


# BEIYAN LLC

## CONSULTING FEES 2022

### Tarifs /day



Partner	\$ 5,000
Senior	\$ 1,500
Manager	\$ 800

Consulting project  
from \$ 50,000

### **BESPOKE OFFERS**

**... because your need is unique !**

90% of the projects we carry out are mainly tailor-made projects.

We will study your request with the greatest care and provide a personalized response.

Whatever your case is simple or complex, we will offer the solution to your needs!

## CONSULTING TERMS AND FEES

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Consulting services from BEIYAN LLC provided to clients under the following conditions and terms:

- BEIYAN LLC personnel act as an independent consultant and not as an agent or employee of client.
  - BEIYAN LLC shall have no authority to bind client or incur obligations on behalf of client except when specified in a signed and dated contract agreement.
  - A signed and dated agreement of confidentiality between client and BEIYAN LLC shall precede any services.
  - All produced document are provided with copyright.
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**BEIYAN LLC**

## I) ACKNOWLEDGEMENT

Consulting services are those services provided by a person conducting the “practice of professional consulting” including such works or processes requiring the skilled application of knowledges by any person under the general supervision of a professional consultant. The role of “Prime Consultant”, whereby the professional member manages the work of sub-consultants and specialists, is often part of project management although it may be recognized as a separate task.

A professional who provides consulting services shall perform the services on a professional fee basis. This schedule of fees guidelines is presented herein.

Users of this document should note that the word “fee” as used in this document refers to the net fee payable to the professional consultant, exclusive of applicable taxes. This definition recognizes circumstances where the practitioner may work as a sub-consultant to another professional who is the prime consultant on a work of consulting.

For the purposes of this schedule, the following definitions apply:

Client	The Consultant's Client.
Consultant	The party contracting with the Client to provide professional consulting services.
Contractor	The party contracting with the Client for the provision of labor, materials and equipment for the execution and quality control of the work.
Cost of service	The final contract price, including the cost of any additions or change orders, for consulting work including taxes (GST / PST).
Fee	The net fee payable to the professional consultant.
Owner	The person or persons who will own the work or works upon completion of the contract between the Client and the Contractor.
Practice of Professional Consulting	Any kind of planning, designing, composing, measuring, evaluating, inspecting, advising, reporting, directing or supervising, or managing any of the foregoing, that requires the application of consulting principles.
Professional	A person or persons providing professional consulting services.
Professional Practice	The set of generally accepted ethical and business practices, apart from a member's specific technical skills, that invest a member with the requirements to provide professional consulting services.
Written Agreement	The legal contract between the Client and Consultant that set forth as a minimum the scope of work, schedule of execution, basis of the fees, and payment conditions (and more – rights and responsibilities, disputes and remedies).

## II) CATEGORIES OF SERVICES

The type, nature, and extent of professional services required for a consulting project will vary according to the characteristics and complexity of the project. Professional services in the engineering and consulting disciplines may require one time consultation or may extend from inception of a project to its realization. For the purpose of determining an appropriate fee basis, consulting services projects are divided into categories according to the nature of the assignment and the predictability of the cost of providing the service without compromising professional standards of practice and conduct.

For the purpose of determining an appropriate fee basis, consulting services are divided into the following four (4) categories.

### Category I - Consultative and Advisory Services

For this category of service, the scope of the project may be difficult to predict accurately. The amount of analysis and the number of consultations required to produce optimum service cannot always be established with reasonable precision. The payment for consultative and advisory services is normally on a time basis.

Examples of this category are:

- 1 Expert testimony;
- 2 Appraisals or studies based on existing data;
- 3 Valuations, including economic valuations;
- 4 Rate structure and tariff studies;
- 5 Technical representation on behalf of the Client;
- 6 Inspection, testing or other services concerning the collection, analysis, evaluation and interpretation of data and information leading to specialized conclusions and recommendations;
- 7 Natural resource reserve evaluations, estimations, and audits;
- 8 Management services; and
- 9 Emergency response/contingency plans.

### Category II - Design Services

These services consist of the preparation of engineering/consulting design, drawings and specifications as well as other appropriate contract documents.

