


Document No.:	Revision No.:	Effective Date:	 <b>E C S A</b>
<b>Guideline Professional Fees</b> <i>(Scope of Services and Tariff of Fees for Persons Registered in terms of the Engineering Profession Act, 46 of 2000)</i>			
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- (iii) D at 16.5 cents per hour for each R100 or part thereof of the total annual cost of employment of the person concerned, as contemplated in sub-clause (4); or
- (b) based on such indicative time-based fee rates as are determined from time-to-time by the Engineering Council of South Africa after consultation with service providers and service users: provided that in all cases the client and consulting engineer may agree on a more appropriate fee to take account of the specific services to be rendered or expertise to be applied.
4. For the purposes of clause 4.4, the total annual cost of employment of a person means the total amount borne by an employer in respect of the employment of such a person per year, calculated at the amounts applicable to such a person at the time when the services are rendered, including:
- (a) Basic salary or a nominal market-related salary, excluding profit share and asset growth.
- (b) Fringe benefits not reflected in the basic salary, including:
- (i) Normal annual bonus
  - (ii) Employer's contribution to medical aid
  - (iii) Group life insurance premiums borne by the employer
  - (iv) Employer's contribution to a pension or provident fund
  - (v) All other benefits or allowances payable in terms of a letter of appointment, including any transportation allowance or company vehicle benefit, telephone and/or computer allowances, etc; and
- (c) Amounts payable in terms of an Act, including:
- (i) Contributions to the Compensation Fund in terms of the Compensation for Occupational Injuries and Diseases Act, 130 of 1993
  - (ii) Contributions to unemployment insurance in terms of the Unemployment Insurance Fund Act, 63 of 2001
  - (iii) Levies in terms of the Skills Development Levy Act 9 of 1999
  - (iv) Recoverable levies to all spheres of government.

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#### 4.5 Expenses and costs

1. Subject to clause 4.3(3) a consulting engineer may recover from the client:
  - (a) All expenses actually incurred by the consulting engineer and members of the consulting engineer's staff in rendering their services.
  - (b) All other costs incurred on behalf of and with approval of the client, plus a mark-up of 10 per cent.
2. Recoverable expenses include:
  - (a) Travelling expenses for the conveyance of the consulting engineer or a member of the consulting engineer's staff by means of:
    - (i) private motor transport, including any parking charges, toll fees and related expenses
    - (ii) a scheduled airline or a train, bus, taxi or hired car; or
    - (iii) non-scheduled or privately owned air transport.
  - (b) Travelling time on the basis of the rate set out in clause 4.4, for all time spent in travelling by the consulting engineer or members of his or her staff is as follows:
    - (i) When fees are paid on a time basis, all hours spent on travelling are reimbursable.
    - (ii) When fees are paid on a percentage basis, reimbursement for travelling time is for all time spent in travelling minus the first hour per return journey.
  - (c) Accommodation and subsistence expenses incurred by the consulting engineer or a member of his staff.
  - (d) Agreed costs of typing, production, copying and binding of contract documents, pre-qualification documents, feasibility reports, preliminary design reports, final reports and manuals, excluding general correspondence, minor reports, contractual reports, progress reports, etc.

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- (e) Expenses on special reproductions, copying, printing, artwork, binding and photography, etc. requested by the client.
  - (f) Alternatively, a lump sum or percentage of the cost of the works may be determined and agreed between the consulting engineer and the client to cater for all or any of the above.
3. Costs that shall be recovered under clause (1)(b) above include, but are not limited to:
- (a) Site traffic surveys
  - (b) Geotechnical investigations
  - (c) Sampling and Laboratory testing
  - (d) Topographical and land surveys
  - (e) Supply of specific equipment
  - (f) Specialist sub-consultants
  - (g) Environmental investigations and studies, and management plans
  - (h) Institutional service delivery and social consultants
  - (i) Land acquisitions, expropriation, way leaves and servitudes.

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## BOARD NOTICES

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BOARD NOTICE 202 OF 2011

# SACPCMP

**The South African Council for the  
Project and Construction Management Professions**

**Guideline Scope of Services and Recommended  
Guideline Tariff of Fees**

**For**

**Persons Registered in terms of the  
Project and Construction Management Professions Act, 2000**

**(Act No. 48 of 2000)**

The South African Council for the Project and Construction Management Professions has, under Section 34(2) of the Project and Construction Management Profession Act, 2000 (Act No. 48 of 2000) determined the guideline scope of services and tariff of fees in the Schedule.

Any amount mentioned in or fee calculated in terms of this Schedule is exclusive of Value Added Tax.

**The commencement date of these Rules shall be January 2012**

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**SCHEDULE****Guideline Scope of Services and Tariff of Fees  
for Registered Persons****Index**

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## GENERAL PROVISIONS

### 1.0 DEFINITIONS

Where the words and phrases are highlighted in the text of this Tariff of Fees they shall bear the meaning assigned to them in clause 1 and where such words and phrases are not highlighted they shall bear the meaning consistent with the context:

**"Built Environment"** refers to the functional area in which registered persons practice. The Built Environment includes all structures that are planned and/or erected above or underground, as well as the land utilized for the purpose and supporting infrastructure.

**"Construction Management"** is the management of the *physical construction process* within the Built Environment and includes the co-ordination, administration, and management of resources. The Construction Manager is the one point of responsibility in this regard.

**"Construction Project Management"** is the management of projects within the Built Environment *from conception to completion, including management of related professional services*. The Construction Project Manager is the one point of responsibility in this regard.

**"Project"** means the total development envisaged by the client, including the professional services.

**"Works"** means all work executed or intended to be executed in accordance with the construction contracts.

**"Principal Agent"** means the person or entity appointed by the client and who has full authority and obligation to act in terms of the construction contracts.

**"Principal Consultant"** means the person or entity appointed by the client to manage and administer the services of all other consultants.

**"Cost Consultant"** means the person or entity appointed by the client to establish and agree all budgets and implement and manage the necessary cost control on the project.

**"Contractor"** means any person or legal entity entering into contract with the client for the execution of the **works** or part thereof.

**"Nominated Subcontractors"** are specialists and other subcontractors executing work or supplying and fixing any goods who may be nominated by the Principal Consultant.

**"Selected Subcontractors"** are specialists and other subcontractors executing work or supplying and fixing any goods and who are selected by the contractor in consultation with the Principal Consultant.

**"Domestic Subcontractors"** are specialists and other subcontractors executing work or supplying and fixing any goods and who are selected by the contractor.

**"Direct Contractors"** are contractors appointed by the client to execute work other than the works.

**"Suppliers"** mean a person or entity appointed by the client to supply goods and products for incorporating into the works.

