

Sample Professional Services Agreement

IMPORTANT: As the planning profession is deregulated, no standard Professional Services Agreement applies to any member practice. This document should be regarded as an example of a generic Professional Services Agreement, intended for use as a reference point only.

1.0 SCOPE OF WORKS

- 1.1 "Planning Consultant" shall provide to the Client the Scope of Works described in Schedule D, together with such other services as may be agreed between parties from time to time.
- 1.2 All rates quoted in this Agreement may be subject to review at the end of (date to be stated).

2.0 PAYMENT OF FEES

- 2.1 The Client shall pay to "Planning Consultant" the Fee and the Reimbursable Expenses in accordance with this Agreement, including the Goods and Services Tax (GST) that may apply, together with such other amounts in respect of other services agreed to be provided, including any GST on these amounts.
- 2.2 All monies payable by the Client to "Planning Consultant" shall be paid within 14 days of invoice. Monies not paid within that period may attract interest from the date thirty (30) days after the date of the invoice until payment, at the rate fixed by the (nominated bank) on overdrafts under \$100,000 plus 2% per annum, plus any cost incurred in recovering the debt.
- 2.3 Any dispute regarding an invoice shall be notified by the Client to "Planning Consultant" within fourteen (14) days of the date of invoice.

3.0 OBLIGATIONS

- 3.1 "Planning Consultant" shall not, without prior consent of the Client, disclose to any third party other than the employees, project manager, co-consultants and agent of "Planning Consultant", confidential information entrusted by the Client.
- 3.2 "Planning Consultant" shall not assign its rights or obligations, in full or part, without the consent of the Client, which consent shall not be unreasonably withheld.



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- 3.3 If “Planning Consultant” considers it appropriate to do so, it may with the Client’s prior approval, which shall not be unreasonably withheld, engage any other consultant to assist “Planning Consultant” in specialist areas. The Client accepts responsibility for the payment of all monies payable to such other consultant.
- 3.4 The Client shall, prior to the commencement of work provide any existing materials relevant to “Planning Consultant’s” duties, including but not limited to:
- Existing reports, documents and plans.
 - Copies of current approvals and correspondence.
 - Existing mapping and photography.
 - Free access to the site.
 - Evidence of ownership or legal and corporate responsibility.

4.0 COPYRIGHT

- 4.1 Copyright in all design drawings, structure plans, subdivision plans and other documents prepared by “Planning Consultant”, and provided to the Client in connection with the project, shall remain the property of “Planning Consultant”.
- 4.2 The Client alone (subject to Clause 4.3) shall have licence to use the documents referred to in Clause 4.1 for the purpose of completing the project, but the Client shall not use, or make copies of such documents in connection with any work not related to the project.
- 4.3 If the Client is in breach of any obligation to make a payment to “Planning Consultant”, “Planning Consultant” may revoke the rights referred to in Clause 4.2 and the Client shall then cause to be returned to “Planning Consultant” all documents referred to in Clause 4.1 and all copies thereof.

5.0 DISPUTES AND TERMINATION

- 5.1 Any dispute between the Client and “Planning Consultant” shall first be the subject of mediation, provided that this provision shall not prevent “Planning Consultant” from instituting legal action at any time, to recover monies owing by the Client to “Planning Consultant”.



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5.2 In the event of any question, difference or dispute arising between the parties concerning this Agreement, which cannot be satisfactorily resolved between them, such question, difference or dispute shall be referred to the President of the Planning Institute of Australia (WA Division) who shall act as arbitrator, or who shall appoint an independent arbitrator to resolve such question, difference or dispute, and any decision shall remain final and binding on both parties.

5.3 Either party may terminate a contract prior to its completion (by giving one month's notice to the other), provided that such notice shall not be given until the party intending to give notice has consulted with the other. The consultant shall be reimbursed for work carried out prior to the termination in accordance with the agreed fee structure.

6.0 SCHEDULES

6.1 The Scope of Works shall reference the Schedules forming part of the Professional Service Agreement.

- Schedule A General Planning Tasks.
- Schedule B Design Planning.
- Schedule C Rates, Expenses & Disbursements.
- Schedule D Scope of Works.
- Schedule E Fees Indicators (IMPORTANT – As the planning profession is deregulated, there is no binding schedule of fees for planners or urban designers. The marketplace determines rates and ensures fees remain competitive. Fees will vary based on many factors, including number of staff, the service being provided and the practice's costs and overheads. The Fees Indicators described in Schedule E provide an example of possible fee structures.)



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SCHEDULE A

GENERAL PLANNING TASKS

General Planning tasks referred to in the Scope of Works include:

- Attendance at project and consultant team meetings.
- Consultation with:
 - Project Manager and Client.
 - Co-consultants.
 - Local Authorities.
 - Government Agencies.
- Briefing co-consultants.
- Site inspections.
- Attendance at Public Meetings and Workshops.
- Presentations to Council and / or other Agencies.
- All correspondence and telephone calls.
- Research and negotiation.
- Preparation of Statutory Documentation.
- Co-ordination / review / consolidation of co-consultant documentation.
- Preparation of documentation to support formal applications.
- Preparation of Liveable Neighbourhood compliance documentation.
- Project Co-ordination.
- Preparation of Presentation Plans.
- Any planning work undertaken following lodgement of any formal applications / requests or proposals.

