

# **CHAPTER 1: INSPECTOR GUIDE FOR UPCS INSPECTION PROTOCOL**

**U.S. Department of Housing and Urban Development  
Public and Indian Housing (PIH)  
Real Estate Assessment Center (REAC)**

## TABLE OF CONTENTS

ACRONYM LIST.....	1
<b>CHAPTER 1.....</b>	<b>3</b>
CHAPTER OBJECTIVES.....	3
<b>INTRODUCTION TO HUD'S PHYSICAL INSPECTION PROGRAM.....</b>	<b>4</b>
LEARNING OBJECTIVES.....	4
HUD'S PHYSICAL INSPECTION PROGRAM.....	5
MISSION.....	5
UNIFORM PHYSICAL CONDITION STANDARDS (UPCS).....	6
UPCS INSPECTION PROTOCOL.....	7
INSPECTABLE AREAS.....	8
UPCS SOFTWARE CONFIGURATION.....	9
TECHNICAL COMPONENTS OF THE PHYSICAL INSPECTION PROGRAM.....	12
SCORING.....	14
UPCS INSPECTION PROTOCOL OVERVIEW.....	16
INSPECTOR'S ROLE.....	18
INSPECTOR ASSOCIATION.....	19
CONTRACTOR/SERVICING MORTGAGEE HELP DESK.....	19
UPCS INSPECTOR CODE OF CONDUCT.....	20
SUMMARY.....	21
DISCUSSION.....	22
<b>UPCS INSPECTION PROTOCOL.....</b>	<b>23</b>
LEARNING OBJECTIVES.....	23
USING THE UPCS INSPECTION PROTOCOL.....	24
PROTOCOL PURPOSE.....	24
UPCS INSPECTION PROTOCOL.....	25
PHASE 1 - ESSENTIAL STEPS - PRE-INSPECTION.....	28
RECEIVE INSPECTION ASSIGNMENT.....	29
DOWNLOAD PROPERTY PROFILE.....	30
CONFIRM INSPECTION.....	31

<i>UPDATE INSPECTION SCHEDULE</i> .....	33
PHASE 2 - ESSENTIAL STEPS - INSPECTION .....	34
<i>TRAVEL TO PROPERTY</i> .....	35
<i>MEET WITH PROPERTY REPRESENTATIVE</i> .....	36
<i>VERIFY/UPDATE PROPERTY PROFILE INFORMATION</i> .....	38
<i>PROPERTY INFORMATION</i> .....	38
<i>PARTICIPANT INFORMATION</i> .....	39
<i>CERTIFICATES</i> .....	39
<i>OBTAIN AREA MEASURES</i> .....	41
<i>VISUALLY VERIFY/UPDATE BUILDING INFORMATION</i> .....	42
<i>NURSING HOMES, GROUP HOMES AND ASSISTED LIVING FACILITIES</i> .....	44
<i>GENERATE THE SAMPLE</i> .....	45
<i>SAMPLING DO'S AND DON'TS</i> .....	46
<i>IDENTIFY SAMPLE BUILDINGS</i> .....	47
<i>ENTER GENERATED SAMPLE UNITS</i> .....	47
<i>INSPECTION GUIDELINES</i> .....	49
<i>HEALTH AND SAFETY HAZARDS</i> .....	50
<i>LIFE-THREATENING HEALTH AND SAFETY HAZARDS</i> .....	51
<i>INSPECT SITE</i> .....	52
<i>INSPECT BUILDING EXTERIOR, BUILDING SYSTEMS AND COMMON AREAS</i> .....	53
<i>INSPECT DWELLING UNITS</i> .....	54
<i>ADD ALTERNATES TO INSPECT (IF NEEDED)</i> .....	54
<i>VACANT UNITS</i> .....	55
<i>CONFIRM/VERIFY INSPECTION DATA</i> .....	56
<i>COMPLETE NOTIFICATION OF EXIGENT AND FIRE SAFETY HAZARDS OBSERVED FORM</i> .....	57
PHASE 3 - ESSENTIAL STEPS - POST INSPECTION .....	58
<i>UPLOAD COMPLETED INSPECTION</i> .....	59
<i>VARIANCES</i> .....	60
<i>SUMMARY</i> .....	62
<b>QUALITY ASSURANCE</b> .....	<b>64</b>
<i>LEARNING QA OBJECTIVES</i> .....	64
<i>QUALITY ASSURANCE</i> .....	65
<i>THE QA FUNCTION</i> .....	65

*THE QA INSPECTOR* ..... 67  
*THE QA INSPECTION PROCESS* ..... 68  
*QA AND THE INSPECTOR* ..... 70  
*INSPECTOR ADMINISTRATION.* ..... 72  
*DISCUSSION* ..... 74

## ACRONYM LIST

## DEFINITION

ADA	Americans with Disabilities Act
CFR	Code of Federal Regulations
CIDR	Central Integrated Data Repository
CQA	Collaborative Quality Assurance Review
DCD	Data Collection Device
DMS	Degrees, Minutes, Seconds
DEC	Departmental Enforcement Center
EH&S	Exigent, Health & Safety
FAQ's	Frequently Asked Questions
FHA	Federal Housing Administration
FHEO	Fair Housing Equal Opportunity
FOIA	Freedom of Information Act
GAO	General Accounting Office
GPS	Global Positioning System
GTM	Government Technical Monitor
GTR	Government Technical Representative
H&S	Health & Safety
HUD	Department of Housing and Urban Development
IA	Inspector Administration
ID	Identification Number
IG	Office of Inspector General
ISP	Internet Service Provider
IT	Information Technology
L1	Level 1 Deficiency
L2	Level 2 Deficiency
L3	Level 3 Deficiency
LBP	Lead-Based Paint
LQA	Limited Quality Assurance Review
LTHS	Life-Threatening Health and Safety
MFH	Multi-Family Housing
M #	Identification number assigned to certified inspectors

