



Letter of Authorization for Professional Services

You should have a signed agreement in place before beginning work. **Period.**

We understand that professional services agreements can be difficult and time consuming to negotiate and that clients often are anxious for you to begin providing services. Therefore, we offer this sample Letter of Authorization to help you memorialize the scope, fee, and other expectations for a limited period of time and enable you to be paid while the full agreement is being formalized.

A Letter of Authorization:

- Acknowledges that a formal agreement is being finalized
- Identifies limited services to be performed during the interim
- Specifies payment terms including an initial payment
- Has a limited time frame (and may provide for an extension)
- Includes key disclaimers and protective language

Protect Yourself

It's important to define what will happen if you and your client cannot reach mutual agreement for the terms and conditions of a full professional services agreement.

By carefully drafting a Letter of Authorization, you can:

- Require payment for services rendered before transferring any work product
- Limit usage of any documents for a specific purpose
- Assert your intellectual property rights
- Affirm that any work product is preliminary and not necessarily code/regulation compliant
- Secure an indemnification and from the client relating to any unauthorized use of your work

Finally, you should specify that once a full professional services agreement has been executed that its terms shall also apply to all services rendered under the Letter of Agreement.

Purpose:

This sample letter serves as a preliminary agreement for the design professional to perform limited services on a project while contract terms and conditions of the Professional Services Agreement are being finalized.

Instructions:

Customize this template to document mutual understanding of the agreement as stated.

Memorialize the scope, fee, and other expectations for a limited period of time

LETTER OF AUTHORIZATION FOR PROFESSIONAL SERVICES

DESIGN FIRM IDENTIFICATION

The content of this document is for general informational purposes only. Please consult your attorney for use in any specific circumstance and for compliance with laws and regulations in effect in the location of your practice and the project.

PROJECT: [PROJECT NAME, LOCATION]

DATE: [DATE OF THIS AGREEMENT]

RE: LETTER OF AUTHORIZATION FOR PROFESSIONAL SERVICES

In reliance upon, and anticipation of, entering into a formal Agreement Professional Services Agreement,

THE CLIENT, [CLIENT NAME AND ADDRESS]

AND THE DESIGN PROFESSIONAL, [FIRM NAME AND ADDRESS]

preliminarily agree as follows:

The DESIGN PROFESSIONAL will perform the following limited services in conjunction with [PROJECT NAME] during such time as the parties formalize and finalize the terms and conditions of their Professional Services Agreement.

[List limited services in detail or refer to proposal previously submitted]

1.1

1.2

1.3

1.4

The CLIENT intends to enter into an Agreement with the DESIGN PROFESSIONAL for professional services for the above named project in a form more fully set forth and mutually agreed to between CLIENT and DESIGN PROFESSIONAL ("Agreement"). *[Identify final agreement form, if known, and attach to this letter of authorization. Example: The parties are using the AIA B101-2017 as the basis for the final agreement form.]*

An initial payment of [REDACTED] (\$X,XXX.00) shall be made by the CLIENT and delivered to the DESIGN PROFESSIONAL with the interim arrangement set forth herein, and shall be credited to the CLIENT'S account as the initial payment of the future Agreement.

In the interim, for a period of not more than sixty (60) days unless the CLIENT and DESIGN PROFESSIONAL agree to extend the period a maximum of thirty (30) days, the CLIENT agrees to pay the DESIGN PROFESSIONAL for services rendered at the hourly rates per the attached schedule *[Modify if alternative method of compensation.]* and DESIGN PROFESSIONAL'S Consultants at a multiple of 1.25 times the amounts billed to the DESIGN PROFESSIONAL plus reimbursable expenses as set forth in the attached schedule.

LETTER OF AUTHORIZATION FOR PROFESSIONAL SERVICES

**DESIGN FIRM
IDENTIFICATION**

If the CLIENT and DESIGN PROFESSIONAL do not mutually agree upon an Agreement within said period and upon full payment of DESIGN PROFESSIONAL’S services rendered, the DESIGN PROFESSIONAL shall convey the Instruments of Service prepared under the scope of services of this Letter of Authorization, and the relationship shall be terminated.

In conveying such Instruments of Service, it is mutually understood and agreed that the CLIENT may use said materials for their agreed-upon purposes as set forth herein provided that DESIGN PROFESSIONAL has first been paid in full by CLIENT in connection with same. DESIGN PROFESSIONAL shall be deemed to be the author of the Instruments of Service provided to CLIENT and shall retain all common law, statutory, and other related rights, including copyrights, patents, and trade dress. Assuming the foregoing conditions have been met, CLIENT shall have the exclusive right to use the Instruments of Service solely and exclusively for the purposes set forth in this Letter of Authorization. However, unless DESIGN PROFESSIONAL certifies in writing to the contrary, CLIENT agrees and understands that the Instruments of Service provided by DESIGN PROFESSIONAL pursuant to this Letter of Authorization are of a preliminary nature, incomplete, and not code or regulation verified or compliant. Consequently, the CLIENT agrees to defend, indemnify, and hold the DESIGN PROFESSIONAL harmless from any and all claims, actions, demands, or damages arising out of or relating to the use of any of the DESIGN PROFESSIONAL’S Instruments of Service or any other deliverables provided pursuant to this Letter of Authorization except to the extent prohibited by law. Upon execution of the Professional Services Agreement between the parties, the terms and conditions of same shall apply with full force and effect to any and all services rendered by DESIGN PROFESSIONAL for CLIENT prior to the execution of said Professional Services Agreement, including but not limited to any services rendered in connection with this LETTER OF AUTHORIZATION FOR PROFESSIONAL SERVICES.

AGREED TO AS OF [DATE]

SIGNATURE OF AUTHORIZED REPRESENTATIVE

SIGNATURE OF AUTHORIZED REPRESENTATIVE

[PRINTED NAME AND TITLE]

CLIENT

[PRINTED NAME AND TITLE]

DESIGN PROFESSIONAL

Attachments:

- Hourly Rates and Reimbursable Expenses Schedules
- Proposal Dated [DATE]
- Agreement Draft Dated [DATE]

About Berkley Design Professional

Berkley Design Professional was started in 2013 by a team of people with deep roots in underwriting, loss prevention and claims handling for the Design Professional community. The genesis of Berkley DP was the combination of our team's passion for bringing fresh ideas to the products and services Design Professionals need together with W. R. Berkley Corporation's desire to commit its superior financial strength and A+ rated paper to this industry segment. Berkley DP's motto is: "Better by Design." By this we mean that our policyholders are better businesses because we've designed comprehensive coverage and current risk management solutions that make their practice less susceptible to loss.

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Practice management recommendations should be carefully reviewed and adapted for the particular project requirements, firm standards and protocols established by the design professional.

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