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ARCHITECTS' PROFESSIONAL EXAMINATION AUTHORITY IN SCOTLAND Ltd.

THE EXAMINATION IN PROFESSIONAL PRACTICE &
MANAGEMENT: PART 3, 2006

SCENARIO to the PRACTICE EXAMINATION

All the characters, locations and incidents contained in this Paper are fictitious. The projects, if based on live events, have been amended to conceal specific identity.

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SCENARIO

The following information describes the hypothetical architectural practice for which you, the candidate, 'work' as an architectural assistant with two and a quarter years of post-Part 2 experience. It sets out the structure of the firm and something of its philosophy, the people involved and the work they are presently doing, and the financial framework within which they are operating. It includes scenario information on various projects which may be the subject of questions in the written Examination Paper.

THE PRACTICE

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THE PARTNERSHIP

Miriam Gorst DA, RIBA, FRIAS is in her late 50s. She trained at the Westcoasts University School of Architecture and was a Cityburgh Silver medallist and a RIBA Bronze medallist as a student. She is a past President of the Cityburgh Institute of Architects. She promotes conservation and green issues and has gained a reputation as a good designer and, recently, as an expert witness.

Duncan Flynn B.Arch, Dip. TP, MB, MRTPI, RIBA, ARIAS, MaPS is also in his late 50s. He trained in London as an architect and planner and spent three years as editor of the national journal 'The Urban Designer' and as a tutor on Urban Design. He continues to write on Urban Design and to lecture part-time. He has trained as a Planning Supervisor, has registered as a member of the Association of Planning Supervisors and is actively involved in its Regional and National Committees. He has been appointed to the local / regional panel of Adjudicators and has just completed a part-time MBA with Cityburgh University. Duncan is increasingly interested in a return to a writing career and in consultancy work and has discussed with Miriam and John the prospect of retirement from the Partnership and whether some arrangements might be made to enable his continued, part-time involvement. The Partners have agreed to take time to consider what is in the best interests of the Practice with a view to agreeing a way forward by the end of the year.

John Young B.Arch, ARIAS is 38 years old and joined the Partnership over two years ago. John had been taught by Duncan as a student and, having set up as a sole practitioner 3 years after qualifying, he had developed his practice to a point where he was over-stretched by a mix of small commissions and several design and build projects with developer/construction industry friends from student days.

He had kept in touch with Duncan, knew of GFP's good reputation, and recognised the potential benefits for both organisations in joining forces. Since

neither practice had high levels of retained capital, it was relatively easy to establish a basis for partnership.

Background:

The Practice has now been in business for 21 years. GFP (the original practice established by Gorst, Flynn and Paske) was set up in 1985. Neil Paske, who had retired as a partner and was acting as a consultant to the practice, had his agreement terminated five years ago following a major liability issue resulting from a project he was responsible for. Fortunately, the matter was settled by the practice's Professional Indemnity Insurers before it reached court and no further action was taken against Neil Paske. The Practice, however, had to pay the excess on the Professional Indemnity Policy.

The uncertainty surrounding the liability case and the resultant departure of Neil Paske diverted Miriam and Duncan from the task of developing their Cityburgh office, but once the matter had been resolved they had to decide how best to develop and strengthen the practice.

Duncan and Miriam were concerned that there was no-one within the Practice either capable of joining or willing to join the partnership. They had considered in some detail a merger with a larger practice but grew increasingly troubled by the legal and fiscal complexities of merger (the other firm was constituted as a limited company) and by the loss of identity and control that the merger might entail. When John Young contacted them, it seemed to offer a natural path to growth for all three individuals, with, at long last, the introduction of some young blood into GFP. Duncan and Miriam are pleased that John has challenged the established ways of the practice seeing that as a positive re-affirmation of intentions for the future of the Practice.

Almost the first thing that the three agreed was that the practice name should affirm that they were practising as architects. References to "Building Design" and "Development Consultants" were dropped in favour of the unambiguous title Architects. Duncan and Miriam were happy to drop the Paske name from the practice after their painful experience in recent years and all three agreed that a change to GFY Architects would offer some valuable re-branding and marketing opportunities.