N/A or NA	Not Applicable
NOD	No Observed Deficiency
NOD	Notice of Deficiency – used by IA
OD	Observed Deficiency
OGC	Office of General Council
ONAP	Office of Native American Programs
OS	Outside the Standard
PASS	Physical Assessment Subsystem
PHA	Public Housing Agency
PIC	PIH Information Center
PIH	Public and Indian Housing
PI-Ops	Physical Inspection Operations Group
POA or P/O/A	Participant/Owner/Agent
QA	Quality Assurance
RAP	Reverse Auction Program
REAC	Real Estate Assessment Center
REMS	Real Estate Management System (MF-Housing)
TAC	Technical Assistance Center 1-888-245-4860
UPCS	Uniform Physical Condition Standards
WS	Within the Standard

HUD Programs:

202/811	Elderly/ and Persons with Disabilities – inspected by PIH-REAC (one of 12 programs) and constitutes about ¼ of all inspections.
Section 236(b)	Non-Insured = about ¼ of PIH-REAC inspections, and about ½ are completed by Servicing Mortgagees on “Insured Mortgages”)
236(b)	Non-insured (but subsidized). Inspected by PIH-REAC.
2,1, Rule	PIH: 30-point criteria to establish the number of years required between inspections. (Determined individually by the weighted average of properties included within the PHA’s project.)
3,2,1, Rule	MFH: Uses scores to establish the number of years required between inspections. (=>90, <b>80 to 89</b> , 79 or less.)

## **CHAPTER 1 INSPECTOR GUIDE FOR UPCS INSPECTION PROTOCOL**

- **Introduction to HUD's Physical Inspection Program**
- **UPCS Inspection Protocol**
- **Quality Assurance**

### **CHAPTER 1 OBJECTIVES:**

- **Describe the purpose of the Physical Inspection Program**
- **Define the UPCS Physical Inspection Protocol and its importance**
- **Explain inspector's role and responsibilities**
- **Describe the role of HUD's Quality Assurance inspectors and how they support the Physical Inspection Program**

## ➤ INTRODUCTION TO HUD'S PHYSICAL INSPECTION PROGRAM

### **LEARNING OBJECTIVES:**

Upon completion of this Chapter, the inspector should know and understand...

- The purpose of the Physical Inspection Program
- The inspector's role within the Physical Inspection Program
- The UPCS Inspection Protocol and its role in the Physical Inspection Program
- The importance of accurately recording observations in the Physical Inspection Program
- How to contact the Help Desk (Technical Assistance Center) for inspector assistance



**HUD's  
Physical  
Inspection  
Program**

HUD's Physical Inspection Program is administered by the **Office of Public and Indian Housing, Real Estate Assessment Center (PIH-REAC)**. The purpose of the Physical Inspection Program is to assess the condition of properties for which HUD has an interest or obligation. Specifically, these include properties in which HUD:

- Insures mortgages
- Provides grants for developing and operating properties
- Provides subsidized rental payments, either directly or through the Public Housing Agency (PHA)
- Owns the property
- Forecloses on a mortgage
- Has a remaining statutory obligation to ensure certain housing standards

**REAC's  
Mission  
Statement:**

The Real Estate Assessment Center's (REAC) mission is to:

- provide and promote the effective use of accurate, timely and reliable information assessing the condition of HUD's portfolio
- provide information to help ensure safe, decent and affordable housing;
- restore the public trust by identifying fraud, abuse and waste of HUD resources.

