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**COMPUTER PROFESSIONALS (REGISTRATION COUNCIL
OF NIGERIA) THE SCALE OF PROFESSIONAL CHARGES**



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S. I. 31 of 2011

BRIEF ABOUT THE COUNCIL

Computer Professionals (Registration Council of Nigeria), (CPN) was established through Act No. 49 of 1993. The Act was passed into law on 10th of June and *Gazetted* on the 9th of August that year. It is a corporate entity that is charged with the regulation, control and supervision of the computing profession and practice in Nigeria in line with Section 1 (2) of the Act. The Council hereinafter referred to as CPN is under the supervision of the Federal Ministry of Education (FME).

Preamble.

1. To determine the standards of knowledge and skills to be attained by persons seeking to become members of the computing profession and improve those standards from time to time as circumstances may permit.

Functions and Responsibilities.

2. To secure, in accordance with the provision of the Act, the establishment and maintenance of a register of persons seeking to be registered under the Act to practice the computing profession and the publication from time to time of the list of such persons.

Consequently, the Council is responsible for the following among other things :

- (a) Organization of computing practice in Nigeria.
- (b) Control of the practice of computing in Nigeria.
- (c) Supervision of the practice of computing in Nigeria.
- (d) Screening of individuals seeking to be registered to engage in the sale or use of computing facilities and the provision of professional services in computing in the country.
- (e) Ensuring high computing professional Ethics and Standards.
- (f) Creation and sustenance of local and international contacts for our numerous members.
- (g) Reduced charges for some specific professional services and facilities.
- (h) Determining academic standards in Computer Science, Computer Engineering and Information Science.
- (i) Accreditation of institutions' courses and programmes as well as evaluation of certificates in computing.
- (j) Conducting professional examination in computing in collaboration with the Nigeria Computer Society.
- (k) Publication of the Register of Computer Professionals and other professional works like journals, books, magazines and newsletters.

The Act 49 of 1993, referred to above, makes it mandatory for all persons and organizations seeking to engage in the sale and/or use of computing facilities, and the provision of professional services in computing or related computing

machinery in Nigeria to be registered by the Council and licensed to carry out such activities: It is illegal to engage in computing and professional practice without satisfying the above condition-registration and possession of a current valid license.

Thus, persons and corporate bodies that are registered and hold current valid licenses, apart from being eligible to carry out their business, stand to enjoy several benefits including, but not limited to :

- Enhanced professional standing including the use of appendage Chartered Information Technology Practitioner (C.itp) before their names.
- Protecting the public from exploitation and harassment in the course of performing bona fide and legitimate professional activities.
- Right to use the Council's insignia. Individualized seal, crest, plaque, ties, clips and brooches.
- Reduced rates for computing professional books, publications and events.
- Access to and attendance at regular professional programmes like Conferences, Seminars, Symposia, Workshops and Mandatory Continuing Professional Development Training (MCPD) for registered members of the profession.
- Facilitating of Local and International contacts with relevant associations and bodies abroad to facilitate the international mobility of our members.
- Reduced charges for some specific professional services and facilities.
- Our registered members enjoy reciprocal registration with foreign computer professional bodies abroad.

CPN's mission is to develop maximally the potentials of Information Technology as a veritable source of income earning for the nation. We are conscious of the fact that Information Technology is a veritable source of foreign exchange earning for Nigeria if properly harnessed. We are conscious of the tremendous progress made by several countries especially the Asian Tigers in Information Technology and how it has impacted positively on their economy.

CHAPTER ONE

1.1. The Scale of Professional Charges is a framework stipulating fees payable to Information Technology (IT) practitioners for services rendered and work done. It is not only for the financial interest of Information Technology practitioners but also for clients and interest groups.

Introduction
and
Background.

This framework presents the proposed standard scale of professional charges for Information Technology. Services offered by Information Technology Professionals in consulting practice either as project consultants or technical participants. It is proposed for industry-wide implementation for IT services rendered by registered IT professionals in all Information Technology projects.

Council would monitor and ensure that high quality IT professional service is rendered. For now, there are no stipulated sanctions or penalties for non-compliance with the Scale of Professional Fees. However, Council is desirous of encouraging compliance. In the near future, sanctions may be introduced.

