



The South African Council for the Project and Construction Management Professions

**REPORT ON PROFESSIONAL FEE REVIEW
FOR THE
CONSTRUCTION PROJECT MANAGER**

AUGUST 2011

1.0 INTRODUCTION AND BACKGORUND

The report gives the brief account of the basis and reasoning of the SACPCMP Professional Fee Committee in the review of Professional Fee for the Construction Project Manager as required by the CBE in terms of the Built Environment Councils Acts. The fee review had to be in line with the *Framework for Professional Fee Review* issued by the CBE.

2.0 BASIS OF THE FEE REVIEW

In the review process the committee noted that since the development of the current '*Recommended Guideline Fees*' for the Construction Project Manager (CPM) which developed in 2001, there have been various new industry practices geared at improving the construction project delivery process and these have changed the nature and extent of involvement of the CPM on projects resulting the CPM having to review the way they deliver their services. These factors have amounted to the CPM having to employ more resources on project to address these issues and to achieve the increasing expectation of clients and requirements of the projects.

The following five major factors were identified as having major impact on the services of the CMP;

1. The growing complexity and size of Projects

It has become necessary for Project Managers to employ more resources to handle the larger projects as a combination of a number of **sub projects** resulting in increased resource requirements on the projects.

2. More Professional Disciplines

More professional are now required (OH&S Consultants, Environmental, Green-sustainable consultants etc.) in the project delivery process resulting in more parties to co-ordinate and manage on the projects.

3. Lack of Skills

The general lack of skills in the industry in the professional field results in clients looking to Project Managers to fill the gaps and this leads to more co-ordination and administration for the project manager.

4. Quality Management

The project manager is becoming more and more involved in quality management issues on projects due to relative competence of the professionals, contractors and sub-contractors which is an added dimension to their work

5. Community Issues

Due to the sensitivity of the community and the growing need to achieve community satisfaction as one of the cardinal project objectives, the project manager is becoming more involved in community liaison co-ordination and other matters which were not previously part of their duties. The relative knowledge base of developers in this area results in more work and responsibility for the project manager

All previous fee reviews have only focussed on review of the value brackets of the fee scales. In view of the above it was become necessary to relook at the percentages applicable to the value brackets.

3.0 **THE FEE REVIEW PROCESS**

It was the committee's view that all the above factors have significantly impacted on the nature for the services offered by the CPM and was of the opinion that a survey be carried out to measure determine the degree of impact on the CPM services throughout the project stages. The survey was then conducted amongst practicing CPM firms. A statistical analysis of the results of the survey was used to determine the impact on the services.

4.0 **FINAL REVISED FEE FOR CPM**

The final revised Recommended Guideline Fee for the CPM was then derived from the above processes.