

When Developing a Standard Form of Agreement for Design and Consultation Services

The dealership first identifies the phases a normal kitchen and bath project goes through when developing the contractual document.

The Design Process

- Phase 1: A jobsite visit for plan review takes place. Design solution and/or budget parameters may be selected/determined at this meeting. Alternatively, simple schematic drawings are developed to described proposed solutions, and a general cost estimate is created. The concept drawings and budget are presented at a meeting for review and discussion.
- Phase 2: Revisions/changes from Phase 1 are incorporated into the drawings. The floor plan is developed into a detailed set of working drawings, including elevation/interpretive drawings. Specific products are identified or allowance ranges are established. Second meeting is conducted to discuss the revised drawings and the overall project budget.
- Phase 3: If required, a third meeting is conducted where final project drawings and the contractual documents with product specifications are presented to the client for signature. The contract may include all equipment and materials clearly specified, or may include specific dollar amount allowances.
- Phase 4: Specific decorative surfaces or equipment is selected for the project after the contract is signed. The actual costs of these products are compared to the contract allowances, and a revised contract or change order is prepared.

1. DEVELOP THE AGREEMENT FORMAT.

For example,

“We agree to retain _____ to render professional design service for the
Describe the Project_____.”

2. IDENTIFY KEY DECISIONS TO BE MADE

• **Section No. 1: Establish the type of fee.**

1. Measure Fee: Normally a flat fee charged to visit the house.
2. Retainer Fee: Normally a percentage of the budget, a flat fee, or a combination of the two.
3. Hourly Fee: Establish the hourly fee, often charged by the designer when asked to assist in the surface selections.

• **Section No. 2: Describe the project.** For example: “We agree to retain [Name of Firm] to render professional design service for the following Describe the Project_____.”

• **Section No. 3: Describe in detail what is included in the planning process.**

1. Jobsite Visit: For example: “[Name of Firm or Designer] will visit the jobsite to obtain field measurements, study traffic patterns, survey structural considerations and consult with you regarding the project. In the case of a new residence, this information will be obtained from your house plan under the assumption the dimensions listed will be followed by the builder.”
2. Interview: For example: “An interview will be conducted regarding the scope and goals of the project which assists us in personalizing the planning process for your family.”
3. Preliminary Plans: For example, “A preliminary floor plan will be prepared to outline the design solution possibilities: presenting conceptual ideas which form the basis for our discussion and plan revision.” During this stage, the budget analysis will be completed.
4. Final Plans: For example, “Client to receive two sets of final plans which will include one floor plan and elevations/interpretative drawings prepared with adherence to the guidelines prescribed by the National Kitchen & Bath Association will be presented. Additional copies are available at [Cost]. [Name of Firm] will also provide a firm proposal for all products and surfaces specified on the final plans.”

- **Section No. 4: Clarify exactly what is not included in the plans.**

1. Electrical Plans: Do you prepare them? If not, do you make suggestions?
2. Color Coordination and Surface Selections: Do you offer service where you take your client to different showrooms or wholesalers to actually select appliances, fixtures, fittings or other surfaces? Or, do you refer them to individuals at such partnering firms and the client is expected to visit on their own? One successful firm includes in their Retainer Contract a statement which says, "After an order has been placed, these services will be provided to you at no additional charge."

- **Section No. 5: Outline what happens if changes are made in the plans.**

1. Changes in Plans: For example, "[Name of Firm] will provide [Number] design alternatives under this Agreement. Beginning with the date of the project initiation, all drawings produced under this Agreement will be signed by the Client (or their representative) when presented and approved in final form. All changes made after plan approval will be identified on the plan. Any change requested after the final plan and/or specifications have been approved will be billed at [Describe Additional Fee]."
2. Final Plans: You may want to clarify if the floor plans are computer-generated and elevations are hand-drawn.

- **Section 6: State design copyright ownership.** Identify if the plans are available for bidding purposes, and if you have any architectural or design liabilities. As stated on the coversheet, consult your attorney and your state regarding design licensing laws.

1. Design Ownership: For example,
 - A. "All drawings and documents produced under this Agreement are the property of [Name of Firm] and cannot be used for any reason other than for [Name of Firm] to bid and construct the above named project."
 - B. "The plans remain the property of [Name of Firm]. The plans may be purchased for competitive bidding purposes for an additional fee of [Amount]."
2. Design Liability: Each state has different laws regarding design liability. Consult your attorney to clarify what you can call your plans and how your planning process relates to the legal licensing laws governing how design professionals serve their clients.

- **Section No. 7: Clarify if the fee is applied to a sold project.** For example, "Should this agreement result in the purchase of product from [Name of Firm] in the minimum of amount of \$[Amount] (including/excluding appliances), the Design Fee will be credited, in whole or in part, relative to the percentage of the planned project purchased. The purchase must be made within six months from the date of this Agreement."

