

# **INSTRUCTIONS TO PREPARERS**

**For Completion of the  
DESIGN PROFESSIONAL CONTRACT  
BETWEEN DESIGN PROFESSIONAL AND OWNER**

**TO BE USED WITH  
GEORGIA STATE FINANCING AND INVESTMENT COMMISSION  
DBB CONSTRUCTION CONTRACT**

**GEORGIA STATE FINANCING  
AND INVESTMENT COMMISSION**

**INSTRUCTIONS TO PREPARERS  
OF THE  
GEORGIA STATE FINANCING AND INVESTMENT COMMISSION'S  
DESIGN PROFESSIONAL CONTRACT (DBB)  
BETWEEN DESIGN PROFESSIONAL AND OWNER**

**Introduction**

The Georgia State Financing and Investment Commission (GSFIC) is the descendant of the State School Building Authority, which was established in 1951. Over the years, the State School Building Authority evolved into the University Building Authority, the Georgia Education Authority (Schools), the Georgia Education Authority (University), and finally the Georgia State Financing and Investment Commission.

When the State School Building Authority first came into being to facilitate the construction of buildings for public education, it modeled its initial architectural agreement on the then-current "Standard Form of Agreement between Owner and Architect" of the American Institute of Architects. It ran only three pages in its entirety and covered a limited scope of Basic Services. Even so, it recognized an array of Additional Services and Reimbursable Expenses that were deemed to warrant extra compensation. This early Contract established a standard fee for architectural and engineering services at six percent of the cost of construction.

As time passed, however, the list of responsibilities that state agencies and authorities routinely assigned to the Design Professional expanded to include new duties. Time witnessed the transfer of major Additional Services into Basic Services, and the inclusion of Reimbursable Expenses in the basic fee. Nevertheless, the traditional six percent fee limitation remained unchanged. Many state agencies and authorities began to realize that the traditional set percentage fee could not be universally appropriate. Fee negotiation, therefore, has become advisable.

In the late 1990s, after its standard Design and Construction Contract Administration Agreement had grown to be dozens of pages long, the State determined to respond to the need for change. GSFIC was charged with leading a consensus-based collaborative process involving industry stakeholders to overhaul many of the standard documents and forms that had been developed over the years.

