

CAPITAL DEVELOPMENT BOARD



State of Illinois

CENTRALIZED FEE NEGOTIATION PROFESSIONAL SERVICES AND FEES HANDBOOK

January 2006



CENTRALIZED FEE NEGOTIATION PROFESSIONAL SERVICES AND FEES HANDBOOK

In January 1996, CDB began the Centralized Fee Negotiation (CFN) process, a new program for the negotiation of professional services and fees. This process was conceptualized through CDB's quality program, to respond to the contemporary needs of CDB and the design industry.

The CFN process was developed to address several issues determined to be key to both parties. These issues include: consistency in fee application, timely negotiation and contract processing, equitable fees for services rendered and negotiating for only those services consistent with the terms of the agreement that are required to achieve the mutually agreed upon scope of work.

This fourth edition of the Professional Services and Fees Handbook has been developed to assist the CDB and design industry in negotiating compensation associated with the 2006 edition of the CDB Professional Services Agreement, (PSA), as well as all required modifications thereto. This handbook has been prepared in accordance with CDB's Centralized Fee Negotiation (CFN) process and professional service compensation policies.

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THE CFN PROCESS

General Information

The CFN process was developed by the Contract Administration Division of CDB and is administered by CDB Contract Executives (CE). The CE is responsible for the negotiation of all Professional Service Agreements excepting those projects designated as an emergency with proper affidavits filed. Most negotiations are handled directly by the CE; however, emergency projects are generally negotiated by the CDB Project Manager under the guidance of the CE and/or Construction Regional Manager.

Contract negotiations shall commence immediately upon agreement of the scope of work. For most projects, this means immediately after the project orientation meeting. It is therefore important that the A/E ensures that person(s) with an understanding of the CFN process and with the authority to make financial commitments for the firm be in attendance at all orientation meetings. Fee discussions shall not take place in the presence of the Using Agency or any consultants to the A/E without permission of the A/E.

CDB and the A/E shall first reach consensus on the services required to fulfill the scope of work as agreed to in the orientation meeting before attempting to reach a compensation agreement. Generally, negotiations will begin by CDB presenting for discussion, the projected scope and degree of difficulty of professional services anticipated to fulfill the scope of work, using information obtained prior to the orientation meeting. CDB will also prepare a compensation proposal that is aligned with the projected services and will present it for discussion. This "first offer" by CDB is meant as a starting point to begin negotiations in the appropriate "neighborhood". In some cases when the project scope and scope of services are not easily defined or are complex in nature, CDB may request the A/E submit the "first offer" by providing an interpretation of the scope, services proposed to fulfill the scope and a proposed fee for the services. The CE will then confer with the using agency and CDB PM to reach consensus on the scope of work as presented by the A/E prior to moving forward with negotiations. In other cases when the project scope and scope of services are not easily defined or are complex in nature, a partial agreement may be written. The method of determining the fee for a partial agreement may or may not be used to determine the balance of a full service agreement.

To ensure the timely delivery of professional service agreements and to maintain timely project delivery, CDB has adopted a policy wherein all contract negotiations shall be completed within forty-five (45) calendar days after the A/E is selected by the Board. Negotiations not completed within this time shall be brought to the attention of the Contract Administration Division Administrator for discussion with the Executive Director. Consequences of not completing negotiations within the 45 day period may include rescinding the A/E's project award.

DETERMINING THE BASIC SERVICES FEE

The determination of compensation for the performance of basic services is through negotiation of fees and services with CDB based on the following criteria:

1. The project type classification.
2. The scope of basic services required to complete the agreed upon project scope.
3. The degree of difficulty of the scope of basic service tasks as applied to the particular project.
4. The proposed project construction budget. (Used primarily as a benchmark reference).

Projects will be classified as either new construction or remodeling. Each classification is broken down into three levels of complexity as described below. Classifications are based upon the nature of the work and not upon classification of the facility.

- | | |
|---------|---|
| Group 1 | Most complex both in design and detail, and will involve complex programs, mechanical systems, code requirements, etc. |
| Group 2 | Normal or average complexity, may include a combination of more and less complex elements in the scope. |
| Group 3 | Least complex, projects will be of simple or repetitive construction without any great degree of special finish or design effort. May include projects where equipment purchases comprise a large portion of the construction budget and/or, projects where state standard designs, details and/or specifications are provided to the A/E, including site-adapt, design re-use, projects. |

Project classifications and complexity levels are determined by the Contract Executives prior to the project being advertised for professional services. Classifications are determined by the project scope statement and/or legislative language of the funding appropriation and cannot be changed. Complexity levels may be negotiated based on the agreed upon scope of work as discussed at the project orientation meeting.

