

**2020/21**

**THE EXAMINATION IN PROFESSIONAL PRACTICE & MANAGEMENT: PART 3**

## **SCENARIO to the PRACTICE PAPER**

**NOTE: Neither this scenario, nor the associated Practice Paper, takes account of the current Covid 19 Pandemic. You should therefore assume pre-pandemic conditions in your reading of this Scenario and in your response to the Practice Paper.**

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

## **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 Practice Paper.

### **THE PRACTICE**

GFY Architects

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CB1 9RW

United Kingdom

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[gfy@cityburgh.co.uk](mailto:gfy@cityburgh.co.uk)

[www.gfyarchitects.co.uk](http://www.gfyarchitects.co.uk)

## **THE PARTNERSHIP**

### **Background:**

The Practice has now been in business for 35 years. Having been a Partnership, GFY was reconstituted as a Limited Liability Partnership in 2003.

John Young is the Chairperson. Jill Kahn and Peter Sikorsky were recently made Partners having each taken out a business loan in the sum of £50,000. This £100,000, was used to pay out a retiring Partner and in turn purchase their new shares in the LLP. Jill and Peter's salaries were increased to cover the cost of their loans and to reflect their new roles.

Under the current agreement this split is:

- John Young 33.3%
- Paul Moore 33.3%
- Jill Kahn 16.67%
- Peter Sikorsky 16.67%

### **LLP PARTNERS:**

#### **John Young BArch, FRIAS, LLM**

John is 50 years old and joined the Partnership in 2004. He trained at the Westcoasts University School of Architecture and has recently been appointed as an examiner on the Westcoast's Part 3 Examination. 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 an LLM in 2012. John was elected as a Fellow of the RIAS in 2019.

#### **Paul Moore BArch, Dip (Arch), FRIAS**

Paul is 42 years old and trained at Cityburgh Art College. Before joining GFY, Paul worked for a large commercial practice in Cityburgh. It is not just his design and management ability that makes Paul an excellent Partner, but also his contacts in the commercial development industry. Many of these contacts have resulted in new work for the Practice. Paul bought into the practice in 2016 by taking out a 10-year business loan. Paul was elected as a Fellow of the RIAS in 2019.

#### **Jill Kahn ARIAS, RIBA**

Jill is 42 years old and has been with the practice since 2008. She was made an associate in 2012 and a Partner in 2019. A talented designer, she qualified from Cityburgh Art College in 2001 and spent 3 years working with Richard Foster's office in London. She has a passion for sustainability and is one of 2 in the Practice certified as a Passivhaus Consultant. She has also a passion for marketing and business development and has been given overall responsibility for these roles in the Practice.

## **Peter Sikorsky Dip (Arch), RIBA**

Peter is 39 years old and joined the Practice in 2004. He was made an associate in 2016 and a Partner in 2019. Peter is a talented job runner, who also manages the office's IT systems. He qualified from the Berlin School of Architecture in 2004, and subsequently moved to Cityburgh to a very large commercial practice.

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

<b>Staff</b>	<b>Position</b>
John Young BArch, FRIAS, LLM	Partner
Paul Moore BArch, Dip (Arch), FRIAS	Partner
Jill Kahn ARIAS, RIBA	Partner
Peter Sikorsky Dip (Arch), RIBA	Partner
Zainab Rashid BArch, Dip (Arch), ARIAS	Associate
Hazel Jones BArch, Dip (Arch)	Associate
Kakay Lim Dip (Arch), ARIAS	Architect
Alex Callaghan BA Arch, ARIAS	Architect
Jane Cunningham BA Arch, ARIAS	Architect
Cormac McCarthy	Technologist
Helen Goldie	Technologist
Walter Isaacs	Architectural Assistant
Candidate BArch Dip (Arch)	Architectural Assistant
Patricia 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 Practice has a diverse workload across both private and public sectors. Paul handles larger commercial, education and industrial developments. Paul's design talents were exemplified by a design award in 2019: 'Best Small Project', from Cityburgh Architectural Association for a new house (£450,000). Mixed-use urban design-based projects are normally carried out by John Young who 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.

