prime Consulting Coordination Fee): | | |
| Functional Programming | | \$30,000 (m) |
| Furniture Planning | | \$40,000 (n) |
| Rezoning | | \$25,000 (o) |
| Total Additional Fee | | \$95,000 (p = m+n+o) |
| Add Fees for Specialty Services (Section 3.4) | | |
| (Includes Prime Consulting Coordination Fee): | | |
| Cost Consultant | | \$10,000 (q) |
| Project Renderings | | \$25,000 (r) |
| Acoustic Consultant | | \$18,500 (s) |
| Total Specialty Fees | | \$53,500 (t = q+r+s) |
| Total Fee | | |
| Base Fee | | \$857,650 (l) |
| Additional Services | | \$95,000 (p) |
| Specialty Services | | \$53,500 (t) |
| Total Fee | | \$1,006,150 (u = l+p+t) |
| Reimbursable Expenses | | |
| See Section 2.1.4 (Typically between 6% to 8%) | 7% | \$70,431 (x = u * Reimbursable%) |

FAQs

1. How does feedback from industry get implemented into the document?

- Working group from the P&C committee
- New editions versus addendum
- Please send comments and questions CAA/CEA

2. What is the difference between “Scope of Work/Project” versus “Scope of Services”?

- Scope of work:
 - It is what needs to be done
 - Defined by the client or the client engages a professional to assist in the development of a scope of work
- Scope of Services
 - It is what is required to deliver the scope of work (phases of services, consultants, specialties, deliverables, etc.)
 - Can be outlined by a client but the AOR/EOR is best placed to influence and help the client define this

FAQs

3. If a client is engaging the subconsultants directly, does it eliminate the coordination fee?

- No, the AOR/EOR is entitled to a coordination fee no matter who engages the consultant
- Consultant or specialists' contracts contract being help by the client does remove the coordination responsibility/time of the AOR / EOR

4. How does a deliverable get defined at each stage? For example, content of reports?

- We recommend referring to the RAIC CHOP for typical expectations as a guideline
- Important to remember every client is different and deliverables must be discussed at the time of contract & fee negotiation

FAQs

5. Why is the Tender / Bidding phase considered basic services when the client hosts their own tender process?

- Tender / Bidding / Pricing / Procurement processes varies greatly from one organization to the other
- Public tender usually see and increase number of questions and more rigorous process for the consulting team to follow
- Private industry varies based on the client type (developer versus corporate client)
- Important to keep in mind the basic fee based on a % cover a typical range of services but it is up to the AOR/EOR to determine the % distribution

FAQs

6. Is the percentage distribution across phases a set standard?

- The percentage distribution shown in Section 2.1.5 is typical but may be adjusted based on the project specific requirements

7. What should be included in the estimated cost of construction for the purpose of the basic fee calculation?

- The construction budget is the total estimate of the construction costs, for construction covered by the basic services, including: the construction manager's or general contractor's fees; general requirement costs; and design, escalation and construction contingencies
- Construction costs DO NOT include "soft costs"

FAQs

8. How is the fee determined for a project including multiple building occupancy types? (2.2 p. 25)

- Where a building has multiple occupancy types (where one occupancy is more than 10% of the floor area), the highest category is used to determine the recommended fee.

9. How does schedule change impact fee?

- Fees contained within guide are based on typical schedule durations or for those documented at the time the fees are determined (based on comparable projects).
- Where the project schedule is extended through no fault of the Prime Consultant or the consultants, it is recommended that additional service fees should be negotiated to fairly compensate the Prime Consultant and the consultants for the additional effort required to complete the project (e.g.: stop/start)

FAQs

10. How to approach escalation in fees for long term projects?

- Assuming that project duration and escalation values have been included in determining the construction costs, utilizing the % fee approach should reasonably cover the duration of the project
- The User of the guide can also adjust the Complexity Variable to compensate for long duration projects

FAQs

11. Is Building envelope part of basic services?

- Building Envelope Consultants specialize in the assessment of building wall systems, making recommendations for repair to existing wall systems and the design and detailing of new systems - Frequently they work directly with the Architect and consulting team to develop appropriate material and detailing selections
- Deemed to be an Additional Service

12. Value engineering versus cost cutting. What should be expected in basic services?

- Value engineering is a process defined within the design phases of a project and focuses on system assessment and possible re-design; could fall outside of basic services depending on the impact of the scope
- Cost cutting is reducing scope to fit the budget and is deemed to be outside of basic services; some contracts note that anything within a set % of the budget falls within basic services

FAQs

13. When should a coordination fee be considered for additional services / specialty consultants?

- Depends on the level of scope required and how many disciplines are involved – the Prime Consultant is still responsible overall for the coordination of the drawings therefore a coordination fee should be considered

14. What should be expected For Basic CA services?

- Impact of construction contracts (see APEGA/RAIC) - the EOR deems what is necessary for basic CA services
- CA documentation (SI, PCN, SUB)
- Progress reviews
- Final reviews

FAQs

15. What Else?

- QBS has been a focus of discussion and advocacy for the CEA / CAA
- This document is to be used in conjunction with a qualifications based selection

Thank you for taking the time to attend this session to hear more about the Guide!

You can access the Guide at:

<https://consultingarchitects.ca/wp-content/uploads/2024/01/Fee-and-Scope-of-Services-Reference-2024.pdf>

If you have any questions or concerns not addressed during today's presentation, you can email connect@consultingarchitects.ca and we will have someone respond to your questions/concerns.