

FAIRLINGTON COMMONS

Professional Management Study Committee

Scope of Work—Discussion Draft

Objective

To provide written guidance to the Board of Directors on the desirability of hiring a professional management company to manage certain affairs of the Fairlington Commons community.

Background

In response to Community interest, the Commons Board of Directors wishes to explore the possibility of turning over some of its management functions to a professional management company.

Currently, the all-volunteer, five-member Commons Board contracts for the following services: tax and accounting (including crediting of condo fees to the right unit), general contractor, roof repair/replacement, painting, plumbing and sewer, paving, pool lifeguard, electrical, lighting and signs, legal, insurance, landscaping, tree pruning, snow removal, newsletter printing, concrete, trash and recycling. This list may not be all-inclusive.

Board members handle administrative functions, set and enforce policy and procedure, prepare and distribute newsletters, compete and award contracts, pay bills, prepare minutes of meetings, maintain records, and oversee our website. A paid individual living on-site coordinates contractors and handles service requests. Volunteers manage the tennis court and pool.

Work Plan

Obtain a comprehensive body of information from not fewer than two villages in South Fairlington that employ a professional management firm, and preferably at least one other association. If the lay management of only two villages is consulted, each must use a different management company. The other villages are the Mews, Green, Glen, Meadow and Arbor, and contact information on the volunteer management of each of them is available through the Fairlington Historical District website.

The Board knows that, within the past three or so years, the Mews and Green have changed management companies. The Green also has a size and terrain similar to the Commons. These associations might be a valuable source of information.

Determine from these lay Board members who they use, what services *in detail* the management company provides, how long they have used the firm, their experience with it, and their view of the advantages and disadvantages of professional management. To assure all questions get addressed and all necessary information obtained, consider developing a questionnaire.

A copy of a current management agreement or a scope of work for professional management services would be very helpful in this process and should be obtained, if possible.

In addition, talk to three separate management companies about the services *in detail* that they offer, their qualifications, their liability insurance including errors and omissions if any, and the cost of those services. We would like to see the services offered listed as separately costed line items. For example, administrative services, \$000.00; contract management, \$000.00, etc. We also want to know if any management company insists on any pre-conditions before agreeing to a contract and, if so, what they are. For example, do they require that they handle accounting services or can an association contract with a third party for such services?

To assure all questions get addressed and all necessary information obtained, consider developing a questionnaire.

In identifying services, be specific. For example, listing “administrative services” without an explanation of what they cover will be insufficient for the Board’s purposes. Services presently contracted out that would be performed by professional management should be identified, as well as those that could be, if the Commons chose. For example, the Board foresees no role for a service co-ordinator if there is professional management. Similarly, additional services for which we would need to contract if we had professional management should be identified. An independent audit is a candidate.

Special Concerns

As a supplement to the information collected from other villages, there are several important questions that need to be addressed.

What is the role of professional management in rules enforcement?

What decisions are handled by the professional management company and what decisions remain in the hands of the Board? Specifically, where does the scope of the professional management company begin and end?

What types of feedback will the Board receive from the professional management company? In what particular format will this feedback be provided? What will be the frequency of this feedback? Will there be channels available for the Board to easily and openly respond to and comment on this feedback?

What oversight controls will be used by the Board to monitor the performance of the professional management company? How will the Board be made constantly aware of the decisions and actions of the professional management company?

What will be the procedure for handling disclosure documents? What are the fees associated with these documents? Will timeliness be an issue of concern?

Feedback to the Board

At the monthly Board meeting in April, a Committee representative, preferably the chairperson, must provide a briefing on the Committee's work over the past month, what the plans are for the coming month, problems encountered if any, and whether or not the project is on schedule.

Schedule

Submit a draft report to the Board at its May meeting. After review and markup of the draft by the Board, submit a final report to the Board at its July meeting.

Deliverable

A written report that explains in detail the services a management company can offer and the price, preferably broken down by line item. The report must also include the experiences other volunteer Boards have had with management companies, along with advice on advantages and disadvantages.

The report must include sample management agreements and/or scopes of work, if they can be obtained. In addition, a list of who was interviewed, their job title and corporate/village affiliation must be included.