

A. 1979 UAP Document 207	B. Proposed 2007 UAP Amendment	C. 2007 PRBoA Suggested Amendment	D. 2007 PRC Approved Version
<p>207 DESIGN-BUILD SERVICES</p> <p>1. INTRODUCTION</p> <p>1.1 In any building project, there is an intricate balance between time, quality and cost. The architecture profession has been under pressure to come up with overall answers to Client's demands for simulations handling of time, quality and cost of projects with the goal of maximizing these factors.</p>	<p>Standards of Professional Practice Design and Construct Services</p> <p>Article 1 - Introduction</p> <p>1. Since the Architect is a professional who has the education, training, experience, expertise and the vision holder of the design, he is the best person/firm to implement the entire project, from design to construction. Dealing with the day-to-day operations in constructing a building by a non-technical client is not an easy task for a non-technical client.</p>	<p>207 DESIGN-BUILD SERVICES</p> <p>ARTICLE I. Introduction</p> <p>1. In any building project, there is an intricate balance between time, quality and cost. The Architect has the education, training, experience and expertise to qualify him to implement the entire project from plan/ design preparation through construction with maximum optimization.</p> <p>2. The Architect may enter into a Design-Build Services agreement with his Client with the ultimate goal of delivering projects within the shortest possible time, with the lowest possible cost and at an acceptable standard of quality and performance.</p>	

<p>1.2 The building industry and the architectural profession have devised several methods of project delivery with the ultimate goal of handling projects in the shortest possible time, at the lowest cost and at an acceptable quality and performance.</p> <p>1.3 One method of project delivery is the Design-Build Service namely:</p> <ul style="list-style-type: none"> a. Design-Build by Administration b. Design-Build on a Guaranteed Maximum Cost <p>1.4 Legal Responsibility</p> <p>This single-point-responsibility of project delivery puts the legal liability for both the design and the construction on the Architect alone.</p>	<p>From canvassing to buying of materials; from scouting qualified laborers to supervisors supervising the work; not to mention on labor problems that may raise, the tight schedule of the client and a lot more. These are just some of the reasons why a good number of clients would want to talk to a singular professional or an entity to do his/her project. Most clients now a days, prefer to have their project implemented by the architect through Design and Construct Services.</p> <p>2. The Design and Construct Services is a method of project delivery by the Architect, acting as the Architect-of-Record and as the same time the Architect in-charge of Construction. The said Architect is called "Architect-in-charge of construction", which is directly and professionally responsible and liable for the construction supervision of the project. (Art. 3, Sec. 3.1.b of the Republic Act No. 9266). The architect/firm shall sign a contract accepting full responsibility for both design and construction services of the project.</p> <p>Nature. Design and construction</p>	<p>ARTICLE II. Modes or Types of Design-Build Services</p> <ol style="list-style-type: none"> 1. Design - Build by Administration 2. Design - Build on Guaranteed Maximum Cost 3. Design - Construct <p>The attached matrix describes the differences among the three types of design-build services.</p> <p>ARTICLE III. Dual Role of the Architect</p> <ol style="list-style-type: none"> 1. Architect - of record (Aor). The Architect is directly and professionally responsible for the total design of the project and assumes the attendant professional responsibility and civil liability for the plans, specifications and contract documents signed and sealed. (Art.1, Sec. 3.2.a of RA 9266) 2. Architect - in - charge of construction (Aicc). <ol style="list-style-type: none"> a. The Architect is directly and professionally responsible and liable for the construction supervision of the project. (Art.1, Sec. 3.2.b of RA 9266) ; or 	
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<p>2. DESIGN-BUILD SERVICE BY ADMINISTRATION</p> <p>When the Project is constructed under the direct and sole responsibility of the Architect, he performs the following services:</p> <p>2.1 Prepares schedule of work, construction program, estimate and bill of materials, labor, plants, equipment and services.</p> <p>2.2 Hires construction personnel and designates duties and remunerations thereof;</p> <p>2.3 Negotiates and enters into contract with piecework contractors and evaluates work accomplished thereunder;</p> <p>2.4 Procures materials, plants and equipment, licenses and permits;</p>	<p>are team activities. Many individuals and/or firms come together to do a project. They collaborate to produce a design and construction solution that would be the best answer to the requirement of the client. As the project unfolds, there are hundreds of design and construction decisions and commitments have to be made and a good coordination is vital aside from having a strong and healthy relationship between Client and Architect to keep the project on track. The most important element in a Design and Construct project is the relationship between the Design and Construct team and the Client. A spirit of partnership is essential in the fast-paced environment where the designer, contractor, and owner work hand-in-hand to complete the project. A high level of communication and trust is required to address the inevitable project issues that arise. This is why a combined method of services such as the Design and Construct Services is included as one of the services of an Architect.