



Annexure C:

Association of Consulting Engineers of Namibia Recommended Fee Scales for Engineers (PROCSA Edition 4.0 – ACEN Version 1.2) October 2023

PRCSA
Professional Consultants Services Agreement Committee



Explanatory Note

The Association of Consulting Engineers of Namibia (“**ACEN**” or the “**Association**”) is a voluntary organisation of individual consulting Engineering firms, formed to uphold standards, advance the profession and promote the interests of its members.

The Association is a focal point for contact between consulting Engineers, the public, government, government organisations and the private sector.

The Association publishes a variety of documents, including the Recommended Fee Scales, which can be obtained from the Secretary of the Association.

Copies of this and other documents can be obtained from:

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It is recommended that this Annexure be used in conjunction with the latest version of the “PROCSA™ Client/Consultant Professional Services Agreement”

The **Agreement** should comprise the following components:

PROCSA™ **Client/Consultant Professional Services Agreement** – Terms and Conditions
Annexure A: Schedule
Annexure B: Scope of Services
Annexure C: Recommended Fee Scales

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C RECOMMENDED FEE SCALES

C.1 ADDITIONAL DEFINITIONS AND INTERPRETATION

“**Additional Services**” means the **Services**, additional to **Services**, defined as such in the **Scope of work** for the **Project**.

“**Bill of Quantities**” means a list of items, components or services to be priced by a Contractor, broken down to a logical and practical level, which will enable the Engineer to evaluate prices, payment claims and additional work, but excluding a simple list of prices of countable items or components.

“**Building Project**” means any project involving alterations to existing works and/or the construction of new works which comprise mainly works of a building nature and for the planning of which the **Client** employs a team of building professionals and appoints one of them as his **Principal Agent** for that project.

“**Construction Monitoring**” means the monitoring of construction by the **Engineer** of the **Engineering Works** for compliance with the **Contract Documents**.

“**Engineer**” means the firm or individual who is a member firm of the Association of Consulting Engineers of Namibia and is the contracting party named in the **Agreement** as being engaged by the **Client** to perform the **Services** and of which the majority of principals are registered with the **Engineering Council of Namibia** as Professional Engineers or Incorporated Engineers.

“**Engineering Council of Namibia**” means the juristic body initially established as the South West African Engineering Council in terms of Section 2 of the Engineering Profession Act, 1986.

“**Engineering Project**” means any project involving alterations to existing works and/or the construction of new works that comprise mainly works of an engineering nature and for the planning of which the **Client** employs an **Engineer**.

“**Engineering Works**” means that part of the **Project** for which the **Engineer** is responsible.

“**Special Conditions of Agreement**” means those clauses in this **Agreement** and **Special Conditions of Agreement** document that define those responsibilities of the **parties** that are particularly applicable to the specified **Project**.

“**Value of the Engineering Works**” means the total amount, exclusive of Value Added Tax, certified or which would be certified for payment to **contractors** (irrespective of who actually carries out the work) in respect of the **Engineering Works** designed, specified or administered by the **Engineer**, before deduction of liquidated damages or penalties, including -

(a) pro-rata portion of all preliminary and general items applicable to the Engineering Works; and

(b) escalation during the pre-tender and construction period

(c) the costs of new materials, goods or equipment, or a fair valuation of such material, goods or equipment as if new whether supplied new or otherwise by, or to, the **Client** and including the cost, or a fair valuation of the cost, of installation (the sourcing, inspection and testing of such will comprise **Additional Services** by the **Engineer**).

“**Wet Services**” means hot and cold water services, plumbing and internal drainage systems, firefighting systems including fire hydrants, hose reel systems including and sprinkler installations. Scope may be included under civil, mechanical or fire engineer as is applicable and agreed with client.