The Scale of Professional Charges stipulates the minimum scale of fees for all categories of practitioners. The minimum scale rates would be regularly reviewed. Practitioners are expected to charge not less than the fixed minima. Upward adaptation of the rates should be discussed and agreed between practitioners and clients. Charging below the minimum rates would not be acceptable and when discovered, will attract sanctions.

1.2. This report is the culmination of the work of Registration, Regulation and Control Committee and other *Ad-hoc* Committee in responses to the mandate given by Council to produce the scale of Professional fees for IT Services.

Methodology.

1.3. The framework is for the guidance of members and their clients. Violators will be referred to the Council Investigating Panel and thereafter to the Disciplinary Tribunal for appropriate action. The Professional Practice Monitoring Committee performs a fee reasonableness test when reviewing the quality of services rendered by practitioners.

General.

1.4. The framework is applicable to IT services and activities such as Information Technology Policy and Architecture Planning, Computer Hardware Integration and Support/Maintenance Services, Networking, Software, Software Functionality and Integrity Testing, Information Systems Project Management, Systems Consulting System Audit/Quality Assurance, IT Capacity Building and Skill Acquisition Facilitation.

Scope and
Concept
Clarification.

The proposed scale of standard charges covers two broad categories of consultants engaged in Information Technology Consulting Services, viz :

1. Corporate Organizations engaged as consultants in an IT Project.
2. Individual Professionals engaged as project consultants and/or project participants.

The framework provides for the following two fee-rate models :

- High-level strategic and specialist advice and/or high-level operational implementation activities. Appointment is usually of a short-term duration.
- Long term operational implementation activities (longer than 60 consulting days per calendar year).

This framework sets standard for the two scenarios for consultants. Consultants must ensure that deviations from these standards are based on justifiable reasons that must be well-motivated and documented for audit purposes.

The framework should be seen as a good practice guide to assist clients with the following :

- Planning and budgeting of projects.
- Benchmarking the required level of the clients with the required level of consultancy work to inform decision-making.
- Providing clients with the guidelines on the engagement and management of Consultants.
- Appointing consultants at the appropriate level and remuneration in line with the principle of competitive tendering.

This framework is applicable to :

- Consultancy services of an intellectual nature which may be provided by consultants in the following areas :
 - providing professional, specialized and strategic advice ; and
 - assisting with the implementation/structuring operations of projects.

Cases where consortium of consultants are working on a project under the co-ordination of a supervising consultants.

Exclusion.

1.5. It excludes all charges for purchase, rental or leasing of IT resources such as Hardware, Spare Parts, Networking, Software, etc, which are priced separately by the service providers. It also excludes reimbursable expenses such as Office Stationery, Related Resources for Reports, Logistics Cost for Off-site, Travels and Accommodation.

CHAPTER TWO

2.1. This guideline identifies the key Information Technology Consulting Services and develops a template which it then uses to distribute project consulting standard fees across the key consultants. It also provides some guidance on the cadre of Professionals which should manage different sizes of Information Technology Projects to ensure effective and quality professional performance.

Key Areas
of
Information
Technology
Consulting
Services.

2.2. Given the very wide area which current Information Technology Services cover, some of the services cannot be captured without serious overlap of services. We have therefore narrowed the services to the following key categories which can be expanded as the need arises.

2.2.1. This category of IT Consulting Service from the professional service charge perspective includes Client's Need Assessment, Feasibility Study, Evaluation and Analysis, Conceptual Systems Policy Framework Requirements, Design, Strategy and Technical Brief on Request For Proposal (RFP) and Tender Documentation and Human Resource Identification Plan.

Information
Technology
Policy and
Architecture
Planning.

2.2.2. The purview of this category of Consulting Service includes User Environment Study (Site Investigation), Computer System Product identification, Capacity Utilization and Specifications Design and Legacy Systems Integration Services, Computer Resource Configuration, Maintenance, Service Provider selection, Computer Resource Supply, Installation and Technical Support Services as well as Authentication and Testing.

Computer
Hardware
Integration
and
Support/
maintenance
Services.

2.2.3. The Consulting services in this category comprise Network and Inter-Network Design and configuration and product identification and selection, Service Provider Selection, Installation, Testing and Support as well as Human Resource Requirement and Documentation.

Networking.

2.2.4. Consulting in Software Development services comprises, Business Policy and Process Automation Study; Software Requirements Identification and Management, Systems Analysis and Design, Development including adaption (for bespoke software), Testing, Installation, Implementation, Updating/Enhancement and Support.

