AIASF_SBC Meeting Notes for August 2015
GETTING PAID: PART 2

Meeting Date: August 20, 2015
Location: SF Design Center Cafe
Date: 8:30 am – 10:00 am
2 Henry Adams St, San Francisco

Attendees:
Tim Mangan, James Hill, Jack Verden, Jackie Detamore, Mary Muszynski, David Gast, Lian Eoyang, Eliza Hart, Justin Trigg, Brant Fetter, Larry Paul, Michael Robbins

Purpose:
Update on new AIA Committee Procedures
Round Table: Getting Paid: PART 2

Next Meetings:
∙ Tina Tam, Preservation Planning - September
∙ Michael Bernard, Office Management - October
∙ Scott Sanchez, Zoning Administrator - Variances and Interpretations, Small Projects, Rearyards
∙ Evening Holiday Party - December

New AIA Committee Procedures:
 a) Chair and Co-chair met with other committee leaders and AIA Staff 8/18 to review new committee procedures, a document has been distributed to the group outlining extensive changes. The following concerns were raised and vetted with the group:
   ∙ Request that meetings be held in the AIA Office
   ∙ Proposed elimination of the Yahoo Group Discussion platform and AIA monitoring of discussions
   ∙ Proposed fees to attend events
 b) Contact made with AIA staff leadership and, initially, it appears the group will be exempted from requirements, although staff remains an interest in review.

Getting Paid:
 c) How to best structure a proposal with all the unknowns that are typical of working in San Francisco? Time and materials with an estimate based on a percentage of construction cost was presented as a model.

d) What about additional services, how do you estimate what those are for the planning process? Members agree that it is impossible to quantify effort to get entitlements, but possible to identify likely additional services. One cannot estimate if process/effort is unknown. Architects used to be
able to predict entitlement effort but not anymore, that said we are still the most experienced at getting entitlements.

e) Construction cost may go up when a contractor is brought on latter in the design, if our fees jump up as a result, it often upsets the client. Members recommend getting a contractor or cost estimator on board early to avoid surprises. The following cost estimators have been used by members; Alison Baker and Christine Kiesling.

f) Not surprising to see a 25% design creep, particularly as owners often want to add scope latter in design process.

g) Often clients do not come forth with the actual budget and look to low ball services, this can lead to misunderstandings about the true scope the client has in mind. Best to be realistic from the start and make it clear if something is beyond the scope of the budget.

**Expediters:**

h) Permitting consultant can sometimes be more cost effective than architectural staff and may be more informed about latest trends in permitting. Their experience can inform other projects that may not use a consultant.

i) Expediters can be helpful for obtaining building permits but less so on projects requiring extensive planning review. Often very useful on over the counter permits.

**Business and Office Managers:**

j) Can be difficult to segregate duties, principal often needs to have his hands in all aspects. Important to define their duties, accounting, bookkeeping, business development

l) Business Managers: Brown Creative, Hanna Brown and Michael Bernard were some outside consultants mentioned. They have been scheduled for October Roundtable.

**Law Suits, Liens, Small Claims:**

m) Many liability insurance companies provide a First Defense benefit where if you are not found liable, you are reimbursed for legal expenses and premiums are not raised.

n) A Mechanics Lien can be a good way to ensure payment. Project must have been permitted by local agency before Lien can be made.

o) Requires a formal letter, recorded, but is relatively easy to file. Liens need to be followed with a law suit within 90 day or property owner can request removal. Often just filing the lien can be enough to get clients motivated to pay.

p) Liens can stipulate an interest rate for late payment.
Accounting:
q) Xero.com was presented as a great, if less common, online accounting software vs quickbooks. Combined with Harvest as a timecard/invoicing tool simplified accounting time to a couple of hours. Harvest arrangement with Paypal limits fees to $.50 for invoice payments.
https://www.xero.com/us/