



Jebb Avenue Management Co. Ltd

Prospective Management Company - Request for further information BlocNet

Recently, a JAMC meeting was convened to discuss quotes and information provided by your company in relation to providing property management services to the Jebb Avenue Estate. Before JAMC proceeds a number of follow-up questions have been identified which are being addressed to all prospective property management companies. These questions are listed below - please can you address each in writing and provide back to JAMC as soon as possible, ideally no later than Friday 8th April.

In order for JAMC to have a simple way of comparing approach and pricing for major and minor works, we have detailed two simple scenarios below both of which we would want at least 3 quotes sourced from different contractors. Please detail how you would approach both scenarios and how they would be costed?

<i>Capital works scenario:</i>
The slate tile roof on one of peaked roof blocks (late 1800's construction) needs replacing along with the gutters, fascia's and drainage downpipes. While we have scaffolding up, we would want to repair the concrete flooring in some of the balconies. Assume total estimated cost of £150,000+VAT for the project and that a surveyor would need to be engaged
Question 1: What would be your approach and how would it be priced if the committee sourced all contractor quotes?
Response: In the first instance we would appoint a Surveyor to prepare a specification of works incorporating all the work detailed above (and additional work if identified whilst preparing the specification). Once prepared the Committee would be asked to approve the specification. As the work would require consultation with the leaseholders under Section 20 of The Landlord & Tenant Act, we would begin this process with the Notice of Intention, which provides all leaseholders the ability to nominate contractors. On expiry of the Notice period, we would forward all observations including nomination of contractors (a number of which would have been nominated by the Committee) to the surveyor to include in the tender process. The tender report would then be prepared and submitted to the Committee for approval, following which the Notice of Estimates would be issued and finally invoiced. It is worth noting that the Committee cannot override the process of contractor nomination as this would be a breach of the consultation.
Question 2: What would be your approach and how would it be priced if you were to source all contractor quotes?
Response: The process would be the same as above, however, we would invite contractors we have previously worked with and found to be reasonably priced with good workmanship to tender.



Jebb Avenue Management Co. Ltd

Question 3: What would be the role of the surveyor versus that of your company?

Response:

BlocNet's role would be to issue the Section 20 consultation, issue and collect payment for the works, process interim payments and be the point of contact to arrange access etc.

The surveyor would prepare the specification of works, tender and project manage the work issuing interim payment certificates.

Question 4: What is a rough estimate of surveyor costs?

Response:

Generally between 8-10 % plus VAT.

Minor works scenario:

The current degrading wooden doors of 10 storage sheds on the estate require replacing with new metal doors with internal locks and metal frames. Assume total estimated cost of £2,500+VAT for the project.

Question 5: What would be your approach and how would it be priced if the committee sourced all contractor quotes?

Response:

If the committee sourced the contractor quotes, we would select the quotation most competitively priced and meet with the contractor to ensure we were satisfied with their approach and workmanship guarantee offered. We would then appoint the contractor and on satisfactory completion of the work we would issue payment once inspected.

Question 6: What would be your approach and how would it be priced if you were to source all contractor quotes?

Response:

We would prepare a brief specification of what we required, invite 3 contractors to provide estimates and then present our recommendation to the committee for approval. This would form part of our management fee and no additional cost would be incurred.

Additional questions

Question 7: How do you define major works i.e. the threshold above which the estate would need to pay additional fees for leaseholder engagement, contractor management, project management etc?

Response:

Major works would be defined when consultation under Section 20 of The Landlord & Tenant Act was required. Therefore, any work where any one leaseholder was paying more than £250 (incl. VAT) would be considered major works.



Jebb Avenue Management Co. Ltd

Question 8: Assume committee can source its own quotes as part of any tender process of any cost? Does this reduce any costs charged by your management company?

Response:

No, as the same work would be required to manage and administer the work and as previously mentioned, the Committee are unable to solely source it's own quotes due to the Section 20 requirements which cannot be bypassed.

To be clear we charge 4% for the Section 20 process, if the costs fall below the threshold there is no additional cost.

Question 9: What information would you need from JAMC (e.g. records, documents, etc) before entering into a contract?

Response:

Copy of the current service charge budget, 3 years service charge accounts and buildings insurance schedule. Once appointed we would require a full handover for which we would send a 'handover list'.

Question 10: What processes and costs are involved to either JAMC or leaseholders during sale or purchase of a property?

Response:

We charge £200 + VAT for preparing and issuing pre-contract packs for sales, this cost is paid for by the leaseholder.

We charge £100 + VAT for receipting Notices on assignment, which again is paid for by the leaseholder.

Question 11: Can you please provide references from other estates / blocks you manage who we could talk to about their experience of working with your company?

Response: Already provided - Julian Nelberg, julian.nelberg@gmail.com, 07803 502555