Software
(Conceptual-
ization,
Design,
Development,
Installation,
implementa-
tion and
Support).

2.2.5. Consulting in Software Functionality and Integrity Testing services comprises Independent Examination of Vendor's Product Status and Performance Claims, Performance Measurement Testing Against Existing National and Global Standards, Business Process Conformity Testing, Hardware Efficiency Utilization Testing, Conformity to Systems Security, Database Management and Data Integrity Testing, Scalability Testing, Systems Compatibility Testing, Technical and User Documentation, Product Updating, Enhancement and Technical Resource Support.

Software
Functionality
and
Integrity
Testing.

B 1100

Information
Systems
Project
Management.

2.2.6. Project Management, although usually undertaken as an integral part of one or more of the other individual services, can be undertaken as a separate consulting service. It comprises the management of the project to ensure effective Project Time-Line Delivery Monitoring, Documentation, Resource Utilization and Implementation Processes.

Systems
Consulting.

2.2.7. This service can be viewed as the omnibus consulting service in Information Technology Services covering one or more of the other services. Usually, it comprises Requirement Definition, System (including Networking) Design, Information System Resource configuration, Product Identification and Selection, Service Provider Selection, Project Management, System Implementation, Testing, Capacity Building, Support, Contingencies and Disaster Recovery Plans, etc.

System
Audit/
Quality
Assurance.

2.2.8. System Audit and Quality Assurance cover compliance to scope of works and existing standard and performance on Technology and Total Systems Infrastructure, (Hardware, Software, Network and System Process) Functionality, Audit, Risk Impact Assessment and Review, Quality Service Level Agreement (SLA), Risk Analysis and Management, Assurance, Assessment and Review, Systems Documentation and Related Services.

IT Capacity
Building and
Skill
Acquisition
Facilitation.

2.2.9. Consulting in IT Capacity Building will usually comprise Personnel Recruitment and Selection, Training, Assessment, Skill Transfer Management, System Operation Design Training Content Analysis, Customer Designed Course Ware and On-Site Classroom Instructional Services, etc.

CHAPTER THREE

3.1. Corporate Organisation—One Category only.

3.2. Individual Information Technology Consultants :

In order to facilitate the application of the proposed fees, Information Technology Consultants have been categorized as follows :

Categories
of
Information
Technology
Consultants.

TABLE 1: Information Technology (IT) and System Consultant Category Mapped to Professional Cadre

	Consultant Grade	Professional Cadre	Professional Experience	Work Position	
				Typical Private Sector Designation	Public Sector Equivalent
1.	Principal Consultant	Fellow	Over 20 years	CEO, COO, CTO	Permanent Secretary
2.	Lead Consultant	Fellow	15-20 Years	Director/GM	DG (G17)
3.	Senior Consultant	Member	12-15 Years	DGM, AGM Senior Manager	G12-G15 (G14)
4.	Consultant	Member	10-12 years	Manager, Senior Technologist	G10-G13 (G12)
5.	Associate Consultant	Associate Member	5-9 years	Assistant Manager Senior Technologist, Technologist	G8-G10 (G9)
6.	Technologist	Technologist	Not Less than 5 Years	Assistant Technologist	G7-G8 (G8)
7.	Technical/ Intermediate Staff	Technical Staff/ Artisan	2-5 Years	Technical Staff	G4-G7 (G6)

TABLE 2 : Long Term Hourly Fees Based on Public Sector Consolidated Salary 2010

	<i>Consultant Grade</i>	<i>Professional Cadre</i>	<i>Public Sector Consolidated Salary</i>	<i>Composite Factor</i>	<i>Rate Per Hour (₦)</i>	<i>Rate Per Day (₦)</i>	<i>Rate Per Month (₦)</i>
1.	Principal Consultant	Fellow	1,566,000.90	5.67	11,099.03	88,792.25	1,953,429.52
2.	Lead Consultant	Fellow	453,444.67	4.67	2,646.98	21,175.87	465,869.05
3.	Senior Consultant	Member	196,028.33	4.67	1,144.32	9,154.52	201,399.51
4.	Consultant	Associate	136,887.75	4.67	799.08	6,392.66	140,638.47
5.	Associate Consultant	Sub Professional	109,402.92	4.67	638.64	5,109.12	112,400.56
6.	Technologist	Technologist	80,655.25	4.18	421.42	3,371.39	74,170.57
7.	Technical Staff/ Intermediate Staff	Technical Staff/ Artisan	64,141.75	4.18	335.14	2,681.13	58,984.75

3.3. There is an urgent need to provide some guidance in the cadre of Professionals which should manage different sizes of Projects to ensure that adequate level of Technical, Project and Risk Management experience are available to facilitate effective implementation and to protect our professional image and performance integrity.

