



MICHAELWORTHINGTON  
ARCHITECTURE + INTERIORS

SAMPLE

## Estimate of Costs

Including a detailed and itemised quote to design and manage your project.

prepared for: **Sample from [www.MichaelWorthington.co.uk](http://www.MichaelWorthington.co.uk)**

project address: Your address TBC  
London  
Postcode

Date: Soon

## How Do I Know How Much It Will Cost?

**Before you can decide what to do**, you will need to have an idea of how much the building work will cost. This is largely dependent upon the size of the house that you want to build, or refurbish, and your requirements in terms of the interior specification. Painted walls and wooden floors will be a lot cheaper than a fully wired-in home cinema with that expensive lighting system that you have been coveting. Our fees are quoted as a percentage of the Builders' quote.

**To obtain a ball-park figure** for the building and interior fit-out costs, we need to establish a few details about the extent of your proposed project. From these figures we can derive a set of approximate costs.

**On the following page**, we have described your project in terms of its size and specification level in order to generate an estimate of the costs involved. This is so that you can plan your exciting building project, and make best use of resources.

**When you are ready**, let us know how you would like to proceed. We can just obtain Planning Permission for your project, or we can supervise the construction from now until completion, or anything in between. Let us know (one stage at a time if you prefer to take it easy) and we will design, organise, and project manage your building work as much as you ask us to.

**We are frequently, and understandably, asked why our fees should go up when the costs go up.** The fee estimate is pegged to the cost of the building work estimate. This seems to be the fairest way to adjust the fees up and down according to the scope of the project. By and large, the more a project costs, the more work is involved in designing and organising the end result. As the extent of any project fluctuates due to financial constraints, planning outcomes, quotes from contractors, and your (the client's) decisions it seems fairest, given that all these factors are to some extent beyond our control, that our fees are linked to the final cost. This way we can operate as your agents throughout the project and concentrate on the design and management of the work. Once we have agreed a contract with a builder the fees will be adjusted to reflect the actual costs.

**These numbers are specific to your house and to the extent of work that you wish to undertake. Once we have met and discussed your proposed project, we can adjust these to suit your requirements**

## The Extent of Your Project (m2)

The figures used below are the extent of the project for cost estimating purposes.

**What is the total floor area (m2) of the existing building?**

130

**What will be the total floor area of the extended part of the building?**

20

In square metres, state the floor area of the *new building or extension only*, measured externally. For two storeys, multiply by 2, etc. (To convert ft<sup>2</sup> to m<sup>2</sup> divide by 10.76)

### The interior refurbishment:

What will be the total internal floor area that is to be included in the building works? (m2)

80

What is the floor area of the house that will be a kitchen, bathroom, or utility room? (m2)

30

What is the floor area of the rest of the house that will be sitting rooms, bedrooms, etc? (m2)

50

**Is it a new building, or extension/refurbishment?**

1

Please enter '0' for new building, and '1' for extension / refurbishment. There are various differences between new building work and refurbishment that need to be accounted for.

**What level of interior specification do you want?**

8

6	This is the least that you reasonably spend on doing the project described by the floor areas above. Even to get the prices close to this will require severe trimming of expectations and choices...
8	This is a 'normal' level of expenditure for the size of project described. Within the definition of 'normal' there is the expectation that some items will need to be omitted and some plans scaled back a little to get the costs to an acceptable level.
10	This is the pricing level at which fewer hard choices will need to be made, but it will not permit a "let's have it all" approach to the interior decisions.
12	Whilst in no way is the most you could spend, (there is NO upper limit) there should be very few difficult decisions in order to stay within budget.

The cost of building work is relatively predictable, given a few variables, based upon the number of square metres being built or refurbished. The advantage of this is that we can predict reasonably accurately what builders will quote before the process is too far advanced. The disadvantage of this predictive ability is that we frequently encourage our clients to scale back their schemes in order to be able to keep within budget. We do not make up these high numbers for our own amusement! Some builders are cheaper than others, but beware using anyone who sounds too cheap.