It is recognized that there can be considerable variance between projects of a similar project budget and/or classification. Table A, is a breakdown of the major tasks associated with the basic services described in the Professional Services Agreement, (PSA). This table shall be utilized to determine the scope and degree of difficulty of professional services required for a specific project.

The proposed project construction budget is defined in Article 11 of the PSA. Generally, CDB determines the total project budget when the project is drafted and released.

Tables B and C, have been provided to illustrate typical base service fees that can generally be expected when the construction cost budget and project classification are known. The variable rates indicated are required by the CFN process which as previously indicated, also takes into consideration the scope of services required to achieve the project scope. The mid-point in each range represents 100% complexity as indicated in Table A. The CE will present all base fee offers in terms that do not include the CAF. The maximum or minimum fee percentages shown or calculated will not be exceeded.

Remodeling Project Classification

A project will be classified a remodeling type where the primary scope of work is to remodel, renovate, refurbish, repair, replace, upgrade, etc., any existing construction. This classification includes projects that may alter the original function of the existing construction. Some remodeling projects may include minor new construction as defined below. Projects typically classified as remodeling are shown in Table D.

New Construction Project Classification

A project will be classified a new construction type where the primary scope of work is to construct additional space or amenities for a specific purpose as indicated in the project scope. Some new construction projects may include minor remodeling as defined above to facilitate the new construction. Projects typically classified as new construction are shown in Table E.

ADDITIONAL SERVICES

Services required of the A/E that are not provided for as a basic service in the PSA or included in this handbook under reimbursable expenses are customarily referred to as additional services. Additional services may be negotiated into the base services scope of work or listed separately as provided for in Appendix A of the agreement. When this option is exercised, the scope of work for the additional services shall be clearly defined and attached to the agreement. The items listed below are examples of services generally considered as being outside the scope of the basic services provided for in the agreement. This list is not intended to be all-inclusive.

- A. Project programming including determining program activities, space requirements and equipment needs.
- B. Conceptual project cost estimating for purposes of CDB or the Using Agency to obtain present or future phase project funding.
- C. Changes in project scope (See Article 4 in PSA).
- D. Design of alternate bids that enhance the base bid design (See Article 11 in PSA).
- E. Preparation of multiple phase bid packages.
- F. Additional or redundant services made necessary by the default of a contractor (when specifically requested by CDB).
- G. Preparation of addenda due to a change in the project scope or, as a result of CDB failing to provide statutory bid materials in a timely manner.
- H. Environmental impact statements.
- I. Wetland compensation/mitigation design.
- J. Services in connection with public hearings or legal proceedings except where the A/E is party thereto.

- K. Coordination of Asbestos Consultant (When asbestos work is not advertised as a part of the project scope).
- L. Services required to facilitate the Art-in-Architecture program.
- M. Special meetings and/or presentations as pre-approved by CDB.

CONSTRUCTION ADMINISTRATION FEE (CAF)

The CAF is a fee funded through the project budget that is paid to CDB for administering a capital project. Initially legislated in Fiscal Year 1979, the CAF is a critical component of CDB's yearly operating budget. Paragraph 4.4 of the PSA explains how CAF is calculated and paid in A/E contracts.

The CAF amount on A/E contracts is added to the sum of the negotiated base service and additional service fees as indicated on Appendix A of the agreement.

INSURANCE REQUIREMENTS

Refer to Article 5 of the PSA for complete information regarding insurance required for CDB contracts.

The following information is furnished to provide assistance to the A/E in an effort to submit the insurance required in the correct manner acceptable to CDB. This information should be shared with the firm's insurance agent/broker.

- Certificates of insurance must show the specific insurance company affording coverage. Group names such as "CNA" are unacceptable.
- All insurance must be listed in the firm's name except, in the case of a sole owner.
- Each firm must have automobile insurance. If a firm owns no company vehicles, non-owned/hired automobile insurance must be obtained.
- Proof of insurance is required on a per project basis. Current certificates of insurance shall be furnished by the A/E upon commencement of fee negotiations.
- Commercial General Liability and Umbrella coverage certificates shall name CDB as additional insureds.
- All projects involving environmental and asbestos work must carry the minimum limits of the following on the employer's liability regardless of umbrella coverage:
 - a) \$500,000 Bodily Injury per person
 - b) \$500,000 Bodily Injury per occurrence
 - c) \$500,000 Property Damage per occurrence

Calculating the Professional Liability Insurance (PLI) Limit

CDB will specify the limit of professional liability required for a project. The limit of liability is generally determined by either direct calculation, or by interpreting the potential for liability exposure based on the project scope of work. The PLI limit shall be \$100,000 on any project requiring PLI with a total project budget of \$500,000 or less. The direct calculation method to determine the required PLI for projects \$500,001 to \$25,000,000 is as follows: Total Project Budget x 20%, rounded up to the next \$250,000 (maximum \$5,000,000 in coverage)

For projects \$25,000,001 and above, the PLI shall be determined by interpreting the potential for liability exposure. The A/E is required to carry the PLI coverage indicated in the award notification letter as a basic service to the agreement. The indicated PLI is required at the time the A/E enters into the agreement unless otherwise negotiated. CDB may negotiate a deferment of full PLI coverage as required by the project until such time as there is liability exposure (i.e. construction commences). Reimbursement for premiums for coverage in excess of the advertised minimum may be negotiated into the agreement.