</p> <p>The Design and Construct Services encourages the</p>	<p>b. The Architect is directly and professionally responsible and liable for the management and actual construction of the project. However, since RA 9266 does not classify construction as integral to the practice of Architecture, the Architect must secure a contractor's license from DTI-CIAP-PCAB (Department of Trade & Industry - Construction Industry Authority of the Philippines - Philippine Construction Accreditation Board), to be renewed on an annual basis.</p> <p>ARTICLE IV. The Contract and the Scope of Work.</p> <p>The Architect enters into Contract with the Owner accepting full responsibility for both design and construction or supervision but with a clearly delineated and defined scope of work.</p> <p>1. Architect undertakes the following stages of the Regular Design Services: (Refer to Doc. 202 Regular Architect's Services)</p> <p>a. Schematic Design Phase</p> <p>b. Design Development Phase</p> <p>c. Contract Document Phase</p>	
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<p>2.5 Authorizes payments of accounts;</p> <p>2.6 Keeps records and books of accounts;</p> <p>2.7 negotiates with government agencies having jurisdiction over the project; and</p> <p>2.8 Manages all other businesses of the construction;</p> <p>2.9 The above services are performed with the following conditions:</p> <ul style="list-style-type: none"> - All costs of labor and materials are paid directly by the Client. The Architect does not advance any money for payment of expenditures connected with the work. - Although the Architect may prepare a detailed cost estimate of the Project, the estimate 	<p>integration of knowledge, creativity, experience, and passion of the design and construction professions from the beginning to the end of a project. Design and Construct Services shall give the architect the hands-on opportunity to transform the Architect's design into reality.</p> <p>3. Application. It is more an option of the Client to enter to this kind of services. There are particular cases where this type of service is applicable, such as:</p> <ul style="list-style-type: none"> a. Projects involving innovative or patented designs or methodology of construction in which the Architect holds its sole right of implementation for the protection of his design or patent. b. When the Client prefers to utilize the combined and synergized capability of the Architect as designer and as a builder to come up with the most creative solution that could answer Client's criteria of 	<ul style="list-style-type: none"> 2. The scope of work during the Construction Phase is no longer limited to regular coordination, periodic inspection, and assessment as part of the Regular Design Services. It now extends to construction supervision and/or undertaking the actual construction. 3. In order to protect his professional license, the Architect will have to prepare separate contracts for the design and the construction components. Both contracts should provide an arbitration clause and other alternative measures to resolve possible disputes. <p>ARTICLE V. Project Cost</p> <p>This includes the cost of labor and/or materials, overhead costs, plus mark-up and profits, similar to a regular construction bid price.</p> <p>ARTICLE VI. Professional Fee.</p> <p>Segregating professional fees instead of consolidating them into a lump sum amount will be advantageous to both the Architect and the Client</p>	
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<p>may be guaranteed only on a range of Ten Percent (10%) plus or minus the stated estimate.</p> <ul style="list-style-type: none"> - The Architect appoints, subject to the Client's approval a construction superintendent, a purchasing agent, a timekeeper or keepers, and a property clerk aside from the usual labor personnel required. Salaries of such persons re paid by the Client and is not deductible from the Architect's fee. - Cost of all permits and licenses incidental to the work are paid by the Client. <p>2.10 The fee of the Architect for the Design-Build Service by Administration is Seven Percent (7%) of the</p>	<p>function, structure and beauty in the most economical and fastest way.</p> <ul style="list-style-type: none"> c. When the Client, having been fully informed of the nature and implication of Design and Construct Services for Client's project, places his or her trust and confidence on the Architect, believing that the Architect is the most qualified to implement the design in accordance with the approved concept. d. When the Architect is part of an entity involved with the design and construction of a project. <p>Article II - General Roles of Architects in the Design and Construct Services</p> <ul style="list-style-type: none"> 1. The General Roles of Architects in the Design and Construct Services include: <ul style="list-style-type: none"> a. The architect who engages into the Design and Construct Services 	<p>since it provides a clear basis for adjustment in case of changes in the scope of work.