

Charles White Ltd – Committee Clarifications following Tender Submission

Ref	QUESTION	RESPONSE
1	An annual/monthly budget is presented in the tender. What happens if there is a need to overspend (or indeed underspend) in a year?	CWL do not anticipate overspend on an agreed budget for year 1, however any projected overspend would be communicated and charged to owners as a separate levy at the time funds are required. Where there is any budget underspend in year 1 this will be carried forward into the next year budget. Year 1 discount for landscaping will also apply in Year 2. The discount for the repair to the water fountains is an offset discount. In other words, CWL commit to offset at our own expense the cost of repair to the fountains including electrical repair. The discount on our management fees is for year 1 after which fees would be charged at the stated rates.
2	Can you clarify the proposed monthly charge in year one would be fixed fee rather than T&M?	Prices quoted in the tender comprise fixed and estimated. As noted above, any underspend would be carried forward to the following year budget.
3	Can you clarify the insurance details, amount of excess and how that is attributed? What commission do you charge?	The excess is £250/claim with the exception of subsidence which is £1000/claim. Flexibility in terms of how the excess is apportioned - equal share across all owners (or block of owners) or upon instruction from the Committee in the case of negligence, apportioned to the relevant party. For example, if escape of water spilled from the flat above causing damage to the flat below, the flat from which the water spilled would be charged the excess. The year 1 commission element is 15% for which the broker will pay CWL 7.5% for services provided by CWL.
4	What was the basis of the information used for establishing the insurance premium?	CWL has not as yet been provided with the current years' insurance claims. Accordingly, the Insurer's underwriters have calculated premium on the basis of previous 5 years of claims and loss ratios which information was available to them.
8	You are planning to reinstate and maintain the fountains - what company would you plan to use or would this be managed in-house?	Landmarkers based in Biggar would return the fountains to working order and undertake maintenance every two months. An electrician would also be required to address the electrical aspects.
9	How many quotes do you source for work and, if linked to a fee threshold what is this?	CWL will be happy to agree with the Committee a practical threshold above which tender prices require to be sought. In larger contract works CWL will generally obtain 3 competitive quotes for undertaking works.
12	How much time would you allocate to your dedicated Client Relationship Manager to attend to the needs of	The CRM employee in mind for Sinclair Estate has approximately 25 years of experience in the property sector and he would be specifically client facing. In

	our estate?	addition, the contracts and day to day maintenance will be managed by a Property Surveyor who has over 15 years' experience working as a Building Surveyor.
14	There is a lot of discounting in Year 1. Can you also present an estimated cost for Year 2?	The contributions and discounts offered in year 1 are what they are and are explicit. The tender proposal contains a 'form and condition' section which draws attention to a considerable number of defects or areas of concern recommended for attention, some of which should commence no later than in year 2. Exactly what should be in the year 2 budget should be worked through with the Committee during the year 1 period.
15	If owners are going to be invoiced annually in advance, why is there also a requirement for a float of £100/flat or £25/townhouse (£29,550 in total) to assist with cashflow?	CWL operate a ring-fenced bank account for owners – works can only be instructed and paid for if there are sufficient funds in the specific client bank account. Operating the client account on the basis of a float is standard practice for CWL to ensure sufficient cash flow at all times to avoid either works not getting completed as planned or having to suspend services. If it could be guaranteed that all owners settle their accounts on time and there is no difference in maintenance costs from one month to the next, then the case for a float would be much reduced – the reality is that neither of the aforementioned can be guaranteed and therefore float cash flow is essential.

Note: Questions below addressed in Final Charles White Tender Submission and/or covered in Tenders Summary Document prepared by Committee:

- 5: How much would the cleaning cost for a 6 month weekly cleaning service between October and March and 6 month fortnightly cleaning between April and September?*
- 6: Does the cleaning quote cover a ground wide litter collection - 'sweep and litter pick paving from front entrance to road kerb suggests not'?*
- 7: Some fees e.g. for gardening are approaching double what we are charged now. Are the costs open to review?*
- 10: Do you apply a service charge for works over a certain value? If so, what is the charge and is this applied to the cost inclusive or exclusive of VAT?*
- 11. What is the largest development you manage and how many in your portfolio are of a similar size as Sinclair?*