Proposed
Level of IT
Professional
Fee for
Projects.

Therefore, we propose the following minimum Cadre of Professionals to manage the different sizes of Projects for which the proposed scale of professional charges applies.

TABLE 3 : Proposed level of Professional Managers for Information Technology and System Projects

	<i>Project Value (Naira)</i>	<i>Project Size</i>	<i>Minimum Consultant Grade of Project Manager</i>
1.	Less than 50million	Small	Associate
2.	50 - 200 million	Medium	Member
3.	Above 200 million	Large/Very Large	Fellow/Fellow

CHAPTER FOUR—METHOD OF DETERMINING REMUNERATION

Types of
Professional
Fees.

4.1. In this framework, we are going to provide two scenarios for implementing the scale of professional fees.

It should be noted that the client and the consultant must mutually agreed on which of the scenarios to use for a particular IT projects.

Also, in this framework both the merits and demerits of each has been provided to guide both the client and the consultant (The service provided).

Therefore, it is highly essential that before the commencement of any project, it should be mutually agreed by both parties on which scale fees to use.

Thus, the two scales of professional fees cover in this framework for implementing IT projects are :

1. RATE OR PERCENT-BASED CHARGES
2. TIME OR DURATION BASED CHARGES

Basis of
Professional
Charges for
Consulting
Services.

4.2. In determining the scale of fees, the Computer Professional Registration Council of Nigeria (CPN) Act 49 of 1993 demands that public interest be served. The scale of professional fees must not be excessive but must provide for fair and reasonable remuneration for the providers of professional services. Clients should be provided with services not only at a fair market related cost but also at a cost, which reflects adequate compensation that enable service providers to render a good quality service.

The guideline fees must also take into account the great variety in terms of nature, size and complexity of Information Technology projects. Therefore, adjustment factors need to be provided to make provision for different types of work, or work requiring a greater or lesser effort on the part of the service provider. The fees must also reflect the size of the project by recognizing that because of scale of size, a proportionately greater effort is required to provide an acceptable level of service on a smaller project when compared with a large one.

Percentage
Fee Scales.

4.3. It is on the basis of the above comments that percentage fee scales were developed and have been applied in some developing Countries and other professional and regulatory bodies over a period of many years.

The fee is calculated as a percentage of the cost of the works for which the service provider is responsible, using accumulative sliding scales, which results in a reducing percentage as the cost of the work increases.

This proposal assumes two main consulting scenarios. The first is where the consultant (corporate or individual) is working as a project manager in addition to providing consulting service for the whole or component(s) of the project. In this case, the consultant is a Prime (Lead) Consultant [i.e. combining one or more consulting components with overall project management]. The second is where the consultant is a Participating Consultant, responsible for one or more service components, but without responsibility for managing the overall project.

In both of these scenarios, the scale of charges proposed for the Project Consultants below [in Tables 4 and 5] will apply. The rates are calculated as a percentage of the project cost.

4.4. The following professional charges have been proposed based on the assumptions contained in Appendix 2.

Table of
Professional
Charges.

Table 4 : Professional Charges for Consultant as Prime Consultant

<i>Project Cost (₦)</i>	<i>Cummulative Project Cost</i>	<i>Fees Payable as a Percentage of Cost of Project</i>
Up to 10 million	Up to ₦10 million	6.0%
Next 20 million or part thereof	Up to ₦30 million	5.50%
Next 20 million or part thereof	Up to ₦50 million	5.25%
Next 50 million or part thereof	Up to ₦100 million	5.00%
Next 100 million or part thereof	Up to ₦200 million	4.50%
Next 100 million or part thereof	Up to ₦300 million	4.00%
Next 200 million or part thereof	Up to ₦500 million	3.75%
Balance over 500 million	Over ₦500 million	3.50%

