CODE OF ETHICS
Adopted June 23, 1911
Amended January 16, 1921, by
AMERICAN INSTITUTE OF
CONSULTING ENGINEERS, INC.

It shall be considered unprofessional and inconsistent with honorable and dignified bearing for any member of the American Institute of Consulting Engineers:

(1) To act for his clients in professional matters otherwise than in a strictly fiduciary manner, or to accept any other remuneration than his direct charges for services rendered his clients, except as provided in Clause 4.

(2) To accept any trade commissions, discounts, allowances, or any indirect profit or consideration in connection with any work which he is engaged to design or to superintend, or in connection with any professional business which may be entrusted to him.

(3) To neglect informing his clients of any business connections, interests or circumstances which may be deemed as influencing his judgment or the quality of his services to his clients.

(4) To receive, directly, or indirectly, any royalty, gratuity or commission on any patented or protected article or process used in work upon which he is retained by his clients, unless and until receipt of such royalty, gratuity or commission has been authorized in writing by his clients.
(5) To offer commissions or otherwise improperly solicit professional work either directly or by an agent.

(6) To attempt to injure falsely or maliciously, directly or indirectly, the professional reputation, prospects or business, of a fellow Engineer.

(7) To accept employment by a client while the claim for compensation or damages, or both, of a fellow Engineer previously employed by the same client and whose employment has been terminated, remains unsatisfied, or until such claim has been referred to arbitration, or issue has been joined at law, or unless the Engineer previously employed has neglected to press his claim legally.

(8) To attempt to supplant a fellow Engineer after definite steps have been taken towards his employment.

(9) To compete with a fellow Engineer for employment on the basis of professional charges, by reducing his usual charges and attempting to underbid after being informed of the charges named by his competitor.

(10) To accept any engagement to review the work of a fellow Engineer for the same client, except with the knowledge or consent of such Engineer, or unless the connection of such Engineer with the work has been terminated.

(11) To publicly advertise his professional business in self-laudatory language or with conspicuous display.

(12) To submit proposals for or enter into contracts for the construction of works, plans and specifications for which have been prepared by him in the capacity of professional Engineer for a client.
SCHEDULE OF FEES
RECOMMENDED BY
AMERICAN INSTITUTE OF
CONSULTING ENGINEERS, INC.

INTRODUCTION
It is recognized that no schedule can anticipate and provide for all contingencies which may arise in the practice of the various branches of the profession. The schedule, therefore, is necessarily far from definite, but the Council has authorized its publication, in the belief that it will be found useful for the guidance and protection of members of the profession and their clients.

Charges for the services of Consulting Engineer are usually based upon
A. A per diem rate;
B. A predetermined fixed fee;
C. A percentage of cost of the work, or
D. Reimbursement and a percentage of cost of the work.

A.—Per Diem Rate
(1) Charges for consultation, studies, opinions, reports, court proceedings and expert testimony vary, according to the magnitude and importance of the work or subject involved and the experience and reputation of the engineer, from $100 per diem to a much higher figure. Time occupied in necessary traveling is charged for as a part of the work.

Attendance at court or expert testimony for any fraction of a day should be considered as a full day.

Where conditions of professional retainers contemplate a long engagement for general advice, the Engineer may accept such retainers upon a yearly basis, preferably at a compensation not less than that of the permanently employed engineer of the client. This refers particularly to corporations having a chief engineer in their corps.

B.—Fixed Fee
(2) A fixed fee for the services rendered may be charged, such fee varying according to the character, magnitude and importance of the work or subject involved and the experience and reputation of the engineer.

C.—Percentage of Cost of the Work
(3) For preliminary examinations, surveys, studies, plans and reports on new projects, or for review, study and report on projects previously dealt with by other engineers, from 1 1/2% to 3% or more, upon the estimated cost of the work, depending upon the character and importance of the services rendered.

Note.—Work of the character contemplated by this paragraph is preferably charged for upon a per diem or fixed fee basis, unless coupled with one or more of the preceding stages cited below.