## The Estimated Costs (and how they break down)

### Provisional 'Contract Sum' <sup>1</sup>

**£ 172,000**

This is our current best estimate of the 'Contract Sum', and may be useful to you in determining how much work you wish to undertake. The 'Contract Sum' is the amount (exc. VAT) that you agree to pay your Builder. The exact figure will depend upon the agreed specification, and the quotes obtained from suitable Contractors based upon detailed drawings. This estimated figure, and also our fees, will need to be adjusted up or down to the actual figure upon receipt of the contractors' quotes - at the end of Stage 5. If you decide you no longer need our help before that point, then this current fee estimate will hold.

### Fees Payable to: Michael WORTHINGTON Ltd

**12.5%**

**£ 21,500**

Our Fees, for running the project from beginning to end, are quoted as a percentage of the Contract Sum. They are calculated using a sliding scale according to the extent of the work, thus giving an automatic discount for larger projects. The fees are broken down into 6 distinct stages, so that at the end of each stage you are free to make your own way if you feel you no longer need our help. For a fuller understanding of how our fees vary, please see the table on page 5.

### Other Professional Fees

**£ 5,200**

You may also need the services of other professionals during the project. Most usually you will need to engage a Structural Engineer, and sometimes a Quantity Surveyor, and Party Wall Surveyors, under separate contract. This figure is an approximate guide based upon 3% of the Contract Sum. The exact costs of additional professional input will be dependent upon their individual quotes and is beyond our control.

### VAT

**£ 39,740**

In a few cases in the UK, VAT is zero-rated on building work. Most commonly, on new build housing, or alterations to, but not improvements to, Listed Buildings. For advice on VAT and exemptions, please ask and we will put you in touch with a specialist VAT advisor. VAT is always payable on professional fees.

### **TOTAL PROJECTED COST<sup>1</sup>**

**£ 238,440**

This is an estimate of the total 'out-of-pocket' expenses that should be incurred by you. However, it does not include any peripheral costs, such as the rental of another property while the work is being done, any mortgage repayments on the 'site', or any inconvenience or time costs incurred by you.

### Contingency Sum (5% of 'Contract Sum')

**£ 11,922**

As every project is unique, and unforeseen expenses can arise after the contract has been agreed. It is usual, and sensible, for you to allow an amount in reserve, just in case. 5% is the minimum you should sensibly keep aside.

## How the Costs Vary with the level of Interior Fit-Out Specification

This table shows how the building costs, our fees, and the total cost to you would vary were you to choose a different level of specification (rated 6, 8 10, or 12, on page 2) for the same size project.

Approximate Total Project Cost <sup>1</sup>		Our Fees	
Level		%	excluding VAT
6	£ 187,000	12.5%	£ 16,913
8	£ 238,000	12.5%	£ 21,525
10	£ 289,000	12.5%	£ 26,138
12	£ 339,000	12.5%	£ 30,750

### Notes:

- <sup>1</sup> Level "8" is typical of current market rates, for reasonable, but not overly extravagant, residential extension and refurbishment. The rates are based upon recent project projects with like-minded clients. It is possible to reduce the rate to level "6", which is about 75% of the cost if you are VERY cautious with your spending. It is equally possible to increase this figure by 25% (level "10") or even 50% (level "12") and upwards very easily, if more expensive decisions are made along the way.