**Table 5 : Scale of Fees for Other Participating Consultant
(i.e. Excluding Project Management)**

<i>Project Cost (₦)</i>	<i>Cumulative Project Cost</i>	<i>Fees Payable as a Percentage of Cost of Project</i>
Up to 10 million	Up to ₦10 million	5.00%
Next 20 million or part thereof	Up to ₦30 million	4.50%
Next 20 million or part thereof	Up to ₦50 million	4.25%
Next 50 million or part thereof	Up to ₦100 million	4.00%
Next 100 million or part thereof	Up to ₦200 million	3.75%
Next 100 million or part thereof	Up to ₦300 million	3.50%
Next 200 million or part thereof	Up to ₦500 million	3.25%
Balance over 500 million	Over ₦500 million	3.00%

It should be noted here that these charges do not include Consultants Retainership Fees which are negotiable and specified in the contract document.

Experience has shown that on small projects a simple percentage fee does not provide fair compensation. This is because, regardless of project size, the service provider will always incur certain fixed basic costs, such as completion of professional services agreement, first site inspection, attendance at briefing meeting, tender adjudication and award, conclusion of final account, etc. On larger projects, these costs can be absorbed as part of the overall duties of the service provider, but on very small projects, the value of these costs is high in relation to the total fee. In order to overcome this problem, the fee on all projects below a pre-determined value will be agreed upon as a lump sum or paid on a time basis.

4.5. On projects involving normal services together with a well-defined scope of services, it is accepted practice for fees for professional services to be calculated on the basis of a percentage of the cost of the work for which the service provider is responsible. In such cases the fee scales recommended in Table 5 above should be applied. In other cases, where the scope of services is ill-defined, or on small projects, or the work is of an unusual or specialised nature, it is more appropriate to use a time or duration based fee where the service provider is compensated for services rendered on the basis of hourly rates.

Time or
Duration
Based Fees.

The tariff for professional services rendered on a time basis is based on the total annual cost of remuneration of the person employed on the service.

The data and parameters used to determine time based fees were developed over a long period of time using the results of various studies and surveys of the industry and are considered to be fair and equitable.

The image shows a very faint and illegible table or grid structure, possibly a tariff schedule. The table has several columns and rows, but the text within the cells is too light to read. Some vertical text labels are visible, such as 'FAC' and 'RATED', which might represent different categories or rates. The overall appearance is that of a scanned document where the table content has been lost or is too faded to be transcribed.

TABLE 6 : Scale of Fees on Time-Based Fees

<i>Consultant Grade</i>	<i>Professional Cadre</i>	<i>Public Sector Consolidated Salary</i>	<i>Composite Factor</i>	<i>Rate Per Hour (₦)</i>	<i>Rate Per Day (₦)</i>	<i>Rate Per Month (₦)</i>
Principal Consultant	Fellow	1,566,000.90	6.10	11,940.76	95,526.05	2,101,573.20
Lead Consultant	Fellow	453,444.67	4.69	2,811.36	22,490.86	494,798.82
Senior Consultant	Member	196,028.33	4.96	1,215.38	9,723.01	213,906.12
Consultant	Associate	136,887.75	4.96	848.70	6,789.63	149,371.91
Associate Consultant	Sub Professional	109,402.92	4.96	678.30	5,426.38	119,380.46
Technologist	Technologist	80,655.25	4.97	470.83	3,766.60	82,865.20
Technical Staff/ Intermediate Staff	Technical Staff / Artisan	64,141.75	4.97	374.43	2,995.42	65,899.23

CHAPTER FIVE

Scale of Fees are to be adjusted on the basis of needs.

Adjustment of Fees.

5.1. Percentage fee scales are applied to the total project for which the professional services provider is responsible. The percentages are not normally adjusted on an annual basis (unless the whole fee structure is reviewed). However, because the fee percentage is on a sliding scale, which decreases as the cost of project increases, and because the cost of the project increases with inflation, the value of the project to which the percentage applies must be adjusted annually to avoid 'bracket creep'

Rate or Percentage Based Adjustment.

5.2. The time based hourly fees are calculated using Public Service salary scales as a basis and are self-adjusting. Refer to Appendix 1.

Duration or Time Based Adjustment.

Hourly rates are determined for the following categories :

Category A

Shall mean a top practitioner whose expertise and relevant experience is nationally or internationally recognised and who provides advice at a level of specialization where such advice is recognised as that of an expert.

