**South African Council for the Architectural Profession**

**PROFESSIONAL PRACTICE EXAMINATION**

**26 SEPTEMBER 2019**

**PAPER 1 – MEMORANDUM**

* This is closed book paper.
* Candidates must answer all questions.
* Total marks for paper 1 – **150 marks**
* Time allowed for paper 1 – **3 hours**
* Pass mark – **55%** in either paper, and an average of **60%** for the two papers combined
* Please ensure that each exam book that you use displays your correct **EXAMINATION NUMBER** for identification purposes.
* No reference material, cell phones, programmable calculators, laptops and/or other electronic equipment will be permitted in the examination room.

**QUESTION 1** *25 marks*

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| 1.1 | What is the name of the overarching Council for the professions practicing in the built environment? | (2) |
| The Council for the Built (1) Environment (1) |
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| 1.2 | Provide the full name, number and year of origin of the Act that established the South African Council for the Architectural Profession (SACAP). | (4) |
| The Architectural (1) Profession (1) Act 44 (1) of 2000 (1) |
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| 1.3 | Which legislative body enacted the form of legislation referred to in question 1.2 above?  | (2) |
| Parliament |
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| 1.4 | What is the primary difference between the current legislation governing the architectural profession and the Architects' Act of 1970? | (4) |
| It provides for the registration of Professional Architects, Senior Architectural Technologists, Architectural Technologists and Architectural Draughtspersons (2), whereas the previous legislation had dealt only with architects (2). |
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| 1.5 | Which entity is protected as a primary function of SACAP? | (2) |
| The public |
|  |
| 1.6 | Who appoints the members of the Council of SACAP? | (3) |
| The Minister (1) of Public (1) Works (1) |
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| 1.7 | Answer 'TRUE' or 'FALSE' to each of the following statements: |
|  |
| 1. | SACAP develops and promotes architectural education in South Africa. | (2) |
| FALSE |
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| 2. | SACAP publishes a Code of Ethics. | (2) |
| FALSE |
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|  | 3. | 'Professional Senior Architectural Draftsperson' is a category of registration in the architectural profession. | (2) |
| FALSE |
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| 4. | An architectural practice may not display the logo of SACAP on corporate stationary. | (2) |
| TRUE |

**QUESTION 2** *30 marks*

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| 2.1 | What is the overriding obligation of a registered person under the rules of the SACAP Code of Professional Conduct? | (9) |
| A registered person is expected act with due skill (3), competency (3) and integrity (3). |
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| 2.2 | What is the term used to refer to the person who has control of an architectural practice? | (2) |
| The Principal. |
|  |
| 2.3 | What term may be omitted from the trading name of an architectural practice? | (2) |
| 'Professional'. |
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| 2.4 | Provide the definition of 'complaint' as provided in the SACAP rules for investigations and disciplinary tribunal hearings. | (6) |
| Any allegation regarding improper conduct (2) by a person registered in terms of the Act (2), which comes to the attention of the registrar or the Council (2). |
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| 2.5 | On receipt of a complaint of improper conduct of a registered professional, the SACAP Registrar must refer the matter to which body? | (2) |
| An investigation committee. |
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| 2.6 | When would it be regarded as a breach of the SACAP Code of Professional Conduct to sign a building plan or document that has been prepared by another architectural practice? | (6) |
| It is regarded as a breach of the Code if the signatory to a building plan or document was not the bone fide author (3); or such building plan or document was not prepared under his/her direct supervision (3). |
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| 2.7 | What must one do to ensure compliance with the SACAP Code of Professional Conduct when receiving remuneration for an installation used on project on which you are providing a service? | (3) |
| Notify the employer or client *IN WRITING* of such remuneration. |