**"Construction Programme"** is the programme for the works indicating the logic sequence and duration of all activities to be completed by the contractors, subcontractors, and suppliers, in appropriate detail, for the monitoring of progress of the works.

**"Contract programme"** is the construction programme for the works agreed between the contractor and the Principal Agent.

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**"Procurement Programme"** is the programme indicating the timeous purchasing requirements for the project, including, but not limited to, the services of consultants, contractors, subcontractors, and suppliers required for the execution of the project programme.

**"Project Initiation programme"** is the programme devised by the Principal Consultant in consultation with the client and other consultants for all the work necessary to be completed prior to commencement of work by the contractors.

**"Documentation programme"** is schedule prepared by the Principal Consultant and agreed to by other consultants indicating the timeous provision of all necessary design documentation required by the contractors and subcontractors for the construction of the works.

**"The South African Council for the Project and Construction Management Professions"** means the South African Council for the Project and Construction Management Professions established by section 2 of the Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000), and **"SACPCMP"** has the same meaning.

**"Project and Construction Management Professions Act"** means the Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000).

**"Construction Project Management Work"** means the work identified under section 4 of this document

**"Construction Management Work"** means the work identified under section 4 of the Identification of Work document for Construction Managers

**"Improper Conduct"** as contemplated in section 27(3) of the Project and Construction Management Professions Act, means failure to comply with the code of conduct for registered persons.

**"Public"** means any person or group of persons who is, or whose environment is, either directly or indirectly affected by any project and construction management activity, or by a product, outcome or influence of a project and construction management activity, which may impact on the health, safety and interest of such person or group of persons.

**"Substantially Practise"** means regularly and consistently carry out project and construction management work identified in section 4 of this document, and charging a professional fee for such work and accruing professional responsibility to a client or an employer for the performance of such functions.

**"The Council"** means the Council for the Built Environment established under section 2 of the Council for the Built Environment Act, 2000 (Act No 43 of 2000)

## 2.0 SHORT TITLE

This Schedule is called *The Scope of Services and Recommended Guideline Tariff of Fees for Registered Construction Project Managers, Rev January 2012*.



## GUIDELINES SCOPE OF SERVICES

### 3.0 STANDARD SERVICES

Construction Project Managers shall perform the following standard services under the following stages:

PROJECT STAGES	DESCRIPTION
1	Inception
2	Concept and Viability
3	Design Development
4	Documentation and Procurement
5	Construction
6	Close-out

### 1.0 STAGE 1 - INCEPTION

#### *Definition*

Agreeing client requirements and preferences, assessing user needs and options, appointment of necessary consultants in establishing project brief, objectives, priorities, constraints, assumptions and strategies in consultation with the client.

#### *Standard Services*

- 1.1. Facilitate the development of a Clear Project Brief
- 1.2. Establish the client's Procurement Policy for the Project
- 1.3. Assist the client in the procurement of the necessary and appropriate consultants including the clear definition of their roles, responsibilities and liabilities.
- 1.4. Establish in conjunction with the client, consultants, and all relevant authorities the site characteristics necessary for the proper design and approval of the intended project

- 1.5. Manage the integration of the preliminary design to form the basis for the initial viability assessment of the project
- 1.6. Prepare, co-ordinate and monitor a Project Initiation Programme
- 1.7. Facilitate the preparation of the Preliminary Viability Assessment of the project
- 1.8. Facilitate client approval of all Stage 1 documentation

***Project Management Deliverables***

- Project Brief
- Project Procurement Policy
- Signed Consultant/Client Agreements
- Project Initiation Programme
- Record of all meetings
- Approval by Client to proceed to Stage 2

**2.0 STAGE 2 - CONCEPT AND VIABILITY*****Definition***

*Finalization of the project concept and feasibility*

***Standard Services***

- 2.1. Assist the client in the procurement of the necessary and appropriate consultants including the clear definition of their roles, responsibilities and liabilities.
- 2.2. Advise the client on the requirement to appoint a Health and Safety Consultant
- 2.3. Communicate the project brief to the consultants and monitor the development of the Concept and Feasibility within the agreed brief
- 2.4. Co-ordinate and integrate the income stream requirements of the client into the concept design and feasibility
- 2.5. Agree the format and procedures for cost control and reporting by the cost consultants on the project.
- 2.6. Manage and monitor the preparation of the project costing by other consultants
- 2.7. Prepare and co-ordinate an Indicative Project Documentation and Construction Programme
- 2.8. Manage and integrate the concept and feasibility documentation for presentation to the client for approval
- 2.9. Facilitate client approval of all Stage 2 documentation

**Project Management Deliverables**

- Signed Consultant/Client Agreements
- Indicative Project Documentation and Construction Programme.
- Approval by Client to proceed to Stage 3

**3.0 STAGE 3 - DESIGN DEVELOPMENT****Definition**

*Manage, co-ordinate and integrate the detail design development process within the project scope, time, cost and quality parameters.*

**Standard Services**

- 3.1. Assist the client in the procurement of the balance of the consultants including the clear definition of their roles, responsibilities and liabilities.
- 3.2. Establish and co-ordinate the formal and informal communication structure, processes and procedures for the design development of the project.
- 3.3. Prepare, co-ordinate and agree a detailed Design and Documentation Programme, based on an updated Indicative Construction Programme, with all consultants
- 3.4. Manage, co-ordinate and integrate the design by the consultants in a sequence to suit the project design, documentation programme and quality requirements.
- 3.5. Conduct and record the appropriate planning, co-ordination and management meetings
- 3.6. Facilitate any input from the design consultants required by Construction Manager on constructability.
- 3.7. Facilitate any input from the design consultants required by Health and Safety consultant
- 3.8. Manage and monitor the timeous submission by the design team of all plans and documentation to obtain the necessary statutory approvals
- 3.9. Establish responsibilities and monitor the information flow between the design team, including the cost consultants.
- 3.10. Monitor the preparation by the cost consultants of cost estimates, budgets, and cost reports
- 3.11. Monitor the cost control by the cost consultants to verify progressive design compliance with approved budget, including necessary design reviews to achieve budget compliance
- 3.12. Facilitate and monitor the timeous technical co-ordination of the design by the design team
- 3.13. Facilitate client approval of all Stage 3 documentation



**Project Management Deliverables**

- Signed Consultant/Client Agreements
- Detailed Design & Documentation Programme
- Updated Indicative Construction Programme
- Record of all meetings
- Approval by Client to proceed to Stage 4

**4.0 STAGE 4 -- DOCUMENTATION AND PROCUREMENT****Definition**

*The process of establishing and implementing procurement strategies and procedures, including the preparation of necessary documentation, for effective and timeous execution of the project.*

**Standard Services**

- 4.1. Select, recommend and agree the Procurement Strategy for contractors, subcontractors and suppliers with the client and consultants
- 4.2. Prepare and agree the Project Procurement Programme.
- 4.3. Co-ordinate and monitor the preparation of the tender documentation by the consultants in accordance with the Project Procurement Programme.
- 4.4. Facilitate and monitor the preparation by the Health and Safety Consultant of the Health and Safety Specification for the project
- 4.5. Manage the tender process in accordance with agreed procedures, including calling for tenders, adjudication of tenders, and recommendation of appropriate contractors for approval by the client.
- 4.6. Advise the client, in conjunction with other consultants on the appropriate insurances required for the implementation of the project.
- 4.7. Monitor the reconciliation by the cost consultants of the tender prices with the project budget
- 4.8. Agree the format and procedures for monitoring and control by the cost consultants of the cost of the works.
- 4.9. Facilitate client approval of the tender recommendation(s).

