

Owner-Architect Agreements for Small Projects

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Revised January 2007

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SUMMARY

To dismiss the necessity of an owner-architect agreement for a small project is a risky endeavor. An agreement that includes a few key elements can clarify the roles and responsibilities of the involved parties, outline the scope of the project, and prevent avoidable misunderstandings.

PUT IT IN WRITING

Many small-firm practitioners consider standard AIA contracts too intimidating for small projects, particularly for residential clients who are unfamiliar with the language and business practices of the design and construction industry. Yet it is risky for both the architect and the owner to begin a project before they are aware of their mutual responsibilities. Generally speaking, the public holds architects in high regard. This can be a two-edged sword, however, as it may cause clients to have unreasonably high expectations of the architect and his or her services. It is important for architects to carefully define the services to be provided to preclude misunderstandings and disputes.

DEFINE IT CLEARLY

Any written agreement for architectural services should contain the following, at a minimum:

- A detailed description of the project, including square footage, number of floors, location, site conditions, and so on.
- The documents the architect intends to provide, on a phase-by-phase basis.
- The number of alternate designs or redesigns included in each phase.
- The estimated or agreed-upon fee for each phase.
- The project budget, including the identity of the party responsible for cost estimates.
- The project schedule, including the identity of the party responsible for developing and meeting the project schedule. If the architect is the identified party, the agreement should make clear which aspects of the schedule are within the architect's control and limit the architect's responsibility for meeting the schedule accordingly.
- The scope of interior design services to be included.
- Renderings or models to be included in the base fee; if none are to be included, so specify.
- The understanding with respect to the hiring and supervision of engineers and other consultants, including liability for their work.
- A clear explanation of the code compliance procedure, including reference to the specific applicable codes and regulations that govern the project.
- A list of applicable reimbursable expenses that are not included with the base fee.
- The number of meetings with third parties included in the base fee, including landlords, zoning authorities and appeals boards, landmarks' commissions, co-op boards, and other agencies whose approval is required before a building permit will be issued.
- The project delivery method, whether traditional design-bid-build or fast track.
- The number of reviews of shop drawing submissions during the construction phase.
- Whether or not a general contractor or construction manager will be involved in the project.

- The role of the architect in the bidding and negotiation phase.
- The hourly rate(s) for additional services.
- A list of additional services that may be required: Programming, site analysis, feasibility studies, filing services, zoning variance applications, additional meetings with third parties, building product selection/shopping, and bidding/negotiation services are typical of the services that an owner commonly assumes to be included in the base fee. Be sure to distinguish clearly between reimbursable expenses and additional services.
- The name of the individual authorized to make design decisions on behalf of the owner.
- Language regarding insurance and indemnification.
- If the owner is a couple, both individuals should be a party to the agreement.
- The amount of the initial retainer and the point at which the retainer will be credited to the owner.

A TWO-STEP APPROACH

Laura Montllor, AIA, initially offers to provide clients with design consultation services on the basis of a simple letter of agreement. The scope of work is limited to a feasibility study and a schematic design. The resulting design includes the basic dimensions of the building, the major architectural elements, and the structural systems. If the owners wish to continue the project, Montllor incorporates the approved schematic design into AIA B155™—1993, Standard Form of Agreement Between Owner and Architect for a Small Project, for the owner's consideration.

This two-step approach enables the client and Montllor to establish a working relationship before committing to a formal contractual agreement. One caution is that the fee for design consultation must be sufficient to cover the investment of time for the work completed, in the event the owner decides to abandon the project or seek another architect.

ABOUT THE CONTRIBUTOR

The author, Edward Z. Wronsky Jr., AIA, attended a session titled, "Can Standard AIA Contracts Be Used on Small Projects?" at AIA 2002 National Convention in Charlotte. This article is adapted from Wronsky's convention report, originally published in the AIA *Small Project Forum* No. 25, August 2002.

RESOURCES

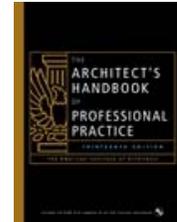
More Best Practices

The following AIA Best Practices provide additional information related to this topic:

- 17.01.01 Reviewing Owner-Supplied Agreements
- 17.04.07 Dealing with Aggressive Negotiators
- 09.01.01 Risk Management Checklist

For More Information on This Topic

See also "Agreements with Clients," by Edward T.M. Tsoi, FAIA; "Project Team Agreements," by Timothy R. Twomey, AIA; and "Construction Agreements," *The Architect's Handbook of Professional Practice*, 13th edition, Chapter 11, pages 275, 289, and 299, respectively.



See also the 14th edition of the *Handbook*, which can be ordered from the AIA Bookstore by calling 800-242-3837 (option 4) or by email at bookstore@aia.org.



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Keywords

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- Project administration
- Project agreements
- Design services contracts