



THE WA BEST PRACTICE CHECKLIST

TENDERING FOR A NEW STRATA MANAGER

LOOKUPSTRATA + KN STRATA CONSULTANCY





ABOUT THIS CHECKLIST

This Best Practice Checklist has been compiled for Strata Companies to use when tendering for a new Strata Manager in Western Australia.

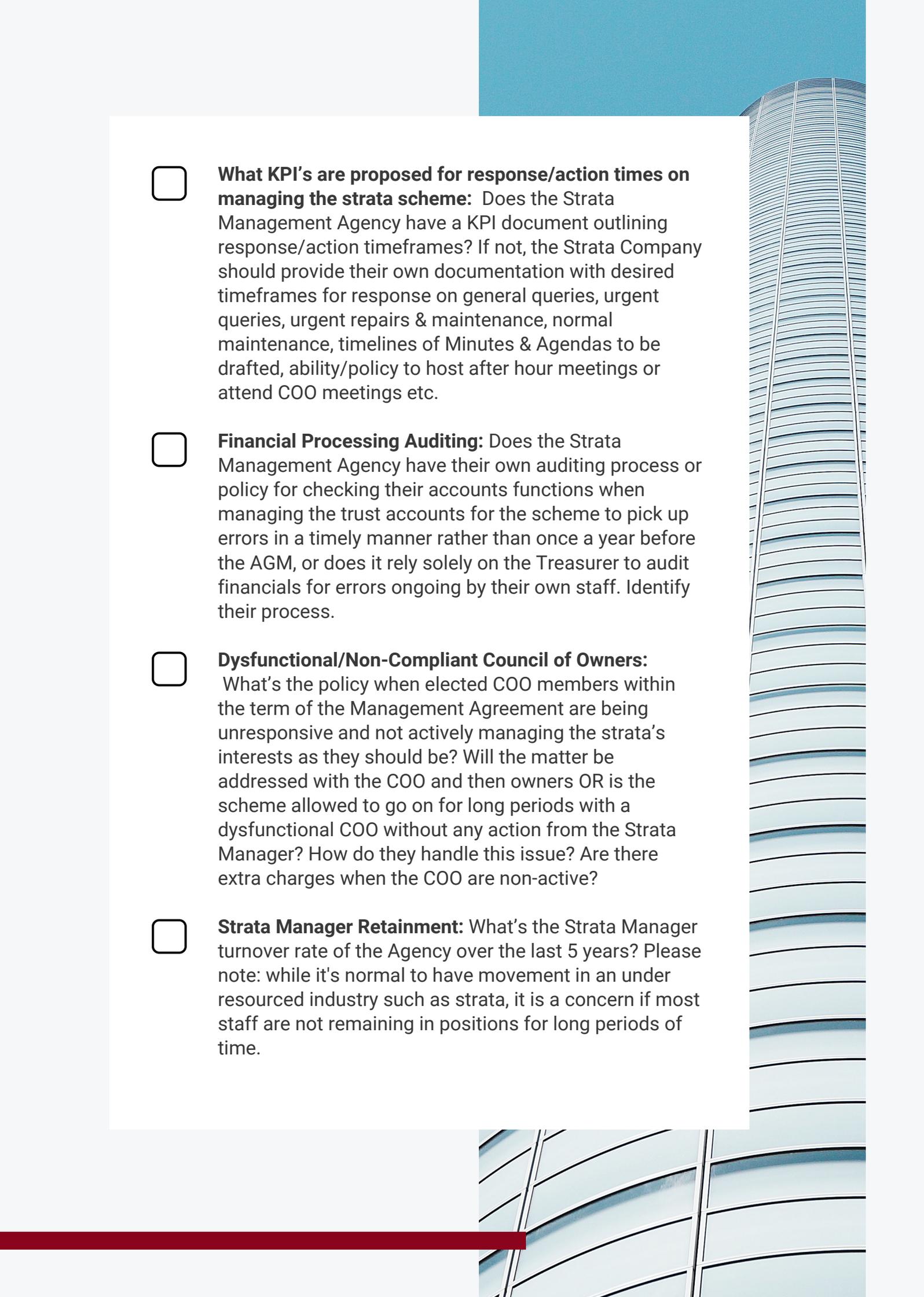
The first step is for the Strata Company to prepare a tender document outlining which items the Strata Management Agency should include in their tender. Providing this information will allow the Strata Company to compare apples with apples when reviewing tenders.