**Project Management Deliverables**

- Contractors, subcontractors, and suppliers Procurement Strategy
- Project Procurement Programme
- Project Tender/Contract Conditions
- Record of all meetings
- Approval by Client of tender recommendation(s).

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**5.0 STAGE 5 – CONSTRUCTION****Definition**

*The management and administration of the construction contracts and processes, including the preparation and co-ordination of the necessary documentation to facilitate effective execution of the works.*

**Standard Services**

- 5.1. Appoint contractor(s) on behalf of the client including the finalization of all agreements.
- 5.2. Instruct the contractor on behalf of the client to appoint subcontractors.
- 5.3. Receive, co-ordinate, review and obtain approval of all contract documentation provided by the contractor, subcontractors, and suppliers for compliance with all of the contract requirements.
- 5.4. Monitor the ongoing projects insurance requirements.
- 5.5. Facilitate the handover of the site to the contractor.
- 5.6. Establish and co-ordinate the formal and informal communication structure and procedures for the construction process.
- 5.7. Regularly conduct and record the necessary site meetings
- 5.8. Monitor, review and approve the preparation of the Contract Programme by the contractor.
- 5.9. Regularly monitor the performance of the contractor against the Contract Programme.
- 5.10. Review and adjudicate circumstances and entitlements that may arise from any changes required to the Contract Programme.
- 5.11. Monitor the preparation of the contractor's Health and Safety Plan and approval thereof by the Health and Safety Consultant.
- 5.12. Monitor the auditing of the Contractors' Health and Safety Plan by the Health and Safety Consultant.
- 5.13. Monitor the compliance by the contractors of the requirements of the Health and Safety Consultant.
- 5.14. Monitor the production of the Health and Safety File by the Health and Safety Consultant and contractors
- 5.15. Monitor the preparation by the Environmental Consultants of the Environmental Management Plan
- 5.16. Establish the construction information distribution procedures.
- 5.17. Agree and monitor the Construction Documentation Schedule for timeous delivery of required information to the contractors.
- 5.18. Expedite, review and monitor the timeous issue of construction information to the contractors.

- 5.19. Manage the review and approval of all necessary shop details and product propriety information by the design consultants.
- 5.20. Establish procedures for monitoring, controlling and agreeing all scope and cost variations.
- 5.21. Agree the quality assurance procedures and monitor the implementation thereof by the consultants and contractors.
- 5.22. Monitor, review, approve and certify monthly progress payments.
- 5.23. Receive, review and adjudicate any contractual claims.
- 5.24. Monitor the preparation the preparation of monthly cost reports by the cost consultants.
- 5.25. Monitor long lead items and off-site production by the contractors and suppliers.
- 5.26. Prepare monthly project reports including submission to the client
- 5.27. Manage, co-ordinate and monitor all necessary testing and commissioning by consultants and contractors.
- 5.28. Co-ordinate, monitor and issue the Practical Completion Lists and the Certificate of Practical Completion.
- 5.29. Co-ordinate and monitor the preparation and issue of the Works Completion List by the consultants to the contractors.
- 5.30. Monitor the execution by the contractors of the defect items to achieve Works Completion.
- 5.31. Facilitate and co-ordinate adequate access with the occupant for the rectification of defects by the contractors

***Project Management Deliverables***

- Signed Contractor(s) Agreements
- Agreed Contract Programme
- Adjudication and award of contractual claims
- Construction Documentation Schedule
- Monthly progress payment certificates
- Monthly project progress reports.
- Record of all meetings
- Certificates of Practical Completion.



**6.0 STAGE 6 - CLOSE OUT****Definition**

*The process of managing and administering the project closeout, including preparation and co-ordination of the necessary documentation to facilitate the effective operation of the project*

**Standard Services**

- 6.1. Issue the Works Completion Certificate
- 6.2. Manage, co-ordinate and expedite the preparation by the design consultants of all as-built drawings and design documentation.
- 6.3. Manage and expedite the procurement of all operating and maintenance manuals as well as all warranties and guarantees.
- 6.4. Manage and expedite the procurement of all statutory compliance certificates and documentation.
- 6.5. Manage the finalization of the Health and Safety File for submission to the Client.
- 6.6. Co-ordinate, monitor and manage the rectification of defects during the Defects Liability Period.
- 6.7. Manage, co-ordinate and expedite the preparation and agreement of the final account by the cost consultants with the relevant contractors.
- 6.8. Co-ordinate, monitor and issue the Final Completion Defects list and Certificate of Final Completion.
- 6.9. Prepare and present Project Closeout Report.

**Project Management Deliverables**

- Works Completion Certificate
- Certificate of Final Completion
- Record of all meetings
- Project closeout report

**General Notes**

- As these stages might overlap, the Standard Services stated hereunder may be required to be undertaken during any one of the Project Work Stages
- The order of the Standard Services does not necessarily reflect the actual sequence of implementation

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#### 4.0 ADDITIONAL/SUPPLEMENTARY SERVICES

##### 1. Development Management Services

The Project Construction Manager may, by prior mutual consent, provide the following supplementary services. This will require agreement of both the Client and Project Construction Manager on the adjustment of the fees and disbursements.

