



# PPE PREPARATION WEBINAR SERIES

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South African Council  
for the Architectural Profession

**BOARD NOTICE 121 OF 2015**  
**FRAMEWORK FOR THE PROFESSIONAL**  
**FEES GUIDELINE**

# THE ARCHITECTURAL PROFESSIONAL'S SERVICE

## Context

A client appoints an architectural professional to provide a service for a project as contemplated by the Architectural Profession Act, 2000 (No 44 of 2000), the National Building Regulations and Building Standards Act, 1977 (No 103 of 1977) as amended and the National Building Regulations published in terms of this Act.

The architectural professional accepts the appointment to exercise reasonable professional skill, care and diligence in the performance of obligations, for a fee as defined in a written agreement.

The architectural professional is authorised to act for the client when providing an architectural service.

For the construction stage of a project, current standard contracts used in the building industry, such as the JBCC suite of contract documents are used.

For this stage the relationship between the client, contractor and architectural professional as agent, or principal agent is defined in the building contract.

The architectural professional enters into a contract of agency in a formal agreement. Typical agreements provide for a standard service in terms and for partial services.

A standard service comprises appointment as architectural professional, principal consultant and principal agent.

The parties to the agreement select the architectural professional's service applicable to the project.

Services additional to the standard service may be selected.

These additional services are selected as the parties may deem appropriate.

## Fees description

The calculation of fees based on a percentage of project cost is the normal basis for determining professional fees and represents the accepted basis by the Built Environment Professions for remuneration of professional services. Such fees are referred to as project cost-based fees.

An alternative to a project cost-based fee is a time-based fee.

## Project cost-based fee

A project cost-based fee is appropriate when there is a well-defined scope of service for the architectural professional.

This is based on a budget for the works for fee calculation purposes, and shall be adjusted on the final cost of the works.

The project cost-based fee results in a sliding scale which arises from the series of percentages related to the value of the works. The primary fee is stated as an appropriate value to smooth the sliding scale.

The adjustment provided for in the professional fee guideline is based on the reduced aggregate of the value of the works and/or project from which the budget for the works for fee purposes is derived. This arises from the provision that fees for architectural services are calculated on the total value of the works and represent an average over all elements of the works and/or project.

The project cost based fee referred to in the Guideline Fee Board Notice 121 of 2015, table 1 is based on the full scope of standard services being provided.

Where a fee is calculated as a project cost-based fee, the fee consists of a primary fee (Column C) plus a secondary fee. The secondary fee is calculated as a percentage (Column D) of the value of the works on the balance over per cost bracket indicated in Column E. See example below and refer to the Guideline Fees in Board Notice 121 of 2015, Table 1

## Formula:

Professional fee = primary fee (C) for applicable cost bracket of value of works + secondary fee for applicable cost bracket of value of works calculated as (applicable value of works minus Column E) × % in terms of Column D.

### Example:

For Value of Works of		R 3 000 000
Primary Fee	is	R 268 750
Secondary Fee	is	(R 3 000 000 – R 2 000 001) x 10.50% R 999 999 x 10.50% R 104 999.90
Professional Fee	=	Primary Fee + Secondary Fee R 268 750 + R 104 999.90 R 373 749.90

## Time-based fee

Where the scope of service is not clearly defined, or the service relates to small scale projects, or the service is of an unusual or specialised nature, a time-based fee is used as the basis of remuneration.

Where fees for architectural professional services are time based, such fees are based on an hourly rate.

## Standard service

An architectural professional registered with SACAP is registered in a specific category of registration.

Where architectural professionals are employed in a standard service the professional is appointed to fulfil the obligations provided for as architectural professional, principal consultant and principal agent, also described as a 'full service'.

The essential functions of each work stage relevant to the service are identified herein as follows :

# Stage 1: Inception

- Receive, appraise and report on the client's requirements with regard
  - § to the client's brief;
  - § the site and rights and constraints;
  - § budgetary constraints;
  - § the need for consultants;
  - § project programme; and
  - § methods of contracting.

## Stage 2: Concept and viability (concept design)

- Prepare an initial design and advise on –
  - § the intended space provisions and planning relationships;
  - § proposed materials and intended building services; and
  - § the technical and functional characteristics of the design.
- Check for conformity of the concept with the rights to the use of the land.
- Review the anticipated costs of the project.
- Review the project programme.

