



THIS MATERIAL REPRESENTS THE CONSIDERED OPINIONS OF THE BUSINESS PRACTICES COMMITTEE AND THE BOARD OF MANAGEMENT OF THE CORPORATION OF BC LAND SURVEYORS REGARDING REASONABLE STANDARDS FOR FINANCIAL COMPENSATION AND CONTRACTING OF PROFESSIONAL SURVEY SERVICES. INDIVIDUAL SURVEYORS SHOULD ALSO CONSIDER ANY UNIQUE ASPECTS OF THEIR INDIVIDUAL PRACTICES IN ORDER TO DEVELOP APPROPRIATE FEE SCHEDULES.

## **BCLS**

### **Business Practices Committee BULLETIN**

## **A business primer revisited**

In July 2000 this committee published *BULLETIN 1 - A BUSINESS PRIMER* to share our thoughts about how we were developing a survey estimate worksheet. Subsequent bulletins introduced additional considerations on our way to publication in April 2001 of *BULLETIN 7 - SURVEY ESTIMATE FORM*. We would now revisit a number of those earlier thoughts and considerations with the purpose of updating the variables on the estimate form.

### **STAFF**

Bulletin 5 concluded that "...the 2.7 multiplier as stated in the orange book is not sufficient, in fact it should be a minimum of 3 and probably closer to 3.5". To follow this advice we select **3.3** as the multiplier for the following evaluations of staff chargeout rates:

Staff	Paid / Hr	Multiplier	Chargeout / Hr
survey technician (TECH)	\$20.00	x 3.3	\$66.00
survey assistant (CREW)	\$15.00	x 3.3	\$49.50
clerical assistant (ADMN)	\$15.00	x 3.3	\$49.50

### **EXPENDABLE SURVEY SUPPLIES**

In revisiting costs considered for expendable survey supplies we find no appreciable differences since Bulletin 1. An "average" project was, and is still presumed to consume approximately \$110.00 worth of supplies. These costs are dealt with in the estimate form as disbursements (DISB).

### **VEHICLES**

In revisiting costs required for vehicles, we referred to the guide book *Lemon-Aid New 4x4s, Vans and Trucks 2001* which offers projected ownership costs based on a 36 month/96,000 km retention cycle. Selecting a Ford F150 XL 4x4 as a typical survey vehicle yields the following:

Annual operating costs (fuel, oil, tires, and maintenance)	\$ 4,992.00
Fixed costs (insurance, depreciation, financing, taxes, licensing)	\$ 9,767.00
Total annual costs	\$15,151.00
Service charge (markup) 15%	\$ 2,272.65
Total annual costs plus markup	\$17,423.65

Spreading this over 1482 billable hours/year yields a chargeout rate of **\$11.76/HR.**

### **SURVEY EQUIPMENT**

In revisiting costs considered for standard survey equipment (total station, data collector, level, pin finder, etc.), we find no appreciable differences since Bulletin 1, yielding a chargeout rate of **\$10.50/HR.** Specialized equipment, such as quads, snowmobiles, GPS receivers, etc., is subject to additional charges.

### **COMPUTING EQUIPMENT**

In revisiting costs considered for computer equipment, we have increased the total value of typical software and hardware to a retail cost of \$13,000.00, which reduces to an hourly chargeout rate of **\$8.13/HR.**

### **ASSEMBLED CHARGEOUT RATES**

Assembling the various chargeout rates into appropriate groupings yields a simple yet powerful tool for estimating adequate fees. For example:

TECH	= Survey technician time	<b>\$ 66.00/HR</b>
CAD	= TECH plus COMPUTING EQUIP	<b>\$ 74.13/HR</b>
FLD1	= TECH plus VEHICLE plus SURVEY EQUIP	<b>\$ 88.26/HR</b>
FLD2	= FLD1 plus CREW	<b>\$137.76/HR</b>

These assembled chargeout rates can be conveniently displayed on a fee schedule sheet similar to the attached sample. For simplicity, the above chargeout rates have been rounded to the nearest \$5 for entry onto the sample fee schedule.

It is a simple matter to update the survey estimate form with these new chargeout rates and we have included the attached sample for your consideration.

### **MORE INFORMATION**

Remember that you can view and download any of this committee's bulletins, including a working copy of the survey estimate form spreadsheet, from the Lower Mainland Group's website. It is strongly recommended that this information and spreadsheet be utilized to track the costs incurred for past and present jobs, and to produce proposal estimates for new jobs.

If you have any questions, comments or criticisms please contact the Chairman or any member of the committee.