C.2 APPLICATION OF TARIFF OF FEES

- C.2.1 The tariff of fees contained in this document applies in respect of the **Services** set out in the **Agreement**.
- C.2.2 The **Client** should remunerate the **Engineer** for the Services rendered based on this **Agreement**. In cases where the **Client** and **Engineer** have agreed that clauses C.3 (Fees for Services) and C.4 (Fees for Additional Services) are not applicable, payment should be on the basis of clause C.5 (Time Based Fees).
- C.2.3 The **Client** shall reimburse the **Engineer** for all expenses and costs incurred in terms of C.6 **Error! Reference source not found.** in performing his Services, irrespective of whether fees are charged in terms of C.3 and C.4 or C.5 as well as for all costs incurred on behalf of, and with the approval of, the **Client**.
- C.2.4 Agreement on any adjustment of or special fees should be reached at the time of the engagement of the **Engineer** or as soon as is practically possible, but in all cases prior to the **Engineer** rendering Services that may be affected.
- C.2.5 Where the Services relate to more than one of the disciplines of Engineering, namely civil, electrical, electronic, mechanical or structural Engineering services, a separate fee shall be calculated for the Services in each discipline provided that where separate contracts with separate tender documents are used for components within a discipline, a separate fee shall be calculated for each component within a discipline.
- C.2.6 Where, whether at the instance of and with the consent of the **Client** or as a result of circumstances beyond the **Client's** control, the **Works** are undertaken on separate non-contiguous sites, continuity is interrupted or the **Works** are unusually fragmented or are constructed as separately documented phases or sections, the fee for **Services** is the sum of the fees calculated separately for each site, contract, phase or section as if they were separate **Works**.
- C.2.7 The following fees may be claimed after each stage of **Services**, or monthly or as agreed between the **Engineer** and the **Client**:
- Percentage fees determined on the basis of the **value of the works** prevailing at the time of the fee calculation and pro-rata to the completed **Services** as set out in clause C.3 of this **Agreement**.
 - Time based fees applicable when the **Services** were rendered.
- C.2.8 Reimbursements as set out in clause C.6 may be claimed monthly.

C.3 RECOMMENDED FEES FOR SERVICES

C.3.1 Introduction to Fee Calculations

C.3.1.1 Introduction

Fee for Consulting Engineering services will be calculated from a formula for each Engineering discipline.

The formulas are all of the type:

$$\text{Recommended Fee Percentage} = AV^B \times 100$$

Where: A, B are constants

V = Value of the Works, excluding VAT.

Thus:

$$\text{Recommended Fee} = AV^{(B+1)}$$

A formula which allows for the adjustment of the constant "A" is presented. This allows for annual adjustment of the constant "A" to account for inflation and prevent bracket creep in fees.

The constants applicable at inset of the project shall remain applicable for the duration of project and shall not be adjusted annually.

Based on the above formula there are Fee Tables provided for each discipline and type of project which can be used to calculate the Consulting Fees. The provided tables can be used to calculate fees with 99% accuracy. However, should there be a dispute, the Professional Fee as calculated with the formula will govern.

C.3.2 **Recommended Fee for Engineering Services pertaining to Building Projects**

C.3.2.1 Civil/Structural Formula for Building Project

(a) Recommended Fee

Civil/Structural Recommended Fee Percentage

= 0.6313 ^{-0.1133} x 100

based on the July 2023 constants

| Building Projects: Civil/Structural | | | | |
|--|--------------------|------------------------|---|-----------------------|
| Fee Scale Table | | | | |
| Value of Works | | Basic Fee (N\$) | Secondary Fee | |
| Lower Limit | Upper Limit | | Plus % of Value over Lower Limit | For Value over |
| 1 | 500,000 | 0 | 14.20% | 1 |
| 500,001 | 1,000,000 | 71,400 | 12.10% | 500,001 |
| 1,000,001 | 4,200,000 | 132,000 | 10.60% | 1,000,001 |
| 4,200,001 | 10,000,000 | 471,200 | 9.40% | 4,200,001 |
| 10,000,001 | 16,300,000 | 1,016,600 | 8.70% | 10,000,001 |
| 16,300,001 | 25,000,000 | 1,567,800 | 8.30% | 16,300,001 |
| 25,000,001 | 43,800,000 | 2,291,000 | 7.80% | 25,000,001 |
| 43,800,001 | 68,100,000 | 3,766,600 | 7.40% | 43,800,001 |
| 68,100,001 | 119,100,000 | 5,570,600 | 7.00% | 68,100,001 |
| 119,100,001 | 218,000,000 | 9,144,400 | 6.50% | 119,100,001 |
| 218,000,001 | 416,000,000 | 15,629,600 | 6.10% | 218,000,001 |
| 416,000,001 | 840,000,000 | 27,719,600 | 5.65% | 416,000,001 |
| 840,000,001 | 1,800,000,000 | 51,688,600 | 5.22% | 840,000,001 |
| 1,800,000,001 | Above | 101,800,600 | 4.50% | 1,800,000,001 |

