



How to Write a Proposal for HOA Management Services

When an HOA Board decides to either hire a professional HOA management company or switch to another company, choosing the right fit for your community is crucial. But how do you do that? How can you be sure a company is a suitable choice for your community? A great place to start your community management search is drafting a well-crafted Request for Proposal (RFP).

Why is an RFP for HOA Management Services Important?

Every community is different in size and attributes, so HOA Management Services are generally not a one-size-fits-all. This is why an RFP is so important and serves two purposes:

1

It helps the prospective management company better understand your community, how it operates, and its specific needs.

2

It helps the Board get to know the prospective community management company, how they operate and how they will meet your community's individual needs.

The main goal of an RFP is for the Board to lay out their expectations to help gather relevant information from the bidding management companies.

Although drafting an RFP may seem like a daunting task, it doesn't have to be. We have found it is best to keep it simple and break your RFP into several key areas of focus. You may take the information we have provided below to draft your RFP, or you may [click here](#) to download our Community Management RFP template that incorporates all pertinent details.

Below, we have provided the key areas of focus when drafting your RFP:

- 1. Community Overview** – this is where you can share important community information such as location, size, property type, community features/amenities, staffing structure, etc. You may also want to share the community's largest challenges and what you are looking for in a community management partner.
- 2. HOA Management Service Requirements** – this is where you ask the prospective management companies to provide a detailed background on their company and scope of services, as well as pose specific questions that are important to the Board.

The following categories may be helpful in creating your community-specific questions.

- a. History of the Management Company**
 - i. How long have they been in business?
 - ii. What industry organizations do they belong to?
 - iii. Qualifications of community management staff
- b. Community Management Overview**
 - i. General scope of services
 - ii. Board training opportunities
 - iii. Support for Community Manager
- c. Accounting & Financial Management**
 - i. Segregation of duties
 - ii. Accounting software
 - iii. Transparency and internal controls
- d. Technology & Innovation**
 - i. Data and cybersecurity capabilities
 - ii. Homeowner and Board member tools
 - iii. Communication methods

3. Submittal Requirements – this is where you list your specific submittal instructions such as:

- a. Contact information and where to send the proposal
- b. When the proposal is due
- c. When the Board anticipates making their decision

Next Steps - Evaluating Responses to Your RFP

Now that you received multiple responses to your RFP, it is now time to compare, evaluate and make your decision on which company you feel will be the right fit for your Association. Your decision will likely be based on many factors, including the monthly management fee. However, it may be tempting to go with the lowest bidder, that often will not result in the level of service you expect and deserve. It is also essential to evaluate all ancillary fees of the bidders to ensure an “apples to apples” comparison. Sometimes, the bidder with the lowest management fee will be much higher when other ancillary costs are added. Ancillary fee examples include assessment invoices, website hosting fees, initial set-up fees. It is also important to consider any value-added or included services such as a Board member portal, mobile application, or other technology offerings.

Upon review, we suggest selecting your top two to three companies and schedule an in-person meeting or web-hosted conference call to go over the RFP and any other outstanding questions you may have regarding the company and its service offerings. This may also be an excellent opportunity to request a live demo of the prospective management company’s software and technology.

We know this is a big decision and not one to take lightly. We wish you all the best in your management search and hope you found this article helpful in writing and using an RFP to help guide your decision on the best management fit for your HOA.



Are You Looking to Make a Change in HOA Management Companies?

Do you need assistance crafting an RFP that will help give you all the information needed to make an informed decision? AAM is here to help. Download our [Community Management RFP Template](#) today!