



Standard Conditions of Engagement for Professional Consulting Commissions

(Costs were reviewed Jan 2009)

This is for Design & Consulting services. Where we act as installation contractors, refer separate conditions.

GST is additional to the fees and costs described following, and additional to our quoted fees.

Tax, Excise, Duty, and other government charges & fees -- We reserve the right to recover any changes in Government imposts and taxes during the contract period.

Payment & Invoicing

Work in progress and completed work will be invoiced monthly, and/or at completion of milestones, at our discretion. Payment is due immediately and payable 14 days from the date of invoice.

Accounts significantly in arrears will incur interest costs at **our** overdraft rate, and associated administrative and recovery costs and charges, from the date of invoice, entirely at our discretion.

For projects that are required (by the original project commission) to be "payment at completion", we reserve the right to recover progress payments if un-expected delays occur beyond our reasonable control.

Capital Cost Estimates

- GST is additional to the quoted costs.
 - Consultants' fees for design and supervision are additional to the stated costs.
 - Associated "builders work" and electrical supplies are additional to the stated costs.
 - Costs & time involved to engage other consultants are additional to the stated costs
- (Unless stated otherwise)

Cost estimates are for work done by competent services contractors, based on competitive tendering.

- At the end of the Concept Stage costs are normally considered to be accurate to +/- 20%.
- At the end of the Documentation Stage costs are normally considered to be accurate to +/- 10%.
- Tendering conditions at the time of construction will influence costs.

This means that as the design proceeds, and after tendering, alterations to scope and detail of the systems may be required to achieve budget. We can assist a Client to achieve suitable cost outcome, if so requested.

Fixed Fee & Percentage Fee Projects

The basis of the fee will be as stated in our fee proposal, or the Client confirming order, as appropriate.
GST is additional to the fees and cost stated.

Fixed Agreed Fee

The scope of the project and the scope of our professional service will be as stated in our fees proposal. Work requested outside this scope of service, or for a significantly expanded project, will attract additional fees. We will negotiate and agree the new fee arrangements with the Client, prior to commencing the additional works.

Percentage Fee Projects

The fee will be based on a percentage of the contract value of works designed and documented by this office. The scope of service and the fee scale is as stated in our fees proposal. Where not stated, the fees shall be set at the equivalent of the ACEA recommended fee scale, based on the size and complexity of the works.

Typical Components of the Professional Service

For a full service commission on a new services project, the fee components shall usually be split as below, unless otherwise stated on the fee agreement:

Split of fee (standard/typical)

Design Stage Fees	70%
Schematic Design & Conceptual Design	(16%)
Design Development	(14%)
Documentation to Tender	(40%)
Construction Stage Fees	30%

Included In Fee

- General office overheads, minor consumables, communications.
- Tender Projects: 8 sets of tender documents, usually specifications and drawings.
- Report Projects: 4 bound final reports.
- Electronic copies of documents supplied for "single use" for this project only.
- Routine communication and routine provision of documents to co-ordinating consultants.
- Travel costs within the Perth metropolitan area.

Chargeable Expenses Additional to Fee

- Travel accommodation and related costs beyond the metropolitan area.
- Client required couriers.
- Client required STD, ISD, Internet communications.
- Additional copies of reports, specifications, drawings.
- Electronic copies of documents.
- Any work beyond the agreed workscope of the project
- Any work beyond the agreed scope of professional service.
- Government and authority fees and licences.
- Client required specialised software.
- Engagement of other consultants.
- Labour associated with the above items.

Time Basis Projects

Standard Time Basis Fees:

Fees shall be charged for technical work and associated management work, at the hourly rates agreed with the Client, otherwise shall be at the following hourly rates for our personnel. External contractors or consultants may be charged at different rates at our discretion.

These rates apply for the first year of the project, and will be escalated for subsequent years. These are standard rates for small & medium projects. Concessional rates may be considered for large projects, by prior negotiation. Concessional rates may be considered also for travel time, by prior negotiation. For some projects we may entirely at our discretion charge greater rates based on other factors (decided by us) possibly including complexity, risk, remoteness, or complex Client business structures.

GST is additional to the fees and cost stated.

Engineering Work & Management Work	
Senior Qualified Engineer or Principal	\$ 160 per hour
Qualified & Experienced Technical Personnel	\$ 130 per hour
Other Experienced Technical Personnel	\$ 110 per hour
Junior Technical Personnel	\$ 85 per hour
Drafting	
Design/Experienced Drafter	\$ 90 per hour
Junior/Tracer/Clerical	\$ 72 per hour

Included in Rate:

- General office overheads, minor consumables.
- Secretarial, reception, local communication directly associated with work.
- Minor office and drafting consumables.