**UPCS**

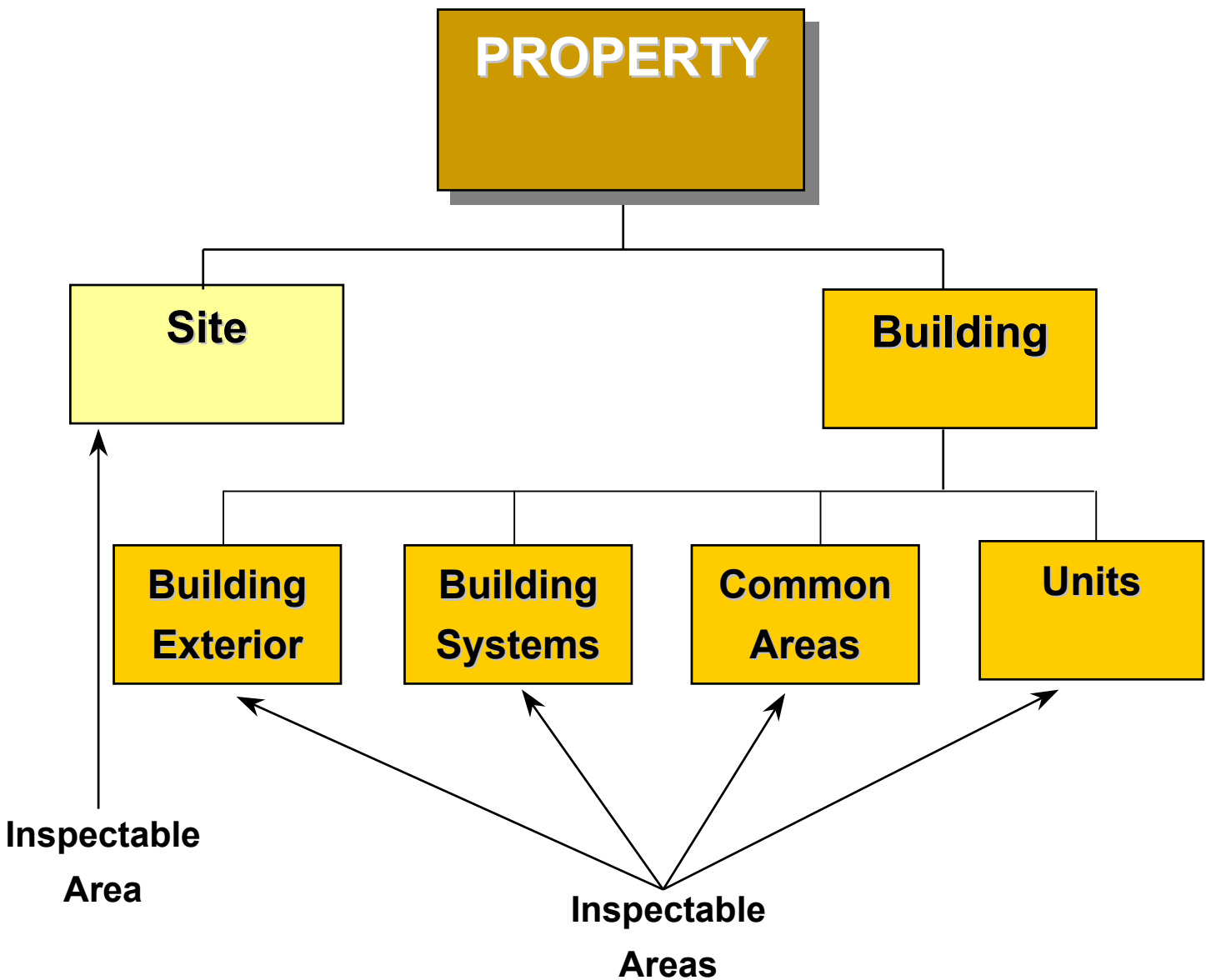
The **Uniform Physical Condition Standards (UPCS)** are the foundation of HUD's Physical Inspection Program.

The UPCS...

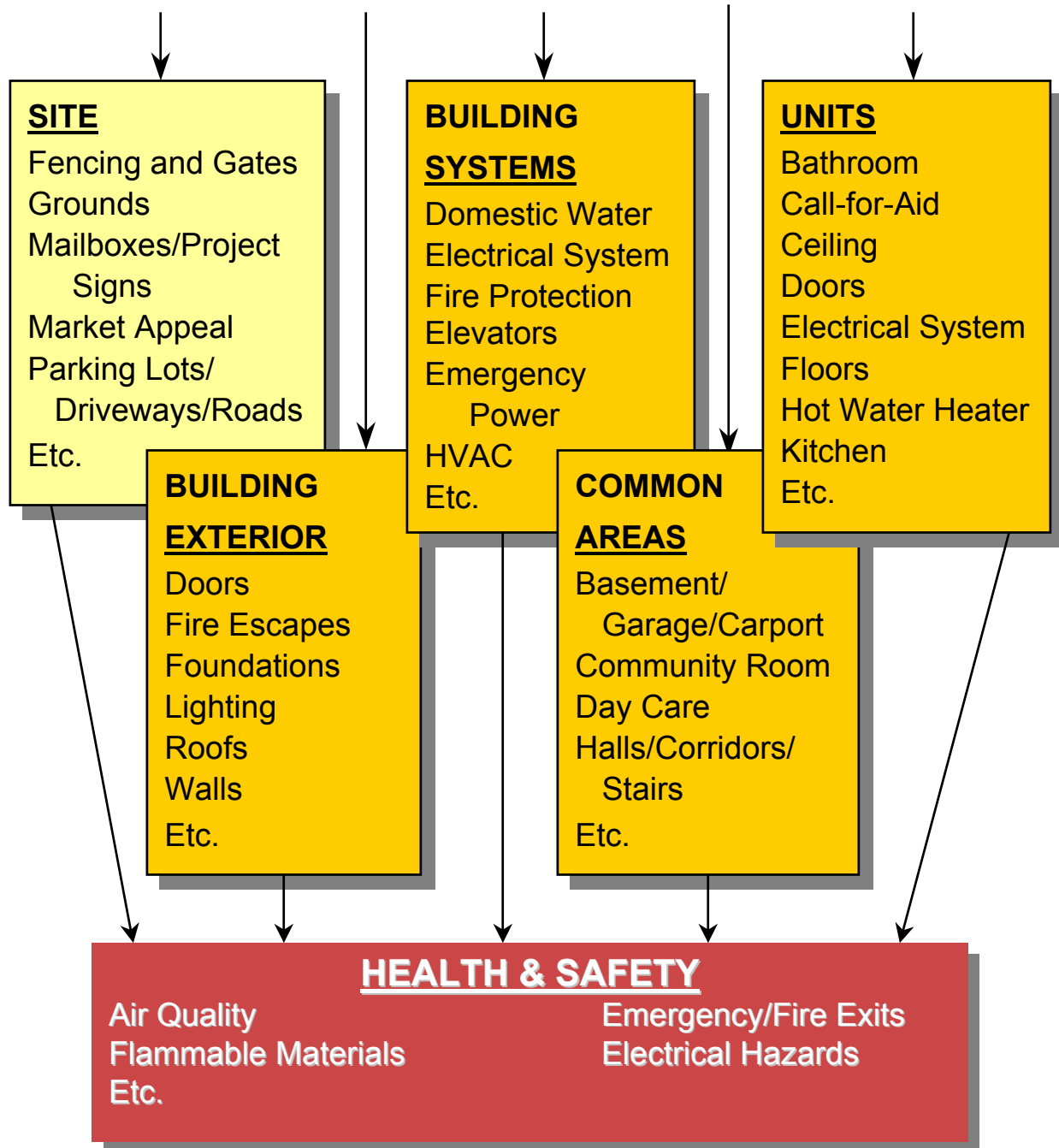
- Identifies the five inspectable areas and exigent health and safety hazards
- Establishes standardized definitions for inspectable items
- Is the basis for electronic inspections via UPCS software
- Provides uniform, objective protocol for performing inspections of all property types
- Provides the foundation for training inspectors

