

Sinclair Estate 2017 Factor Contract Re-Tender Summary (February 2017)

REF	QUESTION	CHARLES WHITE LTD	MYRESIDE MANAGEMENT LTD
MANAGEMENT			
1.	Fees + insurance per year (inc. VAT)	Year 1 estimate - £632.34/flat or £52.69/month. Year 1 estimate - £137.08/townhouse or £11.42/month. Costs include Year 1 discount on management fee and gardening charges.	Do not operate with an estimated budget - would invoice charges as incurred every quarter. A full statement of account for the whole estate is issued every quarter.
2	Management fee per flat per year exc VAT	£120/annum + VAT - excludes 20% discount in Year 1 from the date of handover.	£120/annum + VAT. Fixed for two years.
3	Management fee per townhouse per year exC VAT	£48/annum + VAT - excludes 20% discount in Year 1 from the date of handover.	£40/annum + VAT. Fixed for two years.
4	Do you keep contractor Invoices and can we see them?	Copies of the contractor invoices are available to view via our online portal and will shortly also be available through our app.	Yes to both questions.
5	Do you do monthly inspections?	The Property Surveyor will undertake routine inspections on a 6 weekly basis but may be on site more often if meeting contractors or project works are taking place.	Yes - plus weekly onsite time via gardening and cleaning teams who can undertake small repairs such as changing light-bulbs, adjusting door closers etc.
6	Do you prepare an inspection report and can this be provided on request?	Yes/Yes. CWL is expecting the inspection report to be available online through our portal in the coming months.	Yes/Yes. The report is posted on a secure site specific page on our website with unique log-in.
7	Do you attend development AGMs?	Yes and attendance at Committee meetings during the year included within the management charge.	Yes and attendance at committee meetings during the year included within management charge.
8	Do you take	CWL will endeavour to source right selection of	Use long established partner contactors and hold them fully

	responsibility for the bad work of a contractor?	contractors and oversee works. As an agent CWL is indemnified by our clients and cannot underwrite works carried out by a contractor.	to their guarantees and quality of work.
FINANCES			
9	Billing period	Annual in advance - budget agreed at each AGM.	Quarterly.
10	Payment methods	Upfront annual payment or direct debit or direct online payment via our client portal. Cheque and telephone card payments also with no charge for paying by debit card. Small charge if paying by credit card.	Standing order, internet transfer, Direct Debit, card payment, cheque or cash.
11	Credit control process	Arrears procedure triggered within 21 days of non-payment from date of invoice.	Payment control is by admin staff and in accordance with terms and conditions and statement of service.
12	Maintenance float	£25.00/townhouse £110.00/flat	£250/property. It is vital that the maintenance float covers the outlay of any one quarter and this includes insurance and reactive repairs. Given that the average cost for a flat in 2015 was almost £200 per quarter and in 2016 approximately £175, it would be unrealistic to be lower than £250 (flats) as it is the owners' responsibility to finance the maintenance of the development and no development should be allowed to run into a negative cash situation otherwise services could be affected (Factors Act). The other factor which has to be allowed for is the issue of slow payers and bad payers.
13	What is your action plan for handling outstanding debt?	Initially, in-house credit control team who if unsuccessful will transfer to debt recovery specialists who will pursue the principal sum and any associated debt collection and legal costs.	Once a debt becomes a bad debt in accordance with T&C, final 7 day warning issued. Generally do not employ a debt recovery specialist as experienced in Court procedures. No costs incurred by owners, only the offending party (see terms and conditions).
14	Communication of debt information to committee - frequency	Our client portal summarises financial status on a month on month basis and discloses any clients for	Communicated to the committee as required in accordance with the Data Protection Act and the Factors Act.

	and format?	whom we have obtained decree with associated amounts.	
15	Emergency fault level of service and completion report provided to reporter of fault?	24/7 emergency service. CWL out of office service is answered by a CWL member of staff who will assist the client with the problem. Emergency issues dealt with in real-time but to keep service provider costs down (eg plumber) non-essential matters followed up the next day. Follow up call provided if agreed in the first instance with person notifying the fault. All faults logged on our systems.	24/7 emergency service directly operated by Myreside Management Major issues reported via Newsletter and web page. Minor issues reported as required by the client.
17	Non-emergency fault level of service and completion report provided to reporter of fault?	Need to discuss and agree with the Committee a bespoke faults report to the Committee including frequency and format. May be something CWL could do live time through our portal.	Within 4 hours. As above.
18	Process for maintaining list of outstanding/recent faults and means of communication with committee (frequency and format)?	Need to discuss and agree with the Committee a bespoke faults report to the Committee including frequency and format. May be something CWL could do live time through our portal.	Newsletters/Web Page/e-mail to committee.
BUILDINGS INSURANCE			
19	Insurance quote	£74,779 + IPT (£281/flat/annum). Standard excess - £250/claim (Subsidence - £1,000/claim).	£55,000 inclusive of IPT (£188/flat/annum). Standard excess - £100/claim. Water leaks - £500/claim and subsidence - £1000/claim.
20	Insurance notes	Based on a declared value of £35,622.990.66 and £10M PL cover for the block insurance. Separate public	Policy cover provided direct by Allianz. Successfully obtained 2016 claims information from Your Place.