All General Planning tasks are charged on an hourly rate basis in accordance with Schedule C.

Preparation of any legal documentation and / or attendance at any legal proceedings will be charged on the basis of 1.5 x "Planning Consultants" standard hourly rates.

SCHEDULE B

DESIGN PLANNING

Design Planning referred to in the Scope of Works includes:

- Structure Plans.
- Outline Development Plans.
- Development Concept Plans.
- Development Guide Plans.
- Detailed Area Plans.
- Subdivision Plans.
- Design Guidelines

Design Planning is charged based on two phases as follows:



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(i) Phase One - Preliminary Design

Preparation and / or modification of preliminary planning designs for discussion, review and / or feasibility assessment.

- Fee Basis: Hourly rates.
(For illustration, refer to Schedule C).

(ii) Phase Two - Final Design

Preparation of the final Planning Design, following completion of Phase One.

- Fee Basis: Charged on a per lot basis.
(For illustration, refer to Schedule E).

SCHEDULE C

RATES, EXPENSES & DISBURSEMENTS

(i) "Planning Consultants" Professional Hourly Rates

The following "Planning Consultants" hourly rates quoted are exclusive of GST. IMPORTANT – Note there is no schedule of hourly rates for planners or urban designers. The marketplace determines rates and ensures fees remain competitive. Fees will vary based on many factors, including number of staff, the service being provided and the practice's costs and overheads. The following rates should be regarded as illustrative only.

- Director/Principal: \$160 -250 per hour.
- Associate/Senior Planner: \$120 – 200 per hour
- Planner/Designer: \$85 – 150 per hour
- Drafting: \$60 - 80 per hour.
- Administration \$40 – 60 per hour

(ii) Disbursements

- All disbursements are charged at 1.1 x cost, plus GST.

SCHEDULE D

SCOPE OF WORKS

CLIENT:

PROJECT:

SCOPE OF WORKS:

FEE STRUCTURE:

CLIENT SIGNATURE

I hereby appoint "Planning Consultants" to undertake the above Scope of Works in accordance with the terms of this Professional Service Agreement.



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PREAMBLE TO SCHEDULE E

Please note, the Fees Indicators described in Schedule E are not to be regarded as binding on members or obligatory in any way.

In recent years, the role and demands placed upon practicing Consultants Planners have changed significantly. The tasks undertaken are not just more varied requiring a greater spread of knowledge and expertise but are more difficult and onerous as new layers of policy, legislation and practice emerge and community expectations and knowledge grows.

Some key areas contributing to the increase of costs to Consultant Planners include:

- a growing trend to address detailed planning (and associated) matters at early stages of a project, such as traffic, drainage, built form, etc. These typically result in a more complex and iterative plan development process,
- statutory documentation requirements for applications which are increasing. Liveable Neighbourhoods (LN) in particular, has introduced an anticipation to document compliance with policy requirements such as Ped-Shed performance, solar orientation, street-sections, etc
- greater pre-consultation requirements with referral agencies and planning authorities,
- growing expectation to address previously peripheral issues such as employment strategies and sustainability at early stages of planning, and
- increasing staff employment and insurance costs.

These factors have increased the level of difficulty experienced by Consultant Planners and their clients in setting budgets, and estimating fees. The AAPC has consulted with its constituent members to ascertain current industry benchmarks for service costs and resultant consulting fees. The following Fees Indicators represent the currently understood level of fees that members typically incur in providing their services. The AAPC makes available the following indicators for reference in preparing budgets, and estimates. The Indicators are not to be regarded as binding or obligatory in any way.

The AAPC is now also noting that planning consultants may wish to examine alternative methods of setting their fees, which may be based on the value of the end product (lots), particularly in so far as land subdivision design is concerned.

The Association also notes that kindred professions, including architects, landscape architects, engineers, project managers and sales consultants offer their fees on a percentage basis which often suits the Client. There is no reason planners may not structure their fee proposals in a similar manner when appropriate.

The revised fee indicators therefore include not only per lot and hourly rate figures but provide a basis to explore a design fee based on a percentage of the sales price of each lot created. Based on the total planning costs outlined in the Indicators, a rate of between 0.5% to 1.0% of the sales price of the lot (per lot) may reflect a suitable reference point for establishing project planning budgets.

The manner and detail in which any percentage based fee is negotiated is up to the individual consultant in liaison with his Client.



