

## Advisory Note 16: Learnings from a complaint case— Clear agreements, defined roles, and transparent billing

**Set the foundation right:** Craft clear, comprehensive, and tailored terms of appointment for every project. Clear and detailed agreements not only pave the way for successful collaborations but also safeguard your professional integrity.

### Summary of the case

A recent complaint against an architect highlighted breaches of Rule 58A (Terms of Appointment) of the Registered Architects Rules 2006. The clients raised issues regarding the lack of written terms of appointment and insufficient details in the agreement about responsibilities, limitations, and billing procedures.

### Key Learnings

#### 1. Importance of comprehensive written terms of appointment

- Written terms of appointment must clearly outline the responsibilities, limitations, and scope of work for both the architect and the client.
- Specific details about what is included and excluded in the scope of work should be explicitly stated to avoid misunderstandings.

#### 2. Clarity on professional responsibilities

- Architects should ensure that the terms of appointment clearly define who is responsible for engaging other professionals (e.g., engineers) and at what stages their input will be required.
- Ambiguities regarding roles, such as the involvement of cost estimators or other consultants, should be clarified in the written agreement.

#### 3. Transparent billing procedures

- The agreement should detail how and when billing will occur, including any fixed fees or stages of payment.
- Any exclusions from the scope of work, such as specific design elements or engineering services, should be clearly noted to manage client expectations.

#### 4. Effective communication with clients

- It is crucial to communicate effectively with clients about the necessity and benefits of a formal written agreement, even if using a simplified format.
- Avoid assuming that clients understand industry practises or the implications of not having a comprehensive written agreement.

#### 5. Using standard forms of agreement

- While not obligatory, using standard forms such as the NZIA Short Form Agreement can provide a useful framework to ensure all necessary aspects of the project are covered.
- These forms can help in addressing common issues and providing a clear understanding of responsibilities and expectations.



## Conclusion

This case underscores the importance of providing comprehensive and clear written terms of appointment to clients. Architects must ensure that all aspects of the project, including responsibilities, limitations, billing procedures, and the involvement of other professionals, are clearly defined and communicated at the outset. By doing so, architects can avoid misunderstandings and ensure a smoother project execution, maintaining professional integrity and client satisfaction.



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