(b) Multipliers

The recommended fee calculated in C.3.2.1 shall be adjusted by multiplying the recommended fee (or pro rata portion thereof) with all of the applicable multipliers listed below:

| Description of the Engineering Works | Multiply the recommended fee by this factor |
|--|---|
| Alterations, additions or renovations to existing Works . (This factor is only applicable if additions or alterations are done to an existing service or structure. The multiplier will not be applicable when a new service is supplied to an existing structure or a new, independent structure is added on a site with existing structures on it.) | 1.25 |
| Load bearing brickwork, foundation brickwork, super-structure brickwork and cladding designed and detailed by the Engineer . (only applicable on design portion of the fees for such portion) | 0.33 |
| Reinforced concrete including the pro-rata preliminary and general amount. | 1.40 |
| Structural steel including the pro-rata preliminary and general amount. | 1.40 |
| Multi-Tenant Installations | 1.25 |
| Prepare Bills of Quantities | 1.10 |

(c) Reduction of Design Fees for Repeated Components

| | |
|---|------------|
| For repeated major components, buildings and structures on the same site that are identical in all aspects to another component, building or structure the design portion fee shall be calculated as follows for the: | |
| First Unit | 100% (1/1) |
| Second Unit | 50% (1/2) |
| Third Unit | 33% (1/3) |
| Fourth and more units | 25% (1/4) |
| The repeat factor is not applicable on repeated components, machines or similar equipment forming part of a bigger building, structure or component and is specifically not applicable on multi-storey buildings, pipelines, bridges, power lines, building components. | |

C.3.2.2 Electrical, Electronic and Mechanical formula for Building Projects

(a) Recommended fee

Electrical/Electronic/Mechanical Recommended Fee Percentage

$$= 0.5463 V^{-0.092} \times 100$$

based on the July 2023 constants

| Building Projects: Electrical/Electronic/Mechanical | | | | |
|--|--------------------|------------------------|---|-----------------------|
| Fee Scale Table | | | | |
| Value of Works | | Basic Fee (N\$) | Secondary Fee | |
| Lower Limit | Upper Limit | | Plus % of Value over Lower Limit | For Value over |
| 1 | 500,000 | 0 | 16.30% | 1 |
| 500,001 | 1,000,000 | 81,600 | 14.30% | 500,001 |
| 1,000,001 | 4,200,000 | 153,200 | 12.80% | 1,000,001 |
| 4,200,001 | 10,000,000 | 564,000 | 11.60% | 4,200,001 |
| 10,000,001 | 16,300,000 | 1,240,000 | 10.90% | 10,000,001 |
| 16,300,001 | 25,000,000 | 1,932,400 | 10.50% | 16,300,001 |
| 25,000,001 | 43,800,000 | 2,849,400 | 10.00% | 25,000,001 |
| 43,800,001 | 68,100,000 | 4,741,200 | 9.60% | 43,800,001 |
| 68,100,001 | 119,100,000 | 7,078,400 | 9.10% | 68,100,001 |
| 119,100,001 | 218,000,000 | 11,758,800 | 8.65% | 119,100,001 |
| 218,000,001 | 416,000,000 | 20,358,600 | 8.20% | 218,000,001 |
| 416,000,001 | 840,000,000 | 36,607,400 | 7.70% | 416,000,001 |
| 840,000,001 | 1,800,000,000 | 69,291,000 | 7.20% | 840,000,001 |
| 1,800,000,001 | Above | 138,426,400 | 6.40% | 1,800,000,001 |

(b) Multipliers

The following multipliers shall be used to adjust the recommended fee:

| Description of the Engineering Works | Multiply the recommended fee by this factor |
|---|--|
| Alterations, additions or renovations to existing Works . (This factor is only applicable if additions or alterations are done to an existing service or structure. The multiplier will not be applicable when a new service is supplied to an existing structure or a new, independent structure is added on a site with existing structures on it) | 1.25 |
| Multi-Tenant Installations | 1.25 |
| Wet Services, fire protection, sprinklers and plumbing inside buildings | 1.25 |
| Prepare Bills of Quantities | 1.10 |

