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THE EXAMINATION IN PROFESSIONAL PRACTICE &
MANAGEMENT: PART 3, 2019/20

SCENARIO 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.

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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 Practice Paper.

THE PRACTICE

GFY Architects
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CB1 9RW
United Kingdom
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Fax: 004 523 7863
gfy@cityburgh.co.uk
www.gfyarchitects.co.uk

THE PARTNERSHIP

Background:

The Practice has now been in business for 34 years. Having been a Partnership, GFY was reconstituted as a Limited Liability Partnership in 2003.

In the last year the previous Practice Chairperson, Miriam Gorst, resigned after a prolonged period of ill health. John Young has taken on the role of Chairperson. To finance Miriam's departure, the Practice has created 2 new Partners; Jill Kahn and Peter Sikorsky. Each of these new Partners has taken out a business loan in the sum of £50,000. This equates to the sum of £100,000, which has been paid out to Miriam on her departure. Jill and Peter's salaries have been 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%

John Young BArch, FRIAS, LLM

John is 50 years old and joined the Partnership in 2004. He trained at the Westcoast 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 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, and was made an associate in 2012. 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 Passivehaus 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. 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.

| Staff | Position |
|---------------------------------------|-------------------------|
| 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 |
| Gerry Brookmyre | Architectural Assistant |
| Candidate BArch, Dip(Arch) | Architectural Assistant |

| | |
|------------------------------------|--------------------------|
| 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 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 2014: 'Best Small Project', from Cityburgh Architectural Association for a large house extension (£100,000) for his brother-in-law. 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 experience in residential projects; both large and small.

Zainab has been joined as an associate by Hazel. Hazel has worked as a very effective job runner on a wide range of projects and has a talent for interiors. Zainab is a very 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 regard 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 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 at that time reflected 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. 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 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 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, which will assist in supporting that role on GFY projects - unless that role is taken by another member of the design team. The Practice is registered with the Contractors Health and Safety Assessment Scheme (CHAS), which is one of the approvedSSIP 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 has agreed that they can work as sub-consultants to GFY if required – should GFY require administration support in fulfilling 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. Paul and Jill are Certified Passivhaus Consultants.

The Practice 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, 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 and 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 £20,000.

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. 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 just decided to continue their short-term recurring lease with their landlord, especially as the Practice is starting to grow again. The Practice has also decided to undertake a major refurbishment of the inside of the building to redecorate and install new IT systems and furniture.

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. An industry standard package is used for word processing, spreadsheets, database and E-mail, and the Practice has 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 4 years. All workstations have been updated for the use of Revit. Even though the Practice has been utilising Revit for nearly 3 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 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 2 years ago. With Jill and Peter being made up to Partners, Hazel and Zainab were 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.

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

| Staff | Annual salary | Position | Cost to the office Per hour |
|---------------------------------------|---------------------------|--------------------------|-----------------------------|
| John Young BArch, FRIAS, LLM | £60,000 (notional salary) | Partner | £76 |
| Paul Moore BArch, Dip(Arch) ARIAS | £60,000 (notional salary) | Partner | £76 |
| Jill Kahn ARIAS, RIBA | £50,000 (notional salary) | Partner | £65 |
| Peter Sikorsky Dip(Arch), RIBA | £50,000 (notional salary) | Partner | £65 |
| Zainab Rashid BArch, Dip(Arch), ARIAS | £37,100 | Associate | £55 |
| Hazel Jones BArch, Dip(Arch) | £35,500 | Associate | £53 |
| Kakay Lim Dip(Arch), ARIAS | £31,600 | Architect | £40 |
| Alex Callaghan BA Arch, ARIAS | £31,350 | Architect | £40 |
| Jane Cunningham BA Arch, ARIAS | £31,350 | Architect | £40 |
| Cormac McCarthy | £28,000 | Technologist | £36 |
| Helen Goldie | £27,350 | Technologist | £35 |
| Gerry Brookmyre | £25,000 | Architectural Assistant | £32 |
| Candidate BArch, Dip(Arch) | £25,000 | Architectural Assistant | £32 |
| Patrick O'Connell BArch, Dip (Arch) | £24,000 | Graduate | £31 |
| 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 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 are changing and the Practice has returned to a semblance of normality. Workload has increased, but fees are still at a low level.

