

Minimum Qualifications (MQ's)

1. Management company must be licensed to do business in the State of California.
2. Management company must have at least five years of experience managing HOA's of comparable size (acreage and number of homes) and budget as the HOA and provide at least five references.
3. Management company must certify that none of its owners, directors, or partners have been convicted of any felony. Management company must also agree to perform criminal history background checks and ensure that all employees assigned exclusively to Crosswoods, including contracted workers, pass background checks and are authorized to work in the USA.
4. Management company must agree to work closely with the HOA's current management company to ensure a smooth transition of services and records.

Essential Terms

1. While the HOA is predisposed to requiring that management company provide a certified, full-time onsite General Manager (GM) approved by the Board, the Board would be interested to consider a more cost-effective means of providing the services required herein.
2. Management company shall hire at least the current three general groundskeepers who will be responsible for irrigation, general carpentry and groundskeeping work, and pool maintenance to be assigned solely to the HOA. Management company shall develop duty statements/job descriptions for each staff member for Board approval and provide direction and supervision of these staff via the GM.

[Note: The HOA will reimburse management company for direct GM and staff costs. Pass through fees, if any, will be negotiated between the HOA and management company.]

3. Landscaping, painting, and other maintenance will be provided by separate contracts.
4. Management company shall work closely with the HOA's current management company to ensure a smooth transition of services and records.
5. Management company must complete the attached Management Company Questionnaire (see Exhibit 3.)
6. Management company must provide a sample contract that could be the basis for negotiations of a management agreement with the HOA if the company is selected as the preferred management company for the HOA.

Scope of Services

General Manager

The GM should have knowledge and experience with respect to large scale siding, painting and deck rehabilitation and construction. Specifically, the GM should have the ability to perform an independent needs assessment and scrutinize pest inspection reports and management company job assessments, proposals (bids) and ongoing oversight of all construction work in the community. The goal is to ensure that only necessary construction work is performed and that the HOA is not authorizing excessive or unnecessary repairs and replacement of siding, decks, balconies, concrete, roofs, etc. Additionally, the GM shall be responsible for:

1. Assisting the Board in creation, implementation, and administration of a building maintenance program/cycle. The HOA has committed to performing maintenance cycles on a 10-year schedule.
2. Scheduling, monitoring, and providing repair of Common Area improvements.
3. Ensuring that repairs undertaken by a single management company exceeding, in single or in cumulation, more than five thousand dollars (\$5,000) shall be deemed major repairs and are authorized by the Board prior to award of any contract for work.
4. Obtaining competitive bids for major work (over \$5,000) and monitoring the work in progress such that the work is completed on a timely basis and within budget.
5. Maintaining an inventory of all HOA property with complete records of acquisition and disposition of property.
6. Preparing and maintaining documentation regarding all work, for which the HOA is responsible, performed on each individual home in the HOA to include a description of the work, the date the work was performed, the vendor who performed the work, and the total cost.
7. Preparing and maintaining documentation related to the sale of homes within ten (10) days of request for information as provided in Civil Code Section 4528.
8. Undertaking four (4) site inspections of the common area a month and providing a detailed inspection report, including issues or improvements requiring board action, to the attention of the Board at its next meeting.
9. Preparing and posting meeting notices as directed by the Board in accordance with state law.
10. Hiring, training, managing, and supervising onsite staff as authorized by the Board.
11. Being reasonably available to the Board President or Treasurer (or their designee) during normal business hours.

12. Maintaining a business and professional relationship with members and responding to member concerns and complaints in a timely manner. Escalating member concerns and complaints to the Board if they cannot be resolved at the manager's level.
13. Assisting the Board, and its CPA, in preparation of annual tax returns and any audits.
14. Co-authoring with the Treasurer the proforma operating budget and making it available to the HOA Finance and Insurance Committee for review no later than August 15. The proforma budget must be presented to the entire Board no later than November 1st of each calendar year. The draft shall be made available by electronic transfer and a copy of the final budget shall be made available to all HOA members upon request.
15. Managing the HOA's fiscal affairs by:
 - a. The HOA will adopt a line item budget for both its Operating and Reserve accounts. It is imperative that the Board be promptly notified of any commitments that would result in exceeding the adopted line item budgeted amounts. The monthly financial report will need to provide the Board with a line item report that displays actual and authorized expenditures monthly (See Exhibit 2.)
 - b. Providing the Board with a monthly statement including work orders received, those acted upon in the preceding month and those which are pending.
16. Maintaining complete and accurate financial books and records including, at a minimum:
 - a. A detailed monthly statement of receipts, expenses and charges including the General Ledger, the checks issued and related detail for all accounts paid, balance sheet by Fund, and comparative income/expense statements by fund.
 - b. Budget sheets and cumulative comparison of income and expense.
17. Coordinating the periodic preparation of the Reserve Study.

Financial Services

Management company will provide financial services required for the operation of the HOA in accordance with the requirements of local, state, and federal laws governing HOA's and to ensure the financial stability of the HOA to include the following:

1. **Assessments:** Provide for the collection and deposit of all general and special assessments and any other charges/fees as they become due and payable or as otherwise directed by the Board.
2. **Electronic Payment:** Provide a method for members to pay dues and assessments electronically.