Response Action Contractors Indemnification Act

For projects such as asbestos abatement and leaking underground storage tank remediation, or other projects that involve hazardous pollutants as defined in the Response Action Contractors Indemnification Act (RACIA) 415 ILCS 100/1 et seq. CDB will provide an attachment to the professional services agreement which states that the A/E's liability for hazardous substance and pollutant related claims is acknowledged to be limited by the statute.

DIRECT WAGE EXPENSE (DWE)

Direct Wage Expense is defined as the actual straight time hourly wages paid to employees, exclusive of statutory and fringe benefits, including personal and/or corporate performance/profit bonuses. The DWE rate of any A/E employee or employee of its consultant(s) shall be subject to audit by CDB. Evidence of DWE may be provided through certified payroll register, check stubs, or similar method that clearly indicates actual straight time wages.

A/E OVERHEAD & PROFIT MULTIPLIER RATES

The overhead and profit multiplier applicable to each agreement is indicated on Appendix A to the agreement. Overhead and multiplier rates are a component of the negotiation used primarily to determine the billable rate for on-site observation. Negotiations for compensation of additional services may also incorporate the use of the overhead and profit multiplier.

CDB's standard overhead and profit multiplier is 2.60. The method of calculation for any OH&P rate is illustrated below using the CDB standards.

$$\text{DWE (1.00) + Overhead Rate (1.30) = 2.30 + Profit Markup (13\% or 0.299) = 2.60 OH\&P}$$

CDB's standard multiplier shall be used except when the A/E provides an overhead audit in accordance with the guidelines established herein. Evidence of the audited rate must be provided each time an A/E negotiates an agreement for a project. CDB will accept overhead audits prepared by:

- a) Certified Public Accounting (CPA) firm.
- b) Illinois Department of Transportation

Acceptable overhead audits are subject to the following guidelines:

1. Audit may not be based upon information more than three (3) CDB fiscal years old.
2. IDOT audits may not state that the rate is "provisional".
 - a. Only the exact audited overhead rate will be considered. A/E not permitted to "add-back" expenses not normally included as part of an IDOT audit.
3. Statements provided by an independent CPA firm must clearly indicate the words "audited overhead" and include the following information.
 - a. Auditor's Opinion
 - b. Copy of the Trial Balance or other source document utilized as basis for the calculation.
 - c. Overhead Calculation
4. Overhead is limited to the guidelines established in Table F, Allowable Overhead Items.

The following formula shall be used to calculate an overhead rate derived by an independent CPA firm's audit of the A/E:

$$\text{Overhead Rate} = \frac{\text{Total Allowable Overhead}}{\text{Direct Labor Dollars (DLD)}}$$

Direct Labor Dollars (DLD), is defined as total wages paid to professional/technical employees for work directly chargeable to clients, less the premium portion of wages paid for overtime and statutory and fringe benefits. For sole proprietorship and partnership firms the DLD for a principal shall be the figure reported as personal income on the individual's federal tax return.

CDB will review its standard Overhead Rate on a yearly basis. Should the review warrant an adjustment to the rate, it will be published in CDB's Professional Services Bulletin. A/E agreements in effect at the time of adjustment will not be amended.

When an A/E submits an audited overhead in excess of the current standard rate (1.30), and that rate is approved for use by CDB's Internal Audit Division, CDB reserves the right to negotiate the profit multiplier.

During the life of the agreement, the A/E may provide updated information regarding its audited overhead for purposes of adjusting the OH&P rate indicated on Appendix A. CDB will provide a written modification to change the rate. The effective date of the rate change shall not be prior to the date CDB was provided the information. All rate modifications must comply with the provisions previously stated above.

PERIODIC SITE VISITS / ON-SITE REPRESENTATIVE

Article 14.12 of the PSA delineates the basic service duties required for periodic site visits which are conducted for purposes of quality control. The minimum visits indicated may be adjusted as a component of the negotiation.

When included in the agreement, CDB may request that the A/E provide one or more on-site representatives to facilitate the progress of the project and report on special conditions and critical installations. The duties of the A/E on-site representative are limited and exclusive of construction phase basic services and are further explained in Article 14.13 and Article 15 of the PSA. It is conceivable and permitted to have more than one person on the site performing work related to both types of project observation.