Design normally includes the following services:

- 1 Preparation of preliminary sketches and development of specification notes;
- 2 Preparation of calculations, equipment selection, working drawings, and specifications;
- 3 Preparation of cost estimates and completion schedules;
- 4 Assisting in preparing tender packages and calling for tenders;
- 5 Analysis of Tender Responses and advising the Client regarding tender acceptance; and
- 6 Designing software/systems.

Unless otherwise agreed, all original drawings and specifications are the property of the Consultant. The Client is entitled to a copy of the plans and specifications for record purposes only.

The Client shall not use or permit the use of any of these for the construction of another project without obtaining the consent of and remunerating the Consultant for the use of the said plans and specifications. Further guidelines concerning the re-use of plans, specifications, and reports are

provided in Section Re- Use of Plans, Specifications, and Reports.

### Category III - General Engineering or Consulting Services Projects

These consist of office and field services during the consulting operations period following the award of the contract. As used in this schedule, "General Engineering or Consulting Services Projects" shall include the following services:

- 1 Review shop drawings, plans, maps, and other documents as provided for in the terms of the contract documents;
- 2 Periodic visits to the site by the Consultant or Consultant's fully authorized representative to become generally familiar with the progress and quality of the work;
- 3 Keeping the Client informed on the progress and quality of the work;
- 4 Guidance to the Contractor or Client in the interpretation of contract documents;
- 5 Examination of progress claims for the purpose of recommending and/or approving progress payments;
- 6 Final inspection and warranty inspection (if applicable).

Under Category III, the Consultant is not expected to make exhaustive or continuous on-site inspections. The number of site visits is at the discretion of the Consultant. Engineering or Consulting Services as herein described do not include the direction of persons or selection, direction or approval of methods and equipment employed by the Contractor in any phase of the construction, field work, or placing in operation of any plant or equipment.

### Category IV - Resident Engineering or Consulting Services During Projects

These services consist of supplying resident staff on the project to determine if the Contractor is carrying out the work in accordance with the contract documents.

If required by the Client, resident services may include:

- 1 Ensuring that all work will satisfy the intent of the design and will conform substantially with plans and specifications;
- 2 Arranging for and carrying out all necessary field-testing of material and equipment installed;
- 3 Investigating, reporting on and advising on unusual circumstances which may arise during construction, or undertaking of field operations;
- 4 Preparing Contractor's payment certificates;
- 5 Detailed final inspection, liaison and other assistance required to expedite the acceptance and takeover of the work by the Client or its agency;
- 6 Calling job meetings and generally following up on costs, schedules, etc.;
- 7 Ensuring that the Contractor is aware that the work is to be undertaken in compliance with Occupational Health and Safety Legislation; and
- 8 Ensuring that the Contractor, if required by the construction contract, is recording details of construction necessary to modify contract drawings to Record Drawings.

A clearly defined Written Agreement should be made between the Client and the Consultant outlining the extent to which Resident Services are to be provided.

Engineering or Consulting Services as herein described do not include the direction of persons or selection, direction or approval of methods and equipment employed by the Contractor in any phase of the consulting plans.

### III) SCHEDULE OF FEES

Remuneration for the services in the various categories of engineering and consulting may be based on one or more of the following scales. It is important to emphasize that BEIYAN LLC recognizes no distinction between an engineer and consultant in the matter of professional practice and hence, the setting of professional fees.

The word “fee” as used in this document refers to the net fee payable to the professional engineer or professional consultant. This definition recognizes circumstances where the professional member may work as a sub-consultant to another professional who is the prime consultant on a work of engineering or consulting.

#### Scale 1 - Time Basis, All Projects

This scale is particularly suitable where the scope of engineering or consulting services cannot be predetermined or is difficult to ascertain. The recommendations presented herein may be modified or adjusted depending upon special circumstances unique to the project, such as:

- ✓ Unusual levels of complexity or risk;
- ✓ Unique specialized knowledge;
- ✓ Remote or difficult location;
- ✓ Hazardous environment; or
- ✓ Particular market conditions.

In certain circumstances and in specialized fields, the Client and Consultant may agree that the work shall be undertaken on a “fixed fee” or “day rate” basis. In such a circumstance, it is recommended that the Consultant use Scale 1 to estimate the fee based upon a reasonable assessment of the number of hours required to successfully conclude the project. Typically “fixed fee” projects can be precisely defined in terms of scope, required work, and deliverables.

