

Telecom Contracts Are Confusing!

■ CHALLENGE

One of our Midwest-based clients owns a variety of properties including 14 market rate multifamily properties located in four states. They were in the middle of overwhelming contract renewals with a large telecommunications vendor for 11 properties.

The staff acknowledged that they didn't understand the confusing contract language, had very little negotiation experience and no efficiencies in this area. The lengthy process was pulling these employees from their primary responsibilities and everything was falling behind. Further complicating the issue was one property's cable wiring that was in dire need of repair and updates.

The Vice President of Operations had read an article written by Choice. He decided that his portfolio could use expertise in this specific area. He called Choice.

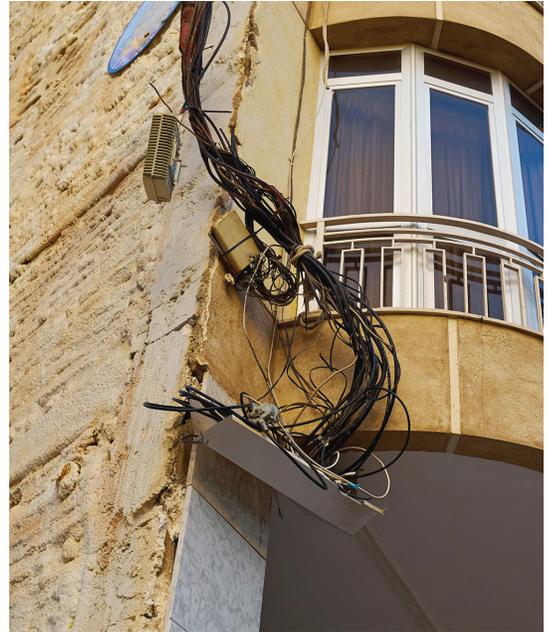
■ SOLUTION

Choice's solution was much broader than simply resolving the wiring issues on a single property. All 14 multifamily properties were evaluated to determine which properties needed contracts and where competitive bids were available. Competitive bids were requested from additional telecom vendors based on location and specific property/resident needs. Then, a scope of work was negotiated for the property requiring the wiring repairs.

For each of these 14 properties, new contracts were negotiated and completed with telecom vendors that offered the best opportunities and ROI per property. The new contracts were aligned so expiration dates were scheduled for the same year to better position the next round of contract negotiations. Significant upfront door fees were generated and pre-existing wiring problems were resolved.

■ RESULTS

Over \$1,000,000 in upfront door fees were generated for these properties. During the analysis, Choice discovered many untapped opportunities for this owner. This included one property that had more than \$17,000 in past due vendor revenue sharing payments that Choice collected for this client.



Additional Results

- One early contract renewal
- Removal of perpetual access from one property
- Replacement of one contract signed in 1972

Today, these properties continue to collect on-going telecom vendor payments.

FOR MORE INFORMATION

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