

The Alberta Association
of Architects

Standard Form of Agreement between Client and Licensed Interior Designer

DOCUMENT TEN 2016 Edition

ADAPTED FOR:

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Standard Form of Agreement between Client and Licensed Interior Designer (LID)

DOCUMENT TEN 2016 Edition

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Standard Form of Agreement between Client and Licensed Interior Designer

DOCUMENT TEN

2016 Edition

Agreement

made as of the _____ day of _____ in the year of _____

Between the Client:

(Include name and address)

and the Licensed Interior Designer (LID):

(Include name and address)

For the following Project:

(Include name, address and description)

The Client and the Licensed Interior Designer (LID) agree as set forth in the following terms and conditions:

1. Definitions

1.1 Licensed Interior Designer (LID) AAA

The Licensed Interior Designer is the person or entity identified in this Contract who is registered, licensed or otherwise authorized to practice interior design in Alberta and includes the Licensed Interior Designer officers, directors, employees, and representatives. The acronym 'LID' is used in this Agreement for brevity and shall refer to the Licensed Interior Designer or Licensed Interior Design Corporation.

1.2 Construction Budget Estimate

The *Construction Budget Estimate* is the Client's estimated *Construction Cost* including contingencies or, an estimate as may be prepared by others or, a preliminary or a fixed amount as agreed in writing by the Client and Licensed Interior Designer.

1.3 Construction Cost

Construction Cost, for the purpose of the LID fee calculation, is the contract price(s) of all project elements designed or specified by, or on behalf of, or as a result of the coordination of the LID; including cash allowances, building permit fees, changes, construction management fees or other fees for the coordination or contracting of construction services, and all applicable taxes including the full amount of value added taxes, whether recoverable or not. Where there is no contract price for all or part of the Project, the *Construction Cost* shall be the estimated cost of construction as determined by the LID, or as agreed to by the LID if a cost Consultant or a contractor is engaged, at market rates at the anticipated time of construction. *Construction Cost* excludes the following:

1. Furnishings, Fixtures and Equipment unless otherwise specified in this Agreement
2. the compensation of the LID and the LID *Consultants*,
3. other professional fees that are the responsibility of the Client,

In the event that the Client furnishes labour or material below market cost or recycled materials are used, the *Construction Cost* for purposes of establishing the LID fee is the cost of all materials and labour necessary to complete the Work as if all materials had been new, and as if all labour had been paid for at market prices at the time of construction; or, in the event that the construction does not proceed, at existing market prices at the anticipated time of construction.

1.4 Construction Documents

Construction Documents consist of drawings and specifications setting forth in detail the requirements for the construction of the Project.

1.5 Consultant

The *Consultant* is the person or entity engaged by the Client or by the LID to provide services supplementary to those provided by the LID.

1.6 Schematic and/or Design Development Documents

Schematic and/or Design Development Documents consist of drawings and other documents appropriate to the size of the Project, to describe the size, character and functional relationships of the entire Project as to the interior design, structural, mechanical, and electrical systems, materials and such other elements as may be appropriate. Refer to Schedule A.

1.7 General Review / Field Review

General Review / Field Review means review during visits to the Place of the Work (and where applicable, at locations where building components are fabricated for use at the Project site) at intervals appropriate to the stage of construction that the LID, in his or her professional discretion, considers necessary to become familiar with the progress and quality of the Work and to determine that the Work is in general conformity with the Construction Documents, and the reporting thereon. Services provided for *General Review / Field Review* shall include those services required under Alberta legislation and by the regulations of the Alberta Association of Architects.

1.8 Procurement

Procurement in the context of this Agreement means the process of selection, specification, or preparation of purchase orders (PO) by the LID for material goods (i.e. Furnishings, Fixtures & Equipment) for the project, on behalf of the Client. It does **not** mean *direct purchase and markup* of material goods for the project.

2. Responsibilities

2.1 LID Scope of Work and Services and Client Responsibilities

The LID scope of work and services and Client responsibilities are as set out in Article 5.2 Other Conditions / Scope of Services and per Schedule "A" attached herewith.

2.2 Statutes, Regulations, Codes and By-Laws

The LID shall review statutes, regulations, codes and by-laws applicable to the design and where necessary review the same with the Authorities Having Jurisdiction in order that the required consents, approvals, licenses and permits necessary for the Project can be applied for and obtained by the Client. Note this provision is to be read in conjunction with the applicable and permitted scope of work as defined in the Architects Act in Alberta.

