

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

2.01 STANDARD FORMS OF AGREEMENT AND ATTESTATION FORM

- A. The Owner uses the following standard forms of agreement between Owner and Designer under the authority of the State Building Commission. The forms are available on the web site of the Office of the State Architect (OSA).
 1. SBC-6 Standard Form of Agreement between Owner and Designer
 2. SBC-6s Standard Form of Supplement to Agreement between Owner and Designer
 3. SBC-6a Terms and Conditions for Agreements between Owner and Designer
- B. The Owner uses the F23 Attestation form provided in Appendix 1 with the forms of agreement.

2.02 STANDARD FORM OF AGREEMENT BETWEEN OWNER AND DESIGNER

- A. The Owner will inform the Designer of selection as Designer for the Project and request completion of a F22 Designers Agreement Information provided in Appendix 1. The Owner will prepare the Agreement utilizing project information and information the Designer provides on the form. The Owner will transmit the prepared Agreement to the Designer with attachments. Listed below are additional comments on portions of the Agreement prepared by the Owner.
 1. Project information on the Agreement corresponds to the project information approved by the State Building Commission.
 2. Design Phases to be completed for the Designer's Basic Services correspond to those authorized by the State Building Commission. Design Phases are defined in the Terms and Conditions.
 3. The Designer's Basic Services are in most cases compensated by a lump-sum fee calculated as a percent of the Maximum Allowable Construction Cost (MACC) in accordance with the formula provided in the Terms and Conditions. Example calculations for a lump-sum fee for Basic Services are provided below. Calculated fee amounts are rounded to the nearest dollar.

<u>New Construction Project:</u>	\$2,000,000 MACC
Fee Percentage:	$35 / (\log (\$2,000,000) - 1.15) = 6.795\%$
Fee:	$\$2,000,000 \times 0.06795 = \underline{\$135,895.00}$
<u>Renovation Project:</u>	\$1,000,000 MACC
Fee Percentage:	$35 / (\log (\$1,000,000) - 1.15) = 7.216\%$
Fee:	$\$1,000,000 \times 0.07216 \times 1.25 = \underline{\$90,206.00}$
 4. When the Designer's compensation for Basic Services is by a Multiple of Direct Expense with a Not to Exceed Maximum Fee, the maximum amount is normally not more than the calculated Lump Sum Fee.
 5. The Owner will discuss with the Designer the appropriate durations in days for each Design Phase and agree upon the durations to be stated in the Agreement.
 6. Only the Principal(s) can act for the Designer in execution of the Agreement and subsequent modifications. The Principal(s) receive no more than the hourly compensation at the Principal's rate shown on the Agreement.

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

- B. The Designer completes the Agreement and attachments as described below and returns them to the Owner.
 - 1. The Agreement and the corresponding F23 Attestation shall be signed by an individual legally empowered to bind Designer to Contract, and listed as a Principal in the Agreement. If a joint venture, an authorized individual of each firm shall sign.
 - 2. Attach to the Agreement a certificate or certificates of insurance meeting the requirements of the Agreement and showing the names of insured, producer, and carrier(s), the Owner as certificate holder, and the customary stipulation of notice in the event of change or renewal. Certificates of insurance should contain the SBC project name and number. When the Designer is a joint venture, certificates shall recognize the joint venture relationship, and the limit of liability for each firm in the joint venture shall not be less than the required total limit divided by the number of firms. Values of all limits and deductibles need to be given in like units. The Designer shall send to the Owner renewed insurance certificates throughout the duration of the project.
- C. The Owner secures the required Owner signatures and provides one fully signed copy to the Designer.

2.03 STANDARD FORM OF SUPPLEMENT TO AGREEMENT BETWEEN OWNER AND DESIGNER

- A. The Standard Form of Supplement is used for modification of an Agreement. The Supplement is processed in a manner similar to the Agreement; it is initiated by the Owner, completed by the Designer, signed by the Owner, and then signed by the State Architect.
- B. Article 3 provides the amount of professional liability insurance coverage required by the Owner for the project including this Supplement. The Designer shall attach updated insurance certificates.

2.04 ADDITIONAL SERVICES PROVIDED UNDER AGREEMENTS

- A. Additional Services may be provided by the Designer to the Owner under the previously executed Agreement in accordance with the Terms and Conditions.
- B. Additional Services require written Owner approval prior to the time the Additional Services are rendered. The Owner's written approval is typically made in response to the Designer's written proposal for Additional Services.
- C. All invoices for Additional Services shall be submitted prior to final billing for Basic Services.

