

DIVISION OF FACILITIES AND CONSTRUCTION MANAGEMENT
ARCHITECTURAL/ENGINEER FEES

EFFECTIVE DATE: July 13, 2015

I. Purpose

To provide a standard for a reasonable A/E fee structure on State of Utah Projects

II. Background

The State Procurement Code requires that contract architects, engineers and surveyors be selected using one of the processes in the Procurement Code, but that the initial selection be based on qualifications and not be based on the lowest fee. Once the selection is made by a lawful process, the fee can be considered and negotiated. However, a standard is required to ensure that reasonable and consistent fees are paid for awarded work, and therefore, this document shall serve as the definitive guide for determining such fees. This policy updates earlier standards with additional clarity.

III. Policy

DFCM Project Managers shall employ this standard for the negotiation of Architectural/Engineering Fees. Any exception to this standard can only be obtained by written approval of the DFCM Director or the Director's designee.

IV. Procedures

- a. The fee should be established with the individual project size and complexities in mind.
- b. An individual project may have complexities due to the inherent nature of the project type, due to complexity of consultants services required and/or due to complexities of the scope of the project.
- c. The fee schedules represent the maximum allowable fee for basic services on a typical project type. Complexity of consultant is negotiated on a case by case basis and requires a separate fee proposal for each consultant. Complexity of scope is a reasonable fee negotiated on a case by case basis.
- d. Basic Services include the design work that is customary on a typical project to take an established building program, site, and budget, and then develop the architectural design, engineer the building systems, produce construction documents, and perform construction administration for a single phase project. Basic Services include the design services customary on every project such as architectural, structural, civil, mechanical, and electrical engineering services.
- e. Basic Services for Civil Engineering on an Architectural Project shall be limited to the following: site planning including layout of site features, building position, preliminary grading, location of paving for walkways, driveways and parking, and fencing locations. Also included are the normal connections required to service the building such as water, drainage, and sanitary systems, if applicable.

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- f. Not included in the Basic Services are amounts to cover Direct and Reimbursable costs such as printing and travel. These costs are reimbursed at 105% of cost; travel will be determined as per State Travel Guidelines.
- g. Instructions for determining fee: determine if the project is Architectural or Engineering; by use of building type determine which schedule to use; using the proper budget range and schedule type find the basic fee percentage. The basic fee is then determined by multiplying the construction budget by the scheduled percentage. The total fee is then determined by combining the basic services fee, with the complexity of consultant fee and complexity of scope fee.
- h. Basic Services will vary from project to project. The following is an example of a typical project distribution as a percentage of the fee. The distribution will be determined on a project by project basis by the Prime Firm:
 - Architectural 60%
 - Mechanical 15%
 - Structural 12%
 - Electrical 10%
 - Civil 3%

V. Incentive

The basic service fees are the guaranteed minimum an A/E can earn for a project. In addition to the basic service fee, a 10% incentive has been implemented that can be earned based on project performance. Project performance is measured by completion of an A-E Evaluation Form, and depending upon project size, from one (1) to five (5) A-E Evaluations will be completed for each project.

The incentive is an additional 10% of the basic service fee, and is not part of the base contract.

Example: Architectural Project Design Fee (Schedule E) with a construction budget of \$20,000,000 x 6.57% = \$1,314,000 basic fee

Total Eligible incentive = \$131,400

Each evaluation period as described below, the DFCM will assess the performance of the A/E based on the evaluation criteria. The evaluation criteria will be determined for each project independently by the DFCM, the Agency/Institution and the Project Team. DFCM reserves the right to request any additional information required to complete this evaluation. Each evaluation period, the A/E and the DFCM Management will meet with the Team and the Agency/Institution Representatives, to determine the amount of the A-E Evaluation score and resulting incentive earned.

Capital Development Projects will be divided into the following five evaluation periods: 1) Schematic Design, 2) Design Development, 3) Construction Documents and bidding, 4) 50% construction Complete and 5) Closeout.

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Capital Improvement Projects with a construction budget over \$1,000,000 will be divided into two evaluation periods: 1) Completion of Design and 2) Completion of Construction.

Capital Improvement Projects with a construction budget under \$1,000,000 will have one evaluation at Completion of Construction.

