DRBF Region 3
Advanced Training Workshop
Saturday, 20 June 2015

Session 6: Fee Structures for DAB Members (Ron Finlay)

Costs of a DAB

- Overall cost of a DAB (0.1 – 0.2% for $100m Project)

- $150 – 200K for three person per annum

- No increase for $1.0bn Project

- Cost of insurance against disputes

Fees Issues

- Normal Project DAB monthly / meeting fees

- What's included in a DAB monthly (non-meeting) fee:
  - Reviewing monthly reports, minutes and the like
  - Conferring, exchanging emails etc with DAB members
  - Routine communications regarding meetings, dates, etc
  - (Arguably) a non-compete covenant for term of DAB Agreement

- What's included in a DAB monthly meeting fee:
  - Same as a non-meeting month (reading, preparation, conferring)
  - Preparing (Chairman) and approving Agenda
  - Preparing (Chairman or delegate) and approving Minutes
  - Travel to and from meeting site / place
  - Site inspection
  - DAB Meeting (including other meetings if appropriate and agreed)
• What’s included in a separate fee for Determination and other services:
  - Usually by hourly rate
  - Determinations (full fees for reviewing submissions, any “hearing”, preparation of Determinations, meetings with fellow DAB members)
  - Advisory opinions
  - Facilitated workshops
  - Special (non-routine) DAB meetings
  - Special DAB teleconferences

• Fee structures for DAB Members: Alternatives:
  - monthly retainer concept (non-compete)
  - daily / monthly fee concept for DAB meetings
  - hourly/daily rates for determinations
  - all hourly/daily rates

• Do all DAB members have to charge the same fees?
• Annual or CPI or fixed percentage (e.g. 2.5%) increase for multi-year projects
• Expenses to be spelt out (including mode of travel)
• Sub-consultants
• Right for parties to negotiate fees – when, who, how?
• Fees can be a basis for non-selection / non-appointment
• Market forces
• Liability - joint and several: what does this mean in practice?
• Agreement should specify who pays (100% or 50%). This may change over time.
• Vendor number / Purchase Order number
• Invoicing issues:
  - billing entity with an ABN
  - GST applicable?
  - how and when to bill?
  - who to bill?
  - verification of expenses
• Payment issues
• Use of a DAB Member’s service company as a party to the DAB Agreement.
• FIDIC experiences
• USA experiences