## Some Ways to Reduce The Overall Costs

### If it appears that your project is likely to cost more than you wish to spend:

- \* **Reduce the extent of the work.** Either build less new building, or refurbish less of the existing property. Those attic rooms may well be fine with a quick coat of paint, and not the extensive fit-out that you may have imagined at the beginning.
- \* **Prioritise the work** so that those things that you really want are built, but things that seem like a good idea, but are based on a whim, are put on the 'maybe' list. Bear in mind that it is very hard to reduce costs on some essential items such as foundations, or walls, and as such all reductions will need to come from the interior specification (i.e. those things you have set your heart on.)
- \* **Reduce the level of interior specification,** whilst retaining one or two special details. If expensive fixtures and fittings are used liberally throughout a house, the potential for the costs to spiral out of control is enormous.
- \* **If you have the time,** or the inclination, you can do some of the work yourself. This does need to be planned very carefully with your chosen builder so as not to incur more costs than you save, and is not advisable for anyone but the most dedicated DIY enthusiast.
- \* **It is sometimes cheaper** to demolish the existing property and start again, if you are planning a total refurbishment, with considerable extensions to the property. This will reduce the build cost by avoiding the time-consuming aspect of working around an existing structure, and also the building work will not attract VAT.
- \* **When the quotes are returned** by the tendering contractors there can be a large variation between the highest and the lowest price. Due to the way that all the prices are structured, if you select the cheapest contractor, you will also reduce our fees, your VAT bill, and the build cost!

**NB** The costs for building work used in this program are devised from empirical data from recent past projects, and is intended to be as realistic as possible whilst accepting that the only definitive quotes are those supplied by tendering Contractors based on a full set of drawings and a specification for each specific project. It is based upon recent costs in the South East of England, and as such costs may be lower in other regions.

## How Our Fees Are Broken Down Into Distinct Stages of Work

### Stages 1 - 3. Getting Started.

#### Stage 1

**Initial appointment to meet you and discuss the project. £ 0**

In order to start any project the first step is to meet you, and to see the building or site in question. We can then discuss what you wish to achieve and how best to go about that.

#### Stage 2

**Measure up your house to produce the 'Existing' Drawings £ 1,343**

With any refurbishment, or extension, before any drawings of the exciting new part can be produced, it is necessary to produce a set of drawings showing the existing floor plans, and external elevations, of the property, at a recognisable scale. (Usually 1:50). These drawings then form the foundations for the 'Proposed Plans and Elevations, which are used as the 'blueprint' by the builders, and may be needed by the Planning Department.

This part of the fee covers the cost of producing whatever plans, elevations, and section drawings of the existing building(s) will be needed for the project.

#### Stage 3

**Outline Design, Planning Application £ 7,055**

**Stage 3 breaks down as follows:**

3.1	Sketch layouts and meetings/discussions to determine the brief	<b>£ 2,217</b>
3.2	Scheme drawings (CAD) ready for distribution to others <sup>2</sup>	<b>£ 4,031</b>
3.3	Submission of Planning Application, or similar local authority paperwork <sup>3</sup>	<b>£ 806</b>

**Notes:**

**2** These are the 'planning' drawings (whether or not Planning Approval is required). They will show the "General Arrangements" and form the basis of any further drawings. They are drawn on Vectorworks and so can be printed, saved as pdf, and emailed to whoever may need them.

**3** It is assumed that you will need one planning application. Additional applications will be charged at the same rate. Planning fees (currently £172) are not included in this fee.

**Once you have obtained planning permission, you may wish to find a builder yourself and organise the rest of the project directly with him.**

## Stages 4 - 5. Detail Design; Tenders; Quotes from Builders.

### Stage 4

#### Detail Design, Documentation

£ 8,063

##### Stage 4 breaks down as follows:

4.1	Submission of drawings to Structural Engineer for input, and subsequent liaising	<b>£ 806</b>
4.2	Submission of drawings to Neighbours / Party Wall Surveyors <sup>4</sup>	<b>£ 605</b>
4.3	Electrical and Plumbing layout plans	<b>£ 1,613</b>
4.4	Detail drawings for kitchens, bathrooms, joinery, details, etc. <sup>5</sup>	<b>£ 4,636</b>
4.5	Submission of drawings to Building Control <sup>6</sup>	<b>£ 403</b>

##### Notes:

**4** This is the fee to liaise with an appointed Party Wall Surveyor, OR to manage the party wall matters without one if the situation is simple enough and the neighbours amenable.

