



Guidelines for the Calculation of Designer Fees

Division of Capital Asset Management & Maintenance (DCAMM)

(Updated February 2022)

Designer Fees for building studies are typically advertised as a lump sum and any additional services are negotiated between Project Manager and the Prime Designer. However, for design and construction administration, fees are to be negotiated based on the guidance provided in this document.

Cost Categories

There are three distinctive cost categories.

- Estimated Construction Cost (ECC).
- Fixed Limit Construction (FLCC).
- Total Project Cost (TPC).

Designer fee numbers are typically based on the FLCC.

Estimated Construction Cost: The Construction Cost as estimated in the Construction Cost Estimate prepared collectively by the Designer, (if applicable) Designer's professional cost estimator, and (if applicable) the independent cost estimator appointed by the Awarding Authority, at various points in the Study Phase and Design Phase of the Project to the level of detail and in the format specified in this Contract.

Fixed Limit Construction Cost: The maximum allowable Construction Cost established by the Awarding Authority; unless otherwise communicated in writing by an Authorized Representative of Awarding Authority, during the Study Phase, this amount shall be the ECC stated in the Designer Selection Board Advertisement for the Project and during the Design Phase. This amount shall be the Estimated Construction Cost forth in the Certified Study.

The Fixed Limit Construction Cost (FLCC) is:

- listed in the DSB ad for the project, or
- based on the FLCC listed in the certified study for House Doctor use, or
- revised from above as approved by the Director

Note: The ECC can, and does change during design development, but the FLCC is "fixed" at the maximum allowable amount certified in the study..

Total Project Cost (TPC): Includes sum total of all cost associated with a specific project on top of ECC. TPC includes ECC and all other associated soft cost that include but are not limited to Design costs, cost of consultants outside the design team hired by the awarded agency, resident engineer costs, furnishing and equipment costs, etc.

Maximum Basic Design Fee Value

- The Maximum Basic Design Fee is calculated as a percentage of the FLCC of the project.
- The appropriate percentage can be found in Table I by cross referencing the project complexity (Group I-V) and the FLCC. The exact amount of the value is found by extrapolation between the FLCC's as listed unless it falls exactly on a listed FLCC value.
- If all or a major portion of the project involves major renovation of a building add 0.5%-1.0% to the designer's fee based on complexity.
- Building repairs should not be considered as renovation work.
- Special conditions may require an increase or decrease in the designer fee. These conditions should be evaluated against the Design Contract requirements and adjustments in the maximum value made appropriately and documented.

Typical Billing Percentages

Approval of schematic documents	15% of the total fee
Approval of design development documents.	30% of the total fee
Approval of construction documents.	70% of the total fee
Construction administration services.	95-98% of the total fee
Final acceptance of the project.	100% of the total fee

The construction admin portion of the fee is distributed proportionately throughout the construction phase.

Additions to the Basic Design Fee

- Compensation for Additional Services (defined by Sections 6.9 and 6.10 of the Design Contract). These services are negotiated as needed
- Add services may include but are not limited to the fee for design and selection of furniture and equipment (F&E) not included in the general construction contract. The F&E amount should be based upon actual anticipated expenditures and not on a percent (%) of the FLCC.
- Designer services related to owner-initiated change orders.
- Reimbursable Costs (see Section 6.8.1 of the Design Contract). These include payments to the designer for the actual cost of special consultants (testing, environmental, etc.) not included in the design contract and for other actual costs not included under the designer's basic services fee and as approved by the awarding authority.

Fee Negotiations

- For DCAMM projects, the agency is statutorily required to establish a maximum fee prior to negotiations
- Fee negotiations should be a team effort involving both the PM and the Director(s) from the awarded or delegated agency responsible for project execution.
- Fee negotiations for DCAMM should preferably including PMs and Directors from the Office of Planning as well as the Office of Design and Construction, with the assigned PM taking the lead in the process.
- While the fee table can serve as a baseline reference, the team should be aware that **“one size does not fit all”** . The chart below should be cross referenced with fee numbers from similar DCAMM projects and industry standards.
- The negotiation team shall continue to use DSB public notice to clarify any scope related questions arising during the course of fee negotiations.
- A typical fee negotiation process might take a minimum of 2 months.

