

PREFACE

The controversies concerning remunerations and fees structures for engineering consultancy services in Nigeria have been a major concern over the years. Series of discussions were held by professionals in the Built Industry to develop a draft harmonised scale of fees. This draft document was submitted by the Association for Consulting Engineering in Nigeria (**ACEN**) and the Nigerian Society of Engineers (**NSE**) to the Council for the Regulation of Engineering in Nigeria (**COREN**) for approval and adoption.

At its **141st Ordinary Council Meeting of the 20th day of March, 2014**, Council considered and approved the use with immediate effect of this document, to be cited as; Engineering Consultancy and Project Management Services, Agreement, Charges and Condition of Engagement (**ECOPACCE**). This document shall become a guiding and an abiding document on all Professional Engineering Consultants and Projects Management Service providers in the Public and Private sectors.

ECOPACCE allows for the application of time charges for all stages of Engineering Consultancy and the Charges represent the approved ranges of Engineering Consultancy and Project Management Services. The appointment and selection of Engineering Personnel will therefore be based on the Scale of Fees.

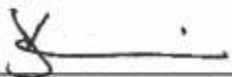
ECOPACCE is a dynamic document that could be reviewed when necessary. The revision is a function of changes in micro and macro-economic indices including changes in fiscal policies and the need to make the document more friendly in application.

The construction industry is a dynamic and versatile sector of any economy and in line with the necessity to make the ECOPACCE adaptable to all circumstance of its application the Council for the Regulation of Engineering in Nigeria, COREN, at its **147th Ordinary Council Meeting of 17th September, 2015** approved **and inaugurated the 2015 Edition of ECOPACCE**.

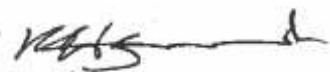
The 2015, Revised Edition of ECOPACCE now includes the **Hourly, Daily, Weekly and Monthly Rates** of the Engineering Consultancy Scale of Fees. This edition goes further to define Engineering Practice, Consulting Engineering among other concepts. The concepts have been put in their proper perspectives for application. With these additions, ECOPACCE has given room for varied applications in line with the required terms of all consultancy services.

This document is hereby issued by COREN to all its Registered Engineering Firms, Project Management Service providers and other Engineering Personnel, for use in discharging their duties to the general Public.

All engineering consultants and their respective stake-holders are enjoined to adopt the provisions of this document purely in an advisory capacity, in recognition and harmonisation with the Public Procurement Act



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1.0 SELECTION METHOD FOR CONSULTING APPOINTMENTS IN ENGINEERING

1.1 ENGINEERING PRACTICE

In accordance with COREN Act, Cap E11, 2004, **Engineering Practice** includes: any professional service or creative work requiring the application of special knowledge of Mathematics, Physics and Engineering in the form of, Consultation, Invention, Discovery, Valuation, Research and Teaching, Planning, Operation, Maintenance, Supervision of Construction, Advising, Installation, Operating, Investigation, Evaluating, Measuring, Designing, Specifying, Procurement, Laying and Directing, Constructing, Commissioning, Testing (**public or private utilities**) Structures, Building, Machines, Equipment, Processes, Works of Project.

1.2 CONSULTING ENGINEERING

Engineering is an applied science whose knowledge assists to transform scientific principles into goods and products, infrastructure and services which add value to people's lives. A consulting engineer is therefore a professionally qualified engineer in practice, maintaining an engineering office, either alone or in association with other engineers and employing staff to provide consultancy services. A consulting engineering firm may be organized as a sole proprietorship, a partnership or a limited liability company, depending on the size and type of its operation and the conditions set up by the national association.

Consulting engineers are key motivators for rapid development and work independently to carry out feasibility studies and conceptualization of projects; preparation of contract documentation; all stages of engineering designs; technical and materials specification; project planning and delivery' bid services and management of tenders; project inspection, supervision, valuation, variation management; post project management; cost and varying of projects; preparation of payment certificates; testing and commissioning of projects, in line with global best practice.

These activities fall into the three or four general categories of planning studies, feasibility studies, design studies and completion/post-completion services.

Consulting Engineers must acquire the knowledge of scientific and technical skills in the traditional and emerging fields of Engineering Consultancy. They must also be abreast of social issues, financial and managerial matters. Furthermore, they must have good working knowledge of the various compensation schemes.

