

**SECTION 1 INTRODUCTION – GENERAL FEE TERMS**

Building Doctors Limited ("Building Doctors") calculate their professional fees according to one or a combination of three charging methods: Fixed Price Kits (Method 1), Hourly Rate (Method 2) and Percentage (Method 3).

- 1.1 Payments scheduling: Building Doctors will invoice you (the Client) for their services at intervals in accordance with the progress of work on your project. Payment of each invoice is due on or before the expiry of the stated due date or 7 days from the invoice date, whichever applies. Where hourly rates are charged, the hours worked correspond to the amount charged up to the invoice issue date, irrespective of when, prior to invoicing, the work was carried out. The normal event, as detailed in your pre quote letter or Statement shows that 50% of each agreed Stage [A, B or C] is paid in advance. This enable works to be completed promptly. This Account is referred to as our SILVER or GOLD ACCOUNT.
- 1.2 If the issued invoice amount is not paid within the stated due date, Building Doctors may be forced to LOCK your account and the following account freezing action will be enforced until the invoice amount is paid:
  - 1.2.1 Work will cease on your project with immediate effect.
  - 1.2.2 Building Doctors reserve the right to refuse or limit communication.
  - 1.2.3 You will be permitted communication with the Building Doctors Accounts Department until the account is settled.
  - 1.2.4 No further contact with Local Planning Authorities or Contractors will occur.
  - 1.2.5 Planning applications may be 'invalidated' or 'withdrawn'.
  - 1.2.6 Any site works in progress may be delayed.
- 1.3 Kit prices, Hourly Rates and Percentage fees are reviewed on 10 January and 10 July each year. Building Doctors is not obliged to inform you of any changes made in these rates but are happy to provide you with this information upon request. In any event prices are held for six months after the date of contract, and signing of these terms.
- 1.4 Please note that disbursements are not included in 'fee' quotes and must be paid for separately – these disbursements and expense charges are set out in detail under Section 9 'Disbursements and expenses'. The only exception to disbursement charging is with the purchase of Kit X4, 'Application Kit', where printing charges are inclusive. Please note that Kit A3 'Design and Ideas Kit' allows for option drawing issue to the Client in pdf format by e-mail only. Printed drawings are typically issued at the end of each stage and at the submission of drawings to Council or Builders.
- 1.5 Please refer to the accompanying quotation letter for details of which charging method applies in your circumstance. Please note that parts of work for which you have engaged Building Doctors may start using charging Method 1 (Stage A), any extra Client instructions will use Method 2 and Method 3 will typically be used for Stage B and C work.
- 1.6 If no charging method is specified in the quotation letter, then we will charge using Method 3 for building works where the value of the works (or the anticipated total cost of the works) exceeds £10,000.00 excluding VAT. In all other cases we will charge using Method 2.



**SECTION 2 FEE STRUCTURE**

**2.1 Method 1 - Fixed Price / Hourly Rate Fee Terms (Kits & Kit Packages) – SILVER OR GOLD ACCOUNTS**

Basic principal: Fees are paid in advance – 50% on Contract, 50% on prior to completion of the contracted packages. Typically the second payment is made once a single copy of all drawings have been issued by PDF / email, where any changes, calculations and the council applications remain to be completed.

On completion of the agreed package, the Client would sign the drawing issue sheet to confirm the drawings show the design required for council submission enabling drawings to be issued by Building Doctors to the Council and / or the Customer.

Where the customer requests additions and changes beyond the purchased /quoted Kit parameters, Building Doctors reserves the right to add Kits or a few hour hours to the original quote if required. Building Doctors will endeavour to advise the client in advance that extra Kits / Time is required, however, the client should be aware that this is not always possible.

**2.2 Method 2 - Hourly Rate Fee Terms**

Basic principal: Fees are calculated according to the time spent at the hourly rate detailed below:

Team Member	Hourly Rate
Principal	£105
Architect	£75
Assistant Architect / Runner	£60

**2.3 Method 3 - Percentage Fee Terms – PREMIUM ACCOUNT**

Basic principle: Under this method of calculation, fees for professional services are calculated by reference to the total cost of works (or in certain circumstances, dealt with hereinafter, by reference to the anticipated total cost of works) excluding VAT. This charging method is generally used for Stage B and C work, unless the Client wishes to buy Stage B and C Kits, in which case, the charging method would be Method 1. This fee does not include Structural or Service Engineers, Lighting, Interior Designers, Quantity Surveyors or Party Wall Surveyors.

**2.3.1 Amount of fees**

Unless stated otherwise in writing, Method 3 fees will be charged at the following percentage of the total cost of works, or where relevant (see below) the anticipated total cost of works. When tendering the project documents occurs the anticipated cost is replaced by the lowest reasonable tender price received.