</p> <ul style="list-style-type: none"> 1. The Architect's Fee for Regular Architect's services shall be in accordance with UAP Doc. 200 Architect's Standards of Professional Practice. 2. The Architect's Fee for Construction Supervision, either a lump sum or a percentage of the construction cost, may be paid through different modes of compensation. 3. When the Architect undertakes the actual construction, he submits a proposal similar to a contractor's bid. <p>ARTICLE VII. Methods of Compensation for Construction Supervision</p> <ul style="list-style-type: none"> 1. Percentage of Construction Cost. <p>This is the simplest and most widely used method of compensation because it is directly proportionate to the size and cost of the project. In case of changes, whether addition or deductions, there is no need to amend or</p>	
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<p>Project Construction Cost in addition to the Architect's Fee for the Regular Design Services.</p> <p>3. DESIGN-BUILD SERVICE ON A GUARANTEED MAXIMUM COST</p> <p>3.1 Basically the services rendered by the Architect is the same as that of the Design-Build by Administration.</p> <p>3.2 This method essentially consist of the Client being given a guaranteed maximum cost for the construction of the project.</p> <p>3.3 The manner of payment is by lump sum amount scheduled to follow the progress of the Project. The Architect does not advance any amount to buy materials or pay labor. Instead, a "revolving capital" is</p>	<p>shall assume the primary responsibility for both design and construction.</p> <p>b. Depending on the agreement between the architect and the client, the architect may offer to construct the project, either by administration or by guaranteed maximum cost or by package agreement.</p> <p>Article III - Recommended Procedures in Engaging Design and Construct Services</p> <ol style="list-style-type: none"> 1. Educate the Client on existing laws, statutory policies and orders, and the Standards for Professional Practice issued by the United Architects of the Philippines-Integrated and Accredited Professional Organization of Architects duly approved by the PRC-Board of Architecture - and, if possible, discuss the contents with the Client. 2. When invited by a client to engage into a Design and Construct Services, the Architect must review the appropriateness and the suitability of the project 	<p>supplement the Owner -Architect Agreement.</p> <p>2. Direct Personal Expenses x Multiplier.</p> <p>This method is based on technical hours spent on a project but does not measure the value of creative design. This may therefore be applied only to construction supervision. The following parameters have to be agreed upon at the start of the project:</p> <ol style="list-style-type: none"> a. Rate/hr (R) - Rate per hour of the Architect, Consultant, and Technical staff : R_A, R_C, R_T b. Man hours (H) - Number of hours spent by the Architect, Consultants and Technical staff : H_A, H_C, H_T c. Multiplier (M) - Factor which accounts for overhead and profit. Depending on the complexity of the project, experience of the Architect and the office set-up, this may range from 1.5 to 2.5. d. Reimbursable Expenses (E) - Items to be charged to the Client and reimbursed to the Architect which include the following: 	
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<p>given at the start of the construction.</p> <p>3.4 If there is a savings on the cost of the Project, it is divided equally between the Client and the Architect.</p> <p>3.5 If the guaranteed maximum cost is exceeded by not more Ten Percent (10%), it is divided equally between the Client and the Architect. However, if the excess is more than Ten Percent (10%) , the Architect pays for all the extra costs in excess of the Ten Percent (10%).</p> <p>3.6 The fee of the Architect for the Design Build Service on a Guaranteed Maximum Cost is either Ten Percent (10%) of the Project Construction Cost or is already built-in in the Guaranteed Maximum Cost. Said fee</p>	<p>for Design and Construct services.</p> <p>Article IV - Advantages of Design and Construct Services Approach</p> <ol style="list-style-type: none"> 1. When circumstances call for non-traditional approaches to construction - such as accelerated schedules, unique financing options or multiple vested partners, or application of innovative construction system or technology, an alternative delivery methods such as Design and Construct Services can be the answer. Clients who want to reduce their overall project delivery time, ensure schedule and cost parameters and control risk, or who need an early cost commitment, are turning to Design and Construct Services instead of the more traditional design-bid-construct process. 