1.3 FIRM'S ACTIVITIES

FIDIC, circa 2012, affirms that consulting engineering firms must be able to offer multi-disciplinary and independent advice on the feasibility, funding and management of projects; in

a socially, environmentally and economically responsive manner to meet the obligations of sustainable development. These multidisciplinary firms use a full range of services encompassing technical, scientific, economic, legal and accounting skills drawing the combined talents of designers, technical analysts, specification writers, draughtsmen, surveyors, scientists, architects and other skilled professionals as required.

1.4 RECENT DEVELOPMENT IN CONSULTING ENGINEERING

Engineering Procurement and Construction (**EPC**), continues to evolve as the preferred form of rendering complete engineering services for projects; wherein the **“Engineering”**, taken to be **detailed design and engineering** Services is basically a consulting engineering function. This element follows the preliminary design; and taken together with the procurement function, accounts for up to 80 percent of the Project Cost; as against 20 percent for the actual Construction.

Considerably more so, projects in Oil and Gas, Power Systems and many process industries are implemented in EPC formats. Generally also, the client usually retains a Managing Consultant/Management Consultant/Project Management Consultant to do basic Engineering, Monitor and Supervise the work of the EPC contractor and act as the client's **ENGINEER**.

There used to be the principle of mutual exclusiveness between acting as the Consulting engineer, and acting as the EPC contractor by the same firm, on the same project. This also follows the Engineer's Canon of Ethics that an engineer cannot be the consultant, as well as a contractor on the same project. This canon is now changing though, and what is required is, adherence to the **“Principle of Prior Disclosure”**.

1.5 RESTRICTION TO MEMBERSHIP

There is a growing trend of large corporate bodies with essential foreign origin, seeking to be registered as consulting engineers in Nigeria. There are risks and some of these with deleterious influences have been noticed and are being moderated. In addition to the normal requirements for registration, it is advised that such intending members must have to show major presence and domicile of consultancy operations in Nigeria, must have a good array of local professional personnel on their role and must have demonstrable partnerships with one or more local firms who are registered or are registrable in their own rights in Nigeria. Such later requirements are necessary to ensure the availability of:

- (i) Adequate **“local content”**
- (ii) Familiarity with local practice conditions, e.g. specifications, codes etc.
- (iii) Local practice experience.

All these factors will impact negatively on the development of the project, and may lead to higher implementation costs. Considering that the total cost of consulting fees for a project is typically only a small percentage of the total implementation costs – construction work comprising the majority of costs – and noting that an experienced professional consultant can

often save much construction work by elegant design solutions, avoidance of mistakes and other wasted time and costs, it is clear that a small increase in the costs of consulting services can lead to large savings in the overall construction costs.

The client chooses the consultant on the basis of

- professional competence,
- managerial ability,
- availability of resources
- professional independence,
- professional integrity, and
- quality assurance systems.

After the choice is made, the client negotiates the fee structure with the consultant before entering into a consulting services agreement.

The four schedules of Hourly, Daily, Weekly and Monthly rates are hereby brought into effect for compliance by all Registered Engineers and Engineering firms.

2.1 ENGINEERING CONSULTANCY SCALE OF HOURLY FEES

S/N	GRADE RANK/DESIGNATION	YEARS OF EXPERIENCE		HOURLY RATES IN NAIRA (2015)	
		LOWER	UPPER	LOWER	UPPER
Professional Engineering Staff					
1.	Chief Engineering Consultant	25	Above	110,000.00	Above
2.	Principal Engineering Consultant	20	25	88,000.00	150,000.00
3.	Senior Engineering Consultant	15	20	72,000.00	140,000.00
4.	Engineering Consultant	10	15	48,057.00	135,000.00
5.	Registered Engineer	5	10	35,000.00	125,000.00
6.	Pupil Engineer	2	5	25,000.00	105,000.00
7.	Graduate	0	2	20,000.00	80,000.00
Technical Support Staff					
8.	Chief Engineering Technologist	15	20	60,000.00	125,000.00
9.	Principal Engineering Technologist	10	15	40,000.00	100,000.00
10.	Senior Engineering Technologist	5	10	30,000.00	80,000.00
11.	Engineering Technologist	2	5	15,000.00	40,000.00
CAD Tech/Engrg. Technician					
12.	Chief CAD Tech	15	20	30,000.00	40,000.00
13.	Senior CAD Tech	10	15	20,000.00	30,000.00
14.	CAD Tech/Engrg. Technician	5	10	10,000.00	20,000.00
15.	Chief Engineering Craftsman	15	20	20,000.00	35,000.00
16.	Senior Engineering Craftsman	10	15	15,000.00	20,000.00
17.	Engineering Craftsman	5	10	10,000.00	15,000.00
Admin Support Staff/Secretarial					
18.	Senior Admin Support	15	20	20,000.00	40,000.00
19.	Admin Support	10	15	10,000.00	25,000.00
20.	Assistant Admin Support	5	10	5,000.00	15,000.00
Drivers					
21.	Senior Driver	10	15	3,500.00	5,500.00
22.	Driver	5	10	2,000.00	4,000.00

