



## Tender Questions & Responses

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### 1 Introduction

This document sets out all significant questions raised during the tender process for managing agents to run the St Benedicts estate carried out from October to December 2006. Now that the period for questions has ended, on 24 November 2006, this final definitive version is being sent to all organisations invited to tender, so that each organisation has the same information on which to base their tender. **You now have all the information to submit your tender and are advised to do so in good time before the deadline of 15 December 2006.**

Questions are shown in *italic* and responses in upright font. Questions and responses that modify the terms of the tendering exercise are shown in **bold**.

So that we can identify which organisation raised a question, each of the five organisations invited to tender has been allocated a number between 1 and 5 at random to identify them (they are neither alphabetical nor in the order in which responses were received). These are referred to as 'T1' e[Deleted]. If done individually, the person who responded to the question is shown by their initials [Deleted].

### 2 Questions & Responses

- (1) *[Deleted] – Why was the invitation to tender letter dated 3 November 2006 but sent on 30 October 2006?*  
[Deleted] – The planned timetable was to send the letter on 3 November, after approval at the Directors Meeting the previous day. To give organisations tendering the maximum time to respond, it was sent earlier after approval by email without recreating the PDF file.
- (2) *[Deleted] – Does the current managing agent need to view the estate?*  
[Deleted] – The existing managing agent's response will be scored on the basis that its representatives have visited the estate as described in the invitation to tender letter section 'Viewing the Estate and Questions'. They may choose to arrange a meeting if they wish.
- (3) *[Deleted] – What are the confirmed dates for viewing the estate as described in the invitation to tender letter section 'Viewing the Estate and Questions'?*  
[Deleted] – Friday 17 (not Monday 13) November (09:00 to 16:00) and Saturday 18 November (11:00 to 16:00). There will be hourly appointments with the last starting at 15:00.
- (4) *[Deleted] – How are tenders affected by the Companies Act 2006?*  
[Deleted] – **The Companies Act 2006 received Royal Assent around 8 November 2006. Its measures are planned to come into effect between 1 January 2007 and October 2008. Any additional requirements imposed by the Act must be included in the fixed tender costs. Agents must not assume that the Management Company will necessarily take advantage of exemptions offered by the Act, for example by reducing Annual General Meetings, since the Company may choose to continue offering more information to its shareholders. This will be added to the *Specification of Work by Managing Agents*.**



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- (5) *Who are the directors of St Benedicts (Tooting) Management Company Ltd?*  
Since the tender process began (at the last AGM), two of the directors have resigned (one previously planned and one as required on moving off the estate), leaving Tim Crowther as the sole director. The current managing agent is the company secretary.
- (6) *Clarification regarding the performance regime in section 5 of the Specification of Work by Managing Agents.*  
Before this could result in any reduction in fees, the managing agent would have to fail to meet a performance target, be warned of this and then given a final warning. At least 3 months would have to elapse with no improvement in performance before payments could be reduced. The directors do not envisage any reduction in fees being triggered during the contract. The intention of the performance regime is to document clearly the service levels required (coming from a situation where there were none) and the directors expect professional managing agents to meet those levels and to remedy promptly any minor failures that typically occur (eg, missing a deadline for minutes because of staff sickness). The adjustment to fees is stated as a reduction for failure rather than an increment for performance simply because not all elements of the *Specification* are measurable, so it would be impossible for the managing agent to achieve full payment the other way round!
- (7) *Clarification regarding the level of reduction in fees envisaged for repeated failure under the performance regime in section 5 of the Specification of Work by Managing Agents.*  
The levels that managing agents tendering offer will be one element by which the financial part of their tender will be evaluated. The other key financial elements are the fixed fee for basic services and the basis for charging for additional work. Financial considerations will only form part of the evaluation. As this element is competitive, we have not set a percentage. However, we would not expect the level of reduction to make the contract unprofitable, since there would then be an incentive to terminate the contract if penalised. As a guideline (and it is only a guideline), a suitable starting point to consider might be the levels of reduction in costs for season tickets for railway companies missing performance targets. For those unfamiliar with public transport, the two levels of reduction concerned are 5% and 10% (and for clarity our requirement is for a single maximum percentage).
- (8) *T3 – When was the estate built?*  
In around 1985 – 1987, using standard construction of brick, block and tile. **This information will be added to the *Specification of Work by Managing Agents*.**
- (9) *T3 & T1 – Does 1.2 (6) in the Specification of Work by Managing Agents prevent the managing agent from taking insurance commission or sharing discounts negotiated through bulk purchase?*  
**The *Specification of Work by Managing Agents* will be amended to permit these specific benefits to the managing agent in addition to the fees for services.**
- (10) *T3 – Do 2.1 (2) and (3) in the Specification of Work by Managing Agents permit the managing agent to hold all St Benedicts' cash in the managing agent's protected client account(s)?*  
Yes. These options are alternatives and, with the agreement of the directors, you would be able to hold all St Benedicts' cash in protected client account(s) according to term (3). The wording of the *Specification of Work by Managing Agents* may be amended to clarify this.