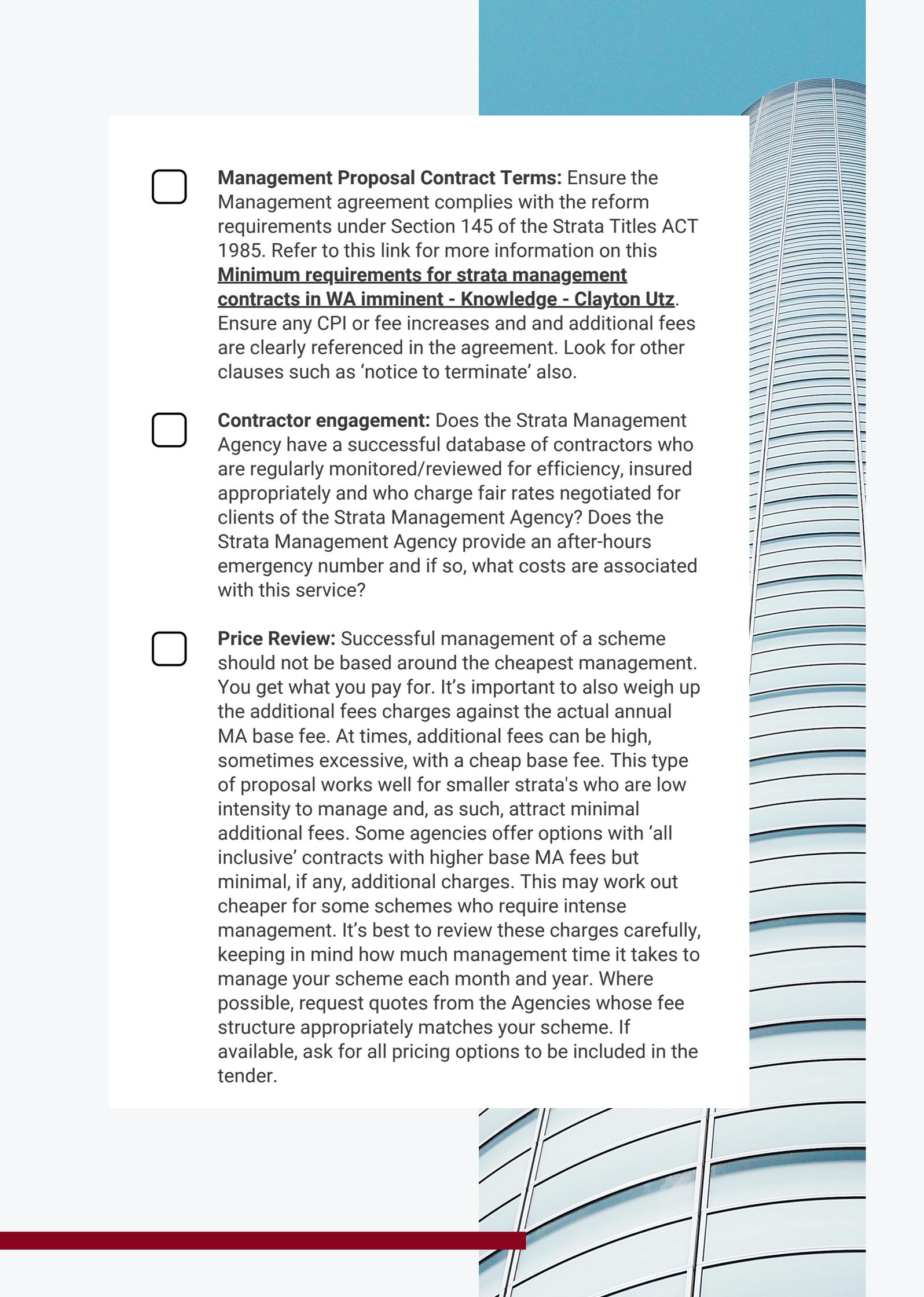
For more information about the requirements and the statutory duties for WA Strata Managers, we suggest you consult this information page on the Landgate site: [Strata managers](#).