When required, an allowance for on-site representation compensation will be included in the agreement on Appendix A. This allowance is a budgetary amount agreed upon between CDB and the A/E based on DWE of the anticipated on-site representative (or representatives), the negotiated OH&P rate, the estimated hours required on site and travel hours. The agreed upon budget is payable as services are performed. This budget is not a lump-sum value payable to the A/E regardless of actual hours expended.

For negotiation purposes, CDB will generally base our offer for on-site representation on a reasonably expected DWE times the CDB standard OH&P rate of 2.60. CDB permits separate OH&P rates to be established for the A/E's consultant(s) in the event the consultant's audited rate varies significantly from that of the A/E. CDB will pay the actual DWE of the approved representative(s) times the negotiated OH&P rate. The maximum DWE rate to be utilized, except with asbestos abatement projects, is \$70 per hour. When no DWE is reasonably obtainable for an individual performing on-site representation such as in the event of a principal of the A/E or its consultant(s) performing this service, CDB will negotiate a DWE rate for that individual. The negotiated DWE rate shall not exceed \$70.00/hour.

In preparing the on-site representative budget projection, CDB assumes that on-site representatives are full-time permanent employees of the A/E or its consultant(s). When the A/E anticipates or has made the decision to utilize a full, or part-time temporary employee, or a consultant specializing in on-site representation, they are required to inform CDB. In this situation CDB will negotiate a lower OH&P rate not to exceed 2.0 times the DWE of the person providing the service, or 2.0 times the billable rate if no DWE is available. This "temp" rate shall also be indicated in Appendix A of the agreement. Evidence of DWE and Employee Benefits for all full-time permanent employees of the A/E or its consultant(s), including employees not listed on the 255 form, will be required.

CDB on-site representation compensation permits the inclusion of up to three (3) hours travel time to be added to the actual on-site time for each representative. Travel time is payable at the same formula established for the on-site representative. The A/E will be required to reconcile the actual travel time (up to the three hour maximum), for each on-site representative with the CDB Project Manager prior to submitting its first invoice for compensation. The exception to this provision is for those projects where it has been negotiated that the on-site representation shall be full-time (5 days/week). In this instance, no provision for travel time shall be permitted. Base Fee periodic site visits are prohibited from invoicing for travel time.

For projects where it has been agreed that full-time on-site representation is required, CDB retains the right to minimize and/or eliminate the base fee service and roll the requirements of Article 14.12 into Article 14.13. A subsequent reduction in complexity of the basic services as indicated in Table A will be made.

Should the DWE rate of an approved on-site representative change during the life of the contract due to salary adjustments, the A/E shall be entitled to an equal adjustment of the billable rate for each individual affected. The A/E must submit evidence of the adjustment including the effective date, in writing to the CDB Project Manager no later than thirty (30) calendar days after the adjustment effective date. The adjustment shall take effect upon receipt of the notice of the adjustment and shall not be retroactive to any time on-site prior to the notification.

On-site representation compensation, including travel compensation is not payable at any time when principals or employees of the A/E or its consultant(s) are on-site performing basic fee services. This would include, but not be limited to, pay-progress meetings, substantial or final completion inspections, meetings and punch list completion reviews or, participation in any system performance testing, start-up and training meetings as required by Article 15.

DETERMINING PROJECT CONSTRUCTION DURATION

At the orientation meeting, the project team (CDB, Using Agency and A/E), will need to discuss and reach consensus on the construction duration of the project in order to complete the contractual project schedule on Appendix A of the agreement, and to assist in determining the budget for on-site representative reimbursement. Be sure to discuss as many factors as possible that will affect construction duration. The project construction budget alone, is not satisfactory in determining construction duration.

Discussions should be realistic and include; complexity of the project design, availability of the site, material procurement duration, season of construction start, and other mitigating circumstances.

NON-ELIGIBLE REIMBURSABLE PROFESSIONAL SERVICE EXPENSES

Non-eligible reimbursable expenses may include, but are not limited to, indirect cost items included in overhead. The items below are not available as a reimbursable expense on CDB contracts.

1. Consultants hired at the A/E's option to perform basic services required by contract.
2. Site surveying, where such is primary to the design effort.
3. Field verification of existing conditions prior to commencement of design.
4. Field verification or electronic conversion of existing drawings provided by CDB or Using Agency.
5. Review document printing, handling and postage, up to 10 sets per review.
6. Bid document printing and postage up to the number of sets specified in Appendix A of the agreement as well as handling and recording distribution of all bid sets.
7. Postage and handling including photocopying of project correspondence, contractor submittals, and documents issued for construction.
8. Record construction drawings.
9. Meals.
10. Lodging.
11. Mileage
12. Telephone/Cellular Phone/Pager/Answering Service Expense

ELIGIBLE REIMBURSABLE PROFESSIONAL SERVICE EXPENSES

Eligible reimbursable expenses may include, but are not limited to, direct cost items not included in overhead. Reimbursable expenses, when included in the agreement, are shown on Appendix A under item F. The items listed below are examples of expenses that are generally accepted as reimbursable in CDB contracts. This list is not intended to be all inclusive.

