
ADDENDUM TO LETTER OF AGREEMENT

For Design Services Provided by

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2017 Edition

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Initial Consultation

Every project starts with an initial consultation of up to two hours at your house. This meeting is a chance to discuss your “wish list”, some of the ideas that you've already come up with, your budget, your schedule, and your specific concerns. It's an opportunity to make sure that what you're thinking of is realistic, and see the particular challenges that your house poses. If your project involves an addition to your house, I will do some preliminary research beforehand with the planning/zoning department to see what constraints you may have regarding any expansion.

It is important that both parties of a couple be at this meeting, even if one of you will be the primary contact.

There is a fixed fee for this on-site consultation, which is listed on my website. However, you are welcome to come to my office for a complimentary (no-charge) consultation if you'd just like to meet me and briefly discuss your project.

If you decide to proceed with my services, I will prepare a letter of agreement for the next step, which is the Preliminary Design Phase.

Preliminary Design Phase

Investigation of existing conditions

Before any design begins, I will measure the house and investigate the existing conditions, and will draw accurate floor plans that show the layout of the existing spaces to use as a basis for designs.

Clarify needs and wishes

Although we already will have talked about the general concepts and ideas you have about your project at the Initial Consultation, I'll need much more detailed information to complete the designs and make sure that they'll work for you. For example, I'll want to know the specific furniture that you'll be using in each room, how much storage space you need in a particular area, what rooms need phone outlets, and any special equipment you'll have, such as a computer.

You can also help by buying a stack of home remodeling magazines and starting to collect pictures of spaces that appeal to you or show some specific features you'd like to incorporate. Setting up an “Ideabook” on Houzz.com is a great (and free) alternative to paper magazines. Equally important are those pictures that show ideas that you

definitely don't want. I recommend that you put these pictures into a binder, and write out a list of your needs, prioritized.

Preliminary Designs

Once we have the above information together, I'll prepare some design concepts that we can use as a basis for further discussion. Don't panic if the first designs are not what you were thinking of. They are intended to explore possibilities and help you to clarify your own thinking about the project. Often the final project is only remotely similar to the earliest sketches. Designs start as rough concepts, and evolve with increasing detail.

In preparing these designs, I will be thinking of a number of issues: Does the design fit with the existing house? Does the design consider the planning and building code constraints, as well as your own? Is the design reasonable for your budget?

Your budget may not be enough to afford everything that you want to do right now. One strategy is to design your project in phases, based on a long-term master plan. The master plan will help you to decide on what to do when, and make sure that everything you do now will fit into the long-range design.

Meetings to review design options

After the preliminary designs are developed, we will have a meeting to go over the designs, discuss the pro's and con's, and answer any questions you have. Generally the design(s) will undergo a series of revisions (and meetings with you to discuss them) until you are happy with it. Up to three meetings (with associated revisions) are included in this Preliminary Design Phase at no additional cost. Design meetings are held "virtually" over the Internet, with you watching my computer screen from your own location. You are also welcome to come to my office, if you prefer. At the end of the meeting, I will post the design to the "cloud" so that you can do your own 3D walkthroughs on your own computer.

PDFs files of each option are included.

Initial Review with City

If your project is an addition for which it may be difficult to get City approval, I will use the preliminary design drawings to discuss your project with the Planning Department and get either a preliminary go-ahead or clarification of which issues need to be addressed in the final submission to the City.

Preliminary Budget Review

For those projects that have a strict budget, once the preliminary design is finished, I strongly recommend that a contractor confirm that the design is realistic for your budget. An added advantage is that you will have confidence that you won't be investing in detailed, engineered construction drawings for a project that doesn't meet your budget. It's a good time to start meeting prospective contractors, as well.

What the Preliminary Design Phase Is For

In addition to helping you see how the project fits into the overall design of your house, this phase is intended to help define an overall scope of the project, determine its complexity structurally, as well as a likely “order of magnitude” of costs. Your project is still somewhat generic at the end of this stage, however. You’ll know, for example, how the major pieces of furniture can be arranged in the rooms, what generic materials are being used, and how an addition “fits” into the rest of the house. There are still lots of decisions to be made, though.

Delivery of the “final” preliminary design drawings completes the Preliminary Design Phase. There is no obligation to continue at the end of this phase. Think of this as a feasibility study.

If you elect to go ahead with the project, we will then to proceed to:

The Detailed Design Phase & Construction Document Phase

I offer three levels of service: Basic, Intermediate, and Comprehensive.

