

SUGGESTED FORMAT
(for use with 1910-1-FA, 1997 Edition)

This is **EXHIBIT C**, consisting of _____ pages, referred to in and part of the **Agreement between OWNER and ENGINEER for Professional Services -- Funding Agency Edition**, dated _____, _____.

Initial:
OWNER _____
ENGINEER _____

Payments to ENGINEER for Services and Reimbursable Expenses

Article 4 of the Agreement is supplemented as follows:

ARTICLE 4 -- PAYMENTS TO THE ENGINEER -- PERCENTAGE OF CONSTRUCTION COST METHOD

C.4.01 General

A. OWNER shall pay ENGINEER for all services described in Part 1 of Exhibit A performed or furnished by ENGINEER, with the exception of the Resident Project Representative as follows:

1. For services performed or furnished under paragraph A.1.01, the Lump Sum amount of _____ Dollars (\$ _____) after the Study and Report Phase Services are considered complete as defined in Exhibit A.
2. For services performed or furnished under paragraphs A.1.02 through A.1.06 (excluding the services of the Resident Project Representative), an amount equal to _____ percent of the Construction Cost determined in accordance with Attachment 1. Accordingly the estimated total compensation will be \$ _____.
3. The Percent of Construction Cost compensation for services performed or furnished under paragraphs A.1.02 through A.1.06 shall be payable as follows:
 - a. A sum which equals 50 percent of the total compensation payable under paragraph C.4.01.A.2, above, after the Final Design Phase documents are completed and submitted to OWNER and AGENCY.
 - b. A sum which, together with the compensation provided under paragraph C.4.01.A.3.a, above, equals 70 percent of the total compensation payable under paragraph C.4.01.A.2, after Final Design Phase services are considered complete as defined in Exhibit A.
 - c. A sum, which, together with the compensation provided in paragraphs C.4.01.A.3.a and b, above, equals 80 percent of the total compensation payable under paragraph C.4.01.A.2, immediately after contracts for Work are awarded.
 - d. A sum equal to 15 percent of the total compensation payable under paragraph C.4.01.A.2 will be paid for general engineering review of the Contractor's Work during the construction period on percentage ratios identical to those approved by the ENGINEER as a basis upon which to make partial payments to the CONTRACTOR(s). Payments will be made on a monthly basis. However, payment under this paragraph and of such additional sums as are due the ENGINEER by reason of any necessary adjustments in the payment computations will be in an amount so that the aggregate of the sums paid to the ENGINEER under paragraphs C.4.01.A.3.a through C.4.01.A.3.d will equal 95

percent of the total compensation payable under paragraph C.4.01.A.2 as appropriately adjusted to reflect the actual Construction Cost incurred by OWNER.

e. A final payment which, together with the compensation provided in paragraphs C.4.01.A.3.a through C.4.01.A.3.d above, equals 100 percent of the total compensation payable under paragraph C.4.01.A.2, shall be made when it is determined that all services required by this Agreement under paragraphs A.1.02 through A.1.05 have been completed. Such payment includes payment for Post Construction phase services. ENGINEER remains responsible to OWNER for the technical adequacy and completeness of such services.

4. Progress invoicing prior to award of the Construction Agreement shall be based on ENGINEER's most recent estimate of probable Construction Cost for the Project, with appropriate adjustment upon award of the Construction Agreement(s). The initial construction award amount shall set the percentage figure to be applied in making such adjustments, and shall remain constant thereafter regardless of the impact of Change Orders. Final invoicing shall be based on final Construction Cost, including all Change Orders.

B. *Period of Service.* The compensation amount stipulated in paragraph C.4.01.A.2 is conditioned on a period of service not exceeding _____ months. Should such period of service to complete the Work be extended beyond this period, the compensation amount for ENGINEER's services shall be appropriately adjusted.

C. *Payments Upon Termination.* In the event of termination at any time during the performance of the services for which the ENGINEER's compensation is the amount set forth in paragraph C.4.01.A.2, ENGINEER shall be paid through the Effective Date of Termination according to the portion of services rendered. Provisions of paragraph 6.06.A of the Agreement shall apply in determining payment.

D. *Construction Cost Limit.* If paragraph 5.02 of the Agreement is amended and supplemented by Exhibit F, ENGINEER shall so modify the Contract Documents thereunder without an increase in compensation for services referenced in paragraph C.4.01.

