

**An Open Letter from
the “Tender Sub-Committee” Directors of
Fellowes Plain Estate Management Company Limited**

Date: 21st August 2017

Dear Members / Residents,

By now you will have received the first correspondence from our new Managing Agent, Norwich Residential Management (NRM), who will be replacing Residential Management Group (RMG) on **16th September 2017**.

The purpose of this open letter is for us, the “Tender Sub-Committee” Directors of Fellowes Plain Estate Management Company Limited (FPEMCL), to take the opportunity to explain the reasons for the change, the process we went through in the selection of the successful applicant for the new contract for Managing Agent, why Norwich Residential Management (NRM) were chosen to replace Residential Management Group (RMG) and what the future holds for our development.

Why retender the Managing Agent contract?

FPEMCL went into residential Director control in April 2016.

Since moving into residential control the appointed residential Directors have worked hard to make many improvements and to tightly control costs, meeting once every 4 weeks. Community-use of The Chapel has been established (a requirement of the planning permission for the development), insurance premiums have been reviewed and reduced, the grounds maintenance contractor has been changed with corrective works now ongoing, all trees have been surveyed and maintained, block paving has been repaired and Reserve Funds have been significantly strengthened. There is of course much more to do.

In April 2017, the Directors agreed that with good progress being made across many areas that it was now appropriate to review the contract for the role of Managing Agent. The incumbent Managing Agent (RMG) was first appointed 10 years ago by Persimmon and the Directors wished to revisit the marketplace to ensure that FPEMCL continued to receive the best value and that service levels continued to be aligned with requirements. The fixed period for the existing contract passed in 2016 and the current contract was rolling forward with a 3 month notice period.

The Selection Process

Directors formed a Tender Sub-Committee (Hazel, Penny, Kim, John, Neil and James) and in a meeting on 12th April 2017 the process to be used for the selection of Managing Agent was agreed. Checklists based upon ARMA guidelines would be used to gather all service levels and service fees and the completed checklists would be used to compare tenders on a like-for-like basis. Hazel wrote to RMG on 16th June 2017 to inform them that FPEMCL would be ending the existing contract whilst at the same time inviting RMG to participate in the upcoming selection process for the new contract.

Through their wide ranging experience, the Sub-Committee developed a detailed 90-point checklist, with ~60 questions on service fees and ~30 questions on service levels. To participate in the selection process prospective Managing Agents would be required to complete the 90-point checklist without exception. Copies of example Leases, audited accounts, sites plans and Reserve Expenditure Policy would also be provided to each interested Company.

The Sub-Committee agreed the contents of the final checklist in a meeting on 30th May 2017 and the Sub-Committee then approached a total of 7 different Managing Agents, three National and four Norwich-based. Checklists were completed by 3 interested Companies, one National and two Norwich-based.

Prior to final tenders being submitted, Directors offered an on-site meeting with each interested Company during which the development could be discussed, Directors and Company representatives could walk the grounds and buildings and the ongoing challenges could be discussed along with how each Company could best deliver against the checklist.

Three sealed tenders were submitted to the Sub-Committee on Monday 31st July 2017 at 5pm. The Sub-Committee then completed a detailed examination of each submission, comparing each of the ~90-points across all three submissions. This meeting took 4 hours during which the Sub-Committee concluded that the first submission was prohibitive due to the cost being (at least) double the cost of each of the other two submissions, and that the second submission had a significantly higher price differential which could not be justified by the Sub-Committee Directors for a level of service matched by the third. The decision was therefore made by the Sub-Committee Directors (without objection) to award the new contract for Managing Agent to NRM.

FPEMCL has subsequently signed a 12 month contract with NRM. The Sub-Committee has informed all prospective Managing Agents of the outcome of the tender and provided suitable feedback on good terms. FPEMCL Directors have asked NRM to formally write to all members to introduce themselves, to ask members to provide updated contact details and to include this open letter from the Tender Sub-Committee.

The Future

FPEMCL Directors look forward to working with NRM to deliver tight budget control without compromising the level of service to the development.

The short term priorities are to ensure a smooth transition from the previous Managing Agent and to agree the 2018 Budget.

In the medium term, remedial works to The Chapel and the brick wall along St Stephens Road will be necessary, together with grounds improvements to the area at the corner of Wessex Street & Union Street.

Yours sincerely,

Tender Sub-Committee Directors

Open Letter approved by Tender Sub-Committee Directors present at Directors Meeting, Monday 21st August 2017.