1. Sub-soil investigation (soil borings).
2. Design phase material and/or equipment testing.
3. Construction phase material testing. (Including site and quality control testing).
4. On-site representation (Budgeted separately on Appendix A)
5. Site Surveying, where such is secondary to the design effort (legal surveys, aerials, GIS).

6. Review documents in excess of ten (10) sets per review.
7. Bid document printing and postage for sets above what is indicated on Appendix A.
8. Record drawings provided on mylar film in addition to the requirements of Article 16.8. (Differential costs only are eligible).
9. PCM air samples and PLM bulk samples (asbestos projects).
10. Renderings and/or detailed presentation models.
11. Construction phase photography.
12. Roofing or Testing Contractor labor and materials to perform full-depth roof cuts during program analysis phase of roofing project.
13. Contractor assistance and/or equipment rental to facilitate site inspection work including invasive investigation.

PRESENTATION RENDERINGS

All renderings are to be presentation/display types intended to represent the constructed project based on the approved Design Development submittal and shall be issued matted and framed. Overall frame dimension not less than 22" x 28" nor greater than 30" x 42". Top and side mat shall not exceed 3". Bottom mat shall not exceed 4" and shall contain CDB logo, project title and location and A/E name/logo left to right. Glass shall be non-glare type. Medium may be computer generated full color graphic on high quality/resolution paper stock or full color watercolor on not less than 200# board. Oils, pencil/charcoal, colored markers or pen and ink are not acceptable.

Views shall be exterior unless otherwise directed by the CDB PM. A/E shall provide CDB PM with a maquette of the drawing for approval of color, medium and perspective view prior to submitting final rendering. Original renderings shall be submitted to CDB. Additional reproductions may be included for use by others as set forth in Appendix A.

BIDDING DOCUMENTS REPRODUCTION EXPENSES

CDB negotiations will be based on the guidelines set-forth in the table below. Printing and postage for all bid documents in excess of the quantity indicated on Appendix A of the Agreement will be a reimbursable. Handling expenses for all bid documents are not eligible for reimbursement.

<u>A/E Basic Services Fee</u>	<u>Qty. Of Non-Reimbursable Bid Sets</u>
Under \$10,000	0
Up to \$25,000	1 to 5
Up to \$75,000	6 to 15 (Dependent upon project location)
Over \$75,000	16 to 30 (Dependent upon project location)

ASBESTOS PROJECT SAMPLE REIMBURSEMENT LIMITS (PCM / PLM / TEM)

CDB has set limitations on certain reimbursables required on asbestos projects. These limits have been established through documentation of real costs as obtained directly from consultants in this industry and our many years of experience through hundreds of projects completed throughout the State of Illinois. Generally, deviations from these limits are not accepted. Rates indicated are inclusive of all equipment and supplies required to perform the work. Laboratory invoice must be attached to all requests for reimbursement.

- A. PCM Air Samples: Actual value of the laboratory invoice not to exceed \$10.00/sample. Air samples shall not exceed the requirements set forth in the CDB publication Project Manual Workbook for Asbestos, Lead, UST and PCB, most current edition.
- B. PLM Bulk Samples: Actual value of the laboratory invoice not to exceed \$10.00/sample. Bulk samples shall not exceed the requirements set forth in the CDB publication A/E Manual of Procedures for Statewide Asbestos Surveys, most current edition. All proposed sampling must be reconciled with CDB. In the event this procedure is not followed, CDB shall only pay for the samples it determines was necessary.
- C. Bulk sample analysis by TEM (Transmission Electron Microscopy) method (EPA/600/R-93/116) / Point Counting Samples: Actual value of the laboratory invoice not to exceed \$45.00 per sample for five (5) days or less turnaround on sample analysis.
- Bulk sample analysis by TEM (Transmission Electron Microscopy) method (EPA/600/R-93/116) / for friable/non-friable materials: Actual value of the laboratory invoice not to exceed \$125.00 for five (5) days or less turnaround on sample analysis.
- D. TEM Air Samples: Actual value of laboratory invoice not to exceed \$125.00/sample. Generally, reimbursable only in buildings subject to AHERA rules. (Subject to provisions of A. above).

All air samples are required to be read on-site during the abatement contractor's standard working hours. Additional time for on-site reading is not permitted. Additional reimbursement for reading off-site is also not permitted. This includes labor and travel expenses.

ASBESTOS PROJECT ON-SITE REPRESENTATIVE COMPENSATION GUIDELINES

The DWE values indicated below are the maximum eligible reimbursement for each type of representative. CDB will pay the actual DWE of each individual required up to these maximums times the agreed upon OH&P as indicated on Appendix A of the agreement.

