

Architectural, Engineering, Surveying and Mapping Services Price Report

Reporting Guide and Definitions

This Guide has been designed to assist you in completing the *Architectural, Engineering, Surveying and Mapping Services Price Report*. If you require assistance or need additional information, please contact us by telephone at 1-888-951-4550 or e-mail sppi.engineering@statcan.gc.ca. Visit our website at www.statcan.gc.ca



Statistics
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Purpose

The purpose of this survey is to measure changes in price of Architectural, Engineering, Surveying and Mapping Services over time. This means that your firm will be required to provide specifications of a selected contract and based on those specifications, each fiscal quarter you will be asked to re-price the entire contract by updating the applicable rates in each corresponding section of the questionnaire.

Who should respond to the survey?

If you are unable to provide the requested information, please forward the questionnaire to a contract estimation expert in your firm capable of providing fee estimates to clients. This person is either an architect, engineer, project manager or a surveying and mapping professional.

Consistent use of the terms of reference

It is of critical importance that all terms of reference be held constant when reporting for this survey. For example, you will be given the choice to report direct labour as the *direct salary expense rate*, as the *direct personnel rate*, or the *charge-out rate*. [Please refer to the back page of this guide, **Definitions**.] Regardless of your preference, always report using consistent terms and definitions in all current and subsequent quarterly re-pricing.

Section A provides instructions on selecting a contract, particularly that it must be **representative, relevant, and simple to re-estimate**.

If you only have large complex projects under a single contract, select a discrete portion of this larger contract, such as from a milestone to the next milestone, or a single monthly invoice period.

In general, the selected contract specifications will serve as the model on which future quarterly re-pricing will be based. The ‘model’ is the basis of the Model Contract Pricing Method used in this survey and also used by many other national statistical institutions. This model is intended to capture realistic details of the price components (cost of direct labour utilised, overhead, profit and other applicable direct costs) of a typical project. While adjustments can be made from time to time, the model is intended to remain static in order to measure changes arising from the price components only.

Section B states the industry for which you will be reporting and if your firm is in the engineering industry, it includes the field of specialization. If the industry or business activity identified is not applicable, please over-write the description listed as the Business activity or call 1-888-951-4550. Please keep the terms as general as possible when providing a **contract identifier** and the **project description**. Do not use a client name or identify any specific employee throughout this questionnaire.

Section C is divided into 4 subsections. Each subsection provides a data-grid: the left column describes data referred to in the title of each subsection, for example, in Figure 1, the left column captures each level of in-house direct labour engaged in the project specified in the selected contract.

To the right of the left column is a **Table A** and a **Table B**. All the components of the total fee in the original contract should be captured in Tables A.

| | | | | | | |
|----------------------|-------------------|------|-------|-----------------|------|-------|
| | <i>Table 1A</i> | | | <i>Table 1B</i> | | |
| | Selected Contract | | | <Date> | | |
| Direct Labour Levels | Hours | Rate | Total | Hours | Rate | Total |
| | | | | | | |
| | | | | | | |
| Total: Direct Labour | \$ | | | \$ | | |

Figure 1: Illustration of the data-grid in Subsection C1.

| | <i>Table 2A</i> | <i>Table 2B</i> |
|------------------------|--------------------------|---------------------|
| | Selected Contract | <Date> |
| Total: Overhead | \$ | \$ |
| Total: Profit | \$ | \$ |

Figure 2: Illustration of the data-grid in Subsection C2.

| | <i>Table 3A</i> | <i>Table 3B</i> |
|-------------------------------------|--------------------------|---------------------|
| | Selected Contract | <Date> |
| Total: Reimbursable expenses | \$ | \$ |

Figure 3: Illustration of the data-grid in Subsection C3.

| | <i>Table 4A</i> | <i>Table 4B</i> |
|--|--------------------------|---------------------|
| | Selected Contract | <Date> |
| Total Fee: Direct Labour (C1) + Overhead and Profit (C2) + Reimbursable Expenses (C3) | \$ | \$ |

Figure 4: Illustration of the data-grid in Subsection C4.

Immediately after providing the total fee of the original contract, you are requested to re-price the contract by changing any costs to the client that may have changed since the terms of the contract were originally fulfilled, such as the applicable labour rates (C1), overhead charges and/or profit (C2) or reimbursable expenses (C3). This re-pricing information should be entered in each **Table B**.

C4 – Total Fees is used to sum all the components of the price listed in the entire **Section C** (subsections C1-C3).

Section D – Reason for Price Change is provided for you to indicate relevant reasons for a change in price.

Section E – Comments is provided to capture your comments regarding the survey or to further elaborate on any current conditions that affect your prices.

Section F – Certification is provided to capture and/or confirm all relevant contact information and the amount of time it took to complete the questionnaire.

Pre-filled Questionnaire: If you check off “YES, send a pre-filled questionnaire”, then all **Tables A** will be pre-filled with the total fee data (rates and amounts) reported in previous questionnaire for your reference. Each **Table B** will always be blank in order for you to re-price the listed items in each current quarter.

Frequently Asked Questions

I have many contracts, which one should I select?

Choose a contract that is representative, relevant and simple to re-estimate. Ideally, this would be a contract with several levels of direct labour and minimal external costs such as reimbursable expenses and which is not seasonally dependent.

