

ARCHITECTS' PROFESSIONAL EXAMINATION AUTHORITY IN SCOTLAND Ltd.

THE EXAMINATION IN PROFESSIONAL PRACTICE & MANAGEMENT: PART 3, 2018/19

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
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CITYBURGH
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United Kingdom
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Fax: 004 523 7863 gfy@cityburgh.co.uk www.gfyarchitects.co.uk

THE PARTNERSHIP

Miriam Gorst DA, RIBA, FRIAS is 63 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 48 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 3-year degree course in construction law at the University of Cityburgh receiving a LLM award in 2012.

Paul Moore BArch Dip (Arch) ARIAS is 40 years old and has only recently 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 33 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 long term illness has meant that she has had to change to working on a part time basis. She had announced her intention to retire in June 2018, much earlier than she had wished, but was able to continue and has confirmed her retirement in April 2019. Unfortunately, she has had a relapse and is now off work long term. She is chairperson of the LLP. John Young, Miriam Gorst and Paul Moore realise that a succession is very much an issue but Miriam's announcement has brought this to the fore. It looks as if John will take on the role of chairman when Miriam leaves. There is also the issue about how Miriam will get her money out of the business and various options are being considered

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.

Staff	Position
Miriam Gorst	Partner
John Young	Partner
Paul Moore BArch Dip (Arch) ARIAS	Partner
Jill Kahn ARIAS, RIBA, LIb	Associate
Peter Sikorsky Dip Arch RIBA	Associate

Zainab Rashid. BArch.Dip.(Arch) ARIAS

Cormac McCarthy Technologist

Helen Goldie Technologist

Kakay Lim Dip.(Arch) ARIAS Architect

Candidate BArch Dip Arch Architectural Assistant

Associate

Hazel Jones BArch Dip Arch

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 still to describe themselves as partners though, 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 Moore 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. Moore'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, Peter and Zainab 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 economy was still recovering from recession. There is a scale of fees depending on the type and size of the project. A separate project manager will be appointed meaning that GFY's role as Contract Administrator is not required.

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 2009 and as a 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 GFY wish to offer this service. The practice is registered with the Contractor's Health and Safety Assessment Scheme (CHAS) which is one of the approved SSIP Schemes (Safety Schemes in Procurement). The practice also has strong links with some of its former CDM Coordinator consultants that the practice worked with previously on large projects, and have agreed that they can work as sub-consultants to GFY if required – should GFY be unable to resource the Principal Designer role.

The Practice is a RIBA Charterer Practice and is also a member of the local chapter 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 9001:2015 standard was successfully achieved in 2015. The practice has also just gained accreditation for ISO 14000 Environmental Management. Two members of staff, Paul and Jill, have recently become Certified Passivhaus Consultants having successfully completed the examination.

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/2018) is preferred or the Small Project Version (ASP/2018) 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 DBC2018 or Scottish Conditions of Appointment of an Architect - Design and Build Client Version DBE2018) 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 practice 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 £15,000.

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 10 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 5 years. The file server has an automatic back-up system and the system can be accessed by the partners and associates remotely. They use an industry standard package for word processing, spreadsheets, database and E-mail, and they have an industry standard 2D and 3D CAD package which is used both for 3-D visualisation and production work with rendering packages for presentation work.

The practice has implemented BIM for just over four years. All workstations have been updated for the use of Revit. Even though the practice has being doing Revit for nearly three years on a variety of projects, a member of practice staff has yet to perform the role of BIM Coordinator on a project. The practice has only ever really taken projects to BIM Level 1.

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 although Paul is currently carrying out this role in Miriam's absence. 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 as oppose to the 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

01-41	A	Danitian.	Cost to the
Staff	Annual salary	Position	office Per hour
Miniana Canat	£60,000	Dowtoor	076
Miriam Gorst	(notional salary)	Partner	£76
John Vouna	£60,000	Douteou	076
John Young	(notional salary)	Partner	£76
Paul Moore BArch Dip	£60,000	Dortnor	076
(Arch) ARIAS	(notional salary)	Partner	£76
Jill Kahn ARIAS, RIBA, LIb	£41,000	Associate	£53
Peter Sikorsky Dip Arch	000 400	A	0.40
RIBA	£36,100	Associate	£46
Zainab Rashid.	000 400	A	0.40
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
		Architectural	
Candidate BArch Dip Arch	£24,000	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
		PA Secretary to	
Roberta Smith BA	£24,750	Partners	
Melanie McKean	£20,000	Secretary	
		Part time book	
Hubert Reed	£6,000	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 after the recession in 2008 things are changing and the practice has returned to a semblance of normality. Workload has increased but fees are still at a low level.

