



The Agency for Co-operative Housing
L'Agence des coopératives d'habitation

Guide to Tendering for Property Management Services

**for
Non-HSA Housing Co-operatives
in Ontario**

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Table of Contents

Introduction	3
Why Tender?	3
Who Carries out the Tendering Process? Who Makes the Hiring Decision?	3
Preparing for Tendering	4
During the Tender Process	4
Tender Package	5
Timetable for Hiring a Property Management Company.....	6
Bidder Selection Process.....	8
Calling For Tenders	10
Sample E-mail	10
Appendix A: Model Tender Documents.....	1

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This guide was adapted with permission from the Co-operative Housing Federation of Canada, Ontario Region's 2012 *Guide to Tendering for Co-op Management in Ontario Housing Co-operatives*.


Introduction

To succeed, housing co-operatives need sound management. Most often, this means paying someone to take care of the day-to-day business of running the co-op.

A co-op can decide to hire its own staff or use the services of a property-management company. (Note that some co-operatives in financial difficulty have an agreement with CMHC that requires them to use a property-management company.) CHF Canada's *Choosing Management for Your Co-operative* can help you make your decision. You can download CHF Canada's guide from the [resource centre](#) on the CHF Canada [website](#).

Co-ops that want to hire their own staff will find CHF Canada's *Guide to Hiring a Housing Co-operative Manager* useful. You can find it in the [resource centre](#) on the CHF Canada [website](#).

The Agency for Co-operative Housing wrote this guide to help federal-program housing co-operatives in Ontario use a tender call to choose a property-management company. The package includes a model *Management Services Agreement* that meets CMHC's requirements.

This icon  appears in the guide wherever a form can be completed electronically. When you click on the icon, it will direct you to a fillable PDF on our [website](#). The guide and tender package are meant for federal-program housing co-operatives. The agreement in this package may not meet all of the rules of the Ontario *Housing Services Act* (HSA) and your municipal service manager. Co-ops operating under the HSA should use the CHF Canada Ontario Region's 2012 guide.

Why Tender?

Every co-op wants to get value for money when it chooses a manager. This means getting quality services at a competitive price. A good tendering process can help you do that.

Who Carries out the Tendering Process? Who Makes the Hiring Decision?

It is the job of the board of directors to hire the property-management company. The board may choose to tell the members what is happening through newsletters or at members' meetings, but the hiring decision is the board's to make. The first step is to strike a small committee of board members to carry out the process. The board may wish to invite one or two residents who are not on the board to sit on the selection committee. The committee will bring its recommendation to the full board for a decision.

A tendering process takes time and has many steps. CHF Canada or your regional co-operative housing federation may be able to help with parts of the process. We encourage you to seek their help.

Your co-op may need the approval of the Agency, acting on CMHC's behalf, before awarding a contract for management services. Your Agency relationship manager can tell you more.

Preparing for Tendering

There are three main steps in getting ready for a tender call:

1. Set a clear timetable. This guide includes a sample timetable that lists all of the steps you will need to take. The selection process takes about three months from start to finish.
2. Fill in the blanks in the model *Instructions for Bidders*, the *Summary of Housing Co-operative and Its Management Requirements* and the *Management Services Agreement*.
3. Decide which companies to invite to tender. The Agency can give you a list of companies it knows of that operate in Ontario. The list includes firms that specialize in managing housing co-operatives and others that manage rental properties in the private sector. To get three quotes you should invite at least five companies to bid.

During the Tender Process

You can send out the invitation to tender by e-mail.

You may want to hold an information session on site about halfway through the tender period. This is a good way for all bidders to see the property and meet board representatives. If a site visit is mandatory, say clearly in the tender call that all bidders must come to the information session and sign in.

The tendering process needs to be fair. You should take great care to treat all possible bidders alike during the tendering process. All bidders need to get the same information and the same answers to their questions. Put all answers in writing and give them to all bidders, even those who did not ask the question.

You will need to go over the bids carefully after the tender call closes. You may find that you need more information to make a decision. If so, you can ask for further details in writing or interview the bidders. Your confidence in the company you hire is as important as its price. You need to feel sure that the winning bidder will do good work for you and can give you all the services you need.

Is There an Alternative to Calling Tenders?

Yes. Your co-op can choose a firm from the Agency's [Vendor of Record List](#) without going to tender. The VOR List includes experienced firms that have committed to providing services at the prices shown in the List. The List was compiled following a public Request for Supplier Qualifications.

Tender Package

The tender forms and model *Management Services Agreement* in this guide will help you hire and direct your property-management company.

There are blanks to complete in

- the [Instructions to Bidders](#)
- the [Summary of the Co-operative and Its Management Requirements](#)
- Schedule A of the [Management Services Agreement](#)
- the [Bid Form](#) (except for things the bidder must fill in).

Some details in the *Management Services Agreement* must wait for the end of the tendering process. These are

- the name of the property-management company
- the dates on the Agreement
- the fees listed in Schedule A of the Agreement.

Certain text is optional. You will have to decide whether it applies in your case. These places are clearly marked.

You do not need a perfect tender document. What is important is that

- companies bid on the same thing
- you treat all bidders or potential bidders in the same way.

