

**OWNERS CORPORATION  
MANAGEMENT**

# TENDER CRITERIA

**WHAT YOU NEED TO KNOW BEFORE  
INVESTING TIME AND MONEY IN THE  
PROFESSIONAL MANAGEMENT OF  
YOUR OWNERS CORPORATION**



The information shared in this document provides you with ideas as to how OC Management companies may differ, and helps you target your search.



## Why do you need a professional Owners Corporation Manager?

You know how everything takes time, and resources can be slim when it comes to volunteers pulling together to get things done around and for the property? Well, this is where owners like you, consider appointing a professional OC Manager. To take the hassle out of staying on top of maintenance and maintenance contractors for you, remove any potential for personal conflict when dealing with problem residents, and to manage the fees - asking for payments and even worse chasing arrears.

Appointing a professional OC Manager makes sense. It will leave you and all owners free to enjoy a more harmonious living environment and simply oversee the protection of your property.

You certainly wouldn't want to be spending your time chasing the OC Manager either would you? So whilst many owners see the task of selecting the right OC Manager as daunting, they reap the rewards of their efforts with a long running, amicable and proficient partnership with their chosen OC Management company.

## What do you want from your Owners Corporation Manager?

The secret to selecting the right professional OC Manager is all about understanding the needs unique to your property, and ensuring the expectations that you have of your OC Manager match the service you expect – prior to entering into a contract.

Taking the time to prepare will ensure you choose an OC Management company that's right for you and that the successful company is fully aware of your expectations. Be sure to consider the specific needs of your OC and get the information you need to know upfront. Once the finer details are sorted you will be in a position to seek quotes based on your requirements and then, once appointed, you should be able to sit back, and with the support of your chosen professional OC Manager, have more free time on your hands to enjoy your home, your investment and peace of mind.

The information shared in this document provides you with ideas as to how OC Management companies may differ, and helps you target your search.



## How to target your search

1. Firstly when going to tender, be sure to ask yourself the **Top 10 questions** to get you on the right track to understanding the needs of your property.
2. Secondly, complete your **Property Profile**.
3. Then, if you really want to fine tune your requirements, consider the more intricate questions suggested below, which assist you understand the role of the OC Manager and clarify your own service expectations of your chosen company.
4. The final step is to send your tender request to your preferred number of tenders and upon receipt, review.

The key is to ensure your OC Management company meets the needs of your property and your expectations of their service.

We acknowledge your experience will govern where your requests will focus, but we trust the following provides you with a more in-depth understanding of what you may wish to consider, and move forward with assurance.

When considering the following guidance material, ask yourselves:

1. Is this issue important to us?
2. On a scale of 1-3, is this something we need - may prefer – or would not impact our decision when appointing an OC Management company?
3. Simply put; What are our expectations of our ideal OC Management company?

Then, use the themes below to identify questions you will ask of the OC Management companies during the tender process, to ensure you receive responses which help you make an informed decision.

For example, whilst the questions may ask how many staff a company has, and the size of the properties under their management; the best company to manage your OC may not be the company with the most staff or the most lots under management. You (and your OC) may benefit from a more boutique style OC Management company. You may prefer liaising with one person as the go to person, as opposed to a variety of persons for a variety of tasks, eg an OC Manager for meetings, an Assistant for day to day matters, a Maintenance Department for organising repairs, etc. You may also wish to consider the experience of the individual who will be your OC Manager. Taking into consideration the length of time they have been employed with this company; longer time - offering more experience, or newer - offering fresh ideas.

We appreciate as you will, that one size certainly does not fit all.

In no way do these suggestions identify what is best suited to you and your OC's requirements. It simply recognises the tender process for an OC Management company can be a detailed process and requires support. It helps you identify what issues may be important to your OC, upon which you can create your individual tender brief.

When seeking tenders it may be beneficial to break up your questions into different sections. This allows you to compare the services offered per section, across all tenders. Then permits you to re-focus on the sections of most importance to you, after your full review is complete.