In 2017-2018 profits were 26% with a slight rise in fee levels. Turnover increased to £1,650,109.

The partners are not as optimistic in their financial forecast for 2018/19 projecting a turnover of £1,300,000. 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 HMRC.

In light of a number of recent project issues the GFY partners 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, Solicitors, 70 Albert Road, CITYBURGH, CB2 8OA

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, Fire Engineering 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.

STRUCTURAL ENGINEERS

TREVOR MAILLOT, 14 Brade St, CITYBURGH, CB4 7TS.

Contact: Mr Maillot. A medium sized 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

Specific Background to Questions

QUESTION 1

Not necessary

QUESTION 2

Scenario

Project: Refurbishment of existing detached house.

Property has been vacant for a period of 4 years prior to

purchase.

Status of project: Stage 4 Technical Design 75% complete. GFY have completed

all construction information with QS currently preparing tender

documents - tender still to be issued.

Stage 3 QS feasibility cost plan. Total estimated works cost

£225,000

Building Warrant – Still to be approved by Local Authority.

Client: Mr & Mrs Walberswick.

Client's budget: £150,000

GFY Project Team: Miriam and Candidate.

QS: Mannars Surveyors.

Engineer: Trevor Maillot.

Principal Designer: GFY

Appointment: RIAS. Scottish Conditions of Appointment of an Architect

SCA/2018

GFY lead consultant and principal designer. QS and Engineer

sub-consultants to GFY

Fee agreement: Total design team fees 18% of construction budget of

£150,000. Fee inclusive of all expenses. Total fee £27,000

exclusive of VAT.

Fee instalments: (As per GFY appointment letter)

Instalment 1: Completion of Stage 2 Concept Design. 20% of total fee.

£5,400 ex VAT.

Instalment 2: Completion of Stage 3 Developed Design.

15% of total fee on submission of Building Warrant. £4,050 ex

VAT 5% of total fee on Warrant approval. £1,350 ex VAT

Instalment 3: Completion of Stage 4 Technical Design and Tender action.

20% of total fee.

Instalment 4: Construction Phase – to be split into equal monthly instalments

in line with contractors.

Scenario

Client: Beautiful Investments Limited

Project: Private physiotherapy and cosmetic surgery clinic

Value: £5,500,000 approximately

Procurement: Not known but project will be delivered on a turnkey basis by

contractor

Appointment: RIAS SCA (2018) for full service on a traditional procurement

basis. Contract administration to be by Project Manager

Design Team:

Lead Consultant: GFY

Project Manager: Mannars Surveyors

Cost Consultant: Mannars Surveyors

Services Engineer: Green and Green

Structural Engineer: Trevor Maillot

Landscape Architect: Titmarsh Associates

Principal Designer: Iona Risque Partnership

Project Fees: GFY have intimated a fee of 3.9% based on the £5.5M costs. Fees for the other consultants have yet to be agreed. GFYs normal agreement on expenses and disbursements is that it does not include travel and subsistence outside Scotland and that all drawings and documentation are issued digitally.

GFY are to employ all consultants with the exception of the project manager and cost consultant and have agreed that GFY will charge 7.5% management charge for each of these sub-consultants.

Client is in the process of going through due diligence on the purchase of a site. This site has the potential to have old underground mine workings. GFY and their team are assisting the client in this process by arranging relevant site investigations.

GFY did a very simple strategic programme based on a £3m project before the Project Manager was appointed. This was simply to give an idea of timings and sequence but was before the brief and project scope was finalised.

Scenario

Appointment: December 2017 (SCA 2014)

Project: Large extension to house for private client

Location: 22 Valeria Grove, Cityburgh

Client: Mr & Mrs J. Mormont

Fee: 6% of construction cost

GFY Project Team: John Young, Partner responsible

Candidate

QS: None

Structural: Trevor Maillot

Intended Contract: MWD/Scot (2011)
Construction Budget: £245,000 + VAT

Project Status: Tenders have been invited, based on drawings, Scope of Works

and Schedule of Contract Particulars.