2. Design and Construct Services brings one entity versed in both design and construction into the process. The primary benefits of Design and Construct are that it allows compression of the project schedule , guarantees the construction cost at the beginning of the proposed 	<ol style="list-style-type: none"> i. Transportation, housing and living allowance of Consultant; ii. Transportation, per diem, housing and living allowance of local consultants and technical staff if assigned to place over 100 km from area of operation of Architect; iii. Cost of printing of extra sets of drawings, reports, maps, contract documents, etc., over the five (5) sets submitted to the Client; iv. Overseas and long distance calls; v. Technical and laboratory tests; vi. Licenses, fees, taxes needed for the project (other than contractor’s license) vii. The Total Cost of Service charged to the Client is as follows: <p style="text-align: center;">$\{(RH_A + RH_C + RH_T) \times M\} + E$</p> <p>3. Professional Fee Plus Expenses.</p> <p>This method is best used when there is a continuous relationship involving a series of projects. The fee is a fixed amount + reimbursement for the Architect’s technical time and overhead. An agreement on the general</p>	
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<p>is aside from the fee of the Architect for Regular Design Services.</p>	<p>project, since some clients budget are limited and provides the Client with a single point of contact and responsibility.</p> <ol style="list-style-type: none"> 3. Schedule reductions are achieved by the overlapping of design and construction phases. A shorter schedule can translate into lower costs, although savings may also be realized by having a single entity responsible for early cost and value coordination, competitive pricing, keeping constant oversight of cost factors and eliminating the Client's cost of maintaining staff to oversee the operation. 4. The unified effort of a Design and Construct Team can respond to changing technological trends with much greater flexibility. With everyone working together as a team, efficiency and communication increase while the potential for profligacy and inefficiencies decrease. 5. Design and Construct Services are advantageous for high-tech facilities with complex construction requirements, as it allows architects, engineers and project managers to collaborate throughout the entire project. 	<p>scope of work is necessary in order to set an equitable fee.</p> <ol style="list-style-type: none"> 4. Lump Sum or Fixed Fee. <p>In government projects, having a fixed fee eliminates paper work and time consuming processes required by the bureaucratic system particularly in the processing and approval of supplementary works by the auditing agency.</p> 5. Per Diem plus Reimbursable Expense. <p>The Architect may be paid on a per diem basis plus reimbursable expenses such as travel, accommodation and living expenses when the Client requests the Architect to do work such as:</p> <ol style="list-style-type: none"> a. Attending board meetings or conferences b. Conducting ocular inspection for site selection c. Conferring with others regarding prospective investments and similar ventures 6. Mixed Methods of Compensation. <p>A combination of any of the methods may be</p> 	
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	<p>6. Time and experience have also proven that Design and Construct Services can be utilized for projects both conventional and complex.</p> <p>7. Coordinating with other participants in constructing a building becomes very easy because they are in one group, thus making the communication and coordination becomes faster and efficient. The big plus in this method is that the responsibility becomes identifiable, there will be no more finger pointing to whom responsibility is this or that. The client will not be put to a maze to whom to relay the concern.</p> <p>Article V - Classification of Design and Construct Services</p> <p>1. Design and Construct Services by Administration. When the project is constructed by administration, the Architect performs the following services:</p> <p>a. Schematic Design Phase,</p>	<p>applied</p> <p>ARTICLE VIII. Permits.</p> <p>Permits and licenses (except the Contractor's license) are secured by the Architect but paid for by the Client.</p> <p>ARTICLE IX Conditions</p> <ol style="list-style-type: none"> 1. Before entering into a Design-Build Service Agreement, the Architect will have to acquire additional training in construction supervision, project and financial management and gain practical knowledge and experience in construction. 2. The Architect must inform and advice his Client of the circumstances and implications of such an agreement, and must disclose any relationship or business interest which may affect the Project. <p>ARTICLE X. Advantages of the Design Build Services Approach</p> <ol style="list-style-type: none"> 1. Gives the Client the option to deal with just one 	
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	<p>Design Development Phase and Contract Document Phase</p> <p>b. During the Construction Phase, the Architects performs the following services:</p> <ul style="list-style-type: none"> i. Prepares schedule of work, construction program, estimate and bill of materials, labor, plants, equipment and services; ii. Hires construction personnel and designates duties and remuneration thereof; iii. Negotiates and enters into contract with piecework contractors and evaluates works accomplished there under ; 	<p>professional/entity.</p> <ol style="list-style-type: none"> 2. Gives the Client options to avail of unique financial schemes. 3. Accountability is clearly defined. 4. Allows better coordination among professionals working in collaboration 5. Instead of following the conventional design-bid-construct process, construction can commence while design is still in progress (fast track) 6. Compressed or accelerated project schedule can translate to cost savings 7. Applicable to both conventional and non-traditional projects, ranging from simple to complex projects. 	
