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## BULLETIN 52: TARIFF OF FEES FOR ARCHITECTURAL SERVICES

SECOND EDITION: APRIL 2008

*\*(This edition of Bulletin 52 replaces the first, January 1996 edition updated in November 2000. It provides updated cross-references to other AIBC and related publications and regulations; hourly rates for principals; and the GST. Formerly included charts of percentage fee scales; building types and categories; services scope and sequence have been deleted, directing the reader to the Tariff itself instead. Clarification is improved regarding minimum scope of services and value. Occasional syntax and format adjustments were made. Members are encouraged to review this shorter edition in its entirety.)*

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Further to the AIBC's legislative mandate (section 24(2)(e) of the *Architects Act*) and Bylaw 29, the Tariff's Fourth Edition (superseding the January 1996 Third Edition) was first published on August 1, 2000. It was revised November 2000 and March 2004.

All architects and clients, even (and perhaps especially) if familiar with previous editions of the Tariff, should make a point of reading this new edition carefully. While the document's format and essential messages are consistent with their predecessors, it has been revisited and updated. Since the Tariff's first edition in 1985, the profession of architecture's practice environment has evolved in many ways. In summary terms, it has become more onerous; more costly, especially for insurance, staff acquisition, training and regulated benefits; more capital intensive, especially for computing capacity; more competitive; and carries increased risk. Economic pressure is greater; clients' expectations are higher; building-related regulations are more complex; and authorities' requirements are more extensive. Simultaneously, the public interest needs protection more acutely. Continuing education is mandatory (cf. Bulletin 80) and there is a regulated minimum scope of services (cf. Bulletin 90).

Since May 1993, Bylaw 34.16 requires, as a matter of an architect's or an architectural firm's ethical conduct, that services be provided in return for compensation in substantial accord with the Tariff. Accordingly, the Tariff must keep reasonable pace with the exigencies of professional practice.

Inadequate compensation fosters (and is not an adequate excuse for) inadequate service and a level of risk that jeopardise public safety and professional liability. There must be professional earnings high enough to provide an appropriate income for both practitioners and employees; to enable continuing education and research; to accommodate technological change; to cover responsibility and risk; and in so doing to protect the public interest while acknowledging added value of architectural services.

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## GENERAL

The Tariff's fourth edition (revised) reflects the Architects Act; the B.C. Building Code; the Builders Lien Act; the AIBC Bylaws; AIBC Code of Ethics and Professional Conduct; Standard Client-Architect Contracts; AIBC Council rulings as to appropriate levels of services and fees; Bulletins 51, 52, 53, 54, 55, 56, 67, 68 and 90. Sections 3.5.2 and 3.5.3 reflect the exclusion of the GST from "construction cost" as the basis of calculating percentage architectural fees.

Sections 3.5.5 and 3.5.6 and cross-references are noteworthy, dealing with "Pro Bono" and "Contingency" based fee-for-service mechanisms. The architect's integration and coordination roles are reinforced as core services, along with provision of Letters of Assurance under the BC Building Code.

## ALLOCATION OF TOTAL BASIC FEE TO PHASES OF SERVICE

This section (3.2) indicates the following table of fee-distribution ranges commonly allocated to the five phases of basic service:

Schematic Design	12 - 18 percent
Design Development	12 - 18 " "
Contract Documentation	35 - 45 " "
Bidding and Negotiation	2.5 - 6.5 " "
Construction Administration	25 - 35 " "

## HOURLY FEES

Section 3.4 indicates the recommended hourly fees for principals and for staff. The billable hourly rates are also updated and published from time to time under AIBC Bulletin 51. The table below provides the current (November 2007) recommended hourly fees:

### ***Principal:***

- *Generally* \$210.00
- *Special Expertise* \$250.00
- *Expert / Arbitrator* \$395.00

### **Staff:**

Factor applied to nominal monthly salary	0.023
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Comments are included regarding “blended” principal rates for a variety of task-levels (see also AIBC Practice Note #8). Reference is made to Employment Standards obligations to certain types of staff (Architects are excluded; intern-architects are included; see also AIBC Practice Note 11).

## **PERCENTAGE FEES**

While lump-sum or “fixed” fees are increasingly common, a sound, empirical percentage-fee scale provides a good guide and a supportable index, for a comparable scope of services.

Section 3.5 of the Tariff should be scrutinized critically so as to appreciate the Operating Assumptions (3.5.1) which support the recommended “net architectural” fee-percentages for (especially, but not limited to) the corresponding scope of services and the definition of “Construction Cost” against which the fee is calculated.

A table of recommended net architectural fee percentages is included in section 3.5.3. The percentages reflect the exclusion of the GST from the determination of “construction cost” as the basis of calculating percentage fees.

This approach makes the tabulated fees directly applicable to all projects and clients, including those which are GST-exempt or which attract partial GST-rebates, without complication. It also aligns the “construction cost” for purposes of fee calculation with the definition of “Contract Price” in industry-standard (CCDC) construction contracts (which excludes the GST).

*Note:* in non-standard client/architect contracts which include the GST in determining “construction cost” for determining percentage fees, the tabulated fee-percentages need to be decreased by a factor of  $5/105^{\text{ths}}$  (see AIBC Practice Note 13).

The “Index of Categories” (also in 3.5.3) enables cross-reference of building types to “degrees of difficulty” in the percentage-fees table.

Section 3.5.6 is concerned with “Project Variables and Adjustment Factors”, i.e. what to consider if the project at hand has characteristics which are not consistent with those that underly the tabulated percentage fees. This section contains, inter alia, broad precautions and recommendations regarding repetitive buildings and royalties.

## **SEQUENCE AND SCOPE OF SERVICES (BY PROJECT PHASE)**

The chart in the Tariff’s Appendix 1 benefits from feedback, review and update. Bulletin 55 contains a similar chart for particular application to multiple market housing. Bulletin 90 provides the minimum scope of architectural services which must be rendered.

## **ENGINEERING SERVICES AND COMPENSATION**

Please note that a “Schedule of Recommended Fees” for the engineering professions is published by APEGBC. Through cooperative attitudes and sharing of developmental information, the engineering profession’s document...while naturally different in ways...incorporates percentage-fee tabulation and building-category index in similar formats to those in the AIBC Tariff. The result is more readily coordinated fee structures for both proposals and commissions.

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