

# APEAS<sub>LTD</sub>

ARCHITECTS' PROFESSIONAL EXAMINATION AUTHORITY IN SCOTLAND Ltd.

THE EXAMINATION IN PROFESSIONAL PRACTICE &  
MANAGEMENT: PART 3, 2016/17

## 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 professional experience. It sets out the structure of the firm and something of its philosophy, the people involved 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

GFY Architects  
Geddes House  
1 Union Street  
CITYBURGH  
CB1 9RW  
United Kingdom  
Tel: 004 523 0079  
Fax: 004 523 7863  
[gfy@cityburgh.co.uk](mailto:gfy@cityburgh.co.uk)  
[www.gfyarchitects.co.uk](http://www.gfyarchitects.co.uk)

## THE PARTNERSHIP

**Miriam Gorst DA, RIBA, FRIAS** is 62 years old. She trained at the Westcoasts University School of Architecture and was 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 as an expert witness.

**John Young B.Arch, RIAS, LLM** is 46 years old and joined the Partnership in 2004. He trained at the Westcoasts University School of Architecture and has recently accepted an External Examiner role for the undergraduate course. He has a keen interest in the legal context of architectural practice and successfully completed a 2-year, part-time degree course in construction law at the University of Cityburgh receiving a LLM award in 2012.

**Paul Moore BArch Dip (Arch) ARIAS** is 38 years old and has only just been made a partner/member. He trained at Cityburgh Art College. Before joining GFY Paul worked for a large commercial practice in Cityburgh. It was not just his design and management ability that made Paul attractive to GFY, but also his contacts in the commercial development industry. Some of these contacts have resulted in new work for the practice. Paul has bought into the practice by taking out a business loan. The share in ownership of the LLP is now shared equally between the three partners

### **Background:**

The Practice has now been in business for 30 years. Having been a Partnership GFY was reconstituted as a Limited Liability Partnership in 2003.

Up until very recently Miriam Gorst was still committed to the practice. However, a recent illness has meant that she has had to change to working on a part-time basis. She has announced her intention to retire much earlier than she had wished. She is chairperson of the LLP. John Young and Miriam Gorst had realised that succession was very much an issue, but Miriam's announcement has brought this to the fore.

Under the current agreement this split is:

- Miriam Gorst 33.3%
- John Young 33.3%
- Paul Moore 33.3%

The full list of staff currently working at GFY Architects is shown below.

<b>Staff</b>	<b>Position</b>
Miriam Gorst	Partner
John Young	Partner
Paul Moore BArch Dip (Arch)	Partner
ARIAS	
Jill Kahn ARIAS, RIBA, Lib	Associate
Peter Sikorsky Dip Arch RIBA	Associate
Zainab Rashid BArch, Dip.(Arch)	Associate
ARIAS	
Cormac McCarthy	Technologist
Helen Goldie	Technologist
Kakay Lim Dip.(Arch) ARIAS	Architect
Candidate BArch Dip Arch	Architectural Assistant
Hazel Jones BArch Dip Arch	Architect
Patrick O'Connell BArch Dip Arch	Graduate
Helena Chadwick	Graduate
Scott Muir	Technologist
Roberta Smith BA	PA Secretary to Partners
Melanie McKean	Secretary
Hubert Reed	Part time book keeper

## **Policy:**

The practice has historically been structured around the particular strengths of the partners. They have decided to continue describing themselves as partners although, under the provisions of the LLP legislation, they are formally described as Members of the LLP.

The office has a diverse workload across both private and public sectors. Gorst handles larger commercial, education and industrial developments and leads on conservation work. Mixed-use urban design based projects are normally carried out by John Young. Young has also built strongly on the varied workload he brought to the practice, and has firmly established the office within Design & Build procurement, with a number of large contractor / developer clients.

Paul was made a new partner due to the amount of work he was bringing into the practice, his design talent and his ability to run large commercial projects. Paul's design talents were exemplified by a design award in 2014: 'Best Small Project', from Cityburgh Architectural Association for a large house extension (£100,000) for his brother-in-law.

Jill Khan, Peter Sirkorsky and Zainab Rashid, the three associates, have taken an increased role within GFY and have impressed Miriam and John with their varied skills. Jill is bringing work into the practice and Peter is instrumental in running projects and the office IT System. Zainab is proving to be a very talented designer.

