AGREEMENT
FOR
PROFESSIONAL CONSULTING SERVICES

MEMORANDUM OF AGREEMENT dated the day of in the year

BETWEEN

Hereinafter called the Prime Consultant
THE PARTY OF THE FIRST PART

AND

Hereinafter called the Sub-Consultant
THE PARTY OF THE SECOND PART

WHEREAS
hereinafter called the Client, intends to

(Description of Project)

NOW THEREFORE WITNESSETH that in consideration of the covenants contained herein, the Prime Consultant and the Sub-Consultant mutually agree as follows:
ARTICLE 1 - GENERAL CONDITIONS

1.1 Retainer
The prime consultant hereby retains the service of the sub-consultant in connection with the project and the sub-consultant hereby agrees to provide the services described herein under the general direction and control of the prime consultant and the client.

1.2 Agreement between the Prime Consultant and the Client
Attachment “A” is an agreement between the client and the prime consultant related to the provision of professional engineering services for the project. The sub-consultant covenants and agrees with the prime consultant to observe and perform all of the covenants and obligations of the prime consultant contained in attachment “A” insofar as the same relate to the provision of the services described herein and to indemnify and save harmless the prime consultant from any non-observance or non-performance of such covenants and obligations.

1.3 Indemnification
The sub-consultant shall indemnify and save harmless the prime consultant from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which the prime consultant, its employees, officers or agents, may suffer as a result of the negligence of the sub-consultant, its employees, officers or agents in the performance of this agreement.

1.4 Insurance
When requested, the sub-consultant shall supply to the prime consultant a summary of insurance coverage currently being maintained by the sub-consultant including, but not exclusive to, Professional Liability Insurance, Comprehensive General Liability and Automobile Insurance. Such summary shall include the name of the insurance company, type of insurance and amount of such coverage.

If the prime consultant or the client requests that the amount of coverage of the sub-consultant’s insurance be increased or special insurance be obtained for this project, the sub-consultant shall cooperate with the prime consultant to obtain such increased or special insurance coverage at the client’s expense.

It is understood and agreed that the coverage provided by the Comprehensive General Liability and Automobile policies named in the aforementioned summary or specially required will not be changed or amended in any way nor cancelled by the sub-consultant until 60 days after written notice of such change or cancellations has been delivered to the prime consultant and the client.
ARTICLE 2 - ENGINEERING SERVICES PROVIDED UNDER THIS AGREEMENT

2.1 General
The sub-consultant shall render services to the prime consultant and the client “in a timely manner” under this agreement with that degree of care, skill and diligence normally provided in the performance of services in respect of projects of a similar nature to that contemplated by this agreement at the time and place that such services are rendered.

2.2 The sub-consultant shall perform the following services in connection with the project.

ARTICLE 3 - FEES AND DISBURSEMENTS

3.1 Definitions
For the purpose of this agreement, the following definitions shall apply:

3.1.1 Payroll cost
Payroll cost is defined as hourly salary plus payroll burden.

a) the following formula shall be used to calculate the hourly salary for billing purposes. Hourly salary equals:

\[
\frac{\text{Annual Salary} - \text{Hours per week} \times 52 \times 0.85}{\text{Annual Salary}}
\]

b) Payroll burden equals fringe benefits expressed as a percentage of hourly salary that provides for health and medical insurance, group life and disability insurance, company and Canada pension employer contributions, Workers’ Compensation and Unemployment Insurance, but excludes bonuses or profit sharing. For the purpose of this agreement payroll burden is \(_______\)%.
3.1.2 Site
Site includes the actual work site and other locations where the checking of materials, equipment and work is carried out.

3.2 Basis of Payment

3.2.1 Fees Calculated on a Time Basis
The sub-consultant shall be paid a fee, calculated on a time basis, for that part of the services described in Article 2. Fees on a time basis shall be as follows:

(a) Principals and executives on normal assignments: $ ______ per hour. This rate will be reviewed annually and adjusted accordingly.

(b) Staff on normal assignments: payroll cost plus ______ %

(c) Principals, executives and staff rendering individual services on assignments for which they are eminently qualified and for which they require little or no assistance, including providing expert testimony and attendance at hearings or courts: 50% more than the rates specified above.

(d) Staff on special services: payroll cost plus 140%. This refers to services of technical staff which are of a short-term and intermittent nature; such services include materials inspection and testing, monitoring services and other specialized work.

(e) Services During Construction
   i) For all services, except for staff full-time continuously on site:
      Principals and executives on normal assignments: $ ______ per hour. This rate will be reviewed annually and adjusted accordingly.
      Other staff, payroll cost plus ______ %

   ii) For site staff working full time continuously: payroll cost plus 100%, reducing to payroll cost plus 80% for periods in excess of 6 months.

   iii) When the sub-consultant is retained to provide services during construction on work the sub-consultant has not designed, payroll cost plus 100%.

All time expended on the assignment, whether in the sub-consultant’s office, at the prime consultant’s premises, or elsewhere, and including travel time, shall be chargeable. This also includes, but is not limited to, stenographic and clerical staff engaged in the preparation of documents such as reports and specifications.

3.2.2 Computer Services
Computer services, except where a computer is used for the sub-consultant’s normal office administration, shall be considered a reimbursable expense.

3.2.3 Reimbursable Expenses
In addition to the fee, the sub-consultant shall be reimbursed at cost for all reasonable expenses properly incurred in connection with the project, including but not limited to: vehicle use charges, traveling and living expenses, long distance telephone charges, teletype and telegraph charges, printing and reproductions, progress photography, special delivery and express charges, overtime premium costs, supplies and equipment, chemical and physical tests.
3.3 Payment

3.3.1 Fees Calculated on a Time Basis
The sub-consultant shall submit an invoice every month for services provided for reimbursable expenses incurred by the sub-consultant during the previous month. Such invoices shall be accompanied by such supporting invoices as may reasonably be required.

3.3.2 Payment of Fees
Payment of fees will be made directly to the sub-consultant by the prime consultant on receipt of payment from the client.

IN WITNESS THEREOF the parties hereto have caused to be executed those present by their officers properly authorized in that behalf on the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the presence of:  

PRIME CONSULTANT  

SUB-CONSULTANT