

BOARD NOTICE 140 OF 2008**THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION****AMENDMENT OF TARIFF OF PROFESSIONAL FEES
QUANTITY SURVEYING PROFESSION ACT, 2000 (ACT 49 OF 2000)**

In terms of section 34 (2) of the Quantity Surveying Profession Act, 2000 (Act 49 of 2000), the South African Council for the Quantity Surveying Profession hereby makes known that it has determined amended guideline professional fees as set out in the Schedule hereunder

The amended guidelines contained in the Schedule below shall become effective on 1 January 2009

Government Notice No. R. 1350 of 15 December 2000, Board Notice 7 of 2003 of 31 January 2003, Board Notice 117 of 2004 of 3 December 2004 and Board Notice 131 of 2006 of 1 December 2006 are hereby withdrawn

2009 TARIFF OF PROFESSIONAL FEES**SCHEDULE****RECOMMENDED TARIFF OF PROFESSIONAL FEES IN RESPECT OF SERVICES
RENDERED BY A QUANTITY SURVEYOR IN PRIVATE PRACTICE****1.0 GENERAL**

- 1.1 Where the words and phrases are highlighted in the text of this Tariff of Professional Fees they shall bear the meaning assigned to them in clause 10.0 and where such words and phrases are not highlighted they shall bear the meaning consistent with the context
- 1.2 All fees and charges set out in this Tariff of Professional Fees exclude VAT
- 1.3 Each category (clauses 2.3 to 2.6) shall include the *pro rata* value of preliminaries and the *pro rata* amount of adjustment under any applicable contract price adjustment provision, whether such value or adjustment is applicable to any category or not

**2.0 BUILDING WORK, ENGINEERING WORK, MANAGEMENT AND
SUPPLEMENTARY SERVICES****2.1 General**

The fee shall be a **basic fee** (clause 2.2) multiplied by the **appropriate percentage** (clauses 2.3 to 2.6) and shall be apportioned as set out in the apportionment of fees to stages (clause 2.7), provided that:

- 2.1.1 The **basic fee** shall be calculated on the **value for fee purposes** in the case of building work and engineering work and on the **value for fee purposes** but with exclusions in terms of clause 10.47.10 not applicable in the case of management and supplementary services

2.1.2 Where a single contract includes categories covered by more than one **appropriate percentage** the **basic fee** shall be apportioned to each category before multiplying each apportionment by the applicable **appropriate percentage**

2.1.3 Where, in respect of **replication**, minor differences and work measured provisionally are individually adjusted in the final account, the value of **measured work** of both omissions and additions in respect of such adjustments shall be added to the value of non-replication work for **fee** calculation purposes

2.2 Basic fee

Value for fee purposes				Basic fee		
				Primary charge	Marginal rate	
1				2	3	
Up to	R	1 000 000		R 11 000	6,40 % on balance over R	0
R 1 000 000 –	R	2 000 000		R 75 000	6,10 % on balance over R	1 000 000
R 2 000 000 –	R	4 000 000		R 136 000	6,00 % on balance over R	2 000 000
R 4 000 000 –	R	8 000 000		R 256 000	5,40 % on balance over R	4 000 000
R 8 000 000 –	R	16 000 000		R 472 000	5,06 % on balance over R	8 000 000
R 16 000 000 –	R	32 000 000		R 876 800	4,47 % on balance over R	16 000 000
R 32 000 000 –	R	64 000 000		R 1 592 000	4,00 % on balance over R	32 000 000
R 64 000 000 –	R	128 000 000		R 2 872 000	3,90 % on balance over R	64 000 000
R 128 000 000 –	R	256 000 000		R 5 368 000	3,10 % on balance over R	128 000 000
R 256 000 000 –	R	500 000 000		R 9 336 000	3,00 % on balance over R	256 000 000
R 500 000 000 –	R	1 500 000 000		R 16 656 000	2,65 % on balance over R	500 000 000
R 1 500 000 000 –	R	3 000 000 000		R 43 156 000	2,35 % on balance over R	1 500 000 000
R 3 000 000 000 and over				R 78 406 000	1,85 % on balance over R	3 000 000 000

2.3 Appropriate percentage for building work

Note: Exclusions in terms of clause 10.47.10 are applicable when determining the **value for fee purposes**

Category	Appropriate percentage					
	*Contracts with bills of quantities	*Contracts with simplified bills of quantities	Contracts without bills of quantities	Builder's quantities	Payment valuations	Cost-plus contracts
1	2	3	4	5	6	7
Alteration works	125	100	75	25	15	70
Building works	100	75	75	20	15	70
Redecoration works	160	150	75	50	15	70
Replication: Prototypes and other non-replication works ...	Apply applicable appropriate percentage					n/a
Replication(s) of prototype	60% of applicable appropriate percentage					n/a
Multiple procurement contracts: Principal contractor appointed	Increase the fee by 10%			n/a	n/a	n/a
No principal contractor appointed	Increase the fee by 20%			n/a	n/a	n/a