## Stage 3: Design development

- Confirm the scope and complexity.
- Review the design, and consult with local and statutory authorities.
- Develop the design, construction system, materials and components.
- Incorporate and co-ordinate all services and the work of consultants.
- Review the design, costing and programme with the consultants.

## Stage 4: Documentation and procurement

4.1 Prepare documentation required for local authority submission:

- Co-ordinate technical documentation with the consultants and complete primary co-ordination.
- Prepare specifications for the works.
- Review the costing and programme with the consultants.
- Obtain the client's authority, and submit documents for approval.

## 4.2 Complete construction documentation and proceed to call for tenders:

- Obtain the client's authority to prepare documents for procuring offers for the execution of the works.
- Obtain offers for the execution of the works.
- Evaluate offers, and recommend on awarding the building contract.
- Prepare the contract documentation, and arrange the signing of the building contract.

## Stage 5: Construction

- Administer the building contract.
- Give possession of the site to the contractor.
- Issue construction documentation
- Initiate and/or check sub-contract design and documentation that are appropriate.
- Inspect the works for conformity to the contract documentation and acceptable quality in terms of industry standards .

- Administer and perform the duties and obligations assigned to the principal agent in the JBCC building contract, or fulfil the obligations provided for in other forms of the contract.
- Issue the certificate of practical completion.
- Assist the client in obtaining the occupation certificate.

## Stage 6: Close-out

- Facilitate the project close-out including the preparation of the necessary documentation to effect completion , handover and operation of the project.
- When the contractor's obligations with respect to the building contract have been fulfilled, the architectural professional shall issue the certificates related to contract completion.
- Provide the client with as-built drawings and relevant technical and contractual undertakings by the contractor and sub-contractors .

## 1.2 Partial services and additional services

The Architectural Profession Act provides for the appointment of various architectural professionals for fulfilling each or any stage of a standard service or parts thereof.

Partial and additional services may be agreed on, and the options most regularly utilised are the following:

- a) Appointment as architectural professional and principal consultant (not as principal agent)
- b) Appointment as design architectural professional (design only)
- c) Appointment as architectural professional of record (design by others, can be principal agent)
- d) Appointment as principal agent only
- e) Appointment to perform additional services

# ADDITIONAL SERVICES

The following services are additional to the standard service and qualify for additional fees. These services may be added individually or in varying combinations, and shall be provided by prior agreement between the client and the architectural professional:



## Special design services

The preparation of special designs within, or in relation to, the facilities which are contemplated in a standard service, which may include :

- a) Rational design by other consultants - participation in the preparation of rational designs
- b) Town-planning and/or urban design including participation in the application for the establishment and/or amendment of regional and local town-planning and urban design schemes and the amendment of title conditions, negotiations with interest groups and authorities
- c) Master planning - defining and planning the layout of future development of buildings and/or services on the same site

- d) Landscape design - participation in landscape planning and construction
- e) Interior design -the design of interiors and the selection of furnishings, fixtures and special finishes
- f) Liaison with special designers and specialist consultants
- g) Purpose-made items -the design and documentation of purpose-made items
- h) Promotional material and art work - participation in the preparation of promotional material
- i) Plant operation and production layouts - participation in the definition of plant operation layouts

## Special management services

- a) Elaboration of architectural professionals' services including inter alia: the preparation of broad project parameters, project scope statements , project milestones, budget and cash-flow forecasts, tender enquiry documentation, contractor and supplier selection, adjudication and tender awards, progress status monitoring, variations management, quality management over and above the industry norm, communication management, payment processing and final account close-outs

- b) Cost and valuation services - participation in the administration of costs and payments where a quantity surveyor has not been appointed
  
- c) Special inspections - more intensive inspections and assessment of the works than the norm for assessing compliance with specifications

## Special studies

- a) Preparation of the client's brief - assist the client in the preparation of his requirements with regard to the purpose, scope, use and operation of the project
- b) Site selection - research the suitability and location of a site for a proposed project
- c) Feasibility studies - participation in technical and/or economic feasibility studies
- d) Environmental studies - participation in environmental studies
- e) Energy analysis, studies and planning

- f) Energy studies - participation in energy studies
- g) Market surveys - participation in market surveys
- h) Traffic studies - participation in traffic-flow studies

## Work on existing premises

- a) Surveys and inspections - inspect, survey, measure and prepare documentation of existing premises, with other consultants as needed
- b) Restorations and renovations - services in connection with work on existing buildings
- c) Heritage buildings - services in connection with work on heritage buildings
- d) Services in connection with demolition permits of existing buildings

## Other services

- a) Participation in litigation and dispute resolution (where a concurrent service is provided)
- b) Additional services mutually agreed on

## Basis of fees agreement

The client agrees to pay the architectural professional the fees for the services as recorded in the formal agreement entered into by the parties.

