

Consulting Engineers Rate Guideline

2024



In February, 2015 the CEA announced that it would not recommend a rate increase for the year, largely because of declining provincial oil revenues. We felt that we should share some of the burden that all Alberta industries would be facing during difficult economic times. Given the continued decline in the oil and gas industry over the following two years, modest 1.56% and 1.27% rate increases were recommended for 2016 and 2017 respectively. In 2018, rates for selected positions were increased resulting in an average rate increase of 0.34%. Rates were not increased in 2019, 2020 or 2021 and were increased 3%-6% in 2022. With the resurgent of the economy, market demands and the overall need to maintain employee retention, average rates were increased by 4.5% for 2022 and then increased approximately 9% for 2023.

For 2024 we are recommending increases to all rate levels. It is important to note:

- The need to pay competitive salaries to our staff. We compete within the consulting industry and with other engineering-intensive entities, such as the petroleum industry, and with some sectors of government. If we are to offer high quality engineering, we need to offer salaries that will attract and retain the best personnel. This pressure might require further salary adjustments.
- Inflation is a true cost of business. If we continue to have no or small increases in our rates, we will be less competitive, and our industry will not be able to serve our clients effectively.
- The rates that we charge our clients are made up of salaries: but also overhead costs, staff benefits, and of course, profit. Without charging sustainable rates, we cannot remain in business.
- By paying competitive salaries, we are investing in the future: Our People.
- We are seeing a very dynamic marketplace with heightened compensation expectations. We are also in an inflationary environment, and this extends to all materials, goods and services, including our services.
- We are experiencing less commoditized work and increased workload demands that reflect the growth of the consulting market and increased client demand.

The Alberta and Federal governments have given strong support to maintaining our physical infrastructure. The Consulting Engineers of Alberta commend this position and we are ready to work with governments by having a properly compensated workforce of talented professionals to carry out this work.

CEA recommends using a Qualifications Based Selection (QBS) system for choosing consultants on a project when sole sourcing is not appropriate. For more information on QBS please refer to the cea website www.cea.ca.

Salary Multipliers

The Office of the Information and Privacy Commissioner has advised CEA the practice of disclosing salary multipliers to clients is not reasonable if a less privacy-intrusive practice can be used. Hence, CEA recommends member firms do not provide project fees based on multipliers of salary. Divulging salary information of specific staff may contravene the Privacy Act in Alberta and the security of such information may be at risk.

For the most part, the practice of basing fees on salaries is not common outside of consulting engineering. For example, the legal and medical professions have a history of using predetermined rates, resulting in a less intrusive approach. Where fees need to be based on a per diem basis, CEA recommends member firms use the hourly rates shown in this rate guideline.

Disbursements Specific to the Project

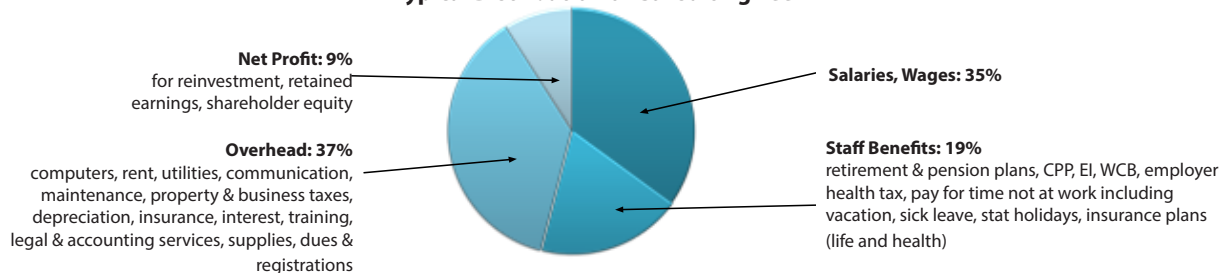
Minor disbursements — recommended to be charged as a percentage of fees (5 - 10%) include:

- Cybersecurity
- Standard software and computer costs
- Phone and internet expenses
- Routine production of drawings and documents
- Local travel expenses (up to 25 km from office)
- Courier and messenger services

Examples of other disbursements to be reimbursed at cost plus an agreed percentage (10% recommended) administration fee include:

- Travel from or outside the local area (suggested current government mileage rate) or vehicle rental costs
- Approvals, permits, licenses, and specific taxes applied to fees
- Specialized, project specific computer software and/or services
- Project specific insurance if required by the client
- Tender documents and other non-routine documents
- Living expenses for personnel approved by the client
- Project related advertising costs
- Use of specialized equipment
- Any other third party expenses paid by the consultant on the client's behalf

