

tectural firm handling construction should do exactly what the general contractor now does, but, as a matter of fact, architectural firms do not, except in rare cases, retain any part of the work for their own construction forces to handle. Therefore, such architect's service does not parallel the operations of the general contractor who does from 40 to 60 per cent. of the work with his own organization and equipment.

But how will this contract meet our critic's objections? He wants the builder to operate with, instead of against the architect. On the lump-sum basis, there is a premium placed upon skinning the job and the multiplying of controverted interpretations of plans and specifications. Remove the premium and the difficulty disappears. The fixed-fee contract does it!

The ideal result for architecture consists in obtaining the best possible building at the lowest cost compatible with a reasonable time for execution. Now the best possible building is not reasonably to be expected where the builder can increase his profit by the amount of every omission of undetected substitution, nor will there be a fine execution of the work where every minor opportunity for betterment of plans, and, in fact, every necessity for change from original layout offers opportunity for extras on which few contractors have ever been known to suffer a loss. Under the fixed-fee plan it is possible to order changes, great or small, with absolute knowledge that the cost will be fair and often without increasing the amount of the fee.

FIXED-FEE PLAN FOSTERS CO-OPERATION.

Unquestionably the lump-sum system has many faults. It often gives opportunity for arbitrary and unfair rulings against the contractor, in favor of the owner. It kills that sympathetic co-operation between architect, master builder, craftsmen and owner, which should exist if the owner is to secure the best results. To revive that co-operation, we need only to adopt the fixed-fee principle.

Let me quote from another well-known architect, writing also in the architectural press and answering a question propounded to the membership of the Illinois Society of Architects, which was "Can construction costs be lowered?" We are all interested in its solution. He says:

"On first reading, I was inclined to say that it cannot be done, but one method occurs to me. The idea I had concerns the letting of contracts. There are two methods: first, letting separate contracts for each branch of the work on a unit price basis. Second, letting a general contract for the entire work on the cost-plus-percentage basis. The latter method is the one I suggest.

"The question is largely one of buying power. The general contractor can buy and sublet so much cheaper than the architect that he saves

not only his own percentage but in most cases considerably more. The organized contractor's buying power is based on the same qualification as that of any business man who goes into the market to buy goods. He knows values and he knows the market.

"There is still another advantage. The element of divided interest is eliminated. The relation of the owner, contractor and architect becomes one of co-operation solely, each striving for the best results at minimum cost."

Thus we have heard from two architects. There is between them no middle ground. With the premises of the former we may agree, and with both the premises and conclusions of the latter we do agree.

Some of our members are strong partisans still of the lump-sum contract and desire the fixed-fee contract to be dropped. I believe, however, that under to-day's conditions the consensus of opinion of this organization, as well as of most owners, architects and engineers, is that the fixed-fee form of contract is wise and necessary.

UNSETTLED CONDITIONS IMPORTANT FACTOR.

The case might be different if we knew what carpenter labor would cost six weeks from to-day, or whether cabinet work included in the contract will be delivered at an estimated figure or at a considerably increased cost due to the great difficulty in securing materials.

I believe these conditions are sufficient reason for the adoption of the cost-plus-fixed-fee contract by builders, for its approval by architects and engineers and for its acceptance by owners who are fair enough to expect to pay what their buildings really cost under capable and trustworthy management. We can do our utmost to safeguard an owner against undue cost, but it is not our province to guarantee a cost unless we wish to enter into competition with Lloyd's. On the other hand, were the market falling, surely the owner would desire the advantage of possible lower costs.

The cost-plus-fixed-fee contract is just because it is as adaptable to smaller sized jobs as to the largest construction work and the smaller contractors who are honest and capable can do work on this basis as readily as the larger contractors.

ALL GAIN UNDER FIXED-FEE CONTRACT.

To me the vital necessity to-day is for this association to get behind the cost-plus-fixed-fee contract for building construction. The general contractors cannot lose by its adoption—they have much to gain; architects and engineers have much to gain, and owners have much to gain, for neither the owner nor his architect and engineer desires the cheapest building it is possible for a builder to erect under the plans and