- a. Facilitate the opportunity realisation process
- b. Procuring of land and finance
- c. Procuring of tenants, tenant co-ordination and tenant installations
- d. Drafting of appointment contracts for other members of the professional team
- e. Project management services in relation to direct contractors engaged by the client, such as those engaged for furniture, fittings and equipment
- f. Mediation, arbitration proceedings and similar services. Such services will commence upon the notification of a dispute or the initiation of such proceedings
- g. All work arising out of the failure of any consultant, contractors, suppliers or other external party to perform its obligations
- h. Services required in respect of damage to or destruction of the works, insurance matters, postponement or cancellation of agreements
- i. Additional services resulting from changes by the client to previously issued instructions
- j. Any other services not specifically incorporated in the identified scope of services mentioned in this document

##### 2. Supplementary Services Pertaining to all Stages of the Project

The following services are additional to the normal services provided by the construction project manager, and shall be performed by agreement between the construction project manager and the client. The agreement on scope of additional services and remuneration shall be in writing and should, if at all possible, be concluded before such additional services are rendered

- a. Appointment as agent in accordance with Regulation 4.(5) of the Construction Regulations 2003, issued in terms of the Occupational Health and Safety Act, 1993 (Act 85 of 1993), to specifically ensure compliance in terms thereof
- b. Procuring of land and finance
- c. Procuring of tenants, tenant co-ordination and tenant installations
- d. Drafting of non-standard contracts
- e. Project management services in relation to direct contractors engaged by the client, such as those engaged for furniture, fittings and equipment
- f. Mediation, arbitration and litigation proceedings and similar services.
- g. Where the client requires the construction project manager to, on his behalf, perform the services listed hereunder or similar work, the extent thereof and remuneration therefore is subject to agreement between the client and the construction project manager:

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- i. Dealing with matters of law, obtaining parliamentary or other statutory approval, licenses or permits
- ii. Assisting with or participating in contemplated or actual mediation, arbitration or litigation proceedings
- iii. Officiating at or Attending courts and commissions of enquiry, select committees and similar bodies convened by statute, regulation or decree
- h. All work arising out of failure of any consultant, contractor, supplier or other external party to perform its obligations, provided that such failure is not due to default by the Construction Project Manager
- i. Services resulting from damages to or destruction of the works, insurance matters, postponement or cancellation of agreement
- j. Additional services resulting from the client changing previously issued instructions
- k. Construction management
- l. Calculation and certification of professional fees applicable to other professionals engaged by the client on the project
- m. Any other services not specifically incorporated in this Guideline Scope of Services and Tariff of Fees for Registered Persons

#### 5.0 COMMISSION TERMINATION

- 1. Should a commission be terminated the fee for the services completed shall be calculated in accordance with the Tariff of Fees and the fee for services partially completed shall be determined *pro rata* to the complete service
- 2. Should a commission be terminated by the client after the commencement of the commission then, in addition to the fee calculated in accordance with 5.1, a surcharge of 10 percent shall be payable on the difference between the full fee calculated in accordance with the Tariff of Fees for the services commissioned and the fee calculated in accordance with 5.1.
- 3. For purposes of 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 90 calendar days in the aggregate, unless otherwise agreed in writing by the parties.

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## RECOMMENDED GUIDELINES TARIFF OF FEES

### 6.0 APPLICATION OF TARIFF OF FEES

1. The guideline tariff of fees contained in this Schedule applies in respect of normal services
2. The client should remunerate the construction project manager, for the normal services rendered, on the basis of clauses 6 to 9. In cases where the client and construction project manager have agreed that clauses 6 to 9 are not applicable, payment should be on the basis of clause 10 or as agreed according to clause 6(4)
3. The client shall reimburse the construction project manager for all expenses and costs incurred in terms of clause 11 in performing his services, irrespective of whether fees are charged in terms of clauses 6 to 9, as well as for all costs incurred on behalf, and with the approval, of the client.
4. Should the tariff of fees contained in this Schedule be found to be inappropriate to any project, works, services or part thereof, the client and construction project manager may agree, in writing, a fee deemed more appropriate, prior to the commencement of the works. Contributing factors to be taken into account, although not limited to, may include all or any of the following:
  - a. *Complexity:* Where the works call for the application of new, unusual or untried techniques or designs or application of complex project delivery, systems or processes or excessive complexity of the whole or part of the works
  - b. *Small projects:* Where projects are small in monetary value and the tariff of fees for normal projects does not compensate the construction project manager reasonably for the normal services to be rendered
  - c. *Cost of the works:* Where the cost of the works is abnormally low relative to the normal services required from the construction project manager
  - d. *Time duration:* Where the works are executed over an appreciably shorter or longer than normal or realistic time periods during any of the stages defined in clause 3, or where the client orders suspension of the services between stages for periods in excess of 21 calendar days in the aggregate for any stage.
  - e. *Level of responsibility, liability and risk:* Where unusually high demands in respect of these factors are expected to be carried by the construction project manager
5. Agreement on any adjustment of or special fees should be reached in writing at the time of the engagement of the construction project manager and be concluded prior to the construction project manager rendering services which may be affected.
6. Where at the instance and with the consent of the client the works are undertaken on separate non-contiguous sites, continuity is interrupted or are unusually fragmented or are constructed as separately documented phases or sections, the fee for normal services is:
  - a. the sum of the fees calculated separately for each site, contract, phase or section as if they were separate works; or
  - b. the fee agreed to, in writing, between the client and the construction project manager, prior to the commencement of the works, and which fee lies between the fee calculated on the total cost of the works and the sum of the fees contemplated in clause 6(6)(1).

7. The following fees may be claimed after each stage of services or monthly or as agreed between the construction project manager and the client:
- Percentage fees determined on the basis of the cost of the works prevailing at the time of the fee calculation and pro-rata to the completed normal services
  - Time based fees as specifically agreed on in writing by the client, applicable when additional services were rendered
8. Disbursements as set out in clause 11 may be claimed monthly

## 7.0 FEES FOR STANDARD SERVICES

### Construction project management services pertaining to building projects

The basic fee for normal services in the field of construction project management, pertaining to building projects, is calculated at the percentage mentioned against the cost of the works contained in following table:

Cost Bracket	From	To	Primary Fee	Plus Secondary Fee	
				Add %	For Value Over
1	0	10 000 000	10 000	6.35%	0
2	10 000 000	20 000 000	645 000	5.72%	10,000,000
3	20 000 000	40 000 000	1 217 000	5.14%	20,000,000
4	40 000 000	80 000 000	2 245 000	4.63%	40,000,000
5	80 000 000	160 000 000	4 097 000	4.07%	80,000,000
6	160 000 000	320 000 000	7 353 000	3.58%	160,000,000
7	320 000 000	640 000 000	13 081 000	3.08%	320,000,000
8	640 000 000	1 280 000 000	22 937 000	2.65%	640,000,000
9	1 280 000 000	2 560 000 000	39 897 000	2.28%	1,280,000,000
10	2 560 000 000	And Above	69 081 000	1.96%	2,560,000,000

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**8.0 SERVICES PROVIDED PARTIALLY OR IN STAGES**

The following table shall be used for proportioning the basic fee for standard services over the various stages of the services:

Project Stage	Description	Percentage of Total Fee
1	Initiation	10%
2	Concept and Viability	10%
3	Design Development	25%
4	Documentation and Procurement	10%
5	Construction	40%
6	Close Out	5%

**9.0 FEES FOR ADDITIONAL/SUPPLEMENTARY SERVICES**

The fees for additional/supplementary services contemplated in clause 4 are to be agreed to, in writing, between the client and the construction project manager, prior to the commencement of the works.