**5** It is perfectly possible to go out to tender without doing the detail drawings, as long as it is acceptable to simply include "Provisional Sums" (estimates) for anything that has not been drawn up. Drawings can then be produced on an 'as required' basis during the duration of work on site. This may lead to price variations, but it speeds up the process, and defers some costs.

**6** Building Control can be satisfied via the Council Office or privately. The cost (Building Control fee, which is not included) is about the same in either event.

**Once you have a full set of drawings and a detailed specification, you may wish to find a builder yourself and agree a price directly with him.**

### Stage 5

#### Tender Process

£ 2,016

##### Stage 5 breaks down as follows:

5.1	Preparation of detailed pricing schedule to enable accurate quotes from builders	<b>£ 1,008</b>
5.2	Submission of tenders to suitable contractors	<b>£ 605</b>
5.3	Agreeing a price, a start date, and a program of works	<b>£ 403</b>

**At this point you are ready to start the building work. Our fees will adjusted retrospectively at this stage to reflect the agreed quote for the work.**

## Stage 6. On site.

### Stage 6

#### On-site Supervision and Administration

£ 3,024

**Stage 6 breaks down as follows:**

6.1	Weekly site visits to supervise work on site <sup>7</sup>	<b>£ 1,209</b>
6.2	Periodic "Valuations" and payment schedules during the works <sup>8</sup>	<b>£ 1,209</b>
6.3	Obtaining Completion Certificate from Building Control	<b>£ 605</b>

**Notes:**

- 7 There would typically be weekly site visits during which items can be discussed, progress reviewed, and any changes made. Any alterations to the drawings or specification would subsequently be made and re-issued.
- 8 Valuations are typically done every two, three, or four weeks, depending upon the size of the project and the client/contractor's preferences.

- \* **In addition to the fees outlined above**, there will some disbursements such as planning fees (currently £172), and any reasonable necessary minor expenditure incurred during the administration of the project.
- \* Each 'Stage' is a piece of work on its own. At any point you may decide that you no longer need our help, and can continue the project on your own. We will, of course, still be around so should you need to call us, or ask us to do the odd item of work, please pick up the telephone.
- \* Other professionals may need to be appointed, under separate contract, as directed. Most commonly, a Structural Engineer, and a Party Wall Surveyor, and any surveyors appointed by adjoining owners, under the Party Wall Act.
- \* It is possible to fix our design and management fee at the outset, but in order to do this we will also need to fix the scope of work, and fix the likely 'Contract Sum'.



## If you would like to proceed with the project, please sign below, and return.

\* Please ask if you would like the figures to be re-calculated before signing and returning this

**Sample from**  
**www.MichaelWorthington.co.uk**  
 Your address TBC

London

Postcode

I understand that the total fee will be calculated as an agreed percentage of the 'Contract Sum', plus any costs, or disbursements, incurred on my behalf by Michael Worthington. Until such time as the 'Contract Sum' is known (after Stage 5) the current estimate by MW will prevail.

**12.5%**

The Contract Sum is defined as the value of the building work and materials at an open market rate, irrespective of items being supplied by the client, or labour or materials being obtained at reduced rates by the client.

current estimate of '**Contract Sum**'                      £ 172,000

current estimate of **Total Cost**                              £ 238,440

**I would like to proceed with the following stages.** (feel free to proceed one stage at a time, or tick a few, or all, stages.)