Capital Development Example: \$131,400 Eligible incentive divided by five periods = \$32,850 per evaluation period

Each A-E Evaluation is based upon five general criteria. (1. Budget and Change Management, 2. Schedule Management and Timeliness of deliverables, 3. Quality of Plans and Documents, 4. Responsiveness & Collaboration, and 5. Innovation and Creativity) and each of these five criteria is divided into four parts, which are scored on a 0 to 100 point basis. A completed A-E Evaluation Form will calculate an average score for all of the various criteria, which becomes the A-E Evaluation score for the respective evaluation period. The final A-E Evaluation period score will range from 0 to 100 points, and will determine the respective percentage of available incentive to be awarded for the period.

Example: a score of 89 points will earn 89% of the fee for that period
Scores below 80 will result in no incentive earned for that period.

“Re-earning” of lost incentive amounts: The A/E may “re-earn” any incentive amount lost should his next evaluation score exceed his immediate past score, as follows: “Re-earning” of any lost incentive amount occurs when the next subsequent A-E Evaluation score surpasses the previous A-E Evaluation score. The amount of incentive “re-earned” will be equal to the difference between the incentive earned in the current period and the incentive earned in the previous period. Lost incentive amounts may only be re-earned for one subsequent evaluation period, and a loss of incentive in the last period cannot be “re-earned.”

Performance Rating

An A-E Performance rating for a project shall be determined by an average of all the evaluation period scores and will then be converted to a 1-5 point rating scale.

Example: 90 point average for all evaluation periods would receive a past performance rating of 4.5
The re-earning of a period incentive shall have no effect on the past performance ratings.

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SCHEDULE OF ARCHITECTURAL PROJECT COMPLEXITY

Schedule - A	Schedule - B	Schedule - C	Schedule - D	Schedule - E
Considerably less than average Complexity	Less than Average Complexity	Average Complexity	More than average Complexity	Considerably more than average Complexity
1. Farm Structures, 2. Garages, 3. Parking Structures, 4. Residential Housing, 5. Warehouses	1. Complex Parking Structures, 2. Liquor Stores, 3. Office Buildings, 4. Shop & Maintenance Facility, 5. Student Housing, 6. Visitor Centers	1. Armories, 2. Care Facilities, 3. Classroom Buildings, 4. Clinics, 5. General Teaching Spaces, 6. Gymnasias, 7. Laundry, 8. Medical Offices, 9. Mixed-Use Housing, 10. Nursing Homes, 11. Public Safety Admin., 12. Strength/Fitness Ctr.	1. Adult or Youth Detention, 2. Arenas, 3. Auditoriums - no stage, 4. Complex Classroom Bldgs., 5. Computer Facilities, 6. Court Facilities, 7. Dining Facilities, 8. Libraries, 9. Medical Clinics, 10. Medical Schools, 11. Performing Arts, 12. Physically Disadvantaged, 13. Recreation Facilities, 14. Skilled Nursing, 15. Specialty Schools, 16. Theaters - no stage	1. Auditorium - w/Stage, 2. Emergency Ops Center, 3. Engineering Research, 4. Fish Hatcheries, 5. Hospitals, 6. Medical Research, 7. Mental Health Facilities, 8. Museums, 9. Prison Facilities, 10. Scientific Research, 11. Stadiums, 12. Teaching Labs, 13. Theater - w/Stage, 14. Veterinarian Facilities, 15. Vivarium's
Complexity of Scope	Complexity of Consultant			
Additional Energy Measures Complex Engineering Complex Site Conditions Historical Renovation LEED Certification Multiple Bid Packages Photo-realistic Rendering Schedule Acceleration Seismic Upgrade	Acoustical Branding Cost Consultant Elevator Feasibility Studies	FF&E Design Geotechnical Surveys Haz Mat Kitchen Lab Consultants	Landscape Master Planning Programming Scheduling Consultant Security	Site Surveys Specialty Consultants Traffic Consultant

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Architectural Project Design Fee Schedule