In 2018/19 profits were 23% with a slight rise in fee levels. Turnover increased to £1,850,265.

The Partners are not as optimistic in their financial forecast for 2019/20, projecting a turnover of £1,600,000. This is due to the uncertainty of Brexit. 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 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, Milt, LLB.

FINANCIAL

MONTROSE Ltd, Accountants,
Contact:
from 1st September to 31 August.)

3 Albert Close, CITYBURGH, CB2 7AA.
Mr Virus Susendrah CA. (The financial year runs

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:
firm with a good reputation and some bright younger staff.

14 Chambers Court, CITYBURGH, CB1 XA.
Mr Rod Mannars LLB ARICS. Mannars are an old

STRUCTURAL ENGINEERS

TREVOR MAILLOT,
Contact:

14 Brade St, 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 each of the 9 questions that will be included in the Practice Paper.

QUESTION 1

Scenario not provided/necessary.

QUESTION 2

Scenario

Project: Refurbishment of GFY's 3 floor office. Works will include; new carpets, redecoration, new tea points, two new openings in walls, new IT and VOIP telecoms, new lighting, new cooling system for meeting rooms and electrical infrastructure and new furniture.

Total Cost: £125,000 exc. VAT.

Procurement route: Single stage traditional.

Contract Administrator: GFY.

Other design consultants: None deemed to be required.

Cost Consultant: Not deemed to be required.

QUESTION 3

Scenario

GFY is one of only a handful of practices in the area to have significant healthcare experience, albeit this has mostly been smallish scale alterations to the existing hospital and a new-build health centre. The largest project recently was a 60-bed maternity and general ward extension, which was handed over about 6 years ago.

GFY have been approached by a major international firm to team up on a project which has just been advertised:

Requirement: Architectural Services for Cityburgh General Hospital replacement.

Client: NHS Cityburgh.

Construction value: £300,000,000 approx.

Duration of appointment: 6 years.

Scope of Service: Architect and Design Lead for £300,000,000 replacement general hospital incorporating an associated, but separate, health centre on a brownfield site on the edge of Cityburgh.

QUESTION 4

Scenario

Project: Potential project to extend an existing house and add new ancillary garden accommodation.

Status of Project: RIBA Stage 1 – Agree Fee.

Architect's Appointment: Scottish Conditions of Appointment of an Architect, Small Projects Version, ASP/2018.

Client: Mr Michael Armstrong.

Client's Budget: £220,000.

GFY Project Team: Jill Kahn and Candidate.

QUESTION 5

Scenario

| | |
|---------------------------|---|
| Appointment: | January 2018 (SCA 2014). |
| Project: | New one-off house in a remote village for private client. |
| Location: | Castle Lane, Lochbeltie. |
| Client: | Mr & Mrs J. Mormont. |
| Fee: | 6% of construction cost. |
| GFY Project Team: | Jill Kahn, Partner responsible, Candidate. |
| QS: | Mannars Surveyors. |
| Structural: | Trevor Maillot. |
| Contractor: | WM Construction Ltd. (Billy McTaggart is MD). |
| Building Contract: | SBC/Q/Scot 2016. |

Commencement date: 10/06/19.

Date for Completion: 21/02/20.

Liquidated Damages: £1,000 per week.

Contract Sum: £494,662.

Project Status: The works are progressing on site, now completing plasterboarding.

Client is taking a keen interest in matters on site and is somewhat 'hands-on'. The Contractor also likes to run things in his own way.

Following a site meeting, an email has been received from the Contractor.

QUESTION 6

Scenario

Project: Primary School Extension.

Client/Employer: Cityburgh Primary School.

