



FirstService
RESIDENTIAL



Success Story:

Upper West Side Building Remediation

“Our project manager was unbelievable. The board is still brimming over his insight and how much he was able to help us through one of our most challenging improvement projects.”

- Board Member

The Situation

FirstService Residential recently worked with the board of a 200-unit, pre-war cooperative property on the Upper West Side who commissioned a small waterproofing project to address minor leaks in the building. A few months into the project, however, the board received numerous reports of additional leaks in units that were not included in the original project scope. The ensuing change orders increased the complexity of the project and quickly overwhelmed the board. Under the guidance of their property manager, the board retained a dedicated project manager to facilitate completion of the project.

THE OUTCOME

The board hired FirstService Project Management (FSPM), a subsidiary of FirstService Residential that has represented New York City building owner's undertaking major construction projects for more than 20 years. Their experts quickly evaluated the ongoing project, third-party vendor contracts, change orders and the original scope of work, and met with the board to gain a full understanding of issues with the building and the resulting impact on the shareholders and the residents.

FSPM presented the board with a revised project scope which included waterproofing design drawings, a comprehensive list of all units with confirmed leaks, visual documentation of building damage and estimated project costs.

In developing the revised roadmap, FSPM's senior project manager discovered that quotes for materials and construction costs from the third-party contractor were above standard market rate. After negotiating with the contractor on material costs, consolidation of work orders and the revised scope, FirstService Project

Management was able to reduce project costs by more than \$100,000 on the \$900,000 project. The cost of installing the waterproofing materials, for example, originally quoted at \$305 per linear foot, was reduced to \$165 per linear foot, a savings of nearly 50%.

As work progressed during the 18-month project, the project team recognized the opportunity to incorporate forthcoming Local Law 11 facade inspections into the scope of work. This strategy resulted in a reduction of future inspection costs and also set the building ahead of schedule for compliance.

FSPM met with the board and property manager on dozens of occasions to relay status updates, answer questions and provide a detailed financial update on project costs and savings. This level of communication enabled the property manager to communicate frequent, timely updates to shareholders and residents to keep everyone informed.

Original Project Cost ≈	\$904,000
Negotiated Savings ≈	\$100,000
Final Project Cost ≈	\$804,000
► Material & General Condition Costs ► Revised Scope of Work ► Consolidated Change Orders	

Our board found great value in utilizing FirstService Residential's in-house project management team, which worked in lockstep with our property manager to successfully complete this project – and save us \$100,000 in the process.

About FirstService Residential

FirstService Project Management is an affiliate of FirstService Residential, the leading residential management company in New York City. For over a decade, FirstService Project Management has served as owner's representative for residential and commercial construction projects in the New York area. With a project portfolio valued over \$100 million and decades of industry relationships across a multitude of sectors and specialties, their team can negotiate significant savings for capital improvements, energy upgrades, remediation projects, inspections and overall operating costs for buildings managed by FirstService Residential.