Budget is Above	Complexity Classification				
	A	B	C	D	E
\$0	9.00%	9.54%	10.08%	10.62%	11.25%
\$50,000	8.55%	9.09%	9.63%	10.17%	10.80%
\$100,000	8.28%	8.82%	9.36%	9.90%	10.53%
\$150,000	8.01%	8.55%	9.09%	9.63%	10.26%
\$200,000	7.74%	8.28%	8.82%	9.36%	9.99%
\$300,000	7.47%	8.01%	8.55%	9.09%	9.72%
\$500,000	7.20%	7.74%	8.28%	8.82%	9.45%
\$750,000	6.93%	7.47%	8.01%	8.55%	9.18%
\$1,000,000	6.66%	7.20%	7.74%	8.28%	8.91%
\$1,500,000	6.39%	6.93%	7.47%	8.01%	8.64%
\$2,000,000	6.12%	6.66%	7.20%	7.74%	8.37%
\$3,000,000	5.94%	6.48%	7.02%	7.56%	8.19%
\$4,000,000	5.76%	6.30%	6.84%	7.38%	8.01%
\$5,000,000	5.58%	6.12%	6.66%	7.20%	7.83%
\$8,000,000	5.40%	5.94%	6.48%	7.02%	7.65%
\$12,000,000	5.13%	5.58%	6.03%	6.48%	6.93%
\$15,000,000	4.95%	5.40%	5.85%	6.30%	6.75%
\$20,000,000	4.77%	5.22%	5.67%	6.12%	6.57%
\$25,000,000	4.68%	5.13%	5.58%	6.03%	6.48%
\$30,000,000	4.59%	5.04%	5.49%	5.94%	6.39%
\$35,000,000	4.50%	4.95%	5.40%	5.85%	6.30%
\$40,000,000	4.41%	4.86%	5.31%	5.76%	6.21%
\$50,000,000	4.32%	4.77%	5.22%	5.67%	6.12%
Renovation	0.50%	0.65%	0.75%	0.85%	1.0%

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SCHEDULE OF ENGINEERING PROJECT COMPLEXITY

Schedule - A	Schedule - B	Schedule - C
Average Complexity	Complex	Unusual Complexity
1. Average Retaining Walls and Foundations, 2. Airport with Simple Terminal Facilities, 3. Average Parks/Marinas and Rec Areas, 4. Average Roads and Streets, 5. Average Roofs, 6. Average Storm Drain & Sewage Collection, 7. Small Bridges, 8. Small Dams, 9. Water Wells, Water Tanks, Pump Station Lift Station	1. Air Pollution Abatement, 2. Airport with Complex Terminal Facilities, 3. Asymmetric Bridges, 4. Average Acoustical Design, 5. Average Telecom Facilities, 6. Complex Parks/Marinas and Rec Areas, 7. Complex Retaining Walls and Foundations, 8. Complex Roads and Streets, 9. Complex Roofs, 10. Complex Storm Drain & Sewage Collection, 11. Control and Testing Water Reservoirs, 12. Electrical & Data Transmission, 13. Large or Complex Small Dams, 14. Sewage & Water Treatment Facilities, 15. Solid Waste Disposal, 16. Utility Tunnel	1. Complex Acoustical Design, 2. Complex Large Dams, 3. Complex Mechanical and Electrical Controls, 4. Complex Sewage & Water Treatment Facilities, 5. Complex Telecom Facilities, 6. Complex Utility Tunnels, 7. Extremely Complex Bridges, 8. Storm Drain & Sewers - Heavily Urbanized Area, 9. Unusual Foundations with Complex Soils

Complexity of Scope	Complexity of Consultant	
Commissioning Complex Site Conditions Multiple Bid Packages Observation and Inspection Schedule Acceleration Seismic Upgrade	Arc/Fault Current Study Feasibility Studies Geotechnical Surveys Master Planning	Programming Site Surveys Specialty Consultants

These are examples of additional services that are not included in the complexity of schedules A-C. These services will be negotiated singularly and shall require a separate fee proposal.

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Engineering Project Design Fee Schedule

Budget is Above	Complexity Classification		
	A	B	C
\$0	10.8%	11.7%	12.6%
\$50,000	9.9%	10.8%	11.7%
\$100,000	9.5%	10.4%	11.3%
\$150,000	9.0%	9.9%	10.8%
\$200,000	8.6%	9.5%	10.4%
\$300,000	8.1%	9.0%	9.9%
\$500,000	7.7%	8.1%	8.7%
\$750,000	7.2%	7.7%	8.3%
\$1,000,000	6.8%	7.3%	7.9%
\$1,500,000	6.5%	6.9%	7.6%
\$2,000,000	6.3%	6.8%	7.4%
\$3,000,000	6.1%	6.6%	7.2%
\$4,000,000	5.9%	6.4%	7.0%
\$5,000,000	5.8%	6.2%	6.8%
\$7,000,000	5.6%	6.0%	6.7%
\$12,000,000	5.4%	5.9%	6.5%
\$20,000,000	5.3%	5.8%	6.4%
\$30,000,000	5.2%	5.7%	6.3%
\$50,000,000	5.1%	5.6%	6.2%
Renovation	0.50%	0.75%	1.0%