2.2 ENGINEERING CONSULTANCY SCALE OF DAILY FEES

S/N	GRADE RANK/DESIGNATION	YEARS OF EXPERIENCE		DAILY RATES IN NAIRA (2015)	
		LOWER	UPPER	LOWER	UPPER
Professional Engineering Staff					
1.	Chief Engineering Consultant	25	Above	308,333.00	Above
2.	Principal Engineering Consultant	20	25	262,083.00	366,900.00
3.	Senior Engineering Consultant	15	20	215,833.00	302,166.00
4.	Engineering Consultant	10	15	154,167.00	215,834.00
5.	Registered Engineer	5	10	115,625.00	161,875.00
6.	Pupil Engineer	2	5	69,375.00	97,125.00
7.	Graduate	0	2	38,542.00	53,959.00
Technical Support Staff					
8.	Chief Engineering Technologist	15	20	154,167.00	215,834.00
9.	Principal Engineering Technologist	10	15	69,375.00	97,125.00
10.	Senior Engineering Technologist	5	10	52,031.00	72,843.00
11.	Engineering Technologist	2	5	26,015.00	36,421.00
CAD Tech/Engrg. Technician					
12.	Chief CAD Tech	15	20	52,301.00	73,221.00
13.	Senior CAD Tech	10	15	38,542.00	53,959.00
14.	CAD Tech/Engrg. Technician	5	10	19,271.00	26,979.00
15.	Chief Engineering Craftsman	15	20	38,542.00	53,959.00
16.	Senior Engineering Craftsman	10	15	29,648.00	41,507.00
17.	Engineering Craftsman	5	10	19,271.00	26,979.00
Admin Support Staff/Secretarial					
18.	Senior Admin Support	15	20	38,542.00	53,959.00
19.	Admin Support	10	15	19,271.00	26,979.00
20.	Assistant Admin Support	5	10	9,636.00	13,490.00
Drivers					
21.	Senior Driver	10	15	17,745.00	24,843.00
22.	Driver	5	10	9,854.00	13,796.00

2.3 ENGINEERING CONSULTANCY SCALE OF WEEKLY FEES

S/N	GRADE RANK/DESIGNATION	YEARS OF EXPERIENCE		WEEKLY RATES IN NAIRA (2015)	
		LOWER	UPPER	LOWER	UPPER
Professional Engineering Staff					
1.	Chief Engineering Consultant	25	Above	1,387,499.00	Above
2.	Principal Engineering Consultant	20	25	1,179,374.00	1,651,050.00
3.	Senior Engineering Consultant	15	20	971,249.00	1,359,747.00
4.	Engineering Consultant	10	15	693,752.00	971,253.00
5.	Registered Engineer	5	10	520,313.00	728,438.00
6.	Pupil Engineer	2	5	312,188.00	437,063.00
7.	Graduate	0	2	173,439.00	242,815.00
Technical Support Staff					
8.	Chief Engineering Technologist	15	20	693,752.00	971,253.00
9.	Principal Engineering Technologist	10	15	312,188.00	437,063.00
10.	Senior Engineering Technologist	5	10	234,140.00	364,215.00
11.	Engineering Technologist	2	5	117,068.00	163,895.00
CAD Tech/Engrg. Technician					
12.	Chief CAD Tech	15	20	235,355.00	329,495.00
13.	Senior CAD Tech	10	15	173,439.00	242,816.00
14.	CAD Tech/Engrg. Technician	5	10	86,720.00	121,406.00
15.	Chief Engineering Craftsman	15	20	173,439.00	242,816.00
16.	Senior Engineering Craftsman	10	15	143,410.00	186,782.00
17.	Engineering Craftsman	5	10	86,720.00	121,406.00
Admin Support Staff/Secretarial					
18.	Senior Admin Support	15	20	173,490.00	242,815.00
19.	Admin Support	10	15	86,720.00	121,406.00
20.	Assistant Admin Support	5	10	43,362.00	60,705.00
Drivers					
21.	Senior Driver	10	15	79,853.00	111,794.00
22.	Driver	5	10	44,343.00	62,082.00