*Includes contracts with bills of provisional quantities or schedule of rates

2.4 Appropriate percentage for engineering work

Note: Exclusions in terms of clause 10.47.9 are applicable when determining the **value for fee purposes**

Category	Appropriate percentage			
	*Contracts with engineering bills of quantities	Contracts without engineering bills of quantities	Payment valuations	Cost-plus contracts
1	2	3	4	5
Civil engineering works: Category I	55	45	15	55
Civil engineering works: Category II	70	45	15	55
Electrical engineering works	65	45	15	55
Mechanical engineering works	65	45	15	55
Process engineering works: Utilising detail isometric drawings	55	45	15	55
Utilising general arrangement drawings ...	100	45	15	55
Replication: Prototypes and other non-replication works	Apply applicable appropriate percentage			n/a
Replication(s) of prototype	60% of applicable appropriate percentage			n/a

*Includes contracts with bills of provisional quantities or schedule of rates

2.5 Appropriate percentage for management services

Note: Exclusions in terms of clause 10.47.10 are not applicable when determining the value for fee purposes

Category	Appropriate percentage	
	Building works	Engineering works
1	2	3
Principal agency	35	32,5
Principal consultancy	25	22,5
Project monitoring	25	22,5
Quality inspection	15	15

2.6 Appropriate percentage for supplementary services

Note: Exclusions in terms of clause 10.47.10 are not applicable when determining the value for fee purposes

Category	Appropriate percentage
1	2
Cost norms	7
Locational bills of quantities	Negotiated
Schedule of materials for building works for which the quantity surveyor has not prepared bills of quantities	120 (calculated on the total value of such materials)
Targeted procurement	7
Valuations for assessment of taxation, fire insurance, expropriation, rental return and similar purposes based upon:	A time charge where value is less than R10 000 000
Rate per area method with suitable drawings	1
Rate per area method with measurements on site	1,75
Elemental method with suitable drawings	2
Elemental method with measurements on site	3,5

2.7 Apportionment of fee to stages

Category	Percentage of fee						
	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	
	Inception	Concept and viability	Design development	Documentation and procurement	Construction	Close-out	
1	2	3	4	5	6	7	
Bills of quantities and engineering bills of quantities contracts:							
Bills of provisional quantities	2,5	5	7,5	17,5	62,5	5	
Bills of quantities	2,5	5	7,5	35	45	5	
Schedule of rates	2,5	5	7,5	12,5	67,5	5	
Builder's quantities	n/a	n/a	n/a	100	n/a	n/a	
Contracts without bills of quantities	2,5	7,5	10	20	52,5	7,5	
Cost norms	15	15	15	20	25	10	
Cost-plus contracts	2,5	7,5	10	15	57,5	7,5	
Payment valuations	n/a	n/a	n/a	n/a	92,5	7,5	
Principal agency	n/a	n/a	n/a	15	70	15	
Principal consultancy	15	15	10	15	30	15	
Project monitoring	2,5	2,5	5	15	60	15	
Quality inspection	n/a	n/a	n/a	n/a	85	15	
Replication of prototype	2,5	5	5	17,5	62,5	7,5	
Schedule of materials	n/a	n/a	n/a	100	n/a	n/a	
Simplified bills of quantities contracts:							
Bills of provisional quantities	2,5	7,5	10	17,5	55	7,5	
Bills of quantities	2,5	7,5	10	35	37,5	7,5	
Schedule of rates	2,5	7,5	10	12,5	60	7,5	
Targeted procurement	n/a	n/a	n/a	20	60	20	
Multiple procurement contracts (overrides all other category apportionments)	2,5	5	7,5	During Stage 4	During Stage 5	45	5
				15	20		

2.8 Fee for consortium representative and apportionment

2.8.1 The fee for the consortium representative shall be 10 per cent, which is not an additional fee but is that portion of the fee, for services rendered by a consortium of quantity surveyors, which shall be allocated to the consortium representative

2.8.2 The apportionment of the fee to stages is as stated in clause 2.7 for the applicable category

3.0 SERVICES AT RISK

Where **services at risk** are rendered and the project proceeds within two years of completion of such **services at risk**, then the quantity surveyor shall either be appointed on such project for **services** in the relevant category of column 1 of clauses 2.3, 2.4 or 2.5 in which the **services at risk** were rendered at a **fee** in accordance with column 2 of clauses 2.3 and 2.4 or columns 2 or 3 of clause 2.5 as the case may be, or if not appointed on such project on such basis, he shall be entitled, without providing any further **services**, to charge a **fee** of 20 per cent of the aforementioned **fee**

