

Mr Laurence Kirschell
Consolidated Developments Ltd
26 Soho Square
London

16th August 2013
Ref: 130816/148/cf

STRUCTURAL ENGINEERING: 26A WEDDERBURN ROAD, NW3

Dear Mr Kirschell

Thank you for your request for a structural engineering proposal to support the planned alterations at 26A Wedderburn Road. We have reviewed the terms of the 'Licence For Alterations Garden Flat 26 Wedderburn Road London NW3 5QG' and attach comments on the Licence to this proposal, these comments would need to be incorporated into any Contract between Engenuiti and Consolidated Developments for the alterations.

Based on our work to support the planning application and Sampson Associates drawings dated and revised sections dated 10th August 2012, we understand that the scope of the alterations requires the following structural works:

1. The lowering of the existing lower ground floor (and associated underpinning/foundation works) to improve the headroom.
2. The formation of a new lightwell to bedroom 4.
3. The formation of a new laundry room of approximately 5m² at lower ground floor level.
4. The construction of a new breakfast room of approximately 15m² to the North of the existing kitchen, including foundations. It is assumed that the glazed lantern will be designed by a specialist supplier and supported by the existing building and new walls designed by Engenuiti.
5. The construction of a new bathroom and bin store on the North side of bedroom 2.
6. The infilling of the existing alleyway between 24 and 26 Wedderburn Road to form a new boiler house and lobby to the dressing room.
7. Formation of new openings in the load bearing walls for access to the breakfast room, lightwell, laundry room and new bathroom.
8. Redirection of the below ground drainage to avoid the planned lightwell.

Upon instruction to proceed beyond planning we would undertake the following scope of services:

1. Specify and tender a below ground drainage survey to confirm the routing of the existing drainage network.
2. Inspection of the existing building, including all the flats within 26 Wedderburn Road, to confirm the existing structural arrangement.
3. Prepare a structural scheme for the works for review and agreement with the design team, including proposed foundation works.
4. Review the method of working with the specialist basement and permeation grouting contractors and review their method statements.
5. Allowance for meetings with the design team in London to ensure co-ordination of the scheme during the design period.

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6. Hold a preliminary meeting with the Landlord's Engineer to review the structural scheme.
7. Assess gravity, geotechnical and stability loading on the structural arrangement to enable sizing of the structural elements and design of connections.
8. Prepare structural CAD drawings, specification and calculation package to support the Licence Agreement.
9. Allowance for up to two revisions to the structural CAD drawings, specification and calculation package to incorporate comments from the Landlord's Engineer.
10. Liaison with Party Wall Surveyor who will agree Party Wall Award with adjoining properties and take a photographic record of the existing condition of the properties.
11. Preparation and checking of structural calculations for submission to Building Control.
12. Below ground drainage design.
13. Preparation of reinforcement drawings and schedules for the concrete works.

Based on the above scope of works and services, our lump sum fee to complete the structural engineering design after planning is £18,280 ex VAT.

During the execution of the works we would recommend an allowance for daily site visits during the underpinning works and weekly site visits during other structural works to ensure that the works are in general accordance with the structural design. These would be charged on a time basis at £75/hour, for budget purposes we would estimate a total of 15 man days at a cost of £8437.50 ex VAT.

All fees include for reasonable expenses including travel to and from site. This fee proposal is valid for 90 days from the date of issue.

Unless otherwise agreed, our appointment would be based on the latest edition of ACE Agreement 1: Design, and our scope of services would be in accordance with the ACE Schedule of Services Part G(a) section G2. We can supply a copy of this appointment document if needed. We will provide £5 million PII for the project

Invoices will be issued monthly in arrears and our payment terms are 30 days from the date of the invoice. We will issue all information in electronic format as PDF documents and can provide printed drawings at cost if required.

I hope that this proposal is of interest to you and that we have understood the needs of the project properly. We very much look forward to hearing from you.

Yours sincerely,



Clive Fussell
Director

clive.fussell@engenuiti.com

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Comments on 'Licence For Alterations Garden Flat 26 Wedderburn Road London NW3 5QG'

General

It is assumed that the Tenant (Consolidated Developments Ltd) will issue Engenuiti a Contract to carry out the works outlined in this licence as the Tenant's structural engineer and will be seeking back to back liabilities and obligations unless otherwise agreed in the Contract.

As a professional engineer our liabilities are subject to reasonable skill and care in relation to any acts or omissions. This critical point defines our standard of care to ensure our PI Insurance covers our liabilities.