Category B

Shall mean a partner, a sole proprietor, a director, or a member who, jointly or severally with other partners, co-directors or co-members, bears the risks of the business, takes full responsibility for the liabilities of such practice, whose level of expertise and relevant experience is commensurate with the position, performs work of a conceptual nature in Information Technology System design and development, provides strategic guidance in planning and executing a project and/or carries responsibility for quality management pertaining to a project.

Category C

Shall mean all salaried professional staff with adequate expertise and relevant experience performing work of an Information Technology System nature and who carry the direct technical responsibility for one or more specific activities related to a project. A person referred to in Categories A or B may also fall in this category if such person performs work of an Information Technology and Information System nature at this level.

Category D

Shall mean all other salaried technical staff with adequate expertise and relevant experience performing work of an Information Technology System nature with direction and control provided by any person contemplated in categories A, B or C.

CHAPTER SIX—AUTHORITY AND SANCTIONS

Deriving
Authority.

6.1. Sections 1 (2) and 18 (1)(b) of the Computer Professionals Registration Council of Nigeria Act of 1993, empowers the Computer Professionals Registration Council of Nigeria with responsibility for the control and supervision of the profession, as well as the supervision and regulation of the engagement of persons for the use of computational machinery, IT and techniques related thereto. Also, section 2 of the First Schedule to the Act empowers Council to do anything which in its estimation is required to facilitate the carrying out of its duties under this Act.

Review of
Fees.

6.2. In Section 1(2), and 18(1)b and Section 2 of the First Schedule to the Act, CPN is required to bi-annually review the guideline professional fees and to publish the revised fees in the *Gazette*.

This section of the framework sets down a standardised method for the annual review of the fees. In addition, the framework on professional fees will be completely reviewed whenever necessary to ensure that the fee structure, the method of annual adjustment, and all other aspects of the documents, remain valid.

Sanctions.

6.3. These guidelines are for the guidance of members and their clients. Defaulters will be referred to the Regulation, Registration and Control Committee and thereafter to the Disciplinary Committee and Investigation Panel. The Regulation, Registration and Control Committee performs a fee reasonableness test when reviewing the quality of services rendered by practitioners. Practitioners and clients should discuss and agree on fees. Whatever is agreed must be documented in an engagement letter.

APPENDIX 1

RANKING OF STAFF CATEGORIES IN TERMS OF PUBLIC SERVICE RANKINGS

<i>Category of Staff</i>	<i>Description</i>	<i>Consultants' Grade</i>
A	A top practitioner whose expertise is nationally or internationally recognised and who provides advice at a level of specialisation where such advice is recognised as that of an expert.	Principal Consultant
B	A partner, sole proprietor, director, or member of a private consulting practice, who takes full responsibility for the liabilities of such practice, performs work of a conceptual nature in Information Technology System design and development, provides strategic guidance in planning and executing a project and/or carries responsibility for quality management pertaining to a project.	Lead Consultant and Senior Consultant
C	All professional staff of a private consulting practice performing work of an Information Technology System nature and who carry the direct technical responsibility for one or more specific activities related to a project. A person referred to in Category A or B may also fall in this category if such person performs work of an Information Technology and Information System nature at this level.	Consultant and Associate Consultant
D	All other technical staff of a private consulting practice performing work of an Information Technology System nature under the direction and control of any person contemplated in Categories A, B or C.	Technologist and Technical Staff

APPENDIX 2

BASES FOR DURATION-BASED PROJECT CONSULTING CHARGES :

The following table presents the bases upon which the service Charge rates were distributed to the project consultants:

FEE DISTRIBUTION TO CONSULTANTS

Project Cost (N)	Cummulative Project Cost	Fee % for Prime Consultant	Other Consultants				Max Fee % if all Consultants are engaged
			Hardware	Networking	System Audit	Capacity Building	
Up to 10 million	Up to N10 m	6.0%	4.00%	4.00%	4.00%	4.00%	22%
Next 20 million	Up to N30 m	5.50%	3.75%	3.75%	3.75%	3.75%	20.50%
Next 20 million	Up to N50 m	5.25%	3.50%	3.50%	3.50%	3.50%	19.50%
Next 50 million	Up to N100 m	5.00%	3.25%	3.25%	3.25%	3.25%	18.00%
Next 100 million	Up to N200 m	4.50%	3.00%	3.00%	3.00%	3.00%	16.5%
Next 100 million	Up to N300 m	4.00%	2.75%	2.75%	2.75%	2.75%	15.00%
Next 200 million	Up to N500 m	3.75%	2.50%	2.50%	2.50%	2.50%	13.75%
Balance over 500 million	Over N500 m	3.50%	2.25%	2.25%	2.25%	2.25%	12.50%