2.3 Estimates of Construction Cost

Where the LID prepares estimates of the *Construction Cost* for the Client, the LID does not warrant the accuracy of such estimates as matters of cost are beyond the LID control. For the acceptance of the Client, the LID may review and revise these estimates as the preparation of drawings and specifications proceeds.

2.4 Additional Services

The following services by the LID unless otherwise identified in this agreement, are Additional Services and shall be provided with the written authorization of the Client:

1. services required beyond those already provided which are required due to revisions or additions to the program of requirements, changes to the project schedule beyond the consultant's control, the *Construction Budget Estimate* or, to previously approved documents prepared by the LID,
2. services required by the enactment or revisions of statutes, regulations, codes or by-laws,
3. services due to the interpretation of the authorities having jurisdiction differing from the LID interpretation of statutes, regulations, codes and by-laws in such a way as the LID cannot reasonably anticipate,
4. services to prepare measured drawings,
5. services related to the process of selection, specification, or preparation of purchase orders (PO) for FF&E, or
6. artwork and accessories,
7. services due to other causes beyond the control of the LID, or
8. services not contemplated in Schedule "A" Basic Services,
9. other services per Schedule "B".

2.5 Client Information

The Client shall furnish information, surveys, reports and services as set out in Schedule A, the accuracy and completeness of which the LID shall be entitled to rely on and contracts for the provision of such information, surveys, reports and services, whether arranged by the Client or the LID, shall be direct contracts with the Client.

2.6 Completion of Services

Unless otherwise stated in this Agreement, the LID services cease one year after certification of substantial performance. For services required following expiry of the period of one year after certification of substantial performance, the Client shall arrange with the LID for services as provided under paragraph 2.4.

3. General Conditions

3.1 Copyright and Use of Documents

3.1.1

Copyright for the design and drawings prepared by or on behalf of the LID belong to the LID. Plans, sketches, models, drawings, graphic representations and specifications, including computer-generated designs, are instruments of the LID service and shall remain the property of the LID whether the Project is executed or not.

3.1.2

Submissions or distribution of the LID plans, sketches, drawings, graphic representations and specifications to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the LID reserved rights.

3.1.3

The Client shall be entitled to keep original models or renderings commissioned and paid for by the Client.

3.2 Liability of the LID

3.2.1

The Client agrees that any and all claims, whether in contract or tort, which the Client has or hereafter may have against the LID in any way arising out of or related to the LID duties and responsibilities pursuant to this Agreement, shall be limited to the amount as identified the LID Certificate of Insurance attached to this Agreement.

3.2.2

The LID shall be entitled to rely upon the published product information from manufacturers and shall not be liable for relying on information or representation which he or she believes to be accurate.

3.2.3

Time is of the essence in this Agreement however, the LID shall not be liable for delays in the performance of its services that are caused by the Client or any third party, including but not necessarily limited to the authorities having jurisdiction or contractor.

3.3 Hazardous Materials

Unless otherwise provided in this Agreement, the LID and the LID *Consultants* shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB), mould, fungus/fungi, mildew(s), mushroom(s), yeast(s) or bio-contaminant(s) or any byproducts therefrom, or any other toxic substances whether or not defined in any federal, provincial, territorial or municipal laws, statutes or regulations.

3.4 Project Delay, Suspension or Abandonment

If the Project is delayed, suspended or abandoned in whole or in part for more than a total of 60 days, whether consecutive or not, the LID shall be compensated within 30 days of the date that an invoice is rendered for all services performed, together with reimbursable expenses then due and suspension expenses calculated in the same manner as termination expenses in paragraph 3.5.4. If the project is resumed after being suspended or abandoned in whole or in part for more than a total of 60 days, whether consecutive or not, the LID fee shall be adjusted.

3.5 Termination

3.5.1

This Agreement may be terminated by either party upon thirty days written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination.

3.5.2

This Agreement may be terminated by the Client upon at least thirty days written notice to the LID in the event that the Project is permanently abandoned.

3.5.3

In the event of termination, the LID shall be compensated within thirty days of the date that an invoice is submitted for all services performed to the effective termination date, together with reimbursable expenses and applicable taxes and all termination expenses as defined in paragraph 3.5.4.