# UPCS SOFTWARE CONFIGURATION

## INSPECTABLE AREAS



## UPCS SOFTWARE CONFIGURATION INSPECTABLE ITEMS



**UPCS Software Configuration**

The UPCS software is designed to allow the inspector to capture inspection data in accordance with the UPCS Inspection Protocol. The inspector is required to examine the five **inspectable areas** of the property shown on the previous diagrams. The five inspectable areas are:

- Site
- Building Exterior
- Building Systems
- Common Areas
- Units

Each inspectable area has one or more **inspectable items** and may have one or more **Health and Safety hazards**. An inspectable item is a specific item within an inspectable area that the inspector is required to inspect (e.g., within the Site inspectable area, an inspectable item is fencing and gates). A Health and Safety item is a specific deficiency that, if present, creates a danger to the health and safety of the residents (e.g., poor air quality).

Inspectable items within each inspectable area are evaluated for possible **deficiencies**. A deficiency is an observable defect of the inspectable item. Inspectors make observations about the condition of inspectable items and record the condition using the UPCS software in one of three possible ways.

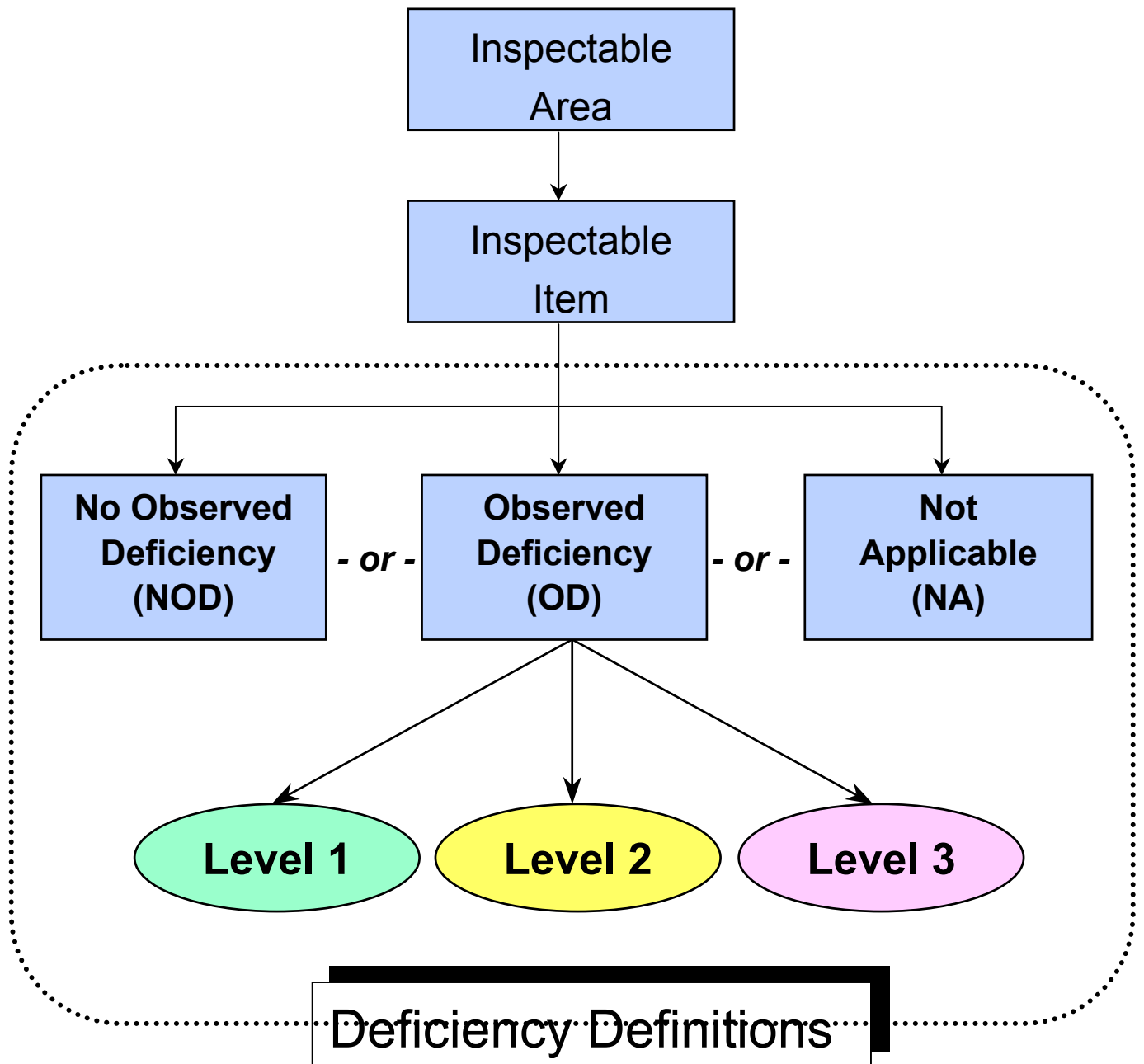
1. **No Observed Deficiency (NOD)** - The inspectable item does not have any observed defects.
2. **Observed Deficiency (OD)** - The inspectable item has one or more observed defects.
3. **Not Applicable (NA)** - The inspectable item is not applicable for the inspection area. In other words, the item is not present and was not intended to be present.