(4) For the preliminary stages of the project (3), and, in addition thereto, such investi-
gations, plans and specifications as are necessary to enable contractors to submit definite tenders for construction, from 3½% to 5%, or more, upon the estimated cost of the work.

(5) For the preliminary and secondary stages of the project, (3) and (4), and, in addition thereto, final working drawings, specifications and advice, and also consultation and general advice during construction, from 5% to 7½%, or more, upon the estimated cost of the work.

(6) For the services named in (3), (4) and (5), and, in addition thereto, full professional services, including the awarding of contracts, construction management, testing of materials, inspection work, responsibility for the organization and management of the work and carrying it to completion, from 10% to 12½%, or more, upon the actual cost of the work.

(7) The range of percentage charges named in (3), (4), (5) and (6) contemplates differences in the magnitude and difficulties of the work. The lower percentages may apply to work considerable in magnitude (e. g., work costing from $1,000,000 to $2,000,000, or more) and comparatively free from complexity; the higher percentages to less expensive and more complex projects.

The percentages are to be computed upon the entire cost of the completed work, exclusive of engineering, or upon the estimated cost pending execution or completion.

(8) The phrase, "cost of work," as used herein, refers only to such part or parts of the whole work or projects as the engineer may be engaged to deal with in any of its stages.

(9) The charges named in (1) and (2) relate only to compensation for personal professional services. Unless specifically exempted by agreement, it is customary to charge the client, in addition thereto, for all expenses properly incurred by reason of the engagement, including transportation and subsistence charges while away from the home office, the amounts paid assistants while engaged upon the work, supplies used, and reasonable allowance for general office expense.

The charges named in (3), (4), (5) and (6) include all expenses properly chargeable to the client, except those specifically exempted by agreement.

D.—Reimbursement and a Percentage of Cost of the Work

(10) Another approved method of computing charges is by a percentage of cost of the work to cover services of the engineer, his expenditures for assistants and for general office expense being reimbursed by the client at cost. When this method of charging is adopted, the percentages to cover services of the engineer should approximate one-half of the respective percentages specified under "C," reimbursement being computed from pay roll cost, with an addition of from 75% to 100% to cover "readiness for service" and general office expense.
(11) Unless otherwise agreed upon, payment for services is considered due and payable monthly on account as the work progresses. In short engagements, however, it is customary to arrange with the client for the entire payment upon completion of the engagement.

(12) It is proper for the engineer, in accepting an engagement, to require an adequate retaining fee based upon the magnitude, importance and other conditions of the engagement, this fee to be credited against the final account, unless otherwise agreed.

(13) It is desirable that upon undertaking any engagement the engineer and client should enter into a written agreement or memorandum stating as fully and clearly as practicable the conditions of the engagement, the services to be rendered by the engineer, and the amount or rate of his compensation.

(14) In case the work entrusted to the engineer is abandoned in any stage of its progress by instructions of the client, the fee due the engineer is to be determined in accordance with the extent of progress, expenses and obligations incurred, as per (3), (4), (5), (6), and (7).

(15) Contingent fees are of two kinds:
(a) Those, the payment of which, in whole or in part, is made contingent upon a successful outcome of the recommendations, opinions, or estimates of the engineer, and
(b) Those, the payment of which, in whole or in part, is made conditional upon the rendering by the engineer of certain recommendations, opinions, or estimates.

(16) Except in cases where the compensation of the engineer is in the form of an annual retainer, the agreement between the engineer and his client should specify the period of time during which the compensation of the engineer, as determined by per diem charges, fixed fee, or agreed percentages, shall apply. If, through no fault of the engineer, the work should not be completed within the time so specified, an additional charge may be made, the basis for which, if practicable, should be agreed upon in advance.

(17) When contracts, drawings, or specifications are altered at the request of the client, or when services in addition to those contemplated by the agreement between engineer and client are required (e.g., in connection with negotiations, legal proceedings, failure of contractors, franchises, or right-of-way), a charge for the additional work involved may be made.

Revised April 12, 1923.