BASIC SERVICES

Basic Services is intended to be for those projects which have a very tight budget, and where the client is taking full charge of product selections, applying for the building permit, and handling all project coordination during construction. (Essentially, help getting a building permit, and you’ll take it from there.) I am available by phone during construction if any issues come up, but no site visits are included.

The designs are shown generically, with generic lighting layouts (plans will show light locations, but not specific light fixtures), generic cabinet layouts (plans will show where cabinets will go, with specifics handled by others). Minimal details are shown to get a building permit.

This option is probably best for knowledgeable homeowners and contractors.

INTERMEDIATE SERVICES

Intermediate services is the minimum level required to get accurate apples to apples competitive bids. A moderate level of detail is included with detailed lighting and cabinet designs. Assistance with getting the building permit is included. Interior design for built-in elements (i.e. guided coaching) is included, along with up to three site visits during construction, as well as any needed telephone consultations.

COMPREHENSIVE SERVICES

Comprehensive services are intended for clients who are looking for an above-average level of design quality (i.e. magazine worthy), and more assistance through the entire process. The documents have exceptional attention to detail. Assistance with the

bidding or pricing process is included, as well as more significant involvement during construction.

The Detailed Design and Construction Document phases expand on the Preliminary Design and produce drawings and specifications suitable for obtaining a building permit and final costs. The selections and designs in this phase have a *very* large impact on the overall project costs, and therefore need to be thought through carefully. While your project may not include all categories, areas that are typically designed and specified include:

- Detailed cabinet layout, style, and finish.
- Lighting Plan and Electrical Plan
- Selection of plumbing fixtures and fittings.
- Selection of decorative lighting fixtures.
- Countertop materials, edge details, and backsplash design
- Tile selection and design
- Hardware (door knob) selection
- Door and window trim details, baseboards and crown moldings
- Flooring selections
- Paint and wall covering selections.
- Appliance selections
- Detailed furniture selection and layout
- Window treatments (draperies, curtains, shades, and related hardware)
- Additional fabric selections (such as cushions, bedspreads, pillows, etc.)

Again, I can adjust my level of involvement in these areas, but these selections should be made early so that there are no surprises in cost, as well as making sure that the construction accommodates your choices. (You wouldn't want to find out after the project was built that there was no good way to hang your favorite curtain rod, for example. Or that the sofa you wanted won't fit.)

Based on your choices, I will prepare the **Construction Documents**.

Construction Documents

The design phase produces drawings that help you understand what your project “looks like”, while construction documents show how the project is to be built. These documents are the detailed plans that get submitted to the Building Department for a Building Permit, and they are used by the Contractor for final pricing and building your project.

What's in Construction Documents

The set of construction documents contain a number of different parts, each equally important. These include:

- **Drawings** (Often called “plans” or “blueprints”)

A variety of intricate and detailed drawings may be included: Plot Plan, Roof Plan, Floor Plans, Elevations (Interior & Exterior), Sections, Details, Electrical Plans, Structural Framing Plans, and others. Not all projects will use all of these, though.

- **Specifications**

Specifications define the quality on your project. They are written descriptions of the materials, procedures, and quality levels desired. They deal with such issues as: How many coats of paint and what type? What grade of lumber should be used? Will the drywall be screwed or nailed to the studs, and what kind of texture should be used? What plumbing fixtures and faucetry will be used? What kind of roofing guarantee will you require?

Also included in my fee is basic structural engineering for one-story projects, excepting unusual aspects requiring a structural engineer. (See below.)

Importance of Good Construction Documents

Other than having a good contractor, probably nothing is as critical to the success of your project as a good set of construction documents. They're necessary, of course, for getting a building permit and a price from a contractor. But most importantly, they form the basis of an agreement between you and the contractor, and as with any contract, if there are areas of ambiguity, there may be misunderstandings. For this reason, I take the extra time needed to make sure that these documents are quite detailed and of high quality. It's time and money well spent!

Please review your set of construction documents carefully. I will be happy to answer any questions you have. If you wish to make any adjustments to the design, it's generally less expensive to do it now, rather than after construction starts.

Applying for the Building Permit

Obtaining a building permit is often one of the lengthiest parts of the entire process, so I recommend applying for the building permit as soon as possible.

When the construction drawings and specifications are complete, if intermediate services or comprehensive services have been selected, I will act as your agent in applying for the permit. For the application, I will usually need a blank check from you payable to the appropriate building department, as the exact fees are usually calculated only upon submission of plans.