2.05 REIMBURSABLE EXPENSES INCURRED UNDER AGREEMENTS

- A. In accordance with the Terms and Conditions, Reimbursable Expenses incurred by the Designer may be submitted to the Owner for payment.
- B. All Reimbursable Expenses require the Owner's prior written approval.

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

2.06 PAYMENTS TO DESIGNERS

- A. No invoice shall be submitted before the Designer's receipt of the fully executed Agreement from the Owner.
- B. Separate invoices are required for the following services and expenses:
 - 1. Basic Services
 - 2. Additional Services
 - 3. Reimbursable Expenses, with a separate invoice for each separately approved reimbursable service
 - 4. Travel Expenses, with separate detail information for each traveler
- C. Each invoice shall include the following:
 - 1. The invoice date
 - 2. A unique invoice number
 - 3. The Designer's name
 - 4. The Designer's remit to address
 - 5. The Project title as shown on the Agreement
 - 6. The Project SBC Number as shown on the Agreement
 - 7. Extent of services provided thus far
 - 8. Differentiate portions of the project which are progressing on different timetables or are subject to separate approvals
 - 9. Amount invoiced to date from all prior invoices
 - 10. Amount to remit
- D. Submit one copy of each invoice to the Owner with an attached executed and dated copy of F23 Attestation.
- E. Invoices for Compensation by a Lump Sum Fee: Provide information on the period of time being invoiced, the current fee, and invoice amount for each phase, and other information as shown in the example invoice format provided herein.
- F. Invoices for Compensation by a Multiple of Direct Expense: Provide information on the period of time being invoiced, billable rates, hours worked, and other information as shown in the example invoice format provided herein. Consultant invoices with details of billable rates and hours billed shall be attached.
- G. Invoices for Additional Services: Generally follow the guidelines for either compensation by a Lump Sum Fee or compensation by a Multiple of Direct Expense in accordance with the type of compensation for the Additional Services and the example format provided herein.
- H. Invoices for Reimbursable Expenses
 - 1. Attach an invoice if the service was provided to the Designer and provide information to identify the expense and other information as shown in the example invoice format provided herein. Service provider invoices with details of charges shall be attached.

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

2. Follow the requirements of the Terms and Conditions.
 3. Postage, delivery, and other handling costs for design submittals, construction documents, and correspondence will not be reimbursed.
- I. Invoices for Travel Expenses
1. The Terms and Conditions define the conditions under which travel expenses are reimbursable in accordance with the “State Comprehensive Travel Regulations”.
 2. Travel expenses shall be itemized separately from other reimbursable expenses.
 3. Receipts for each travel expense item being reimbursed for the actual amount shall be submitted with the travel expense invoice. Do not submit receipts for travel expenses covered by the meals and incidentals daily allowance.
- J. Final Invoice
1. Provide documents required by the Terms and Conditions prior to the final request for payment.
 2. An SBC-25 Project Information Form as provided in Appendix 1 must be completed and submitted with the final Designer invoice.
 3. Invoices for all additional and reimbursable services must be submitted prior to final billing for Basic Services. For any services billed after that date, the Owner will have no obligation to pay.
- K. Automated Clearing House (ACH) Wire Transfers
- Refer to the Terms and Conditions regarding ACH requirements.

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

2.07 EXAMPLE INVOICE FORMATS

A. Basic Services Compensated by a Lump Sum Fee

<p>To: <<Capital Project Dept. Name>> <<SPA/University Name>> <<Address Line 1>> <<Address Line 2>></p> <p style="text-align: right;">Example Invoice</p> <p>Invoice Date: <<Date>> Invoice Number: <Number>></p> <p>Designer: <<Firm Name>> Remit to Address: <<Address>></p> <p>Project: <<Name>> SBC No.: <<Number>> Services / Expenses: Basic Services Compensated by Lump Sum Fee Current Approved Fee: \$400,000.00</p>						
Design Phase	Phase Percent	Fee	Phase % Complete	Cumulative Amount Due	Prior Invoices	Amount to Remit
Program Phase	3%	\$12,000.00	100%	\$12,000.00	\$12,000.00	\$0.00
Schematic Design	18%	\$72,000.00	100%	\$72,000.00	\$72,000.00	\$0.00
Design Development	20%	\$80,000.00	100%	\$80,000.00	\$80,000.00	\$0.00
Construction Document	30%	\$120,000.00	100%	\$120,000.00	\$120,000.00	\$0.00
Bidding	2%	\$8,000.00	100%	\$8,000.00	\$8,000.00	\$0.00
*Construction	23%	\$92,000.00	43%	\$39,560.00	\$37,200.00	\$2,360.00
Close-Out	4%	\$16,000.00	0%	\$0.00	\$0.00	\$0.00
Total	100%	\$400,000.00	NA	\$331,560.00	\$329,200.00	\$2,360.00
<p>*Construction phase percent complete in proportion to gross progress payments to Contractor per Terms and Conditions</p> <p><u>Attachment:</u> Completed Attestation, signed and dated</p>						