After a busy year of preparation and having resolved some difficulties with their landlord over the change of operating style, GFY was reconstituted as a Limited Liability Partnership in 2003.

Policy:

The Practice is structured around the particular strengths of the Partners. They have decided still to describe themselves as Partners though, under the provisions of the LLP legislation, they are formally described as Members of the LLP. The Practice has a reputation for architecture in the community, but has also developed an understanding of the role of the 'developer architect' in commercial development and is applying its experience and background in this new market. Larger development work, of a commercial and industrial nature, has been handled by Gorst, whereas urban based projects, centred around retail, offices and infill work, are normally carried out by Flynn. Young has built strongly on the varied workload he brought to the Practice. He is also keen to explore the potential of taking a direct financial interest in the type of small scale developments in which the practice is involved and after discussing the possibility of a joint venture opportunity with one of his long standing developer clients and his partners, is now in the process of forming a joint venture company to complete a residential development.

The Practice secures many small projects, which are managed by the Partners with support from the Associates. Although these are beneficial in regards to workload and cashflow it is found to be increasingly difficult to generate any profit from them and they divert staff from larger, potentially more lucrative jobs.

There is a growing recognition that strength relates to size and the range of expertise that the practice can call upon. John Young's good design skills and his experience in D & B is helping business development overall. His experience as a sole practitioner has also helped the practice to deal cost effectively with the smaller jobs.

The Partners recognise the difficulties of running the practice in times of change and actively seek the participation of all staff members. They know the benefits of allowing their staff to develop within the practice, through close contact with all aspects of the business of architecture. Thus 'quality' and 'professional development' are terms that say something about practice objectives both in the way it operates and in the architecture it seeks to produce.

CPD is encouraged on a personal development plan basis to meet the requirements of the profession. These plans are discussed and agreed with the Partners at annual reviews along with personal logs, which staff are expected to maintain to monitor their CPD activity. Plans are tailored to suit individual's training/career requirements.

An internal programme of CPD events, including computer training, is arranged for all staff whilst individuals are asked to attend external courses/seminars, disseminating the information to the rest of the office at internal sessions on their return. Last year John Young took over CPD Management within the practice from Duncan Flynn and further to the changes to the RIBA's CPD requirements in February 2006, he has enlisted the assistance of Practice Associate Paul Moore with a view to reviewing the Practice's CPD programme.

John Young has also assumed responsibility for CDM matters within the office (as part of Duncan Flynn's "winding down" from the partnership) and is keen to develop Health & Safety as an important issue within GFY Architects.

The Practice was the subject of an HSE Construction Inspector's visit last year and as a result of this John Young has established an in-house CDM Review Panel.

The Practice is a member of a Distance Learning Library and the local chapter Practice Information Service and is considering subscribing to the Architects Channel CPD Video Service.

The firm had previously operated an internal quality management system; however John Young persuaded the other partners that the practice should aspire to formal accreditation under BS ISO 9001:2000, and the practice hopes to gain formal accreditation within the next six months. The office prefers to use current documents. The Scottish Conditions of Appointment (SCA/2000/2003 revision) for Architects Appointment is preferred, but both CE/99 and RIBA-SFA/99 are also relevant, depending on client or site location. It is now the practice's policy that all their appointments should accord with the discipline of these documents whenever possible.

The firm holds professional indemnity insurance to £5,000,000 for each and every claim since clients frequently require cover at this level. This has however increased PI costs significantly.

Premises:

GFY rent 3,000 sq ft of office premises in a 1970's office building at £20 per sq ft. A rent review was carried out last year, the annual service charge has risen to £9,000 with rates at £18,000 per annum and heating and lighting at £6,000 per annum. The premises are subject to a full repair and maintenance lease and the practice budget is £8,000 per annum for repairs. Staff numbers have stabilised since the increase of last year but space within the current premises is very tight. The current lease has 18 months to run and the partners have had informal discussions with the Landlord on the possibility of renting additional space. However as this would tie the practice down to an additional minimum 10 year lease, they are currently looking at the possibility of moving to alternative premises and either buying an existing building and renovating, or if the opportunity arises, building bespoke offices on a brownfield site.