The Competitive Bidding Approach

If you decide to get competitive bids, I will provide you with names of contractors who may be appropriate for your project. Or you may have some names of your own. In any event, you should feel that you can work with any of the contractors who bid on your project.

To be fair to the contractors bidding on the project, I like to have clients meet all prospective bidders in person and talk to their references before start of bidding. If the “chemistry” is not comfortable between you and a prospective contractor, it does not make sense to put that contractor through the time of assembling a bid.

With comprehensive services, once you've decided who should be included as a bidder, I will issue sets of drawings and specifications to these contractors, along with a Bid Proposal form and Instructions to Bidders so that all contractors submit bids on an equal basis.

I will also answer questions that come up during the bid period and provide written clarifications if needed, so that all of the bidders have the same information at the same time.

When the bids have been submitted, I can assist you in reviewing bids and awarding the contract for construction.

Regardless of how the bids turn out though, you still have the right to select any of the contractors. In all cases, the final choice of contractors is yours; I will not choose the contractor for you.

The Negotiation Approach

You may decide to use a “Negotiated” approach, rather than competitive bids. In this case, the contractor is selected during the design period. The contractor can then assist in price planning during the design process, making sure the project will fit your budget. Also, you are assured of being on the contractor's construction schedule.

Often when there are a great many “unknowns” in a project, rather than seeking the lowest possible price, it is better to select a contractor with whom you feel comfortable and establish a good working relationship early. That way, you know unforeseen problems will be dealt with on a friendly and professional basis. Or you may simply not want to take chances on the quality of construction; you know the contractor being

considered will provide the quality you're looking for. Also, the "team approach" that this method encourages takes much of the stress out of the remodeling process.

Many homeowners fear that they will be paying a much higher price with this method; after all, a competitive bid keeps the contractor honest, doesn't it? Actually, it's still possible with this approach to get competitive bids from the subcontractors, who may be providing a majority of the materials and labor. Also, the contractor will make all of the costs and pricing available for your (and my) review.

So, while it is possible that you may pay a slighter higher price with this approach, the advantages often far outweigh the disadvantages for many homeowners.

I will be happy to discuss the pro's and con's of both the competitive bidding and negotiated approaches with you, and help you in deciding which method makes the most sense for your project.

Contract for Construction

The contractor will want you to sign a contract before construction begins, since it's required by State law. (You should want a written contract, anyway!) This contract must be very carefully reviewed by you (and your attorney, if necessary). Although many homeowners are willing to accept the contractor's standard contract, it is equally acceptable for you to provide the contract. One contract form that has worked well for many homeowners, and that is in common use, is the one produced by the American Institute of Architects. I can provide a sample of this Agreement, if you wish.

Because it would constitute practicing law illegally, I am unable to provide a review of Contractor-provided contracts. Please make sure that you understand any construction agreement and obtain appropriate legal counsel, if needed, before you sign it.

Purchase Orders

I will prepare any needed purchase orders for furniture and/or fabricated items, as well as deal with the related acknowledgements, confirmations, receiving companies, etc., as noted below under "Interior Design Services."

Construction Period Services

The services provided *during* construction often are as important to the success of your project as the services provided *before* construction. Because of the great number of hidden conditions and unknowns in residential constructions, drawings simply cannot cover every possible condition that may be encountered. Therefore, the construction drawings will require interpretations to fit some circumstances. And sometimes as the construction progresses, opportunities for improvements in the design present themselves.

Phone Consultations

Most contractor's questions can be answered in my office by phone or e-mail, sometimes with a quick photo. All in-office consultation time is included in the fee as a complimentary service, and you are encouraged to take advantage of it. I am there to help make the process go smoothly.

Site Visits

The City or County building inspector makes progress inspections, so this is often redundant for me to do. However, *up to three* complimentary site visits are already included in my construction document fee for intermediate and comprehensive level services. Usually, a site visit at the end of rough framing/plumbing/electrical, and a final walkthrough inspection, makes sense, plus one other visit, as needed.

However, if a structural engineer is involved, they usually will make one or several site visits before the sheetrock goes on, and you can use my visits at other times.

I am also available to come to the job site if a problem is best resolved in person.

Coordination of Changes

If you request any changes to the original design, or if changes become necessary due to other circumstances, I will prepare whatever drawings or additional specifications are necessary. If you or the Contractor wish to make changes, *please, please, please*, talk to me first. There may be important reasons for doing something a certain way. For example, moving a seemingly innocent wall or door could destroy a seismic bracing scheme. Or changing a kitchen countertop detail could mean that a soon-to-arrive appliance will no longer fit.

