

The Atrium Owners Association

(Registered with the Registrar of Societies, Chennai, Registration # 144/1999)

December 23, 2008

To: All Members of TAOA

Re: Elevator AMC

On December 17, 2008 Alfa Elevators (AE), the AMC contractor for the elevators in the building withdrew from the contract without any notice citing reasons that were unfounded and untenable. Copies of the correspondence in this regard can be seen at the Association's website.

Consequent to this the Association has been in touch with Kone Elevators, the manufacturers of the elevators in the building to take up the AMC. Kone has quoted a sum of Rs 20,000/- per elevator per year as the cost of a comprehensive maintenance contract. In addition they have investigated the elevators and presented a list of snags that need to be rectified before the AMC can come into force.

Despite the fee charged by Kone being more than twice as high as the previous AMC contractor, the Managing Committee has in principle agreed to the fee for the following reasons:

1. Kone has an organised organisational structure which allows for escalation and mutually satisfactory resolution of issues unlike in a situation of 'one-man' operation, where the service deliverer and the escalation point are the same, which does not aid the resolution of issues.
2. In the collective professional experience of the MC members as well as other professionals, it has been observed that manufacturers always provide superior maintenance, even though they charge higher.
3. Service providers charging lower fees make up their discounts by cutting corners in their work or making up for fees elsewhere. Either situation is not a happy augury. This is in fact borne out by the long list of snags presented to us by Kone, and the attendant bill to have them rectified.

The MC is currently negotiating with Kone to minimise costs while ensuring the safe operability of the elevators. The final details will be communicated to members soon as the negotiations are completed.

In the meantime, in a clear distortion of facts, AE has insinuated to some members of the Association that their withdrawal has been caused by unpaid bills, among other reasons. Through this circular, the MC wishes to inform members that all contractually due bills of AE have been paid. The insinuation by AE refers to a wrong bill presented to the previous MC for a service to be performed at no cost per the terms of the contract AE had with the Association.

In point of fact, it is AE that owes the Association money for the period for which it has not performed the terms of the AMC. The MC has communicated to AE that till such time this money is not paid, other terms under which the withdrawal can occur will not be maintainable.

With every good wish,

for The Atrium Owners Association



Karthik Kumar
Hon Secretary