

# SELECTING A STRATA MANAGEMENT COMPANY

Strata councils frequently ask VISOA for guidance in the selection of a strata management company. While VISOA cannot recommend management companies, it can provide assistance to strata councils in identifying management companies that provide the services they want.

A common method of selecting service contractors is to circulate a "Request for Proposals" (RFP) identifying the services required. Interested service contractors can then reply to the request. VISOA has drafted a model RFP for strata management services to assist strata councils in designing their own strata management RFP. It is not copyrighted.

Note: There are some common contract provisions\* which have caused problems for strata councils, and for which they may need to be aware. These include:

**Indemnity** - To save the Agent harmless from any and all claims, damages, costs and liability incurred in connection with the services provided to the Strata Corporation and, without limiting the generality of the foregoing, to indemnify and save the Agent harmless from all claims, damages, costs and liability whatsoever incurred by the Agent in performing its responsibilities hereunder and to protect the Agent against any and all such claims, damages, costs, and liability in the same manner and to the same extent as the Strata Corporation, unless such claim, damage, cost or liability is caused by the gross negligence or willful misconduct of the Agent;

**Additional fees**: for each month of depositing and processing of special levies;

**Costs**: To pay promptly the Agent's costs of printing, duplicating, mailing, postage, long distance telephone charges, courier or other service charges directly attributed to the Strata Corporation as per the attached Schedule A;

**Exclusivity**: That the Strata Corporation, during the Term of this Agreement and for two (2) years after the termination hereof, will not engage or contract directly or indirectly with any present or past employee of the Agent, to perform services the same as or similar to the services the employee performed for the Agent unless agreed to in writing by the Agent;

**Reassignment of management contract**: The Agent may assign all of its interest in this Agreement and its rights hereunder to any other strata property brokerage, provided such assignee is a competent strata property agent.

**Payment for duplication of records when terminating a contract**: The Agent shall be entitled to retain the original financial records for such period as is required for the Agent to comply with RESA, but the Agent shall provide the Strata Corporation with copies of the financial records, at the Strata Corporation's expense as provided in Schedule B.

**\* VISOA strongly recommends that strata councils have management contracts reviewed by a lawyer before signing.**

**REQUEST FOR A PROPOSAL FOR A STRATA MANAGER**

Strata Plan # \_\_\_\_\_ requests a proposal for a Strata Manager

---

**Name and Position of person authorized by the strata council**

**Signed:** \_\_\_\_\_

**Address of strata:** \_\_\_\_\_

---

**Name, address, and phone number of strata contact person:**

---

**Description of strata**

Residential only \_\_\_\_\_ Mixed use residential/commercial \_\_\_\_\_

Number of buildings: \_\_\_\_\_ Number of units: \_\_\_\_\_

Number of stories: \_\_\_\_\_ Year of construction: \_\_\_\_\_

Type of construction \_\_\_\_\_

Building material (check that which applies) Wood frame \_\_\_\_\_

Wood frame and masonry \_\_\_\_\_ Concrete \_\_\_\_\_

Other (describe) \_\_\_\_\_

---

**Strata # \_\_\_\_\_ wishes to contract for the following services:**

1. Financial services to include budgeting, accounting, financial reports (monthly, quarterly, semiannual) financial reports, and monthly bank statements. (The Contractor must provide a sample of an annual financial report).
2. Financial reports must comply with the requirements of the Strata Property Act. In particular, reports for the operating fund and the contingency reserve fund must form separate reports. Please refer to Regulation 6.7 of the Strata Property Act which requires that these funds be reported separately. Also each special levy must be reported separately from all other accounts.
3. Access by owners to strata records listed in sections 35 and 36 of the Strata Property Act within 2 weeks.
4. A semiannual walk around inspection of the property to identify and report maintenance needs.
5. Attendance at one council meeting each month.
6. Attendance at up to two general meetings per year.
7. Recording and distribution of council minutes within 2 weeks of the meeting and general meeting minutes within 2 months of the meeting at no additional cost to the strata.

8. Return of financial records to the strata corporation at the end of the contract as required by Regulations 4.2 and 4.3 at no charge to the strata corporation.
9. Period of contract not to exceed two years.

**The following costs must be included:**

- Contractor's basic fee
- Any additional services provided, and whether they are included in the basic fee, or they are options at an extra cost.

**Proposal submissions must be received not later than 4:00 p.m. on**

*(Date)* \_\_\_\_\_

**at** *(Address)* \_\_\_\_\_  
\_\_\_\_\_

**VISOA**  
Vancouver Island Strata Owners Association