3. **Operating Funds:** Establish and maintain in federally insured financial institution trust accounts in the name of the HOA for the purpose of discharging liabilities and obligations incurred on behalf of the HOA.
4. **Delinquent Accounts:** Provide for the collection of delinquent accounts.
5. **Disbursements:** Provide for the disbursements of funds for liabilities incurred on behalf of the HOA in accordance with policy established by the Board. Specifically, the Board shall establish specific guidelines for the disbursement of funds requiring Board approval.

Accounting & Financial Statements: Provide and maintain financial and accounting records in accordance with generally accepted accounting principles (GAAP) as issued the Financial Accounting Standards Board.

Administrative Services

Management company will provide administrative services required for the cost effective and efficient operation of the HOA in accordance with the requirements of local, state and federal laws governing the operation of HOA's to include the following:

1. Attending up to five (5) meetings per month with the Board as requested including the monthly membership meeting.
2. Preparing minutes of meetings in conjunction with the Board's Secretary.
3. Preparing agendas for meetings and provide meeting materials and financial reports etc. at least four days prior to regularly scheduled meetings.
4. Assist with enforcing the rules of the HOA and providing summary reports for rules and CC&R violations.
5. Providing status reports of all pending work orders as well as completed work order reports.
6. Preparing a quarterly newsletter (with board input) and distribute to members.
7. Providing a 24/7 call center to assist or refer emergencies in the Common Areas and returning emergency calls within one hour of receipt.
8. Providing a website that allows members to access the status of their accounts, make payments and request services such submitting work orders or requests for landscape or architectural modifications. Allowing members to link to management company's website via the HOA's website.
9. Providing recommendations for improvement of communication among and with the Board and HOA members including maintenance of the HOA's website.

10. Developing recommendations to improve administrative and operational efficiencies and reduce associated costs.
11. Maintaining an up-to date electronic membership list (including Email addresses of all members who authorize the Association to communicate with them via electronic means), as well as a tenant list and a list of the RV Lot renters.
12. Coordinating and distributing annual meeting notice and election information in accordance with current laws and assist with annual elections.
13. Making the disclosures required by California Civil Code section 5375.

Books & Records Inspection

Management company must maintain a comprehensive system of books and records in a manner acceptable to the Board and ensure that:

1. Copies of all records including contracts, public agency filings, and the financial books and records shall be retained at the HOA's office at 6510 B, Crosswoods Cir, Citrus Heights, CA 95621 or shall be electronically retrievable by the Board's President, Treasurer or designee and shall be the property of the HOA.
2. All records stated in California Civil Code section 5200, subject to redaction as confidential (e.g. personnel records, Board actions with respect to member financial circumstances, etc.), shall be made available for review and copying by members during normal business hours (9am - 5pm). Members will not be charged to review these materials and records, but may be charged for postage, copy, and redaction charges as allowed by the California Civil Code.
3. All records and correspondence regarding the HOA are the sole property of the HOA and shall be provided to the HOA at no cost should the contract be cancelled or terminated.

Insurance

The following describes the HOA's desired insurance requirements, but these requirements are negotiable.

1. Applicable Liability Insurance – Evidence of liability insurance coverage, in the form a certificate acceptable to the Board. All certificates of insurance must specify the following:
 - a. That the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to the Board.
 - b. That the Board, its officers, agents, and employees are included as additional insured's but only insofar as the operations under this Contract are concerned.
2. The management company agrees that the bodily injury liability insurance herein provided for shall always be in effect during the term of the Contract.

3. Commercial General Liability – Board shall maintain general liability on an occurrence form with limits not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage liability combined with a two million dollars (\$2,000,000) annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent management company's products, completed operations, personal & advertising injury, and liability assumed under an insured contract. The commercial general liability insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Board's limit of liability.
4. Automobile Liability – Management company shall maintain motor vehicle liability with at least \$1,000,000 in liability coverage. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles.
5. Workers Compensation and Employers Liability – Certificate of Insurance must state that there is workers' compensation insurance on all of its employees who will be engaged in the performance of this Contract. The Certificate of Insurance must include the provision that the insurer will not cancel the insured's coverage without thirty (30) days' prior written notice to the Board. Liability limits of one million dollars (\$1,000,000) are required. Proof of Workers' Compensation Employers Liability Insurance shall be submitted prior to start of work.
6. Professional Liability – Management company shall maintain Professional Liability covering and damages caused by a negligent error, act or omission with limits not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) policy aggregate. The policy's retroactive date must be displayed on the certificate of insurance and must be before the date this Contract was executed or before the beginning of contract work.
7. The HOA will purchase and maintain a comprehensive general liability insurance with a limit of no less than \$1 Million per occurrence for bodily injury (including death) property damage and contract liability and shall name management company, HOA as additional insured for all loss liability and expensive exclusive of cost of defense. Such insurance shall be separate from management company-maintained insurance. Because the HOA cannot purchase the insurance directly, this insurance shall be purchased by the Management company for the HOA.

