

## 402 – Design Fee Negotiations / Civil or Master Plan Projects

**402.1 Contract Types:** Design services are procured using one of two methods - Master Agreement or Personal Services Contract (i.e. qualifications-based selection). Fee negotiations are handled differently for each type of procurement.

**402.2 Master Agreements:** Master Agreements require services to be billed on an hourly basis. As soon as the extent of the required services can reasonably be determined, the Architect-Engineer will be asked to submit a not-to-exceed fee amount for approval by the Division of Engineering and Contract Administration.

During the initial design effort, an interim Delivery Order will be issued. The Delivery Order will be modified upon approval of any upset fee amounts.

### **402.3 Personal Service Contracts:**

- **Work Plan Fee:** After the Architect-Engineer is selected, an initial work plan fee is established by the Division of Engineering and Contract Administration based on the needs of the Project. This fee is for the purpose of establishing the overall scope of Work to be performed and outlines the tasks and assigns cost to each task.
- **Negotiation of Total Fee:** The total design fee is negotiated as a part of the Work Plan development process. This final design fee is to be a lump sum fee based upon the approved Work Plan. Upon acceptance of the Work Plan by the Using Agency and Project Manager, the Architect-Engineer shall formally submit a total proposed fee to the Executive Director of the Division of Facility Development and Efficiency for acceptance.
- **Formal Approval:** The Division of Engineering and Contract Administration prepares a Change Order. A copy of this Change Order is forwarded to the Project Manager, Associate Director and Executive Director.
- **Architect-Engineer Contract Modification:** After formal approval, the Division of Engineering and Contract Administration executes a Contract Modification to the Architect-Engineer's contract to reflect the negotiated fee.
- **Additional Services:** If additional services are deemed necessary during the execution of the contract, additional fees will be negotiated initially with the Project Manager. The proposed changes will be forwarded to the respective Associate Director for review and then to the Executive Director for final approval and contract modification.