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

B. Basic Services Compensated by a Multiple of Direct Expense with a Maximum Fee

To: <<Capital Project Dept. Name>> <<SPA/University Name>> <<Address Line 1>> <<Address Line 2>>							
						Example Invoice	
Invoice Date: <<Date>> Invoice Number: <Number>>							
Designer: <<Firm Name>> Remit to Address: <<Address>>							
Project: <<Name>> SBC No.: <<Number>> Services / Expenses: Basic Services, Paragraphs 1.1.1 through 1.1.3.9, Compensated by a Multiple of Direct Expense with a Maximum Fee Current Approved Fee: \$22,5000.00 Maximum Fee							
Invoice Period: <<Date>> through <<Date>> Work Performed this Period: <<One line description of work performed.>>							
Personnel (see attachment)	Billable Rate	Period Hours	Period Hrs X rate	Cumulative Hours	Cumulative Hours X Rate	Prior Invoices	Amount to Remit
Principal Alice	\$175.00	6.50	\$1,137.50	18.00	\$3,150.00		\$1,137.50
Principal Bob	\$165.00	6.00	\$990.00	13.00	\$2,145.00		\$990.00
Employee Carol	\$155.00	4.00	\$620.00	16.00	\$2,480.00		\$620.00
Employee Dave	\$78.00	7.50	\$585.00	12.00	\$936.00		\$585.00
Total					\$8,711.00	\$5,378.50	\$3,332.50
Owner Authorized Mark-Up Multiplier for this Service: <<Multiplier (1.1 used in this example)>>							
Consultant			Period Invoice	Period Inv X Multiplier	Cumulative Invoices	Prior Invoices	Amount to Remit
Quality Consultant Co.			\$895.80	\$985.38	\$2,695.50		\$985.38
Engineer Help, Inc.			\$320.00	\$352.00	\$863.00		\$352.00
Total					\$3,558.50	\$2,221.12	\$1,337.38
Grand Total					\$12,269.50	\$7,599.62	\$4,669.88
<u>Attachments:</u> Invoices from Quality Consultant Co. and Engineer Help, Inc. with details of hourly rates and hours billed. Completed Attestation, signed and dated							

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

C. Additional Services Compensated by a Multiple of Direct Expense with a Maximum Fee

To: <<Capital Project Dept. Name>> <<SPA/University Name>> <<Address Line 1>> <<Address Line 2>>							
						Example Invoice	
Invoice Date: <<Date>> Invoice Number: <Number>>							
Designer: <<Firm Name>> Remit to Address: <<Address>>							
Project: <<Name>> SBC No.: <<Number>> Services / Expenses: Additional Services Compensated by a Multiple of Direct Expense with a Maximum Fee Current Approved Fee: \$19,000.00 Maximum Fee							
Invoice Period: <<Date>> through <<Date>> Work Performed this Period: <<One line description of work performed.>>							
Personnel (see attachment)	Billable Rate	Period Hours	Period Hrs X rate	Cumulative Hours	Cumulative Hours X Rate	Prior Invoices	Amount to Remit
Principal Avery	\$175.00	6.50	\$1,137.50	18.00	\$3,150.00		\$1,137.50
Principal Betty	\$165.00	6.00	\$990.00	13.00	\$2,145.00		\$990.00
Employee Carlos	\$155.00	4.00	\$620.00	16.00	\$2,480.00		\$620.00
Employee Dawn	\$78.00	7.50	\$585.00	12.00	\$936.00		\$585.00
Total					\$8,711.00	\$5,378.50	\$3,332.50
Owner Authorized Mark-Up Multiplier for this Service: <<Multiplier (1.1 used in this example)>>							
Consultant			Period Invoice	Period Inv X Multiplier	Cumulative Invoices	Prior Invoices	Amount to Remit
Consuelo Consultant			\$895.80	\$985.38	\$2,695.50		\$985.38
XYZ Engineers, PLLC			\$320.00	\$352.00	\$863.00		\$352.00
Total					\$3,558.50	\$2,221.12	\$1,337.38
Grand Total					\$12,269.50	\$7,599.62	\$4,669.88
<u>Attachments:</u> Invoices from Consuelo Consultant and XYZ Engineers, PLLC with details of hourly rates and hours billed. Completed Attestation, signed and dated							

