

28 June 2013  
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Peter Maddison  
Director of assets and regeneration  
The Royal Borough of Kensington & Chelsea Tenant Management Organisation Ltd  
Network Hub  
292a Kensal Road  
London  
W10 5BE

Dear Peter

**Grenfell Tower, Appleyards Re-mobilisation fee proposal and scope**

Further to our meeting on 6 June, where we confirmed the fundamentals of the revised scope for the Grenfell Tower project, we have reviewed our fee position accordingly.

As set out in our original report at the end of April, the project was put on hold on 29 April in order to cease work on what had become apparent as abortive tasks which were not progressing the project in the desired manner. Also, it had become apparent that there was an urgent requirement to review the project scope, the mandate for the project and the procurement of the Principal Contractor.

In the period since the end of April, Appleyards developed a near term action plan to bring it back within budget, re-set the programme, confirm the project mandate and enable its successful delivery. Since this date we have committed resource to implement this action plan and manage the re-mobilisation of the project.

It was agreed that remobilising the project, attending to the 'history' whilst establishing plans for future delivery would require the application of additional resource beyond that originally planned for the project at the stage it had reached. Further, a proportion of the work carried out to date, given the requirement to adjust the project scope, had been abortive in nature.

Our re-mobilisation plan was accepted, including our proposal to revise the scope of the project and effectively 'reset the clock', with Appleyards fulfilling the role of lead consultant, managing the project team on TMO's behalf.

Our proposed 'Near Term Action Plan' to remobilise the project proposed this activity could be achieved in the period from 29 April until w/c 16 September 2013. At present we continue to work in accordance with this programme.

During this remobilisation period, Appleyards normal activity (Employers Agent, QS, CDMC) on the project has been suspended. However, the following additional, necessary activities have been identified and will continue to be needed to effect the desired re-mobilisation of the project:

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- Review existing situation. Make enquiries of project team and internal consultation.
- Produce report setting out situation and recommending placing the project on hold
- Meetings in connection with placing project on hold - 9 May, 16 May, 23 May, 6 June
- Development of Near-term Action Plan
- Mobilisation of Appleyards additional resource
- On-going management of Appleyards team, internal meetings & discussion
- On-going liaison with British Gas re- environmental/ carbon funding
- Collation of VE options and attendant revisions / adjustments
- Preparation of addendum report
- Further amendment of report to give more specific recommendation relating to contractor procurement
- Re-draft project brief and iterative amendments
- Cost management and options appraisal in connection with proposed VE options
- Project communications with design team
- Fee reconciliation - PB in connection with design team, including recommendations for payment and monitoring payments made
- Appleyards fee reconciliation
- Client approvals
- Further meetings with design team to communicate agreed, revised brief
- Lead Consultant role
- Whole project management including collating, validating and managing project budget
- Procurement advice and arrangement of new consultant appointments
- Preparation of contract documents in support of revised consultant appointments
- Review & approve consultants recommendations for building surveys, collate and assurance of warranties in connection
- Management of building surveys
- Plan and communications relating to surveys on site
- Subsequent design team meetings
- Management of modifications to planning application and on-going monitoring of same
- Define change control procedure and enact (Design)
- Re-invigorate Risk Management Process, and manage risks as appropriate
- Ad-hoc communications, telephone conversations & e-mail.
- On-going internal management, review and reporting.

Since the date of our original report the following further activities have also been proposed to be enacted:

- Procurement advice and preparation of re-procurement of Principal Contractor
- Design and delivery of OJEU procurement process
- Work in support of residents communications

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In accordance with the foregoing, we propose the following fee breakdown to cover our committed resource to date and the proposed input to conclude the re-mobilisation process in mid-September. The following schedule also proposes a fee draw down to cover work completed to date along with 3 further payments in July, August and September.

Work to date							
Completion of Near Term Work Plan							
Additional (Contractor Re-Procurement)							
Period:		29th April to w/c 24th June		w/c 24th June to w/c 19th August		w/c 24th June to w/c 16th September	
Resource	Days	Fee	Days	Fee	Days	Fee	
Simon Cash	3	2362	1	787.5	1	787.5	
Robert Powell	10	6375	7	2869	5	1594	
Philip Booth	18	11475	14	8606	21	5100	
Chweechee Lim	10	5110	8	4302	14	3227	
Sub total		25322		16564.5		10708.5	Total £52,595.00
Invoicing		28th June	26th July	30th August	27th September		
Invoice Amounts		£25,322.00	£9,090.75	£9,090.75	£9,091.50		

**NB.** Fees for CDMC role are not included as we envisage any alteration to the CDMC inputs as a result of the advised scope and programme changes will be minimal. Such fees remain to be agreed.

Currently, we envisage that our fee for work beyond w/c 16<sup>th</sup> September will revert to the basis on which we have been paid to date, based on a percentage of the construction cost with adjustments for any further variations to scope of work, construction cost and programme. We will seek to confirm these arrangements separately in advance.

Terms, conditions, insurances and payment terms of this agreement to be in accordance with Appleyards existing appointment.

I trust you will find the foregoing acceptable and I look forward to receiving your confirmation accordingly.

I look forward to hearing from you.

Yours sincerely



Robert Powell, MCI0B MAPM  
Associate Director  
Appleyards