Computers:

GFY has a fully integrated computer network with a workstation for each member of staff. Elliot North takes general responsibility for the computer system. The file server has an automatic back-up system; they use an industry

standard package for word processing, spreadsheets, database and E-mail, and they have an industry standard CAD system which is used both for 3-D visualisation and production work. The office also has its own fax machine, photocopier and data projector.

The practice website, which was developed and maintained by Donna Keen whilst a year out student has been neglected since Donna left the office. As there was no one internally with the time or capability to maintain and develop the site, Elliot North has decided to obtain professional assistance and is currently seeking quotes from several specialist web design firms.

Administration:

In the past, Duncan Flynn dealt with the practice administration and management matters. He took on the role of Chairman of the LLP. All three Partners are Designated Members of the LLP. John Young took on responsibility for drafting the Management Rules of the LLP, and divided practice management responsibilities formally so that Duncan is responsible for external relations, Miriam for financial management and John himself for resource management and office job running systems. The change over of responsibilities allocated to Duncan and Miriam (Duncan used to do admin and Miriam PR) was a deliberate move to freshen up all aspects of practice administration and bring some new insights to the old problems of running a business. John remains interested in current thinking about key performance indicators and hopes to find time to explore whether GFY's systems can be developed to respond to such issues but work pressure has meant that no progress has been made, much to his frustration. Despite the day to day pressures, he is also actively investigating a long term aim to take a course in construction law though there has been no discussion as to how he could achieve this while continuing his practice commitments.

The part-time book-keeper Hubert Reed and the PA/Practice Secretary, Roberta Smith, handle the day to day administrative load for the practice. In addition, the Practice Secretary who has been trained in a variety of computing programmes

provides efficient financial control and management reports in respect of the status of the practice.

The Practice Secretary operates the fee recovery procedure and keeps the bank informed on all financial matters on a regular basis.

The office has a 35 hour working week and a 1575 hour working year, allowing for all holidays and a provision for lost time. Holidays total 30 working days per annum, including statutory days. A flexitime arrangement was introduced following representations by several members of staff.

PERSONNEL

	Annual salary	Position	Cost to the office Per hour
Miriam Gorst	£36,000 (notional salary)	Partner	£46.00
Duncan Flynn	£36,000 (notional salary)	Partner	£46.00
John Young	£36,000 (notional salary)	Partner	£46.00
Paul Moore BArch Dip (Arch) ARIAS	£32,500	Associate	£40.00
Jill Kahn ARIAS, RIBA, Lib	£32,500	Associate	£40.00
Elliot North MA(Hons) Dip Arch RIBA	£25,000	Architect	£30.00
Mark Lang BArch Dip (Arch) ARIAS	£24,000	Architect	£29.00
Helen Goldie	£16,000	Junior Technician	£20.00
Candidate BArch Dip Arch	£17,500	Architectural Assistant	£22.50
Jo Bell	£11,500	Year Out Student	£14.50
Carol Murray	£10,000	Trainee Technician	£12.00
Alex Smith B. Arch ARIAS	£22,500	New appointment in 2004	£28.00

PERSONNEL (continued)

Hazel Jones B Arch Dip Arch	£17,500	Both graduates	£22.50
Jurgen Heins	£17,500	appointed in 2004/5	£22.50
Roberta Smith BA	£20,000	PA Secretary to Partners	
Melanie McKean	£15,000	Secretary	
Hubert Reed	£10,000	Part time book keeper /librarian	

The cost to the office hourly rate in the table above is calculated as the share of salary and overhead costs for the office as a whole attributable to each technical member (including partners). It excludes any provision for profit.

The office uses the RIBA rate of 18 pence per £100 of salary when charging clients on a time basis.

Financial Summary

The financial figures for 2005/2006 reflect a year of consolidation and steady if not spectacular growth reflecting the current high level of productivity within the construction industry. The continuing steady workload and the difficulties of finding and retaining good technical staff in what is an employee's market place, have put paid to, in the meantime, Duncan Flynn's imminent retiral. The projected profit and loss forecast indicates a requirement for increasing the staff base and therefore the pressures of finding larger office premises are urgent.

The following financial summary gives a simplified view of the Practice's predicted performance for the year.