- 2.3.2 Fees for anticipated or actual total cost of works includes Kitchens, white goods, supplies and other appliances (excluding VAT) are:

Cost of Works	% Fee
Less than or equal to £30,000 [Refurbishment]	16%
More than £30,000 and less than £40,000 [Refurbishment]	14.5%
More than £40,000 and less than £50,000 [Refurbishment]	12.5%
More than £50,000 and less than £100,000 [Refurbishment]	11.5%
More than £100,000 and less than £150,000 [Refurbishment]	10.5%
More than £150,000 – £180,000 [Refurbishment]	9.5%
More than £180,000 – 400,00 [Refurbishment]	8.5%
£180,000 -220,000 – [New Build]	7.5%
£220,000 -320,000 – [New Build]	7.0%
£320-420,000 – [New Build]	6.5%
£420-£600,000 – [New Build]	6.0%

### SECTION 3 - PAYMENT SCHEDULE: STAGE B AND C PERCENTAGE FEE

- 3.1 Fees will (unless otherwise agreed in writing) to be payable in stages as follows:



- 3.1.1 30% of Building Doctors fee on Client acceptance of Stage B and / or the Stage C percentage quote. The 30% covers the entire Building Control Submission, and the additional finishes drawings.
- 3.1.2 25% of fee as calculated with reference to the anticipated cost of works, upon preparation of tender documents. Where 5% is allocated for the tender or negotiating with a single contractor is usually paid at the same time. On receipt of agreed tender fee the percentage and Total Construction Cost
- 3.1.3 40% fee balance remains for Stage C [Construction Stage], as calculated works proposed. 10% of this fee is due on acceptance of the contractor price, and presentation of the contract documents. Thereafter once the works have gone to site, certificate issues and site visits agreed. The remaining Stage C fee [30%] is divided by the number of weeks on site and paid by direct debit on biweekly basis until practical completion is achieved. If the contractor over run with his agreed contract period the payments will continue. The customer will recover the additional costs from the levied penalty and agreed payment for over runs.

### SECTION 4 - POSTPONEMENT, WITHDRAWAL OF INSTRUCTION ETC

- 4.1 In the event of a project being postponed in Stage B, abandoned or terminated by you, the Client, or a contractor, or instructions being withdrawn, you will be liable for a proportion of the fees for the anticipated cost of works. The proportion for which you may be liable depends upon the stage at which the project is postponed, abandoned or instructions withdrawn, etc. The proportions are set out below:

PHASE OF WORK	% DUE OF TOTAL QUOTED FEE
- During preparation of tender documents	45%
- After completing preparation of tender documents but before receipt of tenders	65%
- After receipt of tenders but before commencement of the works	75%
- After commencement of works	100%

- 4.2 In normal events Stage B works are carried out in 3 steps. 01 Building Regulations & Finishes Drawings – 02 Production Details Drawings & Scopes of Work – 03 Tender Action & Collection of 3 builder's prices. Each step is agreed and paid for before starting.

### SECTION 5 - ANTICIPATED TOTAL COST OF WORKS

- 5.1 The calculation of the anticipated total cost of works will be determined by Building Doctors. However, all clients must be aware that there can sometimes be variations in the anticipated and the actual cost of works and must be prepared for Tenders to come in above anticipated cost of works.



In the event that you disagree with our assessment of the anticipated total cost of the works, the matter will be referred to an external consultant Chartered Quantity Surveyor of our choosing for determination and the following sub-paragraphs will apply:

- 5.1.2 In the event that the Quantity Surveyor's assessment as to the anticipated total cost of works exceeds our own, our fees will be adjusted accordingly and his reasonable professional fees will be added to them.
- 5.1.3 In the event that the Quantity Surveyor's assessment as to the anticipated total cost of works is less than our own, our fees will be adjusted accordingly and we will bear the cost of his fees.

### SECTION 6 - INTEREST, COMPENSATION, PAYMENT TERMS AND VAT

- 6.1 **Interest**  
We reserve the right to charge interest at the rate of 12% p.a. (or parts thereof) on invoices which remain unpaid after 14 days of delivery. If an invoice remains unpaid following two email reminders, then we will telephone to remind you of the pending charge. If thereafter the invoice remains unpaid and a solicitor letter is required, you will be charged interest plus £47 for the first letter.
- 6.2 **Compensation**  
In addition to interest, late payment(s) will attract a compensation charge in accordance with the provisions of the Late Payment of Commercial Debts Regulations 1992 (as amended from time to time).
- 6.3 **Timely Payment**  
It is a condition of these Business Terms and Conditions that payment be made in accordance with Section 1 on 'General Fee Terms' specifically point 1.2. Any failure to do so will be in breach of this agreement and the Client's project will be subject to 'locked' account procedures.
- Please note that overdue accounts will not be unfrozen until payments have been cleared to the Building Doctor's account. Where payment is referred to a third party this shall not relieve the Client of responsibility to complete outstanding payments in full.
- 6.4 **Value Added Tax (VAT)**  
All fees quoted are subject to VAT, which will be added to all invoices at the prevailing rate and are payable by the Client in full.