(c) Reduction of Design Fees for Repeated Components

| | |
|---|------------|
| For repeated major components, buildings and structures on the same site that are identical in all aspects to another component, building or structure the design portion fee shall be calculated as follows for the: | |
| First Unit | 100% (1/1) |
| Second Unit | 50% (1/2) |
| Third Unit | 33% (1/3) |
| Fourth and more units | 25% (1/4) |
| The repeat factor is not applicable on repeated components, machines or similar equipment forming part of a bigger building, structure or component and is specifically not applicable on multi-storey buildings, pipelines, bridges, power lines, building components. | |

C.3.3 **Recommended Fee for Engineering Services pertaining to Engineering Projects**

C.3.3.1 Civil/Structural formula for Engineering Projects

(a) Recommended fee

Civil/Structural Recommended Fee Percentage

$$= 0.8688 V^{-0.1349} \times 100$$

based on the July 2023 constants

| Engineering Projects: Civil/Structural | | | | |
|---|--------------------|------------------------|---|-----------------------|
| Fee Scale Table | | | | |
| Value of Works | | Basic Fee (N\$) | Secondary Fee | |
| Lower Limit | Upper Limit | | Plus % of Value over Lower Limit | For Value over |
| 1 | 500,000 | 0 | 14.80% | 1 |
| 500,001 | 1,000,000 | 74,000 | 12.10% | 500,001 |
| 1,000,001 | 4,200,000 | 134,800 | 10.30% | 1,000,001 |
| 4,200,001 | 10,000,000 | 466,400 | 8.90% | 4,200,001 |
| 10,000,001 | 16,300,000 | 987,600 | 8.20% | 10,000,001 |
| 16,300,001 | 25,000,000 | 1,507,200 | 7.70% | 16,300,001 |
| 25,000,001 | 43,800,000 | 2,182,200 | 7.20% | 25,000,001 |
| 43,800,001 | 68,100,000 | 3,544,600 | 6.70% | 43,800,001 |
| 68,100,001 | 119,100,000 | 5,192,400 | 6.30% | 68,100,001 |
| 119,100,001 | 218,000,000 | 8,421,600 | 5.80% | 119,100,001 |
| 218,000,001 | 416,000,000 | 14,207,600 | 5.35% | 218,000,001 |
| 416,000,001 | 840,000,000 | 24,848,400 | 4.90% | 416,000,001 |
| 840,000,001 | 1,800,000,000 | 45,636,600 | 4.45% | 840,000,001 |
| 1,800,000,001 | Above | 88,358,000 | 3.90% | 1,800,000,001 |

(b) Multipliers

In addition, the following multipliers shall be used to adjust the recommended fee:

| Description of the Engineering Works | Multiply the recommended fee by this factor |
|--|---|
| Alterations, additions or renovations to existing Works . (This factor is only applicable if additions or alterations are done to an existing service or structure. The multiplier will not be applicable when a new service is supplied to an existing structure or a new, independent structure is added on a site with existing structures on it.) | 1.25 |
| Freeways through existing urban areas. | 1.25 |
| Gravel roads: Primary roads, Secondary roads, Informal roads. | 1.35 1.10 0.85 |
| Reinforced concrete | 1.40 |
| Rural roads (single carriageways), excluding bridges. | 0.85 |
| Services for existing informal settlements and reduced quality of supplies | 1.35 |
| Structural steel | 1.40 |
| Load bearing brickwork, foundation brickwork, super-structure brickwork and cladding designed and detailed by the Engineer . (only applicable on design portion of the fees for such portion) | 0.33 |
| Water and waste water treatment works: Small plants of less than 5Mlitre/day design flow capacity Plants of more than 5Mlitre/day design flow capacity | 1.40 1.25 |
| Multi-Tenant Installations | 1.25 |
| Straight main supply pipelines with relative few bends, scour valves, air valves, T-pieces or similar fittings in the pipeline (Design Fee only) | 0.85 |
| Prepare Bills of Quantities | 1.10 |