Where a project cost-based fee is applied, the final fee is calculated on the final cost of the works.

This is based on a budget for the works for fee calculation purposes, and shall be adjusted on the final cost of the work.

## Project cost-based fees for a reduced service

Where the architectural professional is not the principal agent, a reduction of the fee for the work not exceeding 10% of the fee for stages 5 and 6 can be considered.

### Apportionment of fees between work stages:

The fee applicable to each work stage is apportioned according to the table below, and may be adjusted by agreement.

Work stages 1 to 6	Proportion of fee	Cumulative total
1	5%	5%
2	15%	20%
3	20%	40%
4.1	20%	60%
4.2	10%	70%
5	27%	97%
6	3%	100%

## Time-based fees

Where fees for the architectural professional's services are time-based fees, the hourly rates as in the current board notice apply. Whenever these rates are revised the new rates shall apply to work performed after the effective date of such revision.

The categories to which the rates are applicable are the following:

Principal	Specialist	The published time charge rate per hour applies
Principal	>10 years' experience	The published time charge rate per hour applies
Principal	<10 years' experience	The published time charge rate per hour applies
Salaried Staff	Associates and managers	The published time charge rate per hour applies
Salaried Staff	Registered architectural professionals performing work of an architectural nature and carrying direct responsibility for activities related to a project	The published time charge rate per hour applies
Salaried Staff	Registered architectural professionals performing work of an architectural nature under direction and control	The published time charge rate per hour applies
Salaried Staff	Staff performing work of an architectural nature and/or to support architectural work outputs under direction and control	The published time charge rate per hour applies

In the above, "principal" means the proprietor, partner, director or member who bears the risks of practice and takes full responsibility for the potential liabilities of practice.

The hourly rates referred to above shall be deemed to include establishment charges and charges for time expended by clerical staff.

Staff who perform work of an architectural nature and who carry direct responsibility for one or more specific activities related to a project shall have time-based, rate per hour charges agreed on before the work is executed.

Staff who perform work of an architectural nature and who work under direction and control shall have time based, rate per hour charges agreed on before the work is executed.

Certain staff performing work of an architectural nature and/or to support architectural work outputs under direction and control shall have time-based, rate per hour charges agreed on before the work is executed.



## Guideline fees for additions and/or alterations

The fee for work that includes alterations is based on the total project cost and increased for that portion of the work comprising or affected by alterations by 30% (130% of the fee).

## **Guideline fees for services provided with respect to the restoration of buildings subject to heritage legislation**

The fee for work that includes restoration to buildings subject to heritage legislation is based on the total project cost and increased for that portion of the work comprising or affected by heritage considerations by 40% (140% of the fee).

## Guideline fees for a project that includes repeated buildings

For a project consisting of a number of repeated buildings erected under a single building contract for a single client, the fee may be reduced by agreement, subject to the architectural professional being retained for a full service and the repeated buildings being –

- built on one site or a series of adjoining or closely related sites;
- either entirely apart from each other or linked with screen walls, common walls or other similar means; and
- repetitions of one or more prototype designs for units, blocks or elements and built from the repeated use of one or more sets of drawings and related documents with nominal or no modification for each re-use.

The guideline fee for repeated buildings provides for a full fee for the origination of the first buildings, prior to the repeated buildings, known as prototypes. Thereafter the fee adjustment is applied to the repeated buildings.

The reduced fee applies to work stages 1 to 4 inclusive. The reduced guideline apportionment is 35% of the guideline for stages 1 to 4 inclusive.

The reduced fee does not apply to work stages 5 and 6. The full guideline fee for these stages shall apply.

## **Guideline fees for buildings repeated under separate building contracts**

The architectural professional is entitled to be paid full fees on the originating building designs.

Unless otherwise agreed, where repeated buildings are erected under separate building contracts and the drawings and related documents for a project are re-used for subsequent projects with nominal or no modification, the fee may be adjusted .

## **Guideline fees for an appointment where the architectural professional takes over incomplete work of another practitioner**

The stage of completion shall be agreed on, and an appropriate budget for the works agreed on, and the fee for the incomplete work stage or the stage in which the service is commenced is subject to an increase of 25%.