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

D. Reimbursable Expenses for Bid Document Printing

To: <<Capital Project Dept. Name>> <<SPA/University Name>> <<Address Line 1>> <<Address Line 2>>	Example Invoice		
Invoice Date: <<Date>> Invoice Number: <Number>>			
Designer: <<Firm Name>> Remit to Address: <<Address>>			
Project: <<Name>> SBC No.: <<Number>> Services / Expenses: Reimbursable Expenses for Document Printing			
Reimbursable Expense	Cost	Multiple	Amount to Remit
All-Right Printing Services (Invoice 1)	\$895.99	1.00	\$895.99
All-Right Printing Services (Invoice 2)	\$45.00	1.00	\$45.00
Rabbit Repro	\$114.35	1.00	\$114.35
Total			\$1,055.34
<u>Attachment:</u> Invoices from vendors: All-Right Printing Services (2 invoices), Rabbit Repro (1 invoice)			

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

E. Additional Services for Professional Services

<p>To: <<Capital Project Dept. Name>> <<SPA/University Name>> <<Address Line 1>> <<Address Line 2>></p> <p>Invoice Date: <<Date>> Invoice Number: <Number>></p> <p>Designer: <<Firm Name>> Remit to Address: <<Address>></p> <p>Project: <<Name>> SBC No.: <<Number>> Services / Expenses: Additional Services, Testing Services Current Fee Approved: <<Amount>></p> <p>Owner Authorized Mark-Up Multiplier for this Service: <<Multiplier (1.05 used in this example)>></p>	<p>Example Invoice</p>																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Additional Service</th> <th style="text-align: center;">Cost</th> <th style="text-align: center;">Multiplier</th> <th style="text-align: center;">Amount to Remit</th> </tr> </thead> <tbody> <tr> <td>Rocky Soil Testers (Invoice A1)</td> <td style="text-align: right;">\$3,105.00</td> <td style="text-align: center;">1.05</td> <td style="text-align: right;">\$3,260.25</td> </tr> <tr> <td>Rocky Soil Testers (Invoice A2)</td> <td style="text-align: right;">\$2,799.00</td> <td style="text-align: center;">1.05</td> <td style="text-align: right;">\$2,938.95</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td style="text-align: right;">\$6,199.20</td> </tr> </tbody> </table>		Additional Service	Cost	Multiplier	Amount to Remit	Rocky Soil Testers (Invoice A1)	\$3,105.00	1.05	\$3,260.25	Rocky Soil Testers (Invoice A2)	\$2,799.00	1.05	\$2,938.95	Total			\$6,199.20
Additional Service	Cost	Multiplier	Amount to Remit														
Rocky Soil Testers (Invoice A1)	\$3,105.00	1.05	\$3,260.25														
Rocky Soil Testers (Invoice A2)	\$2,799.00	1.05	\$2,938.95														
Total			\$6,199.20														
<p><u>Attachment:</u> Invoices A1 and A2 from vendor: Rocky Soil Testers</p>																	

