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NEW YORK CHAPTER, AMERICAN INSTITUTE OF ARCHITECTS, 115 EAST 40 STREET, NEW YORK 16, NEW YORK  
WALTER H. KILHAM, JR., PRESIDENT; BEN JOHN SMALL, VICE-PRESIDENT; WILLIAM POTTER, TREASURER;  
M. MILTON GLASS, SECRETARY; DOROTHEA WATERS, EXECUTIVE SECRETARY; EDWARD EVERETT POST, EDITOR.

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"Management, labor, supplier, engineer and architect must all cooperate to meet the challenging conditions which face the construction industry in the coming year," stated our Chapter president Walter H. Kilham, Jr., in a year end report released to the press.

"Lean years are coming," he said, "but the construction needs of all communities are still immense. During the war, faced with necessity, we worked as a team and produced what appeared to be impossible. We are again faced with necessity, the necessity to produce at a price the consumer will buy. He is willing if the price is right. It is up to the industry to meet these demands with intelligence, imagination, hard work and the willingness to produce at reasonable costs."

Mr. Kilham stated the outlook for the year, which was determined by a survey taken among the members of the chapter's executive committee, is that building costs will continue on the same level as they are at present. Although they may drop slightly, they are expected to show no appreciable difference in overall costs. The recent increase in steel prices has not shown any marked increase in costs to date, but disturbances of this nature may definitely have a direct influence on increasing costs, as so many items of the industry are affected by such a basic commodity.

Other points brought out by the members of the executive committee were as follows:

Unessential building will continue to move slowly as the public is still not accustomed to current building prices, although they have not risen more in proportion to other costs. Requirements for mechanical equipment are greater today and considering this the building dollar is buying more than ever before.

Institutional building, such as schools and hospitals, is expected to go ahead, not deferrable due to public necessity, and facilitated by the low rate of interest on bonds. Housing will also continue, or even increase, due to the artificial stimuli of subsidies.

The one-story house, with such features as an overhanging, pitched roof, and a stretched out plan, has come to the fore in the past year and consumer demand for these homes is expected to be even greater in the coming years.

New methods and materials, such as lightweight and insulating concrete, insulating plaster and lightweight exterior wall panels will be used to a greater extent in New York City, due to the latest series of decisions by the New York Board of Standards and Appeals.

Increased control of heat, insulation, air and light for greater human comforts is foreseen. Trends point toward a greater and better understood use of radiant heating, better and less expensive air conditioning and technological gains in the lighting field.

As the past year has seen competition grow keener, the larger corporations are reestablishing their pre-war research departments to bring out newer and better products in the building industry.

Apartment and commercial building design in the past year has shown a trend toward a more modern architecture. Simplicity in design and open planning for such buildings is being demanded by the public.

More and more cities will be planned for better living as the Federal Housing Act of 1949 makes city planning a prerequisite to the allocation of funds for housing.

It is hoped that the public and all phases of the construction industry will continue with their demand to hasten standardized building codes. The recent formation of the New York State Building Code Committee is a step in the right direction, and the architects predicted that within five years, building codes could be uniform throughout the country.

## PUBLIC WORKS

Frederick H. Zurmuhlen, Commissioner of the Department of Public Works of the City of New York, and himself a well-known architect, on December 6 told a luncheon meeting of Chapter members about the work of his department and the place of the individual architects in its program.

The department operates some 49 bridges, 61 public buildings and 13 sewage treatment works, representing a current value of over \$700,000,000. During the last three and one-half years, plans for new projects estimated to cost 170 million dollars have been completed. Public Works Construction in 1946 totaled 1½ million dollars. In 1948 it climbed to 15½ million dollars and in the first ten months of 1949 to 30 million dollars, for a total yearly figure that may top 36 millions!

Commissioner Zurmuhlen takes pride in having achieved a tremendous increase in the volume of the work designed without increase in staff, a credit to efficient management and hard work. To achieve maximum efficiency he plans to maintain his technical staff of specially trained men on an even basis, using the services of private architects, selected from the official panel of architects, to design projects outside the normal department capacity.

Fees for the employment of private architects will be equitable and based on valid construction costs, the Commissioner stated, pointing out that discussions of appropriate fee schedules are now under way with representation of the Chapter, and that his department has an enviable record for not exceeding estimate costs in actual construction.