Owner or Contractor-requested revisions are billed as additional services.

Change Orders

Usually clients prefer to have me review any contractor requests for "extras", also known as "Change Orders" before they approve them. These would be reviewed for pricing and appropriateness. (On several occasions, requested extras were already included in the original scope of work!) In all cases, extra work should be by written change order, and approved by you.

Review of Shop Drawings

For some custom fabricated items, such as cabinetry or windows, the fabricator will provide shop drawings of custom fabricated items. I will review these for general conformance with the design concept. This is a complimentary review included in both the intermediate and comprehensive-level fees.

Payments to the Contractor

I frequently am asked to review the contractor's requests for payments to make sure that the contractor isn't overpaid at any point during the process. (A couple of clients of mine who hired contractors who went bankrupt in the middle of construction were mighty glad that the contractors hadn't been overpaid!) California State law says that home improvement contractors may receive a maximum down payment of \$1000 or 10% of the contract price, whichever is less. Additionally, other than the initial down payment, the contractor may not request or receive funds in excess of 100% of the value of the work performed at any time, unless the contractor has furnished a Performance Bond.

Review of payments is included in the comprehensive-level fee as a complimentary service, but is optional at your request. Payment reviews will be done as an additional service for intermediate-level services.

Additional Consultants that May Be Needed for Your Project

You will be responsible for hiring the following consultants directly. However, I will be happy to provide names, as well as to assist you in defining their required services. I also will coordinate their work with my own.

Structural Engineer

While I do basic structural engineering for most interior remodeling projects myself, if your project involves an addition, needs a carefully engineered foundation (such as a drilled pier and grade beam foundation), special seismic bracing schemes (moment-resisting frames), or demands more than average structural complexity, a structural engineer will need to be involved.

It's possible that your choice of a particular design will trigger the need for a structural engineer. Therefore, the need for an independent engineer usually will be determined at the end of the Preliminary Design Phase. Occasionally, a Building Department may require a structural engineer for a certain aspect of a design.

Civil Engineer

A civil engineer is usually called in when the design requires re-grading the land, such as when a new driveway is cut into a slope, or when major changes to the sewer, site drainage, or septic system is needed.

A-V Designer

I usually handle the lighting design for most projects myself. However, some projects may involve intricate control systems, unusual lighting applications, or highly advanced audio-visual design. In these cases, a specialist would need to be involved.

Landscape Designer

Plant materials and irrigation systems are beyond my area of expertise and scope of work. If you wish to have an outdoor area designed involving planting, a Landscape Architect or Designer should be involved. I often design any outdoor paving and structures, however, to make sure that the exterior is coordinated with the house and the interior design.

Surveyor

If the project will involve an addition close to a property line or setback, you may want to have a surveyor determine the exact location of the property lines. The City may require this, as well.

If the project is on a hillside slope, it will be important to have an accurate layout of the slopes so that the design will conform exactly. It is best to have this early in the detailed design phase.

Soils or Geotechnical Engineer

If your project involves building on a hillside, or if it involves a foundation for which the soil stability and bearing capacity is critical, a soils test involving one or more borings, and related analysis and recommendations will be needed. Usually, the structural engineer will require this.

Special Inspections/Tests

Some Building Departments require hiring an inspection company to observe and make appropriate tests for some aspects of construction. For example, the City might require an inspector to observe the steel reinforcing and placing of concrete for some types of foundations. Additionally, the inspector might be required to take samples of the concrete and test them for compressive strength. Usually the Building Department will make such requirements known during the plan checking process.

“Green” Consultant/HERS Rater

Some municipalities and projects require a special consultant to certify that “green” materials and methods are being used. (Usually these consultants are certified as “Green Point Raters” by the Build It Green organization.) Additionally, depending on the energy calculations, your house may need a special inspection (HERS rater) of the mechanical system after it’s installed, to certify that it was installed correctly.

Also, some remodeling projects will benefit from a HERS rater to verify existing construction materials and insulation in order to get the full benefit of energy upgrades in energy use calculations. This could result in larger windows being allowed, for example.

Budget & Schedule

Budget

Making sure that the project does not exceed the budget is, of course, very important to most people. We will have discussed your budget during the initial consultation, and I will respect this target figure unless you tell me otherwise. But even with the project defined down to the last nail, please be aware that the cost of the project may be wildly different depending on which contractor is building it.