3.5.4

Termination expenses means expenses directly attributable to suspension or abandonment of the Project or termination of this Agreement for which the LID is not otherwise compensated, and in addition, an amount computed as a percentage of the total fee for the LID basic services and additional services earned to time of termination, as follows:

1. Twenty percent if suspension or termination occurs during schematic design phase; or
2. Ten percent if suspension or termination occurs during the design development phase; or
3. Five percent if suspension or termination occurs during a phase subsequent to the design development phase.

3.6 Extent of Agreement / Law of Agreement

3.6.1

This Agreement represents the entire and integrated agreement between the Client and the LID and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Client and LID.

3.6.2

This Agreement shall be governed by the laws of the place of the Project.

3.7 Dispute Resolution

3.7.1

For purposes of Article 3.7, "dispute" means a disagreement arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated with it or derived from it, and includes any failure to reach agreement where an agreement is required.

3.7.2

The parties shall make all reasonable efforts to resolve a dispute by amicable negotiations and agree to provide, on a without prejudice basis, full and timely disclosure of relevant facts, information and documents to facilitate these negotiations.

3.7.3

If the parties have been unable to resolve a dispute, either party may, by written notice, require the appointment of a mediator using the principles of the latest edition of the CCDC 40, "Rules for Mediation and Arbitration of Construction Disputes", to assist the parties to reach agreement. Unless the parties agree otherwise, the mediated negotiations shall be aligned in accordance with those Rules as amended as follows:

1. All references to "the Contract" are to be considered references to "this Agreement";
2. For references in CCDC 40 to Schedule; time; Extension of time period; and termination if no agreement; the time period shall be adjusted from "10 Working Days" to read "15 calendar days".

3.7.4

If the dispute has not been resolved within 15 calendar days after a mediator was appointed under paragraph 3.7.3, or within such further period agreed to by the parties, the mediator shall terminate the mediated negotiations by giving written notice.

3.7.5

All unresolved Disputes may, upon agreement of the LID and Client in writing, be referred to and finally resolved in alignment with the latest edition of CCDC Document 40, "Rules for Mediation and Arbitration of Construction Disputes, as amended as follows:

1. All references to "the Contract" are to be considered references to "the Agreement"; and
2. The applicable date referring to Substantial Performance of the Work does not apply.

3.7.6

The Client agrees that, should the Construction Contract or subsequent agreement include provision that any dispute between the Client and the Contractor may be finally resolved by arbitration, then:

1. the Client shall:
 - notify the LID in writing 10 working days in advance of any arbitration and of any matters in dispute and the extent to which they affect the LID; and
 - if the Client has a claim against the LID that arises from the dispute, bring that claim against the LID at the time of the arbitration.
2. the Client shall ensure that the Construction Contract or subsequent agreement between the Client and the Contractor provide that, upon receipt of notice in GC 3.7.6.1 above, the LID shall have the option to participate in the arbitration as a full party.
3. the Client shall, in the event that GC 3.7.6.1 and GC 3.7.6.2 above are not complied with, not pursue any claim against the LID arising from matters resolved by the arbitration.

3.7.7

Dispute resolution shall be conducted in the jurisdiction of the principal place of business of the LID unless otherwise agreed.

3.8 Right to Stop Rendering Services

3.8.1

If any invoice submitted by the LID remains unpaid by the Client for sixty days or more from the date the invoice was submitted, the LID may give seven days written notice to the Client that the LID will stop rendering services.

3.8.2

If within seven days of delivery of the notice in 3.8.1, the Client has not paid the LID invoice, or the LID and the Client have not agreed in writing on terms for payment of the invoice, the LID may stop rendering services on the Project, and in that event the Client shall not have any claim whatsoever against the LID for any loss, cost, damage, or expense incurred or anticipated to be incurred by the Client as a result.

3.8.3

The rights of the LID given by Article 3.8 are in addition to and not in substitution for any other rights the LID may have under this Agreement or otherwise for non-payment of the LID invoices by the Client.

4. Professional Fees and Reimbursable Expenses

4.1 Professional Fees

The Client shall pay professional fees and reimbursable expenses to the LID when invoices are rendered as set forth in this article.