<b>Stage 1</b>	Initial Appointment	£ 0	<input checked="" type="checkbox"/>
<b>Stage 2</b>	Measure up to produce the 'Existing' Drawings	£ 1,343	<input checked="" type="checkbox"/>
<b>Stage 3</b>	Outline Design, Planning Application		
3.1	Sketch layouts and meetings to discuss scheme	£ 2,217	<input checked="" type="checkbox"/>
3.2	Scheme drawings (CAD)	£ 4,031	<input checked="" type="checkbox"/>
3.3	Submission of Planning Application	£ 806	<input checked="" type="checkbox"/>
<b>Stage 4</b>	Detail Design, Documentation		
4.1	Liaising with Structural Engineer	£ 806	<input checked="" type="checkbox"/>
4.2	Dealing with Neighbours / Party Wall Surveyors	£ 605	<input checked="" type="checkbox"/>
4.3	Electrical and Plumbing layouts	£ 1,613	<input checked="" type="checkbox"/>
4.4	Detail drawings (these can be deferred until Stage 6, if desired)	£ 4,636	<input checked="" type="checkbox"/>
4.5	Liaising with Building Control	£ 403	<input checked="" type="checkbox"/>
<b>Stage 5</b>	Tender Process		
5.1	Preparation of detailed pricing schedule	£ 1,008	<input checked="" type="checkbox"/>
5.2	Sending out tender packages	£ 605	<input checked="" type="checkbox"/>
5.3	Agreeing a contract	£ 403	<input checked="" type="checkbox"/>
<b>Stage 6</b>	On-site Supervision and Administration		
6.1	Weekly site visits	£ 1,209	<input checked="" type="checkbox"/>
6.2	Valuations	£ 1,209	<input checked="" type="checkbox"/>
6.3	Completion Certificate	£ 605	<input checked="" type="checkbox"/>

I understand that I will be notified prior to each work stage commencing. Once a stage has started, the full amount becomes payable.

I understand that in the event of completing Work Stage 5, the fee for all Stages will be adjusted to reflect the 'Contract Sum' agreed with the appointed Contractor.

Signature:                      X

Date:                      \_\_\_/\_\_\_/\_\_\_

**We will send you a scanned copy by return for your records and continued reference.**

In signing, and returning, you agree to the terms and Conditions that append this document.

## Terms and Conditions

### 1 Definitions

The following definitions shall apply in these Terms, unless the context otherwise requires:

- 1.1.1 'MW' means MICHAEL WORTHINGTON LTD, of 219 Westbourne Studios, 242 Acklam Rd, W10 5JJ
- 1.1.2 'Design Services' means the services specified in the Letter of Engagement being any or all of the following services: namely design of premises; graphic design; corporate identity creation and market research and such other services, [if any] as are described in the letter of engagement.
- 1.1.3 'Design Stage' is the time where MW has completed the production of the initial plans and elevations in accordance with the design concept for the premises.
- 1.1.4 'Documentation Stage' is the time when MW has produced the documentation to be issued for tendering or negotiation for contracts to carry out the works and/or supply the goods required to implement MW's design for premises.
- 1.1.5 'Effective Completion' means the stage at which works to carry into effect MW's designs for premises are completed and free from known substantial omissions and such Effective Completion shall be certified by MW for, the purposes hereof.
- 1.1.6 'Gross Contract Value' means the estimated cost, as certified by MW from time to time, of the works to be carried out and the goods to be supplied to implement MW's designs for premises. The Gross Contract Value shall include all amounts yet to be included in the final accounts of the contractors and suppliers which sums will be estimated by MW.
- 1.1.7 'Interim contract value' means the estimated cost, as certified by MW from time to time, of the works carried out and the goods to be supplied to implement MW's designs for the premises. MW will make or review such estimates at each stage by reference to the Client's requirements as to the extent of the project and on the basis of the progress of the project at each stage.
- 1.1.8 'Presentation stage' means the date on which MW presents or is ready to present to the Client outline designs for premises for the project without detailed drawings, plans or further documents.
- 1.2 The following provisions shall apply for the purposes of ascertaining the Interim Contract Value and the Gross Contract Value
  - 1.2.1 No reduction shall be made for any counter claim, set off or retention in respect of accounts of contractors or suppliers for any cause.
  - 1.2.2 There shall be included in the estimate open market cost of any goods or services provided to the Client at less than market value. Such estimated open market cost shall be certified by MW in writing for this purpose.
  - 1.2.3 If the Client does not implement the project (or any part thereof) then the Interim Contract Value from time to time and the Gross Contract Value shall be increased to the estimated open market cost of implementing the whole project. Such estimated open market cost shall be certified by MW in writing for this purpose.