Alternative business arrangements between the Client and Consultant, such as retainers and “standing offers”, are not in contradiction of these Guidelines, provided that they are based upon Scale 1 rates and definitions.

CATEGORY	From Rate (USD/hour)
Secretary	50
Senior Secretary	75
Junior Manager	120
Senior Manager	500
Partner	1,200

#### Scale 2 - Percentage of Cost of Project

Amount in USD	%	Amount in USD	%
0 - 10,000,000	3	50,000,001 - 100,000,000	1,5
10,000,001 - 30,000,000	2,5	100,000,001 - 250,000,000	1
30,000,001 - 50,000,000	2	250,000,001 - 500,000,000	0,75

#### **IV) SPECIAL SERVICES AND CONDITIONS**

Special services and conditions are those that are not part of an existing agreement, but which may arise during the undertaking of a project due to unavoidable and unpredictable circumstances. It is important that for all special services and conditions, the Consultant and Client should mutually determine the appropriate fee basis to be used.

The following statements reflect the general principle that the Time Basis should be used in circumstances where the scope of the assignment is not well defined. In circumstances where the amount of work involved in the service can be accurately predicted, both Consultant and Client may agree that billing on a "Fixed Fee" basis is appropriate.

##### Drawings of Record and Post-Construction Services

If Drawings of Record are required, the Consultant shall be reimbursed for such drawings on Scale 1, or at a negotiated fee according to the project requirements and the written agreement.

##### Abandonment of Project

If the project or a portion of the project is abandoned or suspended through no fault of the Consultant, except in the case where tenders are received, the Consultant shall receive fees as determined under Scale 1, id est on a time basis. Where tender prices have been received, the fee may be based on Scale 1 (Time Basis), or Scale 2 (Percentage of Cost of Project) applied to the lowest bona fide tender. The intent of this payment schedule is to enable the Consultant to recover costs associated with efforts expended to date. The fee should include an appropriate allowance for costs resulting from the suspension, and the compensation should be mutually agreeable to both Client and Consultant.

##### Re-Use of Design, Plans, Specifications, and Reports

In general, the design, plans, specifications, or report prepared by the Consultant, who is a professional engineer or professional consultant are intended for one project only, except in the case of projects, studies and reports that are undertaken on behalf of a number of clients, with their knowledge and consent.

In determining the situation concerning the re-use of plans, specifications, and reports, the Consultant should recognize that three distinct circumstances are recognized:

- ✓ The re-use by a client on another project (in a circumstance in which the professional member is not involved), which must have the permission of the professional member and/or holder of the Certificate of Authorization;
- ✓ The re-use by a client on another project (in a circumstance in which the professional member is involved), which calls for a reduced fee; and
- ✓ The re-use by the professional member for another client, which must have the permission of the Client, failing which, it would be considered unethical.

In the third case - id est the re-use of material by the Consultant for a project undertaken for a client that is not the original client - it is very important for the Consultant to negotiate with the Client the terms of re-use so that the written agreement between the Consultant and Client

provides clear instructions that such re-use is permissible.

It must be recognized that the work done for one client builds the knowledge base of the professional member and that designs, reports, plans, etc., may be similar. However, circumstances would suggest that they would not be identical and would have to be revised so as to be specific to the needs of the next client. This means that if the Consultant undertakes a project requiring the use, adaptation and/or correction of plans and specifications from a previously designed project for a similar or identical project for the same client on a different site and location, remuneration for such services is justifiable. This remuneration shall be based on a recommended royalty fee of two percent (2%) of the new Cost of Consulting services/project plus additional fees based on payroll cost times a factor as laid out in Scale 1 for all work required to adapt the plans and specifications.

Notwithstanding the above, it must be recognized that a Consultant will, during the course of his or her career, accumulate knowledge based upon previous projects and that in many cases, this accumulation may not be attributable to any one particular client.

Furthermore, if general engineering or geoscience services during construction are required on a project where there has been re-use of plans and specifications, the fee charged shall be twenty percent (20%) of the recommended fee for full services as defined in this schedule, where these services are being provided by the original designing Consultant.

All disbursements and expenses incurred in the performance of these services shall be charged.