2.4 ENGINEERING CONSULTANCY SCALE OF MONTHLY FEES

S/N	GRADE RANK/DESIGNATION	YEARS OF EXPERIENCE		MONTHLY RATES IN NAIRA(2015)	
		LOWER	UPPER	LOWER	UPPER
Professional Engineering Staff					
1.	Chief Engineering Consultant	25	Above	4,884,000.00	Above
2.	Principal Engineering Consultant	20	25	3,907,200.00	6,661,776.00
3.	Senior Engineering Consultant	15	20	3,196,800.00	6,216,000.00
4.	Engineering Consultant	10	15	2,133,730.80	5,994,000.00
5.	Registered Engineer	5	10	1,554,000.00	5,550,000.00
6.	Pupil Engineer	2	5	1,110,000.00	4,662,000.00
7.	Graduate	0	2	888,000.00	3,552,000.00
Technical Support Staff					
8.	Chief Engineering Technologist	15	20	2,664,000.00	5,550,000.00
9.	Principal Engineering Technologist	10	15	1,776,000.00	4,440,000.00
10.	Senior Engineering Technologist	5	10	1,332,000.00	3,552,000.00
11.	Engineering Technologist	2	5	666,000.00	1,776,000.00
CAD Tech/Engrg. Technician					
12.	Chief CAD Tech	15	20	1,332,000.00	1,776,000.00
13.	Senior CAD Tech	10	15	888,000.00	1,332,000.00
14.	CAD Tech/Engrg. Technician	5	10	444,000.00	888,000.00
15.	Chief Engineering Craftsman	15	20	888,000.00	1,554,000.00
16.	Senior Engineering Craftsman	10	15	666,000.00	888,000.00
17.	Engineering Craftsman	5	10	444,000.00	666,000.00
Admin Support Staff/Secretarial					
18.	Senior Admin Support	15	20	888,000.00	1,776,000.00
19.	Admin Support	10	15	444,000.00	1,110,000.00
20.	Assistant Admin Support	5	10	222,000.00	666,000.00
Drivers					
21.	Senior Driver	10	15	155,400.00	244,200.00
22.	Driver	5	10	88,800.00	177,600.00

ANNEX 1

LIST OF COMPONENTS BUILT INTO THE SCHEDULE OF RATES

S/No.	Fee Component in Consulting Engineering	% of Approved Rates.
A	Personnel Emoluments (Gross Salary)	100%
B	Overhead & Social Costs	
1	Official running cost	
2	Official space rent	
3	Telephone	
4	Electricity	
5	Professional development/staff training	
6	Marketing	
7	Research	
8	Time of Senior Monitoring Project	
9	Non Billable Staff	
10	Support Staff	
11	Cost of Staff on non-revenue earning assignments	
12	Equipment software	
13	Professional indemnity	
14	Insurance	
15	Generators, Water treatment	
16	Professional associations	
17	Taxes-NSIT, ITF, Education Tax	
18	Others	
19	Sum of Overhead Costs (assumed)	210 – 387.5
	Sub – Total	310 – 487.5
C	Fee. Profit responsibility, cost of working capital, scope risk etc	90 – 162.5
	TOTAL	400 - 650

ANNEX 2

EXPLANATORY NOTES

1. COREN recommended rates have been adjusted for 2015 inflation figures of the CBN and shall be reviewed annually.
2. In addition to the rates, normal project reimbursable as set out in Annex 3, shall be applied.
3. The hourly, daily, weekly, or monthly rates are equivalent to 4.0 – 6.5 (range of multiplier factor) x personnel gross salary.

ANNEX 3

LIST OF REIMBURSABLE

The list below enumerates a non-exhaustive list of reimbursable which the client must pay for at a cost plus (20%) administrative charges.

1. Travel beyond the local area (25Km radius), or vehicle rental and fuel costs.
2. Living expenses for personnel who are out of local area and approved by the client.
3. Hotel bills.
4. Project based advertising costs; e.g. Bill boards, advert for other job specialities carried out for the client, warning boards, radio announcements, etc.
5. List of specialised equipment.
6. Testing services.
7. Approvals, permits, licenses, and specific taxes applied to fees.
8. Project specific insurance if required by the client.
9. Incidental expenses incurred on the project.
10. Any other third party expenses paid by the consultant on the client's behalf.
11. Tender documents and other non – routine documents.
12. Printing, Charting, Surveys, etc.
13. The cost of funds, etc.