The practice secures many small-scale domestic projects. Although these are beneficial in regards to workload, and in the recent financial downturn a vital aspect of the practice's cash flow, it is found to be increasingly difficult to generate any profit from them and they divert staff from larger, potentially more lucrative jobs. Both Paul and Jill have been more successful in bringing in a good proportion of these small projects over the last year. In addition to Paul's success in achieving a design award for his house extension Jill's £500,000 new house for the CEO of Cityburgh Developments has won a prestigious housing award by the National Housebuilder's Association.

The practice was successful in securing a place on the framework to undertake Cityburgh's design work for projects above £500,000. This framework was won in conjunction with Green and Green (M&E) and Trevor Maillot (Structural) who will be appointed as sub-consultants. The framework tender process started two years ago and the fees agreed reflect the fact that the UK was still in recession. The agreement includes a scale of fees depending on the type and size of the project. A separate project manager will be appointed meaning that the practice is not required to act as Contract Administrator.

The practice has a set procedure in place to systematically review electronic Public Procurement notices on a weekly basis. The practice has been successful in obtaining some work through this process.

An internal programme of CPD events 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. Paul Moore is responsible for the management of the practice CPD programme.

Staff training is tailored to enhance the office skill base and recorded in individual personal development plans. Training plans are discussed and agreed with the partners at annual reviews, with all members of staff maintaining individual CPD/training record sheets.

John Young has assumed the position of practice Health & Safety Officer and is keen to ensure that Health & Safety is taken seriously within GFY Architects. The practice was the subject of an HSE Construction Inspector's visit in 2006, and as result of that John has established an in-house CDM review panel.

John has undertaken update training and Association for Project Safety (APS) accreditation and is now qualified to be the principal designer for the practice – should we wish to offer this service. The practice is registered with the Contractor's Health and Safety Assessment Scheme (CHAS) which is one of the approvedSSIP Schemes (Safety Schemes in Procurement). We also have strong links with some of our former CDM Coordinator consultants that we have worked with previously on

large projects, and have agreed that they can work as sub-consultants to us if required – should we be unable to resource the Principal Designer role.

The practice is a member of the local chapter of the Practice Information Service. For an annual subscription this entitles the practice access to a solicitor for advice on appointments and contracts as well as regular updates on practice management, contract law and new legislation.

The practice operates a quality management system, and gained formal BS ISO 9001:2000 accreditation in 2007. Re-accreditation under the ISO 9001:2008 standard was successfully achieved in 2015. The practice has also just gained accreditation for ISO 14000 Environmental Management.

The office uses current appointment documents whenever possible. The practice also works with the new RIBA plan of work introduced in 2013. The Scottish Conditions of Appointment of an Architect (SCA/2014 April 2015 revision) is preferred or the Small Project Version (ASP/2005 April 2015 revision) for simple low value projects. The use of standard appointment documents for Design and Build projects, (Scottish Conditions of Appointment of an Architect - Design & Build Contractor Client DBC201 or Scottish Conditions of Appointment of an Architect - Design and Build Client Version DBE2015) are preferred and are used when a bespoke agreement is not requested. The RIBA Standard Form of Agreement RIBA Agreements 2010 (2012 revision - RIBA Plan of Work 2013 compatible versions) is also relevant, depending on client or site location.

The firm holds professional indemnity insurance to £5,000,000 for each and every claim since clients frequently require cover at this level. The policy excess figure is £10,000.

The practice has a recently updated website. This has been masterminded by Jill Kahn who has the responsibility of keeping the website up to date. The revamp of the website forced the practice to think very carefully about how they want to be perceived within the market and what indeed their business strategy should be. The current identity of the practice, agreed by the partners, is a strong commercial practice with a strong design ethos.

**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 9 years ago, the annual service charge is £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. The partners have decided to continue their short term recurring lease with their landlord, especially as the practice is starting to grow again.

**Computers:**

GFY has a fully integrated computer network with a workstation for each member of staff. Peter Sikorsky has been IT Manager for 4 years. The file server has an automatic back-up system, and the system can be accessed by the partners and associates remotely. An industry standard package is used for word processing, spreadsheets, database and E-mail, and an industry standard 2D and 3D CAD package is available and used both for 3-D visualisation and production work with rendering packages for presentation work.

