

BOARD NOTICE 195 OF 2011**SOUTH AFRICAN COUNCIL FOR THE ARCHITECTURAL PROFESSION****Framework for the Professional Fees Guideline
In respect of services rendered by person(s) registered in terms of the
Architectural Profession Act, No 44 of 2000**

This Framework gives the context for the application of the Professional Fees Guideline which is published annually by the South African Council for the Architectural Profession

This Board Notice replaces the Framework for the Professional Fees Guideline published in Board Notice 173 of 2010 and supersedes Board Notice 161 of 2001 and is applicable from 01 January 2012

1.0 Introduction**PROFESSIONAL FEES GUIDELINE**

The Architectural Profession Act, 44 of 2000, hereinafter referred to as the **Act**, requires that the South African Council for the Architectural Profession, hereinafter referred to as **SACAP**, must annually determine guideline professional fees and publish these in the Government Gazette.

This Framework for the Professional Fees Guideline describes the professional services and the context within which the services are performed.

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, No 44 of 2000, the National Building Regulations and Building Standards Act, 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 authorized 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, which is the preferred form of **building contract**, are employed. 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 as per 1.1 below and for partial services provided herein as per 1.2 below.

A standard service comprises appointment as **architectural professional**, **principal consultant** and **principal agent**. The parties to an **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, provided for herein under 1.2.1 below.

The Professional Fees Guideline as published annually in a **board notice** by **SACAP** in the Government Gazette is deemed to provide a fair and reasonable remuneration to the **architectural professional** in order to render an appropriate quality of service.

Fees description

The calculation of fees based on a percentage of **project** cost is the normal basis to determine 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 where 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 adjusted on the final cost of the **works**.

Where a fee is calculated as a **project** cost based fee, the fee consists of a base fee and a percentage of **project** cost, which is derived from bracketed **project** values set out in the annual **board notice**.

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 specialized nature, a time based fee is used as the basis of remuneration.

Where fees for **architectural professional** services are time based fees, these are based on an hourly rate according to the Professional Fees Guideline set out in the annual **board notice**.

1.1 Standard service

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

Where **architectural professionals**, with registration with **SACAP** as **architect**, are employed in a standard service the **architect** is appointed to fulfill the obligations provided for as **architectural professional, principal consultant and principal agent**, also described as a 'full service'. Partial and/or additional services may be agreed (see 1.2 below).

Where **architectural professionals**, with registration with **SACAP** as other than **architect**, are employed the service to be rendered and functions to be fulfilled are informed by the Identification of Work for Architectural Professionals, as separately determined by **SACAP**. Such an appointment may be for a standard service. Partial and/or additional services may be agreed (see 1.2 below).

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

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
- 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

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 sufficient 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 to procure offers for the execution of the **works**
 - obtain offers for the execution of the **works**
 - evaluate offers and recommend on the award of 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 as appropriate
Inspect the **works** for conformity to the **contract** documentation
 Administer and perform the duties and obligations assigned to the **principal agent** in the **JBCC building contract**, or fulfill the obligations provided for in other forms of **contract**
 Issue the certificate of **practical completion**
 Assist the **client** to obtain 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**
 After the **contractor's** obligations with respect to the **building contract** are 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** to fulfill each or any stage of a standard service or parts thereof.

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

- 1 appointed as **architectural professional** and **principal consultant** (not as **principal agent**)

- 2 appointed as design **architectural professional** (design only)
- 3 appointed as **architectural professional** of record (design by others, can be **principal agent**)
- 4 appointed as **principal agent** only
- 5 appointed as **architectural professional** to work stage 4.1 (documentation to achieve -approval only)
- 6 appointed to perform additional services

1.2.1 ADDITIONAL SERVICES

The following services are additional to the standard service and rank 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**:

1.2.1.1 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:

- .1 Rational design by other **consultants** - participate in the preparation of rational designs
- .2 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
- .3 Master planning - defining and planning the layout of future development of buildings and/or services on the same site
- .4 Landscape design - participation in landscape planning and construction
- .5 Interior design - the design of interiors and the selection of furnishings, fixtures and special finishes
- .6 Liaison with special designers and specialist consultants
- .7 Purpose-made items - the design and documentation of purpose-made items
- .8 Promotional material and art work - participation in the preparation of promotional material
- .9 Plant operation and production layouts - participation in the definition of plant operation layouts

1.2.1.2 Special management services

- .1 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, communication management, payment processing and final account close outs
- .2 Cost and valuation services - participation in the administration of costs and payments where a quantity surveyor has not been appointed
- .3 Special inspections - more intensive inspections and assessment of the **works** than the norm to assess compliance with specifications

1.2.1.3 Special studies

- .1 Preparation of the **client's** brief - assist the **client** in the preparation of his requirements with regard to the purpose, scope, use of and operation of the **project**
- .2 Site selection - research the suitability and location of a site for a proposed **project**
- .3 Feasibility studies - participation in technical and/or economic feasibility studies
- .4 Environmental studies - participation in environmental studies
- .5 Energy analysis studies and planning
- .6 Energy studies - participation in energy studies
- .7 Market surveys - participation in market surveys
- .8 Traffic studies - participation in traffic flow studies

1.2.1.4 Work on existing premises

- .1 Surveys and inspections - inspect, survey, measure and prepare documentation of existing premises, with other consultants as needed
- .2 Restorations and renovations - services in connection with work on existing buildings
- .3 Heritage buildings - services in connection with work on heritage buildings
- .4 Services in connection with demolition permits of existing buildings

1.2.1.5 Other Services

- .1 Participation in litigation and dispute resolution (where a concurrent service is rendered)
- .2 Mutually agreed additional services

1.3 Guideline fees for professional services

1.3.1 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.

1.3.2 Project cost based fees for standard and partial services

The fees consist of a base fee and a percentage of project cost; these derive from bracketed project values and are determined annually by SACAP and published as a board notice.

For a partial service, assuming the fee is a project cost based fee, the percentage of the fee for each work stage to be performed is agreed between client and architectural professional, see 1.3.4 below.

The budget for fee purposes excludes VAT, contingencies and provision for escalation.

1.3.3 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
- Where the architectural professional is not the principal consultant: A reduction of the fee for the work not exceeding 10% of the fee for stages 1 to 4 can be considered

1.3.4 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. In project specific cases requiring the completion of documentation at earlier stages, an appropriate increase of the fee apportionment to the initial stages may be considered.

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%

1.3.5 Guideline fees for additional services:

Unless otherwise agreed, the fee for additional services is time based, based on hourly rates as in the current board notice.

1.3.6 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.

1.3.7 Guideline fees for additions and / or alterations

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

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

Fees are based on a percentage of total **project** cost as a **project** cost based fee. This is based on the assumption that concept design is not a requirement, the fee is reduced in that respect by 15% and the remainder is increased by 40% (140% of the fee) to provide for the additional expertise expected of the **architectural professional**. That is $(100 - 15) \times 140\%$.

1.3.9 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 wholly apart from each other or linked with screen walls, common walls or other similar means
- repeats 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.

1.3.10 Guideline fees for buildings repeated under separate building contracts

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 as below:

The fee for modifying drawings and related documents and preparing site and service plans for each subsequent **project** shall be a time charge for the modifications, to which should be added a premium of 15% of the full fee, percentage fee and base fee taken together, based on the final cost of each **project**.

Where there is no requirement to render any services in respect of the re-use of drawings and related documents for a subsequent **project**, it is recommended that a royalty of 7.5% of the fee based on an agreed estimate of the cost of the subsequent **project** is payable.

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

The stage of completion shall be agreed and an appropriate **budget** for the **works** agreed and the fee for the incomplete work stage or the stage in which the service is commenced is subject to an increase of 15%.