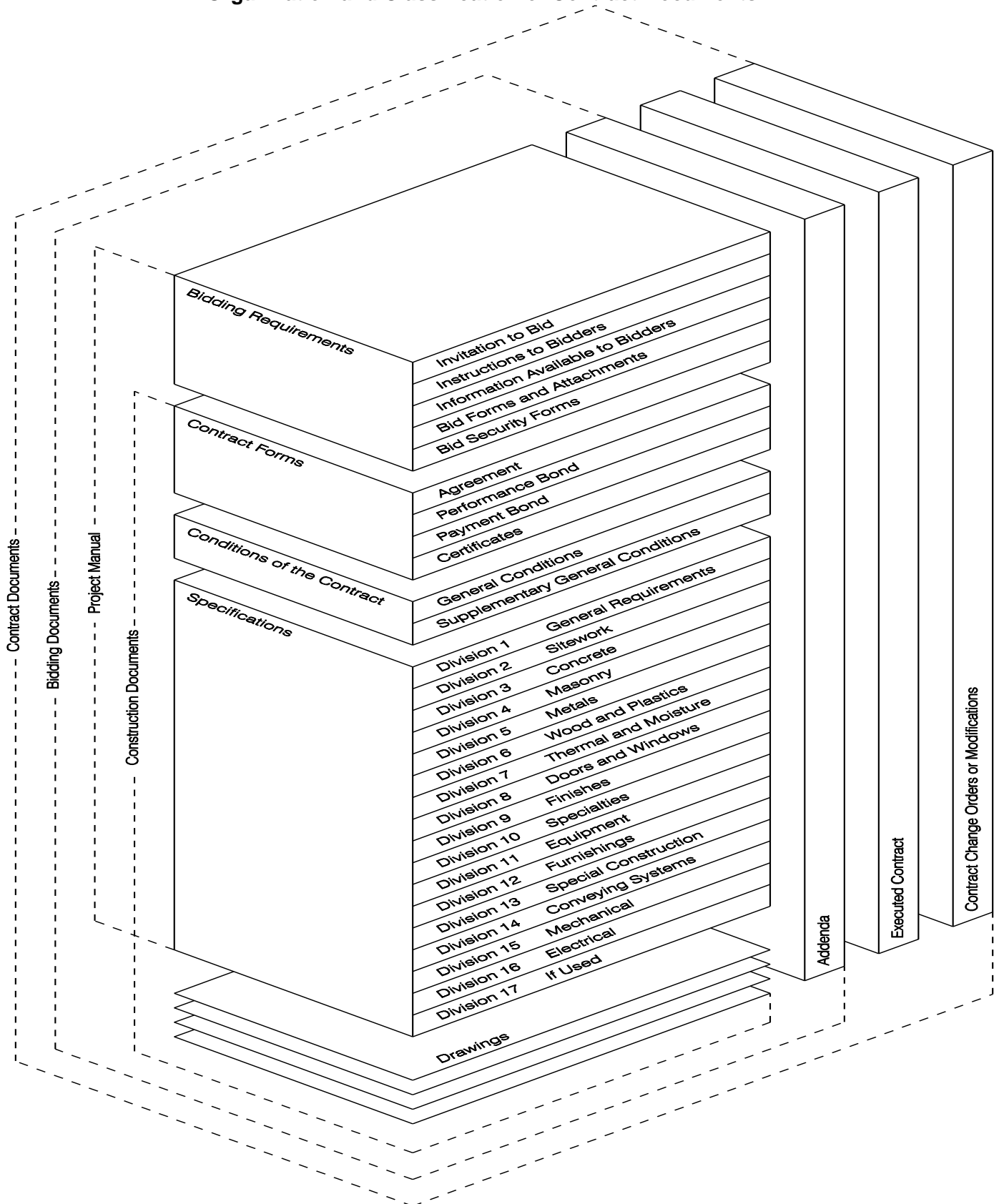
The State expects Design Professionals to respond positively to growing demands by Owners, users, and regulatory bodies. Therefore, the State has restructured the Contract to address the many changes that have occurred over the past half-century. Among the many updates to the Contract is explicit flexibility to offer compensation commensurate with increased Design Professional responsibilities. The following Contract, now called the ***Design Professional Contract*** (for use with the GSFIC DBB Construction Contract) represents the first major update to the document in more than a decade. The following instructions should facilitate its use:

**Instructions for Preparation**

<b>Reference</b>	<b>Comment</b>
Contract-1	The Contract should be dated on the earliest date services are to be performed.
Contract-1, 1	The Construction Cost Limitation should be filled out as the maximum bid price the Owner is willing to accept in the Construction Contract.
Contract-1, 2	The Owner's Authorized Agent is the person with the authority to bind the Owner in all matters requiring the Owner's approval, authorization, or written notice, and has authority to give direction to the Design Professional and authorize Change Orders.
Contract-1, 3	The Design Professional of Record is the person anticipated to seal the Construction Documents for the Contracting design firm.
Contract – 1-3A	The Design Professional should list the principal in charge, project manager and discipline leaders and consultants and subconsultants that have been selected or already chosen in Exhibit M.
Contract-1, 4 a	The combined Basic Services fee percentage for Design and Construction Contract Administration is the total fee percentage calculated using the Fee Negotiation Guidelines included in the instructions immediately following this table. This overall percentage should then be allocated 70% for Basic Design Services and 30% for Basic Construction Contract Administration Services.