**10.0 TIME BASED FEES**

1. Time based fees are all-inclusive fees, including allowances for overhead charges incurred by the construction project manager as part of normal business operations, including the cost of management, as well as payments to administrative, clerical and secretarial staff used to support professional and technical staff in general and not on a specific project only.
2. The time based fee rates and any applicable annual increase to rates are to be agreed to by the parties at the start of the commission, failing which applicable reasonable market related or gazetted rates shall be applied.
3. For the purposes of this clause, the total annual cost of employment of a person means the total amount borne by an employer in respect of the employment of such a person per year, calculated at the amounts applicable to such a person at the time of appointment of such staff to the project, including –
  - a. Basic salary, or a nominal market related salary, excluding profit share and asset growth
  - b. benefits not reflected in the basic salary, including:
    - i. normal annual bonus;
    - ii. contribution to medical aid;
    - iii. group life insurance premiums borne by the employer;
    - iv. contribution to a pension or provident fund; and
    - v. all other benefits or allowances payable in terms of a letter of appointment, including any transportation allowance or company vehicle benefit, telephone and/or computer allowances, etc; and



- c. Amounts payable in terms of a Act, including:
  - i. contributions to the Compensation Fund in terms of the Compensation for Occupational Injuries and Diseases Act;
  - ii. contributions to unemployment insurance in terms of the Unemployment Insurance Fund Act; and
  - iii. recoverable levies to all spheres of government
- 4. The applicable Hourly Fee Rates shall be the *Hourly Fee Rates For Consultants* as published by the Department of Public Service and Administration (dpsa). The latest Fee Rates are available at <http://www.dpsa.gov.za> and can be found under Document Archive, All Documents. The SACPCMP hereby makes it known that the Rates set out therein are recommended guidelines.

#### 11.0 EXPENSES AND COSTS

- 1. For disbursements and for reasonable travelling and subsistence expenses additional payment shall be claimed over and above the fee payable under any other provision of this Tariff of Fees
- 2. Recoverable expenses include;
  - a. Travelling expenses for the conveyance of the construction project manager or a member of the construction project manager's staff by means of:
    - i. private motor transport, including any parking charges, toll fees and related expenses;
    - ii. a scheduled air line or a train, bus, taxi or hired car; or
    - iii. non-scheduled or privately owned air transport
  - b. Travelling time on the basis of the rate set out in clause 10, for all time spent in travelling by the construction project manager or members of his staff shall be as follows:
    - i. when fees are paid on a time basis, all hours spent on travelling are reimbursable
    - ii. when fees are paid on a percentage basis, reimbursement for travelling time shall be for all time spent in travelling minus the first hour per return journey
  - c. Reasonable accommodation and subsistence expenses incurred by the construction project manager or a member of his staff;
  - d. Agreed costs of typing, production, copying and binding of contract documents, pre-qualification documents, feasibility reports, preliminary design reports, final reports and manuals, excluding general correspondence, minor reports, contractual reports, progress reports, etc.
  - e. Expenses on special reproductions, copying, printing, artwork, binding and photography, etc. requested by the client
  - f. Alternatively, a lump sum or percentage of the total fees payable to the construction project manager may be determined and agreed between the construction project manager and the client to cater for all or any of the above

## BOARD NOTICES • RAADSKENNISGEWINGS

### BOARD NOTICE 170 OF 2015

#### THE SOUTH AFRICAN COUNCIL FOR THE QUANTITY SURVEYING PROFESSION

#### AMENDMENT OF GUIDELINE 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 September 2015

Board Notice 140 of 2008 in Government Gazette 31657 of 5 December 2008 and amendments thereto published as Board Notice 163 of 2009 in Government Gazette No 32753 of 4 December 2009, published as Board Notice 69 of 2011 in Government Gazette No 34185 of 8 April 2011 and published as Board Notice 194 of 2012 in Government Gazette No 35924 of 30 November 2012 are hereby withdrawn

### 2015 GUIDELINE TARIFF OF PROFESSIONAL FEES

#### SCHEDULE

#### GUIDELINE TARIFF OF PROFESSIONAL FEES IN RESPECT OF SERVICES RENDERED BY PERSONS REGISTERED IN TERMS OF THE QUANTITY SURVEYING PROFESSION ACT 2000 (ACT NO 49 OF 2000)

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## PREAMBLE

This Guideline Tariff of Professional Fees provides an equitable basis for determining the **scope of work** required for any particular building or engineering project and the associated remuneration comprising the **fee** and **disbursements** to be paid for professional quantity surveying **services**. This approach serves as a guideline only and does not preclude the use of any other basis appropriate to the particular situation at hand in order to arrive at an agreed **fee** and claimable **disbursements** for the **services** to be provided

The South African Council for the Quantity Surveying Profession acknowledges that there are clients who may not be conversant with the development procedures of building or engineering projects, nor with the professional expertise required by a quantity surveyor to provide the **services** required. This guideline will assist in such circumstances

Competition in respect of **fees** payable within the quantity surveying profession is healthy for both the profession and clients. This Guideline Tariff of Professional Fees is not prescriptive, but merely a guideline of what is deemed to be fair and reasonable for the services rendered

In line with the stated purpose of the Competitions Act, the publication of this guideline is to:

- promote the efficiency, adaptability and development of the economy;
- provide market transparency to consumers with competitive prices and product choices;
- promote employment and advance the social and economic welfare of South Africans;
- expand opportunities for South African participation in world markets and recognise the role of foreign competition in the Republic;
- ensure that small and medium-sized enterprises have an equitable opportunity to participate in the economy; and
- promote a greater spread of ownership, in particular to increase the ownership stakes of historically disadvantaged persons

It remains the prerogative of the client and quantity surveyor to negotiate a **fee** for the **services** to be provided. The guideline should be used to assist the client in assessing the risks associated with a **fee** that is too low or too high for the **services** required. In the same vein, clients need to assess the risk of removing too many services to be undertaken by the quantity surveyor. Reducing the **fee** and/or the **services** to be rendered to the extent that the quantity surveyor's remuneration and input becomes insufficient to effectively attend to all aspects of the required quantity surveying **services**, will be detrimental to the project

Note: Refer to clause 1.1 hereinafter for words and phrases highlighted above

**1.0 GENERAL**

- 1.1 Where the words and phrases are highlighted in the text of this Guideline 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 Guideline 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
- 1.4 This Guideline Tariff of Professional Fees does not make any differentiation between different types or complexities of buildings, nor methodology of construction