The Air Sampling Technician (AST), shall have at minimum completed the N.I.O.S.H. 582 Course and successfully passed the exam. The AST is not required to be IDPH Licensed as an Air Sampling Professional (ASP). The duties of an AST are calibrating, locating and monitoring air sampling pumps only. An AST is not qualified to read air samples.

<u>Asbestos On-site Representative</u>	<u>Maximum Allowable DWE</u>
Asbestos Project Manager (APM)	\$ 22.00 / hour
Air Sampling Professional (ASP)	\$ 18.00 / hour
Air Sampling Technician (AST)	\$ 15.00 / hour
APM/ASP (Combined)	\$ 27.00 / hour

TABLE A

DIVISION OF BASIC SERVICES COMPENSATION

This table generally illustrates the major tasks associated with the basic services described in the Professional Services Agreement. It is not intended to list every task required. Compensation values indicated reflect a percentage of the fee associated with the effort to perform the task for projects of average complexity regardless of classification. This table assumes projects that will be designed and bid as multiple construction contracts. The values indicated are not intended to be absolute. This table should be utilized as a guide to determine the scope and complexity of the basic services desired to meet the requirements of a specific project.

Total % of Fee	Basic Services Task	% Per Task
20%	PROGRAM ANALYSIS / SCHEMATIC DESIGN PHASE	
	ORIENTATION MEETING	0.25
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	ANALYSIS OF PROJECT CONDITIONS & REQUIREMENTS:	
	Site Investigation / Survey Existing Conditions	6.0
	Program / Scope Review & Analysis with Using Agency/CDB	2.0
	Regulatory Requirements / Code Analysis	0.5
	Environmental Hazard Assessment (Remodeling Projects)	0.5
	REPORT PREPARATION	1.0
	STATEMENT OF PROBABLE CONSTRUCTION COST	0.25
	PRESENTATION / PROGRAM ANALYSIS REVIEW MEETING	0.5
	SCHEMATIC DESIGN STUDIES	3.0
	Resolution of Building & Site Elements	2.5
	Preliminary Investigation of Architectural/Structural/Civil/MEP Components	2.5
	STATEMENT OF PROBABLE CONSTRUCTION COST	0.5
	PRESENTATION / SCHEMATIC DESIGN REVIEW MEETING	0.5
13%	DESIGN DEVELOPMENT PHASE	
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	PREPARATION OF PRELIMINARY DESIGN DRAWINGS & PROJECT MANUAL 6.5	
	Fix & Illustrate all Major Materials/Equipment/Systems	5.0
	STATEMENT OF PROBABLE CONSTRUCTION COST	1.0
	PRESENTATION / DESIGN DEVELOPMENT REVIEW MEETING	0.5
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34%	BIDDING DOCUMENTS PHASE	
	WORKING DRAWINGS	20.0
	PROJECT MANUAL	10.0
	RECONCILE LOCAL REGULATORY REQUIREMENTS	1.0
	PROGRESSIVE / FINAL STATEMENTS OF PROBABLE CONSTRUCTION COST	2.0
	PRESENTATION / BIDDING DOCUMENT REVIEW MEETINGS	1.0

4%	BIDDING PHASE	
	DOCUMENT PRINTING & DISTRIBUTION	1.0
	Distribution Documentation & Submittals	0.5
	PRE-BID CONFERENCE	0.5
	RESPOND TO BIDDER'S INQUIRIES / ADDENDA	1.25
	ATTEND BID OPENINGS / PROVIDE BID ANALYSIS	0.5
	DISSEMINATE BID RESULTS	0.25

22%	CONSTRUCTION PHASE	
	PRE-CONSTRUCTION MEETING	0.5
	REVIEW & RESPOND TO CONTRACTOR'S SUBMITTALS AND INQUIRIES	8.0
	QUALITY CONTROL / OBSERVATION OF THE WORK	5.0
	PAY MEETINGS & PAYMENT PROCESSING	5.0
	CHANGE ORDER PROCESSING	1.0
	COMMISSIONING	2.5

7%	PROJECT CLOSEOUT PHASE	
	PRELIMINARY INSPECTION & SUBSTANTIAL COMPLETION	3.0
	FINAL INSPECTION & ACCEPTANCE	1.5
	FINAL PAYMENT PROCESSING	1.0
	RECORD DRAWINGS	1.0
	NINE MONTH INSPECTION	0.5

