**The Design Company**

**Letter of Agreement for Interior Design**

The following describes the fee compensation, terms and conditions and scope of work for this project. This agreement represents the full and complete responsibilities and requirements of The Design Company unless amended by written agreement.

**Fees and Accounting**

1. An initial deposit, considered a retainer, shall be required. Based upon the initial work discussed the retainer will be **$1500.00**. (This amount will be credited against your final invoice.)
2. Our consultation fee is then based on our time spent with you and working on your project. This time will be itemised and charged at a rate not to exceed **$75.00 per hour**.
3. For all items purchased through **The Design Company** trade sources on your behalf, we will charge an hourly rate not to exceed **$65.00** for issuing purchase orders, expediting and invoicing, including reimbursable expenses. **The Design Company** trade discounts will be provided to you as direct costs without markup on furniture or accessories.
4. The above hourly rate applies for consultation and coordination time spent with other professionals involved in the project (architects, contractors, etc.). Out-of-town travel (if required) is billed at **$450.00** per day, plus transportation and reimbursable expenses.
5. **The Design Company** shall hire drapery and upholstery workshops, painters, wallpaper installers or other subcontractors necessary to execute the work. We shall supervise and instruct all trades people retained by **The Design Company** on behalf of the Client until the final completion of the project. This time will be billed at the typical hourly basis. In the case of contracts or purchase orders for construction items, a percentage of the cost of the work will be charged as a construction management fee not to exceed **10%,** and in such cases hourly billing shall not apply to these portions of the work. We will supervise and coordinate this work until completion, but cannot assume any liability arising out of their actions. In the event that labour or material sources are not retained directly by **The Design Company**, the client assumes full responsibility for any damage, loss of material or disruption of schedule that might occur as a direct result of their presence on the job and or performance of the work.
6. A final itemised bill will be issued at the end of the project reflecting the balance due less any deposits, retainers, or prepaid expenses.

**Terms and Conditions:**

1. ORDERS: Full payment is required prior to placing orders for all fabrics, trims and wall covering. Furniture vendors, workrooms, and custom contractors in most cases require a **50%** deposit and balance due prior to delivery and/or installation.
2. COST: **The Design Company** is not responsible for any increases in prices quoted for an item, to the extent that the increase did not arise out of any fault of **The Design Company**.
3. SCHEDULE: No responsibility is assumed for delays caused by failure of others to meet commitments, or for any other reason beyond our direct control. Our full responsibility in this regard shall be to assure that the project is completed in a timely and professional manner.
4. WARRANTIES: **The Design Company** cannot warranty any product material or article against wearing, fading, shrinkage or latent defect. **The Design Company** will represent the owner on their behalf to help resolve problems concerning quality or latent defects arising out of normal use etc. However, it will be necessary to charge an “administrative fee” of **$35.00** per hour if the problem cannot be resolved quickly and you direct us to continue the resolution.
5. **PAYMENT: All bills are due upon receipt unless other accommodations have been made prior to billing.**

**Termination:**

1. If for any reason this contract ceases prior to completion of the project, any outstanding hourly balances due or reimbursable expenses will be deducted from the retainer fee and the remainder will be returned to you or any remaining balance will become due.
2. This agreement may be terminated by either party upon fourteen days written notice should the other party fail substantially to perform in accordance with its terms though no fault of the party initiating the termination.

**Indemnification:**

1. **The Design Company** and Client shall indemnify and hold harmless each other and their respective agents and employees from any and all claims, demands, liabilities, damages losses, costs and expenses of any nature whatsoever, including reasonable solicitor’s fees, in any way arising out of or resulting from performance of the work under this agreement which are caused in whole or in part by an negligent act, error or omission of the Designer or Client.
2. The Client and the Designer waive all rights against each other and against the vendors, consultants, agents and employees of the other for damages covered by any property insurance during construction. The Client and Designer each shall require appropriate similar waivers from their contractors, consultants and agents.

**Project:** Interior Design service for fit-out of commercial premises located at

**Add name and address of business here**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Scope of work:**

“See attached Appendix A.”

**Design Services:**

“See attached Appendix B.”

Please indicate you acceptance of these terms by signing this letter of agreement and returning it to us along with the retainer fee.

I would be happy to discuss any of the above terms, at your convenience, and we look forward to working with you on your new home.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Client name

\_\_\_\_\_\_\_\_\_\_\_\_\_

# Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Your Name

**The Design Company**

\_\_\_\_\_\_\_\_\_\_\_\_

Date

**Appendix A.**

**Scope of Work.**

**Add ‘scope of work’ here**

NOTE: All work is being executed in existing spaces so no exterior work is required.

**Appendix B.**

## Design Services

##### SCHEMATIC DESIGN PHASE

1. Communicate with the Client and other parties in order to establish a clear and concise understanding of the “Scope of Work” and implementation of the Project and review the understanding of such requirements with the Owner.
2. Determine design criteria from Clients verbal direction and photographic imagery and prepare “Scope of Work” document for review and approval by Owner.

##### DESIGN DEVELOPMENT PHASE

1. Based upon the written and verbal direction along with Clients photographic imagery, prepare for the Clients approval, preliminary plans showing the functions and space allocations to fix and describe the size and character of the construction of the Project for the areas included.

##### CONTRACT DOCUMENTATION PHASE

1. Provide floor plans and interior elevations and details necessary to execute the work.
2. **The Design Company** shall develop and issue drawing packages to obtain competitive pricing from General Contractors and key subcontractors necessary to execute the work. **The Design Company** shall negotiate contract agreements and or Purchase orders on behalf of the Client necessary to execute all portions of the work necessary for project completion.
3. **The Design Company** shall review contractor and or sub-contractor requests for payment and advise Client as to the appropriateness of those requests based on the contract documents and progress of the work.

##### Construction Management

1. **The Design Company** shall visit the jobsite on a regular basis to ascertain if the work is progressing in accordance with the plans and specifications and shall communicate with the contractor and subcontractors accordingly to facilitate said work to be executed in keeping with those plans and specifications.
2. Project close out: **The Design Company** shall, with the assistance of the Client make final inspections of finishes and equipment necessary to aid in the final completion and acceptance of the project. A “punch list” shall be issued to the contractors describing the deficiencies existing that need to be remedied, repaired or replaced to complete the project in keeping with the quality level identified on the plans, specification and purchase orders.
3. Upon completion of all punch list items and acceptance by Client, **The Design Company** shall aid client in close out of all contractor contracts, collect warranty information on fixtures and equipment and obtain final release of liens.