4.0 EXCESSIVE VARIATION

- 4.1 Should a contract incorporating **bills of quantities** be varied to such an extent that the total value of **measured work** omitted in the adjustment of variations exceeds 10 per cent of the value of **measured work** in the **value for fee purposes**, then an additional **fee** of 50 per cent of the marginal rate applicable to the **value for fee purposes** shall be charged on the amount of such excess
- 4.2 Should a contract incorporating bills of provisional quantities be varied to such an extent that a separately identifiable portion thereof originally included in the documentation is subsequently omitted, then an additional **fee** of 30 per cent of the marginal rate applicable to the **value for fee purposes** shall be charged on the estimated value of such omitted work
- 4.3 Should the actual construction period less any extension of time allowed for additional work and less any period(s) of more than 28 days during which the site was abandoned, exceed the initial contractual construction period by more than 15 per cent, then an additional **fee** shall be charged which shall be calculated by multiplying 80 per cent of the **fee** for **Stage 5** for the relevant category in column 1 of clause 2.7 by the said excess and dividing it with the initial contractual construction period

The initial contractual and the actual construction periods shall be taken as commencing on the same day and all time periods shall be calculated in calendar days without any deduction for builder's holidays. The site shall be considered to be abandoned if no or very little work was performed by the contractor during the period of being abandoned and the quantity surveyor was not required to perform any service during that period

5.0 COMMISSIONS TERMINATED

- 5.1 Should a commission be terminated the **fee** for **services** completed shall be calculated in accordance with this Tariff of Professional Fees and the **fee** for **services** partially completed shall be determined *pro rata* to the complete **services**
- 5.2 Should a commission be terminated after the commencement of **Stage 4** then, in addition to the **fee** calculated in accordance with clause 5.1, a surcharge of 10 per cent shall be payable on the difference between the full **fee** calculated in accordance with this Tariff of Professional Fees for the **services** commissioned and the **fee** calculated in accordance with clause 5.1, provided that where a commission is reinstated or resumed within a period of one year from the date of termination such surcharge shall be considered to be partial payment of the **fee** calculated in accordance with this Tariff of Professional Fees

- 5.3 For the purposes of clauses 5.1 and 5.2 a commission shall be deemed to be terminated where the **services** are deferred or suspended for a period of more than 180 calendar days in aggregate

6.0 EXTRAORDINARY CONTRACT PROVISIONS

Should extraordinary contract provisions be required (such as multiple direct payments to subcontractors and/or suppliers or if more than one payment certificate per month is to be issued) which may cause additional work for the quantity surveyor not covered elsewhere in this Tariff of Professional Fees, then a time charge shall apply for such additional work

7.0 TIME CHARGE

- 7.1 Where the work is of such a nature that other provisions of this Tariff of Professional Fees do not apply, the **fee** shall be a time charge at the following rates per hour or part thereof:

- 7.1.1 Principals: at rates to be determined from time to time by the South African Council for the Quantity Surveying Profession in the following categories:

- not exceeding 5 years experience
- exceeding 5 years and not exceeding 10 years experience
- exceeding 10 years experience
- specialist work

"Experience" commences on a date three years prior to the date of registration of the principal as a quantity surveyor by the South African Council for the Quantity Surveying Profession

"Specialist work", other than expert witness, mediator, arbitrator or umpire, is work of a specialist nature performed by a quantity surveyor who has more than 10 years experience as well as specialist knowledge and expertise in the construction industry

- 7.1.2 Salaried personnel: 17 cents for each R100 of **gross annual remuneration** applicable at the time the **services** are rendered

7.2 Notwithstanding clause 7.1 the following time charge shall be levied for **services** listed hereunder:

Category	Percentage of time charge*
1	2
Financial viability studies	100
Tenant requirements	100
Value management	125
Default by either party to a building contract	100
Disputes, litigation or mediation (assisting in the settlement of disputes, attending meetings and attending at court)	100
Expert witness (preparation, attending meetings and attending at court)	110 (minimum of three hours)
Mediator (time spent in establishing procedural matters with the parties, attending the mediation hearing, studying the evidence and framing and publishing the opinion)	125 (minimum of three hours)
Arbitrator or umpire (time spent in establishing procedural matters with the parties, attending the arbitration court, studying the evidence and framing and publishing the award)	125 (minimum of three hours)

*The time charge shall nevertheless not exceed the time charge for specialist work as determined in accordance with clause 7.1.1

7.3 Notwithstanding the provisions of clauses 7.1 and 7.2, the time charge for national and provincial government departments shall be at the following rates per hour, rounded off to the nearest rand:

7.3.1 Principals: 18,75 cents for each R100 of the total annual remuneration package attached to the lowest notch of a level 13 salary range (Director) in the Public Service

7.3.2 Registered professional personnel: 17,5 cents for each R100 of the total annual remuneration package attached to the lowest notch of a level 12 salary range (Deputy Director second leg) in the Public Service

7.3.3 Salaried professional and technical personnel: 16,5 cents for each R100 of his/her **gross annual remuneration**; provided that this hourly rate shall not exceed 16,5 cents for each R100 of the total annual remuneration package attached to the lowest notch of a level 11 salary range (Deputy Director first leg) in the Public Service

7.3.4 Hourly rates calculated in terms of clause 7.3 shall be deemed to include overheads and charges in respect of time expended by clerical personnel which shall, therefore, not be chargeable separately

