

I refer to the queries raised at the recent AGM and, as requested, write to provide a summary of the current situation concerning the rewiring works and address the other queries raised at the meeting. I would apologise for the delay in responding but I have been out of the office for the last couple of days.

## 1. Electrical re-wiring works

My colleague has prepared a specification summarising the works necessary to rectify the defects identified in the test carried on the electrical wiring in the common areas. We sent this out to electrical contractors asking them to submit quotations for the works. As mentioned at the AGM, the compartmentation work, providing fire protection within the communal risers, was carried out at the same as the asbestos removal works but was not carried out to a satisfactory standard, requiring additional works to be carried in June this year. It was necessary for this work to be completed before the tender prices for the rewiring could be finalised by the contractors. Quotations in the region of £80,000 plus fees have been received for carrying out the works.

Internal procedures require us to obtain authorisation from head office before we are able to proceed with works involving substantial expenditure. Where the cost of the works exceed £12,000, as in the case of the rewiring works, we must obtain the approval of the Major Works Committee before proceeding with the work. This approval is needed even if we have already collected the full cost of the works via the service charge. Whilst it is usual for the Major Works Committee to meet once a month, this is not always possible due to the other business commitments of the Company Chairman who also Chairs these meetings. Unfortunately, since receiving tenders for the work, there has not been a meeting of the Major Works Committee. As a result, we do not have the necessary authority to instruct the contractor to proceed with the rewiring works. Understandably, the contractor is not prepared to purchase the appropriate light fittings etc. until an order is received for the works. I am advised that a meeting of the Major Works Committee is being arranged for next couple of weeks. Assuming approval of the expenditure involved in the rewiring works is received, we hope to raise an order for the works before the end of November. Following receipt of the order, there will be a four week lead-in period before the works can start on site. This allows the contractor to order the light fittings etc. With Christmas approaching, it is our intention programme the start of the works for the New Year. We have been advised by the contractor that the works will take approx. six weeks to complete and therefore hope to complete the works by the end of February. It is intended to start the redecoration works once the rewiring works have completed.

I would apologise for the delay in completing the rewiring works to the common areas. This has been partly due to delays resulting from defective compartmentation works carried out by the initial contractor in the communal risers in 2011 and partly due to delays in obtaining the required authorisation from the Major Works Committee to proceed with the works. However, I see no reason at present why the rewiring should not commence early in the New Year.

## 2. Replacement Light Fittings

You may recall that I contacted you last November to invite feedback from the Residents Association as to the preferred light fitting to be used in the rewiring works. To assist residents in deciding, we arranged for our contractor to install different light fittings within the common areas of Block 131 - 156. The light fittings are located as follows:

### Ground Floor

Hallway ceiling Cooline Midi 28w **Brass** opal

Orbit Décor Low energy compact light fitting with polished **Satin Silver** trim – opal lens

Orbit Décor Low energy compact light fitting with polished **Brass** trim – opal lens.

### First Floor

Hallway ceiling Cooline Midi 28w **Aluminium**

Stairs Cooline Midi 28w **Chrome**

### Second Floor (These 2 lights are the same)

Landing Orbit Décor Low energy compact light fitting with polished **Satin Silver** trim – opal lens

Stairs Orbit Décor Low energy compact light fitting with polished **Satin Silver** trim – opal lens

We had hoped to obtain, via the Residents Association, an indication as to which of the light fittings is preferred by residents. As there will now be a delay before the contractor will need to order the light fittings for the rewiring works, I would invite the Residents Association to express a preference as to the light fitting to be used in rewiring the common areas throughout the building.

The quotations obtained assume the use of the polished chrome light fitting within the lobby areas (light fitting nearest to lift on ground floor lobby). The less expensive Cooline Chrome is to be used on the stairs (light fitting on first floor stairs landing). However, should the residents wish to choose an alternative fitting, I would be grateful if you would contact me before the end of November expressing an alternative preference.

### 3. Professional Fees

I would confirm that, when arranging works at the development, it is usual for Freshwater to seek reimbursement of the fees incurred in arranging the works. I enclose a copy of the standard charges made by consultants used for projects at Rivermead. The summary also provides an outline as to the works undertaken for the fee charged. It will be noted that these fees vary according to the size of the project.

In addition, Freshwater will make a further charge for administering the project. This is based on 4% of the cost of the works. I attach a summary of the work covered by this fee. As confirmed at the AGM, where the whole project is specified and project managed by Freshwater a fee of 11% is charged. This fee covers all elements of the work mentioned in the scale of fees charged by consultants and includes the administration charge. I trust the above provides the information necessary to deal with the queries raised at the AGM. Please contact me should you have any queries regarding the above.