# Refining your tender request

Consider asking the OC Management company questions in line with the following:

1. **To introduce you to their company**

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2. **Provide you with an overview of their management practices**

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3. **What other services you may have access to via their company**

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4. **What practices they have in place to manage your finances**

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5. **How active they are when working alongside your Committee**

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6. **What their fees & charges are**

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7. **To provide you with their Contract of Appointment for your consideration**

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8. **What they can do for your OC**

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9. **To offer references from existing properties under their management**

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Following on are the sections previously mentioned, which are supported by additional questions/ thoughts to offer further guidance.

## 1. Introduction to the OC Management company

- An overview of the OC Managers, their qualifications and experience
- An overview of the OC Management company, including number of staff and skills
- What is the management structure?
- Details of some existing clients; brief description of location and/or style of complex
- Details of association/industry bodies that they may be a member of. Including name of association, and whether or not they participate in a continuing professional development program; employing staff who will remain up to date with legislation and carry out best practices.
- What are their office hours?





## 2. An overview of the practices of the OC Management company

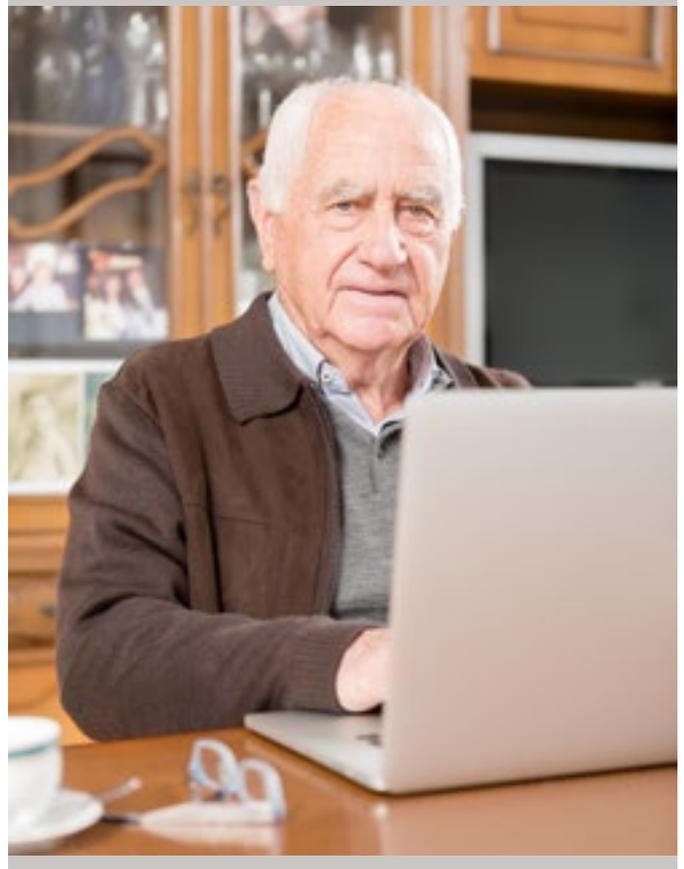
- Explanation of systems/software used to manage an OC.
- What is the timeframe for the distribution of Committee minutes? Are they sent to all owners as a standard practice?
- What is the timeframe for the distribution of AGM minutes to all OC members? Maybe request provision of an example.
- Are there preferred days, times, locations for Committee meetings?
- Are there preferred days, times, locations for annual general meetings?
- Do they visit the property? If yes for what purpose?
- Do they have experience with any particular special management needs of your property?