4.2 Retainer

The Client shall pay to the LID an initial payment / retainer of \$ _____ upon execution of this Agreement. This payment is the minimum payment required under this Agreement and shall be credited against the final invoice.

4.3 Fixed Fee, Hourly Rates or Percentage Fees

A **FIXED** Fee of \$ _____
Or

An **HOURLY RATE** Fee as set out under Paragraph 5.1 Schedule of Hourly Rates
Or

A **PERCENTAGE** Fee of _____ Percent (%)

4.4 Fee Distribution

The fee for LID services shall be apportioned to the phases of service as listed below and the amounts invoiced shall be in proportion to the services performed within the phases:

Programming / Pre-Design Phase:	\$ _____	or %
Schematic Design Phase:	\$ _____	or %
Design Development Phase:	\$ _____	or %
Construction Documents Phase:	\$ _____	or %
Bidding or Negotiation Phase:	\$ _____	or %
Construction Phase - Contract Administration:	\$ _____	or %
TOTAL	\$ _____	or 100 %

4.5 Invoices

Invoices shall be issued _____ (Insert *bi-weekly*, *twice per month* or, *monthly* as applicable).

4.6 Additional Services

The fee for additional services as set out in paragraph 2.4 shall be based on the hourly rates in paragraph 5.1 or as otherwise mutually agreed with the Client.

4.7 Reimbursable Expenses

The Client shall pay the LID for reimbursable expenses in addition to the LID professional fees, which shall include the actual expenditures of the LID and the LID employees and *Consultants* in the interest of the Project, plus _____ % of such actual expenditures, as follows:

- (a) the expense of transportation in connection with the Project for authorized travel, including transportation, parking, lodging, meals and per diems if applicable;
- (b) communication and shipping, including long distance telephone calls and facsimile messages, courier service, postage and electronic conveyances;
- (c) reproduction of plans, sketches, drawings, graphic representations, specifications and other documents;
- (d) renderings, plotting of computer-generated drawings, models, and mock-ups specifically requested by the Client.

4.8 Changes & Adjustments

4.8.1

If through no fault of the LID, the services covered by this Agreement have not been completed within _____ months after the date of this Agreement, the amounts of compensation as set out in this Agreement shall be renegotiated.

4.8.2

In the event that new or additional taxes in respect of the services included in this Agreement are required by federal or provincial legislation after the Agreement is executed, the amount under this Agreement shall be adjusted to include such taxes.

4.8.3

Fees and reimbursable expenses may be subject to such value added taxes as the Federal Goods and Services Tax or other Tax. The Client shall pay to the LID, together with, and in addition to, any fees and reimbursable expenses that become payable, any value added taxes that become payable in relation to the fees and reimbursable expenses as required by legislation.

4.9 Interest

Unpaid accounts shall bear interest, calculated monthly, at _____% per annum commencing _____ days after the date that the LID submits the invoice for fees, reimbursable expenses and applicable taxes.

5. Other Conditions

5.1 Schedule of hourly rates:

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5.2 Other Conditions / Scope of Services