Please note that I am out of the office next week returning on the 12<sup>th</sup>.

Regards

Julian Keen

Freshwater Property Management

Area 8 Office – Sutton Coldfield

Tel: 0121 313 2255

**SCALE OF FEES**

**Client: Freshwater Property Management Ltd**  
**Services to be supplied**  
**Building Surveying Services as detailed below**

In accordance with the Royal Institution of Chartered Surveyors conditions of engagement 1995 (2001 revision)

**Pre Contract**

1. Discussing your requirements and taking a detailed brief from you, giving general advice, outlining possible causes of action and scope of services to be provided.
2. Advising you on your duties under the Construction (Design and Management) Regulations 2007.
3. Visiting the property and carrying out an initial technical appraisal, including making preliminary inquiries with the Local Authority regarding statutory requirements and reporting to you. This appraisal may include advice on the need for consultants, an approximation of cost, an outlined timetable for completion of works and suggested contract procedures to be adopted.
4. Take measurements to prepare a measured survey of areas forming part of the works.
5. Preparing a full building specification.
6. Inviting tenders from your Approved Contractor list.
7. Prepare a tender report.
8. Advising the successful contractor of appointment and supplying all necessary information to him, arranging for commencement of the works including preparing contract documents as necessary and examining the contractors programs.

**Post Contract**

9. Monitoring the progress of the works, with periodic site visits, supplying all information to the Contractor for the completion of the Contract in accordance with the Contract documents.
10. Administering the Contract during the progress of the work, including the issue of Payment Certificates, Contract Instructions, Variation Orders, etc.
11. Accepting the completed project on your behalf and checking the Final Accounts.
12. Advising on any defects and consequential liability for the remedial works under the terms of the Contract and ensuring their rectification and issuing the Final Certificate.

**Scale of Fees**

The fee for the foregoing building surveying services will be as tabulated below:-

Total Construction Cost (excluding VAT)	Fee % Rate (excluding VAT)
£12,000 to £15,000	12.5%
£15,001 to £20,000	11%
£20,001 to £100,000	10%
£100,001 to £250,000	8.5%

Fees to be paid as follows:

Preparation of full building specification.....55%  
 (Based on the latest estimate of costs)

On the issue of the tender report.....65%  
 (Based on lowest tender sum\*)



At exchange of building contracts:.....75%  
(Based on lowest tender sum\*)

Contract Completion: .....97.5%  
(Based on Contract Sum)

Final Completion:.....100%  
(Based on Final Account Sum)

\*should the values of the works be reduced e.g. by omitting items of work, then the remaining fee will be based upon the contract sum or final accounts sum, as appropriate, and the previous fees raised will not be deducted.

**Meeting and Inspection Attendance**

Our fee includes to attend an initial Client briefing meeting, followed by site meetings/inspections, including 1no Defects Rectification inspection as tabulated below:-

Total Construction Cost (excluding VAT)	No of meetings / inspections
£12,000 to £15,000	4no
£15,001 to £20,000	4no
£20,001 to £100,000	6no
£100,001 to £250,000	8no

4no meeting allows for Pre-commencement meeting, monitoring inspection, final inspection and defects rectification inspection.

Further requests to attend site or meetings will be charged at a daily rate of £250.00 + VAT.

**Additional Instructions**

Additional instructions will be charged at an hourly rate of £85.00 + VAT.

Signed.....  
**Pratick Patel**  
**BSc (Hons), Dip Surv, MRICS**

**For and on behalf of**  
**PPC Surveyors Limited**

**Date:**

**FRESHWATER PROPERTY MANAGEMENT INVOLVEMENT**  
**IN CONNECTION**  
**WITH ADMINISTRATION FEES**  
**ON MAJOR WORKS PROJECTS**

1. Area Office
  - Liaising with FPM building surveyors/engineers
  - Preparation and issue of consultation notices.
  - Dealing with responses and queries on those notices.
  - Making site visits.
  - Attending meetings.
  - Collection of and pursuit of arrears.
  
2. Major Works Department
  - Appointing consultants.
  - Liaising with consultants.
  - Vetting specifications of works.
  - Monitoring consultants.
  - Attending meetings.
  - Making site visits.
  - Checking and passing contractor's invoices and consultant's fee accounts for payment.
  
3. Legal Department
  - Providing copies of leases.
  - Dealing with queries on lease terms.
  
4. Rent Department
  - Raising and issuing demands for payment.
  - Sending reminders for payments.
  
5. Finance Department
  - Vetting and approving contractors' invoices and consultants' fee accounts and making payment.
  
6. Service Charges Department
  - Assembling contractor's invoices for insertion of figures in formulating the year end accounts.