You may make a mistake or want to change something in the documents after you have sent them out. In that case, just write up your changes and send them to all the companies you invited to submit bids.



Timetable for Hiring a Property Management Company

Note: Start the process three months before you want the company to start work.

WEEK	DATE WEEK STARTS	STEPS IN THE PROCESS	TASKS	COMMENTS	COMPLETED
1		Finalize the tender package: <ul style="list-style-type: none"> • Instructions to Bidders • Summary of Housing Co-operative and its Management Requirements • Management Services Agreement • Bid Form 	Board or Selection Committee sees that blanks in the documents are filled in and options addressed.	Begin 3 months before the property manager's services are to start.	
2		Contact potential bidders.	Identify interested property-management companies. Send the tender package to at least 5 firms to get at least 3 bids.	Use the sample e-mail message included in this guide.	
5		Hold an information session.	Host a tour of the property and give firms a chance to ask questions at a meeting on site. Attendance can be optional or mandatory.		
2-6		Answer questions from bidders.	Questions bidders ask outside the information session must be put in writing. The questions and answers must be shared with all firms invited to bid.		

WEEK	DATE WEEK STARTS	STEPS IN THE PROCESS	TASKS	COMMENTS	COMPLETED
6		Deadline for Bids	As shown in the tender package		
7-8		Bid reviews, interviews, presentations	Review all the proposals first. Then decide which firms to interview.		
9		Committee recommendation and board decision	Rank the submitted Bids and choose a company. Obtain Agency approval if needed.		
10		Make an offer to the company chosen.			
11		Sign the agreement.	Complete the agreement, filling in the remaining blanks.	Agreement should be signed no later than 1 week before start date.	
12		Start date		Usually the day after previous contract expires, if there is one.	



Bidder Selection Process

You will need to study the Bids that come in and choose the firm that best meets your needs. Follow the three-step process below.

Step 1

Review each bid to make sure it meets the mandatory requirements listed in the *Instructions to Bidders* and shown below. Disqualify any Bids that do not meet the first six and, if applicable, the seventh.

Mandatory Requirements		
Bidder:		Y/N
1.	Bid came in by the submission deadline.	
2.	Bid Form in Call for Tenders was used; all information was included; all questions have been answered; Bid is signed by the Bidder's authorized representative; Bid complies with all instructions to Bidders.	
3.	Bidder is incorporated.	
4.	Bidder is carrying or has said that it will get the minimum required insurance.	
5.	Bidder currently manages properties numbering at least 200 residential units altogether for at least four different third-party clients. —OR— Bidder currently manages properties numbering at least 100 residential units altogether for at least two different non-profit housing co-operatives and Bidder's principals between them have managed properties numbering at least 200 residential units altogether for at least four different third-party clients.	
6.	Bidder has a strong back-office capacity and the ability to integrate our housing co-operative into its larger management systems.	
7.	Bidder can provide service in French (answer NA if not applicable)	

Step 2

Look at the capacity of each bidder kept through Step 1. You can use the form below to do this. You will need to decide on a minimum acceptable total score. Check the bidders' references before scoring the bids.

Capacity		
Bidder:		
Factor	Max Score	Bidder Score
Clarity of response: the clarity of the response and understanding shown of the co-op's needs	10	
Staff resources: the experience, qualifications and general suitability of the Bidder's key personnel (senior managers, property-management staff and accounting staff)	20	
Property management approach: the Bidder's property-management systems and approach; its process for taking on new clients; its capacity to select, train, direct and evaluate staff, including any maintenance or caretaking staff; how it handles emergencies during and after business hours; its ability to provide substitute staff during illnesses, vacations and other absences	25	
Quality control: how the Bidder ensures the quality of its services and those of tradespeople; how the Bidder deals with errors, omissions, delays and tenant or member enquiries, concerns and complaints	15	
Experience and past performance: the Bidder's experience and track record in managing rental residential properties; if relevant, the Bidder's experience in managing financial workouts	20	
Knowledge of co-operative housing: how well the Bidder knows co-operative housing; its ability to support the co-op's good governance	10	
Maximum Score	100	

Step 3

Rank the bidders by capacity score, from highest to lowest. Look at the pricing of the top three firms. Unless its capacity score is below your minimum, choose the one with the lowest price.

Conduct any planned interviews. Then choose a firm from among the three top-ranked firms.

Calling For Tenders

Plan to send the tender package to at least five firms. (Your aim is to get at least three quotes.) The package includes these four fillable PDFs:

- [Instructions to Bidders](#)
- [Summary of Co-operative and its Management Requirements](#)
- [Management Services Agreement](#)
- [Bid Form](#)

You can find all four on the [Resources](#) page of the Agency's [website](#):

A brief e-mail message to accompany the documents is all that is needed. You can use the sample message below. The information companies need to prepare a bid is in the tender documents.

Sample E-mail

<< *insert name of co-operative* >> is soliciting tenders for residential property-management services. If you are interested in submitting a Bid, please follow the instructions in the attached tender package. The closing date for this tender is shown in the tender package.

Appendix A: Model Tender Documents

- [Instructions to Bidders](#)
- [Summary of Co-operative and its Management Requirements](#)
- [Management Services Agreement](#)
- [Bid Form](#)