The inspector must rate each observed deficiency as **Level 1**, **Level 2**, or **Level 3** according to the definition in the UPCS Dictionary of Deficiency Definitions.

Each deficiency has its own definition for Level 1, Level 2, and Level 3 ratings. For Level 3 ratings, the inspector must identify the location and enter key deficiency comments in the *Comments* text field of the UPCS software. Some deficiencies may not have definitions for all three ratings.

A description of each inspectable item and the rating scale for its possible deficiency are explained in **Chapter 3: UPCS Definitions Training**.

## UPCS SOFTWARE CONFIGURATION



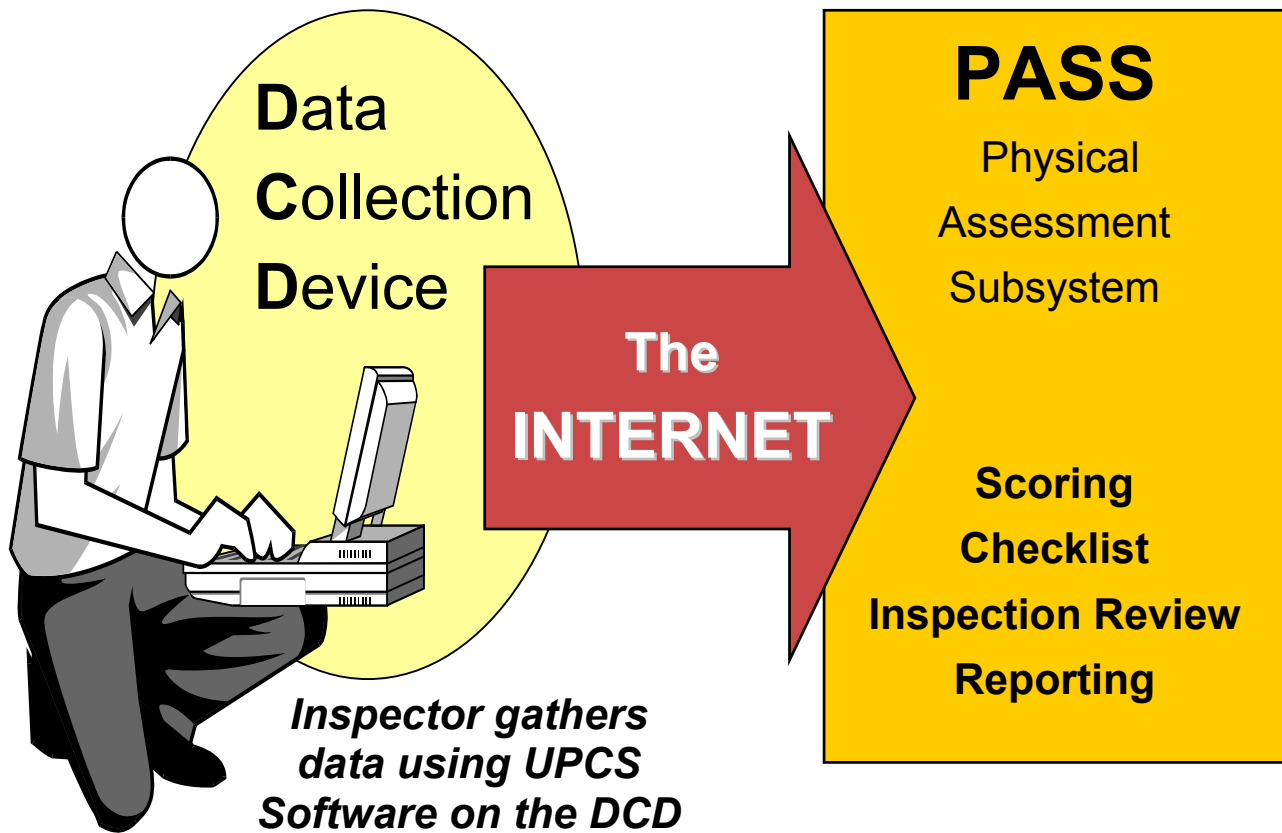
**Technology  
Components of  
the Physical  
Inspection  
Program**

The Physical Inspection Program uses three technology components, which are integral to the collecting, storing, and reporting of physical assessment information. Proper use of the information technology systems is discussed in greater detail in **Chapter 2: UPCS Software Training**. The three components are:

1. The Physical Assessment Subsystem (PASS)
  2. The Internet
  3. A Data Collection Device (DCD) (a hand-held computer) installed with the UPCS software
- **PASS** - PASS is where all scheduling occurs and where the raw inspection data, including property profiles and assessment results, is collected, processed, and stored. PASS has several key components:
    - Scoring – scores inspection data immediately upon receipt
    - Checklist – displays discrepancies between existing source data (REMS/IBS), and data collected by the inspector for a given property
    - Inspection Review – reviews inspections for any discrepancies. When discrepancies are discovered, inspectors are notified of them and are asked to provide clarification.
    - Reporting – generates both Internal reports (raw data, inspection results, scores) and External reports (property owner reports). A copy of the Inspection Summary Report is located in **Appendix A**.
  - **The Internet** - The Internet is the “conduit” by which data travels from the DCD to a central location where it is archived, checked, undergoes quality assurance, and is processed by the PASS software. The Internet allows inspectors to electronically transmit recorded observations of a completed inspection to HUD databases.
  - **DCD** - A stand-alone, hand-held computer used by the inspector for data collection. This device is used to upload and download files and record the inspector’s observations using the UPCS software.



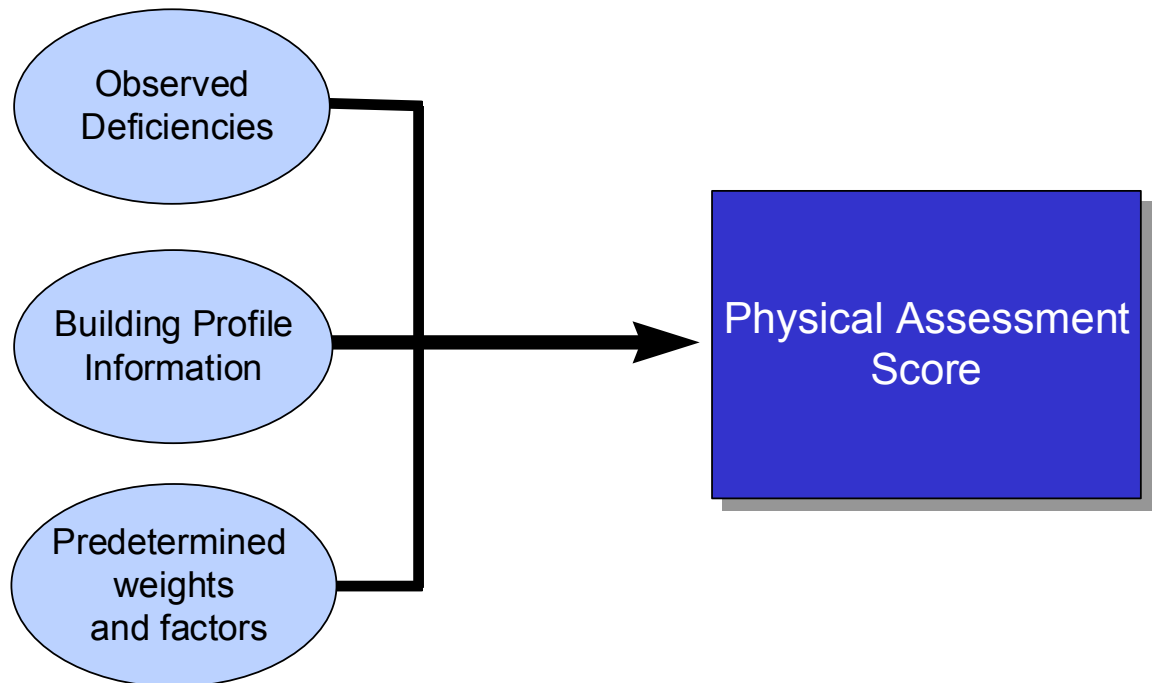
## PHYSICAL INSPECTION PROGRAM TECHNOLOGY COMPONENTS



**Scoring**

The UPCS Inspection Protocol provides a standardized procedure to thoroughly evaluate the physical condition of HUD properties.

When inspection data is uploaded to PASS, it is automatically checked and validated using an objective, comprehensive set of business rules. For example, if the inspector has not recorded all certificate information, the inspection data cannot be validated. The inspection score is produced by using computerized formulas.



Because scoring takes all inspectable areas into account and weighs inspectable items and ratings accordingly, the final property score is a comprehensive indicator of the physical condition of the property.

HUD takes action against PHAs and owners/agents when the physical inspection results show the property is not decent, safe, sanitary, and in good repair. Troubled public housing properties are referred to HUD program staff who work with PHAs to resolve troubled conditions. High-risk multifamily properties are referred to HUD's Departmental Enforcement Center (DEC) for review and a Corrective Action Plan or are under plans for corrective action, which are being monitored by Multifamily Housing.

Questions concerning the scoring process should be directed to the Technical Assistance Center (TAC) at **1-888-245-4860**.

**UPCS  
Inspection  
Protocol  
Overview**

PASS uses an extensive physical assessment process to collect data on the physical condition of HUD properties. HUD has established a comprehensive and standard set of rules and procedures that must be followed, referred to as the **UPCS Inspection Protocol**, to gather the physical data on HUD properties. This protocol defines the process for properly completing an assessment. All assessments must follow the protocol to be accepted by HUD. This guarantees a standard and objective approach and makes this process thorough and effective.

The **UPCS Inspection Protocol** is the standard set of rules and procedures to be followed on **all** inspections.