<b>Reference</b>	<b>Comment</b>
Contract-1, 4 b	The Additional Services Fees (at Contract execution) are the total of the individual prices taken from Exhibit A.
Contract-2, 6	The parties shall determine the total number of Site Visits required by the Contract at the time of execution, including those of the Design Professional and all its consultants, plus the number of Building Official visits.
Section 1, Part 1, Par 1.1.1.2	The Owner should provide a plat of boundary line survey to the Design Professional at or before Contract execution.
Section 1, Part 1, Par 1.1.1.3	The Owner should provide a Predesign Study or Program to the Design Professional at or before Contract execution and attach it to this Contract as Exhibit C. If Predesign Study or Program is over one year old, it should be updated by the original preparer or as an additional service by the Design Professional.
Section 1, Part 1, Par 1.1.1.4	In advance of Contract execution, the Owner and Design Professional should prepare a mutually agreeable Preliminary Design and Construction Schedule and attach it as Exhibit D.
Section 1, Part 1, Article 1.1.3	The Owner should attach the State of Georgia Design Bid Build Construction Contract General Conditions to the Contract as Exhibit E.
Section 1, Part 1, SubPar 1.1.6.2.13	The Owner should provide as a guide to the Design Professional a specimen set of Supplementary General Conditions to the Construction Contract before the Design Professional Contract execution.
Section 2, Part 1, Par 2.1.3.3.	The Design Professional shall utilize Exhibit G to this Contract in preparing the Site Memorandum.
Exhibit A	The Owner should indicate what Additional Services it wishes to require the Design Professional to provide during both the design and Construction Contract Administration phases of its engagement by filling out the acceptable method of payment for each. The Owner should also attach appropriate scopes of service included for Additional Services to be provided under this Contract as Exhibit N. If the Owner desires the Design Professional to provide Program Management Services as a required Additional Service, then the name of the person intended to serve as the Program Manager should be recorded in Exhibit M.
Exhibit B	The Owner should attach the approved hourly rates as Exhibit B after adding or subtracting categories as appropriate for the Project.
Exhibit F	The Design Professional shall utilize Exhibit F to this Contract in preparing the Statement of Probable Construction Cost.
Exhibit H	The Owner should review and adjust the list of Project deliverables before attaching it to the Contract as Exhibit H. (Any changes should also be reflected in the preceding Contract paragraphs giving rise to the original deliverable requirement.)
Exhibits I & L	These exhibits should be reviewed as they reflect requirements during the construction administration phase of the Contract as well as the design intent.
Exhibit N	The Owner should utilize the samples in Exhibit A or attach appropriate scopes of service for Additional Services to be provided under this Contract as Exhibit N.
Reference	The Owner should make available or attach the most current policy, instructions, and design guidelines for Design Professionals entitled "The Process Guide."

## Organization and Classification of Contract Documents



## Architectural and Engineering Basic Services Fee Negotiation Guidelines

The following table of approximate percentages is a guideline for negotiating fees for Architectural and Engineering Basic Services for State of Georgia new building and building systems projects and renovations entailing differing levels of complexity ("Project Types I – VI") for various Construction Cost Limitations (CCL). (This Contract may not be appropriate for civil projects such as roads, bridges, or sewage / wastewater treatment plants.)

Examples by project type include, but are not limited to, the following:

**Project Type I – Considerably Less Than Average Complexity:** Warehouses, Storage Facilities, Parking Structures, etc.

**Project Type II – Less Than Average Complexity:** Dormitories and Student Housing, Office Buildings, Dining Facilities, Complex Parking Structures, etc.

**Project Type III – Average Complexity:** Classroom Facilities, General Teaching Spaces, University Libraries, Medical Offices, Gymnasias, etc.

**Project Type IV – More Than Average Complexity:** Complex University Buildings, Engineering Laboratories, Special Schools, Theaters, Auditoriums, Medical Schools, etc.

**Project Type V – Considerably More Than Average Complexity:** Science and Medical Research Buildings, Hospitals, Museums, etc.

**Project Type VI – Engineering Projects:** Campus/Building Chilled Water, Steam, Fire Protection, or Hot Water Systems; Campus/Building Electrical Distribution Systems; Building Replacement Mechanical or Electrical Systems; Building or Campus Generator Systems; Campus Fire Alarm or Security Systems; Outdoor lighting or Sports Lighting; Retrofit Building Fire Protection Systems; Campus Voice/Data Systems; etc.

To use the table, select the percentage for new construction or renovation for a given CCL, and multiply that percentage by the CCL to arrive at the total lump sum Basic Services Fee. Seventy percent of that amount equals the Basic Design Services Fee (see Paragraph 4.1.4.1) and thirty percent equals the Basic Construction Contract Administration Fee (see Paragraph 4.1.4.2).