Cost Estimates

I am a big fan of getting cost estimates, especially, early in the process. But let me be blunt: I am not a professional cost estimator, nor do I provide estimates as part of my services. These are properly the territory of contractors and independent cost estimators, who are on top of current material and subcontractor pricing.

Although I will do my professional best in working with you and the contractor to meet your budget, there are many variables going into the final construction price over which I have no control, such as the contractor's overhead and profit markup, current labor rates, available discounts, fluctuations in the cost of materials, client-requested changes, inflation, hidden conditions in the existing house, and a host of others. Also, a kitchen of exactly the same size and layout could range in cost from, say, \$80,000 to well over \$180,000 just from the Client's final selection of finishes, cabinets, and appliances alone.

Therefore, although I can tell you what similarly-sized projects have cost, I cannot guarantee that your project will be built for a certain amount.

Cost estimates are done to reduce the element of uncertainty, but the less detail involved, the less accurate the estimate may be. Conversely, the more detail, the more accuracy possible. Preliminary designs might be estimated with, say, $\pm 30\%$ accuracy. Detailed design might bring the accuracy to within $\pm 15\%$. Fully detailed plans and specifications will bring the opportunity for accuracy to possibly $\pm 5\%$.

Importance of Contingency Fund

Regardless of your project budget, you should have at least 10%-15% above and beyond the initial construction cost set aside as a contingency fund. It is the nature of residential remodeling that there will be extras! Plan on it and be prepared to spend the money cheerfully. (Even if not enthusiastically...) Most problems surface during the demolition process. If the demolition is completed and it appears that there won't be any major additional costs required, you can consider putting some of the contingency fund back into the project, if you wish.

Schedule

If you have a deadline for your project, please let me know, and we can set dates for when decisions have to be made.

In the Design Phases, you will have some responsibility for the overall project schedule. You will have many choices to make -- materials, floor plans, and so forth. If these decisions are not made in a timely manner, they could impact the overall schedule.

To help keep the construction on track, I generally ask the contractor to provide a bar chart schedule (or similar format) for the major portions of the work. This gives us the opportunity to find out as early as possible if the construction schedule is getting off track, and discuss with the contractor ways to get it back on schedule.

Please keep in mind, though, that there are still quite a few unknowns that could affect the project schedule. These include: delays in the Building Department's plan review, unknown existing conditions that need to be corrected, delays due to weather, labor strikes, and client-initiated changes.

So, while a guaranteed completion date is not possible, I will be happy to work with you and the contractor to reduce the construction time, if necessary. This might involve simplifying the design or using alternate materials that are obtainable more quickly.

How Fees are Charged

Standard Services

A **non-refundable deposit** (usually 50% of the total Preliminary Design fee) is charged with the initial letter of agreement and will be credited towards the Preliminary Design services. Because I am a small firm and must work on a “first come, first served” basis, the receipt of the deposit sets your place in line and guarantees my availability. When I receive this along with the signed letter of agreement, I will let you know the exact date I will be able to start your project. If this is not soon enough for your needs, the deposit will be returned with no penalty.

Preliminary Design services are performed for a fixed fee.

Detailed Design, Contract Documents, and complimentary Construction Period Services will be done for a fixed fee, once you’ve decided on the final scope of the work, based on the Preliminary Design. Projects often have radically different initial design options – maybe a one or two-story addition approach vs. just remodeling the interior -- so each option may have very different amounts of engineering, details, and specifications required.

Reimbursable Expenses

The following charges are not included in the fee estimates and will be billed to you at my cost, plus 15%:

- Reproductions, including “blueprints” and CAD plotting, and photocopying done outside of my office. Normal office photocopying is included in my fee. Alternatively, I can send PDFs of plans to a nearby reprographics business, and you can pay for and pick these up at your own cost. (Most places will also deliver.)
- Unusual postage charges, such as Express Mail or mailing heavy items, or courier service. Postage for normal correspondence (letters and the like) is normally not invoiced.
- Charges for finish material samples, such as ceramic tile or marble/granite. If samples are free from the supplier, you will not be charged.

Travel Time

All travel time for standard services is included in your fixed fee. Additional travel time will be billed at ½ the current hourly rate, or is already included in fixed price site visits.

