

The RAP

A Summary of Conference Call Highlights and Other News

This edition focuses on REAC's Quality Assurance and Inspector Administration functions. Questions or comments about anything in this newsletter should be sent to: REACReverseAuctionProgram@hud.gov

The Reverse Auction Program

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The Coordinator's Corner
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Partnership in Progress

Life is good. Although you didn't win every lot you bid on in the last auction, you won enough to maintain an acceptable stream of income from REAC inspections for the next few months. You've lined up your inspectors; contacted property representatives; sent out confirmation letters; received an acknowledgement of receipt from each property; and updated Scheduler with the inspection dates. You've done everything right. Knowing that you've met REAC's scheduling deadline and dodged the dreaded "possible termination for default" email from RAP for unscheduled inspections, you sit back and enjoy a moment of calm. Now, you're free to focus on preparing for your own inspections...and then the storm hits! The inspector you've scheduled for several of your inspections, including those three remote apartment complexes in Montana, has just been decertified and now you're back to square one.

A decertified inspector can be a contractor's nightmare, particularly when the individual is one and the same. So what constitutes decertification and more importantly, how can it be avoided?

Contrary to popular opinion, decertification is not HUD's convoluted scheme to remove certain inspectors but a process to ensure the consistency and accuracy of inspections and increase the probability that completed inspections will be accepted by PASS' Inspection Review Team.

REAC's goal is to maintain those inspectors that are technically sound and help HUD achieve its goal of publishing inspection reports for its business partners that are both technically accurate and on-time. Quality Assurance and Inspector Administration identify out-of-standard practices through the CQA and LQA and de-certify inspectors that compromise the veracity of HUD inspections.

Contractors should keep abreast of changes to REAC UPCS Protocol and Inspector requirements by regularly accessing the Physical Inspection website at: <http://www.hud.gov/offices/reac/products/prodpass.cfm>

The QA "Question of the Month" provides specific guidance on recording deficiencies on the inspection report and can be accessed at: <http://www.hud.gov/offices/reac/products/pass/qa.cfm>

There are more ways to become decertified other than by accumulating three performance deficiencies. Inappropriate conduct and failing to upload a successful inspection within a 12-month period can lead to immediate decertification. An appeal of a decertification action can be filed by following the guidelines included in the decertification notification. REAC's policy on decertification can be found at: <http://www.hud.gov/offices/reac/products/pass/inspectors.cfm>

Things are changing everyday at HUD and we are busy at the Reverse Auction Program preparing for the challenges ahead. Congress' new political landscape, critical economic realities and the expectation of increased budget constraints in 2012 for all federal agencies make the question: *how can we do more with less...* more important than ever before in government history. The monumental challenges facing our agency can only be met when HUD and its business partners participate in creating a more efficient agency—together. *Innovation and Open Government*, a recent addition to HUD's website, opens HUD's doors and invites the public to participate in an open and transparent government. You may log onto: : <http://portal.hud.gov/hudportal/HUD?sr=open> and become a part of making a good agency better by learning about HUD's top initiatives and providing feedback.

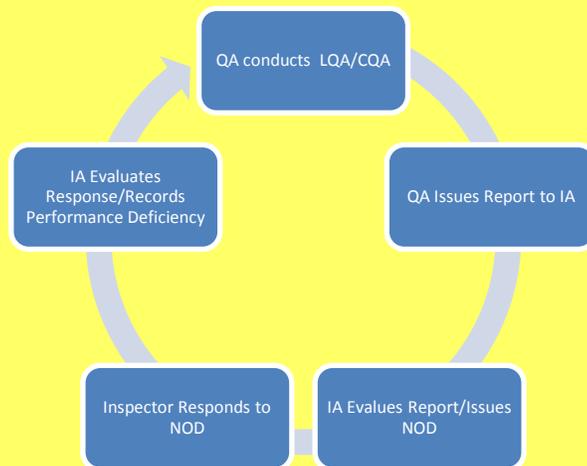
We are excited about the upcoming public housing and multi-family auctions in March and look forward to a busy summer.

Making the Most of the CQA

Dealing with the attitudes of reluctant property representatives and inconvenienced tenants can be trying enough but a surprise visit by a QA inspector on the day of the inspection can certainly turn an already challenging inspection upside down. So how can inspectors make the most of the CQA? By treating the CQA as a review session rather than as final exam. In order to do this, it's important to understand that the purpose of the CQA is to identify out-of-standard practices. Since REAC's protocol deviates from industry practices in many areas, CQAs and LQAs ensure inspectors adhere to HUD's strict requirements. During a CQA, the QA inspector is present to observe how closely the inspector is adhering to REAC protocol when: recording deficiencies, interacting with property representatives and inputting information into the DCD. Although the QA inspector is NOT there to assist the inspector with evaluating the property's condition, the inspector can confer with the QA inspector in short, sidebar discussions to receive feedback on his or her actions. Discussions should not extensively prolong the inspection or require the QA to extend beyond his or her boundaries of "observing and giving feedback". A good rule of thumb for judging what is an appropriate question or issue to discuss with QA during a CQA is: a QA inspector is there to evaluate and comment on "what the inspector *has done*" not on "what the inspector *should do*". The CQA can be a valuable opportunity for inspectors to receive clarification on REAC's protocol so bad practices don't result in future performance deficiencies and rejected inspections. QA's goal is to CQA each inspector at least twice per quarter; however, funding constraints and limited personnel dictate the number of CQAs that can be conducted per fiscal year.

De-Mystifying the De-Certification Process

De-certification is a process of simple math. When an inspector receives three performance deficiencies, he or she will be de-certified. Although the path to de-certification is a simple one, REAC has implemented a system instilled with checks and balances that ensure cited performance deficiencies have been thoroughly reviewed and the inspector has been given ample time to provide his or her explanation of events before an adverse administrative action is taken. The process of identifying a performance deficiency and issuing an adverse administrative action involves two independent departments within REAC that exist outside of PASS' organizational structure: Quality Assurance (QA) and Inspection Administration (IA). This separation of duties ensures inspectors are evaluated by two independent departments that are headed by two independent managers. The process begins with QA and ends with IA making the final determination.



Inspectors are not obligated to disclose any pending administrative actions when accepting inspections. However, it is advisable that contractors tactfully pose the question with inspectors and be ready to enact a “plan B” to ensure inspection(s) are completed on time and/or a termination for default is avoided.

When an inspector is decertified, the contractor has a few options. The first step should be to evaluate the inspector's portfolio. The contractor is encouraged to use the facilities on Global eProcure to gather this information and work to reschedule the inspections with other certified inspectors.

Unless otherwise noted in the offering statement, the contractor may request *reasonable* extensions of the period of performance for each inspection that can be rescheduled. If the contractor cannot meet his/her obligations for the inspections that were properly scheduled for the decertified inspector, the contractor may request that REAC cancel the inspections without payment.

Coming Soon!

RAP will release a new Contractor Handbook in April 2011! This Handbook provides concise answers to your most important questions and will serve as a quick reference guide for successfully completing RAP purchase orders. The Handbook will be emailed to all eligible contractors and posted on the RAP website at:

http://www.hud.gov/offices/reac/products/pass/pass_reverse_auction.cfm

We want to hear from you! Email REACReverseAuctionProgram@hud.gov and let us know the issues you'd like to see addressed in the upcoming issue of The RAP.

THE AVOIDABLE ADVERSE ADMINISTRATIVE ACTION

One of the easiest and most avoidable ways for an inspector to be de-certified is to cancel an inspection that is scheduled for a Quality Assurance review. Per the Inspector Notice No. 2002-02 - Inspector Administration Business Rules, dated January 20, 2006: cancelling an inspection due to HUD performing a Quality Assurance review of the inspector may be cause for an inspector's immediate de-certification. Aggressive scheduling is a common practice among inspectors and contractors that result in cancelled inspections and lead to many inspectors being de-certified. Dismissing REAC's estimated duration for an inspection in order to increase income may be tempting; however, the unwanted consequence of this practice may be the de-certification--which doesn't contribute to anyone's bottom-line.

REMINDER!

When sub-contracting with inspectors, contractors should make sure the inspector's M# is still active in Secured Systems. Failing to access Secured Systems within 90-days will de-activate an inspector's ID number and require our IT staff to re-active the account. After 120-days, the inspector's ID is locked out of the system altogether. Inactive ID issues should be sent to: REAC_TAC@hud.gov