The physical inspection process is divided into three phases as listed below. Each phase includes specific essential steps. The essential steps are in sequence as follows:

**Pre-Inspection:**

- Receive inspection assignment from contractor
- Download property profile from the PASS database
- Confirm inspection with POA and arrange date and time
- Update inspection schedule using Scheduling software

**Inspection:**

- Travel to site
  - Arrive on time
  - Display the HUD-issued identification badge at all times
- Meet with property representative
  - Identify yourself as an inspector of HUD properties not an employee of HUD
  - Verify notification letter was sent to residents
  - Always be accompanied by the property

representative while on the property

- Verify/update property profile (property, participant, certificate and area measures information)
- Visually verify/update building information (e.g., building address, number and types of buildings, number of units in each building)
- Generate sample
- Identify sample buildings
- Enter generated sample units
- Inspect site, building exterior, building system, common areas, and dwelling units
- Confirm/verify inspection data
- Complete *Notification of Exigent and Fire Safety Hazards Observed* form if applicable

**Post Inspection:**

- Upload completed inspection to PASS

The roles, responsibilities, and tasks in each of these essential steps are discussed in greater detail in the UPCS Inspection Protocol section.

This assessment process relies on the use of trained and certified inspectors who have a comprehensive understanding of the UPCS Inspection Protocol and the UPCS software.

**Inspector's Role**

The inspector records the physical condition of the property, as it exists at the time it is inspected. An inspector cannot change the inspection report if a deficiency is repaired in view of the inspector.

**Inspector's Role:**

- Perform objective, factual physical assessments
- Conduct inspections according to the UPCS Inspection Protocol
- Ensure consistency by complying with UPCS

HUD-certified inspectors have been trained and certified to conduct all essential steps in the Physical Inspection Program by following the UPCS Inspection Protocol. Inspectors visit a property to verify information and conduct an inspection of the property site, the selected buildings' exterior, building systems, common areas and selected dwelling units, recording information using the DCD.

Following the UPCS Inspection Protocol guarantees objectivity when gathering and analyzing physical assessment data. It is important that inspectors correctly and consistently adhere to the established protocol to eliminate subjectivity from the inspection, and promote consistent and comparable inspections across the HUD property portfolio. Inspections conducted following the protocol yield objective scoring and performance assessments.

**Inspector  
Association**

**Reverse Auction Program:**

- Contractors are required to access the auction website to bid on posted inspections and schedule inspections as awarded by PIH-REAC. Qualified Reverse Auction Program inspectors are required to participate in training courses, perform quality inspections in accordance with the UPCS protocol, and comply with Inspector Administration standards of conduct.

**Servicing Mortgagees:**

- Servicing Mortgagees are banks, lenders or other entities that provide mortgages for FHA-insured multifamily housing properties. Inspector assignments and fees are negotiated with the Servicing Mortgagee (not HUD).

**Help Desk**

Questions regarding the UPCS Inspection Protocol, as well as hardware and software concerns should be directed as follows:

- All inspectors conducting inspections for **Servicing Mortgagees and/or the Reverse Auction Program** must contact HUD's Technical Assistance Center (TAC) at **1-888-245-4860**.

The hours of operation for the TAC are: 7:00 AM to 8:30 PM, Eastern Standard Time.

## UPCS INSPECTOR CODE OF CONDUCT

Inspectors must always follow the **UPCS Inspector Code of Conduct** when inspecting properties for HUD.

- Maintain professional conduct and demeanor at all times during the inspection and interaction with the inspection participants. This includes arriving on the site at the agreed upon date and time.
- Display the HUD-issued photo identification card during the inspection.
- Defer questions from the residents regarding the property to the property representative.
- Do **not** make promises or representations that items will be repaired based on inspection results.
- Do **not** offer an opinion as to the quality of the property.
- Do **not** ever carry a firearm or other weapon onto a property.
- Do **not** invade a resident's privacy by attempting to open a closed door in their residence. Defer to the property representative.
- Do **not** use any inspection property's facilities, a multifamily property owner's office, a housing agency office, or a HUD field office, to conduct personal business.
- Do **not** disclose any information to a third party about the inspection results. Defer to the property owner or representative.



**Summary**

The purpose of the physical inspection process is to provide HUD with the ability to assess whether its properties are in a safe, decent, sanitary condition and in good repair. HUD uses the results to assess the overall condition of portfolios currently under its jurisdiction.

## HUD Physical Inspections

**Are:**

- Objective
- Consistent
- Comprehensive
- A means to assist HUD to prioritize and direct its resources
- A method to determine that housing is **decent, safe and sanitary and in good repair**



Discuss the following questions as a group.

1. How does PIH-REAC benefit HUD?
2. What is the system responsible for automating the physical assessments of HUD properties?
3. What are the three phases of the UPCS Inspection Protocol?
4. What is the inspector's role in the Physical Inspection Program?
5. What is the Inspector's Code of Conduct?
6. Name the three types of observed deficiencies during a physical inspection of a property.

### Discussion

## ➤ UPCS INSPECTION PROTOCOL

### **LEARNING OBJECTIVES:**

Upon completion of this section, the participant should be able to...

