

Notes on Engineering Fees
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Please see *Qualification Based Selection, MTAS Guide for Procuring Professional Engineering Services in Tennessee*, by Sharon Rollins. Pages 9-10 discuss the types of fees generally applied. They are (1) salary cost times a multiplier plus direct non-salary expense, (2) per diem, (3) cost plus fixed fee, (4) lump sum and (5) percentage of construction cost. The complete publication is available at:

www.mtas.utk.edu

For projects funded by the TN Department of Economic and Community Development, information on engineering fees is available from ECD's web site at:

http://tennessee.gov/ecd/CDBG_handbook.html

The State Building Commission also offers information on design fees at the following web site:

<http://www.state.tn.us/finance/rpa/archit.shtml>

You specifically requested information on engineering fees as a percentage of construction costs for transportation projects. Although the percentage of construction costs method has been widely used, it is not recommended because studies show that no clear relationship exists between engineering costs and construction costs.

The American Society of Civil Engineers previously published curves for engineering costs as a percentage of construction costs. But, they no longer publish those curves because an antitrust settlement between the U.S. Justice Department and professional societies determined that the fee curves would no longer be published. (see attached).

The Tennessee Society of Professional Engineers also published a curve relating engineering costs to construction costs at one time. But, they have discontinued as well (see attached).

In summary, I suggest that you consider basing engineering fees on a method other than percentage of construction costs. If MTAS may provide assistance, please call.