### **For example your property could**

- » be Heritage listed, a Retirement Village or Chalet
- » be purely residential, commercial, retail or a mixture of these
- » consist of just one unlimited Owners Corporation, or one unlimited with one or more limited OC's
- » be a Company Share or Stratum Titled property
- » be a gated community

## 3. Access to other services

- How do they manage document storage (ie OC records)? e.g. on-site, off-site, etc.
- If not available 24/7 is a service for after hours support provided for residents in case of on-site issues? How does this work?
- Does the company offer or have direct relationships with other companies that provide any additional services (outside an OC Manager's duties)? Such as an in-house legal team or advisors, facility management, trade providers, insurers, etc.
  - » If yes, is this provided in-house or via a third party?
  - » If provided by a third party, you may wish to ask for details.
- Does the company have a preferred Insurance Broker? What if any is the relationship?
- If relevant to your OC - Do they offer any on-line capabilities for interaction of OC lot owners and/or Committee members?





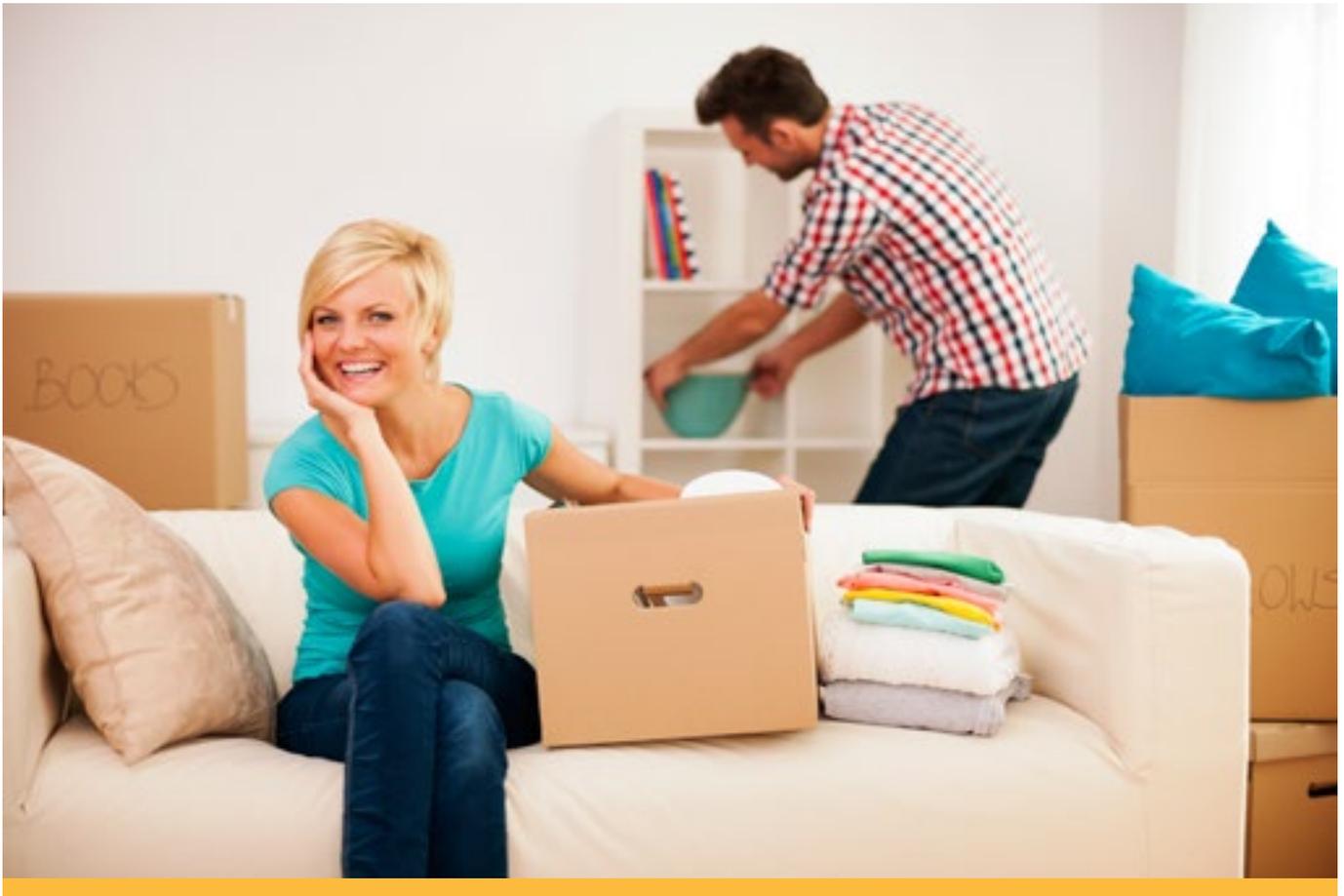
## 4. Finance

- Do they have financial teams/advisors and/or in-house accountants? Explanation of how financials, accounts, invoices, budgets, etc. are prepared, and timing.
- Debt recovery processes. What is in place?
- What is the standard of reports provided? Maybe request provision of an example.
- Who are these reports provided to? ie The OC Committee or all owners? Is it as a standard practice or upon request? At what intervals? Can these reports be produced on-demand?
- Is access available on-line to invoices, accounts and financial records? If yes, is it available to Committee members and/or all OC members?
- Does software need to provide budgets and financials for individual OCs in the case of larger complexes consisting of multiple OCs? Maybe request provision of an example.
- Does the software accept one payment across multiple invoices?
- Do they operate their business via separate bank accounts for each property under their management, or via trust accounts (if a licensed real estate agent, a legal practitioner or a licensed surveyor)?

## 5. Working with the Committee

- Are they actively involved in working with the Committee? Or does the Committee function independently and report back to OC Manager?
- Does the Manager attend all meetings and enact decisions made by the Committee?
- Do they provide advice to the Committee on OC matters?
- Do they work closely with the Committee during management transition period?
- How many Committee meetings may be held per year? How many will the OC Manager attend, and which meetings, if any, would attract additional charges?





## 6. Fees & Charges

- What are their annual fees, additional charges, rates, etc.?
- Are fees inclusive of all duties?