The objective is to achieve a maximum percentage of not more than 15% as project consulting fees for Projects. We believe this can be achieved since most of the small and medium projects do not usually engage all the consultants. The following table presents an overview of how typical IT projects engage consultants, and it yields a maximum consulting fee of 15% for all the project size categories.

FEE DISTRIBUTION TO CONSULTANTS

<i>Project Size</i>	<i>Project Cost</i>	<i>Prime Consultant (Software or Other)</i>	<i>Other Consultants</i>				<i>Max Fee %</i>
			<i>Hardware</i>	<i>Networking</i>	<i>System Audit</i>	<i>Capacity Building</i>	
Small Project million	Up to N50m	5.25% - 6.00%	3.50% —	4.00%	3.50% —	4.00%	12.50%- 14.00%
Medium Size Project	Up to N200m	4.50% - 5.25%	3.00% —	3.25%	3.00% —	3.50%	10.50%- 12.50%
Large Project	Up to N500m	3.75% - 4.50%	2.50% —	3.00%	2.50% —	3.00%	8.75% - 10.50%
Very Large Project	Over N500m	3.50% - 3.75%	2.25% —	2.50%	2.25% —	2.50%	8.00% - 8.75%

APPENDIX 3

BASIS FOR DURATION-BASED CONSULTING CHARGES

The time-based consulting charges presented above were arrived at based on the following assumptions:

Reimbursable Expenses.

1. Proposed Charges exclude reimbursable expenses such as :

(i) Office Stationery and related resources for reports and communication where required for the project work.

(ii) Logistics cost for off-site (outside Project sites) travels and accommodation

Computation of Rates.

2. The proposed rates are based on the median current monthly salaries of the consultants and their staff which are summarized in the following table. The rates have been calculated in a way that offers incentive to clients for longer term engagement of consultants. It therefore offers a rebate on the hourly rate for daily engagement and a further rebate on the daily rate for monthly engagement.

ABBREVIATION AND ACRONYMS

CEO	Chief Executive Office
C.itp	Chartered Information Practitioner
COO	Chief Operating Officer
CTO	Chief Technical Officer
CPN	Computer Professionals (Registration Council) of Nigeria
DG	Director General
DGM	Deputy General Manager
FM(ED)	Federal Ministry of Education
FELLOW	Fellow of Nigeria Computer Society
IT	Information Technology
MEMBER	Registered member of IT Profession who is license to practice in Nigeria
NCS	Nigeria Computer Society

GLOSSARY OF TERMS

Information Activities :

Include, but are not limited to, capture (acquisition) representation, processing, (creation, translation, duplication, manipulation, etc.), presentation (display, serving, etc.), security, interchange, transfer (movement, control, switching, etc.) management, organization, storage and retrieval.

Information Technology is :

The technology which comes into play in the conduct of information activities. It is defined formally as the art and applied sciences that deal with data and information. It encompasses all (equipment including computational machinery - concepts, principles and the firmware etc., tools, methods, practices, processes, procedures) that come into play in the conduct of the information activities: acquisition, representation, processing, presentation, security, interchange, transfer, management, organization, storage and retrieval of data and information.

The Information Technology Consultants :

Means the person or firm named in this guideline and shall include any other person or persons taken into partnership by such person or firm during the currency of this guideline and the surviving member or members of any such partnership.

The works :

Means the works in connection with which the Client has engaged the Consultants to perform professional service.

The task :

Means the component or identifiable portions of the work described on the guideline in respect of which the Client has engaged the Consultants to provide professional services.

The Contractor :

Means any person or persons, firm or company under contract to the Client to perform work and/or supply goods and services in connection with the work.

The Service Provider :

Means any person or persons, firm or company under contract to the Client to perform work and/or supply goods and services in connection with the work.

Clients :

Means the individual or organization who engages the service of others.