### 2 Designer's Undertaking

MW will provide the design services to the Client, subject to these Terms of Engagement using such reasonable skill and care and as is expected of a competent building designer in undertaking the design services and other obligations hereunder.

### **3 Designer's Services - Premises**

- 3.1** In accordance with information and instructions given by the client, MW will produce a design for the Client's premises. Such services will be in accordance with the Letter of Engagement, and will include such of the following as are, in the opinion of MW, required for the project:
- 3.1.1** 2.5.1 taking and evaluating the Client's instructions and requirements;
- 3.1.2** 2.5.2 formulating an initial design concept;
- 3.1.3** 2.5.3 development of the design including, but not limited to, creation of detailed drawings, layouts and finishes, the selection of furniture, furnishings, fixtures and materials, and attending at design review meetings and, when necessary or required by the Client, the productions of design prototypes.

### **4 Design Implementation**

- 4.1** MW will advise on the implementation of the designs. Design implementation will include such of the following as are, in the opinion of MW, required by the project:
- 4.1.1** giving advice on the selection and engagement of contractors and suppliers to implement the designs
- 4.1.2** making applications for any planning permissions and statutory consents;
- 4.1.3** preparing documentation and detailed drawings to enable tendering or negotiation to take place to implement designs.
- 4.2** If MW is required to pursue any planning appeals or make any applications involving change of use, complex planning technicalities or points of law then those services will be the subject of an additional fee under Clause 9.

### **5 Project Supervision**

- 5.1** MW will supervise the implementation of the designs including periodic on-site inspections. MW will monitor the performance of contractors and suppliers in the visual implementation of the designs to the extent reasonably required by the Client.
- 5.2** MW will implement procedures for the control of quality, cost and programme progress of contractors and suppliers within the scope of MW's brief.
- 5.3** MW will report to the Client with reasonable frequency on significant aspects of the project's supervision.

### **6 Fees**

- 6.1** MW's charges for services will be the following:
- 6.1.1** A design fee either on a percentage or Fixed Fee Basis [as hereinafter defined], whichever is specified [in respect of Design Services for premises] in the Letter of Engagement.
- 6.1.2** Disbursements will be charged in addition to the above fees.
- 6.1.3** VAT at the prevailing rate will be added to add fees. Vat Reg No.: 912 4294 40

## **7 Percentage Fees**

- 7.1** Percentage fees are set out in the above document, based upon the prevailing estimated 'Contract Sum'. This estimated contract sum will be revised from time to time to reflect the current situation by MW, and the client will be notified.
- 7.2** The following provisions shall apply to fees on the Percentage Basis:
- 7.2.1** Fees invoiced will be based on the Interim Contract Value at the date of the invoice from MW relating to such instalment. The invoice will take into account any change in the Interim Contract Value since the date of the submission of the previous invoices.
- 7.2.2** If, at any point before Effective Completion has been reached, the Client decides not to proceed with the project or fails for a period in excess of 2 Calendar months to give MW instructions to proceed with the project, then the client shall pay to MW any further instalments then payable [whether already invoiced or not] and, in addition, a charge calculated on a time charge basis for all work done since the stage covered by the last instalment payable as aforesaid. No refunds are due to the Client on cancellation of a project.

## **8 Fixed Fees**

- 8.1** The design fee on a fixed fee basis shall be set at a level agreed in advance, and will be limited to specified areas of the project. Invoices will be issued at the same points in the process.
- 8.2** Clause 7.2.2 shall apply to design fees on a fixed fee basis.