*MORE ABOUT FEES*

"I am much interested in the letter of S. Brian Baylinson, in the December issue, and in the editorial comments it evoked, regarding cutting of fees. It seems to me that this is a matter which affects a majority of our members, including your correspondent. As an individual I have long been making ineffectual attempts to combat this condition. As a member of the New York Chapter, I have tried, with almost equal lack of success, to obtain some organizational action. Why don't we take our ostrich heads out of the sand and face the facts?"

First of all, I would criticize the schedule of recommended fees. I do not believe that more than a small percentage of our Chapter members are getting such fees. It may not be a breach of anything to take a poll among our members in an attempt to find out the true score. An indication of expected results might be the experience of the writer at a meeting last year, when fees were discussed. About sixty members were present. The writer asked for a show of hands by all those who were charging 18% for private residence alterations. Not one hand was raised. I would advocate strongly that we establish a realistic schedule and then try to find a way to implement it.

If we took a peek back of the curtain screening A.I.A. members in the other four boroughs, I am absolutely certain we should find that the fees charged have scarcely a nodding acquaintance with the schedule recommended. There is often good reason for this fact.

The work may be of a speculative nature, or it may involve only partial service. It is my conviction that most often it is the result of the cut-throat price competition that prevails. Unfortunately, and sad to relate, the low fees are often made possible by concealed emoluments. If this statement raises a few eyebrows let me inquire as to how come so very many contractors ask the architects what is expected of them before submitting their proposals.

If these practices were rare and isolated incidents they might not be worthy of notice. The many actual occurrences place most of the smaller firms in competition on a low fee basis. This writer feels it should be brought into the open and that ways and means can and should be found to correct the condition. The clients might co-operate if a method could be discovered to include in our public relations work the dissemination of convincing data as to the complexity and expense involved in capable architectural services and the difference in the ultimate result when a conscientious practitioner is employed at a fair rate.

Sincerely,

Mortimer E. Freehof"

An excerpt from a letter from an out of town Chapter member brings us some different aspects of this problem, as follows:

"As to the matter of fee cutting, it is my experience that most of the people who come to me cannot pos-

sibly be persuaded to pay anything resembling the A.I.A. rates. If these rates were mandatory, I should have to go out of business or resign from the A. I. A. Once in a while I find a client who has some concept of what architectural service is, and will pay a fair price for it, but most of them want only enough of a plan to get through the building department and let a contract. They are accustomed to the prices charged for stock plans, and it is hard enough to get them to pay a fee that will yield me a draughtsman's pay. I couldn't do this, in the kind of town I live in, except that I am a fast worker and have almost no overhead. I do not think I have ever knowingly competed for work on a price basis, but if I am to make a living I must work for what people are willing to pay, and you would be surprised to learn how little this is."

The two letters quoted above bring up many serious questions, among them the following:

Is the New York Chapter's present recommended schedule of fees unrealistic, or does it merely seem so because it includes the engineering fees formally omitted?

How does it compare with the schedules of adjacent Chapters?

Are the Architects' increased costs, under current conditions, adequately covered when related to the increased cost of building?

In residential work is sufficient engineering required to warrant a 12% minimum fee rather than the old 10% fee?

Why should the fee for alterations be 50% greater than for new buildings, if the owner provides all necessary information about existing conditions or pays the Architect to procure this information, as called for in the A. I. A. agreements?

Should there be a provision for lower fees for the type of partial services mentioned in the above letter?

If so how can it be made clear to the public that the services they receive for these partial fees are not complete services, to the end that, in time, the value of complete services will be recognized and their acceptance become more general?

Does the indefiniteness of the Chapter's present recommended schedules with respect to adjustment of fees to the various types and sizes of buildings give clients too great an opportunity to negotiate undesirably low fees?

Would a more definite schedule listing fees for various categories and sizes of buildings, such as the schedules used by the Connecticut, New England, and Buffalo-Western New York Chapters, be a more useful document in getting clients to accept at least the minimum recommended fees?

Is it true, as suggested, that some Architects take low fees which are made possible by "concealed emoluments" from contractors?

If so, what action, legal or otherwise, can be taken to put a forceful and immediate stop to such practices?