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

The fee is a **basic fee** (clause 2.2.1) multiplied by the **appropriate percentage** (clauses 2.3 to 2.6) and apportioned as set out in the apportionment of fees to stages (clause 2.7), provided that:

- 2.1.1 The **basic fee** is 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 10.49.10 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 is added to the value of non-replication work for fee calculation purposes

**2.2 Fee calculation**

The fee is calculated as set out hereunder

## 2.2.1 Basic fee

Value for fee purposes	Basic fee	
	Primary charge	Marginal rate
1	2	3
Up to R 1 000 000	R 19 000	8,00 % on balance over R 0
R 1 000 000 – R 2 000 000	R 99 000	8,00 % on balance over R 1 000 000
R 2 000 000 – R 4 000 000	R 179 000	7,95 % on balance over R 2 000 000
R 4 000 000 – R 8 000 000	R 338 000	7,15 % on balance over R 4 000 000
R 8 000 000 – R 16 000 000	R 624 000	6,70 % on balance over R 8 000 000
R 16 000 000 – R 32 000 000	R 1 160 000	5,90 % on balance over R 16 000 000
R 32 000 000 – R 64 000 000	R 2 104 000	5,27 % on balance over R 32 000 000
R 64 000 000 – R 128 000 000	R 3 790 400	5,15 % on balance over R 64 000 000
R 128 000 000 – R 256 000 000	R 7 086 400	4,10 % on balance over R 128 000 000
R 256 000 000 – R 500 000 000	R 12 334 400	3,96 % on balance over R 256 000 000
R 500 000 000 – R 1 500 000 000	R 21 996 800	3,50 % on balance over R 500 000 000
R 1 500 000 000 – R 3 000 000 000	R 56 969 800	3,12 % on balance over R 1 500 000 000
R 3 000 000 000 and over	R 103 769 800	2,44 % on balance over R 3 000 000 000

## 2.2.2 Adjustment factor

An adjustment factor is to be applied to the **fee** to take into account aspects that will either increase or decrease the **fee** for risk, complexity, market conditions and the like

## 2.2.3 Examples of fee calculations

The following are examples of the most commonly used **fee** calculations for **building works**

Assumptions:

Final value of the contract R 100 000 000

Final value of **mechanical and electrical installations ancillary to building works** and **civil engineering works ancillary to building works** in terms of clauses 10.10 and 10.24 R 22 500 000

**Fee** calculation where the quantity surveyor is not required to perform a service in respect of **mechanical and electrical installations ancillary to building works** and **civil engineering works ancillary to building works** in terms of clause 10.49.10

**Value for fee purposes:** R 100 000 000 – R 22 500 000 = R 77 500 000

Primary charge R 3 790 400

Marginal rate: 5.15% of R 13 500 000 (balance over R 64 000 000) R 695 250

Guideline **fee** R 4 485 650

Adjustment factor to increase or decrease the **fee** in terms of clause 2.2.2 R *to be assessed*

Adjusted **fee** R *as applicable*

**Fee calculation where the quantity surveyor is required to perform a service in respect of mechanical and electrical installations ancillary to building works and civil engineering works ancillary to building works in terms of clause 10.49.10**

**Value for fee purposes:** R 100 000 000

Primary charge	R	3 790 400
Marginal rate: 5.15% of R 36 000 000 (balance over R 64 000 000)	R	1 854 000

Guideline fee	R	5 644 400
Adjustment factor to increase or decrease the fee in terms of clause 2.2.2	R	to be assessed

Adjusted fee	R	as applicable
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### 2.3 Appropriate percentage for building work

Note: Exclusions in terms of clause 10.49.10 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 10.49.9 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 10.49.10 are not applicable when determining the **value for fee purposes**

Category	Appropriate percentage	
	Building works	Engineering works
1	2	3
Principal agency .....	45	42,5
Principal consultancy .....	30	27,5
Project monitoring .....	25	22,5
Quality inspection .....	15	15

## 2.6 Appropriate percentage for supplementary services

Note: Exclusions in terms of clause 10.49.10 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 <b>building works</b> for which the quantity surveyor has not prepared <b>bills of quantities</b> .....	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 Inception	Stage 2 Concept and viability	Stage 3 Design development	Stage 4 Documentation and procurement	Stage 5 Construction	Stage 6 Close-out
1	2	3	4	5	6	7
<b>Bills of quantities and engineering bills of quantities contracts:</b>						
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
<b>Builder's quantities .....</b>	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
<b>Cost norms .....</b>	15	15	15	20	25	10
<b>Cost-plus contracts .....</b>	2,5	7,5	10	15	57,5	7,5
<b>Payment valuations .....</b>	n/a	n/a	n/a	n/a	92,5	7,5
<b>Principal agency .....</b>	n/a	n/a	7,5	7,5	70	15
<b>Principal consultancy .....</b>	25	25	25	25	n/a	n/a
<b>Project monitoring .....</b>	2,5	5	10	17,5	50	15
<b>Quality inspection .....</b>	n/a	n/a	n/a	n/a	85	15
<b>Replication of prototype .....</b>	2,5	5	5	17,5	62,5	7,5
<b>Schedule of materials .....</b>	n/a	n/a	n/a	100	n/a	n/a
<b>Simplified bills of quantities contracts:</b>						
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
<b>Targeted procurement .....</b>	n/a	n/a	n/a	20	60	20
<b>Multiple procurement contracts (overrides all other category apportionments) .....</b>	2,5	5	7,5	During Stage 4	During Stage 5	45
				15	20	

## 2.8 Fee for consortium representative and apportionment

2.8.1 The fee for the consortium representative is 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 is 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 percentage listed in column 3 of clause 2.2.1 applicable to the **value for fee purposes** is 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 percentage listed in column 3 of clause 2.2.1 applicable to the **value for fee purposes** is 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** is 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 is calculated in accordance with this Guideline 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 is payable on the difference between the full **fee** calculated in accordance with this Guideline 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 is considered to be partial payment of the **fee** calculated in accordance with this Guideline 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 Guideline Tariff of Professional Fees, then a time charge is applicable for such additional work

## 7.0 TIME CHARGE

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

- 7.1.1 Registered professional principals<sup>1</sup>: 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<sup>2</sup>
- exceeding 5 years and not exceeding 10 years experience<sup>2</sup>
- exceeding 10 years experience<sup>2</sup>
- specialist work<sup>3</sup>

<sup>1</sup> "Principal", for this purpose, is a person who acts as a partner, a sole proprietor, a director or a member who, jointly or severally with other partners, co-directors or co-members, bears the risks of the business, or a person who takes responsibility for projects and related liabilities of such practice and where such person's level of expertise and relevant experience is commensurate with such position