(c) Reduction of Design Fees for Repeated Components

| | |
|--|---|
| <p>For repeated major components, buildings and structures on the same site that are identical in all aspects to another component, building or structure the design fee shall be calculated as follows for the:</p> <p> First Unit Second Unit Third Unit Fourth and more units</p> <p>The repeat factor is not applicable on repeated components, machines or similar equipment forming part of a bigger building, structure or component and is specifically not applicable on multi-storey buildings, pipelines, bridges, power lines, building components, nor shall it include designs on different sites or other projects repeated on a new site.</p> | <p>100% (1/1) 50% (1/2) 33% (1/3) 25% (1/4)</p> |
|--|---|

C.3.3.2 Electrical / Electronic / Mechanical Formula for Engineering Projects

(a) Recommended fee

Electrical/ Electronic/Mechanical Recommended Fee Percentage

$$= 1.2124^{-0.1578} \times 100$$

based on the July 2023 constants

| Engineering Projects: Electrical/Electronic/Mechanical | | | | |
|---|--------------------|------------------------|---|-----------------------|
| Fee Scale Table | | | | |
| Value of Works | | Basic Fee (N\$) | Secondary Fee | |
| Lower Limit | Upper Limit | | Plus % of Value over Lower Limit | For Value over |
| 1 | 500,000 | 0 | 15.30% | 1 |
| 500,001 | 1,000,000 | 76,800 | 12.00% | 500,001 |
| 1,000,001 | 4,200,000 | 137,200 | 10.10% | 1,000,001 |
| 4,200,001 | 10,000,000 | 461,000 | 8.55% | 4,200,001 |
| 10,000,001 | 16,300,000 | 956,900 | 7.60% | 10,000,001 |
| 16,300,001 | 25,000,000 | 1,438,000 | 7.10% | 16,300,001 |
| 25,000,001 | 43,800,000 | 2,061,600 | 6.60% | 25,000,001 |
| 43,800,001 | 68,100,000 | 3,306,000 | 6.10% | 43,800,001 |
| 68,100,001 | 119,100,000 | 4,794,200 | 5.60% | 68,100,001 |
| 119,100,001 | 218,000,000 | 7,676,800 | 5.15% | 119,100,001 |
| 218,000,001 | 416,000,000 | 12,773,000 | 4.65% | 218,000,001 |
| 416,000,001 | 840,000,000 | 22,011,400 | 4.20% | 416,000,001 |
| 840,000,001 | 1,800,000,000 | 39,820,800 | 3.75% | 840,000,001 |
| 1,800,000,001 | Above | 75,821,000 | 3.40% | 1,800,000,001 |

(b) Multipliers

In addition, the following multipliers shall be used to adjust the recommended fee:

| Description of the Engineering Works | Multiply the recommended fee by this factor |
|--|---|
| Alterations, additions or renovations to existing Works . (This factor is only applicable if additions or alterations are done to an existing service or structure. The multiplier will not be applicable when a new service is supplied to an existing structure or a new, independent structure is added on a site with existing structures on it.) | 1.25 |
| Water and waste water treatment works. Small plants of less than 5Mlitre/day design flow capacity Plants of more than 5Mlitre/day design flow capacity | 1.40 1.25 |
| Wet Services, fire protection, sprinklers and plumbing inside buildings | 1.25 |
| Multi-Tenant Installations | 1.25 |
| Major power lines over long distances (Design Fee only) | 0.85 |
| Prepare Bills of Quantities | 1.10 |

(c) Reduction of Design Fees for Repeated Components

| | |
|--|---|
| <p>For repeated major components, buildings and structures on the same site that are identical in all aspects to another component, building or structure the design fee shall be calculated as follows for the:</p> <p> First Unit Second Unit Third Unit Fourth and more units</p> <p>The repeat factor is not applicable on repeated components, machines or similar equipment forming part of a bigger building, structure or component and is specifically not applicable on multi-storey buildings, pipelines, bridges, power lines, building components, nor shall it include designs on different sites or other projects repeated on a new site.</p> | <p>100% (1/1) 50% (1/2) 33% (1/3) 25% (1/4)</p> |
|--|---|

C.3.4 **Services provided partially or in stages for Engineering Services**

The following table shall be used for proportioning the recommended fee for **Services** over the various **Stages** of the Services for purpose of determining fees payable.

