



ASSOCIATION OF CONSULTING
ENGINEERING COMPANIES | SK



CONSULTING ENGINEERS AND GEOSCIENTISTS 2022 FEE SCHEDULE GUIDELINE SUMMARY

Introduction:

This document has been developed by ACEC-SK to provide member firms and their clients with a remuneration reference for consulting engineering services in Saskatchewan. The guideline offers:

- commentary on the Best Practice for selecting a consulting engineering firm;
- description of various fee arrangements; and
- a recommended schedule of minimum hourly rates for the various levels of professional and technical staff commonly employed by Saskatchewan's consulting engineering companies.

The rates presented are intended as a guideline for 2022 Saskatchewan consulting engineering services and are subject to annual revisions.

Selection Process – Best Practice for Selecting a Consulting Engineering Firm

Selecting an engineering firm should be regarded not as a cost but rather as an investment. Quality engineering can contribute greatly to controlling project construction cost and schedule as well as result in lower long-term project life cycle costs.

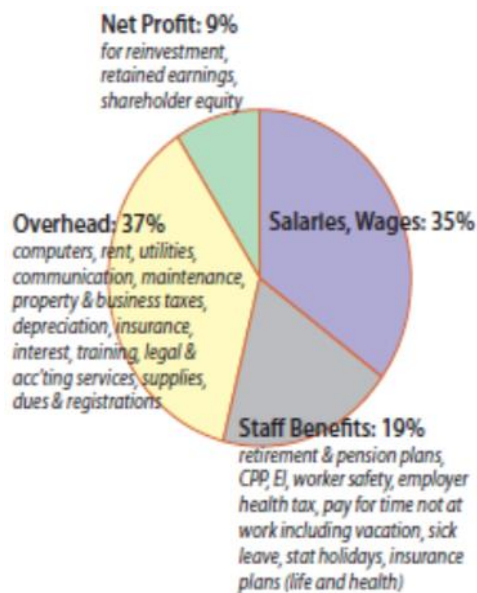
Qualifications Based Selection is the recommended competitive process for consultant selection. It will add the greatest value for clients. This selection process diverges from price-based selection practices in that it allows consultants to demonstrate how they can add maximum value to a client's project rather than focusing on how to minimize their fees to 'win' an assignment. More information about Qualifications Based Selection is available in *The Best Practice for Selecting Your Consulting Team* and the Federation of Canadian Municipalities *National Guide to Sustainable Infrastructure Best Practice Guide on Selecting a Professional Consultant*, both of which can be found on www.acec-sk.ca.

Regardless of the selection process utilized, ACEC-SK recommends a formal client/consultant agreement be established describing the terms and conditions of the engagement prior to beginning the work.

Fee Arrangements

The word "fee" is defined as the money paid for services rendered. Depending on the project type, nature of the work, and the terms and the conditions of the client/consultant agreement, the following fee arrangements for consulting engineering professional services are commonly used:

1. **Fixed fee** – A lump sum arrangement is recommended when the scope of services and schedule can be very clearly defined and understood. Fees of this type can be developed from the bottom up or derived as a percentage of construction cost. For instance, when the Prime Consultant assigns sub-consultants to complete portions of the design, the fees for those services can range between 80% and 100% of the Prime Consultant's fee for that portion of the design. The percentage fee may also apply only to the labour component of a fee with expenses considered extra. The consulting engineer assumes a risk to perform the work within the fixed fee offered. The consulting engineer's return for assuming this risk is built into the fixed fee and therefore a breakdown is not usually provided.
2. **Hourly** – A time and material arrangement is recommended in situations when the scope of services and/or schedule cannot be clearly defined (see Development of Hourly Rates & Charges for Disbursements sections below for details). Rather than commit to an upset limit which imposes a fixed return for unknown risks, it is recommended that the consulting engineer monitor fees and provide the Client with regular status and forecast updates.
3. **Per diem** Per day fees is a variation on the hourly rate type fee arrangement whereby a cap on hours per day is effectively implied.
4. **Expenses** – fixed fee, hourly or per diem arrangements include internal and external costs. Internal costs include photocopying, printing, couriers, fax, telephone, etc., and historically, these costs were tracked individually. In recent years, professional services providers (including consulting engineering, legal, and accounting firms) have moved to a percentage of labour charges for these costs, e.g. typically 5-10%. This streamlines the tracking and billing process for both consulting engineering firms and their clients. External costs include out-of-pocket expenses for mileage, meals, lodging, etc. as well as sub-consultants where applicable, and these costs may be subject to a mark-up for handling costs (See Charges for Disbursements section below for details).
5. **A Combination of These Arrangements** – may be employed for projects where a large part of the scope can be defined, i.e. fixed fee, but where additional services may be required, e.g. hourly or per diem.



Typical Distribution of Consulting Fees

Development of Hourly Rates

Since the Consulting Engineer is not only a professional engineer but also a businessperson, the fee charged to clients must cover pertinent business costs and margin as illustrated in the Typical Distribution of Consulting Fees graphic.