1.3.12 Guideline fees for inspection, contract administration and close out

The guideline fee for **inspecting the works**, administering the **building contract** and achieving close out is 30% of the total fee based on the final cost of each **project**.

1.3.13 Guideline fees for deployment of employees

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

1.3.14 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 re-imbursable expenses.

1.3.15 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 adjusted.

Adjustments to the **project** programme, commonly known as 'fast tracking', that requires the application of an additional resource by the **architectural professional**, may attract an additional fee.

1.3.16 Travelling time

Where the fee is a **project** cost based fee time charges shall apply to travel time regardless of distance.

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

1.3.17 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.

1.3.18 Guideline fees for dispute resolution services

For acting as expert witness, adjudicator, mediator or arbitrator, the fee may be the time charge fee at the hourly rates published in the **board notice** and increased by 50% (150% of the fee), or as agreed.

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 as necessary.

1.3.19 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 re-imburement invoices may be invoiced separately.

1.3.20 Re-imburement 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.

The expenses contemplated may include the following:

- printing, photocopying, maps, models, presentation materials, photography and similar documentation including all reproduction or purchase costs of documents, hotel, subsistence and travelling expenses, including kilometer allowances at either current Automobile Association or Department of Public Works rates for vehicle usage as may be agreed, toll fees and other similar disbursements
- all payments made by the architectural professional, including fees and other charges for specialised professional and other services incurred on behalf of the client
- telephonic, electronic and facsimile communication, special postage and courier deliveries
- any other disbursements that may be agreed by the client

1.3.21 Claims to be separate and no set-off

Should the client allege a claim against the architectural professional, a contractor or any other party involved in the project, such claim shall be dealt with on its own merits. The client is not entitled to withhold payment of fees or disbursements or part thereof due to the architectural professional, based on the alleged claim. The client shall make payment without any set-off and waives all rights to any such set-off.

No penalties are applied to professional service agreement contracts. Should professional error, omission and/or negligence be implied, compensation is sought by dispute resolution or litigation and claimed from the architectural professional.

1.3.22 Regular Invoicing

Regular Invoicing as required by the Value-Added Tax Act, No 89 of 1991 is accepted good practice and is deemed to be the basis of the agreement between client and architectural professional.

1.4 Engagement of architectural professionals

The professional service is deemed to be subject to an appropriate formal 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 and the basis for the calculation of professional fees is recorded.

The agreed service to be provided, authority of the agent, the agent'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 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.

1.5 Use of the professional fees guideline

The professional fee guideline is published annually as a board notice.

The professional fee guideline provides a basis for the calculation of remuneration for architectural services. In the professional fee guideline a single percentage is quoted together with a base fee, related to bracketed values of project cost; no additional guidance is provided in relation to simple or complex work.

1.5.1 Project cost based fee

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

1.5.2 Application

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 bracketed **project** values and related percentages result in a sliding scale, the base fee provides for a smoothing of the sliding scale.

The fees calculated shall be applicable to a new appointment and shall remain in force during the currency of the appointment.

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

1.5.3 Time based fee

Where a time-based fee is selected, the rates published in the **board notice** as rates per hour shall apply.

Whenever these rates are revised, the new rates shall apply to work performed after the date of publication of such revision.

The categories to which the rates are applicable are:

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
Principal	<5 years experience	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** will have time based, rate per hour charges agreed before the work is executed.

Salaried staff	Associates and managers	22,5%	per R100,00 or part thereof of total annual cost of employment
Salaried staff	Staff performing work of an architectural nature and carrying direct responsibility for activities related to a project	17,5%	per R100,00 or part thereof of total annual cost of employment
Salaried staff	Staff performing work of an architectural nature under direction and control	16,5%	per R100,00 or part thereof of total annual cost of employment

1.6 Definitions & interpretations

Where words and phrases are highlighted in the text of this document they shall bear the meaning assigned to them and where such words and phrases are not highlighted they shall bear the meaning consistent with the context.