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- (11) *T3 & T1 – At what time of day are the directors meetings described in 2.7 (2) in the Specification of Work by Managing Agents that managing agents must attend?*  
These are held on the estate in the early evening, currently at 18:45.
- (12) *[Deleted] – Please add conditions that reports to be considered at the directors meetings must be delivered to directors 3 working days before the meetings and that minutes must be in a format agreed with the directors.*  
***[Deleted] – The Specification of Work by Managing Agents will be amended to add these conditions, they will be measured and assessed as minor.***
- (13) *T3 & T1 – For how long will the managing agent be appointed?*  
We understand that, if St Benedicts were to seek to issue a contract with an initial term of more than one year, it would be required by the Landlord and Tenant Act to follow certain specific processes regarding notification to owners. St Benedict's has not sought to do this, so the initial contract must be for a maximum of one year. St Benedicts would envisage the contract to have a notice period of 3 months. Subject to continued satisfactory performance and any requirements imposed by shareholders at General Meetings, the directors do not intend to re-tender the work every year and envisage the initial contract rolling over so that the appointment extends to a minimum of 2 years and a maximum of 4 years before re-tendering. The incumbent managing agent would then be eligible to re-tender. Because of the legal restrictions already noted, no binding commitment can be given to this effect.
- (14) *T4 – When and for what duration do you expect the handover period from the current managing agent to be?*  
As set out in the tender pack, we intend to make recommendations on appointing managing agents for ratification by shareholders (owners) to an Annual General Meeting of St Benedicts, which requires notice prescribed by law. The notice period for the current managing agents is 3 months. It is not, therefore, practical for the new agents to be appointed and to start managing the estate earlier than the published outline timetable, around 1 July 2007. If you require a certain period of overlap with the current managing agent, you must specify this clearly in your tender submission and the financial consequences to St Benedicts will be taken into account in evaluating your tender. This handover is complicated by the need to generate accounts for the year to 30 June 2007 after the old contract has finished. For information, previous handovers have been achieved without overlap.  
For the avoidance of doubt, if any managing agent tendering wishes to charge an initial fee for taking on the estate, in addition to the fixed fee for services, you must state this clearly in your tender submission. Preference will be given to agents charging no additional initial fee.
- (15) *T1 – What are the terms of the legal agreements for the leasehold and freehold properties on the estate relating to parking?*  
This question was later withdrawn. It is impractical to copy each agent tendering sample legal agreements for the properties and they are not available electronically. The key duties are included in the tender pack. The agent appointed will be given this and other detailed information. We understand concerns over clamping and the directors will consider carefully any advice on this and other matters after the agent's appointment.



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(16) *Clarification regarding current sub-contractors and re-tendering.*

The directors are satisfied with the work of the current cleaning and gardening contractors and, subject to continued satisfactory performance, would not expect the new managing agent to re-tender for this work for at least a year and possibly longer. This sets the expectation of the work required under section 2.4 (2) of the *Specification of Work by Managing Agents*. Because of the legal restriction noted in answer (13) of this document concerning contractual commitments of more than one year, no binding commitment can be given to this effect.

**End of Document**