**Example A: A new dining facility project with a CCL of \$1,100,000.**

1. Determine that the dining facility is a Type II project for new construction. Go to the table and locate the fee percentages for the SCLs listed closest to the \$1,100,000. (For an CCL of \$1,000,000, the percentage is 6.6%; for an CCL of \$1,250,000 million, it is 6.4%.)
2. Interpolate between the 6.6% and 6.4% and round up to the first decimal place to arrive at the percentage for the CCL of \$1,100,000.
3. Multiply this percentage (6.5%) by \$1,100,000 to calculate the total Basic Services Fee (\$71,500).
4. Seventy percent (70%) of that amount equals the Basic Design Services Fee (\$50,050) and thirty percent (30%) equals the Basic Construction Contract Administration Fee (\$21,450).

If the Project were a combination of two project types and a mix of new construction and renovation, the calculation would be as follows:

**Example B: Renovation of an existing office building (budgeted at \$5,000,000) and the addition of a warehouse (budgeted at \$3,000,000), with a combined CCL of \$8,000,000. (The Fee Negotiation Guidelines are the same whether the two facilities are connected or located in close proximity to one another if they are part of a single project.)**

1. Determine that the office building is a Type II renovation project and the warehouse is a Type I project for new construction.
2. Go to the table and identify the percentage for the \$8,000,000 total CCL for a Type II renovation project (7.1%). Multiply this percentage by the budget for the office project (\$5,000,000) to calculate the first portion of the Basic Services Fee (\$355,000).
3. Go to the table and identify the percentage for the \$8,000,000 total CCL for a Type I project for new construction (5.1%). Multiply this percentage by the budget for the warehouse project (\$3,000,000) to calculate the balance of the Basic Services Fee (\$153,000).
4. Add the two lump-sum fees to arrive at the Total Basic Services Fee (\$508,000).
5. Seventy percent (70%) of that amount equals the Basic Design Services Fee (\$355,600) and thirty percent (30%) equals the Basic Construction Contract Administration Fee (\$152,400).

Using percentage-based Basic Services Fee Negotiation Guidelines for projects where the CCL are less than \$500,000 or greater than \$30,000,000 are probably not appropriate due to the wide range of complexity in very small/very large projects. In these cases, appropriate fees should be negotiated based on the estimated efforts required to complete the Project.

Not included in the Basic Services Fee are amounts to cover Additional Services or approved Reimbursables. In preparing a Predesign Study, additional amounts should be added to the Total Project Budget breakdown to cover these two additional items. In arriving at Additional Services and Reimbursable amounts to incorporate into the actual Contract between the Owner and the Design Professional, individual estimates should be prepared based on projected scope and expenses.