TABLE B**REMODELING PROJECT CLASSIFICATION
BASE FEE COMPENSATION RANGE**

CONSTRUCTION COST BUDGET	GROUP 1R FROM TO	GROUP 2R FROM TO	GROUP 3R FROM TO
under \$100,000	10.76 - 16.16	9.92 - 14.88	8.12 - 13.92
\$200,000	10.16 - 15.26	9.31 - 13.97	7.58 - 13.00
\$300,000	9.65 - 14.49	8.80 - 13.20	7.12 - 12.21
\$400,000	9.20 - 13.80	8.34 - 12.52	6.71 - 11.51
\$500,000	8.81 - 13.23	7.96 - 11.94	6.37 - 10.92
\$700,000	8.36 - 12.56	7.50 - 11.26	5.97 - 10.23
\$900,000	8.04 - 12.06	7.18 - 10.78	5.67 - 9.73
\$1,000,000	7.93 - 11.91	7.08 - 10.62	5.58 - 9.57
\$1,250,000	7.76 - 11.66	6.90 - 10.36	5.43 - 9.31
\$1,500,000	7.63 - 11.45	6.76 - 10.16	5.31 - 9.10
\$1,750,000	7.50 - 11.26	6.65 - 9.99	5.20 - 8.91
\$2,000,000	7.40 - 11.12	6.54 - 9.82	5.10 - 8.75
\$2,500,000	7.19 - 10.79	6.34 - 9.52	4.91 - 8.43
\$3,000,000	7.02 - 10.54	6.16 - 9.24	4.76 - 8.15
\$5,000,000	6.54 - 9.82	5.68 - 8.52	4.33 - 7.42
\$7,000,000	6.22 - 9.34	5.36 - 8.06	4.04 - 6.93
\$9,000,000	6.04 - 9.08	5.19 - 7.79	3.89 - 6.67
\$10,000,000	6.00 - 9.02	5.15 - 7.73	3.85 - 6.61
\$15,000,000	5.87 - 8.81	5.04 - 7.56	3.76 - 6.45
\$20,000,000	5.74 - 8.62	4.93 - 7.41	3.69 - 6.32
\$25,000,000	5.62 - 8.44	4.84 - 7.26	3.63 - 6.21
\$30,000,000	5.48 - 8.22	4.72 - 7.08	3.54 - 6.07
\$40,000,000	5.21 - 7.83	4.50 - 6.76	3.41 - 5.84
\$50,000,000	4.95 - 7.43	4.30 - 6.46	3.25 - 5.58
\$100,000,000 and over	3.65 - 5.49	3.22 - 4.84	2.50 - 4.29

TABLE C

**NEW CONSTRUCTION PROJECT CLASSIFICATION
BASE FEE COMPENSATION RANGE**

CONSTRUCTION COST BUDGET	GROUP 1N FROM TO	GROUP 2N FROM TO	GROUP 3N FROM TO
under \$100,000	10.59 - 15.89	9.75 - 14.63	7.99 - 13.70
\$200,000	9.99 - 14.99	9.15 - 13.73	7.46 - 12.78
\$300,000	9.48 - 14.22	8.64 - 12.96	6.99 - 11.99
\$400,000	9.03 - 13.55	8.19 - 12.29	6.59 - 11.30
\$500,000	8.65 - 12.99	7.80 - 11.72	6.26 - 10.72
\$700,000	8.21 - 12.33	7.36 - 11.06	5.86 - 10.05
\$900,000	7.89 - 11.85	7.05 - 10.59	5.57 - 9.55
\$1,000,000	7.79 - 11.69	6.95 - 10.43	5.48 - 9.40
\$1,250,000	7.62 - 11.44	6.77 - 10.17	5.33 - 9.14
\$1,500,000	7.49 - 11.25	6.64 - 9.98	5.21 - 8.94
\$1,750,000	7.36 - 11.06	6.53 - 9.81	5.10 - 8.74
\$2,000,000	7.27 - 10.91	6.42 - 9.64	5.01 - 8.59
\$2,500,000	7.06 - 10.60	6.22 - 9.34	4.83 - 8.27
\$3,000,000	6.89 - 10.35	6.04 - 9.08	4.67 - 8.00
\$5,000,000	6.42 - 9.64	5.57 - 8.37	4.25 - 7.29
\$7,000,000	6.11 - 9.17	5.27 - 7.91	3.97 - 6.80
\$9,000,000	5.94 - 8.92	5.09 - 7.65	3.82 - 6.55
\$10,000,000	5.90 - 8.86	5.05 - 7.59	3.78 - 6.48
\$15,000,000	5.76 - 8.66	4.94 - 7.42	3.69 - 6.33
\$20,000,000	5.64 - 8.48	4.84 - 7.28	3.62 - 6.20
\$25,000,000	5.52 - 8.28	4.75 - 7.13	3.56 - 6.10
\$30,000,000	5.37 - 8.07	4.63 - 6.95	3.48 - 5.96
\$40,000,000	5.12 - 7.68	4.42 - 6.64	3.34 - 5.73
\$50,000,000	4.86 - 7.30	4.22 - 6.34	3.19 - 5.48
\$100,000,000 and over	3.59 - 5.39	3.16 - 4.74	2.46 - 4.21