**QUESTION 3** *40 marks*

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| In April this year, SACAP circulated a communication containing a stern warning regarding the growing trend of registered professionals charging excessively reduced fees for architectural services.  |
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| You have been approached by a client to carry out architectural services on a residential project up until work stage 4.2 in order to save on fees for architectural services. Furthermore, the client has indicated that your appointment will only be considered once you have agreed to a substantial reduction of your fees from the SACAP recommended tariff. The budget for the project is R 7 500 000.00. In order to proceed with the project, the client would like for you to commence with a design concept prior to your appointment to assess the cost of the project. |
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| 3.1 | Prior to the commencement of your services, what are three of the factors that you would consider discussing with your client regarding the demand for a substantial reduction of your fees for architectural services? | (6) |
| *Any of the following (2 marks each – total of 6 marks)** The possibility of Professional Indemnity insurance providers refuting claims against the architectural professional.
* The possibility that the fees charged falling short of the costs to carry out the service.
* An increased possibility of the project being abandoned or of overshooting the client’s budgets due to poor costing.
* Delays or even cancellation of projects as a result of incomplete or insufficient level of service provided by the architectural professional.
* Unsustainability of the practice as a business enterprise.
* A later demand for additional fees resulting in a tarnished relationship with the client.
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| 3.2 | When requested to carry out work at risk (for deferred remuneration), what are three of the factors to consider as part of a risk analysis prior to the commencement of your services? | (6) |
| *Any of the following (2 marks each – total of 6 marks)** The possibility of not being paid for input at risk into a project.
* The possibility of not obtaining the appointment as consultants if and when the project proceeds.
* The possibility of Professional Indemnity Insurance refuting some claims arising out of work done at risk or 'loading' of future insurance premiums.
* The normal fee scales suggested by professional bodies do not compensate consultants for doing substantial amounts of work where remuneration is at risk.
* The possibility of being held responsible by a client for losses he may suffer because of inadequacies or omissions in work done at risk by consultants.
* Records and history indicates a very low success rate arising from work done at risk.
* The possibility of allocating too much time and effort to work at risk and diminishing a consultant's ability to attend to current clients or projects.
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| Having considered the items above, you have decided to proceed with the project provided that remuneration is not deferred and that the client agrees to remunerate you appropriately for your services, in line with the current SACAP professional fee guideline. The client has provisionally agreed, and you are now in the process of formalising your appointment through a letter of offer to the client for your partial services on the project. |
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| 3.3 | Consider each of the following items and indicate whether or not you would include them in your letter of offer. Provide a motivation for each. |
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| 1. | A stipulated monetary penalty for the late performance of your service. | (3) |
| NO (1) – this would unnecessarily increase your risk and penalties do not apply to an architectural professional’s service (2). |
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| 2. | The stages at which your fees would be payable. | (3) |
| YES (1) – alternatively one will only receive payment of fees once all the services for the entire project have been carried out (completed the mandate). This a requirement of the SACAP Code of Professional Conduct (2). |
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| 3. | The fact that you do not have Professional Indemnity insurance cover. | (3) |
| YES (1) – provided that you inform the client as such (2). |
|  |
| The budget for the project is R 7 500 000.00. The project cost-based fee for your service that you present in your offer will be in line with the current SACAP professional fee guideline (Board Notice 122 of 2015). This has been calculated as follows: |

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| For value of works of | R 7 500 000.00 |
| Primary Fee | R 728 749.00 |
| Secondary Fee | (R 7 500 000.00 – R 6 500 001) X 9.50% |
| R 999 999.00 X 9.50% |
| R 94 999.91 |
| Professional Fee | Primary Fee + Secondary Fee |
| R 728 749.00 + R 94 999.91 |
| R 823 748.91 |

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| 3.4 | Calculate the fees for each work stage and your total fee for the project. This must include the minimum fees for the stages following work stage 4.2. Present this as you would in your letter of offer, providing the name and fee for each work stage, and showing the VAT applicable to each, followed by the total fee for your services. | (19) |

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| Stage 1 | **Inception** (5%) | (1) |
| R 41 187.45 + (R 6 178.12 VAT) = **R 47 365.56** | (1) |
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| Stage 2 | **Concept and Viability** (15%) | (1) |
| R 123 562.34 + (R 18 534.35 VAT) = **R 142 096.69** | (1) |
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| Stage 3 | **Design Development** (20%) | (1) |
| R 164 749.78 + (R 24 712.47 VAT) = **R 189 462.25** | (1) |
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| Stage 4.1 | **Documentation** (20%) | (1) |
| R 164 749.78 + (R 24 712.47 VAT) = **R 189 462.25** | (1) |
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| Stage 4.2 | **Procurement** (10%) | (1) |
| R 82 374.89 + (R 12 356.23 VAT) = **R 94 731.12** | (1) |
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| *Alternatively, candidates may elect to combine stages 4.1 and 4.2* |
| Stage 4 | **Documentation and Procurement** (30%) | (2) |
| R 247 124.67 + (R 37 068.70 VAT) = **R 284 193.37** | (2) |
|  |
| Stage 5 | **Construction** (27%) | (1) |
| R 222 412.20 **– 10%** = R 200 170.98 | (1) |
| R 200 170.98 + (R 30 025.65 VAT) = **R 230 196.63** | (1) |
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| Stage 6 | **Close-out** (3%) | (1) |
| R 24 712.47 **– 10%** = R 22 241.22 | (1) |
| R 22 241.22 + (R 3 336.18 VAT) = **R 25 577.40** | (1) |
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| Total Professional Fee | R 799 036.44 + (R 119 855.47 VAT) = **R 918 891.90** | (3) |