Contractor: Aztec Builders Ltd.

Design Team:

Architect, Principal Designer and Lead Consultant: GFY.

Structural Engineer: Trevor Maillot & Partners.

Services Engineer: Green & Green.

Project Value: £3,000,000.

Contract: JCT Intermediate Contract with Contractor's Design.

Construction Period: 52 weeks.

This project is in the Stage 6 Handover and Close Out stage.

Practical Completion was achieved in November 2015.

The Certificate of Making Good Defects has not been issued. The 2.5% retention of £75,000 has not been certified yet. The contractor is pushing for the contract to be concluded.

Attending to the schedule of defects has been prolonged for a number of reasons; the contractor has been slow to attend to many items, one of the sub-contractors went out of business and one is in commercial dispute with the contractor. The school has also limited access to the contractor for some of the more disruptive rectification works to holiday periods. When the school has permitted certain works to be carried out during term-time, the contractor has, on occasion, been instructed to stop works by teachers

and has been sent away. Relations between the contractor and employer, which were exemplary during the contract, are now very strained.

QUESTION 7

Scenario

Project: New Build Student Residential Project.

Client: Cityburgh College Ltd.

Appointment: SCA 2015.

Stage: Stage 5 Construction.

Design Team: Architect + PD, Structural Engineer, Services.

Engineer, Quantity Surveyor.

Contract Sum: £25,000,000.

Contractor: Escalator Construction Ltd.

Contract: SBC with Quantities.

Comment: Building is on site and packages are running behind.

The co-ordination of work packages is poor and is causing abortive construction and design work.

QUESTION 8

Scenario

Project: Refurbishment of private members' sports club including gym, changing rooms and new fitness studio. The works were carried out with unaffected areas remaining open for use.

Procurement route: Negotiated contract.

Summary: Refurbishment of gym including new male and female changing rooms and shower facilities. Contract value £460,000. A simple Bill of Quantities was used to facilitate the negotiation process. No contract contingencies. This Bill, together with drawings and specification, form the contract documents. Contract used SBC/Q/Scot (2016 Edition) - Standard Building Contract with Quantities for use in Scotland 2016. A zero figure was used for Liquidated Damages within the contract particulars at the request of the contractor.

Status: Works complete. 16-week contract period. Practical Completion issued 2 weeks late. Final Account to be agreed.

Design Team:

Architect: GFY. Acting as lead consultant, contract administrator and principal designer.

Staff: Paul Moore, Candidate.

Fee: Design team appointment based on a lump sum calculated against the £460,000 contract value.

Appointment: Scottish Conditions of Appointment of an Architect SCA/2018.

Structural Engineer.

Quantity Surveyor.

Services Engineer.

Preamble

The works involve significant refurbishment of facilities within an operational sports club. Timescale was an imperative for the client to achieve the earliest possible start date and to complete the works in the shortest possible period, with the objective of minimising downtime and disruption. The client agreed to negotiate directly with the main contractor for the project to take advantage of the shorter pre-contract period. Significant design development and a raft of client specification changes mean that the final completed project is significantly different from the scheme forming the basis of the negotiated contract figure. No formal Architect's Instructions have been issued. No variation to the design team fee agreement has been discussed with the client.

QUESTION 9

Scenario

| | |
|------------------------|--|
| Client: | Mr & Mrs Black. |
| Project: | Construction of new 6 bed family mansion estate. |
| Value: | £2,500,000. |
| Procurement: | SBC/Q/Scot 2016. |
| Appointment: | To be confirmed, likely SCA/2018. |
| Design Team: | |
| Lead Consultant: | GFY. |
| Principal Designer: | GFY. |
| Structural Engineer: | Smith Consultancy. |
| M&E Services Engineer: | EMY Ltd. |
| Contractor: | Gamma Contractors Ltd. |
| Comment: | Project is currently on site and previous architect's appointment has been terminated. |

END OF SCENARIO TO PRACTICE PAPER