#### Alternative Designs

“Design” means not only works of engineering, but also works including, but not limited to, the planning, design, and organization of field projects such as mapping, reports, surveys, etc.

Whenever a client requires the Consultant to prepare complete designs or plans of one or more alternative methods of engineering or consulting, or field project for the purpose of tendering, the fee for the project shall consist of the normal fee as taken from this schedule based on the tender price of the accepted alternative plus charges as laid out in Scale 1, for all work required to prepare the alternative designs or plans.

#### Delay

When the completion of either a work of supplying (engineering) or consulting project is delayed beyond the completion date stated in the contract or agreement between Client and Consultant, and when the Consultant is retained on the basis of Scale 2, then the Consultant shall be reimbursed on the basis of Scale 1 for the extra services provided.

In the event of a “force majeure”, then it is reasonable for the Consultant to charge a “standby” charge that is negotiated beforehand between the Client and Consultant and documented in the written agreement. In the case of field projects that are delayed due to operational circumstances, it is important for the Consultant to negotiate any relevant standby charges with the Client prior to the commencement of the project.

In the case of service provided in a remote location, the Consultant is justified in charging a standby fee in the event of delay, since it is not possible for the Consultant to undertake other work during the period of delay. In such cases, it is recommended that the standby fee be determined on the Time Basis, or on such other basis mutually agreeable to both Client and Consultant.



### Extra Work Beyond Scope of Agreement

Service required beyond the agreed scope of an agreement, regardless of the original basis of fee, should be negotiated on a Time Basis, or on such other basis as mutually agreeable to both Client and Consultant. The increase in scope may be the result of changes recommended by the Consultant, or it may be the result of changes in the requirements of the Client.

### Cost Plus Contracts

Where the work or a part of the work is executed on any "cost plus" basis, and the Consultant's burden is thereby increased, the charges shall be increased. This increase may be two percent (2%) of the cost of the work.

### Separate Contracts

If the work or any part of the work is let under separate contracts, the Consultant's fee (Scale 2) shall be increased in proportion to the additional services provided and this increase may be two percent (2%) of the cost of the work under the separate contract.

### Project Services When Performed By Someone Other Than The Original Consultant

In most cases the Consultant responsible for the planning of a project would be retained to provide coordination, supervision, administration services, and reporting during the project.

In circumstances where a Consultant is retained to perform services (Category IV) on a project for which others prepared the specifications, or others initiated the work, the Consultant's unfamiliarity with the project should be taken into account in the fee invoicing process on a Time Basis.

### Project Services When Performed By Someone Other Than A Professional Member

In circumstances where someone other than a professional member performs project services, for example, a technologist or technician, a salary plus cost-plus factor as agreed to by the Client and the Consultant should be used.

### Travel Time And Remote Location Charge

Payment for travel time should be negotiated, taking into account the variations in circumstances from one project to another, and be included in the agreement.

Where projects are carried out in a remote/isolated location accommodation should be made to allow services that comply with the professional standard business practices, as mutually agreed to by the Client and Consultant. Because the Consultant is required to live on-site, in most cases, it may be more appropriate to negotiate a "day rate", id est a fixed daily fee for being on location for the entire 24-hour period of the day. Basic is minimum 4 stars hotel and business class travel.

If consultant is not required to live on-site, then Scale 1 is appropriate.

The same principle applies when the professional consultant supplies communication devices, such as a cellular telephone. Again, it is appropriate for the Consultant to charge a per-diem, or per month charge to reflect the total cost of providing the equipment. Examples are: for cellular telephones, the cost of air time, maintenance, and eventual replacement cost; for speciality items such as computers, the total cost of providing such equipment.

### Progress Payment of Fee

Payment is due on date of invoice without holdback and is overdue seven (7) days thereafter. Interest shall be charged on overdue accounts at normal business rates (typically twenty percent [20%] per annum or the rates charged on overdue bank credit card balances). In the event of an overdue account service may be discontinued without liability on the part of the Consultant for consequential delay or loss. Costs of litigation or collection services required to obtain payment, if needed, are for the Client's account. Late payment of fees by the Client may also warrant the Consultant charging higher fees, especially if there is a substantial risk that the fees may not be paid.

Where amounts are disputed, the Client's account shall not be considered overdue if the Client has placed the disputed amount in trust to be released to the successful disputant after negotiation, litigation, or arbitration.