CHAPTER 2: DESIGNER AGREEMENTS AND PAYMENTS

F. Travel Expenses

<p>To: <<Capital Project Dept. Name>> <<SPA/University Name>> <<Address Line 1>> <<Address Line 2>></p> <p>Invoice Date: <<Date>> Invoice Number: <Number>></p> <p>Designer: <<Firm Name>> Remit to Address: <<Address>></p> <p>Project: <<Name>> SBC No.: <<Number>> Services / Expenses: Travel Expenses, Jane Doe</p> <p>Invoice Period: <<Date>> through <<Date>></p> <p style="text-align: center;">Principal Place of Business: Chattanooga, TN Travel Destination: Atlanta, GA</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Round Trip Miles, Place of Business and Destination</td> <td style="border: 1px solid black; text-align: center;">234</td> </tr> <tr> <td>Standard Mileage Rate per Rate Schedule:</td> <td style="border: 1px solid black; text-align: center;">\$0.47</td> </tr> <tr> <td>CONUS Lodging Rate for Destination:</td> <td style="border: 1px solid black; text-align: center;">\$148.00</td> </tr> <tr> <td>CONUS Meals & Incidental (M&I) Rate for Destination:</td> <td style="border: 1px solid black; text-align: center;">\$69.00</td> </tr> <tr> <td>Amount Pre-approved by Owner:</td> <td style="border: 1px solid black; text-align: center;">\$900.00</td> </tr> </table>	Round Trip Miles, Place of Business and Destination	234	Standard Mileage Rate per Rate Schedule:	\$0.47	CONUS Lodging Rate for Destination:	\$148.00	CONUS Meals & Incidental (M&I) Rate for Destination:	\$69.00	Amount Pre-approved by Owner:	\$900.00	<p>Example Invoice</p> <p>Plus Tax</p>																																																												
Round Trip Miles, Place of Business and Destination	234																																																																						
Standard Mileage Rate per Rate Schedule:	\$0.47																																																																						
CONUS Lodging Rate for Destination:	\$148.00																																																																						
CONUS Meals & Incidental (M&I) Rate for Destination:	\$69.00																																																																						
Amount Pre-approved by Owner:	\$900.00																																																																						
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 10%;">Partial or Full Day</th> <th style="width: 10%;">Percent of M&I Allowance</th> <th style="width: 10%;">M&I Expense</th> <th style="width: 10%;">Lodging Expense</th> <th style="width: 10%;">Lodging Tax Expense</th> <th style="width: 10%;">Airline</th> <th style="width: 10%;">Mileage Expense</th> <th style="width: 10%;">Other Expense (e.g. taxi)</th> </tr> </thead> <tbody> <tr> <td>Tuesday, 3/27/2018</td> <td style="text-align: center;">Partial</td> <td style="text-align: center;">75%</td> <td style="text-align: right;">\$51.75</td> <td style="text-align: right;">\$148.00</td> <td style="text-align: right;">\$22.20</td> <td></td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>Wednesday, 3/28/2018</td> <td style="text-align: center;">Full</td> <td style="text-align: center;">100%</td> <td style="text-align: right;">\$69.00</td> <td style="text-align: right;">\$148.00</td> <td style="text-align: right;">\$22.20</td> <td></td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>Thursday, 3/29/2018</td> <td style="text-align: center;">Full</td> <td style="text-align: center;">100%</td> <td style="text-align: right;">\$69.00</td> <td style="text-align: right;">\$148.00</td> <td style="text-align: right;">\$22.20</td> <td></td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>Friday, 3/30/2018</td> <td style="text-align: center;">Partial</td> <td style="text-align: center;">75%</td> <td style="text-align: right;">\$51.75</td> <td></td> <td></td> <td></td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td colspan="3">Total</td> <td style="text-align: right;">\$241.50</td> <td style="text-align: right;">\$444.00</td> <td style="text-align: right;">\$66.60</td> <td style="text-align: right;">\$0.00</td> <td style="text-align: right;">\$109.98</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td colspan="8" style="text-align: center;">Grand Total Reimbursable Travel Expense for Traveler</td> <td style="text-align: right;">\$862.08</td> </tr> </tbody> </table>									Date	Partial or Full Day	Percent of M&I Allowance	M&I Expense	Lodging Expense	Lodging Tax Expense	Airline	Mileage Expense	Other Expense (e.g. taxi)	Tuesday, 3/27/2018	Partial	75%	\$51.75	\$148.00	\$22.20		-	\$0.00	Wednesday, 3/28/2018	Full	100%	\$69.00	\$148.00	\$22.20		-	\$0.00	Thursday, 3/29/2018	Full	100%	\$69.00	\$148.00	\$22.20		-	\$0.00	Friday, 3/30/2018	Partial	75%	\$51.75				-	\$0.00	Total			\$241.50	\$444.00	\$66.60	\$0.00	\$109.98	\$0.00	Grand Total Reimbursable Travel Expense for Traveler								\$862.08
Date	Partial or Full Day	Percent of M&I Allowance	M&I Expense	Lodging Expense	Lodging Tax Expense	Airline	Mileage Expense	Other Expense (e.g. taxi)																																																															
Tuesday, 3/27/2018	Partial	75%	\$51.75	\$148.00	\$22.20		-	\$0.00																																																															
Wednesday, 3/28/2018	Full	100%	\$69.00	\$148.00	\$22.20		-	\$0.00																																																															
Thursday, 3/29/2018	Full	100%	\$69.00	\$148.00	\$22.20		-	\$0.00																																																															
Friday, 3/30/2018	Partial	75%	\$51.75				-	\$0.00																																																															
Total			\$241.50	\$444.00	\$66.60	\$0.00	\$109.98	\$0.00																																																															
Grand Total Reimbursable Travel Expense for Traveler								\$862.08																																																															
<p><u>Attachment:</u> Traveler's receipts for lodging (showing tax), airline, and other expenses</p>																																																																							

END