Profit/Loss Forecast for 2006

INCOME	TOTAL	percent of turnover
Miriam Gorst	210000	30%
Duncan Flynn	175000	25%
John Young	273000	39%
Prospects valuation	20000	2%
fee total	678000	96%
Photos/prints	14000	2%
Travel/subsistence	7000	1%
Other income	7000	1%
Net earned income (turnover)	706000	100%
EXPENDITURE		
Technical salaries (inc NI)	286225	43%
Admin salaries (inc NI)	32250	7%
Pension scheme	22000	3%
Staff training	5000	0%
Travel & subsistence	12000	2%
Car costs	10000	1%
Rent	60000	7%
Rates	18000	3%
Insurances	8000	1%
P I Insurance	24000	4%
CAD costs	45000	6%
Equipment costs	15000	2%
Telephone	9000	1%
Dwg office supplies/ Stationery	14000	2%
Postage	4000	1%
Photos/prints	7000	1%
PR/ Publicity/ Entertainment	4000	1%
Subscriptions	2400	0%
Books/publications	2000	0%
Heat/Light	6000	1%
Fabric maintenance	8000	1%
Accountant fees	9600	2%
Legal/Professional fees	3600	1%
Bank interest	3000	0%
Misc./Contingency	6000	1%
Depreciation	10000	2%
Total expended	600105	85%
Profit	105900	15%
Indicative cash position		
Income predicted	706000	
Vat on Income	123550	
Total cash income	829550	
trading expenditure	600100	
VAT on expenditure	16000	
VAT to Customs & Excise	107550	
Partners' Drawings	110000	
Total cash expenditure	833650	
Cash movement over year	-4100	
opening bank balance	22600	
closing bank balance	18500	

CONSULTANTS/ADVISERS

LEGAL

DUN, TRIPP and FORSYTH, Solicitors, 70 Albert Road, CITYBURGH, CB2 80A

Contact: Mr Brett Forsyth, Milt LLB.

FINANCIAL

MONTROSE Ltd, Accountants, 3 Albert Close, CITYBURGH, CB2 7AA.

Contact: Mr Virus Susendrah CA. (The financial year runs from 1st September to 31 August).

BANK

BURGHDALE BANK PLC, 92 Chambers Street, CITYBURGH, CB1 3PN.

Contact: Ms Irene McSplash (Senior Manager).

INSURANCE.

EASTERN ASSURANCE PLC, 46 The Square, CITYBURGH, CB1 2EM.

Contact: Mr Sean Gordon

For professional consultation the following firms have been regularly used. Other Consultants for Building Services, Landscape, etc are engaged as necessary depending on the nature and source of each job.

QUANTITY SURVEYORS

MANNARS SURVEYORS, 14 Chambers Court, CITYBURGH, CB1 XA.

Contact: Mr Rod Mannars LLB ARICS. Mannars are an old firm with a good reputation and some bright younger staff.

CONSTRUCTION COST CONSULTANTS

GLM (West) Ltd., 20 UPPER TOWN, WESTBURGH W1 2UP

Contact: Geom. Le Mesurier, FRICS, ACI Arb, APS.

STRUCTURAL ENGINEERS

TREVOR MAILLOT BSc Eng MStrucE, 14 BRADE STREET, CITYBURGH, CB4 7TS.

Contact: Mr Maillot. A small firm established in 1990.

ENVIRONMENTAL ENGINEERS

GREEN & GREEN, 127 Brade Place, CB4 BTZ.

Contact: Mr George Green BSc MIMech MIEE.

An experienced firm with a keen awareness of building sustainability.

QUESTION 1

No specific scenario required for this question.

QUESTION 2

Scenario: Codes and Professionalism

Appointment date:	June 2006
Fee:	6%
Project	Conversion of old bank HQ building in Edward Square, Cityburgh into retail units on GF and FF with flats on upper floors and car park in the basement.
Client:	Vogon Properties Ltd.
Contractor:	None appointed yet.
Contract:	Will probably be JCT 98 Private with Quantities
Project Status:	Workstage D: Scheme Design nearing completion. Planning Application about to be lodged.
CDM:	Applies in full
Project Value:	Developer's Current Budget: £7,300,000
Project Team:	John Young, Partner responsible, Paul Moore, Associate, Project Architect, Candidate
Background:	In June this year, Vogon Properties Ltd approached GFY to provide normal architectural services on this conversion project. This is an important, high profile and potentially lucrative job for GFY. VPL made no mention of involvement of previous architects.