## SECTION 7 - DISPUTES/COMPLAINTS

- 7.1 Building Doctors aims to provide you with the best service possible. If you do, however, consider that you are not receiving or have not received the service you expected, we would be grateful if you could inform us at the earliest opportunity, at which point we will endeavour to resolve any element of dissatisfaction promptly.
- 7.4 If a dispute arises in relation to either service or fees and you prefer that it be settled at arbitration, we shall be agreeable to this and such proceedings will be conducted under the Arbitration Act 1996.
- 7.5 If any disputes arise concerning fees these should be notified to Building Doctors within 14 days of invoice date. Any amount of fees not disputed shall be paid in accordance with the Payment Terms laid out in Section 1 and where late payment is made the terms in Section 6 will apply, irrespective of any off-set fees or counter-claim which may be alleged.
- 7.6 Unless parties otherwise formally agree in writing, all disputes arising out of this agreement shall be finally settled under English Law and the parties irrevocably submit to the jurisdiction of the English Courts.

## SECTION 8 - LIABILITY OF DIRECTORS OF LIMITED COMPANIES

- 8.1 All fees and expenses (including VAT) chargeable hereunder are the liability of the Client provided that if the Client is a Company, the Directors of that Company shall also be liable personally [jointly and severally where there is more than one director] to meet any liabilities of that Company to Building Doctors. Where Building Doctors provides work on behalf of a company to a third party, the company is liable to settle all invoices issued by Building Doctors within the payment period stated, regardless of the status of the company's settlements with the third party. Failure to do so will result in the levying of interest and compensation as stated above.



### 8.1.2 General

It is a requirement of the RIBA and RICS that all Members in practice who are principals of firms shall carry insurance against the risk of professional negligence. As a Client you are entitled to ask for confirmation that we hold compliant cover.

### 8.1.3 Assumption

The Architects, Surveyors and Engineers shall be entitled to assume that these Business Terms and Conditions are agreeable to the Client whether this contract is signed or not unless the Client shall notify Building Doctors in writing of any matters not agreed before the commencement of work. Advance Payment of Stage A, B or C fees as detailed herein, shall be considered as full acceptance of these Business Terms and Conditions unless the Client notifies the 'Company' in writing of any matters not agreed before the commencement of work and to which the 'Company' have agreed by return.

## SECTION 9 - DISBURSEMENTS AND EXPENSES

- 9.1 The cost of disbursements is not included in either Charging Method 1, 2 or 3, with the exception of Kit X4 – Application Kit
- 9.2 Disbursements will be payable within 14 days of invoicing and will usually be added to invoices for professional fees. They will be charged as follows:

1	Statutory body fees: Building Control, Planning Authority are chargeable at cost plus 10% handling fee		
2	Consultants/Sub-contractors/Equipment charges and hire are chargeable at cost plus 10% handling fee		
3	Travel: public transport, car hire etc. chargeable at cost, car mileage 45pence per mile. Subsistence and accommodation chargeable at cost		
4	Printing (in-house)	Page prints	Copy Negative
	A1 prints @	£5.00	£10.00
	A2 prints @	£3.75	£7.00
	A3 prints @	£0.75	£2.75
	A4 printing and copying	£0.20	£0.35

	A3 copying @	£0.40	£0.70
	CD Rom	£10.00	
5	Postage, telephone, couriers and miscellaneous items will be chargeable at cost.		
6	Recovery of files from archive external storage N.B. files are sent to archive once the related project has remained dormant for 1 year.		£60.00 per collection

**SECTION 10 – PROJECT TIMINGS**



10.1 Building Doctors endeavours, at the start of any project, to estimate a completion date. The client should be aware that delays can occur that are beyond both the Client's and Building Doctors control. An estimated completion date is an initial projection, which can change over the progress of the project when more detailed requirements become apparent. Building Doctors will advise you as soon as they become aware of potential causes of delay.

**SECTION 11 - SITE HOARDINGS AND BUILDING SIGNAGE**

11.1 Building Doctors retain the right to erect an A2 company notice board at the entrance to the property, site or buildings where applicable. This sign is to ensure any neighbour complaints or voices of goodwill are directed to the correct company department. The sign will stay for the duration of the project and if necessary subject planning applications under taken at the company expense.

*By signing below I have read pages 1 - 4 and hereby agree to the above Customer Agreement, Terms and Conditions – June 2010 – These conditions are superseded by the quotation letter dated: .....*

Address of Project

.....

Postcode..... Date .....

Client Name Client Signature  
 .....  
 .....

Notes / Additional Agreements  
 .....  
 .....

Position if signing on behalf of a company Company Name  
 .....  
 .....



*Bank Details: HSBC - 40-03-04 / Acc Number 01455141 / Please note when paying by BACS / or Bill Payment / Pls use invoice Nr / and your name as a reference.*