

CASE STUDY: M&E Works required to communal heating system



Heating project LONDON

Summary

Following several reports from leaseholders, the managing agent collated a number of concerns over the temperatures and fittings within their apartments, as well as reports of leaks from pinholes in individual radiators.

Ellis, Sloane & Co (ESC) do not have in-house Electrical (M&E) Engineers as this is not one of our core competencies. Cook & Associates were employed to make an inspection of the communal heating system. A number of items were noted and Cook & Associates subsequently put together a specification of works to improve the system.

The works required are summarised as: the thorough flushing of the community heating installation system and the addition of filters and additives to achieve a clean, free flowing circulation. The work will include some other adjustments to the system to improve its operation.

Issue to be resolved

Works

Full flush of heating system to take place as well as works within individual apartments.

Payments

Should the developer be liable for some of the costs?

Action taken

Works

Consultation (under Section 20 of the Landlord & Tenant Act (1985) (s20) was undertaken with leaseholders to keep them fully informed and to ask for any comments or contractor nominations.

Quotations received from contractors and a tender analysis undertaken.

Further consultation undertaken regarding contractors and costs.

Meeting held with leaseholders (Cook & Associates also in attendance).

Payments

Working alongside the freeholder of the building one of our in-house chartered surveyors reviewed the Operation and Maintenance Manual (O&M), warranties and care guidance and maintenance records for the heating system to ascertain if there are any historic issues (prior to the managing agent taking over management) to see if the developers can be held accountable for any/all costs of repairs.



Result

Works

Contractor costs received varied widely (from £45,000 to £105,000 from 6 quotes received). The quotes were scrutinised and the companies undergone further vetting.

- The contractor that provided the lowest estimated costs had provided a quote based on their own specification. Once reviewed it was deemed that this alternate approach would not be sufficient to resolve the problems, therefore not reasonable value.
- Another contractor, that also submitted a lower estimate, and were nominated by a leaseholder unfortunately were too small for the level of work required. The M&E engineer, freeholder and leaseholders alike were not confident on their delivery.
- The contractor that has been put forward were mid-range in costs and seems to have a full understanding of what is required, they have had previous experience with the property and engineers and seem likely to do a good job at a reasonable cost.

Payments

The freeholder has been to the First Tier Property Tribunals (FTT) to try and have some of the costs borne by the developer.

Next Steps

Works

The project is on-going. We are currently in a third consultation period under s20, as is required when not using the lowest or nominated contractor but we are confident that works will commence in mid-September 2019.

Payments

The results of the tribunal have not yet been returned. Either way the works will be carried out and paid for via the service charge fund reserves. If it is determined that the developer must make a contribution, this payment will be made to the service charge fund.