<sup>2</sup> "Experience", for this purpose, commences from the date of being awarded professional quantity surveyor (PrQS) registration status by the South African Council for the Quantity Surveying Profession

<sup>3</sup> "Specialist work", other than expert witness, mediator, arbitrator or umpire, for this purpose, is work of a specialist nature performed by a quantity surveyor who has more than 10 years experience as a PrQS 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 is to be levied for **services** listed hereunder:

Category	Percentage of time charge*
1	2
Financial viability studies .....	100
Life cycle costing .....	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 is nevertheless not to 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 is 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 is be deemed to include overheads and charges in respect of time expended by clerical personnel which is, therefore, not 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 is 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 is remunerated at the rates determined in clause 7.3.2 or 7.3.3

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- 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 is to 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 is only 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 Guideline Tariff of Professional Fees
- 8.2 Where payment is effected on a time charge, travelling time is 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 100 km from the quantity surveyor's place of practice, travelling time is 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 is entitled to render invoices monthly for a **fee** or a part **fee** taking cognisance of the apportionment of **fees** as stated in clause 2.7 and for the reimbursement of **disbursements**. Such invoices are due and payable by the client on receipt thereof
- 9.2 Notwithstanding the provisions of clause 9.1, the following is to apply in respect of national and provincial government departments:
- 9.2.1 The quantity surveyor is only 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 is 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
- 9.2.3 For interim payments during **Stage 5**, one third of the **fee** is to be apportioned to the draft final account where applicable
- 9.3 Should the client not have paid any invoice within 30 calendar days of receipt thereof, the client shall be liable for interest for late payment. Such interest shall be calculated and payable 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 from the due date for payment

**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 of a fragmentary nature 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 2.2.1
- 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 AND ENGINEERING WORKS SERVICES"** means the **services** listed in columns 2 to 4 and 7 of clause 2.3 and columns 2, 3 and 5 of clause 2.4, which in broad terms includes the following:
- 10.6.1 **Stage 1**
- 10.6.1.1 Assisting in developing a clear project brief
  - 10.6.1.2 Attending project initiation meetings
  - 10.6.1.3 Advising on the procurement policy for the project
  - 10.6.1.4 Advising on other professional consultants and services required
  - 10.6.1.5 Defining the quantity surveyor's **scope of work and services**
  - 10.6.1.6 Concluding the terms of the client/quantity surveyor professional services agreement with the client
  - 10.6.1.7 Advising on economic factors affecting the project
  - 10.6.1.8 Advising on appropriate financial design criteria
  - 10.6.1.9 Providing necessary information within the agreed scope of the project to the other professional consultants
- and for which the following deliverables are applicable:
- 10.6.1.10 Agreed **scope of work**
  - 10.6.1.11 Agreed **services**
  - 10.6.1.12 Signed client/quantity surveyor professional services agreement

**10.6.2 Stage 2**

- 10.6.2.1 Agreeing the documentation programme with the **principal consultant** and other professional consultants
- 10.6.2.2 Attending design and consultants' meetings
- 10.6.2.3 Reviewing and evaluating design concepts and advising on viability in conjunction with the other professional consultants
- 10.6.2.4 Receiving relevant data and cost estimates from the other professional consultants
- 10.6.2.5 Preparing preliminary and elemental or equivalent estimates of construction cost
- 10.6.2.6 Assisting the client in preparing a financial viability report
- 10.6.2.7 Auditing space allocation against the initial brief
- 10.6.2.8 Liaising, co-operating and providing necessary information to the client, **principal consultant** and other professional consultants

and for which the following deliverables are applicable:

- 10.6.2.9 Preliminary estimate(s) of construction cost
- 10.6.2.10 Elemental or equivalent estimate(s) of construction cost
- 10.6.2.11 Space allocation audit for the project

**10.6.3 Stage 3**

- 10.6.3.1 Reviewing the documentation programme with the **principal consultant** and other professional consultants
- 10.6.3.2 Attending design and consultants' meetings
- 10.6.3.3 Reviewing and evaluating design and outline specifications and exercising cost control in conjunction with the other professional consultants
- 10.6.3.4 Receiving relevant data and cost estimates from the other professional consultants
- 10.6.3.5 Preparing detailed estimates of construction cost
- 10.6.3.6 Assisting the client in reviewing the financial viability report
- 10.6.3.7 Commenting on space and accommodation allowances and preparing an area schedule
- 10.6.3.8 Liaising, co-operating and providing necessary information to the client, **principal consultant** and other professional consultants

and for which the following deliverables are applicable:

10.6.3.9 Detailed estimate(s) of construction cost

10.6.3.10 Area schedule

10.6.4 **Stage 4**

10.6.4.1 Attending design and consultants' meetings

10.6.4.2 Assisting the **principal consultant** in the formulation of the procurement strategy for contractors, subcontractors and suppliers

10.6.4.3 Reviewing working drawings for compliance with the approved budget of construction cost and/or financial viability

10.6.4.4 Preparing documentation for both principal and subcontract procurement

10.6.4.5 Assisting the **principal consultant** with calling of tenders and/or negotiation of prices

10.6.4.6 Assisting with financial evaluation of tenders

10.6.4.7 Assisting with preparation of contract documentation for signature

and for which the following deliverables are applicable:

10.6.4.8 Budget of construction cost

10.6.4.9 Tender documentation

10.6.4.10 Financial evaluation of tenders

10.6.4.11 Priced contract documentation

10.6.5 **Stage 5**

10.6.5.1 Attending the site handover

10.6.5.2 Preparing schedules of predicted cash flow

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

10.6.5.4 Attending regular site, technical and progress meetings

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

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

10.6.5.7 Establishing and maintaining a financial control system

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

- 10.6.5.9 Preparing final account(s) including remeasurement(s) as required for the works on a progressive basis

and for which the following deliverables are applicable:

- 10.6.5.10 Schedule(s) of predicted cash flow
- 10.6.5.11 Estimates for proposed variations
- 10.6.5.12 Financial control reports
- 10.6.5.13 Valuations for payment certificates
- 10.6.5.14 Progressive and draft final account(s)

10.6.6 **Stage 6**

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

- 10.6.6.2 Concluding final account(s)

and for which the following deliverables are applicable:

- 10.6.6.3 Valuations for payment certificates
- 10.6.6.4 Final account(s)

- 10.7 **"BUILDING WORKS"** means building work including mechanical and electrical installations in buildings and civil engineering works ancillary to building works, such as earthworks, basements, reticulations (stormwater, sewer and water), roads, paving, reservoirs, towers and the like