Expenses Additional to Rate:

- Printing, binding of specifications, reports.
- Prints of drawings, if necessary.
- Copying of Client records, if necessary.
- Lodging of advertisements.
- STD, ISD, Internet communications.
- Travel outside Perth metropolitan area.
- Accommodation, meals, and necessary costs associated with travel.
- Required couriers.
- Required hire of test equipment.
- Government and authority fees and licences.
- Electronic copies of documents.
- Engagement of other consultants.
- Labour associated with above items.

Expert Witness and/or Legal Proceedings & Hearings

For engineering or management work undertaken in relation to Expert Witness, court appearances, or other legal circumstances the hourly rate for all personnel is increased to 50% greater than those stated in hourly rates, and ALL clerical work and consumables directly related are also chargeable.

Travel Arrangements

We will charge for all travel time outside of a radius of 40km from our permanent office, and we will charge (at cost +15% for handling, accounting and interest) for all directly related travel expenses. The Client may make and pay for some of the bookings.

Where overnight accommodation is needed, this shall be at reasonable quality motel facilities, one room allocated to each person.

Overnight stays away from independent motel accommodation (eg: camping out, staying in the spare room) will have the labour be charged / accounted for as an additional "half day" of technical labour costs.

Camping out will only be agreed to if it is absolutely necessary **in our view**. If camping out occurs, then the Client shall make adequate arrangements for all food and facilities. The Client shall provide good quality camping equipment.

Indicative Rates for Additional/Ancillary Costs - All Projects

These include associated labour costs for administration and handling. GST is additional to the fees and cost stated.

Report binding and covers (A4)		\$22.00	each report / specification
Photocopies (mono)		< 10 off	10 or greater
	A4	40c each	30c each
	A3 or enlarge / reduce	50c each	40c each
Drawings – (mono prints)		< 10 off	10 or greater
	A0	\$20.00	\$15.00
	A1	\$15.00	\$12.00
	A2	\$12.00	\$10.00
Bind and Cover	A1 drawing sets	\$25 per set	
	A2 drawing sets	\$20 per set	

Other document copying and printing to be billed at cost plus 35% for handling.
All other expense items to be billed at cost plus 15% for administration.

Healey Engineering Confidential Business Documents Provided

Where we provide financial, insurance, accounting, legal, business or personnel information as part of a project or its negotiation, then these are provided on the condition of commercial confidentiality, shall be stored confidentially by you and all your entities and related parties.

The information and documents shall not be used for any other project, or disclosed to third parties unless directly related to this project. NO communication shall be made with our Insurers, Lawyers or Accountants without advice to a Director with an adequate time period prior. A record of ALL communication shall be provided to us. Breach of these is a direct immediate breach of our contract.

Scope of Our Consulting Service (Typical/Indicative)

Please enquire specifically for your project.

Where a Client has engaged us for a full-fee Project Design and Management role, the following are the typical tasks (where relevant) we will undertake.

SCHEMATIC DESIGN

- Assess & Confirm Brief & Fees
- Purchase Order / Letter
- Schematic Design Calcs
- Design Report & Sketches
- Cost Estimates
- Co-Ordination - To Client & Designers
- Authority Approval – Client Issues

DESIGN DEVELOPMENT

- Confirm Client Approval to Proceed
- Site Inspection of Existing
- Detailed Calculations
- Equipment Selections
- Initial Equipment Schedules
- Drafting of Concept
- Authority Approval -- Preliminary Agreement
- Update Cost Estimates
- Co-Ordination - To Client & Designers

DOCUMENTATION

- Confirm Client Approval to Proceed
- Modify Calculations
- Modify Equipment Selections
- Modify Equipment Schedules
- Prepare Contract Format
- Assemble Specification
- Drafting of Tender Drawings
- Site Inspection
- Update Cost Estimates
- Co-Ordination Sets - Design Team
- Co-Ordination Sets - Approvals
- Authority Approvals - Council / Fire /Utilities

TENDER

- Client Approval to Proceed
- Create Tender Sets
- Issue Tender Sets
- Assess & Compare Tenders
- Compare to Criteria
- Compare to Estimates
- Recommendation - Detailed Report
- Copies of Quotes to Client

CONSTRUCTION STAGE

- Issue Contract Acceptance
- Issue Contract for Signing
- Prepare Progress Certificates
- Prepare Variation Orders
- Obtain Time Schedule
- Site Meeting Schedule
- Review Equipment Selections
- Review Shop Drawings
- Certify Progress Claims
- Site Inspections
- Commissioning Inspections
- Enable Authority Inspections
- Review Contractor Manuals & As-Constructed Drawings
- Certify Hand Over & Practical Completion

MAINTENANCE PERIOD

- Review Maintenance Reports
- Final Completion Inspection
- Final Completion Certificate

(end)