The practice has implemented BIM for just over two years. All workstations have been updated for the use of Revit. Even though the practice has been doing Revit for nearly three years on a variety of projects, it has yet to perform the role of BIM Coordinator on a project.

**Administration:**

Miriam is responsible for financial management and John for resource management and office job running systems. It has still to be decided how Miriam's role as financial manager will be replaced. 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. Paul's role in the practice is primarily to win work and to run major projects.

The PA/Practice Secretary, Roberta Smith, handles the day-to-day administrative load for the practice with input from part-time bookkeeper Hubert Reed. 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 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.

**Staff:**

The office salary structure was last reviewed two years ago. With Paul being made up to a partner, Peter and Zainab have been promoted to associates.

Salaries are starting to increase at a normal rate again as opposed to inflationary rises in the last few years. This has allowed the practice to better reward staff based on performance.

This year has seen the employment of Scott Muir, a technologist, with good technical skills and working knowledge of Revit. Part-time bookkeeper Hubert Reed reduced his commitment to the office to 1 day per week.

**PERSONNEL**

<b>Staff</b>	<b>Annual salary</b>	<b>Position</b>	<b>Cost to the office Per hour</b>
Miriam Gorst	£55,500 (notional salary)	Partner	£71
John Young	£55,500 (notional salary)	Partner	£71
Paul Moore BArch Dip (Arch) ARIAS	£55,500 (notional salary)	Partner	£71
Jill Kahn ARIAS, RIBA, Lib	£41,000	Associate	£53
Peter Sikorsky Dip Arch RIBA	£36,100	Associate	£46

Zainab Rashid BArch, Dip.(Arch) ARIAS	£36,100	Associate	£46
Cormac McCarthy	£28,000	Technologist	£36
Helen Goldie	£27,350	Technologist	£35
Kakay Lim Dip.(Arch) ARIAS	£31,350	Architect	£40
Candidate BArch Dip Arch	£24,000	Architectural Assistant	£31
Hazel Jones BArch Dip Arch	£27,000	Architect	£35
Patrick O'Connell BArch Dip Arch	£23,000	Graduate	£30
Helena Chadwick	£23,000	Graduate	£30
Scott Muir	£22,000	Technologist	£28
Roberta Smith BA	£24,750	PA Secretary to Partners	
Melanie McKean	£20,000	Secretary	
Hubert Reed	£6,000	Part time book keeper	

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 rate of 18 pence per £100 of salary when charging clients on a time basis.

### **Financial Summary:**

Although the practice experienced a downturn in turn-over and profitability over the last 6-years things seem to be changing and the practice has returned to a semblance of normality. Workload has increased, but fees are still at a low level

In 2015 - 2016 profits increased again to 25% due to a slight rise in fee levels. Turnover increased to £1,210,123.

The partners are more optimistic in the financial forecast for 2016/17 projecting a turnover of £1,450,000. Profit levels are forecast to be reasonably stable at 22 - 25%. Cash reserves have remained static. However, the value of bad debts having to be written off from the balance sheet has tailed off during the last 12-months. Cash flow has improved greatly. The partners are now happy that reserves are just above the target 3-month turnover calculus, and are comfortable that the cash balance is substantial enough to cover cash flow without reliance on bank finance.

GFY operate a separate bank account to hold moneys required for VAT and tax. A monthly amount is directed to this account to pay for corporation tax and the VAT element paid on invoices is transferred to this account to ensure that the money is always there to make the quarterly VAT payments to the Inland Revenue.

In light of a number of recent project issues GFY are now diligent in ensuring that separate accounts are created when clients' money is being held and managed by the practice.

## **CONSULTANTS/ADVISERS**

### **LEGAL**

DUN, TRIPP and FORSYTH,  
Contact:

Solicitors, 70 Albert Road, CITYBURGH, CB2 8OA  
Mr Brett Forsyth, Milt LLB.

### **FINANCIAL**

MONTROSE Ltd, Accountants,  
Contact:

3 Albert Close, CITYBURGH, CB2 7AA.  
Mr Virus Susendrah CA. (The financial year runs  
from 1<sup>st</sup> September to 31 August).