We would expect that the 'Landlord's Engineer' would be a professionally qualified practising engineer with appropriate PI Insurance and expertise in this type of work.

Clause 5.3- There is an implied absolute obligation not to cause damage to the structure of the building. This must be subject to reasonable skill and care. The nature of the works is such that some movement will inevitably be caused, the method of working is selected to minimise this so that damage to the structure should be 'slight' as assessed by the Burland Method.

Clause 6.1- We note the requirement to provide warranties for a period of 12 years in favour of the Landlord and each of the tenants to be assignable twice. We will need to review the form of warranty before agreeing to it. The form of warranty must be subject to the standard of reasonable skill and include a cap on liability and net contribution (see below).

Clause 7.11- The Completion of the Works within the Target Completion Date will be the responsibility of the Contractor. Engenuiti cannot be responsible if Contractor(s) decline to tender if in their opinion the method of working agreed with the Landlord's Engineer would prevent them from completing the Works within the Target Completion Date.

Clause 7.12- For the avoidance of doubt it should be clarified that the damages of £1500/week is the total sum liability to all the leaseholders and is not an individual liability to each leaseholder.

It is understood that the Works will only commence after conclusion of the approval process with the Landlord's Structural Engineer and the completion of the structural design. Any delays caused due to the approval process of the Landlord's structural engineer or any time lost due to a dispute with the Landlord's structural engineer, etc. (independent structural engineer to determine any design dispute) will not affect the duration of the works.

Clause 7.13.1- This is a broad absolute obligation not to cause or permit any damage to the building. Engenuiti cannot accept this as drafted. This must be subject to reasonable skill and care and the reference to "permit" removed from our contract with the Tenant.

Clauses 7.13.3 & 7.13.4- This is an implied absolute liability for structural safety and full responsibility for repair. This must be subject to reasonable skill and care and the responsibility for repair must sit with the Tenant as some repairs will be required.

Clause 8.2- This is a broad indemnity clause for any costs, expenses, claims or death or injuries as a direct or indirect result of breach of this licence however arising. Any indemnity that we provide to the Tenant on a back to back basis must be subject to the reasonable skill and care standard and will need to be checked with our PI insurers to make sure it does not exceed our policy.

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Clause 11.1-If this is meant to be an early termination clause in case the licence is withdrawn, it is too broad. We will need an early termination clause to cover our fees and costs if the licence is withdrawn under this clause and our work stops.

Clause 11.13- For the avoidance of doubt we need to have the Structural Engineer as a named Tenant's consultant to be given access to the building. In this clause the right of access is only noted for the Tenant's Surveyor.

The following clauses will be included in our Contract:

Net Contribution

"Without prejudice to any other exclusion or limitation of liability, damages, loss, expense or costs the liability of the Consultant for any claim or claims under this agreement shall be further limited to such sum as it would be just and equitable for the Consultant to pay having regard to the extent of his responsibility for the loss or damage giving rise to such claim or claims ("the loss and damage") and on the assumptions that:

- (i) all other consultants, contractors, sub-contractors, project managers or advisers engaged in connection with the project have provided contractual undertakings on terms no less onerous than those set out in the Contract to the Beneficiary in respect of the carrying out of their obligations; and
- (ii) there are no exclusions of or limitations of liability nor joint insurance or co-insurance provisions between the Beneficiary and any other party referred to in this clause and any such other party who is responsible to any extent for the loss and damage is contractually liable to the Beneficiary for the loss and damage; and
- (iii) all such other consultants, contractors, sub-contractors, project managers or advisers have paid to the Beneficiary such sum as it would be just and equitable for them to pay having regard to the extent of their responsibility for the loss and damage."

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Limit of Liability

Notwithstanding anything to the contrary contained in this Agreement the total liability of the Consultant under or in connection with this Agreement in contract or in tort for any claim or series of claims arising out of the same occurrence or series of occurrences shall not exceed the sum recoverable under a Professional Indemnity Insurance policy taken out by the Consultant (other than in respect of personal injury or death) provided that and without prejudice to the generality of the foregoing:

- (a) the total liability of the Consultant in respect of all such claims under or in connection with this Agreement arising out of or in connection with pollution or contamination shall not exceed in aggregate the sum of £1 million pounds.
- (b) the total liability of the Consultant in respect of all such claims under or in connection with this Agreement arising out of or in connection with asbestos shall not exceed in aggregate the sum of £1 million pounds.

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