- If no what are additional duties and rate of charges?
- Is it possible to cap services charged at an hourly rate?
- Do they receive any commissions, other payments or benefits for services offered to OCs under their management? If yes, what are they and where are they disclosed?
- Do they have any beneficial relationship with any suppliers of goods or services offered to OCs under their management? If yes what are they and where are they disclosed?

## 7. Contract of Appointment

- Are they to provide a management contract in the approved form, the SCA (Vic) standard contract of appointment, or a variation of the approved form. To be presented to the OC prior to appointment.
- What if any, are the variations to the contract proposed for your specific OC?
- On what basis can the management right be on-sold to another OC Management company?
- What is the length of term of the contract and renewal terms? (NB: Maximum term permitted 3 years)

## 8. What can they do for your OC?

- After asking specific targeted questions, provide the OC Management company with the opportunity to tell you in their closing summary just
  - » What benefits they can bring to your property
  - » Why they are best suited to managing your OC
  - » Why you should choose them
- Request they provide examples of how their company has acted to save their existing clients' money.

## 9. References

- Request testimonials and/or details of referees that you may contact for references.



## Resources:

To assist you simplify your OC Management tender process, be sure you take advantage of these additional resources.

- » [Top 10 Questions for a Successful Tender](#)
- » [Property Profile – Request for Tender](#)

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## About SCA (Vic)

Formed in 1990 SCA (Vic) provides a forum for improved standards and education in the strata industry; offering owners peace of mind in an unlicensed sector. Choosing an SCA (Vic) owners corporation manager offers you peace of mind that your OC Manager benefits from establishment of professional practice guidelines, professional development through education seminars, conferences and regularly published bulletins on items of professional interest. And that they must also commit to uphold ethical standards.

SCA (Vic) supports more than 80% of all owners corporation management firms, are the only organisation solely focussed upon representing this increasingly significant industry and reach and represent 500 owners corporation professionals who manage approximately 375,000 lots. SCA (Vic) also represents industry suppliers and owners corporations, making it the voice of all with an interest in the management of owners corporations. We are proud to be the pre-eminent professional association of the owners corporation industry.

To find out more visit: [www.vic.stratacommunity.org.au](http://www.vic.stratacommunity.org.au)

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