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	<ul style="list-style-type: none">iv. Procures materials, plants and equipments, licenses and permits;v. Authorizes payments of accounts;vi. Keep records and books of accounts;vii. Negotiates with government agencies having jurisdiction over the project; andviii. Manages all technical matters of the construction. <p>c. The above services are performed with the following conditions:</p> <ul style="list-style-type: none">i. All costs of labor and materials are paid directly by the Client. The Architect does not advance any money for		
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	<p>payment of expenditures connected with the work.</p> <p>ii. Although the Architect may prepare a detailed cost estimate of the project, the estimate may be guaranteed only on a range of ten percent (10%) plus or minus the stated estimate.</p> <p>iii. The Architect appoints, subject to the Client's approval, a construction superintendent, a purchasing agent, a timekeeper or keepers, and a property clerk aside from the usual labor personnel required. Salaries of such persons are paid by the Client and are not</p>		
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	<p>deductible from the Architect's Fee.</p> <p>iv. Cost of all permits and licenses incidental to the work are paid by the Client.</p> <p>d. Please refer to Document on Schedule of Basic Professional Service Fee for the fee of the Architect for the Design and Construct Services by Administration based on the Project Construction Cost which is in addition to the Architect's Fee for the regular design service.</p> <p>2. Design and Construct Services on a Guaranteed Maximum Cost.</p> <p>a. Basically the services rendered by the Architect are the same as that of the Design and Construct Services by Administration.</p> <p>b. This method essentially</p>		
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	<p>consists of the Client being given a guaranteed maximum cost for the construction of the project.</p> <p>c. The manner of payment is by lump sum amounts scheduled to follow the progress of the project. The Architect does not advance any amount to buy materials or pay labor. Instead, a revolving capital” is given at the start of the construction.</p> <p>d. If there is a savings on the cost of the project, it is divided equally between the Client and the Architect.</p> <p>e. If the guaranteed maximum cost is exceeded by not more than ten percent (10%), it is divided equally between the Client and the Architect. However, if the excess is more than ten percent (10%), the Architect pays for all the extra costs in excess of the ten percent (10%).</p>		
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	<p>f. Should there be additional expense beyond the Guaranteed Maximum Costs which are due to legitimate change orders, and to causes not attributable to the fault of the Architect, the additional cost shall be borne by the Client.</p> <p>g. The Guaranteed Maximum Cost is subject to possible substantial changes based on the rate of inflation as certified by nationally recognized agencies such as the National Economic Development Authority (NEDA).</p> <p>3. Design and Construct Services with a construction implementer/firm</p> <p>a. In many cases today, clients entrust their project's concerns to a singular entity due to trust, specialization of design/patent, economy and convenience for the client. This type of service can be applied</p>		
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	<p>when the architect has a specific or non-conventional design/patent that only allows the accredited construction implementer/s or firm/s to do his special or non-conventional design/patent; or on some cases a construction implementer/s or firm/s using the special or non-conventional design or patent of an architect. In both situations the architect shall be responsible for his/her design and the construction he/she undertaken. The amount of the agreement shall include the architect's fee, among others.</p> <p>In all situations, the Architect performs the professional standard services and must be compensated in accordance with the Architect's Standards of Professional Practice.</p> <p>b. Basically the services rendered by the</p>		
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	<p>Architect are the same as that of the Design and Construct Services by Administration.</p> <ul style="list-style-type: none">c. A fix cost for the construction of the project, not counting any changes or variations must be stated in the agreement.d. The manner of payment is by lump sum amounts scheduled to follow the progress of the project. The Architect does not advance any amount to buy materials or pay labor. Instead, a revolving capital” is given at the start of the construction.e. The cost is subject to possible substantial changes based on the rate of inflation as certified by nationally recognized agencies such as the National Economic Development Authority (NEDA).		