7.3.5 Unless otherwise specifically agreed in writing, remuneration for the time expended by principals in terms of clause 7.3.1 on a project shall be limited to 5 per cent of the total time expended for time charge fees on the project. Any time expended by principals in excess of the 5 per cent limit shall be remunerated at the rates determined in clause 7.3.2 or 7.3.3

7.3.6 Notwithstanding the above, where **services** are of such a nature that personnel as described in clause 7.3.3 are capable of performing such **services**, it shall be remunerated at that level and not at the rates described in clauses 7.3.1 and 7.3.2, irrespective of who in fact executed the **services**

- 7.3.7 The hourly rates calculated in terms of clause 7.3 will only be adjusted on the first day of each calendar year irrespective of any changes in salary range during the relevant year

8.0 DISBURSEMENTS

- 8.1 For **disbursements**, additional payment shall be claimed over and above the **fee** payable under any other provision of this Tariff of Professional Fees
- 8.2 Where payment is effected on a time charge, travelling time shall be charged for in full at the rate as determined in clause 7.0
- 8.3 Where payment is effected on a basis other than a time charge and the contract site is situated further than 100km from the quantity surveyor's place of practice, travelling time shall be charged at the rate as determined in clause 7.0 provided that two hours of the duration of each return journey shall be excluded from the calculation

9.0 PAYMENT

- 9.1 The quantity surveyor shall be entitled to render invoices monthly for a **fee** or part **fee** and reimbursement of **disbursements**. Such invoices shall be payable, if correct and due, within 30 calendar days from the date of receipt thereof by the client
- 9.2 Notwithstanding the provisions of clause 9.1, the following shall apply in respect of national and provincial government departments:
- 9.2.1 The quantity surveyor shall only be entitled to render invoices for **Stages 1, 2, 3 or 4** (or equivalent stages) upon the successful completion of each stage, as the case may be
- 9.2.2 Interim invoices may only be rendered during **Stage 5**, and then not more frequently than quarterly. The quantity surveyor will be entitled to render interim invoices for **Stages 1, 2, 3 or 4**, if such stages are delayed for more than 30 calendar days by circumstances beyond the control of the quantity surveyor
- 9.3 The quantity surveyor shall be entitled to charge his client interest at a rate of 2 percentage points above the rate of interest applicable from time to time to prime borrowers at the quantity surveyor's bank on all invoices, correct and due, not settled within 30 calendar days from the date of receipt thereof by the client

10.0 DEFINITIONS AND INTERPRETATION

- 10.1 "**ALTERATION WORKS**" means works documented in accordance with the provisions of "Alterations" in the Standard System of Measuring Building Work published by the Association of South African Quantity Surveyors or in accordance with any other similar comprehensive system of measuring building work and shall include new works to existing structures but shall exclude **redcoration works**
- 10.2 "**APPROPRIATE PERCENTAGE**" means the appropriate percentage set out in clauses 2.3 to 2.6 as the case may be

- 10.3 **"BASIC FEE"** means the sum of the fees set out in columns 2 and 3 of clause 2.2
- 10.4 **"BILLS OF QUANTITIES"** means bills of quantities, bills of provisional quantities or schedule of rates documented in accordance with the Standard System of Measuring Building Work published by the Association of South African Quantity Surveyors or in accordance with any other similar comprehensive system of measuring building work
- 10.5 **"BUILDER'S QUANTITIES"** means bills of quantities, bills of provisional quantities or schedule of rates documented in accordance with the Guide to Measuring Builder's Quantities published by the Association of South African Quantity Surveyors or in accordance with any other similar guide to measuring builder's quantities
- 10.6 **"BUILDING WORKS"** means building work including mechanical and electrical installations in buildings
- 10.7 **"CIVIL ENGINEERING WORKS: CATEGORY I"** means shafts, tunnels, airport runways and aprons, roads, railways, sports fields, earthworks, earth dams and dredging
- 10.8 **"CIVIL ENGINEERING WORKS: CATEGORY II"** means piling, jetties and quays, bridges and their abutments, culverts, cooling and other towers, reservoirs, caissons, canals, aqueducts, sewers, pipelines, electric mains, storage and treatment tanks, structural steelwork, grain elevators, silos and structures for housing of or bases for heavy industrial and public utility plant, machinery and equipment such as furnace houses and rolling mills for steelworks, boiler houses, reactor and turbine blocks and turbine halls to electricity generating stations and extraction and process plants
- 10.9 **"CIVIL ENGINEERING WORKS ANCILLARY TO BUILDING WORKS"** shall be limited to the following:
- 10.9.1 Main reticulations (stormwater, sewer and water) outside the defined area of the building site
 - 10.9.2 Reservoirs
 - 10.9.3 Roads
 - 10.9.4 Water towers
- 10.10 **"CONSORTIUM REPRESENTATIVE"** means the practice/person so nominated by the client or the consortium. The consortium representative shall carry out such leadership functions as the consortium may agree from time to time including managing and co-ordinating, liaising with the client and relevant other professional consultants, receiving all instructions, rendering accounts, receiving payment and facilitating payment to the consortium
- 10.11 **"COST NORMS"** means cost norms prescribed by the Department of Public Works and it is implied that from initial determination of needs and during the respective stages as defined in clauses 10.39 to 10.44 the quantity surveyor is involved with and reports regarding calculation of space and cost limits from given accommodation lists, monitoring and adjusting the cost against an advanced or elemental cost plan as necessary in order to maintain it within the prescribed limits and on completion of the contract submits reconciliation statements confirming compliance with the prescribed space limits (information provided by others) and cost limits