Other Costs Not Included in the Basic Services Fees (Additional Services)

The following are unforeseeable, and if occurring will be billed at a rate of \$200/hour, in 1/10 hour (six-minute) increments, including travel time, unless otherwise noted:

- Shopping trips are ½-day (up to 3 hours shopping, plus travel time) of visiting showrooms with you, and are done for a flat fee of \$500 per trip. This fee is discounted to encourage you to take advantage of it.
- Client-requested revisions and/or meetings, or revisions that I must make because of incorrect information given to me by governmental agencies or other sources of technical information.
- Time required for public agency hearings or meetings, other than the standard submission for building permit and one public hearing. This might include, for example: special design review, additional public hearings, variances, meetings with code officials during plan review, etc.
- Coordinating changes resulting from discovered conditions or contractor-requested substitutions or modifications.
- Interior Design services relating to furnishings, fabrics, and window treatments.
- Business license fee, if required by your governing jurisdiction, other than my main place of business.
- E-mails (sent or received) exceeding 300 per project will be billed at 4 hours/100 e-mails, or fraction thereof.
- Site visits beyond those already included in the fee.

If the project scope is increased significantly after the preliminary design is complete (let's say you suddenly decide to add a second story; don't laugh – it's happened!), I will quote a revised fee and get your approval before proceeding.

Billing

Invoices are sent monthly or at the end of a phase, whichever comes first. Amounts unpaid after 30 days will accrue a service charge of 1-1/2% per month, starting on the invoice date.

At your option, you may prepay the Preliminary Design or Detailed Design/Construction Document/Construction Period services fee in full prior to the start of that phase, **and take a 10% discount from these fees.**

Basic and intermediate level fees are considered fully earned when construction documents are complete.

Comprehensive level fees are considered fully earned when construction documents are complete, excepting any *additional* construction period services beyond the three included complimentary site visits, and which will be billed later.

Project Cancellation

Please understand that in accepting your project, I will be turning down other work for the same calendar period, and that this turned-down work is typically non-recoverable. Therefore, **if the project is cancelled by you, or my services are terminated, for any reason, the deposit and/or any pre-paid fees are non-refundable.** However, if unforeseeable circumstances cause *me* to have to terminate my services, any unused fees will be refunded.

Otherwise, fees shall be promptly paid based on the percentage of work complete, plus a 10% termination fee based on any unbilled fees of that phase -- either Preliminary Design Phase, or Detailed Design/Construction Document Phase.

Purchase of Products

As a courtesy to my clients, if a trade-only discount (often 30%-50% off retail price!) is available for some "designer" products, I will make these products available for my net or wholesale cost, plus a 15% purchase management fee. I will be acting as your agent in these purchases (i.e., I am not buying these wholesale and re-selling them unless so required by the supplier), and you will be responsible for paying all taxes, shipping, and other costs. Additionally, you will be liable for any cancellation or restocking charges if the order is cancelled. The purchase management fee will be considered earned when the order is placed, and is non-refundable, even if the order is later cancelled.

I will also charge a 15% purchase management fee for any products using my resources that I am directly coordinating, such as prefabricated or custom cabinets, or custom fabricated items such as draperies. Items that I've only specified, and which are purchased directly by the Contractor or by you, using your sources or the Contractor's sources, do not incur any fee.

I will ask you to approve all purchase orders in writing. Payment will be required on the typical industry pro forma basis (roughly 50% deposit, balance due prior to delivery), unless the supplier requires otherwise.

These purchases are provided only as a courtesy to my clients and I cannot guarantee any delivery dates or make any warranties of sale, and I cannot be held responsible for any delays or damages due to circumstances beyond my control.

Some suppliers (cabinet suppliers, especially) often sell direct to a design professional's client and provide a "referral fee" to these trade professionals, rather than discount the products for trade-only resale. Any such referral fee will be credited towards the purchase management fee. If a supplier provides a referral fee of more than 15%, any amount in excess of this will either be credited to you on an invoice, or applied to your purchase price, and no other purchase management fee will be charged for that item.

Interior Design Services

“Guided coaching” for interior design decisions related to built-in items is included in intermediate and comprehensive level services. This might include, for example, tile, countertops, cabinet finishes, and light fixtures. I will also help with paint colors.

Interior design services related to furnishings, fabrics, window treatments, and similar non-built-in items, will be provided at the standard rate of \$200 per hour. **However, purchase management fees (described under “Purchase of Products”) specifically related to these items may be applied towards these Services. In other words, you will be charged only the greater of the total time expended or the purchase management fee.**

Example 1: 20 hours are expended shopping and arranging orders for furniture and other decorative items. (\$4,000 in fees is earned.) You decide to purchase \$20,000 (wholesale or trade cost) worth of furniture. The purchase management fee (15%) is \$3,000. This may be applied towards the shopping time fees, so you would owe only a NET of \$1,000 above the purchase price plus the management fee for these Interior Design Services.