C.4.02 For Resident Project Representative Services

A. OWNER shall pay ENGINEER for Resident Project Representative services under paragraph A.1.05 (Construction Phase) as follows:

1. Services and Reimbursable Expenses completed in accordance with Attachment 1.
2. The total compensation for Resident Project Representative services is predicated on the Contract Times not exceeding _____ months and is estimated to be \$_____ which such compensation shall not be exceeded without written approval of OWNER and concurrence of AGENCY.
3. ENGINEER will submit itemized invoices pursuant to paragraph 4.02.A for services furnished and Reimbursable Expenses incurred during the billing period. The invoice will be due and payable by the OWNER to the ENGINEER on or before the 10th day of the following period.
4. Payment for Resident Project Representative Services shall be on a monthly basis prorated according to the percentage of construction completed.

C.4.03 For Additional Services

- A. Additional Services are those services described in Part 2 of Exhibit A.
- B. OWNER shall pay ENGINEER for Additional Services as follows:

1. For services of ENGINEER's employees engaged directly on the Project pursuant to Part 2 of Exhibit A, an amount equal to the cumulative hours devoted to the Project by each billing class of ENGINEER's employees times the hourly rates for each applicable billing class plus Reimbursable Expenses.

2. ENGINEER's Standard Hourly Rates Schedule and Reimbursable Expenses Schedule is attached to this Exhibit C as Attachment 1.

3. The estimated total compensation for services un
be exceeded without written approval of OWNER and the written concurrence of AGENCY.

C.4.04 Reimbursable Expenses

A. Compensation to ENGINEER under paragraph C.4.01 includes payment for the following categories of Reimbursable Expenses: transportation and subsistence incidental thereto; costs associated with obtaining bids or proposals from Contractor(s); toll telephone calls, facsimiles and courier services; reproduction of reports, Drawings, Specifications, Bidding Documents, and similar Project-related items.

B. Reimbursable Expenses reasonably and necessarily incurred in connection with services provided under paragraphs C.4.02 and C.4.03 include providing and maintaining field office facilities including furnishings and utilities, subsistence and transportation for Resident Project Representatives and their assistants, and will be paid at the rates set forth in Attachment 1.

C.4.05 ENGINEER's Consultants' Charges;

A. Compensation to ENGINEER for services provided under Exhibit C includes:

1. ENGINEER's Consultants' charges.
2. ENGINEER'S general and administrative overhead and profit associated with its responsibility for and the expenses of such services and direct costs.

C.4.06 Standard Hourly Rates

A. Standard Hourly Rates set forth in Attachment 1 include salaries and wages paid to personnel in each billing class, the cost of customary and statutory benefits, general and administrative overhead, and operating margin or profit.

C.4.07 Adjustments

A. All adjustments to ENGINEER's compensation shall be in accordance with generally accepted accounting practices as applied on a consistent basis by ENGINEER and consistent with ENGINEER's overall compensation practices and procedures.

B. The Standard Hourly Rates and Reimbursable Expenses Schedules used in determining compensation payable to ENGINEER will be adjusted annually (as of _____) to reflect equitable changes in the various components of said schedules.

C.4.08 Summary of Payments to ENGINEER

A. The compensation provisions of this Exhibit C are summarized as follows:

<u>Description of Service</u>	<u>Amount</u>	<u>Basis of Payment</u>
1. Study and Report Phase Complete	\$ _____	Lump Sum
2. Basic Services		
a. Final Design Phase Documents Completed and Submitted to OWNER and AGENCY	\$ _____ *	Percentage
b. Final Design Phase Complete	\$ _____ *	Percentage
c. Contracts Awarded	\$ _____ *	Percentage
d. Construction Phase Periodic Payments (Aggregate)	\$ _____ *	Percentage
e. Construction Phase Complete	\$ _____ *	Percentage
3. Resident Project Representative Services	\$ _____ **	Attachment 1
4. Additional Services	\$ _____ **	Hourly Expenses
TOTAL ESTIMATED CONTRACT AMOUNT	\$ _____ **	

* Compensation items so designated are estimates only, and ENGINEER's total compensation amount shall be based on final Construction Cost, including change orders.

** Compensation items so designated are estimates only, and ENGINEER shall be paid in full for all authorized Project-related services.