Where not all the **Stages** of the **Services** are provided by the **Engineer**, the fee is, determined as a percentage of the total fee calculated in terms of this clause. The percentage shall be the sum of the percentages set out in the table below, appropriate to each of those **Stages** of the **Services** that have been provided by the **Engineer**, plus one tenth of the total fee payable to the **Engineer**.

| Stage of Services for all engineering disciplines | Percentage for each stage – both Building & Engineering Works |
|--|--|
| Stage 1: Inception | 15% |
| Stage 2: Concept and viability | 15% |
| Stage 3: Design development | 30% |
| Stage 4: Documentation and procurement | 15% |
| Stage 5: Construction | 20% |
| Stage 6: Close out | 5% |

C.4 **Additional Services relating to Engineering Services**

The following **Services** are additional to the **Services** provided by the **Engineer**, unless specifically agreed otherwise between the **Engineer** and the **Client**. The agreement on the scope of **Services** and remuneration shall be in writing and should, if at all possible, be concluded before such services are rendered. In the absence of such written agreement **Additional Services** will be chargeable on a time and cost basis.

C.4.1 **Additional Services Pertaining To All Stages of the Project**

- (1) Enquiries not directly concerned with the works and its subsequent utilisation.
- (2) Valuation for purchase, sale or leasing of plant, equipment, material, systems, land or buildings or arranging for such valuation.
- (3) Making arrangements for way leaves, servitudes or expropriations.
- (4) Negotiating and arranging for the provision or diversion of services not forming part of the works.
- (5) Additional work in obtaining the formal approval of the appropriate Government Departments or Public Authorities, including the making of such revisions as may be required as a result of decisions of such Departments or Authorities arising out of changes in policy, undue delay, or other causes beyond the Engineer's control.
- (6) Surveys, analyses, tests and site or foundation or other investigations, model tests, laboratory tests and analyses carried out on behalf of the Client.
- (7) Setting out or staking out the works and indicating any boundary beacons and other reference marks.
- (8) Preparation of drawings for manufacture and installation or detailed checking of such for erection or installation fit.

- (9) Inspection and testing, other than on site, of materials and plant, including inspection and testing during manufacture.
- (10) Preparing and setting out particulars and calculations in a form required by any relevant authority.
- (11) Abnormal additional services by or costs to the Engineer due to the failure of a Contractor or others to perform their required duties adequately and timeously.
- (12) Executing or arranging for periodic monitoring and adjustment of the works, after final handover and completion of construction and commissioning, in order to optimise or maintain proper functioning of any process or system.
- (13) Advance ordering or reservation of materials and obtaining licences and permits.
- (14) Preparing detailed operating, operation and maintenance manuals.
- (15) Additional Services, duties and/or work resulting from project scope changes, alterations and/or instructions by the Client, or his duly authorized agents, requiring the Engineer to advise upon, review, adapt and/or alter his completed designs and/or any other documentation and/or change the scope of his Services and/or duties. Such Additional Services are subject to agreement in writing between the Engineer and the Client prior to the execution thereof.
- (16) (Exceptional arrangements, communication, facilitation and agreements with any stakeholders other than the Client and contractors appointed for the works on which the Engineer provides Services.
- (17) Any other additional services, of whatever nature, specifically agreed to in writing between the Engineer and the Client.

C.4.2 **Construction Monitoring**

- (1) If the construction monitoring, as set out in B5 is deemed to be insufficient by the Engineer, the Engineer may, with the prior written approval of the Client, appoint or make available additional staff for such construction monitoring as are necessary to undertake additional construction monitoring on site to the extent specifically defined and agreed with the Client. The functions in respect of additional construction monitoring are to be limited to detailed inspections and exclude those mentioned B5, which are deemed as part of the Services.
- (2) Alternatively, the Client may appoint or make available staff subject to approval by the Engineer.
- (3) Staff shall report to and take instructions from the Engineer or an authorized representative of the Engineer only and shall be deemed to be in the employ of the Engineer.
- (4) Should any change regarding the persons utilized for additional on-site construction monitoring or their remuneration be necessary, the utilization of such persons and/or their remuneration must be agreed in writing with the Client prior to the implementation thereof.
- (5) If, for any reason, no additional staff or inadequate staff for construction monitoring is appointed, the Engineer shall provide additional services, including additional site visits, as required and agreed to in writing by the Client prior to commencement thereof.
- (6) The duties of the Engineer's construction monitoring staff for the three defined levels shall be:

For Level 1:

- (i) Review, preferably at the earliest opportunity, a sample of each important
 - a) Work procedure
 - b) Construction material for compliance with the requirements of the plans and specifications and review representative samples of important completed work prior to enclosure or completion as appropriate.