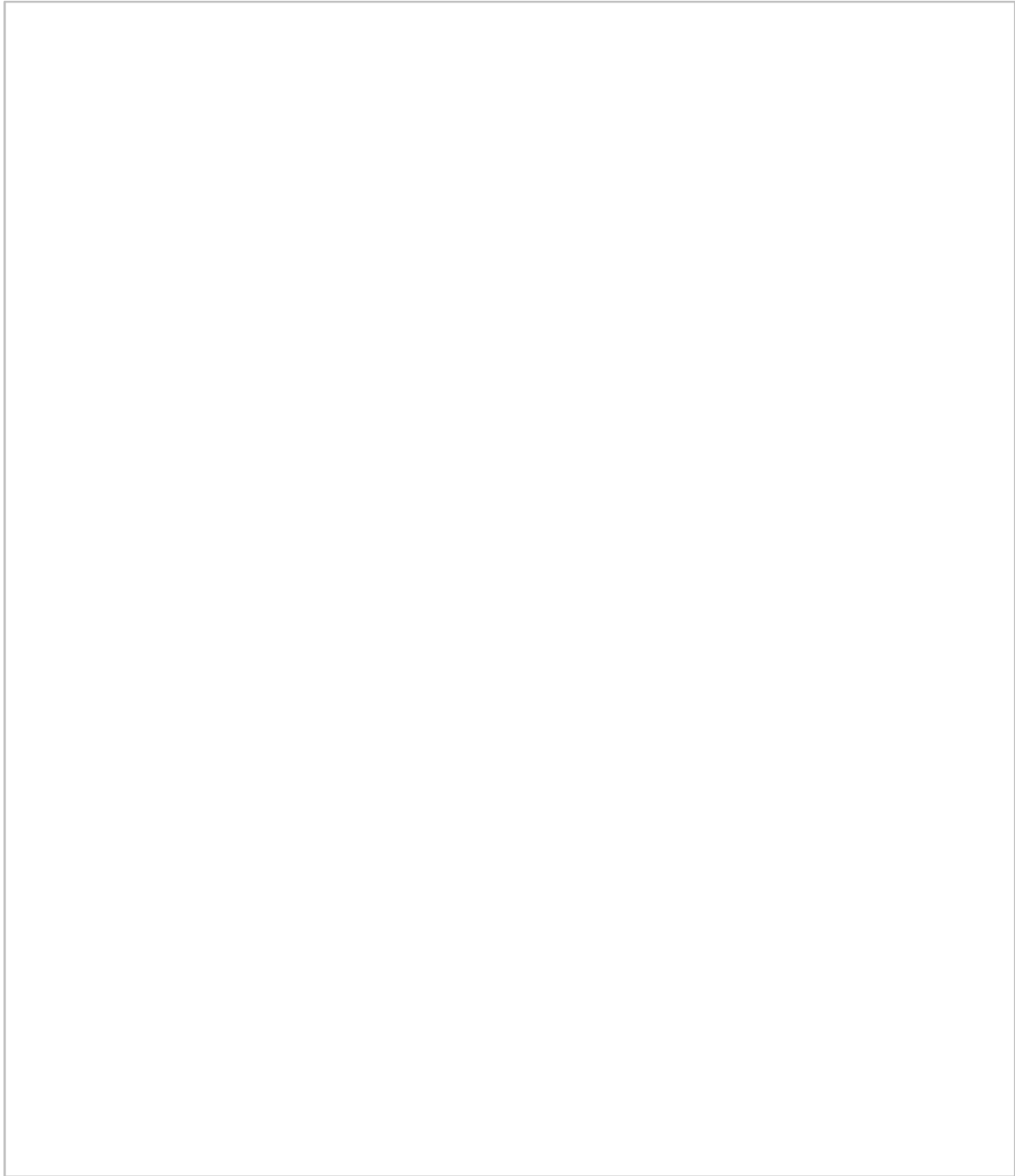
Refer to Schedule A

(Insert detailed scope of services description as applicable. If included / listed in Schedule A identify appropriate heading. Attach Additional Sheets as required)

--

5.3 Other Conditions / Scope of Work

*(Insert detailed scope of work description as applicable.
Attach Additional Sheets as required)*



This Agreement entered into as of the day and year first above written.

Client

by

Witness

LID

by

Witness

Schedule A: LID Services and Client Responsibilities

Note: All services in conjunction with the applicable permitted scope of work as defined in the Architects Act of Alberta

	Item	LID Services		Client Responsibility	Not Applicable
		Basic Service	Additional Service		
Consultants	Coordination of Consultants				
	Structural Engineering				
	Mechanical Engineering				
	Electrical Engineering				
	Cost Consultant				
	Architectural Consultant				
	Other Consultant				
	<i>Notes</i>				
Pre-Design Phase	Programming / Pre-Design				
	Investigate Existing Conditions				
	Construction Budget Estimate				
	Other				
	Other				
	Other				
	Other				
	<i>Notes</i>				

Schedule A cont'd

	<i>Item</i>	<i>LID Services</i>		<i>Client Responsibility</i>	<i>Not Applicable</i>
		<i>Basic Service</i>	<i>Additional Service</i>		
Schematic Design Phase	Coordination of Consultants				
	Investigate Existing Conditions				
	Schematic Design Documents				
	Construction Budget Estimate				
	Other				
	Other				
	Other				
	<i>Notes</i>				
Design Development Phase	Coordination of Consultants				
	Design Development Documents				
	Construction Budget Estimate				
	Other				
	Other				
	Other				
	<i>Notes</i>				

