

Reserve Study Scope of Services



Don't pay too much. Don't get short-changed. Know what you're buying.

Don't Be Fooled

Reserve studies are not all created equal. Study providers take dramatically different approaches. Some are quite limited in scope, providing little detail. Others are extremely comprehensive and detailed. If, as they say, information is power-- you must decide how much (or little) information you want compiled and included in your reserve study. You can save money by limiting the scope of a study, excluding certain components and limiting details.

But be aware, if the number and aggregate costs of the excluded components are excessive, the funding status of the association is skewed, and your funding needs understated. This can defeat the overall purpose for establishing a replacement reserve fund in the first place-- since adequate reserve funding is essential to eliminate or minimize the association's need for special assessments or loans.

Some providers submit low bids for an initial study but charge high rates for updates.

Apples & Oranges

Every reserve study is 'custom' from the standpoint it is performed for a unique community. But unless you submit a defined list of specific components to each bidder *and* describe the level of detail you require, you will likely end up comparing proposals that are 'apples and oranges'.

Many boards generally know what areas the association is

responsible to maintain but are less certain about specific components of their facilities and infrastructure they must (*or may desire*) to reserve for. When soliciting bids for a reserve study they simply complete each firm's proposal request form.

Spend some time and thought to determine (at least generally) what you want, need and expect from your reserve study.

Do not assume each firm will include all the same components and provide a virtually identical service and product. Alas, that is often not the case. To ensure receipt of competitive proposals, you should devote some thought to determine (at least generally) what you want, need and expect from your reserve study. **You certainly don't want to spend more than necessary but you also should avoid wasting money buying less than you need.**

Look Before You Leap

Review a sample report from each firm under consideration. They may have samples available on their website or your property manager may have a hardcopy you can examine. The components included in the sample report may not match the specific components you will include in your study, but should give you a sense of the amount of informational detail, layout, presentation format, etc. to help you identify the product and company which will best meet your needs.

Price is Only Part of the Cost

The low bidder on your reserve study may prove to be the most expensive over the long haul. The price to conduct the initial Full Reserve Study should be the only "expensive" study your association ever buys, since all your compiled data is stored in computer files. *Future Updates to your study should typically cost only a fraction of the original study since nothing need be re-measured.* Some providers charge nearly as much for an update as they do for their full study!

The sweetness of low price is quickly forgotten but the bitterness of low quality lives forever.

Buyer Beware

Some providers stipulate their report contains 'intellectual property' or 'proprietary information'. Others prohibit distribution of 'their' report. This may prevent you from simply sharing your own association's inventory information in the event you wish to use a different firm for future updates! *At RDA we don't think you should have to pay twice to inventory your own property. So go ahead and use that inventory information we compile however you choose.*



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You get unmatched value with an RDA reserve study.

- **Review** of your governing documents re: the association's maintenance and reserve obligations with funding advisory.
- **Complete On-Site Examination**, inventory and condition assessment of your reserve components.
- **Thorough evaluation** of your reserves financial and maintenance records.
- **Detailed Reserve Analysis** study with 30-year projections and **FOUR funding scenarios, not just one!**
- **FREE on-site Meeting***, after receipt of your initial draft report, to discuss the results of the study and various funding alternatives. *During our inspection for out of state projects.
- **FREE** telephone consultation and year round support.
- **FREE Revision** (6 months to review) ensures your RDA Report™ accurately reflects your policies, plans & procedures.
- **FREE Bookmarked pdf & Lifetime Archive**, w/6 disks.
- **FREE RDA Reserve Management Software™** and project files provided upon request, if desired. Much more than a spreadsheet!
- **FREE Excel spreadsheet file. (INCLUDING formulae)** Allows you to test virtually unlimited funding scenarios.
- **Detailed Funding Status Report:** Exactly what your CPA needs to complete your review or audit.
- **Reserve Component Funding Summary:** Fast, easy disclosure to owners, lenders and buyers.
- **Affordable future updates:** About half the original report cost, at two to three year intervals, including an on-site review to reassess the condition of the components.
- **Two bound RDA Report™ hardcopies** of both the initial draft and revised final report.
- Additional bound reports and Disks are available for \$65.00 and \$2.00 each, respectively.
- Additional consultation services available.

