

<p>Incoming Email from</p> <p>bruce@studioe.co.uk</p> <p>on 30/01/2013 22:08</p> <p>Create Mail Reply</p>	<p>File Ref 1 Email filing exercise</p> <p>File Ref 2</p> <p>File Ref 3</p> <p>To: "m.palmer@maxfordham.com" <m.palmer@maxfordham.com>; John Caine <John.Caine@curtins.com>; Stefano Strazzullo <Stefano.Strazzullo@curtins.com></p> <p>Subject: FW: Grenfell - Fees</p>
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Associated Documents

created by: **Michael McMillan** on 30-Jan-13

Dear All,

I feel I need to collate a joint response to Alun's emails below, seeing as we could be dropped in the shit together again.

- Planning meeting today went well. They agreed to colours and resubmission. Would prefer PPC cladding to Trespa. Need 14 day consultation and may even determine application under delegated powers.

- TMO signed off Stage D on 6 Jan. Has been issued to Leadbitter.

- Principle of umbrella appointment agreed. We did not quote for this and will be asking for additional fee.

Where does this leave the existing unsigned agreements with the TMO?

- Terms and Conditions:

6.4 - [REDACTED] PI cover, not [REDACTED]

5.1 - Bruce Soules to be named

16.3 – Services already undertaken to be described, not blanket statement.

- Schedule 1, Prices to be agreed. There may be scope to agree something through to completion.

Consultant's liability for client instructions

- Schedule 2, Scope to be prepared by Appleyards. To include project description.

Will vary from KALC and traditional appointment, and Leadbitter Pre-Con agreement.

We believe Exova or another specialist will be maintained for a Building Control Application Engineers' scope needs to be defined.

Acoustics?

· Late appointment of Constructor. No Gateway Review undertaken. Cost Plan not issued. Design Team at risk of abortive work should extensive VE be required. No confidence in chaotic Project Management, exposing design team to delay and costs.

· Perhaps hold a Gateway and/or cost Review in advance of novation?

Please could you come back to me?

Regards

Bruce Sounes

For and on behalf of

STUDIO E LLP

Palace Wharf, Rainville Road, London W6 9HN

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From: Alun Dawson [mailto:alun.dawson@appleyards.co.uk]
Sent: 30 January 2013 17:24
To: Bruce Sounes
Subject: RE: Grenfell - Fees

Hi Bruce – can you let me have an update on the below.

Can you also please confirm where we are with:

- A) Planning resubmission/approval
- B) Stage D Report

Thanks

Alun



Alun Dawson BSc (Hons) MCIOB MAPM

Associate Director

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From: Alun Dawson
Sent: 29 January 2013 14:57
To: Bruce Sounes (bruce@studioe.co.uk)
Cc: Peter Maddison; 'Paul Dunkerton'; David Hale (david.hale@appleyards.co.uk)
Subject: RE: Grenfell - Fees

Bruce

Thanks for your time earlier – just to confirm the outcome of our discussion as follows:

1. Agree the Principle

You will seek internal confirmation - with a view to coming back to me before close of business tomorrow - that the principle of entering into the umbrella appointment (to cover Curtins & Max Fordham only) is agreeable to Studio E. As discussed, this has for some time been made clear as the expectation of the TMO and as such always involved a retrospective element for works already carried out by the design team. This has not changed.

2. Confirm Terms & Conditions

Subject to the above, that you will also confirm that the terms and conditions of the proposed appointment to Studio E (as per the attached) are agreed and/or advise of the timescales to get your solicitors to confirm the same. As we discussed, the document has been provided to us by Sharpe Pritchard on the basis that this has already been agreed for the same purpose on KALC and as such should be non-contentious – we have issued it as a tracked change version for ease such that you can readily see where we have made any amendments to tailor the document for Grenfell, and as such we would expect this to be a fairly quick & painless process. Moreover, please also confirm there is no reason we should not be able to agree this swiftly in isolation to the below Items 3 & 4.

-

3. Scope of Service

I confirmed that in respect of the scope of service, that these would be as per the respective original proposals from each consultant (which you have), to which end this should also be non-contentious as this is what has been put forward by the design team and tacitly accepted as the basis on which we are already operating.

4. Fees

I agreed that we would provide shortly the proposed fee rendition schedule to be appended to the appointment – and that we will discuss with both Curtins & Max Fordham directly (I will do so first thing in the morning as I am with Leadbitter this afternoon) but on the basis that Studio E's requested uplift were agreed in principle as set out below. To that end that we should have the PCA resolved with Leadbitter this week, which (subject to your appointment/novation above having been signed & executed) will then allow such further payments to be made via Leadbitter – as you know, the TMO are unable to exceed the OJEU threshold.

I believe that accurately captures everything we agreed, but don't hesitate to call if any queries - otherwise I look forward to hearing from you tomorrow, kind regards

Alun

From: Bruce Sounes [<mailto:bruce@studioe.co.uk>]
Sent: 28 January 2013 10:14
To: Paul Dunkerton
Subject: Grenfell - Fees

Dear Paul,

I'm writing to follow up our conversation on Friday regarding outstanding fees.

We wrote to Mark Anderson in June last year to confirm our fees and the terms of appointment and this was followed up with a spreadsheet showing the full team calculation. The agreement letter and spreadsheet are attached. The Design Team agreed to defer half their Stage D fee to ensure the total cost to KCTMO fell below the OJEU threshold for services. The spreadsheet implies that the team were sub-consulted to Studio E but this was not the case and all Consultants fees were paid direct.

We started working on the project in May 2012. Planning was submitted at the end of August but delayed by the resubmission of an alternative configuration of the podium in October.

This was a client change. Negotiations with the Planning Authority have been complicated by the comments received by the RBKC Architects' Appraisal Panel and as result a decision is still outstanding. We have continued to work on the project through November and

December, making further changes to the layouts in response to client requests, refining the Stage D document and developing alternative elevation designs. Whereas we had anticipated a Planning Approval in November and a transfer of our appointment to the Contractor which would have released our outstanding fee, this has not happened and we've continued working on the project, committing two people full time to the project until now, the end of January.

We will of course continue the negotiations with the Planning Department and re-submit drawings as required to ensure a successful result but otherwise we are effectively stood down from this week.

Leadbitter have indicated that the project needs significant value engineering to be affordable. This and conversations with yourself leads us to believe that a quick re-start of work on the project in February is unlikely. The prolongation of our work – already three months longer than anticipated – and the potentially open-ended delay to agreeing a follow-on appointment is placing a strain on Studio E. We would like to request a full or part release of the outstanding fee. We expect the project to happen at some point but the magnitude of the outstanding fee is difficult to carry indefinitely.

As discussed over the phone and at the meeting with Mike Hallimond on 10 January the Stage D document has been signed off by your board and so has a construction budget of £8.5m. Studio E's fee calculation is therefore:

Construction Value	£	8,500,000.00
Quoted Fee - Total	4.75% £	403,750.00
Stage A-D	35.00% £	141,312.50
Less Already Paid	£	95,000.00
Outstanding	£	46,312.50

I hope we can find a mutually acceptable solution.

Yours sincerely

Bruce Sounes

For and on behalf of

STUDIO E LLP

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
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