The new Partners, Jill and Peter, have undertaken a wide range of projects, although Jill has particular experience in residential projects; both large and small.

Zainab has been joined as an associate by Hazel. Hazel has worked as an effective job runner on a wide range of projects and has a particular talent for interiors.

Zainab is a talented designer and works closely with Paul at the front-end of many of the Practice's projects. Kakay has taken a leading role in the implementation of BIM and the use of REVIT in the Practice.

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, Jill's £500,000 new house for the CEO of Cityburgh Developments has won a prestigious housing award by the National Housebuilders' 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 3 years ago, and the fees agreed reflect the fact that we were still in 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 our 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. Although the Practice has been successful in obtaining some work through this process, it has had many unsuccessful bids.

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 Practice at internal sessions on their return. Hazel Jones is responsible for the management of the Practice CPD programme.

Staff training is tailored to enhance the Practice's skills 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, John has established an in-house CDM review panel.

John has undertaken training with the Association for Project Safety (APS), allowing him to receive accreditation with this organisation. This has allowed the Practice to register with the Contractors Health and Safety Assessment Scheme (CHAS), which is one of the approvedSSIP Schemes (Safety Schemes in Procurement). John's accreditation with APS enables him to usefully advise others in the Practice when they undertake Principal Designer roles, in addition to acting as PD on the projects he leads. The Practice also has strong links with some of its former CDM Coordinator consultants that the Practice worked with previously on large projects, and has agreed that they can work as sub-consultants to GFY if required – should GFY be unable to resource aspects of the Principal Designer role.

The Practice is an RIBA Chartered Practice and is also a member of the local chapter Practice Information Service. For an annual subscription, this provides 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. Two members of staff; Paul and Jill have recently become Certified Passivhaus Consultants, having successfully completed the examination.

The Practice uses current appointment documents whenever possible and works with the most recent RIBA plan of work. The Scottish Conditions of Appointment of an Architect (SCA/2018) is preferred or, alternatively, 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. Many of the Practice's appointments, especially from developer and education clients, are bespoke client appointments. The Practice is diligent in using their solicitors and PI insurers in obtaining advice on these bespoke appointments.

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 £25,000. Insurance premiums have risen by over 40% from the previous year.

The Practice has a recently updated website. This has been masterminded by Jill Kahn, but Hazel now 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 1970s office building at £20 per sq. ft. The premises were recently refurbished by the practice and lease renewed for another five years.

### **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. A mirrored server is located in 'cloud' based data centre. 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 5 years. All workstations have been updated for the use of Revit. Even though the Practice has been using Revit for nearly 4 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:**

Paul is now responsible for financial management and John for resource management and office job running systems. 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 (one day per week) 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 3 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 opposed to the inflationary rises in the last few years. This has allowed the Practice to better reward staff based on performance.



## PERSONNEL

<b>Staff</b>	<b>Annual salary</b>	<b>Position</b>	<b>Cost to the office per hour</b>
John Young BArch, FRIAS, LLM	£65,000	Partner	£82.5
Paul Moore BArch, Dip (Arch) ARIAS	£65,000	Partner	£82.5
Jill Kahn ARIAS, RIBA	£54,000	Partner	£68.6
Peter Sikorsky Dip (Arch), RIBA	£54,000	Partner	£68.6
Zainab Rashid. BArch, Dip (Arch), ARIAS	£38,500	Associate	£48.9
Hazel Jones BArch, Dip (Arch)	£37,500	Associate	£47.6
Kakay Lim Dip (Arch), ARIAS	£32,800	Architect	£41.7
Alex Callaghan BA Arch, ARIAS	£32,350	Architect	£41.1
Jane Cunningham BA Arch, ARIAS	£32,350	Architect	£41.1
Cormac McCarthy	£28,000	Technologist	£35.6
Helen Goldie	£27,500	Technologist	£34.9
Walter Issacs	£27,500	Architectural Assistant	£34.9
Candidate BArch, Dip Arch	£27,500	Architectural Assistant	£34.9
Patricia O'Connell BArch, Dip Arch	£25,000	Graduate	£31.7
Helena Chadwick	£24,000	Graduate	£30.5
Scott Muir	£22,000	Technologist	£27.9
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 Practice hourly rate in the table above is calculated as the share of salary and overhead costs for the Practice as a whole attributable to each technical member (including Partners). It excludes any provision for profit.

