

# SOUTH AFRICAN RESIDENCE SERVICE PROPOSAL (INCLUDING LESOTHO):

## 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 R 5 500,00 per m<sup>2</sup> to R 18 000,00 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 R 7 500,00 per m<sup>2</sup> (Excluding VAT).

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).

**TABLE 1: PROJECT COST BASED FEE**

<b>FEE FOR PROFESSIONAL SERVICES (excluding VAT)</b>				
<b>Section</b>	<b>Cost of Project (excluding VAT)</b>		<b>Fee (Base fee plus % of Cost)</b>	
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	1	600 000	0	12.50%
2	600 001	1 200 000	15 000	10.00%
3	1 200 001	2 400 000	45 000	7.50%
4	2 400 001	4 800 000	51 000	7.25%
5	4 800 001	9 600 000	63 000	7.00%
6	9 600 001	19 200 000	87 000	6.75%
7	19 200 001	38 400 000	135 000	6.50%
8	38 400 001	76 800 000	231 000	6.25%
9	76 800 001	153 600 000	423 000	6.00%
10	153 600 001	307 200 000	807 000	5.75%
11	307 200 001	614 400 000	1 575 000	5.50%
12	614 400 001 +			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 R 7 500,00	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:

**R 2 250 000,00** (300m<sup>2</sup> x R 7 500,00)

The **Architectural fee** for this **300m<sup>2</sup> building** at average cost of building, is in Section 3 of the above table (between the values of R 1 200 001,00 and R 2 400 000,00), and is calculated as follows:

(R 45 000,00 + (7,50% x R 2 250 000,00)), totaling **R 213 750,00** (Excluding 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>(Excluding VAT)</b>	<b>100 %</b>
3	Construction Period Project Management Bi-weekly Site Visit Overseeing Brief / Supervision	R 1,200-00 per hour <b>(Excl. 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, accommodation and travelling time costs outside of Johannesburg and Pretoria 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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