- 10.12 **"COST-PLUS"** means **building works** or engineering works executed on the basis that the contractor is paid a management fee to cover overheads and profit and that his costs in respect of labour, material and plant are reimbursed by the client. The quantity surveyor shall examine the contractor's claims for labour, material and plant in sufficient detail to obtain reasonable assurance that the claims are valid in terms of the contract and that they are free of material misstatement
- 10.13 **"DISBURSEMENTS"** means the reimbursement for expenses properly incurred in respect of printing and photocopying, presentation materials, photography and similar documentation, reproduction or purchasing of documents, accommodation, subsistence and travelling, international telephone calls and facsimiles, special postage and courier deliveries and any other expenses subject to agreement with the client
- 10.14 **"ELECTRICAL ENGINEERING WORKS"** means electrical installations and instrumentation other than **electrical installations ancillary to building works**
- 10.15 **"ELECTRICAL INSTALLATIONS ANCILLARY TO BUILDING WORKS"** shall be as defined in clause 10.23
- 10.16 **"ENGINEERING BILLS OF QUANTITIES"** means bills of quantities, bills of provisional quantities or schedule of rates documented in respect of:
- 10.16.1 Civil engineering works, in accordance with the method of measurement set out in SANS 1200 Standard Specifications for Civil Engineering Construction published by the South African Bureau of Standards or in accordance with any other similar method of measurement for civil engineering works
 - 10.16.2 Electrical, mechanical or **process engineering works**, in accordance with any applicable method of measurement
- 10.17 **"FEE"** means the remuneration in respect of **services** rendered by a quantity surveyor in private practice, calculated in accordance with this Tariff of Professional Fees. The fee excludes VAT
- 10.18 **"FINANCIAL VIABILITY STUDIES"** means financial viability studies and other pre-design studies involving an economic investigation and appraisal of a project
- 10.19 **"GROSS ANNUAL REMUNERATION"** means:
- 10.19.1 Basic salary and guaranteed annual bonus
 - 10.19.2 Fringe benefits not included in basic salary
 - 10.19.3 Income benefit, as determined from time to time by the South African Revenue Services for income tax purposes, for the private use of a motor vehicle provided by the employer
 - 10.19.4 Employer's contribution to pension/provident fund
 - 10.19.5 Employer's contribution to medical aid
 - 10.19.6 Employer's contribution to group life assurance premiums
 - 10.19.7 Compensation Fund and Unemployment Insurance Fund contributions and any other statutory contributions or levies

- 10.19.8 All other costs and benefits as per conditions of appointment but excluding any share of profit and payment for overtime
- 10.20 **"LOCATIONAL BILLS OF QUANTITIES"** means **bills of quantities** required by the client to be separated into blocks, elements, functions or other locations
- 10.21 **"MEASURED WORK"** means work measured for incorporation in **bills of quantities** or a final account and shall exclude:
- 10.21.1 Work originally measured as provisional, including budgetary allowances and provisional amounts
 - 10.21.2 Adjustments involving the substitution of materials without additional measurement
 - 10.21.3 Any applicable contract price adjustment
 - 10.21.4 Preliminaries or any adjustment thereof
 - 10.21.5 Contingencies
- 10.22 **"MECHANICAL ENGINEERING WORKS"** means mechanical installations other than **mechanical installations ancillary to building works**
- 10.23 **"MECHANICAL AND ELECTRICAL INSTALLATIONS ANCILLARY TO BUILDING WORKS"** shall be limited to the following:
- 10.23.1 Air-conditioning and mechanical ventilation
 - 10.23.2 Boiler equipment
 - 10.23.3 Conveyor systems
 - 10.23.4 Electrical and electronic installations
 - 10.23.5 Gas and compressed air systems
 - 10.23.6 Incinerators and compactor units
 - 10.23.7 Laundry equipment
 - 10.23.8 Lifts, hoists and escalators
 - 10.23.9 Pumping equipment
 - 10.23.10 Refrigeration installations
 - 10.23.11 Specialist fire detection and fire prevention installations including sprinkler installations
 - 10.23.12 Steam installations
 - 10.23.13 X-ray and sterilisation equipment