The Practice 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 turnover and profitability after the recession in 2008, things improved substantially, and the Practice has returned to a semblance of normality. Workload has stabilised, but fees are still at a low level.

In 2019/20 profits were 19%, with a slight reduction in general fee levels due to the competitive markets in which the practice operates. Turnover increased to £1,950,000.

The Partners are not as optimistic in their financial forecast for 2020/21, projecting a turnover of £1,600,000. This is due to the uncertainty of Brexit. Profit levels are forecast to reduce. Cash reserves are coming under pressure. The Practice endeavours to ensure that they hold cash reserves to cover three months of expenditure. With the slow payment of fees during the first eight months of the year, this has reduced by half. For this reason, it is likely that the practice will have to reduce in size in the next year.

GFY operates 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, 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,  
Contact:

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

### **FINANCIAL**

MONTROSE Ltd, Accountants,  
Contact:

3 Albert Close, CITYBURGH, CB2 7AA.  
Mr Festus 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.

### **STRUCTURAL ENGINEERS**

TREVOR MAILLOT,  
Contact:

14 Brade Street, CITYBURGH, CB4 7TS.  
Mr Maillot. A medium sized 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 scenarios for 7 of the 8 questions that will be included in the Practice Paper.**

**QUESTION 1**

Scenario not provided/necessary.

**QUESTION 2**

**Project** New Maintenance Aircraft Hangar – Tender for Architectural Services to Design and Build Contractor.

**Background** A Midlands airport has issued a tender for a new maintenance aircraft hangar on a design and build basis.

The project was designed by the client's in-house team of consultants who have issued reference Design Proposals that have gained planning approval.

The in-house team is retained by the client to peer review the design and build contract.

**Current Stage** RIBA Stage 3.

**Client:** Flying High Airports Ltd.

**Location** Midlands, 220 miles from GFY's office.

**Contractor Leading Bid** Volar-Haut Ltd.

**Architect's Appointment to Contractor** RIBA Standard Professional Services Contract 2018 on Design & Build basis.

**Project Team:**

**Architect** GFY: Paul Moore and Candidate.

**Principal Designer** GFY.

<b>Lead Consultant</b>	GFY.
<b>QS</b>	Client Appointed.
<b>Other team members</b>	To be identified and confirmed by Volar-Haut Ltd.
<b>Building Contract</b>	JCT Major Project Construction Contract (MP) 2016.
<b>Estimated Contract Sum</b>	£23,000,000.
<b>Basis of Architect Fee</b>	Fixed Price Lump Sum Fee Including Expenses.
<b>Procurement Packages</b>	Volar-Haut Ltd to let their packages split as detailed in the Schedule of Architectural Procurement Packages.

### **QUESTION 3**

<b>Client</b>	Brett Forsyth. Partner at Dun, Tripp and Forsyth Solicitors.
<b>Project</b>	Residential New Build. 4 bed detached house.
<b>Value</b>	£550,000.
<b>Contract period</b>	24 weeks.
<b>Staff</b>	Jill Kahn and candidate.
<b>Contract</b>	Standard Building Contract with Quantities SBC/Q/Scot 2011 edition.

#### **QUESTION 4**

**Project description**

£1.5m office fit-out in Grade B Listed warehouse.