	PROFESSIONAL FEE INDICATORS (DRAFT)				INDICATIVE TOTAL PER LOT COST WHERE APPLICABLE
	STRUCTURE PLANS ETC	SUBDIVISION	DETAILED AREA PLANS	DRAFTING	
AUSTRALIAN ASSOCIATION OF PLANNING CONSULTANTS FINAL DESIGN PLANNING FEE INDICATORS (Refer to Schedule B and to Preamble before interpreting Indicators) 1 July 2005 to 30 June 2006	Includes: - Outline Development Plans - Subdivision Concept Plans. - Development Concept Plans. May show indicative lot detail Indicates major land uses as a freehand concept. Scaled but not plotted. Typically 1:2000 scale. Up to lodgement stage.	<ul style="list-style-type: none"> Detailed design plots suitable for lodgment. Accurately scaled and dimensioned. Suitable for pre-calculation. Typical Scales: 1:1000 or 1:500. (Possibly 1:2000 for large lot proposals). Up to lodgement stage. 	<ul style="list-style-type: none"> Design control plans prepared on a site by site basis. Excludes supporting documentation costs. 	Hourly Rates* <ul style="list-style-type: none"> Covers computer generated and manual drafting, excluding expenses. 	
	No. of Lots Rate 001 – 100 101 – 500+ No. of Lots Rate 001 – 100 101 – 500+	\$350 per lot \$50 per dwelling unit for group dwelling sites \$450 per lot \$50 per dwelling unit for group dwelling sites	0 – 30 lots \$10,000 30+ lots \$10,000 plus \$250 per lot in excess of 30 lots 0 – 10 lots Hourly Rates* 10+ lots \$300 per lot	\$40 per lot \$40 per lot	\$890 per lot \$1,140 per lot
SPECIAL PROJECTS <ul style="list-style-type: none"> Waterfront/Marina/ Canal. Golf Course Estates. Tourist Resort. Transit Oriented Development. 	No. of Lots Rate 001 – 100 101 – 500+	\$450 per lot \$50 per dwelling unit for group dwelling sites	0 – 10 lots Hourly Rates* 10+ lots \$300 per lot	\$50 per lot \$50 per lot	\$1,150 per lot
	No. of Lots Rate 001 – 100 101 – 500+	\$250 per lot \$350 per lot \$100 per lot	0 – 10 lots \$1000 10+ lots \$200 per lot	\$50 per lot	\$600 per lot
URBAN INFILL & REDEVELOPMENT AREAS INDUSTRIAL					

SCHEDULE E2

AUSTRALIAN ASSOCIATION OF PLANNING CONSULTANTS

ADDITIONAL FEES INDICATORS (Refer to Schedule B and to Preamble before interpreting Indicators)

1 July 2005 to 30 June 2006

PLANNING SCHEME AMENDMENTS

METROPOLITAN/BUNBURY-WELLINGTON/PEEL REGION SCHEMES

Non Substantial Amendment \$5,000 - \$10,000

Substantial Amendment \$10,000 - \$25,000

LOCAL AUTHORITY PLANNING SCHEME

Minor Amend \$3000 - \$5000

Medium Amend \$5000 - \$10000

Major Amend \$10000+

Statutory Amendment Documentation \$2,500 - \$7,500

ENQUIRY BY DESIGN/COMMUNITY CONSULTATION

Hourly Rates having due consideration to the extent of the project or an agreed fee for a detailed scope of works.

DRAFTING

Covers computer generated and manual drafting excluding expenses at Hourly Rates but excludes design drafting outlined in SCHEDULE E1.

APPEALS

Preparation of Grounds of Appeal and attendance at initial Directions Hearing \$3,000 - \$4,500

Attendance at Case Management Conference \$500 - \$1,500

Preparation for and attendance at Mediation \$1,500 - \$3,000

Preparation of Witness Statements

Hourly Rates having due consideration to the extent of the project or an agreed fee for a detailed scope of works.

Attendance at Substantive Hearing

Hourly Rates x 1.5 or an agreed fee for a detailed scope of works.

Appearance at subsequent Directions Hearings

Hourly Rates.

Preparation and Lodgement of Minute of Consent Orders

Hourly Rates.

TENDERS (SPECULATIVE)

Members regularly respond to invitations or advertised requests to prepare and lodge tenders and do so on the basis that a successful tender will result in the payment of fees at rates otherwise expressed in Schedules E1 and E2 hereto.

DUE DILIGENCE

Hourly Rates having due consideration to the extent of the project or an agreed fee for a detailed scope of works. As a guide, a minimum practical budget for a project of moderate size and complexity may be in the range of \$5,000-\$10,000.

DESIGN GUIDELINES PREPARATION AND ASSESSMENT

Design Guidelines Preparation – Hourly rates have due consideration to the extent of the project or an agreed fee for a detailed scope of works. As a guide, a minimum practical budget for a project of moderate size and complexity may be in the order of \$10,000.

Design Guidelines Assessment – \$300 per lot where the member is employed to assess applications against guidelines prepared by the member.

Design Guidelines Assessment – \$400 per lot where the member is employed to assess applications against guidelines prepared by another member or practitioner.

TOWNSCAPE DEVELOPMENT

Hourly Rates having due consideration to the extent of the project or an agreed fee for a detailed scope of works. As a guide, a minimum practical budget for a project of moderate size and complexity may be in the order of \$50,000.

URBAN AND REGIONAL POLICY DEVELOPMENT

Hourly Rates having due consideration to the extent of the project or an agreed fee for a detailed scope of works. As a guide, a minimum practical budget for a project of moderate size and complexity may be in the order of \$50,000.

ALL COSTS DESCRIBED HEREIN ARE EXCLUSIVE OF GST