- 10.24 **"MULTIPLE PROCUREMENT CONTRACTS"** means **building works** or engineering works where separate documentation and related services are required for work executed under at least 10 subcontracts where a principal contractor is appointed, or executed under at least 10 direct contracts where no principal contractor is appointed, and where the final value of such subcontracts or direct contracts, as the case may be, including any amount of adjustment under any applicable contract price adjustment provision exceeds 40 per cent of the **value for fee purposes**. Note that the *pro rata* value of the principal contractor's preliminaries is not to be added to the value of the subcontracts when calculating the aforementioned 40 per cent
- 10.25 **"PAYMENT VALUATIONS"** means surveying a contract in progress, taking particulars and preparing valuations for the issue of interim payment certificates on a contract for which the quantity surveyor has not prepared procurement documentation
- 10.26 **"PRINCIPAL AGENCY"** means the administration of a construction contract on behalf of the client for **Stage 5** and **Stage 6**, which shall *inter alia* include the following:
- 10.26.1 Arranging, attending and keeping minutes of meetings
 - 10.26.2 Managing the preparation of contract documents for signing and arranging for safekeeping of same
 - 10.26.3 Establishing whether all insurances, guarantees, etc have been effected
 - 10.26.4 Arranging for the handing over of the site and pointing out of pegs, beacons and datum levels to the contractor
 - 10.26.5 Nominating and selecting subcontractors in terms of the construction agreement
 - 10.26.6 Receiving and attending to notices served in terms of the construction agreement
 - 10.26.7 Issuing instructions, payment certificates, financial statements and certificates of completion prepared by others and notifying those concerned about the status of their involvement
 - 10.26.8 Deciding on any extension of the construction period and penalties
 - 10.26.9 Determining disagreements, excluding **services** related to mediation, arbitration and litigation
- 10.27 **"PRINCIPAL AGENT"** means the entity appointed by the client to manage and administer the agreement entered into between the employer and a contractor for the execution of the project or part thereof
- 10.28 **"PRINCIPAL CONSULTANCY"** means the management and administration of all the professional consultants from **Stage 1** to **Stage 6**, which shall *inter alia* include the following:
- 10.28.1 Arranging, chairing and keeping minutes of relevant meetings
 - 10.28.2 Assisting the client in the procurement of services of other professional consultants including the clear definition of their roles and responsibilities
 - 10.28.3 Advising the client on the requirement to appoint a health and safety consultant

- 10.28.4 Preparing, co-ordinating, updating from time to time as may be necessary and monitoring the professional consultants' documentation programme
- 10.28.5 Agreeing the format and procedures for cost control and reporting by the professional consultants
- 10.28.6 Facilitating the approval of the design and viability of the project by the client
- 10.28.7 Facilitating timeous technical co-ordination of building or engineering services as the case may be
- 10.28.8 Managing, co-ordinating and expediting the preparation by the design consultants of as-built drawings
- 10.28.9 Managing and expediting the procurement of operating and maintenance manuals as well as warranties and guarantees
- 10.29 **"PRINCIPAL CONSULTANT"** means the entity appointed by the client to manage and administer the services of all the professional consultants
- 10.30 **"PROCESS ENGINEERING WORKS"** means process piping, flow control systems and equipment associated with process plants
- 10.31 **"PROJECT MONITORING"** means carrying out a watching brief and financially monitoring the project on behalf of the client, which shall *inter alia* include the following:
 - 10.31.1 Receiving commission/instruction from the client to establish his requirements and advising on various courses of action and procedures to suit the particular requirements of the project
 - 10.31.2 Commenting on estimates of project cost and financial viability studies prepared by others and providing such other cost advice as may reasonably be required
 - 10.31.3 Commenting on fee proposals submitted by the professional consultants
 - 10.31.4 Commenting on procurement procedures and documentation prior to calling for tenders or negotiating
 - 10.31.5 Commenting on tender reports and recommendations
 - 10.31.6 Commenting on contract documentation, including priced **bills of quantities** where applicable, prior to signing of the contract
 - 10.31.7 Commenting on subcontract procurement procedures and documentation prior to calling for tenders or negotiating
 - 10.31.8 Commenting on tender reports and recommendations for subcontracts
 - 10.31.9 Commenting on financial reports and cash flow schedules
 - 10.31.10 Advising the client on interim and final payment certificates prior to issuing
 - 10.31.11 Attending management/financial meetings
 - 10.31.12 Commenting on the financial and contractual aspects of claims between the client and the contractor, excluding **services** related to mediation, arbitration and litigation

10.31.13 Advising the client on the acceptability of the final account

- 10.32 **"QUALITY INSPECTION"** means the inspection of the works at intervals as may be considered appropriate, to assess and report on whether the works are being completed generally in accordance with the drawings and specifications. Quality inspection specifically excludes mechanical and electrical installations, structural works and other specialist installations or works which are to be executed by specialist consultants

Quality inspection does not ensure the performance of the contractor nor does it create a contractual relationship with the contractor

- 10.33 **"REDECORATION WORKS"** means work associated with the redecoration of existing buildings such as cleaning, painting and paperhanging and shall include associated preparation work but shall exclude **alteration works**

- 10.34 **"REPLICATION"** means the replication of an individual distinct building or structure within a contract or of a previous contract and shall be applicable only when the total quantities in all trades or the total cost of the prototype can be readily multiplied in the procurement documentation by the number of individual distinct buildings or structures, the intention being that minor differences and work measured provisionally shall, where necessary, be adjusted in the final account

Individual distinct buildings or structures, even though they may not be free standing but may occur on a common podium or separate substructure, shall be regarded as replication

- 10.35 **"SCOPE OF WORK"** means the portion of the works for which the quantity surveyor is required to provide **services** and which, unless specifically otherwise agreed, shall exclude the work listed in clause 7.2 and the work indicated as exclusions in the **value for fee purposes**

- 10.36 **"SERVICES"** means the duties and responsibilities of the quantity surveyor in providing professional quantity surveying services

- 10.37 **"SERVICES AT RISK"** means **services** rendered on the basis that, subject to clause 3.0, no **fee** will be charged for such **services** unless the project proceeds

- 10.38 **"SIMPLIFIED BILLS OF QUANTITIES"** means **bills of quantities**, provisional bills of quantities or schedule of rates documented in accordance with the Standard System of Measuring Building Work for Small or Simple Buildings published by the Association of South African Quantity Surveyors or in accordance with any other similar simplified standard system of measuring building work

- 10.39 **"STAGE 1"** means the inception stage, which is to establish the client requirements and preferences, assess user needs and options, appointment of necessary consultants, establish the project brief including project objectives, priorities, constraints, assumptions, aspirations and strategies, which for the **services** listed in columns 2 to 4 and 7 of clause 2.3 and columns 2, 3 and 5 of clause 2.4 in broad terms includes the following **services**:

10.39.1 Assisting in developing a clear project brief

10.39.2 Attending project initiation meetings

10.39.3 Advising on the procurement policy for the project

10.39.4 Advising on other professional consultants and services required

- 10.39.5 Defining the quantity surveyor's **scope of work** and **services**
- 10.39.6 Concluding the terms of the client/quantity surveyor professional services agreement with the client
- 10.39.7 Advising on economic factors affecting the project
- 10.39.8 Advising on appropriate financial design criteria
- 10.39.9 Providing necessary information within the agreed scope of the project to the other professional consultants

and for which the following deliverables are applicable:

- 10.39.10 Agreed **scope of work**
 - 10.39.11 Agreed **services**
 - 10.39.12 Signed client/quantity surveyor professional services agreement
- 10.40 **"STAGE 2"** means the concept and viability stage, which is to prepare and finalise the project concept in accordance with the brief including the scope, scale, character, form, function and preliminary programme and viability of the project, which for the **services** listed in columns 2 to 4 and 7 of clause 2.3 and columns 2, 3 and 5 of clause 2.4 in broad terms includes the following **services**:
- 10.40.1 Agreeing the documentation programme with the **principal consultant** and other professional consultants
 - 10.40.2 Attending design and consultants' meetings
 - 10.40.3 Reviewing and evaluating design concepts and advising on viability in conjunction with the other professional consultants
 - 10.40.4 Receiving relevant data and cost estimates from the other professional consultants
 - 10.40.5 Preparing preliminary and elemental or equivalent estimates of construction cost
 - 10.40.6 Assisting the client in preparing a financial viability report
 - 10.40.7 Auditing space allocation against the initial brief
 - 10.40.8 Liaising, co-operating and providing necessary information to the client, **principal consultant** and other professional consultants
- and for which the following deliverables are applicable:
- 10.40.9 Preliminary estimate(s) of construction cost
 - 10.40.10 Elemental or equivalent estimate(s) of construction cost
 - 10.40.11 Space allocation audit for the project

10.41 “**STAGE 3**” means the design development stage, which is to develop the approved concept to finalise the design, outline specifications, cost plan, financial viability and programme for the project, which for the **services** listed in columns 2 to 4 and 7 of clause 2.3 and columns 2, 3 and 5 of clause 2.4 in broad terms includes the following **services**:

- 10.41.1 Reviewing the documentation programme with the **principal consultant** and other professional consultants
- 10.41.2 Attending design and consultants’ meetings
- 10.41.3 Reviewing and evaluating design and outline specifications and exercising cost control in conjunction with the other professional consultants
- 10.41.4 Receiving relevant data and cost estimates from the other professional consultants
- 10.41.5 Preparing detailed estimates of construction cost
- 10.41.6 Assisting the client in reviewing the financial viability report
- 10.41.7 Commenting on space and accommodation allowances and preparing an area schedule
- 10.41.8 Liaising, co-operating and providing necessary information to the client, **principal consultant** and other professional consultants

and for which the following deliverables are applicable:

- 10.41.9 Detailed estimate(s) of construction cost
- 10.41.10 Area schedule

10.42 “**STAGE 4**” means the documentation and procurement stage, which is to prepare the construction and procurement documentation, confirm and implement the procurement strategies and procedures for effective and timeous procurement of necessary resources for the execution of the project, which for the **services** listed in columns 2 to 4 and 7 of clause 2.3 and columns 2, 3 and 5 of clause 2.4 in broad terms includes the following **services**:

- 10.42.1 Attending design and consultants’ meetings
- 10.42.2 Assisting the **principal consultant** in the formulation of the procurement strategy for contractors, subcontractors and suppliers
- 10.42.3 Reviewing working drawings for compliance with the approved budget of construction cost and/or financial viability
- 10.42.4 Preparing documentation for both principal and subcontract procurement
- 10.42.5 Assisting the **principal consultant** with calling of tenders and/or negotiation of prices
- 10.42.6 Assisting with financial evaluation of tenders
- 10.42.7 Assisting with preparation of contract documentation for signature

and for which the following deliverables are applicable:

10.42.8 Budget of construction cost

10.42.9 Tender documentation

10.42.10 Financial evaluation of tenders

10.42.11 Priced contract documentation

- 10.43 **"STAGE 5"** means the construction stage, which is to manage, administer and monitor the construction contracts and processes, including the preparation and co-ordination of the procedures and documentation to facilitate practical completion of the works, which for the **services** listed in columns 2 to 4 and 7 of clause 2.3 and columns 2, 3 and 5 of clause 2.4 in broad terms includes the following **services**:

10.43.1 Attending the site handover

10.43.2 Preparing schedules of predicted cash flow

10.43.3 Preparing pro-active estimates for proposed variations for client decision-making

10.43.4 Attending regular site, technical and progress meetings

10.43.5 Adjudicating and resolving financial claims by the contractor(s)

10.43.6 Assisting in the resolution of contractual claims by the contractor(s)

10.43.7 Establishing and maintaining a financial control system

10.43.8 Preparing valuations for payment certificates to be issued by the **principal agent**

10.43.9 Preparing final account(s) for the works on a progressive basis

and for which the following deliverables are applicable:

10.43.10 Schedule(s) of predicted cash flow

10.43.11 Estimates for proposed variations

10.43.12 Financial control reports

10.43.13 Valuations for payment certificates

10.43.14 Progressive and draft final account(s)

- 10.44 **"STAGE 6"** means the close-out stage, which is to fulfil and complete the project close-out including the preparation of the necessary documentation to facilitate effective completion, handover and operation of the project, which for the **services** listed in columns 2 to 4 and 7 of clause 2.3 and columns 2, 3 and 5 of clause 2.4 in broad terms includes the following **services**:

10.44.1 Preparing valuations for payment certificates to be issued by the **principal agent**

10.44.2 Concluding final account(s)

and for which the following deliverables are applicable:

10.44.3 Valuations for payment certificates

10.44.4 Final account(s)

10.45 **"TARGETED PROCUREMENT"** means incorporating the participation of targeted enterprises into a contract, the setting of participation targets for the contract, the measurement of key participation indicators to be used in the evaluation of tenders and the audit of compliance with the tendered participation target during the execution of the contract, all in accordance with the provisions of the client's targeted procurement documentation

10.46 **"TENANT REQUIREMENTS"** means the evaluation of tenant requirements involving separate accounting for each tenant

10.47 **"VALUE FOR FEE PURPOSES"** means the final value of the contract, or a fair estimate where no final value is available, which shall include clauses 10.47.1 to 10.47.5:

10.47.1 Subject to clause 10.47.9, all labour and materials, whether supplied free of charge or not, provided that where materials are "free issue" and the value of such materials is not known or disclosed, such value shall be estimated at market rates current at the date of tender

10.47.2 Any credit for materials from the existing structures which are to become the property of the contractor, which credit shall be treated as an addition and not as a credit

10.47.3 All specialist services and installations which form an integral part of the contract, including services covered by provisional amounts for subcontracts and/or prime cost amounts

10.47.4 Any amount of adjustment under any applicable contract price adjustment provisions when certified for payment to the contractor

10.47.5 Subject to clause 10.47.6, taxes and duties

and which final value of the contract shall exclude clauses 10.47.6 to 10.47.10:

10.47.6 **VAT**

10.47.7 Any amount set aside for contingencies

10.47.8 Work generally outside the scope of the work carried out by the contractor and excluded from the contract, in respect of which the quantity surveyor is not required to perform a service

10.47.9 All supply costs on engineering contracts for major items of permanent plant, equipment and machinery

- 10.47.10 For **building work** the final value of any **mechanical and electrical installations ancillary to building works** and of any **civil engineering works ancillary to building works** in respect of which the quantity surveyor is performing only a minor service or is not required to perform any service other than the incorporation into the relevant documentation of the information furnished by others, which final value shall include any amounts arising from contract price adjustment provisions and shall exclude any amounts for profit and attendance to the principal contractor and any apportionment of the value of preliminaries
- 10.48 **"VALUE MANAGEMENT"** means the facilitation of a systematic multi-disciplinary creative process to generate alternatives with the object of maximising the functional and economic value of a project and, in the case of a commercial development, to enhance the return on the investment
- 10.49 **"VAT"** means Value-Added Tax in terms of the Value-Added Tax Act, 1991 (Act 89 of 1991)
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