



Client: Bristol City Council  
 Project: HRA Projects  
 Sub-Consultant Fee Report: Architectural Services  
 Date: 27.05.19

<b>Overview</b>	AECOM have been appointed by BCC via Scape / BECS to provide multi-disciplinary services related to their HRA projects programme. This document is intended to provide a summary of the architectural sub-consultant fee position in relation to all HRA projects (Bonnington, Florence Brown & Kingswear). The fees presented below are inclusive of any AECOM or Scape management costs and all figures are exclusive of VAT.
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<b>Background</b>	<p>Following interviews with shortlisted architects (MLA / AHMM / KCA) held on 23.04.19, BCC confirmed their preference was to proceed with MLA based on their previous project experience and team approach. Following a 2nd interview with MLA on 3rd May, AECOM requested MLA provide a detailed fee proposal. MLA's initial proposal was received on 13th May 2019 and their proposed fee was significantly over the provisional budget allowed for all design activity within AECOM's overall fee. A number of clarifications and queries were raised with MLA following their submission which AECOM have been working through with MLA. Following discussion with BCC on Tuesday 14th May, it was agreed to continue discussions with AHMM as a contingency option should MLA prove too expensive. AHMM attended a 2nd interview on Wednesday 15th May 2019 and have also since provided a fee proposal.</p> <p>AECOM's current overall fee proposal carries provisional sums for 'design' services totalling £1,315,000 + VAT. This sum was AECOM's provisional assessment of fees to cover all design input (Architectural design, Landscape design, Principal Designer, Structural and MEP input) for the 3 no. HRA projects through all RIBA. project stages. From the overall design budget £890,000 + VAT has been allocated toward Architectural fees.</p>
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<b>Scope &amp; Approach</b>	<p>The scope of services requested to be priced was for architectural design, landscape design, principal designer roles and any structural or MEP input as required. Please note, both MLA and AHMM have advised they would not provide the structural and MEP input via sub-consultants (AECOM intend to source these fees internally). Both MLA and AHMM have yet to provide fees for the PD role. Only AHMM have confirmed a fee for the Landscape design (Churchman suggested as a sub-consultant).</p> <p>Each firm has approached the design programme and interpretation of RIBA stages and output slightly differently. For the purposes of providing a fair comparison, the summary below is limited to the architectural fees only until completion of the tender pack (Stage 3 +). However, a guide fee for RIBA stages 4, 5 &amp; 6 has also been provided for information. Later RIBA stage fees will be subject to further consideration of the procurement strategy.</p>
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<b>Fee Comparison</b>	<b>MLA</b>	<b>AHMM</b>
RIBA 0 – 3 (Planning)	£499,100 + VAT (26 weeks)	£445,624 + VAT (26 weeks)
RIBA 3+ (Tender Pack)	£320,850 + VAT (26 weeks)	£253,000 + VAT (16 Weeks)
<b>Total for comparison</b>	<b>£819,950 + VAT</b>	<b>£698,624 + VAT</b>
RIBA Stages 4, 5 & 6	£1,140,800 + VAT	£496,800 + VAT
Projected Architectural Fee Total for all RIBA stages	£1,960,750 + VAT	£1,195,424 + VAT

Notes:	<p>MLA's fees have been offered on a percentage basis against construction value. MLA have stipulated that their fee offer will support + or – 5% change to the construction value and would reserve the opportunity to reduce or uplift their fees against changes to the construction value on this basis.</p>	<p>AHMM have advised they have prepared their fee on labour &amp; resource allocation against programme.</p>
	<p>Both MLA &amp; AHMM's fees are inclusive of reasonable expenses. Both firms have excluded production of physical 3D models and noted that these will be an extra over cost (if required).</p>	
	<p>Both firms have based the fees on a concurrent design and construction programme where all 3 projects are designed and submitted for planning at the same time. Should the project programmes diverge significantly each firm has advised that they would reserve the right to review their fees.</p>	
	<p>Hourly rates for any additional services through MLA are advised as follows:  Director £190  Associate £140  Senior Architect £92  Architect £81</p>	<p>AHMM have not provided their hourly rates as yet.</p>
<b>Comment on Commercial Terms</b>	<p>Both firms have yet to respond formally on contractual &amp; commercial terms, however we are not aware of any unacceptable clarifications or statements on appointment terms from either firm at this stage.</p>	
<b>Summary</b>	<p>AECOM would suggest that comparison of the MLA and AHMM fees is focused on the fee until RIBA stage 3+ (Completion of Tender Pack). On this basis, MLA's fees are higher by £121,326 + VAT.</p> <p>At present AECOM have allocated a total provisional fee of £890,000 + VAT against architectural fees for all RIBA stages. Based on the fees submitted by both firms, we would note that;</p> <ul style="list-style-type: none"> <li>- AECOM's provisional fee estimate for all RIBA stages will be insufficient to cover the proposed fee level from either MLA or AHMM.</li> <li>- Architectural fees for either firm exceed or are close to exceeding the entire provisional sum for 'Design' fees and currently do not allow sufficient remaining funds for other design disciplines (PD, Landscape, Structures, MEP).</li> </ul> <p>We understand that BCC's preference is to work with MLA and would note that design work should commence as soon as possible if the current strategic programme is to be met.</p> <p>As such, BCC may wish to consider the following options;</p> <ol style="list-style-type: none"> <li>a. uplifting the project fee budget to accommodate the projected fee for the preferred architect</li> <li>b. covering any additional fee by reallocating budgeted funds from 'Other' items section of the development budget. This may leave a shortfall for other necessary activities and services.</li> <li>c. approaching other firms to obtain additional prices.</li> </ol> <p>We would note that appointment of the architect could be made on a 'stage-by-stage' basis and the budget considerations noted above could be deferred until a later point in time.</p> <p>We would suggest a meeting with BCC to review the current position and agree a way forward.</p>	