Termination/Transition

Management company must agree to the following conditions related to the termination of contract and transition of services to another company:

1. Either the Board or management company may terminate the contract without cause by written notice. Notice may be given at any time but not less than ninety (90) calendar days following the notice of termination.
2. The Board reserves the right to cancel or terminate this contract immediately for cause after a one-week cure period. The management company may submit a written request to terminate this contract only if the Board substantially fails to perform its' responsibilities as provided herein.

3. The term: “for cause” shall mean that the management company has committed a material breach of this contract.

4. The HOA and management company shall cooperate in the transition of duties during the notice period. Both the HOA and management company agree to fully cooperate with one another to accomplish transfer of all property and records to the HOA. The cost of transition shall not exceed 15% more than the agreed upon annual direct compensation to the management company.

BASIS OF AWARD

Award will be made based on price and other factors to the responsive and responsible entity whose response is most advantageous to the HOA after price and other factors have been considered.

An entity responding to this RFP shall include a schedule of costs addressing, at a minimum, the following costs:

SCHEDULE	Per month	Per year
01—Financial Services		
See scope of Services		
02—Administrative Services		
See scope of Services		
03—Fee on pass through employees		

Exhibits

Exhibit 1 -- Covenants, Conditions & Restrictions of Crosswoods (see separate attachment)

Exhibit 2 -- Statement for Major Projects

Management company Name	DHSMML&S Construcion
Account Reference/Budget Line	Concrete/79002
Description of the work including the address of the work.	Replace Driveway/6902 Toluca Lane
Start Date	1-Jan-21
Anticipated Completion Date	February 1 2021
Projected Cost	\$5,500
Budgeted amount (if any)	\$35,000
Current Fund Balance	\$27,540

Exhibit 3 -- Management Company Questionnaire

1. Name
2. State of formation and entity type
3. Number of years managing community associations
4. Names of principals and their personal certifications (e.g., PCAM, CCAM, etc.)
5. Certifications held (e.g., AAMC, ACMF, etc.)
6. Corporate/home office address
7. Locations of regional offices (if any)
8. Total number of employees in all offices
9. Total number of associations managed
10. Number of planned development associations managed
11. Number of associations managed within Sacramento County
12. Size of the largest association currently managed
13. Size of the smallest association currently managed
14. Average size of the associations currently managed
15. Name of parent company (if any)
16. Names of all affiliate companies (if any)
17. Resume of proposed property manager(s)
18. What is your overall management philosophy and approach to working with community association boards, owners, and residents/occupants?
19. What qualifications does your company require when interviewing potential employees?
20. Would the manager assigned to manage the Association hold a PCAM and/or a CCAM designation?

21. Does your company provide regular performance evaluations for its employees?
- a. If so, please provide information about that process.
22. What type of training do you provide to the personnel who are responsible for servicing your company's association clients?
23. What would be the chain of command between the personnel assigned to the Association and the principals of your company?
24. Will a supervisor and/or upper management of your company ever attend Board meetings?
- a. If so, how often and when?
25. What are your company's normal business hours?
26. What are your company's email and phone call response time policies with respect to board members, members/owners, and residents/occupants?
- a. If applicable, distinguish the different response times for each category of the foregoing persons.
27. What methods of communication would you employ to keep the Board updated on Association business, avoid violations of the Davis-Stirling Act and other laws, and ensure for transparency with the members/owners?
28. What would be the participation of the GM at a Board meeting?
- a. Please provide a copy of a sample manager's report your company prepares.
 - b. Please provide a copy of sample board meeting minutes your company prepares.
 - c. Please provide a copy of a sample board packet your company prepares.
29. Please provide detailed information regarding your assessment collections process.
- a. What delinquent assessment collection companies and/or attorneys does your company currently work with?
30. Please describe any pre-qualifying procedures your company has implemented for contractors, vendors, and service providers used by its association clients.
31. What methods do you use to identify opportunities for operational and maintenance improvements?

32. What process would you use to identify actual and/or potential violations of the Association's governing documents?
33. When a maintenance issue is noted to the manager by the Board or by a member/owner, how would that request be handled?
34. How would your company verify that an invoice is appropriate for payment by the Association?
- a. Please describe any checks and balances procedures utilized by your company.
35. How does your company handle Revenue Ruling 70-604 for its association clients?
36. Please describe your company's experience in assisting its association clients with amending their CC&Rs and bylaws and adopting rules and regulations.
37. Do you currently employ an in-house IT staff?
- a. If not, how do you regularly manage IT systems?
38. What is the most unique and innovative idea or program that you currently provide your association clients?
39. What methods does your company use to assess and manage aesthetics and modernization of the developments that it manages?
40. Do you provide any informational/educational programs for your association clients' board of directors?
- a. If so, please elaborate.
41. How does your company keep informed about new legislation and case law affecting common interest developments in California?
42. Please describe the involvement of your company in the Community Associations Institute (CAI) and the California Association of Community Managers (CACM), if any.