Background

Many clients develop long-term relationships with a consulting engineering firm. This “sole source” selection process is recognized as a preferred method of consultant selection. When sole sourcing is not appropriate, it is best to use a Qualifications Based Selection (QBS) system for choosing consultants. More information on QBS is available in the Federation of Canadian Municipalities National Guide to Sustainable Infrastructure Best Practice Guide on Selecting a Professional Consultant (available at www.thebestpractice.ca).

Where tasks and services are well defined, lump sum pricing may be an appropriate method of compensation. Where fees are to be charged on a time basis, the hourly rates provided in this fee guideline are recommended.

Salary Multipliers

It is recommended that consultants provide project fees not based on multipliers of salary. The Office of the Information and Privacy Commissioner has advised that the practice of disclosing salary multipliers to clients is not reasonable if a less privacy intrusive practice can be used. Divulging salary information related to specific staff may contravene the Privacy Act in British Columbia and the security of such information may be at risk.

The practice of basing fees on salaries is not common outside of consulting engineering. For example, the legal and medical professions have a history of using predetermined prices for defined tasks, resulting in a less intrusive approach.
Charges for Disbursements

Minor disbursements are recommended to be charged at 8% of professional fees. These may include:

- local communication costs (phone, cell phone, fax, etc.);
- long distance phone expenses;
- routine production of drawings and documents;
- local travel expenses (up to 25 km from office);
- courier and messenger services;
- standard software and computer costs;
- office supplies.

Other disbursements are recommended to be charged at cost plus 10%. This may include:

- travel beyond the local area, or vehicle rental and fuel costs;
- living expenses for personnel approved by the client;
- project related advertising costs;
- specialized, project specific computer software and/or services;
- use of specialized equipment;
- testing services;
- approvals, permits, licenses, and specific taxes applied to fees;
- project specific insurance if required by the client;
- any other third party expenses paid by the consultant on the client’s behalf;
- tender documents and other non-routine documents.

Subconsultant invoices are recommended to be charged at cost plus 5%.

The client and the consultant should review the projected expenses prior to the start of the project and agree on the applicable disbursements category and reimbursement method.

Hourly Rates

<table>
<thead>
<tr>
<th>Staff Classification</th>
<th>Standard Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROFESSIONAL SERVICES</td>
<td></td>
</tr>
<tr>
<td>E1</td>
<td>$119</td>
</tr>
<tr>
<td>E2</td>
<td>$138</td>
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<td>E3</td>
<td>$153</td>
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<tr>
<td>E4</td>
<td>$191</td>
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<tr>
<td>E5</td>
<td>$214</td>
</tr>
<tr>
<td>E6</td>
<td>$266</td>
</tr>
<tr>
<td>E7</td>
<td>$293</td>
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<tr>
<td>TECHNICAL SERVICES</td>
<td></td>
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<td>T1</td>
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<tr>
<td>T2</td>
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<td>T3</td>
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<td>$141</td>
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<td>T5</td>
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<tr>
<td>T6</td>
<td>$187</td>
</tr>
<tr>
<td>T7</td>
<td>$192</td>
</tr>
</tbody>
</table>

Typical Distribution of Consulting Fees

Net Profit
for reinvestment, retained earnings, shareholder equity

Overhead
computers, rent, utilities, communication, maintenance, property & business taxes, depreciation, insurance, interest, training, legal & acc'ting services, supplies, dues & registrations

Salaries, Wages

Staff Benefits
retirement & pension plans, CPP, EI, worker safety, employer health tax, pay for time not at work including vacation, sick leave, stat holidays, insurance plans (life and health)
Classification Guide
This Guide describes several classifications of responsibility, experience and training. With some interpolation, engineering/technical positions within most consulting firms can be categorized to align with these classifications.

**Professional Services**

**E1 Engineer-in-Training**
University graduate from an accredited engineering program.

**E2 Assistant Project Engineer**
Engineering assignments of limited scope and complexity. Work supervised in detail. May give guidance to technicians, technologists, contractor, and/or other employees, etc.

**E3 Project Engineer**
Independently responsible for varied engineering assignments. Work not generally supervised in detail. May give guidance to one or two other engineers, but supervision of other engineers is not usually a continuing responsibility.

**E4 Supervisory Engineer**
First level of direct and sustained supervision over engineers.

**E4 Specialist Engineer**
First level of full specialization in complex engineering applications (research, design, product application, sales).

**E5 Management Engineer**
Has authority over supervisory engineers or a large group containing both professionals and non-professionals.

**E5 Advanced Specialist Engineer**
In addition to specialization, generally exercise authority over a group of highly qualified professionals engaged in complex engineering applications.

**E6 Senior Management Engineer**
Has authority over several related professional groups in different fields, each under a management engineer professional.

**E7 Senior Specialist Engineer**
Recognized authority in a field of major importance and generally exercises authority over a group of highly qualified professionals engaged in complex engineering applications.

**Technical Services**

**T1 Technician**
Under close supervision, carries out straightforward duties such as preparing uncompleted or repetitive drawing, maintaining drawing files and assisting with field surveys. Little independent judgment required. Performs according to standardized procedures. No previous experience required.

**T2 Technician/Technologist**
Under close supervision, supports engineering personnel in field, design and/or CAD drafting activities. Performs clearly defined, straightforward tasks. Acts according to standardized procedures. Carries out straightforward computational work using standard accepted formulae and manuals.

**T3 Technician/Technologist**
Under direct supervision, supports engineering personnel in field, design, drawing production and/or construction specifications and quality control. Performs a variety of defined assignments with some independent judgment required. May provide technical advice to less experienced technicians/technologists in same area of specialty.

**T4 Technician/Technologist**
Under minimal supervision, completes design tasks and/or complex CAD assignments and/or performs field quality control functions. Analyzes, provides recommendations and makes decisions with regard to technical problems encountered. May provide technical advice or supervise the daily activity of T1 to T3 level technical staff concerning processes and procedures. Verifies accuracy and adequacy of their work.

**T5 Technician/Technologist**
Supervises directly or indirectly the work of T1 to T4 level technical staff while, at the same time, undertakes project related functions on a continual basis. May function as “Lead CAD” on projects in support of the Project Manager. Prepares production and progress reports as required. Assists the Project Manager in determining personnel and man-hour requirements. Reviews and verifies accuracy of work performed by others.

continued...
T6  Technician/Technologist
Independently manages design functions on projects. Supervises the activities of other staff in execution of projects. Assists in the recruitment and management of personnel, as required. May assume role of Project Manager on projects. Assists with marketing and client services on a regular basis.

T7  Technician/Technologist
Independently represents the company with clients on an ongoing basis. Manages and supervises staff on a continual basis. Manages major projects. Responsible for the identification and pursuit of market opportunities in his/her area of specialization. Responsible for assisting in recruitment, career reviews and salary reviews for staff under his/her direct supervision. Typical role is that of Group Manager or Discipline Lead.

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Keith Sashaw, President & CEO
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