Example 2: 2 hours (\$400) are spent helping you pick out a rug that has a trade cost of \$6,000, say, compared to a retail cost of \$9,000. The purchase management fee (15%) would be \$900. In this case, you would only owe the \$6,900 for the rug, and the interior design time would be essentially “free,” and you would get the balance of the discount.

PLEASE NOTE:

Purchase management fees will be applied only to Interior Design Services occurring within 30 days of placing order.

Purchase management fees will be applied towards Additional Services related to Interior Design Services only. Any purchase management fee for “built-in” items, like cabinets or light fixtures, does not qualify for this credit.

USING YOUR OWN INTERIOR DESIGNER OR DECORATOR

While most clients appreciate having an architect who is also a trained and credentialed interior designer, occasionally clients want to bring in someone else, sometimes someone they have worked with in the past. Please keep in mind that:

- 1) I do not provide drafting services for other designers. They will have to do their own drawings and specifications.
- 2) Any drawing revisions required by requested changes will be billed at an hourly rate as an additional service.

Other Things You Will Be Responsible For

- **Costs for engineering or other design consultants, identified at the end of the Preliminary Design Phase, and reviewed with you.**
- **Asbestos (and other hazardous materials) Abatement.**

Although the use of friable asbestos was outlawed in 1978, it was sometimes used into the early 1980's. If you have a house built before the early 1980's, you may need to hire an asbestos abatement contractor to survey and take care of conditions affecting the proposed construction. I generally recommend that this be done prior to the start of construction so that you know what your abatement costs will be, and so that construction is not delayed during the abatement process.

The issues are similar for PCB, lead-based paint, radon, and other hazardous substances.

Determining the extent and making recommendations for the removal of hazardous materials is beyond the scope of my expertise and I will not get involved in the abatement or mitigation process in any way. Additionally, you agree to release me from all claims of liability, and indemnify and defend me from and against all claims arising from work involving existing hazardous substances.

- **Investigations necessary to complete the final construction drawings.**

For example, you may need to have someone dig under the existing foundation to find out how deep it is, or trace an underground sewer line. I can suggest appropriate people for this, if necessary.

- **Informing me *in writing* of any known sensitivities or allergies to construction materials that someone in your household may have.**
- **Informing me of any existing easements or restrictions on the use of your property.** Often this information is contained in the preliminary title report issued by your title insurance company. If any additional research is required, your title insurance company can advise you.
- **Providing me with information regarding your insurance requirements for the contractor.** As with legal advice, I cannot provide insurance advice. You should review your insurance needs with your insurance advisor and let me know of specific coverages that you will require the contractor to provide, if any. In some cases, if you require high amounts of liability coverage, this may limit the selection of contractors, so you should determine this information early.

Realistic Expectations for Your Architect

Major construction projects are not frequent events for most people, and many of my clients are “first-timers.” Everyone wants their project to go smoothly, to be absolutely problem-free, and to be “perfect.” This is an unrealistic expectation for residential construction, however. Many inexperienced homeowners, when confronted by a typical construction problem (let's call it “issue”), tend to think that somebody has made a mistake and better pay for it. Although this may sometimes be the case, usually it's just the nature of residential construction.

For example, suppose during demolition the existing ceiling is torn down and it's discovered that a beam needs to be added to support the new ceiling. And it's going to cost an extra \$500 to add the beam. Who pays for that? Shouldn't it have been in the drawings in the first place? And shouldn't the contractor be responsible for doing whatever it takes to get the project done for the agreed upon price?

At times like this it's important to remember that neither your architect nor your contractor have x-ray eyes. But if they did, and had included it on the drawings and in the bid, the bid would have been \$500 higher. So ultimately you are not paying any higher price than you would have if the condition had been anticipated.

There will probably be a number of “issues” like this on your project, which generate “extras” for the contractor. Plan on them in advance. (Remember the importance of the contingency fund?)

A number of aspects of the construction process are outside of my control and I can't make any guarantees regarding them:

- Performance of the Contractor and Subcontractors
- Final construction cost
- That contractor has paid subcontractors
- That the project will be approved by the City

I try very hard to return all calls the same day, the next day at the latest. However, please keep in mind that I must give priority to projects that are under construction. (Yours will get the same consideration, too!) If a flurry of construction issues suddenly arises, sometimes projects that are in the design stage suffer a delay of a day or two. Your understanding is appreciated if this situation occurs. Fortunately, it seldom does.

