

Analysis of Management Service Proposals

1. Overview of Services and Pricing

Provider	Base Monthly Fee	Key Features	Additional Costs
Blue Leaf Management	\$1,375	Administrative, Financial, Maintenance & Project Services.	Hourly janitorial (\$15.95/hour) and maintenance (\$35/hour) services, plus costs for supplies, postage, etc.
Epic Management Solutions	\$1,200–\$2,450 (tiered)	Administrative services only (Option 1) to Full Management (Option 3).	Separate invoicing for mailings, election-related costs, and other expenses. Set-up fees range \$2,400–\$4,900 (waivable).

2. Service Offerings and Features

Blue Leaf Management: Key Highlights

- **Administrative Services:** Comprehensive coverage including administrative, financial, and maintenance oversight, compliance with state requirements, election management, and insurance oversight.
- **Financial Services:** Budget preparation, bill payment, bookkeeping, and collection of assessments with detailed reporting.
- **Maintenance Services:** Hands-on contractor supervision, proactive safety checks, and emergency response.
- **Project Supervision Services:** Includes support and facilitation of projects, with options for project management at a fixed fee or flexible hourly support.
- **Hourly/Additional Services:** Extra services like screening, estoppel preparation, and maintenance billed separately.

Epic Management Solutions: Key Highlights

- **Tiered Options:**
 - **Option 1:** Administrative services only (\$1,200/month).
 - **Option 2:** Admin + Shared Manager with limited visits and meetings (\$1,950/month).
 - **Option 3:** Full Management with increased visits and meetings (\$2,450/month).
- **Set-Up Flexibility:** Initial fees (up to \$4,900) waived for longer-term contracts.
- **Cost Transparency:** Routine expenses like mailings and election-related costs invoiced separately.

- **Scalable Options:** Allows selection of services based on property needs and budget.
- **Enhanced Accessibility Through Technology:** A website and mobile app are tailored to associations with 25+ units, streamlining workflows and fulfilling legal obligations while enhancing accessibility for both owners and board members.
 - ▶ **Private owner ledgers:** Board-specific financial records and task-tracking streamline workflows.
 - ▶ **Online payments and work orders:** A “violations” section offers operational convenience.
 - ▶ **Efficient processing of forms:** Estoppel and condo approval forms are handled efficiently but come at extra costs (\$295–\$400 for estoppels, \$150 for condo approvals).

3. Advantages

Blue Leaf Management

- **Services Offered:** active maintenance supervision and emergency response.
- **Financial and project services:** are included in the monthly fee.
- **Flexibility:** through hourly services for specific needs.

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- **Lower starting cost:** for administrative-only services.
- **Customization:** through tiered options (basic admin to full management).
- **Modern digital tools:** like an online portal and app for enhanced accessibility.

4. Disadvantages and Pitfalls

Blue Leaf Management

- **Additional costs:** Postage, supplies, and hourly services could lead to unforeseen expenses.
- **Potential price-gouging:** Frequent reliance on “as-needed” services may significantly increase overall costs.
- **Lack of Defined Performance Metrics:** No outlined measures to evaluate service quality and ensure consistent performance. Including SLAs or periodic board reviews could improve accountability.
- **Absence of Conflict Resolution Framework:** The proposal does not clarify how disputes with the board will be handled. Having a structured mediation or resolution process would improve communication and trust.
- **Limited Technology Integration:** No mention of digital tools for bookkeeping, maintenance tracking, or reporting, which could modernize workflows and enhance operational efficiency.
- **Undefined Scalability:** The proposal does not detail how services would adapt to growth or increased demands, making it unclear whether the company can handle expanding or evolving requirements.

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- **High set-up fees:** unless waived by committing to long contracts.
- **Basic admin option:** lacks managerial support, while higher-tier options significantly increase costs.
- **Separate invoicing:** for routine expenses like mailings may introduce hidden costs.

5. Hidden Costs, Price Gauging, and Pricing Transparency

- **Both companies have potential for Price Gauging:**
 - ▶ **Blue Leaf Management:** Hourly rates for additional services and supply charges could accumulate unexpectedly, but costs are tied to specific needs, offering some control—
 - i. **Hourly Service Charges:** For janitorial services (\$15.95/hour) or maintenance/repairs (\$35/hour), the board can control frequency and necessity. For example, if no urgent repairs arise or if cleaning contracts are sufficient, the board may not need these hourly services, reducing costs.
 - ii. **Postage and Mailing Costs:** Certified mail and envelopes are billed only as used. If the board adopts digital communication where permitted, such as emailing notices or financial reports, mailing costs can be minimized.
 - iii. **Screening Fees:** Applicant screenings (\$100 per unit plus screening cost) are charged only when new owners or tenants require processing. If turnover is low, these fees will not accrue regularly.
 - iv. **Supplies:** Office supplies, like copies (\$0.25/unit) or envelopes (\$0.25–\$0.35/unit), are billed as needed. Boards can opt to provide their own supplies or bulk-purchase items to avoid these costs.
 - ▶ **Epic Management Solutions' higher-tier options may involve hidden fees—**
 - i. **Postage and Printing Costs:** Election-related mailings, regular notices to owners, and compliance documents (e.g., financial disclosures) are not included in the base fee. For a larger condo with frequent mailings, these incremental costs can quickly add up without a clear upfront estimate.
 - ii. **Meeting-Related Expenses:** In their higher-tier options (Options 2 and 3), costs for board meetings or annual meetings are charged separately. This includes items like printing agendas, distributing notices, and preparing supporting documents. For example, hosting four Board of Directors meetings a year under Option 3 might result in unexpected charges for document preparation and mailings.
 - iii. **Legal Compliance Mailings:** Notifications required for state compliance or urgent communications (e.g., safety warnings or policy changes) might also incur additional postage and administrative processing fees.
 - iv. **Election and Ballot Mailings:** Costs associated with preparing and mailing ballots or election-related documentation are specifically excluded, potentially leading to high expenses if elections occur annually or semi-annually.

6. Formal Conclusion

For Budget-Conscious Boards

- Epic Management Solutions' Option 1 (\$1,200/month) is an economic solution for basic administrative needs, particularly when paired with a two-year contract to waive set-up fees.

For Comprehensive Management Needs

- Blue Leaf Management provides a broader range of services, including maintenance supervision and emergency handling, making it more suitable for properties requiring active oversight.

7. Recommendations

Blue Leaf Management

- The stronger option, while presenting a higher base fee, stands out for its broader service coverage, predictable structure, and hands-on support. These attributes make it a compelling choice for those seeking reliable and comprehensive solutions. However, this benefit comes with the caveat that careful oversight is essential to control costs and ensure effective resource allocation.
- Accountability is enhanced through engineering oversight that directly reports to the board, fostering transparency and proper governance. Additionally, the use of AIA forms for change orders offers robust project safeguards and promotes clear communication, reducing the risk of mismanagement and maintaining operational efficiency.

Epic Management Solutions:

- The economical solution is tailored for basic administrative needs, offering upfront affordability that appeals to cost-conscious users. Its simplicity makes it a practical choice for those with minimal requirements and a tight budget.
- However, hidden costs, including routine mailings and election expenses, combined with the absence of managerial oversight, may reduce its overall value. These factors warrant careful consideration to avoid unexpected expenses that could undermine its cost-effectiveness.