*WHAT'S BEHIND OUR AGREEMENTS?*

We have been urged in the November issue of the A.I.A. Bulletin to review a draft of the newest addition to the standard documents, an agreement for use where a multiple of the technical personnel costs forms the basis for payment for professional services. As a preliminary to the review of this specific form it is interesting to look over the various Owner-Architect agreements from the broadest point of view.

One is immediately struck by the fact that there are very few underlying ways of basing the Architect's compensation. One basis is the Architect's cash outlay; a second is the time that the Architect himself spends on the job; a third is the cost and complexity of the building; and a fourth is the value of the Architect's contribution quite aside from any relationship to his cost, to his time, or to the cost of the building.

Another apparent basis, the fixed fee, is actually only a determination in advance of what the Architect estimates his compensation would be under one or another of the above methods.

The relating of the Architect's personal compensation to his cash outlay, to the time he spends on the job, or to the cost of the building seems in each case to be fundamentally illogical however practical it may be. On the other hand the relating of the Architect's compensation to the true value of his contribution is logical but generally impractical, perhaps impossible, except in rare instances where the dollar value of the Architect's particular services can be made apparent.

The basing of the Architect's personal compensation on his costs, or on his time, appears to be equitable for jobs which are routine or which require only an average degree of ability and technical competence. However, under these systems brilliance and efficiency seem to be penalized, especially since the architectural solutions which are worth the most money are often formulated in the mind of the Architect without reference to measurable time or costs. Furthermore, the size of the fee has little or no direct relationship to the size and cost of the project and to the responsibilities which increase proportionately with these factors.

The basing of the Architect's compensation on a percentage of the cost of the building designed is, it has seemed to many, more logical because the percentage and the ultimate fee can be varied according to the extent to the services to be rendered and the size and complexity of the job. It is still, however, not wholly logical since unusual willingness to study and restudy a job in order to reduce costs penalizes the conscientious Architect as compared with one who is satisfied with more easily achieved results.

The percentage fee system is generally used for compensation for complete architectural services, but it may also be used for compensation merely for the Architect's personal services, the balance of the services being on the cost basis. This combination, a cost-plus-percentage fee, although not widely used, has, it would seem, more logic than the other cost-plus systems.

The fixed fee, negotiated in advance, is used either for compensation for the Architect's personal services, or for the entire job. In the former case it may take the form of a cost-plus-fixed-fee agreement. In the latter case it is an agreement to perform the complete professional services for a definite price.

The chief objection to these fixed fee systems is that they afford, even more than the percentage system, a basis for a client's shopping around for low prices, with consequent temptation on the part of the Architects under consideration to compete on the basis of their fees. Furthermore, there is no way of taking care of possible changes in complexity or scope after the execution of the agreement, unless the agreement contains some provision for this, and if it does contain such a provision is the fee really any more "fixed" than it is under a percentage system?

The above is merely a start at analyzing the factors behind the Owner-Architect agreements. It is hoped that Chapter members will contribute their own ideas on this subject, to the end that improvements in the forms of the agreements will be related as closely as possible to the underlying fundamental objectives of the profession.

*BAD SMELL — \$500*

The Chapter has received the following letter:

"Would you kindly accept and examine a project of mine; to make this mankind free from bad smell, I have constructed a chimney, which build inside the factory, would be driven by Suction — pipe from Furnace in the Caisson of certain size and these finally dissolved.

The plan, can of course, be changed by an architect or Ingenieur who make a specialty to construct chimney for Factories. Nevertheless, it would alleviate a great deal the passers-by near the Buildings when chimney are erected.

This invention of mine, I would like to sell to an interesting person or corporation to the amount of \$500 (five hundred Dollars).

Will you, gentlemen, kindly forward me an answer in certain time.

With best wishes I remain very respectfully

Albert Bode  
Ingwiller Bas-Rhin  
Asyl Venenberg (France)".

Interesting architects or ingenieurs who make a specialty to construct chimney for factories can see the "plan" referred to, at the Chapter offices, after which they must deal directly with Mr. Bode at Asyl Venenberg.

Publication of this letter does not in any way constitute an endorsement of this "invention" as the bad smell resulting from such an endorsement would certainly be obvious to the passers-by and most difficult to alleviate.