**QUESTION 4** *30 marks*

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| 4.1 | Provide four advantages of the PROCSA Client/Consultant Professional Service Agreements | (12) |
| *3 marks for any of the following (total 12 marks)** Allows the architectural professional to be confident of the business arrangement with the client.
* The PROCSA suite represents a consensus agreement composed and accepted by all of the constituent bodies.
* Provides for the services broadly required across all six stages of works.
* Addresses the obligations and responsibilities of the client and professionals.
* Is drafted locally for local and international use.
* The agreements span various disciplines within the built environment.
* The same terms and conditions and the same document format are used for all the disciplines for ease of understanding.
* Sets clear limits to responsibility and liability.
* Enables scope change during what are typically long-term projects.
* Allows for effective dispute resolution.
* Provides for a Matrix of Services across all the disciplines.
* Defines and itemises the role and functions of the Development Manager.
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| 4.2 | Consider each of the following statements regarding the services of an architectural professional and indicate whether or not they will constitute a contractual obligation to the client. Provide a motivation for each. |
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| 1. | The drawings and documentation for the project will be free of errors. | (3) |
| NO (1) – to perform services perfectly and free of errors is not a realistic expectation (2). |
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| 2. | The quality of the building will be guaranteed. | (3) |
| NO (1) – one cannot guarantee quality as the building will be provided by others (the contractor) (2). |
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| 3. | The service will be provided with reasonable professional skill, care and diligence. | (3) |
| YES (1) – this is a proviso of the SACAP Framework for Fees Guideline (2). |
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| 4.3 | Provide a definition of 'copyright' as it relates to the work of an architectural professional. | (6) |
| *Any of the following (2 marks each – total of 6 marks)** Copyright is the protection against reproduction of a substantial part or of the adaptation of the essence of the original document, graphical or reproducible material.
* For copyright to attach, the work concerned must be 'original' and reduced to a material form.
* An architectural professional is the owner of the copyright in graphic, visual and other artistic works, comprised in the drawings and other documents prepared by the architectural professional.
* This applies to the forms in which it is represented, whether by reproducible drawings, documents and electronically.
* That which is copyright is the material itself, not the ideas that gave rise to it.
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| 4.4 | Provide an example of what would be regarded as a breach of the copyright of an architectural professional. | (3) |
| *Either of the following (for 3 marks)** The act of making a design by having the original drawings of another at one’s elbow and using the design elements of the original work – provided the derivative drawing is substantially similar to the original.
* To make a measured drawing of a building could be a breach of the copyright.
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**QUESTION 5** *25 marks*

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| 5.1 | 1. | What is the simplest type of business entity in South Africa? | (3) |
| Sole Proprietorship / Sole Practitioner |
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| 2. | What is the maximum number of people permitted to engage in a Partnership? | (3) |
| Twenty (20) people |
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| 3. | Which type of business entity can no longer be newly established in South Africa? | (3) |
| Close corporation |
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| 4. | Which type of business entity has shareholders as participants? | (3) |
| Private (Proprietary) Company |
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| 5.2 | Name two methods to consider in the appointment of a professional team. | (4) |
| * Separate appointments (2).
* A 'package deal' for professional services (2).
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| 5.3 | Name three items that must be provided on the letterhead of an architectural practice. | (9) |
| *Any of the following (3 marks each – total of 9 marks)** Name of the architectural practice and type of practice
* Names of the principal and their registration numbers
* Category of registration of the principals, using the prescribed abbreviations
* The professional designation and qualification of all principals who are not registered with the Council
* Physical and postal address, telephone, fax and email, CIPRO and VAT registration numbers, if applicable.
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