		liability for the townhouses.	
21	Commission policy	15%	0%
22	Claims handling process?	Claim notified to CWL staff member in first instance who will take details and advise client of contractor likely to get in touch with the client to carry out an inspection and provide a report to the Insurer/broker. If the claim is approved a contractor is appointed to carry out the works and make contact with the client to arrange access as required. Broker will sign-off the claim and CWL staff member will get in touch with the client to ensure they are satisfied with the claim remediation and claim handling process	All claims handled directly by Myreside, including emergency call outs to incident.
23	Transitional period action plan for buildings insurance	CWL happy to have existing policy mandated to them if a short period to renewal. CWL would then put in place a new policy at renewal.	Any insurance put in place by the previous Factor and any premiums paid in advance have to be apportioned back to the owners and the new cover takes over in a seamless manner. Myreside consider they are fully conversant with this exercise.
MAINTENANCE			
24	Cleaning charges	£18,790.20 + VAT (£64.35/property/annum + VAT) in Year 1. (Fortnightly summer and weekly winter as per existing)	Weekly - £23,400/annum + VAT (£80.13/property/annum + VAT). Fixed price for two years. Current Sinclair schedule - £11,700 (6 months weekly) and £6700 (6 months Fortnightly). Specification includes monthly window cleaning and bin store cleaning.
25	Cleaning spec differences	Access path and bike store litter pick but wider development litter pick undertaken by gardening team.	Cleaning service undertaken by own uniformed staff and a member of the management team.
26	Cleaning notes	Cost based on 6 month weekly (Oct - March) and 6 month fortnightly (April - Sept) schedule.	Myreside would not recommend a fortnightly service on a development of this size given that in excess of 600 residents and countless delivery drivers and postmen are in and out of the estate on a daily basis. Intention for development is

			retain current schedule. This, however, has been working and the intention would be to continue a 6 month weekly (Oct - March) and 6 month fortnightly (April - Sept) schedule.
27	Gardening charges	£20,000/annum + VAT (£65.36/property/annum + VAT excluding Year 1 and Year 2 discount - see below).	£11,400/annum + VAT (£37.25/property/annum + VAT). Fixed price for two years.
28	Gardening spec differences	Output considerably different to existing garden maintenance contract. Development litter pick-up by gardening team on every visit.	Relatively similar in terms of grass gutting and landscaping scope of service. Litter pick-up carried out by cleaning team. Employ own gardening staff. Myreside consider they operate a far more pro-active and flexible service and rota.
29	Gardening notes	CWL will cross-subsidise the annual gardening cost by 20% p.a. (£4,0000/annum exc. VAT) for a period of two years to bring the garden up to standard.	Work to bring the gardens up to standard included within fee quote of £11.4k with the exception of any tree related work and annual tree survey.
30	Fountain plan	CWL commit to ensure water fountains are remediated for service in year 1 at no cost to the owners. CWL would contribute up to £6,318 (inc. VAT) towards the cost of repairing the fountains.	See separate document - £1,775 (inc VAT) to return to all fountains to working order (including allowance for replacement of pumps).
31	Fountain maintenance price	£850 + VAT/annum for a bi-monthly service including checking flow, cleanliness of water and clean or bowls as required.	£952 + VAT/annum for bi-annual water testing for bacteria and Legionella plus function test and annual water exchange.
32	Fountain maintenance spec differences	Bi-monthly service including checking flow, water levels, cleanliness of water and clean bowls as required	Bi-annual maintenance.
33	Maintenance plan	Provided as part of tender.	A maintenance plan with indicative costs would be prepared and issued to the committee within four weeks from the date of appointment.
34	Policy for refurbishment fund	Will open and operate a contingency account on behalf	Prepared to operate a 'sinking fund' on behalf of owners and funds would be held in a dedicated interest earning account

		of co-proprietors of the development if instructed.	in the name of Sinclair Estate.
35	Service charges for repair works	No standard service charge applied. This may be necessary for larger jobs involving project management time over and above the monthly management fee. This to be considered on a case by case basis with any charge in the region of 5% of the gross value of the works.	There is no standard charge applied for work over a certain threshold. The need for such a charge would apply where project management was involved over and above the monthly management fee and considered on a case by case basis and agreed with the committee.
MISCELLANEOUS			
36	Property Factors (Scotland) Act 2011 - registration position	Registered.	Registered - PF000177.
37	No properties managed and development sizes?	10,652 properties at time of above registration. Now 12,000. Adding Sinclair = 2.5% total portfolio. Manage circa 25 developments of a similar size to the Sinclair Estate.	1,606 adding Sinclair = 15% total portfolio. Largest development managed comprises 144 properties. Also factor 3 side by side adjoining developments - represent 238 flats comprising of 29 stairs and extensive gardens. Considered by Myreside that from a service point of view this is more difficult to handle than the Sinclair estate. Also consider to have more hands on staff than probably most other Factors and that it is also far easier to manage one large estate rather than say 4 or 5 smaller ones).
38	Industry qualifications for proposed development manager	Development would be assigned a dedicated Customer Relationship Manager - the employee in mind for the Sinclair Estate has approximately 25 years' experience working in the property sector. Development inspections and most work contracts would be managed by an experienced Property Surveyor.	The development would be managed by Peter Bertaut (Director) and Peter Goddard who has over 30 years' experience with a construction related background.
39	References	3 testimonials provided directly by other development committees/representatives.	4 testimonials provided directly by other development committees/representatives.

40	Transition action plan and timetable	Items required prior to handover outlined on page 8. Willing to accept handover at a convenient point.	Previous experience of development handover with DCPM and the Clydesdale Bank. When the date of handover was confirmed a Newsletter would be sent to all owners along with an invoice for the maintenance float, our statement of service and a web log-in for the estate page. Assumed the handover would co-ordinate with an accounting period, but not essential.
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