## ARCHITECTURAL &amp; ENGINEERING BASIC SERVICES FEE PERCENTAGE NEGOTIATION GUIDELINES

CONSTRUCTION COST LIMITATION (CCL) (\$)		TYPE I Considerably less than average complexity		TYPE II Less than average complexity		TYPE III Average complexity		TYPE IV More than average complexity		TYPE V Considerably more than average complexity		TYPE VI Engineering Projects Pr	
		New %	Renovation %	New %	Renovation %	New %	Renovation %	New %	Renovation %	New %	Renovation %	New %	Renovation %
Less than	500,000	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies
	500,000	6.4	8.0	7.2	9.0	8.0	10.0	8.8	11.0	9.6	12.0	9.0	11.2
	750,000	6.1	7.6	6.8	8.6	7.6	9.5	8.4	10.5	9.1	11.4	8.5	10.6
	1,000,000	5.8	7.3	6.6	8.2	7.3	9.1	8.0	10.0	8.8	11.0	8.2	10.2
	1,250,000	5.7	7.1	6.4	8.0	7.1	8.9	7.8	9.8	8.5	10.7	8.0	10.0
	1,500,000	5.6	7.0	6.3	7.9	7.0	8.8	7.7	9.7	8.4	10.5	7.9	9.8
	1,750,000	5.5	6.9	6.2	7.8	6.9	8.7	7.6	9.5	8.3	10.4	7.8	9.7
	2,000,000	5.5	6.9	6.2	7.7	6.9	8.6	7.5	9.4	8.2	10.3	7.7	9.6
	2,250,000	5.4	6.8	6.1	7.7	6.8	8.5	7.5	9.4	8.2	10.2	7.6	9.5
	2,500,000	5.4	6.7	6.1	7.6	6.7	8.4	7.4	9.3	8.1	10.1	7.5	9.4
	2,750,000	5.3	6.7	6.0	7.5	6.7	8.4	7.3	9.2	8.0	10.0	7.5	9.4
	3,000,000	5.3	6.6	6.0	7.4	6.6	8.3	7.3	9.1	7.9	9.9	7.4	9.3
	3,500,000	5.3	6.6	5.9	7.4	6.6	8.2	7.2	9.0	7.9	9.9	7.4	9.2
	4,000,000	5.2	6.5	5.9	7.4	6.5	8.2	7.2	9.0	7.8	9.8	7.3	9.2
	4,500,000	5.2	6.5	5.9	7.3	6.5	8.1	7.2	8.9	7.8	9.8	7.3	9.1
	5,000,000	5.2	6.5	5.8	7.3	6.5	8.1	7.1	8.9	7.8	9.7	7.2	9.0
	6,000,000	5.1	6.4	5.8	7.2	6.4	8.0	7.1	8.8	7.7	9.6	7.2	9.0
	7,000,000	5.1	6.4	5.7	7.2	6.4	8.0	7.0	8.8	7.7	9.6	7.1	8.9
	8,000,000	5.1	6.3	5.7	7.1	6.3	7.9	7.0	8.7	7.6	9.5	7.1	8.9
	9,000,000	5.0	6.3	5.7	7.1	6.3	7.9	6.9	8.7	7.6	9.5	7.1	8.8
	10,000,000	5.0	6.3	5.6	7.0	6.3	7.8	6.9	8.6	7.5	9.4	7.0	8.8
	11,000,000	5.0	6.2	5.6	7.0	6.2	7.8	6.8	8.6	7.5	9.3	7.0	8.7
	12,000,000	4.9	6.2	5.6	7.0	6.2	7.7	6.8	8.5	7.4	9.3	6.9	8.7
	13,000,000	4.9	6.1	5.5	6.9	6.1	7.7	6.8	8.4	7.4	9.2	6.9	8.6
	14,000,000	4.9	6.1	5.5	6.9	6.1	7.6	6.7	8.4	7.3	9.2	6.8	8.5
	15,000,000	4.8	6.1	5.5	6.8	6.1	7.6	6.7	8.3	7.3	9.1	6.8	8.5
	16,000,000	4.8	6.0	5.4	6.8	6.0	7.5	6.6	8.3	7.2	9.0	6.7	8.4
	17,000,000	4.8	6.0	5.4	6.7	6.0	7.5	6.6	8.2	7.2	9.0	6.7	8.4
	18,000,000	4.8	5.9	5.3	6.7	5.9	7.4	6.5	8.2	7.1	8.9	6.7	8.3
	19,000,000	4.7	5.9	5.3	6.6	5.9	7.4	6.5	8.1	7.1	8.9	6.6	8.3
	20,000,000	4.7	5.9	5.3	6.6	5.9	7.3	6.4	8.1	7.0	8.8	6.6	8.2
	21,000,000	4.7	5.8	5.2	6.5	5.8	7.3	6.4	8.0	7.0	8.7	6.5	8.1
	22,000,000	4.6	5.8	5.2	6.5	5.8	7.2	6.4	7.9	6.9	8.7	6.5	8.1
	23,000,000	4.6	5.7	5.2	6.5	5.7	7.2	6.3	7.9	6.9	8.6	6.4	8.0
	24,000,000	4.6	5.7	5.1	6.4	5.7	7.1	6.3	7.8	6.8	8.6	6.4	8.0
	25,000,000	4.5	5.7	5.1	6.4	5.7	7.1	6.2	7.8	6.8	8.5	6.3	7.9
	26,000,000	4.5	5.6	5.1	6.3	5.6	7.0	6.2	7.7	6.7	8.4	6.3	7.9
	27,000,000	4.5	5.6	5.0	6.3	5.6	7.0	6.1	7.7	6.7	8.4	6.2	7.8
	28,000,000	4.4	5.5	5.0	6.2	5.5	6.9	6.1	7.6	6.6	8.3	6.2	7.8
	29,000,000	4.4	5.5	5.0	6.2	5.5	6.9	6.1	7.6	6.6	8.3	6.2	7.7
	30,000,000	4.4	5.5	4.9	6.1	5.5	6.8	6.0	7.5	6.6	8.2	6.1	7.6
More than	30,000,000	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies