

To: SVHOA Members
From: Jeremy Purbrick
Date: October 16, 2007
Re: **New Management Company**

This is to summarize the process the board used to select an HOA management company for the next three years.

1. In response to inquiries from the board's president in April and May, four companies (including HRW) expressed interest in bidding. Tony Smith arranged for three of these companies (Berkeley, CAS and Magnolia) to make brief presentations of capability at our July board meeting.
2. On 6/26 Tony asked the board to exclude him from the evaluation process because he intended to take an interest in one of the bids. The four remaining board members agreed to this request, and Jeremy Purbrick took over the lead role.
3. During July we developed a formal Request for Proposals document and issued it on 7/24.
4. The document was sent to the above four companies and was also publicized on the association's website, and through an email announcement.
5. In response to our open invitation two other companies (CAMS and Talis) asked to bid. We happily agreed and promptly met with each of these companies to exchange background information.
6. We received a bid from all six of the interested companies by the published deadline of 9/10/07.
7. At the end of the 9/12 Board meeting Tony left and the four other directors discussed the bids. As recommended by the Community Associations Institute, we ranked the proposals by assigning scores on a list of more than 30 parameters. Based on this ranking we selected the two most promising candidates for further evaluation.
8. We held follow-up meetings with Talis and with Berkeley in the next two weeks.
9. Based on these meetings the evaluation worksheet was updated to yield the final rankings (attached). In essence, the analysis showed that any of the six bidders could likely do an adequate job. The main differentiators were the overall impression of the company's management and assigned community manager, local presence, stance on in-house maintenance, and price.
10. Berkeley got the top ranking because its principals have the unique advantage of being SVHOA members with in-depth experience of community management, and with detailed knowledge of Southern Village needs.
11. Based on a unanimous vote of the four independent directors, we selected Berkeley as our new manager on 9/27, subject to negotiation of an acceptable contract.
12. On 9/28 Tony tendered his resignation as SVHOA President and on 10/9 Jeremy was elected as his replacement.
13. Led by Dick Lowe for SVHOA, we developed a mutually acceptable contract with Berkeley and signed it today.

Parameter	Bidding Company					
	A	B	C	D	E	F
1 Firm's philosophy of HOA management	3	3	2	2	3	3
2 Number of associations managed	2	3	3	3	2	3
3 Overall impression of executive management	3	2	2	2	3	3
4 Overall impression of local management	3	1	2	2	2	2
5 Overall impression of assigned community manager	3			2	3	3
6 Years of experience managing HOAs	3	3	3	3	2	3
7 Professional affiliations	3	3	3	3	3	3
8 Management of nearby associations	1	1	3	2	3	3
9 Local presence	3	2	3	2	2	1
10 Use of external and internal training programs	2	3	2	2	2	3
11 Technical knowledge of maintenance trades	3	3	2	2	2	3
12 Technical knowledge of accounting and finance	3	2	3	3	2	3
13 Technical knowledge of legal and regulatory issues	2	2	3	3	2	3
14 Understanding of SVHOA governing documents	3	2	2	3	2	2
15 Knowledge of industry best practices	2	2	2	2	2	3
16 Approach to handling rules & regulations enforcement	3	1	2	2	2	2
17 Approach to obtaining homeowner involvement	3	1	1	2	2	2
18 Approach to communicating with members & residents	3	2	2	2	2	2
19 Approach to communicating with directors & committees	3	2	2	2	3	3
20 Board meeting reports	3	2	2	2	2	3
21 Effectiveness of operating procedures	2	3	2	2	2	3
22 Effectiveness of financial reporting	2	2	2	2	2	2
23 Quality of firm's website	1	1	3	1	1	3
24 Ability to link with southernvillage.org	3	1	1	1	1	1
25 Ability to comply with SVHOA's specified Scope of Work	3	2	2	2	2	2
26 Firm's stance on in-house maintenance	3		3	1	3	3
27 Firm's stance on "contract overrides"	3		3		3	3
28 Liability, fidelity bond and errors of omission coverage	2	3		2	3	2
29 Base Price	3	3	2	2	1	2
30 Extra fees	3	1	1	1	2	2
Total points	79	56	63	60	66	76

Key: Excellent = 3, Good = 2, Poor = 1

Revised: 9/26/07