Why is Statistics Canada requiring a quarterly survey of my firm?

Our industry sources have indicated that most firms will review and possibly revise their labour rates at least once if not twice per year, but not all at the same time of year. As well, economy-wide shocks often occur without warning and depending on their severity, can disrupt on-going activities. A quarterly survey is believed to best capture expected and unexpected price changes in a timely manner.

Why does Statistics Canada track price information on a unique completed project which may not be undertaken again (Why model pricing)?

Statistics Canada recognizes that most projects undertaken in the Architectural, Engineering, Surveying and Mapping Industry are unique. In order to track price movements of these unique projects, representative or model contracts selected by survey participants, are used to represent all projects transacted in the industry over time. Specifications (scope of services) of these model contracts are held constant and only changes in the price components are followed over time. Price components include cost of labour, overhead, profit and other applicable direct cost which may change depending on factors such as competition, labour market dynamics, increases in productivity etc.,.

What if there was no change to any or all price components in a particular quarter?

If there would be no change in a particular price component, please print “No Change” or “N.C.” in the applicable Table B.

How does Statistics Canada handle confidential information?

All information provided to Statistics Canada is confidential by law. Absolutely no company or personal identifiers are published and the results are aggregated and published in an abstract form as a *price index*¹.

| Price Index | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------|-------|-------|-------|-------|-------|
| Total Price | 123.1 | 129.1 | 132.2 | 134.4 | 139.9 |

Figure 1: Example of a published price index.

What if all of our projects are too complex or wide in scope for your survey?

If you only have large complex contracts from which to select, please identify a discrete portion. That portion could be either a monthly invoice period or from one contract milestone to the next.

Are fees for sub-contractors / sub-consultants included?

No, please exclude all fees for sub-contractors and sub-consultants.

What if there is a change in the personnel mix?

¹ **Source:** Statistics Canada. Table 327-0007 - Consulting Engineering Services Price Index, (annual index, 1997=100), CANSIM on-line database.

Changes in the labour market, in regulation or in technology may require a change to the personnel mix listed in subsection C1 – Direct Labour. A change in the personnel mix can be reflected by changing the units of labour required, even down to zero. As well, lines of labour may be added to subsection C1.

| Direct Labour Levels | Table 1A | | | Table 1B | | |
|--------------------------|-------------------|-------|-------|----------|-------|---------|
| | Selected Contract | | | <Date> | | |
| | Hours | Rate | Total | Hours | Rate | Total |
| Generic Employee Level X | 8 | \$100 | \$800 | 0 | \$100 | \$0 |
| Generic Employee Level Y | 8 | \$120 | \$960 | 12 | \$120 | \$1,440 |

Figure 2: An example of a change in personnel mix eliminating position level X and shifting the work to position level Y.

| Definitions: Architectural, Engineering, Surveying and Mapping Services Price Report | |
|---|--|
| Quarterly | This questionnaire will be mailed out to respondents every three months of the calendar year. |
| Contract | A legally enforceable document recording the agreement of a client and one or more other parties to provide specified goods or services usually during a particular period of time in exchange for specified remuneration (fee). |
| Project | In the context of this survey, 'project' refers to all services and/or goods (or a discrete portion thereof) that the provider agrees to deliver to the client, as specified in a legally binding contract. |
| Client sector (Public or Private) | 'Public sector clients' include: federal, provincial, municipal governments, Crown corporation and government agencies. 'Private sector clients' include individuals, other businesses and non-governmental organizations. |
| Direct labour | Total labour cost of all professional, technical and administrative staff of the service provider engaged on a specific project. The hourly billing rate for each level of direct labour classification can be quoted as the direct salary or wage rate, the direct personnel rate or the charge-out rate. |
| Direct salary expense rate | An hourly billing rate that is based on the gross salary or wage of the service provider's direct labour <i>excluding</i> the cost of customary contributions and employee benefits such as such as training, certification fees and holiday pay. |
| Direct personnel expense rate | An hourly billing rate that is based on the salary or wage of the service provider's direct labour <i>including</i> the cost of the cost of customary contributions and employee benefits such as such as training, certification fees, holiday pay, etc. |
| Charge-out rate | The price charged per unit in pricing based on working time utilized on a project. Normally this is an hourly rate charged to a client for services. Charge-out rates include overhead and profit in addition to the basic labour costs. |
| Overhead | Costs relating to the general operation and maintenance of a professional practice that are not billable directly to the project. Total direct labour fees for a project usually cover for these expenses either through a multiplier of direct salary expense or of direct personnel expense. |
| Profit | The remaining balance, after direct labour, overhead, reimbursable expenses are deducted from the fee. The level of profit on a specific project should reflect the service provider's exposure to risk on the project. |
| Reimbursable expenses | Non labour expenses directly incurred in relation to the performance of the contract and which may be subject to a mark-up to cover office and administrative costs of the service provider. |
| Total fee | In the context of this survey, the 'total fee' is defined as the sum of direct labour, overhead, profit and reimbursable expenses. All fees paid to any and all contractors or sub-consultants engaged by the service provider on a specific service in relation to the project should not be included in the total fee. |