Definitions

In this document, unless the context otherwise indicates, an expression or word hereunder shall mean:

act means the **Architectural Profession Act, 44 of 2000**

agreement means a written **agreement** between the **client** and the **consultant**

architect means a person registered as a Professional Architect in terms of the Architectural Profession Act, No 44 of 2000, or the Professional Architect's practice constituted as a legal persona appointed to provide the **architect's** service for the **project**

architectural professional means a person registered in terms of the **Architectural Profession Act, 44 of 2000**, under a specific category of registration, or the **architectural professional's** practice constituted as a legal persona appointed to provide the architectural service for the **project**

board notice means the notice containing the professional fees guideline which, in terms of section 34(2) of the **act** is published annually by **SACAP** in the Government Gazette

budget means the anticipated cost of the **project** and/or **works**; provided that estimates on which the **budget** is based, shall be deemed to be valid for a period not exceeding 3 months

building contract means the **JBCC** Principal Building Agreement (PBA) or such other building **contract** entered into between the **client** and the **contractor**

Category of Registration means the category in which a person who is competent to undertake the range of work as specified in respect of each category, who may register in the **architectural profession** in terms of Section 18(1) of the Act; provided that specialized services may only be performed by a registered person meeting the defined requirements.

The categories in which a person may register with **SACAP** are:

- a) Professional, which is divided into:
 - (i) Professional Architect or
 - (ii) Professional Senior Architectural Technologist
 - (iii) Professional Architectural Technologist
 - (iv) Professional Architectural Draughtsperson
- (b) Candidate, which is divided into:
 - i) Candidate Architect
 - (ii) Candidate Senior Architectural Technologist
 - (iii) Candidate Architectural Technologist
 - (iv) Candidate Architectural Draughtsperson
- (c) Specified categories prescribed by the Council.

client means the party appointing the **architectural professional** to perform the services or any part thereof referred to in this document

consultant means professional person/s or entity/entities appointed by the **client** to provide services with respect to the **project**

construction documentation means graphic representations, plans, sections, elevations, site plans, specifications, construction details, service co-ordination information, schedules and such other details and descriptions as are within the reasonable competence of an **architectural professional** which are sufficient to indicate the scope of the **works**

contract means an agreement entered into by the **client** with a **contractor** for the execution of the **works** or part thereof; may also be referred to as the **building contract**

contractor means the entity or entities contracting with the **client** for the execution of the **works** or part thereof

inspection means such periodic visits to, or in connection with the **works**, by the **architectural professional** as are necessary to establish conformity of the work to the **contract** documentation, and to provide on-site clarification and further information during the progress of the work; **inspect** shall carry the same meaning

JBCC means the Joint Building Contracts Committee, (JBCC) suite of **contract** documentation

practical completion means the stage of completion where the **works** or a section thereof as certified by the **principal agent**, is substantially complete and can effectively be used for the purpose intended

principal agent means the person appointed to fulfill the obligations of the agreed form of **contract**.

principal consultant means the person authorised by the **client** to lead the **consultants**.

project means the development for which the **architectural professional** and **consultants** are appointed and may not be limited to the **works**

SACAP means the South African Council for the Architectural Profession

works means all work executed or intended to be executed according to the **building contract**

Interpretations

In formal service agreements and contracts, unless inconsistent with the context:

The words "advise", "appoint", "approve", "authorise", "certify", "consent", "decide", "delegate", "designate", "instruct", "issue", "notify", "object", "reply", "request", and "specify" shall indicate an act required to be carried out in writing.

The masculine gender includes the feminine and neuter genders and vice versa, the singular includes the plural and vice versa and persons shall include juristic persons.

All monetary amounts exclude tax, which tax shall be added to any amounts which become due and payable.

Notice in terms of service agreements shall be deemed to have been duly received when:

- Delivered by hand - on the day of delivery
- Sent by prepaid registered post - 7 (seven) days after posting
- Sent by telefax - 3 (three) days after transmission
- Sent by e-mail - 3 (three) days after transmission