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	<p>4. Design and Construct Services under a Comprehensive Package Agreement</p> <p>a. Over-all coordination from design to construction will be beneficial to the client as well as to the project. Most clients do not have the expertise or time to handle the day-to-day decision making and operation for the efficient implementation of the project. Clients would scout for a singular entity that could handle all its concern for the realization of his/her project, thus the Design and Construct Services under a Comprehensive Package Agreement is very much fitting.</p> <p>b. Similar to the reasons and concerns of the client under the Design and Construct Service with a construction implementer/firm, the clients awards the work, from design to construction, to the Architect when the client appreciates the</p>		
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special or non-conventional design/patent of the Architect. The amount of the agreement shall include the architect's fee, among others.

Article VI - Conditions

1. In order to protect the interest of the Client as well as to protect the integrity of the Architect, conditions and safeguards must be in place, such as:
 - a. A well-documented contract, clear and complete, to avoid misunderstanding or misinterpretation of the agreement.
 - b. The Client must be fully informed and advised of the circumstances and implications of the arrangement including disclosures of relationships or business interest of the Architect affecting the project.
 - c. Assurance of product quality required of the

	<p>contract.</p> <p>d. Employment of or viability to the Client of an independent party to act as his/her technical adviser or consultant.</p> <p>Article VI - Methodology of Compensation</p> <ol style="list-style-type: none">1. The criteria for computing the Architect's compensation should be based on mutual evaluation of the amount of the architectural firm's talents, skill, experience, imagination, effort and time available for, and required by the project.2. The amount of payment depends on the types and levels of professional services provided. More extensive services or a more complex or experimental project will require more effort by the architect and add more value to the project.3. The recommended fee of the Architect for the Design and Construct Services by Administration is Five (5%) percent of the total projected cost in addition to the		
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	<p>professional fee for the Regular Design Services. The recommended fee of the Architect for the Design and Construct Services on a guaranteed maximum cost, Design and Construct Services with a construction implementer/firm or Design and Construct Services under a comprehensive Package Agreement is Seven (7%) of the total project construction cost. Said recommended fee is aside from the professional fee of the Architects on Regular Design Services.</p> <p>4. However, following methods on compensation may be applied in the process of Design and Construct services:</p> <ul style="list-style-type: none">a. Percentage of Construction Cost. This is a world-wide used method of compensation for proposal services. The amount of the percentage is related to the size and the type of the Project. This method is fair to both the Client and the Architect as the fee is pegged to the cost of the Project the Client is willing to undertake. It		
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	<p>is similar to the percentage fee concept being charged by realtors, developers and lawyers. It is flexible and easy to apply since if there will be changes, additions or deductions of the work demanded by the Project or required by the Client, the Owner-Architect Agreement need not be supplemented.</p> <p>b. Multiple of Direct Personnel Expenses. This cost-based method of compensation is applicable only to non-creative work such as accounting, secretarial, research, data gathering, supervision, preparation of reports and the like. This method of compensation based on technical hour expended does not account for creative work because the value of creative design cannot be measured by the length of time the designer has spent on his work. This method may therefore be applied</p>		