QUESTION 3

Scenario: Procurement Methods

Appointment:	Under discussion
Fee:	To be agreed
Project:	Newbuild sustainable social housing development of 24 terraced units on a brownfield site in Cityburgh, owned by Summerpark Homes Ltd
Client:	Tower Valley Housing Association
Contractor:	Summerpark Homes Ltd, a regional contractor and house builder
Contract:	Under discussion
Project Status:	Workstage A: Inception
CDM:	Will apply in full
Project Value:	Approximately £1,800,000
Project Team:	Miriam Gorst, Partner responsible, Mark Lang, Project Architect, Candidate
Background:	Long-term repeat client, Tower Valley Housing Association, regularly appoints GFY as architect for their developments and is discussing alternative procurement methods for this project. This project is very likely to become part of a much larger volume-procurement, turn-key contract for 380 houses currently under negotiation with Summerpark.

QUESTION 4

Scenario: Complaint – ISO 9001

Client: Cityburgh Development Ltd. who also has a contracting division
– i.e. client is also contractor

Project: Residential conversion of category B Listed warehouse

Appointment: SCA2000 (January 2003 revision)

Scope of services: Stages A to G: limited site service

Contract: No building contract (client is contractor)

QUESTION 5

Scenario: Regulations

Appointment:	SCA2000
Fee:	Agreed fee for option study - £3000
Project:	Possible change of use of Georgian townhouse occupied by an academic society
Client:	Cityburgh Academy for Arts and Science
Contractor:	To be agreed
Contract:	To be agreed
Project Status:	Stage A/B: - Inception/Feasibility
CDM:	Will apply
Project Value:	To be assessed
Project Team:	Miriam Gorst, Partner responsible Candidate

QUESTION 6

Scenario: Health & Safety

John Young is now in charge of CDM matters within the office. An informal visit last year by an HSE Construction Inspector confirmed that the office's understanding of the CDM Regulations was still inadequate. It was clear that design staff generally had a lack of knowledge about the risks they were supposed to be addressing and that the design risk assessments being produced by the office were too generic and were of little or no help to the contractor. In order to ensure that all technical staff have a better understanding of designers' responsibilities under the CDM Regulations, John Young has decided to instigate a regular in-house CDM Review Panel which will assess the Health & Safety implications for designers on selected jobs at varying stages within the office.

QUESTION 7

Scenario: Project Completion

Appointment Date:	May 2003, Scottish Conditions of Appointment (SCA/2000)
Fee:	9.5%
Project:	To provide a full service for internal and external fabric repairs following storm damage, some re-ordering and new stained glass windows (for which a limited competition was held). St Matthew's Church is 'A' listed (Class 1) and the Church is attended by Cityburgh's most influential Episcopalians.
Client:	Vestry of St Matthew's Church, High Street, Cityburgh
Contractor:	Cityburgh Builders Ltd
Project Status:	Date for Completion: 4 August 2006, 52 week contract, JCT Standard Form of Contract, 1998 Edition. Contractor is claiming an extension of time of 6 weeks.
CDM:	Applies in full
Project Value:	£1,200,000
Project Team:	Miriam Gorst, Partner responsible Jill Khan, Associate, Project Architect Candidate
Background:	A well run project externally but internal work, for which the congregation vacated the building, has not been so well managed.

QUESTION 8

Scenario: JCT 98

Client: IT Networks – expanding to larger office premises

Project: Internal fit out contract of 1000m² shell office space

Staff: Memo from Mark Lang to candidate

Contract: JCT98 private with quantities

QUESTION 9

Scenario: CPD

See the main Scenario text on the subject of CPD.

QUESTION 10

Scenario: Design Team Proposal

Project Outline: Restoration/Conversion of Category 'B' listed dwellings to form Care Facilities

Client: Cityburgh Preservation Trust in partnership with Cityburgh Housing Association

Project Status: Invitation to submit a Design Team Proposal. Selection to be Quality based

Project Value: £1,250,000