Some Ways to Make the Construction Process Less Stressful and Avoid Problems

Before Construction Starts

Before the Contractor lifts a hammer in your house, make sure that you have received a Certificate of Insurance from the Contractor's insurance agent. Review it carefully with your own insurance advisor. I generally request in the specifications that you and I be named as "additional insureds" under the Contractor's policy. Please verify this provision, along with Workers' Compensation coverage (which is required by law).

I highly recommend a pre-construction conference with the Contractor to discuss a variety of issues such as: working hours, storage areas, parking, how to handle small children and pets, protecting your property, who gets keys, and other topics relevant to your project.

If you have an expensive jewelry collection, a gun collection, or other valuables that might be tempting, it's only prudent to store them off-site temporarily. Most contractors are scrupulously honest, but a large number of delivery people and subcontractors will be going in and out of your house. Consider any other property that might be easily damaged. (Maybe that prize-winning rose bush would be safer elsewhere...)

During Construction

One of the keys to an effective residential construction process is communication. In general, I strongly recommend keeping your Architect in the loop on all issues. (It's easy to add one more "cc" to your e-mails.)

Your Architect can do a number of things for you: absorb headaches that you would normally have to deal with, answer questions with knowledge of other related issues that you might not consider, spot potential problems before they occur and become costly, act as an objective source if a dispute between you and the contractor were to occur, and provide a sounding board for your requests.

Expect some extra stress in your life, though. Even the smoothest of projects can take its toll. If your project is major, you might consider renting accommodations during construction. When compared to the overall cost of construction, a rental haven is often a small price to pay for your sanity.

Additional Terms and Conditions

Ownership of Documents

In accordance with industry practice, all drawings and other documents are intended as instruments of service and will remain my property under my copyright. You may have reproducible copies for your use in constructing your project, however. Documents in modifiable electronic format will not be provided under any circumstances.

Right to Stop Work

If payment for services is not received within ten days of the invoice, unless other arrangements have been made, I will have the option to take non-payment as constructive notice to stop work, and may elect to not proceed with services until payment is made current. You agree that you will release me from all liability, and indemnify and defend me from any damages or delays to the project that result from stopping work due to non-payment of fees.

Disputes

All disputes shall be settled under the laws and jurisdiction of the County of San Mateo.

Termination of Agreement

My services may be terminated at any time, by either party, by written notification.

If my services are terminated and my drawings and specifications are later used to build your project without my normal involvement during construction, you agree to release me from all liability, and indemnify and defend me from and against any and all damages or claims resulting from the misinterpretation, modification, or misuse of the design or construction documents, excepting only those claims arising out of my firm's sole negligence.

Photo Privileges

You agree to let me photograph the completed project and use those photos for publication or other publicity, although your name will not be used without your consent.

Assignment of Agreement

We mutually agree that this agreement is for the benefit of the signing parties only, and may not be assigned to others.

Some Final Words

Throughout the project, whether Design Phase or Construction Phase, the best way to make sure that your concerns (if you have any) get resolved is to communicate them to me. Although this probably seems obvious when the pressure of the project hasn't started, clients occasionally seem to forget once the process gets going.

Usually it's over something rather trivial initially, yet it builds up over time and assumes seemingly monumental proportions. For example, a client once started having second thoughts about her kitchen's new location after approving the designs, reviewing the construction documents, and authorizing construction to start. Well, it turns out that she was never entirely comfortable with the new design, but didn't say anything. Maybe she was concerned about seeming indecisive. Maybe she thought I would be offended by her suggestions. I'll probably never know her reasons, but she lived in a state of unease for weeks until she just couldn't stand it anymore and had to say something!

We quickly came up with a new design (in mid-construction) that she was ecstatic with, and got the contractor going in a new direction with very little extra time and expense. But weeks of agonizing could have been prevented by a little extra communication at the beginning.

My philosophy of design is first and foremost that you need to be happy with the results. I also firmly believe that it's my job to give you my best professional recommendations on design and construction, yet they are just that -- recommendations. It's your house and if you've always wanted a hot pink living room (although I know you don't, do you?) I will do my best to help you get it.

Please remember as we go along in this process that I value hearing your ideas, suggestions, and concerns. If at any time, you feel that something isn't right, let's discuss it. **I want you to be happy with your project! Happy clients help my business grow.**