When the Consultant is engaged for services on Scale 1, unless otherwise agreed prior to the date of assignment, the Consultant shall present invoices monthly after engagement fee settled at order.

When the Consultant is engaged for services on Scale 2, the Consultant shall present invoices for the completed phases of the Consultant's assignment according to the following schedule:

### **PAYMENT SCHEDULE FOR TYPICAL CONSULTING PROJECTS OVER USD 10,000**

PHASE	% of fee	Cumulative fee (%)
Schematic design or conceptual planning phase	45	45
Planning phase	15	60
Contract documents / report	15	75
Tender period services	15	90
Project final report	10	100

### **PAYMENT SCHEDULE FOR PACKAGED OFFERS**

PACKAGE	Engagement USD	Delivery USD
% of fee	65 %	35 %
<b>MINERVA</b> USD 50,000	32,500	17,500
<b>MAZARIN</b> USD 100,000	65,000	35,000
<b>RICHELIEU</b> USD 200,000	130,000	70,000
<b>LOUIS IX</b> USD 250,000	162,500	87,500 + negotiated %

### “Design / Build”

“Design / Build” is defined as a project where the Consultant is retained by a Contractor who provides a completed project to the Client (owner). These ventures include unique contract and financial arrangements. The fees payable to the Consultant are dependent on the specific arrangements between the Consultant and the Contractor.

## V) PACKAGE OFFERS

- **MINERVA** - {simple consulting package (sourcing)} USD 50,000.
  
- **MAZARIN** - {full Consulting package} USD 100,000
  
- **RICHELIEU** - {complex Consulting package} USD 200,000
  
- **LOUIS IX** - {High Level Consulting package} USD 250,000 + negotiated %

## VI) DISBURSEMENTS

The following items usually are not part of overhead cost of Professional Services and thus are treated as disbursements. Unless otherwise agreed between the Consultant and the Client, disbursements incurred by the Consultant in completing an assignment are properly chargeable to the Client.

The cost of all disbursements shall be increased by not less than five percent (5%) to cover office services and cost of handling, and shall be applicable to the following items:

- 1 Reproduction of drawings and documents for tender and construction purposes, except those required by the Contract Agreement;
- 2 Travel expenses, including the cost of rotation of personnel on a timely basis (if applicable);
- 3 Communications expenses, including facsimile messages, long distance telephone calls, cellular telephone charges, pager and Internet connections;
- 4 Living expenses for personnel where authorized by the Client;
- 5 Advertising for Tenders on the Client's behalf;
- 6 Use of special Consultants or sub-Consultants as approved by the Client;
- 7 Use of specialized equipment not included in agreement's normal detailed overhead costs;
- 8 Data and digital information, specialized software and licensing, customized software and application development, as stated in the Client Agreement;
- 9 Digital storage media and reproduction costs; use of dedicated computer services;
- 10 Any other proper expense paid out by the Consultant on the Client's behalf, and not specifically named as covered by the normal fee;
- 11 Messenger and courier services;
- 12 Other similar expenses for items consumed on a project such as testing materials, survey stakes, etc.

Any increase from 5% is a matter of negotiation between Client and Consultant and will depend upon additional circumstances, such as total amount of disbursements, above-average accounting requirements, etc.

## VII) DISCLAIMER

BEIYAN LLC and contracted firms will make good faith effort to meet all current and established regulations, laws, and guidelines in the production of supplied documentation and counsel.

However, the interpretation of regulations often is subject to individual understanding, thus, we cannot guarantee that another agency or person will reach the same conclusions.

All submissions, reports and letters issued are for the exclusive use of the client to whom they

addressed. Documents may not be reproduced except in their entirety.

No quotations from reports or use of the companies name is permitted except as expressly authorized by BEIYAN LLC or the documents client owner in writing.

BEIYAN LLC or the documents client owner makes no warranties if any kind, express or implied. BEIYAN LLC or the documents owner expressly states that the use of this data is the sole responsibility of the user. BEIYAN LLC or the documents owner shall not be liable for any incidental or consequential damages resulting for the application or use of this data.

Each contract shall contain a client cancellation cost. This cancellation cost shall be based on the complexity of the task.



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