**Client**

MRM Limited (Marketing and Graphics)

**Team**

Architect/Interior Designer: GFY LLP

Project Manager: PM International

Structural Consultant: Trevor Maillot

Service Consultant: Green and Green

Cost Consultant: Mannars Surveyors

## QUESTION 5

<b>Appointment</b>	Imminent, likely to be SCA/2018.
<b>Project</b>	One-off luxury house for private client.
<b>Location</b>	Milltannoch Farm, Westerton, Cityburgh.
<b>Client</b>	Mr John Marshall.
<b>Fee</b>	6% of construction cost.
<b>Construction Budget</b>	£1,300,000.
<b>GFY Project Team</b>	Peter Sikorsky (Partner responsible), Candidate.
<b>QS &amp; Structural</b>	Not appointed yet.
<b>Procurement</b>	Traditional. Likely to be SBC/Q/Scot 2016.
<b>Project status</b>	A potential client has approached GFY with a possible new project: a new luxury house for himself.

This client is impressed by GFY's design skills, but has heard about their reputation for projects finishing late, over budget and with some poor build quality.

Peter Sikorsky wants to address this by sending the client a description of best practice and processes.



## **QUESTION 6**

<b>Project</b>	New build laboratory project in a brown field site.
<b>Client</b>	University of Cityburgh.
<b>Total construction cost</b>	£15 million.
<b>Procurement route</b>	Design and Build.
<b>Engineer</b>	DM Smith has just terminated its appointment for this role and AB Bowen has just been appointed as a replacement for DM Smith.
<b>Principal Designer</b>	DM Smith has just terminated its appointment for this role and GFY has now been asked to take on this role.

## QUESTION 7

**Project** Jones Family House Extension.

**Client / Employer** Mr + Mrs H Jones.

**Contractor** Sankara Builders Ltd.

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

Structural Engineer Trevor Maillot & Partners.

Services Engineer Green & Green.

**Project Value** £250K.

**Contract** MW Scot. On site.

**Construction Period** 20 weeks.

2 storey rear and side house extension for private client.

Currently on site 13 weeks into construction period and progressing in accordance with programme.

Full Architects Appointment, SCA 2018 in place.

## QUESTION 8

<b>Project</b>	Middle Tree Meadow Hotel Leisure Extension, Central Scotland
<b>Background</b>	<p>A new health spa adjacent to an existing hotel. The spa includes an 18m swimming pool, jacuzzi, steam and sauna rooms and an alternative health suite.</p> <p>GFY is appointed to lead the design team which, at the request of the client, are sub-consultants to the architect.</p> <p>The initial building warrant consent (foundations, mini-piles, utility connections and pool substructure) under the Scottish Technical Standards has been granted.</p> <p>Works have just started on site following site set-up with the contractor concentrating on utility connections and piling.</p> <p>Production information development of the second stage of the two-stage building warrant is about to commence.</p>
<b>Status of Project</b>	RIBA Stages 4 and 5.
<b>Architect's Appointment:</b>	RIBA Standard Professional Services Contract 2018.
<b>Sub-Consultant's Appointment</b>	RIBA Sub-consultancy Professional Services Contract 2018.
<b>Client</b>	Daisy Way Hotels Ltd.
<b>Project</b>	Middle Tree Meadow Hotel Leisure Facility Extension.
<b>Location</b>	Central Scotland.

***Project Team:***

Architect	GFY: Paul Moore and Candidate.
Principal Designer	GFY.
Lead Consultant	GFY.
QS	Mannars Surveyors (appointed directly to client).
Structural Engineer	Smith Consultancy (sub-consultant).
Environmental Engineers	Green & Green (sub-consultant).
Pool & Spa Specialist	Bob's Pools and Spas (named specialist).

***Building Contract:***

	JCT Intermediate Contract.
Contract Sum	£2,545,000.
Current Stage	RIBA Stages 4 – 5.
Contractor	Aztec Builders Ltd.

**END OF SCENARIO**