Schedule A cont'd

	<i>Item</i>	<i>LID Services</i>		<i>Client Responsibility</i>	<i>Not Applicable</i>
		<i>Basic Service</i>	<i>Additional Service</i>		
Construction Documents Phase	Coordination of Consultants				
	Construction Documents (Drawings and Specifications)				
	Construction Budget Estimate				
	Prepare Bidding Information and Contract Conditions				
	Other				
	Other				
	Other				
	<i>Notes</i>				
Bidding or Negotiation Phase	Bid Call				
	Bid Receipt and Review				
	Contract Negotiations				
	Prepare Contract				
	Review Contract				
	Other				
	<i>Notes</i>				

Schedule A cont'd

	<i>Item</i>	<i>LID Services</i>		<i>Client Responsibility</i>	<i>Not Applicable</i>
		<i>Basic Service</i>	<i>Additional Service</i>		
Construction - Contract Administration	Obtain Proof of Bonds and Insurance Policies				
	Review Construction Schedule				
	Supplemental Details and Instructions				
	Shop Drawing Review				
	Contract Document Interpretation				
	Issue Certificates of Payment				
	Prepare Change Orders				
	Verify Contractor Substantial Performance				
	Review Contractor Documentation at Project Completion				
	General Review / Field Review				
	Inspection & Testing Services				
	Prepare Letters of Assurance				
	Twelve Month Warranty Review				
	<i>Notes</i>				
Review / Obtain Approvals: Authorities Having Jurisdiction	Development Approval				
	Zoning / Bylaw Variance				
	Development Appeal				
	Building Permit				
	Building Code Schedules A, B, C				
	Other				
	<i>Notes</i>				

Schedule B

List of Additional Services

B1 PROVISION OF ADDITIONAL SERVICES

B1.1

The additional services described in this schedule are not included in the LID services unless so identified in Schedule A. The LID shall only provide these additional services if authorized by the Client.

B2 PROJECT REPRESENTATION

B2.1

Providing more exhaustive or continuous on site review or representation.

- .1 If more extensive representation at the site than is described in paragraph 1.7, General Review / Field Review is required, the LID shall provide one or more Project representatives to assist in carrying out such additional site review responsibilities.
- .2 Such representatives shall be engaged and directed by the LID, and the LID shall be compensated as agreed by the Client and LID.

B3 OTHER ADDITIONAL SERVICES

B3.1

Providing financial feasibility, project budget or other special costing studies.

B3.2

Providing evaluations, planning surveys, or comparative studies of prospective properties.

B3.3

Providing special services required for approval by Authorities Having Jurisdiction, including submission for zoning changes, variances from bylaws or other plan approvals necessary for proceeding with the project, except for those set out in Schedule A.

B3.4

Providing services outside of the normal scope of site verification to investigate existing conditions or facilities, such as preparing measured drawings or verifying the accuracy of drawings or other information furnished by the Client.

B3.5

Providing graphic design, signage, mock-ups, preparation of Requests for Proposals (RFP's) etc, and other similar services required for, or in connection with the selection, procurement or installation of furniture, furnishings and related equipment.

B3.6

Preparing models or renderings specifically commissioned by the Client.

B3.7

Preparing documents for alternative, separate or sequential bids or providing extra services in connection with bidding, negotiation, or construction prior to the completion of the construction documents phase.

B3.8

Coordinating construction work performed by separate contractors or by the Client own forces and coordinating the services required in connection with construction performed and equipment supplied by the Client.

B3.9

Providing services in connection with the Work of a construction manager, or separate Consultants retained by the Client.

B3.10

Providing services after one year following the date of Substantial Performance of the Work.

B3.11

Revising or providing additional drawings, specifications or other documents which are:

- .1 caused by instructions that are inconsistent with instructions or written approvals previously given by the Client, including revisions made necessary by adjustments in the Client program or Construction Budget;
- .2 caused by the enactment or revisions of statutes, regulations, codes or bylaws, subsequent to the preparation of such documents.

B4 EXCLUDED SERVICES

B4.1

Provision of and coordination of architectural services outside of the scope of permitted work as defined by the Province of Alberta Architects Act.

Schedule C

Professional Liability Insurance

(attach Certificate of Insurance)