



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

Suprv – an explanation

The SURVEY ESTIMATE FORM, which was introduced as part of Bulletin No.7, contains an activity column called "SUPRV". This particular activity column might be better understood with the following explanation, together with the accompanying Estimate Form example for a typical simple subdivision survey.

At the bottom of the Estimate Form is a definition which reads "SUPRV=BCLS staff supervision". This indicates that all staff work is supervised by a BCLS, and that the attached rate is compensation for that supervision.

Staff hours are represented by the columns of TECH, CAD, FLD1, CREW, and ADMN. When using the Estimate Form, you will notice that any entries to these staff hour columns results in coincidental accrual entries to the SUPRV column, based on a predetermined rate per staff hour. Calculation of that SUPRV rate depends on how you wish to employ the automatic accrual of charges.

As a first example of how you might use SUPRV, consider the many small bits of time which are often not accounted for by normal daily timesheet entries. Examples of such lost time might include the 25 minute briefing to your field crew before their departure to a job site, or the 15 minutes debriefing on their return. There might also be a dozen telephone calls during the day, each related to the project, each requiring some level of file recording, and each taking additional small bits of your daily time. All of these small bits of time can add up to a significant part your day, but they are often difficult to account for on your time sheet. SUPRV can be used to automatically capture those small bits of time (money) for you.

Calculation of an appropriate SUPRV rate for this purpose requires a reasonable estimate of how much lost time (money) needs to be captured, and dividing that amount of money by the staff hours applicable. For example, if your normal PRO rate is \$130.00 per hour and your reasonable estimate of lost project time to be captured is 1 hour per day, and your staff normally timesheets 16 hours per project day, then dividing \$130.00/hour by 16 staff hours equals \$8.13, which is the rate to install for SUPERV at the top of the estimate form. The spreadsheet will then automatically accrue \$8.13 to the SUPRV column for every hour entered to a staff activity column. This is a very simple method to account for those otherwise lost small bits of time (money).

In the above example, there may still occur an annual shortfall between the BCLS annual salary expectation and the sum of PRO charges and accrued SUPRV charges for the year. You might choose to designate such a shortfall as an inevitable administrative cost, and to recover this administrative cost within the markup allowances of your chargeout rates for staff activities.

As a second example of how to use SUPRV, you might consider simplifying the capture of the yearly sum of small bits of lost time (money) together with the annual salary shortfall by concurrently combining the total of both amounts.

Calculation of the SUPRV rate for this combined purpose allows you to ignore the small bits of lost time, concentrating instead on a combined annual shortfall, and rationalizing a recovery rate to be applied to each staff hour charged during the year. For example, if your annual entries in the PRO column total \$54,000, and your salary expectation is \$82,000, then the combined annual salary shortfall equals \$28,000. From this, a small survey practice charging 3000 staff hours per year, calculates a SUPRV rate of \$9.33 for automatic accrual per staff hour. A larger practice, charging 6000 staff hours per year, calculates a SUPRV rate of \$4.67.

For an illustration of this application of SUPRV, please refer to the accompanying Survey Estimate Form, which has entries for a typical simple subdivision survey, and SUPRV charges accruing at the rate of \$9 per staff hour entry.

You may have further scenarios to employ this simple and efficient accounting tool and we would encourage you to share this with the BPC for future articles. Also, it would be prudent to consider just how many staff hours can reasonably be "supervised" by a single Land Surveyor, and what annual salary should be expected as that number increases. These issues could be the basis of an interesting future article and we invite your advance comments about this.

In closing, we ask that you consider an important question:

IF YOUR PRACTICE IS NOT IN ACCORDANCE WITH THESE BULLETINS, WHAT ARE THE CONSEQUENCES?