- For DCAMM projects, PM should set-up fee negotiation training for team to understand process with eBuilder.
- Cost reconciliation and fee negotiation may be undertaken simultaneously prior to certification.
- For projects managed by DCAMM, PM should update the Total Project Cost (TPC) worksheet to make sure the projected costs accurately reflect the negotiated fee numbers.

Project Categories

Group I: Projects of above average complexity as for example: courthouses, college building with special facilities, extended care facilities, hospitals, laboratories, specialized portions of correction facilities, and mental institutions.

Group II: Projects of average complexity for example: college classroom facilities, repetitive elements of correctional and detention facilities, dining halls (institutional), fire stations, gymnasiums, laundries and cleaning facilities, office buildings (for single occupancy), park, playgrounds and recreational facilities.

Group III: Projects of less than average complexity as for example: armories, apartments, dormitories, exhibition halls, skating rinks, and service garages.

Group IV: Utilitarian buildings as for example: parking structures and repetitive garages, simple loft-type structures (without special equipment), and warehouses.

Group V: Repairs/renovations of limited complexity involving primarily a single discipline (engineering or architecture), i.e. roofs, masonry repairs, window replacement, mechanical/electrical plumbing work, etc. This group should not have an additional percentage added for a renovation factor.

Table 1: Designers Base Fee Table

FLCC*	Group I	Group II	Group III	Group IV	Group V
\$ 0	14.0%	11.7%	10.0%	8.0%	11.6%
\$ 375,000	14.0%	11.7%	10.0%	8.0%	11.6%
\$ 750,000	14.0%	11.7%	10.0%	8.0%	11.6%
\$ 1,125,000	12.7%	10.6%	9.0%	7.3%	9.7%
\$ 1,500,000	11.3%	9.5%	8.0%	6.6%	7.7%
\$ 2,625,000	11.2%	9.4%	7.9%	6.5%	7.5%
\$ 3,750,000	11.0%	9.2%	7.7%	6.3%	7.2%
\$ 5,625,000	10.3%	8.6%	7.2%	5.8%	7.0%
\$ 7,500,000	9.5%	8.0%	6.6%	5.3%	6.7%
\$ 11,250,000	9.0%	7.6%	6.3%	5.0%	6.6%
\$ 15,000,000	8.5%	7.2%	5.9%	4.7%	6.4%
\$ 26,250,000	8.3%	7.0%	5.8%	4.6%	6.3%
\$ 37,500,000	8.0%	6.7%	5.7%	4.5%	6.1%
\$ 93,750,000	7.8%	6.6%	5.6%	4.5%	6.0%
\$ 150,000,000	7.5%	6.5%	5.5%	4.5%	5.8%
\$ 175,000,000	7.3%	6.3%	5.3%	4.3%	5.4%
\$ 200,000,000	7.0%	6.0%	5.0%	4.0%	5.0%

The attached fee schedule -- Designers Base Fee as a Percentage of the FLCC by Building Type -- is to be used as a baseline for determining all maximum values for designer fees, designer fee revisions, and lump sum fees negotiated with DCAMM. The DCAMM Contract for Study, Final Design, and Construction Administration Services (Design Contract) defines the responsibilities of the designer.

If, during design a change in fee is required (either an increase or decrease), the change should be based on a change in scope approved by the director, not a change in the FLCC.

Note:

- The table is to serve as a baseline to be adjusted by the Project Manager based on the unique project-specific factors.
- For CM projects, the FLCC is the projected Guaranteed Maximum Price (GMP) as estimated by the CM through reconciliation with the designer's cost estimator.
- FLCC established in the project study adjusted to the projected midpoint of construction.
- Schematic Design services are in the range of 15% of the above noted Base Fee percentage. If Schematic Design services are performed during Study, this amount should be paid as part of the Study Fee and deducted from the total amount of the Base Fee for Design.
- Renovation Projects: Add 0.5% to 1.0% for Renovation projects depending on complexity, excluding Group V.
- A Programming (Study) Fee Percentage is not considered included within the above listed percentages.