Each consulting firm has a unique mix of professional, technical, and administrative support staff with differing levels of experience, expertise, and responsibility. These individuals are grouped into various staff classifications accordingly. To enable the recovery of the costs associated with overhead and staff benefits, as well as to generate a profit, consulting firms typically develop hourly rates predicated on a multiplier of salary costs. Engineering consultants do not provide fees based on multipliers of salary because the Personal Information Protection and Electronic Documents Act (Canada) restricts how personal salary information can be collected, used or disclosed in the course of commercial activities. Rate provision is not

problematic, but the provision of an individual's salary cost multiplier applicable to a rate can allow a client to determine that person's salary. Since engineering fees are increasingly subject to public scrutiny and to audit, personal salary information could easily become public.

The recommended **minimum hourly rates** presented in this Fee Guideline are predicated on staff working at a reasonable chargeability rate in a consulting engineering office. However, for unique assignments, a consulting engineer can revisit the rates examining the circumstances under which an employee is working. For example, a seconded employee's benefits may be no different than those for an office-based employee. However, the remaining elements may be different and may hold the potential to lower the hourly rate over the extent of the project. Similarly, if the work is highly specialized and/or high risk in nature and a consulting engineering firm has niche resources to do the work, then this may hold the potential to increase the hourly rates charged.

Staff classifications describing various levels of responsibility, experience and training are presented on a subsequent page. Recommended minimum hourly rates for those categories are presented below. With some interpolation, most engineering and technical positions can be categorized to align within these classifications. For multiple year assignments, it is recommended that a rate escalation clause be included in the terms and conditions of the client/consultant agreement.

The following are recommended fees for standard projects for 2022:



Category	Rate (\$CDN/hour)	Category	Rate (\$CDN/hour)
E1	\$130.00	T1	\$ 100.00
E2	\$150.00	T2	\$ 115.00
E3	\$180.00	T3	\$ 135.00
E4	\$215.00	T4	\$ 145.00
E5	\$240.00	T5	\$ 165.00
E6	\$265.00	T6	\$ 185.00
E7	\$310.00	T7	\$ 205.00



Personnel Categories

The following categories are intended as a guide to determining the hourly fee appropriate for a given staff member.

Professional Services	Authorized Responsibilities
E1 Engineer in Training or Members in Training	Engineer in Training or Members in Training
E2 Assistant Project Engineer	Engineering or geoscience assignments of limited scope and complexity. Work supervised in detail may give guidance to members-in-training, technicians, technologists, Contractor employees, etc.
E3 Project Engineer	Independently puts out responsible and varied engineering or geoscience assignments. Work not generally supervised in detail. May give guidance to 1 or 2 other engineers or geoscientists but supervision of other engineers or geoscientists is not usually a continuing responsibility.
E4 Supervisory Engineer	First level of direct and sustained supervision over engineers or geoscientist
E4 Specialist Engineer	First level of full specialization in complex engineering applications (research, design, product application, sales, etc)
E5 Management Engineer	Has authority over supervisory engineers or geoscientists or a large group containing both professionals and non-professionals
E5 Advanced Specialist Engineer	In addition to specialization, generally exercise authority over a group of highly qualified professionals engaged in complex engineering applications
E6 Senior Management Engineer	Has authority over several related professional groups in different fields, each under a management engineer or geoscientist
E7 Senior Specialist Engineer	Recognized authority in a field of major importance and generally exercises authority over a group of highly qualified professionals engaged in complex engineering applications

Technical Services	Authorized Responsibilities
T1 Technician	Under close supervision carried out straightforward duties such as preparing uncompleted or repetitive drawing, maintaining drawing files and assisting with field survey. Little independent judgment required. Acts according to standardized procedures. No previous experience required
T2 Technician/Technologist	Under close supervision supports engineering personnel in field, design and/or ACAD drafting. Performs clearly defined, straightforward tasks. Acts according to standardized procedures. Carries out straightforward computational work using standard accept formulae and manuals
T3 Technician/Technologist	Under direct supervision supports engineering personnel in field, design, drawing production and/or construction specifications and quality control. Performs variety of defined assignments with some independent judgment required. May provide technical advice to less experienced technicians / technologist in same area of specialty
T4 Technician/Technologist	Under minimal supervision carries out design tasks and/or complex ACAD assignments and/or performs field quality control functions. Analyzes, provides recommendations and makes decisions with regard to technical problems encountered. May provide technical advice or supervise the daily activity of all lower level technical staff with regard to processes and procedures. Verifies accuracy and adequacy of their work
T5 Technician/Technologist	Supervises directly or indirectly the work of junior personnel while at the same time undertaking project related functions on a continual basis. May function as "Lead CAD" on projects in support of the Project Manager. Prepares production and progress reports as required. Assists the Project Manager in determining personnel and man-hour requirements. Reviews and verifies accuracy of work carried out by others
T6 Technician/Technologist	Independently manages design functions on projects. Supervises the activities of other staff in execution of projects. Assists in recruitment and management of personnel as required. May assume role of Project Manager on projects. Technologists may take technical responsibility for projects within the limits of the approved scope of practice. Assists with marketing
T7 Technician/Technologist	Independently represents the company with clients on an ongoing basis. Manages and supervises staff on a continual basis. Manages major projects. Responsible for identifying and pursuing market opportunities in area of specialization. Technologists may take technical responsibility for projects within the limits of the approved scope of practice. Responsible for assisting in recruitment, career reviews and salary reviews for staff under their direct supervision. Typical role is that of Group Manager or Discipline Lead

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