### **BANK**

BURGHDALE BANK PLC,  
Contact:

92 Chambers Street, CITYBURGH, CB1 3PN.  
Ms Irene McSplash (Senior Manager).

### **INSURANCE.**

EASTERN ASSURANCE PLC,  
Contact:

46 The Square, CITYBURGH, CB1 2EM.  
Mr Sean Gordon

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

### **QUANTITY SURVEYORS**

MANNARS SURVEYORS,  
Contact:

14 Chambers Court, CITYBURGH, CB1 XA.  
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,  
Contact:

20 UPPER TOWN, WESTBURGH W1 2UP  
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,  
Contact:

127 Brade Place, CB4 BTZ.  
Mr George Green BSc MIMech MIEE.  
An experienced firm with a keen awareness of  
building sustainability

## Specific Background to Questions

### Question 1

Not necessary

### Question 2

#### Scenario

**Project:** Hammer House Rear Extension, Cityburb  
**Client:** Mr & Mrs Sailor  
**Stage:** In Use  
**Design Team:** Architect (CA), Structural Engineer, Services Engineer, No QS  
**Budget:** £150,000 plus VAT  
**Comment:** Job was completed in February 2016

### Question 3

**Project:** Care Home Development, Citybeach.  
**Client:** Cool Care Providers Ltd  
**Design Team:**  
**Architect and Principal Designer:** GFY  
**Engineers (Lead Consultant):** Trevor Maillot & Partners  
**Services Engineer:** Green & Green  
**Project Value:** £2,500,000  
**Fee Agreement for Architect:** 4% of construction value  
**Background:** This project reached Stage 3 in late 2013 before it was put on hold due to a funding shortfall. Planning permission has been granted. It has recently been resurrected as alternative sources of funding have become available, the same design team have been appointed. It is an unusual build in as much as the setting is in an elevated coastal position with amazing views but equally complicated ground conditions, drainage

problems and concerns over coastal erosion. The reason Trevor Maillot are Lead Consultant is not just due to the fact they brought the project and client to us but because of the complicated structural design, ground conditions and the proposed building sits on what could be described as “stilts” with prefabricated modular bedroom pods bolted together to form the care home, limiting finishing works on site.

#### Question 4

<b>Appointment:</b>	January 2013 (SCA 2011).
<b>Fee:</b>	4.5%.
<b>Project:</b>	Newbuild and refurbished flats at Edmure Gardens, Cityburgh.
<b>Client:</b>	Balon Housing Association.
<b>QS:</b>	Mannars Surveyors.
<b>Structural:</b>	Trevor Maillot.
<b>M&amp;E Consultants:</b>	None.
<b>Contractor:</b>	Trant Construction Ltd.
<b>Contract:</b>	SBC/Q/Scot 2011. Contract Date for Completion: 24.04.15 Practical Completion: 25.05.15. Expiry of Rectification period: 25.05.16. Certificate of Making Good: 10.10.16 Final Certificate issued 5.11.16 Liquidated Damages were set at £3,000 per week.
<b>Project Status:</b>	Final Certificate recently issued.
<b>CDM:</b>	Applies in full.
<b>Project Value:</b>	Contract Sum £1,900,000
<b>GFY Project Team:</b>	John Young, Partner responsible. Candidate.
<b>Background:</b>	Mixture of newbuild and refurbished flats on an existing housing association site. Following delays in the water main installation, Contractor applied for Extension of Time and Loss & Expense, but GFY as Contract Administrator decided that these were not to be awarded.

## Question 5

<b>Project:</b>	Conversion of former church to flats
<b>Client:</b>	Detox Developments
<b>Appointment:</b>	Scottish Conditions of Appointment of an Architect SCA/2014, April 2015 Revision. Full service – stages 0 to 6
<b>Contract:</b>	SBC/AQ/Scot (2011 Edition)
<b>Design Team:</b>	Lead consultant / Architect / CA: GFY Architects; Structural Engineers: Trevor Maillot; M&E Engineers: Green and Green; Costs Consultants: Mannars Surveyors
<b>Construction Value:</b>	£3,546,000
<b>Contractor:</b>	Hammer & Nail Construction
<b>Current Stage:</b>	RIBA Stage 5. Month 5 of 14 month contract
<b>Staff:</b>	Paul Moore, Partner in charge, Hazel Jones Project Architect
<b>Background Notes:</b>	<p>GFY are engaged as architects and principal designer for the conversion of a former church to residential apartments. The developer client took over a year between April 2015 and June 2016 to raise the funds to commence the project and at the week of the start on site the UK voted in the EU referendum which, it is believed, caused the developer the jitters, although nothing was formally said as the contract was signed and contractor had just started the site set up.</p> <p>A show flat is due for completion soon in advance of the other works which are proceeding in tandem.</p>

## Question 6

### Scenario

Miriam has a long term illness and will be retiring from work in the practice much earlier than expected. She has just given the practice 12 months' notice of her retirement.

