

# Co-operation Encouraged by Fixed Fee Plan\*

By F. A. Wells.

IS the general contractor to remain a constructive force in the building industry? We would hardly be attending this meeting were we not certain that the general contractor renders a needed service to owner, to architect and to engineer. Certainty of delivery within the set time, reasonableness of the cost of construction, and the carrying out of plans and specifications without undue difficulty to owner or architect in getting that compliance, are dependent upon the existence of concerns such as are represented in the memberships of this association.

Yet there are certain individuals who see this matter differently, and who, noting certain things wrong, believe that the remedy is to be found in the elimination of the general contractor, and the assumption of his duties by the architect. What are some of the difficulties and what is the true answer? A well-known middle west architect recently stated one side of the question in a letter to an architectural paper. That letter is significant to the members of this association as outlining a definite effort being made to get work done without a general contractor. It started with the right premises. I do not feel, however, that we as an organization or as individuals can agree with the conclusion. He says:

"Curiously enough, the architect has little or no direct dealings with the craftsman who executes his designs and the worst of it is that the head contractor is placed in a position in relation to the architect that is the very opposite of what it should be to secure the ideal results for architecture.

"Our system of letting work by competitive bidding and then placing the contractor in a position where his profit depends largely on doing as little as the contract will allow for the final execution of the work is a vicious system which has always resulted in making impossible that sympathetic co-operation between architect, master builder and craftsman, which must exist in order to secure the best results in the work."

I think little explanation of this statement is necessary. We all know it to be true. It is a clear portrayal of the situation under the lump-sum contract. Regardless of the builder's ability, the amount remaining for profit is little or much, precisely according as the builder is fair or unfair, generous or tight in his interpretation of specifications. But what is the answer? The author quoted has one idea and we have another. This architect goes on to say:

"An architectural firm with an architect at the head, a master builder and all of his assistants, including a competent force of skilled craftsmen to carry out sympathetically all of the details of the work, would make an organization which it must be admitted, would undoubtedly be far superior in every way to the organization it is at present necessary to gather together for every architectural problem undertaken."

## FIXED-FEE CONTRACT BETTER SOLUTION.

I submit that the fixed-fee contract is a better solution of the problem. It requires that a reasonable fee be paid for a definite service.

Some architects may handle their client's work through letting all operations to sub-contractors and may accomplish a good result, but there is no inherent necessity for the architect to broaden his scope. If he desires to increase his opportunity of making profit by extending his activities into the construction field, it is unquestionably permissible, but to do so, he must build a special construction organization able to do just what the general contractor now does, and candidly, most architects would prefer not to be responsible for the larger organization with its certain heavy overhead. In our judgment, after forty years' experience with the various forms of building contracts, the cost-plus-fixed-fee contract, when made with a builder of integrity and ability, brings all that a fair-minded owner can expect or want.

Ability to co-ordinate work is fundamental to economy. It is second nature to the general contractor. While men available to the general contractor are also available to the architectural firm, yet certain jobs going forward to-day where the architect handles all the work through sub-contracts, show very conclusively the lack of that co-ordination.

## ECONOMY DEPENDENT UPON CO-ORDINATION.

Co-ordination means economy, and is dependent upon the absolute dovetailing of all trades represented with each other and particularly with the main structural elements. The framework could be built at least cost if no cognizance were taken of other trades. If that work is let as a separate contract, there will be little sympathy on the part of the builder with delays occasioned by or to other trades. Such delays will be the basis for extras. The better way is to have the structural frame handled by the same organization responsible for the general co-ordination of all work. Therefore, the archi-

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