No specific tendering rules nor code of practice apply.

Three tenders have been received and are to be analysed and

evaluated.

QUESTION 5

Scenario

Client: Cityburgh Council

Project: New build Primary School on a brownfield site

Value: £5.5million

Procurement: SBC/Q 2016 Standard Building Contract with Quantities 2016

Appointment: RIAS SCA (2018)

Design Team:

Lead Consultant: GFY

Principal Designer: GFY Sub-Consulted to Plan Consult

Project Manager: Cityburgh Council

Structural Engineer: Trevor Maillot

M&E Services Engineer: Green and Green

Contractor: Build-It Builders

Scenario

Biochemistry building for Cityburgh University

Approximate value £30m

An academic research and teaching facility, bringing three departments into one building to foster collaborative research. The brief includes a suite of high grade "clean room" laboratories whose design and construction will require specialist expertise. Also included is a high quality cafeteria intended to serve all that part of the science campus.

The University has been criticised in recent years for the poor quality of its built estate and the new estates director has expressed a strong desire for this project to turn that around by producing a world class facility. GFY won the project in an architectural competition, beating off larger practices from outside the area. This included a fee competition and GFY's tendered fee of 2.9% is proving tight even at this stage.

M&E Engineers: Green and Green

Civil and Structural Engineers: Trevor Maillot & Partners

QS: Mannars Surveyors

The design team have separate appointments.

The briefing and design process has been going well and is currently at the end of Stage 2

QUESTION 7

Scenario

Project: Zulu Hotels Fit-Out.

Client: Kingsbridge Properties

Design Team: GFY, Architect, Principal Designer and Lead Consultant

Tenant Architect: BCDS

Tenant Services Consultant: BCDS Construction (Contractor designed.)

Landlord Structural Engineer: Trevor Maillot & Partners

Landlord Services Engineer: Green & Green

Landlord Quantity Surveyor: Mannars Surveyors

Project Value £350,000 for landlord works - £4,000,000 for hotel

fit-out

Construction Period 30 weeks concurrently.

Fee Agreement for Architect: To Be Agreed.

This project is in the Stage 4 Technical Design stage. Fee agreement for architect was on a reduced services basis up to building warrant stage only.

The project is a part refurbishment of an office building. The landlord works comprise a refurbishment of landlord common areas such as the entrance area, lift lobbies and stairwells. One office tenant will remain in the building. The hotel fit-out covers 5 vacant floors of the property.

Scenario

Project: Cityburgh College Extension.

Client: Cityburgh College Ltd

Appointment: SCA 2015

Stage: Practical Completion achieved December 2017 (in 12 month

Rectification Period)

Design Team: Architect (CA + PD), Structural Engineer, Services Engineer,

Quantity Surveyor.

Contract Sum: £800,000

Contractor: Nakad Construction Ltd

Contract: Minor Works Building Contract with Contractor's Design

MWD/SCOT 2013 Edition

Comment: Nakad Construction is in Liquidation.

QUESTION 9

Scenario

Project: Bank unit conversion to coffee shop on Cityburgh High Street

Client: Mer Kaffe? ASA

Comment: GFY not yet appointed. Responding to enquiry from the client

who is considering a change of architect.

QUESTION 10

Scenario

Project: Sovereign Mews Circus a traditional small Georgian mews

building, subsequently changed to office use, then bought by a client for conversion and change of use back to domestic

(multiple flatted) dwellings for rental on the open market.

Quantity Surveyor: None

Structural Engineer: Limited input at building warrant only.

Contract: Minor Works with Contractor's Design Portion for use in

Scotland 2013 Edition. Contract unsigned.

Contractor: Comyn Ghetmi Ltd

Tender value: £454,776.00

Background: A junior technical member of staff (now no longer with GFY) was brought into the practice a few years ago on a fixed term twelve-month temporary contract to assist in a period of intense workload. Naomi brought into the practice a medium sized domestic project that she was already working on, and had achieved planning approval. GFY inherited this project which was then developed in house. Naomi was asked to continue administering this project aside from her other duties as she was clearly the best person for the project given her clear understanding and client familiarity.