TABLE D

**PROJECT TYPES
REMODELING CLASSIFICATION**

GROUP I	GROUP II	GROUP III
Historic Restoration Sewage Treatment Facilities Boiler Conversion Physical Plants Steam Distribution	Building Mechanical / Electrical Systems Fire Alarm Systems Emergency Generator/UPS Systems Energy Management Systems Locking Systems Security Systems Water Supply Systems Waste & Vent Systems Cooling Systems Air Handling Systems Laboratories Site Utilities Water Treatment Systems Shower/Toilet Rooms Electric Feeder Cables Electric Distribution Systems Elevators	Windows and Doors Roofing Tuckpointing Waterproofing Paving Exterior/Interior Finishes & Trim Asbestos Abatement Lead Abatement UST Removal Intercom Systems Fire Suppression/Sprinkler Systems Carpeting Structures Demolition Re-Tube Boilers ADA/Life Safety Compliance Upgrades

TABLE E

**PROJECT TYPES
NEW CONSTRUCTION CLASSIFICATION**

GROUP I	GROUP II	GROUP III
Art Galleries/Exhibit Halls Auditorium/Performance Theater Clean Rooms Communications Building Complex Engineering Projects Developmental Centers Extended Care Facilities Fish Hatcheries Heating/Cooling Plants Hospitals Laboratories (Production & Research) Maximum Security Correctional Facilities Museums Sewage Treatment Facilities	Armories College Classroom Facilities Computer Room/Labs Concession Buildings Convention Facilities Courthouses Day Care Facilities Dietary Facilities/Kitchens /Cafeterias Dormitories Firing Ranges Floating Docks Gymnasium/Recreational Facilities High Voltage Electrical Service/Distribution Laundry Facilities Libraries Medical Office Facilities & Clinics Medium Security Correctional Facilities Office Buildings Police Stations Schools; Elementary Secondary Vocational Sight, Hearing, & Physically Impaired Science Labs (Teaching) Shower Buildings Stadiums Transportation Terminals Visitors/Interpretive Centers Water Treatment Facilities Water Control Structures Recreational Ponds/Lakes	Apartments Cold Storage Facilities Hangers Parking Structures Simple/Repetitive Garages Service Garages Minimum Security Correctional Facilities Shop & Maintenance Buildings Warehouses Pre-Engineered Structures Guard Towers Site work; Water Sewers Roads Fences Walks Parking Lots Park Trails Landscaping Signage Playground equipment Single Family Residences Site Lighting Vault Toilets Park Shelters Historical Monuments Fuel Storage Tanks Water Towers Fixed Piers Boat Ramps

TABLE F

ALLOWABLE OVERHEAD ITEMS

This table is provided as a guideline for purposes of determining an audited overhead rate and to indicate items and/or services normally included as overhead for professional/technical service businesses. An audited overhead rate which is obtained by dividing the total allowable overhead by DLD shall be in accordance with the guidelines established herein in order to be acceptable to CDB.

Salaries:

Principals (not project related)
Clericals (not project related)
Technical (not project related)
Temporary Help
(nontechnical)
Recruiting Expenses

Equipment Rentals:

Word Processors, Computers,
Typewriters
Bookkeeping
Dictating
Furniture and Fixtures
Instruments
Computer Aided Drafting
Blueprint Machine
Pagers and Cellular Phones

Insurance:

Professional Liability
Insurance
Flight and Commercial
Vehicle
Valuable Papers
Office Liability
Office Theft
Premises Insurance

Office Facilities

Rents and Related Expenses
Utilities
Maintenance and Repair

Travel:

All Job Related Travel

Employee Benefits:

Hospitalization
Employer's F.I.C.A. Tax
Unemployment Insurance
Federal Unemployment Tax
Disability
Worker's Compensation
Vacation
Holidays
Sick Pay
Medical Payments
Pension Fund
Insurance – Life (Except
Keyman)
Retirement Plan
Bonus/Incentive Plans

Supplies:

Postage
Drafting/CAD Room Supplies
General Office Supplies
Library

Miscellaneous:

Professional Organization
Dues for Principals and
Employees
Licensing Fees
Magazine Subscriptions
Maps and Charts

Services (Professional):

Accounting
Legal
Employment Fees
Computer Services
Research

Services (Non-Professional):

Telephone and Telegram
Messenger Services

Taxes:

Franchise Taxes
Occupancy Tax
Single Business Tax
Unincorporated Business Tax
Property Tax

Financial:

Depreciation

Printing and Duplication:

Specifications (other than for
bidding)
Drawings (other than for
bidding)
Photocopies (Xerox)
Photos