## Question 7

<b>Project:</b>	New school
<b>Design:</b>	Taken to Stage 2 / 3 by original architect, appointment now terminated. GFY have been appointed by the contractor to act as their architect.
<b>Contract:</b>	SBCC Design and Build (SBC DB/Scot – 2011 edition)

### Background

The current situation is that the project has started on site, and the main structural frame is complete.

The Planning and Warrant risk stated in contract document are to be the responsibility of the incoming team.

During the tender period GFY's team noticed that the distance to boundary/glazing area calculations did not comply. This was brought to the notice of the contractor employer with a suggestion that fire resistant glazing would be required. GFY then forgot about it. The contractor, however, reduced the glass areas in a bid to make them comply and qualified the bid in this respect. This was accepted by the client on the basis that their team had made a mistake. The partner in charge was not pleased as GFY had recommended that fire resistant glazing be used.

Now, having won the project and with the frame up, the team have received Building Control's comments on the application for the Fire Strategy Stage of the warrant. Building Control has commented that the escape widths of the stairs are not sufficient. This has now been checked within the GFY project team and found to be the case.

## Question 8

<b>Project:</b>	Extension to an online retail warehouse facility (warehouse space with an office and amenity block)
<b>Client:</b>	YangtzeO
<b>Appointment:</b>	DBC/2015 Scottish Conditions of Appointment of an Architect Design and Build Contractor Client Version
<b>Contract:</b>	DB/Scot (2011 Edition) Design & Build Contract for use in Scotland
<b>Design Team:</b>	Lead consultant / Architect / CA: GFY Architects; Structural Engineers: Trevor Maillot; M&E Engineers: Green and Green; Costs Consultants: Mannars Surveyors

**Construction Value:** £4,645,000  
[£2,350,000 for the Office element and £2,295,000 for the Warehouse element] ex VAT.

**Contractor:** Yellow River Construction (YRC)

**Current Stage:** RIBA Stage 4.

**Staff:** John Young, Partner in charge, Kakay Lim Project Architect, Candidate

**Background Notes:**

YangtzeO are an emerging retail force coming into the UK to compete with other established online market places. They developed a project to extend an existing online retail warehouse using a Design & Build contract and appointment and expected to novate all their design team over.

However, they could not persuade Yellow River Construction (YRC) to employ the original client's architect and accordingly GFY have been invited by YRC to undertake architect's duties from RIBA Stage 4. It is understood that the previous practice was not performing well (late delivery of information). A checking exercise has been carried out by GFY on the information issued to date (planning permission and information to Stage 3) and is considered competent.

GFY is yet to agree the fee for this service and also understand they are in fee competition with others.

**Question 9**

**Project:** Waterburgh Community Facility

**Appointment:** Undecided

**Contract:** Undecided

**Value:** Unknown

**Client:** Approach from Waterburgh Community Trust

## Question 10

<b>Appointment:</b>	November 2014 (SCA 2011)
<b>Project:</b>	One-off new house for private client.
<b>Client:</b>	Mr & Mrs W. Walker.
<b>GFY Project Team:</b>	John Young, Partner responsible. Candidate.
<b>QS:</b>	None.
<b>Structural:</b>	Trevor Maillot.
<b>Contractor:</b>	Wall Construction Ltd.
<b>Contract:</b>	MWD/Scot (2011). Date of Commencement: 10.10.16. Date for Completion: 13.03.17.
<b>Project Status:</b>	On site.
<b>Background:</b>	Due to some last-minute design-changes and the Planning Authority's tardiness in issuing a Non-Material Variation, the Contract drawings were issued to Wall Construction some 2 weeks after the Date for Commencement. Wall requested a new Date for Completion, but GFY refused, on the basis that the 2-week delay did not jeopardise the original DfC. Irritated by the 2-week 'delay', Mr Walker is now refusing to pay GFY's interim fee for Tendering Workstage. John has written to Mr & Mrs Walker on 13.11.16, advising that services will be suspended unless payment is forthcoming.