- 10.8 **"CIVIL ENGINEERING WORKS: CATEGORY I"** means shafts, tunnels, airport runways and aprons, roads, railways, sports fields, earthworks, earth dams and dredging

- 10.9 **"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

- 10.10 **"CIVIL ENGINEERING WORKS ANCILLARY TO BUILDING WORKS"** shall be limited to the following:

- 10.10.1 Main reticulations (stormwater, sewer and water) outside the defined area of the building site
- 10.10.2 Reservoirs
- 10.10.3 Roads
- 10.10.4 Water towers

- 10.11 **"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
- 10.12 **"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 10.41 to 10.46 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
- 10.13 **"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
- 10.14 **"DISBURSEMENTS"** means the reimbursement for the following expenses properly incurred by the quantity surveyor for the project:
- 10.14.1 Printing, plotting, photocopying, maps, models, presentation materials, photography and similar documentation including all reproduction or purchasing of documents
  - 10.14.2 Accommodation, subsistence and travelling allowances, including kilometre allowances at current recognised rates for the use of vehicles
  - 10.14.3 International telephone calls and facsimiles, special postage and courier deliveries
  - 10.14.4 Other expenses subject to agreement with the client
- 10.15 **"ELECTRICAL ENGINEERING WORKS"** means electrical installations and instrumentation other than **electrical installations ancillary to building works**
- 10.16 **"ELECTRICAL INSTALLATIONS ANCILLARY TO BUILDING WORKS"** shall be as defined in clause 10.24
- 10.17 **"ENGINEERING BILLS OF QUANTITIES"** means bills of quantities, bills of provisional quantities or schedule of rates documented in respect of:
- 10.17.1 Civil engineering works, in accordance with an appropriate method of measurement for civil engineering works
  - 10.17.2 Electrical, mechanical or **process engineering works**, in accordance with an appropriate method of measurement for such works
- 10.18 **"FEE"** means the remuneration in respect of **services** rendered by a quantity surveyor in private practice, calculated in accordance with this Guideline Tariff of Professional Fees. The fee excludes VAT



- 10.19 **"FINANCIAL VIABILITY STUDIES"** means financial viability studies and other pre-design studies involving an economic investigation and appraisal of a project
- 10.20 **"GROSS ANNUAL REMUNERATION"** means:
- 10.20.1 Basic salary and guaranteed annual bonus
  - 10.20.2 Fringe benefits not included in basic salary
  - 10.20.3 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
  - 10.20.4 Employer's contribution to pension/provident fund
  - 10.20.5 Employer's contribution to medical aid
  - 10.20.6 Employer's contribution to group life assurance premiums
  - 10.20.7 Compensation Fund and Unemployment Insurance Fund contributions and any other statutory contributions or levies
  - 10.20.8 All other costs and benefits as per conditions of appointment but excluding any share of profit and payment for overtime
- 10.21 **"LOCATIONAL BILLS OF QUANTITIES"** means **bills of quantities** required by the client to be separated into blocks, elements, functions or other locations
- 10.22 **"MEASURED WORK"** means work measured for incorporation in **bills of quantities** or a final account and shall exclude:
- 10.22.1 Work originally measured as provisional, including budgetary allowances and provisional amounts
  - 10.22.2 Adjustments involving the substitution of materials without additional measurement
  - 10.22.3 Any applicable contract price adjustment
  - 10.22.4 Preliminaries or any adjustment thereof
  - 10.22.5 Contingencies
- 10.23 **"MECHANICAL ENGINEERING WORKS"** means mechanical installations other than **mechanical installations ancillary to building works**
- 10.24 **"MECHANICAL AND ELECTRICAL INSTALLATIONS ANCILLARY TO BUILDING WORKS"** shall be limited to the following:
- 10.24.1 Air-conditioning and mechanical ventilation
  - 10.24.2 Boiler equipment
  - 10.24.3 Conveyor systems
  - 10.24.4 Electrical and electronic installations

- 10.24.5 Gas and compressed air systems
  - 10.24.6 Incinerators and compactor units
  - 10.24.7 Laundry equipment
  - 10.24.8 Lifts, hoists and escalators
  - 10.24.9 Pumping equipment
  - 10.24.10 Refrigeration installations
  - 10.24.11 Specialist fire detection and fire prevention installations including sprinkler installations
  - 10.24.12 Steam installations
  - 10.24.13 X-ray and sterilisation equipment
- 10.25 **"MULTIPLE PROCUREMENT CONTRACTS"** means **building 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
- 10.26 **"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
- 10.27 **"PRINCIPAL AGENCY"** means the services of the **principal agent** listed in columns 2 and 3 of clause 2.5, which in broad terms include the following:
- 10.27.1 **Stage 1**
    - 10.27.1.1 No services
  - 10.27.2 **Stage 2**
    - 10.27.2.1 No services
  - 10.27.3 **Stage 3**
    - 10.27.3.1 Preparing, co-ordinating, agreeing and monitoring a detailed design and documentation programme
- and for which the following deliverables are applicable:
- 10.27.3.2 Documentation programme

**10.27.4 Stage 4**

- 10.27.4.1 Recommending and agreeing procurement strategy for contractors, subcontractors and suppliers with the client and the other professional consultants
- 10.27.4.2 Preparing and agreeing the procurement programme
- 10.27.4.3 Advising the client, in conjunction with the other professional consultants on the appropriate insurances
- 10.27.4.4 Managing procurement process and recommending contractors for approval by the client
- 10.27.4.5 Agreeing the format and procedures for monitoring and control by the quantity surveyor of the cost of the works
- 10.27.4.6 Co-ordinating the assembly of the contract documentation for signature

and for which the following deliverables are applicable:

- 10.27.4.7 Procurement programme
- 10.27.4.8 Tender/contract conditions
- 10.27.4.9 Record of all meetings
- 10.27.4.10 Obtaining approval by the client of tender recommendation(s)
- 10.27.4.11 Contract documentation for signature

**10.27.5 Stage 5**

- 10.27.5.1 Arranging site handover to the contractor
- 10.27.5.2 Establishing the construction documentation issue process
- 10.27.5.3 Agreeing and monitoring issue and distribution of construction documentation
- 10.27.5.4 Instructing the contractor on behalf of the client to appoint subcontractors
- 10.27.5.5 Conducting and recording regular site meetings
- 10.27.5.6 Reviewing, approving and monitoring the preparation of the construction programme by the contractor
- 10.27.5.7 Regularly monitoring performance of the contractor against the construction programme
- 10.27.5.8 Adjudicating entitlements that arise from changes required to the construction programme
- 10.27.5.9 Receiving, co-ordinating and monitoring approval of all contract documentation provided by the contractor(s)