The Best Practice Checklist

What to look for when tendering for a New Strata Manager:

- Experience/Software Platforms:** How experienced is the agency? What experience do they have managing complexes similar to your scheme? What software platforms do they use, i.e. interactive apps, complex websites or other interactive software platforms for owners to access? What are the costs of these?
- Staff Training/Compliance with Education Requirements:** Are the staff regularly trained? Are the staff qualified with the minimum education requirements or on their way to achieving qualification to achieve compliance with the WA Strata Reforms? (Full qualifications for Strata Managers as described in Section 4 of the Regulations 2019 take several years to obtain.) What other qualifications do the staff hold relevant to their role?
- SCA (WA) Membership:** Are Strata Management staff accredited with and hold memberships with SCA (WA)? If so, what level is the accreditation of the Strata Manager and other relevant staff who will be working on the scheme management?
- Insurance cover:** Request a copy of the current insurance for the Strata Management Company in line with Section 145 of the Strata Titles ACT 1985.
- Serviceability:** How many other properties and lots will the allocated Strata Manager manage? If information cannot be provided at this time, what is the average number of properties/lots managed by a Strata Manager at the agency? If the Strata Company is large, outline the serviceability structure and processes used by other support staff at present to show how volume is addressed.

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- What KPI's are proposed for response/action times on managing the strata scheme:** Does the Strata Management Agency have a KPI document outlining response/action timeframes? If not, the Strata Company should provide their own documentation with desired timeframes for response on general queries, urgent queries, urgent repairs & maintenance, normal maintenance, timelines of Minutes & Agendas to be drafted, ability/policy to host after hour meetings or attend COO meetings etc.
 - Financial Processing Auditing:** Does the Strata Management Agency have their own auditing process or policy for checking their accounts functions when managing the trust accounts for the scheme to pick up errors in a timely manner rather than once a year before the AGM, or does it rely solely on the Treasurer to audit financials for errors ongoing by their own staff. Identify their process.
 - Dysfunctional/Non-Compliant Council of Owners:** What's the policy when elected COO members within the term of the Management Agreement are being unresponsive and not actively managing the strata's interests as they should be? Will the matter be addressed with the COO and then owners OR is the scheme allowed to go on for long periods with a dysfunctional COO without any action from the Strata Manager? How do they handle this issue? Are there extra charges when the COO are non-active?
 - Strata Manager Retainment:** What's the Strata Manager turnover rate of the Agency over the last 5 years? Please note: while it's normal to have movement in an under resourced industry such as strata, it is a concern if most staff are not remaining in positions for long periods of time.

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- Management Proposal Contract Terms:** Ensure the Management agreement complies with the reform requirements under Section 145 of the Strata Titles ACT 1985. Refer to this link for more information on this **Minimum requirements for strata management contracts in WA imminent - Knowledge - Clayton Utz.** Ensure any CPI or fee increases and and additional fees are clearly referenced in the agreement. Look for other clauses such as 'notice to terminate' also.

 - Contractor engagement:** Does the Strata Management Agency have a successful database of contractors who are regularly monitored/reviewed for efficiency, insured appropriately and who charge fair rates negotiated for clients of the Strata Management Agency? Does the Strata Management Agency provide an after-hours emergency number and if so, what costs are associated with this service?

 - Price Review:** Successful management of a scheme should not be based around the cheapest management. You get what you pay for. It's important to also weigh up the additional fees charges against the actual annual MA base fee. At times, additional fees can be high, sometimes excessive, with a cheap base fee. This type of proposal works well for smaller strata's who are low intensity to manage and, as such, attract minimal additional fees. Some agencies offer options with 'all inclusive' contracts with higher base MA fees but minimal, if any, additional charges. This may work out cheaper for some schemes who require intense management. It's best to review these charges carefully, keeping in mind how much management time it takes to manage your scheme each month and year. Where possible, request quotes from the Agencies whose fee structure appropriately matches your scheme. If available, ask for all pricing options to be included in the tender.

Comparison Table

COMPANY			
CONTRACT AMOUNT \$			
CONTRACT DURATION			
YEARS OF EXPERIENCE			
INSURANCE COMMISSION			
SCA MEMBER YES/NO			
COMMENTS			



THE FINAL DECISION

Once quotations have been received, review all items of each submission including the Management Agreement Contracts for each tender.

It's best to seek the advice of a legal professional or expert strata consultant to assist in reviewing the contracts. These professionals can highlight any areas of concern for clarification before the Strata Company makes a final decision.

Seeking professional advice is especially important for mid to larger complexes within WA that may have a lot of administration requirements for the strata scheme, schemes of any size that may be undertaking large projects, legal disputes or internal issues, or schemes within building warranty periods. Effective management is everything when intense management and/or projects or dealing with defects is required for a scheme. Professional assistance when looking for the right Strata Manager for your Strata Company may end up saving everyone lots of time and money.



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