## **9 Time Charges and Extra Work**

- 9.1** If the project requires extra work outside of the scope set out in the fee quote, such work will be charged to the Client on a time charge basis. Extra work and expense caused to MW resulting from delay in receiving payments or instructions, delays in the project caused by the Client or any Third party, changes in the Clients instructions, changes in the law, regulations or interpretations thereof or any other cause whatsoever beyond the control of MW shall be charged to the Client in addition to all other fees.
- 9.2** Any such fee or charges as are described in Clause 9.1 will be charged on a time charge basis at MW's current standard hourly rates from time to time, details of which are available upon request from MW and may be invoiced monthly.

## **10 Disbursements**

- 10.1** In addition to the agreed fees the Client shall pay all expenses and disbursements incurred in providing the Design Services including [but not limited to]:
- 10.1.1** the Board and the subsistence of MW employees or consultants when they are away from MW's offices or their home:
- 10.1.2** and all fares in connection with the provision of the services hereunder [first class rail and business class air] and including the current standard mileage charges of MW where its vehicles are used [details of such standard charges from time to time are available on request]: and
- 10.1.3** fees paid in respect of planning or building regulations consent [or similar] and fees incurred with the Clients approval with consultants [including but not limited to legal, fieldwork, market research or building services].
- 10.2** An administration charge equal to 15% of the value of any disbursements chargeable under clause 10.1 or any liability under clause 13.3 will be payable to the Client in addition thereto.

## **11 Payment of fees**

- 11.1** All fees and other sums due to MW hereunder, will be subject to Value Added Tax [where applicable] and shall be paid in sterling at MW's offices within 14 days of the date of the invoice.
- 11.2** The Client shall pay to MW interest at a rate of 5% per annum over the base lending rate of Lloyds Bank from time to time in respect of any sum [whether for fees or otherwise] remains due to MW and unpaid [whether before or after judgement in a court of law].

## **12 Liability**

- 12.1** MW shall not be liable for failure of the actual costs of implementing any designs to comply with any estimate of costs whether or not such estimate was prepared by MW. The Client is advised to employ the services of a Quantity Surveyor where appropriate.
- 12.2** MW's aggregate liability in respect of any matter arising out of MW's duties hereunder shall be limited to £500,000.
- 12.3** MW shall not be liable for any consequential loss or damage whatsoever and howsoever arising and the Client shall indemnify and keep indemnified MW against any claim for such loss or damage.
- 12.4** MW shall not be responsible for non-performance in whole or in part of its obligations to the Client under this agreement if non-performance is due to any cause beyond the control of MW including but not limited to, acts of God, war, insurrection, riot, civil commotion, government regulation, embargo, explosion, strike, labour dispute, illness, flood, fire, tempest, or failure of sub-contractors to honour their obligations to MW.
- 12.5** The Client will indemnify and keep indemnified MW in respect of any loss, injury, damage, expense or third party claim arising from the implementation of the Design Services save and insofar as, any such loss, injury, damage, expense or third party claim is solely and exclusively attributable to the negligence of or breach of this contract by MW.
- 12.6** Each foregoing sub-clause of this clause shall constitute a separate and separate agreement and shall survive the termination, completion or avoidance of this agreement. The provisions of this clause shall be for the benefit of MW and every servant, agent, sub-contractor of MW.

