OAA CLA Submission December 31, 2015

APPENDIX A

Expenditure of Architect's Services by Project Phase

Design & Drawing Phase	Bid Phase	Construction Duration		Warranty Phase
12 mos.	2 mos.	12 mos.	12 mos.	12 mos.
Split of Architect's Services (fees) per phase				
0 % – 73%	2%	Up to 23%		0 to 2%
Split of Construction Services (fees) per phase				
		0 – 100%		

Notes:

- *Timeframes shown are normal for common projects.*
- *A construction period of 2 years is shown. Except for small renovations, construction period is seldom less than 12 months and for complex, phased projects is now common to extend as long as 5 years. (example Toronto City Hall Square Revitalization).*

Financial Impact

Hospital Project

- Construction Cost - $38,000,000
- Architect's Fee - $3,040,000
- Total duration of project from award of Architect's contract to end of warranty period – 4.5 years
- Construction period plus warranty period – 3 years
- Financial Impact – 75% of $3,040,000 = $2,228,000 x 10% holdback = $222,800 held by client for 3 year period after completion of design phase

School Project

- Construction Cost - $8,000,000
- Architect's Fee - $500,000
- Total duration of project from award of Architect's contract to end of warranty period – 3.7 years
- Construction period plus warranty period – 2.8 years

- Financial Impact – 70% of $500,000 = $350,000 X 10% holdback = $35,000 held by client for 2.8 years after completion of design phase

Custom Residential Project

- Construction Cost - $1,120,000
- Architect's Fee - $134,400
- Total duration of project from award of Architect's contract to end of construction period – 1.5 years
- Construction period – 1 year
- Financial Impact – 75% of $134,000 = $108,000 x 10% holdback = $10,800 held by client for 1 year period after completion of design phase

Anonymous Project provided where scope was changed (holdback amounts shown in parentheses):

- Project Commenced 2008
- Architect's Fee $1,025,000 ($102,500).
- Assorted change orders added $714,000 ($71,400) to the project.
- A related feasibility study added $353,000 to the project ($35,300).
- By 2012, earlier work wrapped up as preliminary studies and design development of the current building (under the same project) commenced. This consisted of (including change orders during design for scope revisions) $6,992,000 ($699,200).
- Tendering of the project in 2014 involved $80,000 in fees ($8,000) and construction review and administration between June 2014 and April 2016 involves an additional $4,325,000 in fees ($432,500).

- Financial impact - The total holdback on the project held by the client for six years (2008 to 2014(would be $1,348,900

NB: dollar amounts have been rounded off.