## Guideline fees for deployment of employees

Where an employee of the architectural professional is deployed on site for extended inspection or other agreed purposes, the amount of the reimbursement shall be the total cost of employment plus 30% .

## Extended initial contractual contract period

In the event that the initial contract period is exceeded by more than 10%, through no fault of the architectural professional, the architectural professional is to be remunerated for all additional work resulting from the extension of time at the hourly rates according to the current board notice together with related reimbursable expenses. The architectural professional must inform the client in writing that the allocated period for providing professional services has been exceeded with 10% and therefore the services will be charged at the hourly rates according to the current board notice together with related reimbursable expenses.

# Adjustment of guideline fees and disbursements

The guideline fees and disbursements are based on the following parameters:

- Scope of services
- Scope of the project/works
- Project programme
- Cost of the works
- Cost of the project
- Appointment of other consultants
- Appointment of contractor

Should any material variation to the parameters as stated occur, the guideline fees and disbursements are to be adjusted.

## Travelling time

Where the fee is a project cost-based fee, time charges shall apply at 100% of hourly rate for travel greater than 1 hour and 50 km per trip (being 2 hours and 100 km per return trip) or as negotiated between the client and the architectural professional.

Where the fee is on a time basis, time charges shall apply to the full round trip regardless of distance.

## **Guideline fees on termination by the client**

Where the agreement between the client and the architectural professional is terminated, the client shall pay for that portion of the service that has been executed.

Termination of the project will attract an additional fee equal to 10% of the full fee in the stage in which termination occurs.

## Guideline fees for dispute resolution services

For acting as expert witness, adjudicator, mediator or arbitrator, the fee shall be the time charge fee for specialists at the hourly rates published in the board notice.

Where projects are referred to dispute resolution, architectural professionals retained on that project are to be reimbursed for the additional service required of the architectural professional in relation to the dispute resolution process according to the hourly rates published in the board notice as necessary.

## Payment of professional accounts

The architectural professional's accounts are due and payable on presentation.

The architectural professional shall be entitled to render interim accounts. Fee and reimbursement invoices may be invoiced separately.

## Re-imbusement of expenses

In addition to the fees set out in this schedule, the client shall reimburse the architectural professional for all reasonable disbursements properly incurred.

# Engagement of architectural professionals

The professional service is deemed to be subject to an appropriate formal written agreement in which the rights and obligations of the parties to one another and the terms and conditions of service are clearly recorded.

The specific service is agreed on, and the basis for the calculation of professional fees is recorded.

The agreed service to be provided , authority of the architectural professional, the architectural professional's ownership of the intellectual property or copyright, limits to responsibility, limit to professional liability to a term of five (5) years, payment of invoices, interest on overdue invoices, disputed invoices, suspension or deferment, termination of engagement, damage to, or destruction of, the works and dispute resolution provisions are dealt with in the formal written agreement.

The expectation is that the agreed fees are based on a budget for the works for fee purposes to ensure that the fee calculated on anticipated final project cost, is applied to a realistic value of the work to be done.



The Professional Fees Committee met on 31 May 2018 and established a guideline professional fees task team who will be responsible for benching marking and creating an architectural relevant research model to determine the model to will be used for compiling the fees. There will be an opportunity for the profession to engage with the draft proposed professional fees guidelines once they will be available for comment.

The draft Client Professional Project Agreement (CPPA) was submitted to all Voluntary Association (VA's) for comment. Registered Persons (RP's) are charged on rule 4.1 of the Code of Professional Conduct, in the absence of not having a CPPA, hence the Professional Fees Committee has compiled this simplified CPPA which is available free of charge. The CPPA does not replace PROCESA, SAIA or SAIAT letter of appointment / services agreement, but it is a simplified agreement.

[https://cdn.ymaws.com/www.sacapsa.com/resource/collection/7E4759E1-870D-4483A3F98020ADDFFD2A/SACAP\\_CPPA\\_Final\\_version\\_062018.pdf](https://cdn.ymaws.com/www.sacapsa.com/resource/collection/7E4759E1-870D-4483A3F98020ADDFFD2A/SACAP_CPPA_Final_version_062018.pdf)





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zasaiat



@zasaiat

**Website:**

[www.saiat.org.za](http://www.saiat.org.za)

**E-mail:**

[president@saiat.org.za](mailto:president@saiat.org.za)