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	<p>only on Pre-Design Services, Supervision Work and other works which the Architect may perform other than the Regular and Specialized Allied Design Services. The computation is made by adding all costs of technical services (man hours x rate) and multiply it by a multiplier to take care of overhead and profit. The multiplier ranges from 1.5 or 2.5 depending on the office set-up, overhead and experience of the Architect and the complexity of the Project. Other items such as cost of transportation, living and housing allowances of foreign consultants, out-of-town living and housing allowances of local consultants, and the like are to be charged to the Client and reimbursed to the Architect. At the start of the commission, the Architect shall make known to the Client the rate of professionals and</p>		
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	<p>personnel who will be assigned to the Project and the multiplier that has to be applied before agreeing to this method of computation.</p> <p>FORMULA</p> <p>Assume:</p> <p>A = Architect's rate / hour</p> <p>C = Consultant's rate / hour</p> <p>T = Rate per hour of Technical Staff, researches and others involved in the Project</p> <p>N1, N2, N3, = No. of hours spent by Architect, Consultants and Technical Staff.</p> <p>M = Multiplier. From 1.5 to 3, depending on office set-up of</p>		
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	<p>Architect and complexity of the Project. Multiplier to take care of overhead and reasonable profit.</p> <p>R = Reimbursable expenses such as transportation, housing and living allowance of Consultant, transportation, per diem, housing and living allowance of local consultants and technical staff if assigned to place over 100 km. from area of operation of the Architect;</p> <p>Cost of printing of extra set of drawings, reports, maps, contract documents,</p>		
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etc. over the five (5) copies submitted to the Client; overseas and long distance calls; technical and laboratory tests, licenses, fees and taxes etc., needed by the Project.

$$\text{Direct cost} = AN_1 + CN_2 + TN_3$$

$$\text{Fee} = \text{Direct Cost} \times \text{Multiplier}$$

$$\text{Total Cost of Service charged to the Client} = \text{Fee} + R$$

c. **Professional Fee Plus Expenses.** This method of compensation frequently used where there is a continuing relationship on a series of projects. It establishes a fixed sum over and above reimbursement for the Architect's technical time and overhead. An agreement on the

	<p>general scope of the work is necessary in order to set an equitable fee.</p> <p>d. Lump Sum or Fixed Fee. May be applied on government project since the bureaucratic system of the government this will entail more paper work and time-consuming efforts, not only the computation and haggling of the fee for the extra work but also in the arduous processing for the approval of the supplementary work within the Client's agency and the Auditing agency.</p> <p>e. Per Diem Plus Reimbursable Expense. In some cases a Client may request an Architect to do work which will require his personal time such as:</p> <ul style="list-style-type: none">i. Attend Board Meetings or Conferencesii. Ocular		
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	<p>inspection of possible sites</p> <p>iii. Confer with others regarding prospective investments or ventures and the like</p> <p>For these particular activities, the Architect may be paid on a per diem basis plus out-of-pocket expenses such as travel, accommodations and subsistence</p> <p>f. Mixed Methods of Compensation. The UAP Documents provide for more than one method of compensation on a Project. Each Project should be examined to determine the most appropriate method of establishing an equitable method of compensation between the Architect and the Owner.</p>		
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**Standards of Professional Practice
Design and Construct Services
UAP Technical Working Group**

Honorary Chair :
Arch. Edric Marco C. Florentino,
fuap

	<p>Project Director : Arch. Prosperidad C. Luis, fuap</p> <p>Chairman : Arch. Edilberto F. Florentino, fuap</p> <p>Members : Arch. Angelito Antonio, pia</p> <p>Arch. Felipe Mendoza, fpia</p> <p>Arch. Edgar Reformado, fuap</p> <p>Arch. Medeliano T. Roldan, fuap</p>		
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