

# INTERNATIONAL RESIDENCE SERVICE PROPOSAL:

## FEE CALCULATION CRITERIA:

Fees are based on a formula as laid out by the “South African Council of the Architectural Profession” and is calculated as a percentage of an estimated construction cost.

Construction costs for a residence can vary from USD 1 650,00 per m<sup>2</sup> to USD 5 400,00 per m<sup>2</sup>, excluding VAT, depending on style and type of architecture, as well as fixtures and fittings.

The **current average estimated construction cost** is USD 2 250,00 per m<sup>2</sup>.

The fee percentage will be in accordance with the below “South African Council of the Architectural Profession Tariff of Fees – Effective January 2012” (TABLE 1 - Professional Fees Guideline 2011/2012 issued in terms of Section 34(2) of the Architectural Professional Act, Act No 44 of 2000), which has been converted into USD at the rate prevailing at date of publication. Exchange rate fluctuations will be accounted for as required.

**TABLE 1: PROJECT COST BASED FEE**

<b>FEE FOR PROFESSIONAL SERVICES (exempt of VAT)</b>					
<b>Section</b>	<b>Cost of Project (exempt of VAT)</b>			<b>Fee (Base fee plus % of Cost)</b>	
	<b>A</b>	<b>B</b>			
1		1	60 000	0	12,50%
2		60 001	120 000	1 500	10,00%
3		120 001	240 000	4 500	7,50%
4		240 001	480 000	5 100	7,25%
5		480 001	960 000	6 300	7,00%
6		960 001	1 920 000	8 700	6,75%
7		1 920 001	3 840 000	13 500	6,50%
8		3 840 001	7 680 000	23 100	6,25%
9		7 680 001	15 600 000	42 300	6,00%
10		15 600 001	30 720 000	80 700	5,75%
11		30 720 001	61 440 000	157 500	5,50%
12		61 440 001	+		5,75%

## TOTAL ESTIMATED CONSTRUCTION VALUE

Total Floor Area of Building x Estimated Construction Cost = Total Estimated Construction Value

<b>Construction Cost Calculation</b>	<b>Fee Calculation</b>
Area of building m <sup>2</sup> x USD 2 250,00	Base fee per schedule + (% of construction value per schedule (C) x Construction value (D))

**Example:** The average cost of construction has been used in this example for simplicity sake only, actual estimates will apply in individual calculations:

A building of **300m<sup>2</sup>** with current average building costs will have an **estimated construction value** of:

**USD 675 000,00** (300m<sup>2</sup> x USD 2 250,00)

The **Architectural fee** for this **300m<sup>2</sup> building** at average cost of building, is in Section 5 of the above table (between the values of USD 480 001 and USD 960 000), and is calculated as follows:

(USD 6 300,00 + (7,00% x USD 675 000,00)), totaling **USD 53 550,00** (Exempt of VAT).

### **WORK STAGES AND PAYMENT SCHEDULE:**

Payments are to be made in '**advance**' in accordance to work stages and the payment schedule below:

<b>Stage</b>	<b>Details</b>	
1	Concept Drawings	50 %
2	Technical Documentation & Construction Drawings	50 %
<b>Total</b>	<b>(Exempt of VAT)</b>	<b>100 %</b>
3	Construction Period Bi-weekly Site Visit Overseeing Brief / Supervision	USD 360,00 per hour <b>(Exempt of VAT)</b>

### **STANDARD SERVICES FOR WORK STAGES**

The standard architectural services provided for each work stage is laid

out below:

## **STAGE 1 - CONCEPT DRAWINGS**

- APPRAISAL, DEFINITION OF THE PROJECT AND ORDER OF MAGNITUDE

Receive, appraise and report on the client's requirements with particular regard to site information, planning, client brief, accommodation requirements and scope of work.

Advise the client on:

- o Procedures to meet his requirements.
- o The need for appointment of consultants.
- o Methods of contracting.

- DESIGN CONCEPT

Advised by any consultants appointed, prepare a design concept in broad outline showing intended style, space provisions, planning relationships, materials and services intended to be used.

Advise the client on:

- o The technical and functional characteristics of the project as proposed.

Develop the design concept in sufficient detail to:

- o Define the basic construction of the building.
- o Spatially co-ordinate the work designed by consultants and specialists.
- o Review the design with the relevant authorities.

## **STAGE 2 - TECHNICAL DOCUMENTATION & BUILDING PLAN DRAWINGS**

- PREPARE CONSTRUCTION DRAWINGS (Printing Costs Not Included):
  - o Site Plan, Plans, Elevations and Sections
  - o Area Schedule
  - o Construction Details
  - o Electrical, Lighting and Air Conditioning Layout
  - o Window & Door Schedule
  - o Finishes Schedule
  - o Sanitary Ware Schedule
  - o Ironmongery Schedule (Door Handles)

### **STAGE 3 - CONSTRUCTION (CONTRACT) PERIOD**

- SITE SUPERVISION (Bi-Weekly visits at Hourly rate):
  - o Project Management (JBCC Building Contract Management): Advisory Capacity, Site Visits and Supervision / Overseeing the brief.

### **NEW SANS 10400XA COMPLIANCE**

- Please note in terms of regulation SANS 10400XA, the client has to appoint and maintain for the full duration of the project the appointment of a 'registered competent person'. The 'registered competent person' is to oversee and certify compliance of regulation SANS 10400XA and advise directly to the client.
- Note that Mark Gouws is a 'registered competent person' in terms of regulation SANS 10400XA.
- Please note not all architects are registered as 'competent persons'.

### **PROFESIONAL CONSULTANTS**

The client is to insure that the following professional consultants are appointed on this project:

- Structural Engineer;
- Geotechnical Engineer.

## **PROFESIONAL INDEMNITY INSURANCE COVER**

The company has a **professional indemnity insurance** cover to the value of **R15 000 000,00** per claim. Proof of cover will be provided on request.

## **PRINTING, PLAN SUBMISSION, COUNCIL RUNNER, COMPLIANCE, TRAVELLING AND ACCOMODATION COSTS**

Printing, copying, plan submission, council runner costs and time charges are excluded and will be invoiced separately at market related prices.

Travelling (Business Class), accommodation (Five star minimum) and travelling time costs are not included and will be invoiced separately at market related prices.

## **TERMS OF APPOINTMENT**

Appointment will be based on the latest "South African Institute of Architects Standard Client / Architect Agreement".

## **VAT – VALUE ADDED TAX**

VAT is excluded.

I thank you for your valued perusal and I trust that this meets with your approval. Please do not hesitate to contact me should you require any further information.

I hope to hear from you soon.

Yours faithfully

# MARK GOUWS

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