Typical Distribution of Consulting Fee



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Industry Standard Hourly Rates 2024

| PROFESSIONAL SERVICES | | |
|-----------------------|----|-------|
| | A- | \$123 |
| E1 | A | \$158 |
| E2 | B | \$182 |
| E3 | C | \$213 |
| E4 | D | \$258 |
| E5 | E | \$314 |
| E6 | F | \$360 |
| | F+ | \$422 |

| TECHNICAL SERVICES | |
|--------------------|-------|
| T1 | \$128 |
| T2 | \$142 |
| T3 | \$164 |
| T4 | \$181 |
| T5 | \$207 |
| T6 | \$230 |
| T7 | \$266 |

CLASSIFICATION GUIDE

This Guide describes several classifications of responsibility, experience and training. With some interpolation, engineering and technical positions within most consulting firms can be categorized to align with these classifications. These classifications support the positions contained in APEGA's published Salary Survey—'Value of Professional Services Guideline'.

work carried out by others.

T6 Technician/Technologist

Independently manages design functions on projects. Supervises the activities of other staff in execution of projects. Assists in recruitment and management of personnel as required. May assume role of Project Manager on projects. Professional Engineering Technologists (P. Tech.) may take technical responsibility for projects within the limits of the approved scope of practice. Assists with marketing and client services on a regular basis.

T7 Technician/Technologist

Independently represents the company with clients on an ongoing basis. Manages and supervises staff on a continual basis. Manages major projects. Responsible for identifying and pursuing market opportunities in area of specialization. Professional Engineering Technologists (P. Tech.) may take technical responsibility for projects within the limits of the approved scope of practice. Responsible for assisting in recruitment, career reviews and salary reviews for staff under their direction supervision. Typical role is that of Group Manager or Discipline Lead.

* E.G.G. = Engineers, Geologists, Geophysicists

NOTE: Unfair methods of competition in terms of providing fees for service or obtaining clients must not be engaged in, particularly as prohibited under federal competition legislation. Unfair methods of competition can include, but not be limited to, price-fixing, conspiring to allocate customers and the under-scoping of projects.



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PROFESSIONAL SERVICES

A- Engineering Student

University co-op or summer student.

A Member-in-Training

University graduate from an accredited engineering program.

B Assistant Project Engineer

E.G.G. assignments of limited scope and complexity. Work supervised in detail. May give guidance to members-in-training, technicians, technologists, contractor employees, etc.

C Project Engineer

Independently puts out responsible and varied E.G.G. assignments. Work not generally supervised in detail. May give guidance to 1 or 2 other E.G.G.'s but supervision of other E.G.G.'s is not usually a continuing responsibility.

D Supervisory Engineer

First level of direct and sustained supervision over E.G.G.'s.

Specialist Engineer

First level of full specialization in complex engineering applications (research, design, product application, sales, etc).

E Management Engineer

Has authority over supervisory E.G.G.'s or a large group containing both professionals and non-professionals.

Advanced Specialist Engineer

In addition to specialization, generally exercise authority over a group of highly qualified professionals engaged in complex engineering applications.

F Senior Management Engineer

Has authority over several related professional groups in different fields, each under a management E.G.G.

Senior Specialist Engineer

Recognized authority in a field of major importance and generally exercises authority over a group of highly qualified professionals engaged in complex engineering applications.

TECHNICAL SERVICES

T1 Technician

Under close supervision, carries out straightforward duties such as preparing uncompleted or repetitive drawing, maintaining drawing files and assisting with field survey. Little independent judgment required. Acts according to standardized procedures. No previous experience required.

T2 Technician/Technologist

Under close supervision supports engineering personnel in field, design and/or ACAD drafting. Performs clearly defined, straightforward tasks. Acts according to standardized procedures. Carries out straightforward computational work using standard accept formulate and manuals.

T3 Technician/Technologist

Under general supervision supports engineering personnel in field, design, drawing production and/or construction specifications and quality control. Performs variety of defined assignments with some independent judgment required. May provide technical advice to less experienced technicians/technologist in same area of specialty.

T4 Technician/Technologist

Under minimal supervision carries out design tasks and/or complex ACAD assignments and/or performs field quality control functions. Analyzes, provides recommendations and makes decisions with regard to technical problems encountered. May provide technical advice or supervise the daily activity of all lower level technical staff with regard to processes and procedures. Verifies accuracy and adequacy of their work.

T5 Technician/Technologist

Supervises directly or indirectly the work of junior personnel while at the same time undertaking project related functions on a continual basis. May function as "Lead CAD" on projects in support of the Project Manager. Prepares production and progress reports as required. Assists the Project Manager in determining personnel and man-hour requirements. Reviews and verifies accuracy of

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