RDA Comprehensive Scope™ Reserve Study

If you're uncertain about your funding obligations and options, an RDA Comprehensive Scope Reserve Study™ will help simplify your planning. It is custom tailored to reflect your plans, policies, procedures & intentions.

It starts with a very detailed inventory of all the components your association is responsible to maintain and replace. This 'global' inventory approach provides you the most comprehensive and accurate reserve analysis possible. It facilitates a systematic evaluation of the physical components your association is responsible to maintain, repair and replace.

The Component Detail Report section in the initial draft report serves as a 'working document' for your board or planning committee as you determine funding policies for each component. The data and commentary provides structure for a logical item by item review of virtually *all* your community's assets. A revised final version of the report is then produced, accurately reflecting your plans, policies, procedures and intentions.

Use our included spreadsheet file or sample Responsibility and Funding table to set up your association's own detailed maintenance & funding matrix based on *your* specific policies, identifying the means by which funding is provided for the various components in your community:

- 1) Funded by the reserve budget.
- 2) Reserve funding deferred until component's remaining life is 30 years or less.
- 3) Funded by the annual operating budget.
- 4) Funded by special assessments to *all* unit owners at the time the expense is incurred.
- 5) Funded by assessments to benefited unit(s) at the time the expense is incurred.
- 6) Funded by separate reserve assessments levied solely against the benefited unit(s).
- 7) Other funding sources, i.e. laundry revenues, dock fees, city, post office or utility company.
- 8) Maintenance, Repair and replacement is the sole responsibility of the unit owner(s).



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RDA Selective Scope™ Reserve Study

Professional association managers tell us our Comprehensive Scope studies are far more extensive and detailed than those of other reserve study providers. In some cases it's more than what the community either needs or wants. Many associations limit the scope of their reserve analysis and budgeting to a select number of "major" assets. Some have already compiled a list of specific reserve components. So, for clients seeking a more focused analysis, we offer the RDA Selective Scope™ reserve study.

The Selective Scope study features the same care, detail, consultation and accuracy as our Comprehensive Scope Reserve Study, but is **strictly limited to the roster of components you specify**.

If you have already determined precisely which components you want to include in your study, just let us know-- we'll be happy to submit a proposal based on your specific parameters. If you're not sure what to include in your study just give us a call. We'll gladly discuss it with you.

Below are examples of components some clients choose to exclude from their reserve study and analysis.

- Components with remaining lives of more than 30 years
- Limited Common Elements
- Licensed, restricted use or limited benefit areas
- Unit patios, stoops, sidewalks
- Unit decks, railings
- Unit windows, patio doors and entry doors
- Gutters and downspouts
- Chimney caps & deck washes
- Mailbox assembly replacements
- Common area interior/exterior windows or doors
- Lighting, paint & furnishings in stairwells or storage areas
- Stair railings
- Wall art and decorator packages
- Furniture in lobbies, party rooms, office, etc.
- Exercise equipment
- Community room appliances, cabinets, counters, furniture
- Guestroom /caretaker units- furnishings, fixtures & finishes
- Window shades or curtains
- Fire extinguishers, cabinets or hoses
- Emergency battery backup lighting
- Expansion tanks, small pumps & motors
- Radiators, cabinet heaters, fan coil units
- Rooftop aspiration covers & centrifugal blowers
- Masonry repairs, sealing or rake & repoint (tuck-pointing)
- Subterranean infrastructure; storm & sanitary sewer, water
- Periodic landscape refurbishment
- Irrigation controllers & backflow preventers
- Signage- i.e. monuments, streets & traffic, directories
- Interior pipe replacements
- Painting, staining & caulking
- Exterior building lights, streetlights, grounds lighting
- Unit building extensions- i.e. room additions, screen porches
- Seal or chip coat pavement applications
- Asphalt pavement *repairs & midlife section failures*
- Curb & gutter replacements
- Parking garage floor section failures
- Parking garage floor sealants
- Parking garage doors and operating systems
- Parking garage stall line painting
- Parking garage wall & surfaces painting
- Playgrounds, park & recreational amenities
- Gazebos, pavilions
- Trails & paths
- Expenditures below a specified threshold, i.e. \$5,000.00