- (ii) Visit the works at a frequency agreed with the Client to review important materials, critical work procedures and/or completed elements or components.

For Level 2:

- (i) Maintain a part-time presence on site as agreed with the Client to review random samples and review important completed work prior to enclosure or on completion as appropriate.

For Level 3:

- (ii) Maintain a full-time presence on site to constantly review -
 - a) Work procedures
 - b) Construction materials
- (iii) for compliance with the requirements of the plans and specifications and review completed work prior to enclosure or on completion as appropriate.
- (iv)

C.4.2.1 Recommended Fees for Additional Services

The fees for **Additional Services**, shall be agreed between the **Client** and the **Engineer**.

C.4.2.2 For services as **Principal Agent**, the **Engineer** is entitled to an additional fee of 1% of the total value of the **Works**. The **Engineer** is not entitled to this additional fee if he is not explicitly appointed as **Principal Agent**.

C.4.2.3 Should, instructions having been given by the **Client** to the **Engineer** to proceed with any of the **Stages of Services** set out in Annexure B the whole or part of the **Works** is abandoned or cancelled or postponed for a period of more than six months, the **Engineer** shall be remunerated for **Services** performed, plus a surcharge of 10% (ten percent) of the total fee which would have been payable to the **Engineer** had his **Services** been completed in terms of this **Agreement**.

For additional consultancy work that the Engineer may have to do as a result of the resumption of such Services or the alteration or modification of designs on the instructions of the Client, the Consultant is entitled to charge time-based fees and to be reimbursed for actual costs incurred.

If any Project, or part thereof, is interrupted or postponed for more than two years such Project shall be deemed to be abandoned. If any such abandoned Project, or part thereof, is subsequently resumed, the fee due to the Consultant for Services performed after such resumption shall be that appropriate to Services provided partially or in stages as under Annexure B and shall be calculated on the final value of the Works.

C.4.2.4 For the provision of a **Construction Monitoring** service, as defined in C.4.2, the **Engineer** is entitled to recover from the **Client**:

- a) For monthly monitoring staff costs, the total annual cost of employment of such staff (as defined in clause C.5.4) divided by 12 and multiplied by 1.8 times the total cost of employment;
- b) For part time monitoring staff costs, the amount payable to such staff at the hourly rates defined in C.5; and

C.4.2.5 For all other costs, the actual costs incurred, multiplied by 1.10.

C.5 TIME BASED FEE

C.5.1 Time based fees are all-inclusive fees, including allowances for overhead charges incurred by the **Engineer** as part of normal business operations and the cost of management. They include payments to administrative, clerical and secretarial staff used in general to support

professional and technical staff, but not where such supportive staff is employed on a specific **Project** only.

Time based fees are calculated by multiplying the hourly rate as defined in C.5.3 which is applicable to the **Engineer**, or any technical staff employed by the **Engineer**, by the actual time spent by the **Engineer** or such technical staff in rendering the **Services** required by the **Client**.

Technical staff includes all staff performing work directly related to the execution of the **Services** the **Engineer** is engaged for by the **Client**. This includes the preparation of letters, minutes, reports and documents for the **Project**.

C.5.2 **To determine the time-based fee rates the Persons concerned are divided into:**

- a) Category A - shall mean a practitioner whose expertise and relevant experience is nationally or internationally recognized and who provides advice at a level of specialization where such advice is recognized as that of an expert.
- b) Category B - shall mean a partner, a sole proprietor, a director, or a member who, jointly or severally with other partners, co-directors or co-members, bears the risks of the business and takes full responsibility for the liabilities of such practice. He performs work of a conceptual nature in Engineering design and development, provides strategic guidance in planning and executing a project and/or carries responsibility for quality management pertaining to a project.
- c) Category C - shall mean all salaried professional staff with adequate expertise and relevant experience who perform work of an Engineering nature and who carry the direct technical responsibility for one or more specific activities related to a project.
- d) Category D - shall mean all other salaried technical staff with adequate expertise and relevant experience performing work of an Engineering nature under the direction and control of any person defined in categories A, B or C.