**UNETHICAL PRACTICES?**

Warning to Chapter members from Committee on Professional Practice! Two-fold violations of the standards of practices are inherent in the procedures currently established in the Military Housing Program.

This program, known as "Title 8 Military Housing Insurance" was authorized by Public Law No. 211 of the 81st Congress as an amendment to the National Housing Act.

Under the provisions of the Act, the Army, the Navy and the Air Corps may invite proposals from sponsors for housing projects to be built on Government land leased to the sponsor, and to be rented to military personnel by the sponsor at approved rentals.

The sponsor is required to submit with the proposal all of the architectural documents including plans and specifications which normally constitute the preliminary stages of an architect's full services and for which the architect is entitled to 25% of his total fee.

Since the sponsor is submitting a proposal or "bid" in competition with other sponsors and since the architect's drawings are an essential factor in the determination of an award, the possibility exists that the architect is involved in an unauthorized competition. Possible violation No. 1.

In addition, unless the architect is working for an established client or has a definite agreement on payment for his work, he is open to the charge of violating the standards of practice in that he is submitting free sketches. Possible violation No. 2.

Your Chapter has communicated with Institute Officials in Washington on this matter. They report that they have had several conferences with the three defense departments to explore ways and means of correcting the present procedures. This activity on the part of the Institute has resulted in the appointment by the Secretary of Defense of a three-man commission, headed by architect Bertsam Giesecke of Austin, Texas. This commission will review the entire military housing procedure and will recommend measures which recognize the architect as a professional practitioner who does not knowingly compete with others on the basis of price, and who does not furnish sketches or other professional services without adequate compensation.

**NEW HOUSING FEES**

The A. I. A. Committee on Fees is to be complimented on the agreement it has reached with P.H.A. officials on an optional schedule of fees to be paid architects under the low-rent housing program authorized by the Housing Act of 1949. The new schedule, which is generally based on 2.5 times technical payroll, will permit payments up to a level exceeding the former P.H.A. schedule by approximately thirty percent on smaller projects, graduating down to no increase on the largest jobs. Chapter members on the committee include Chairman Clarence B. Litchfield and Harry M. Prince.

**LE BRUN SCHOLARSHIP**

A Suburban Railway Station has been chosen as this year's design problem for the Le Brun Scholarship. The prize provides \$2800.00 for six months' travel abroad. Applicants must be nominated before February 10, 1950, by a member of the A. I. A. Rules require that candidates be U.S. citizens between 23 and 33 years of age and that they have a minimum of two years' office experience and have not been beneficiaries of any other traveling scholarship.

The Le Brun Committee is making a special effort to bring this announcement to the attention of Architects throughout the United States and hopes that participation by the younger members of our profession will be encouraged.

**ADVICE TO THE LAYMAN**

On February 7, Harold R. Sleeper, our former president, will begin a series of ten lectures at the Institute of Arts and Sciences, Columbia University, entitled "A Practical Course for Home Builders and Buyers." The talks will be similar to those given by Mr. Sleeper four times in recent years, doubtless with the addition of material covering new building developments. It is well known that they are highly instructive, not only to prospective builders or purchasers of houses, but to architects themselves. The lectures will be delivered on Thursday evening, and the fee required for attendance is fifteen dollars.

**CANDIDATES**

According to the By-Laws of the Chapter, names of candidates for membership shall be submitted to all members before consideration by the Committee on Admissions. Information received regarding the qualifications of the following candidates will be considered confidential:

*Corporate Membership*

Alfred F. Ash

Sponsors: Edwin F. Forbes & Hugh N. Romney

Keith D. Brown

Sponsors: Walther Prokosch & Julian van der Lancken

Abraham William Geller

Sponsors: John H. Callender & George Nemeny

Harmon Hendricks Goldstone

Sponsors: Max Abramovitz & Wallace K. Harrison

Meyer Katzman

Sponsors: Peter Copeland & Jacob Moscovitz

George Sherman Lewis

Sponsors: Marcel Breuer & Willard H. Barrows

*Associate Membership*

Charles D. Gloster

Sponsors: Leopold Arnaud & Nicol Bissell

Bertha Jobin

Sponsors: Irene K. Ames & Louis Bubeck