## **13 Contact with Third Parties**

- 13.1** With the prior approval of the Client, MW may engage consultants being architects, consulting engineers, quantity surveyors and/or other appropriate consultants in connection with the project. In affecting such engagements MW shall be acting as agent for the Client who shall be the employer of all such consultants. The Client will hold each such consultant and not MW, responsible for the competence and performance of the obligations of that consultant. MW will have the authority to co-ordinate and integrate into the overall design the services provided by any such consultants. The fees of such consultants shall be paid by the Client.
- 13.2** If MW, as agent for or for the benefit of the Client signs or enters into contracts with contractors, suppliers, consultants or professional advisers, the Client shall indemnify and keep indemnified MW against all actions, claims, costs or demands by any such contractor, supplier or consultant. MW shall not be liable for any breach of contract, negligence or breach of duty by such contractors, suppliers, consultants or professional advisers.
- 13.3** If MW shall incur any liability to a contractor, supplier or consultant on behalf of or for the benefit of the Client, then the Client shall forthwith upon demand pay to MW amount of such liability and the provisions of Clause 10.2 shall apply thereto.

## **14 Copyright and Intellectual Property**

- 14.1** MW shall retain the property in all the copyright and other intellectual property to the designs specifications, plans, elevations and drawings produced by MW including all work executed from them. No part thereof may be reproduced without MW's prior written consent.
- 14.2** Where MW has produced other designs for the Client related to the interior or exterior of a particular property and the Client having paid the design fees therefore in full, then [subject to Clause 15] MW grants to the Client a personal non-exclusive license to use such design for that particular property.
- 14.3** Any other use of MW designs [including graphics designs, designs forming part of a corporate identity package or use of property designs outside the license specified in sub-clause 14.2] require the prior written license of MW which will be subject to agreement and payment of a further fee for design implementation.

- 14.4** MW does not warrant the existence of any exclusive copyright, industrial design right or similar exclusive intellectual property in the designs provided hereunder. MW cannot warrant the Client's right to use any trading name or trade or service mark proposed by MW and the Client should seek the advice of trademark agents before using such frame or mark.

## **15 Termination**

- 15.1** MW may terminate this contract without prejudice to any of the rights of either party hereunder if a bankruptcy petition shall be presented against the Client, or if the Client shall become insolvent, have an administrative receiver appointed over all or part of its assets or if it shall call a meeting of its creditors with a view to entering into liquidation or have a winding-up or petition presented against it or shall petition for an administration order or if the Client shall fail to make payment of any sum due hereunder on the due date or otherwise be in material breach of this agreement.
- 15.2** Upon such termination:
- 15.2.1** MW shall not be required to provide any further Design Services; and
- 15.2.2** any license granted to the Client to use any design or other work or copyright work of MW shall forthwith terminate; and
- 15.2.3** the liability of the Client for the Design Fee shall be calculated under sub-clause 7.2.2 as if the Client had decided not to proceed with the whole project at the date of such termination.

## **16 Miscellaneous**

- 16.1** This agreement represents the entire agreement between the parties hereto and any representations made by MW are expressly excluded unless specifically incorporated into this agreement.
- 16.2** No variation to these terms or the Letter of Engagement shall be binding upon MW unless contained in a written document signed by MW.
- 16.3** In the case of any discrepancy between these Terms of Engagement and the Letter of Engagement the latter shall prevail.
- 16.4** MW may exhibit a notice board at any premises where the designs are being implemented. MW may take and make full use of photographs of such implemented designs.
- 16.5** 20.5 The Client will at its own cost, affect and maintain such insurance as may be required in respect of implementation of Design Services.
- 16.6** MW shall be authorised in the case of urgency or minor alterations to make variations in the plans, designs specifications or other documents without the prior authority of the Client. MW shall inform the Client of such variations as soon as practicable thereafter.

## **17 Construction and Law**

- 17.1** In constructing this agreement clause headings shall be ignored.
- 17.2** If the Client consists of more than one individual, corporation, or other entity, then their obligations shall be joint and several.
- 17.3** No failure by either party to exercise its rights hereunder shall be a waiver of such rights.
- 17.4** Any certificate issued by MW under these Terms of Engagement or the Letter of Engagement shall be final and binding as between MW and the Client, in the absence of manifest error.
- 17.5** This agreement shall be governed by the Laws of England and Wales and any dispute shall be determined by the courts of England and Wales and shall be tried in London.