C.5.3 **The time-based fee rates are:**

- a) Calculated for a person in category -
 - i. A and B at 22.00 cents per hour for each N\$100 or part thereof of the **total annual cost of employment** of the person concerned, as defined in sub-clause C.5.4; or
 - ii. C at 17.5 cents per hour for each N\$100 or part thereof of the total annual cost of employment of the person concerned, as defined in sub-clause C.5.4; or
 - iii. D at 16.5 cents per hour for each N\$100 or part thereof of the total annual cost of employment of the person concerned, as defined in sub-clause C.5.4; or
- b) Based on such indicative time-based fee rates as are determined from time to time by the Engineering Council of Namibia after consultation with service providers and service users, whichever is the lesser.

C.5.4 **The total annual cost of employment of a person:**

C.5.4.1 means the total amount borne by an employer in respect of the employment of such a person per year, calculated at the amounts applicable to such a person at the time when the **Services** are rendered, including:

- a) Basic salary, or a market related salary, excluding profit share and asset growth;
- b) Fringe benefits not reflected in the basic salary, including:

- i. Normal annual bonus;
 - ii. Employer's contribution to medical aid;
 - iii. Group life insurance premiums borne by the employer;
 - iv. Employer's contribution to a pension or provident fund; and
 - v. All other benefits or allowances payable in terms of a letter of appointment, including any accommodation allowance, transportation allowance or company vehicle benefit, telephone and/or computer allowances, etc; and
- c) Amounts payable in terms of a Statutory Act, i.e., Social Security Contributions, etc.

C.6 EXPENSES AND COSTS

Costs that shall be recovered additionally to C.3, C.4 and C.5 include, but are not limited to:

C.6.1 Specialist Services:

- a) Environmental investigations and studies;
- b) Geo-technical investigations;
- c) Laboratory testing;
- d) Land acquisitions, expropriation, way leaves, servitudes;
- e) Site surveys;
- f) Specialist sub-consultants;
- g) Supply of specific equipment;
- h) Topographical and land surveys; and
- i) Traffic surveys.

C.6.2 Transport Expenses:

Travelling expenses for the conveyance of the Engineer or a member of his staff by means of:

- a) Private motor transport, including any parking charges, toll fees and related expenses;
- b) Scheduled airline or a train, bus, taxi or hired car; or
- c) Non-scheduled or privately owned air transport.

C.6.3 Travel Expenses:

- a) A time charge for travelling on the basis of the rate set out in C.5, for all time spent in travelling by the Engineer or members of his staff.
- b) Accommodation and subsistence expenses incurred by the Engineer or a member of his staff;
- c) Agreed costs of typing, production, copying and binding of contract documents, pre-qualification documents, feasibility reports, preliminary design reports, final reports and manuals, excluding general correspondence, minor reports, contractual reports, progress reports, etc.

- d) Expenses on reproductions, copying, printing, artwork, binding and photography, etc. required by the project.

The latest Recommended Rates for Expenses published by the Association of Consulting Engineers shall be applicable.

C.7 FEE RELATED SCHEDULE

C.7.1 TYPE OF SERVICES

| | |
|--------------------|--|
| BUILDING | |
| ENGINEERING | |

(Tick relevant by means of "X")

C.7.2 SERVICES

| Stages | Civil | Structural | Electrical & Electronic | Mechanical |
|--|-------|------------|-------------------------|------------|
| Stage 1: Inception | | | | |
| Stage 2: Concept and viability | | | | |
| Stage 3: Design development | | | | |
| Stage 4: Documentation and procurement | | | | |
| Stage 5: Construction | | | | |
| Stage 6: Close out | | | | |
| All Stages as listed above | | | | |

(Tick relevant by means of "x")

C.7.2.1 Description of Scope of Services: **Refer to PROCSA Clause A.8**

C.7.3 Additional Services

As per C.4 of the **Agreement** and Recommended Fee Scales.
