

Summary of Architectural Master Agreement and terms and Conditions 10/12/2016

Please see my comments below regarding the Architectural Agreements.

Our documents are based on a master agreement, with an underlying set of terms and conditions that are referenced in the master agreement. Each individual project is approved by the Board and a "project assignment" document that identifies in detail the project deliverables, time and budget requirements is executed after approval. The project assignment is amended if and when the design scope of work is amended and approved.

The Master Agreement includes the following main sections and important provisions, with my comments in parenthesis:

Basic Services

1. Basic services are established by the terms and conditions of the agreement, however the master agreement requires the architect or engineer to design to within 95% of the agreed upon budget. Project designs may exceed budget with college approval or the architect or engineer will be required to redesign the work to maintain budget at no additional cost to the college. (Budget and scope of work are reconciled at each of several milestones throughout designs. Architects and construction managers each develop an independent cost estimate, and then work to reconcile costs and quantities. At times, the college hires a separate estimator to evaluate the project independently to ensure estimates are accurate).
2. The Architect is made legally responsible for the project as the "Architect of Record". (This is in compliance with California Building code and State Architect definitions and requirements.)
3. The college is given the right to approve sub-consultants. (this is especially important if a sub-consultant such as an electrical engineer working under the architect of record is terminated or fails to perform).

Compensation

1. The basic services for each contract is all inclusive of the design and architects construction administration work., unless specific exclusions are identified. (This is common language that ensures that the college receives a complete project, however we occasionally retain specialty consultants directly for stand alone scope of work.)
2. No changes to the contract price are permitted without specific authorization. (At Mt. SAC, we "lock in" the fee at the point of time that the actual design effort can be quantified. This protects the college from increases in design fees proportional only to construction cost inflation).
3. Reimbursable expenses are compensated at cost plus a pre-negotiated fee. (The reimbursable mark-up is different for each firm, but usually does not exceed 10%. We also do not reimburse for travel incidental to the project).

Term

1. The term of the master agreement is set at a maximum of five years, and extensions require approval. (This is different than the term of a specific project assignment, but the master agreement must remain in effect while a project assignment is still active).

Insurance

1. Minimum insurance requirements are set for workers compensation, general liability, automobile liability, and professional liability. (minimums are \$1 million per occurrence for each type, \$2 million aggregate for automobile and \$4 million aggregate for general and professional liability. Workers Compensation requirements are statutory).

Miscellaneous

1. This section includes provisions prohibiting the architect or engineer to assign the project to another firm or firms.

The Terms and Conditions include six articles as follows, again with my comments in parenthesis:

1. Relationship of Parties (This article clearly identifies roles and responsibilities of the owner, owners representatives, construction managers, contractors, inspectors, and other owners consultants)

2. Basic Services (This article provides detail to define the deliverables due at each milestone, the responsibilities of the architect to make corrections identified in constructability reviews and cost estimates, architects responsibilities at the bid and construction phases, change order processes, contractor claims processes, and other administrative activities inherent to construction contracts).

3. Additional Services (This article clarifies what will and will not be considered as additional services, and defines the method of compensation for approved added services).

4. Insurance and Indemnity (This article provides specific details regarding insurance requirements, and defines the consultants indemnity of the college and the colleges indemnity of the consultants).

5. Termination Provisions (This article provides the detail for termination of the agreement for cause by either party, and termination for convenience by the college).

6. General (This article provides legal clarifications and definitions for the agreement).

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