- Explain the purpose of the UPCS Inspection Protocol
- Describe each component of the UPCS Inspection Protocol
- Describe the consequences and the potential impact of not following the protocol

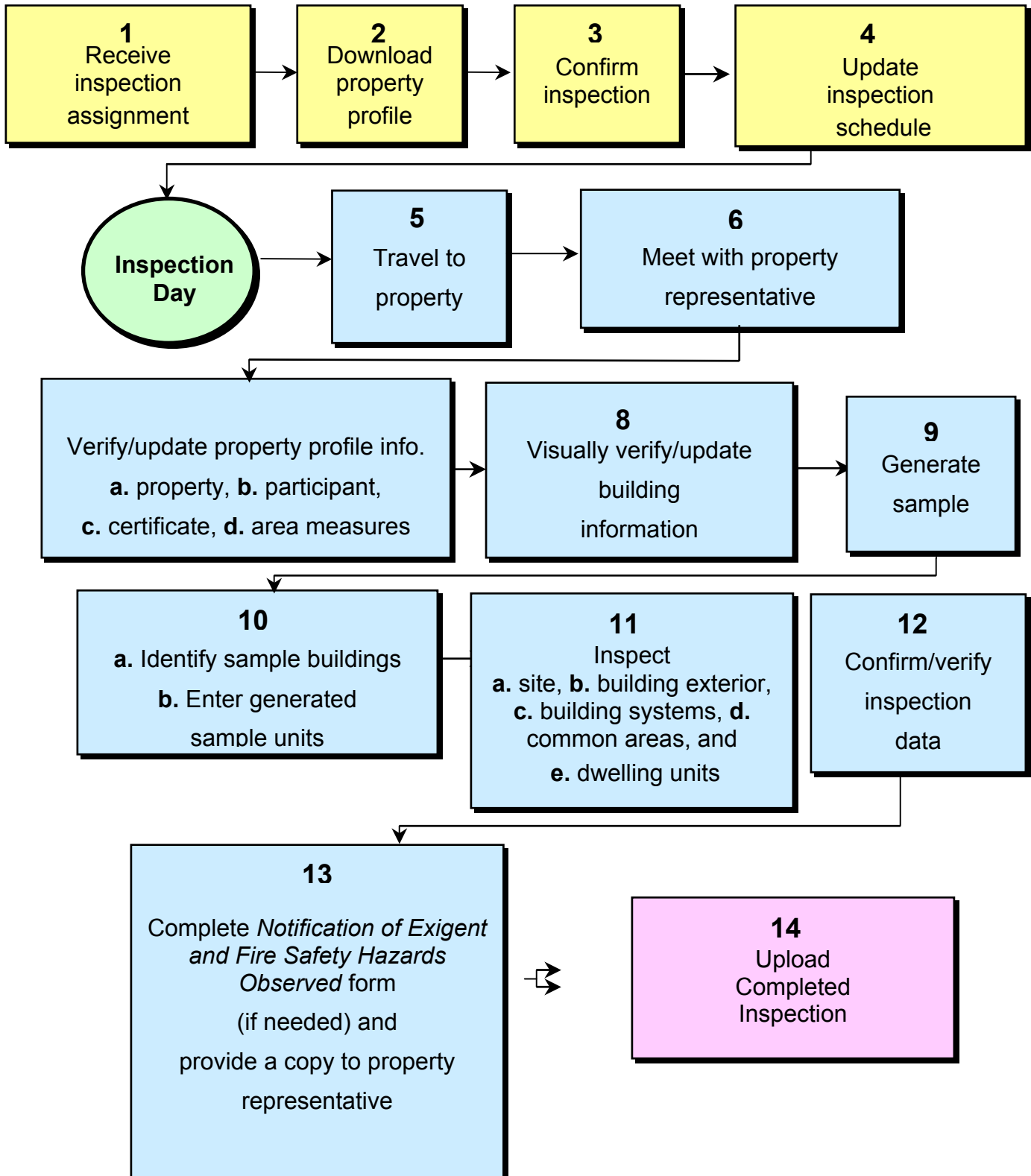
## USING THE UPCS INSPECTION PROTOCOL

***Protocol  
Purpose***

PASS provides HUD with accurate, consistent, and objective inspection data. In order to obtain objective data, it is critical that inspectors follow the UPCS Inspection Protocol. The protocol is a set of procedures and definitions used to standardize the inspection process. All HUD properties are inspected using the same protocol, and deficiencies must be rated according to the established criteria. Following the UPCS Inspection Protocol ensures that all properties are inspected consistently.

Go to the next page to review the UPCS Inspection Protocol chart.

## UPCS INSPECTION PROTOCOL



***The UPCS  
Inspection  
Protocol***

The UPCS Inspection Protocol provides inspectors with a standard procedure for conducting inspections and recording observed deficiencies. The UPCS protocol is divided into three phases. Each phase is further divided into essential steps:

**Pre-Inspection:**

1. Receive inspection assignment
2. Download property profile
3. Confirm inspection with POA and arrange date and time
4. Update inspection schedule

**Inspection:**

5. Travel to site
  - 5a. Arrive on time
  - 5b. Display the HUD-issued identification badge at all times
6. Meet with property representative
  - 6a. Identify yourself as an inspector of HUD properties, not an employee of HUD
  - 6b. Verify notification letter was sent to residents
  - 6c. Always be accompanied by the property representative while on the property
7. Verify/update property profile information:
  - 7a. For *Property*, this includes property name, property ID, scattered site information
  - 7b. For *Participant*, this includes name, title, participant address information
  - 7c. For *Property Certificates*, this includes information on property systems (e.g., sprinklers, elevators, boilers, and fire alarm systems), as well as lead-based paint
  - 7d. For *Area Measures*, this includes information for square footage of Walkways/Steps and Parking Lots/Driveways/Roads
8. Visually verify/update building information
9. Generate the sample

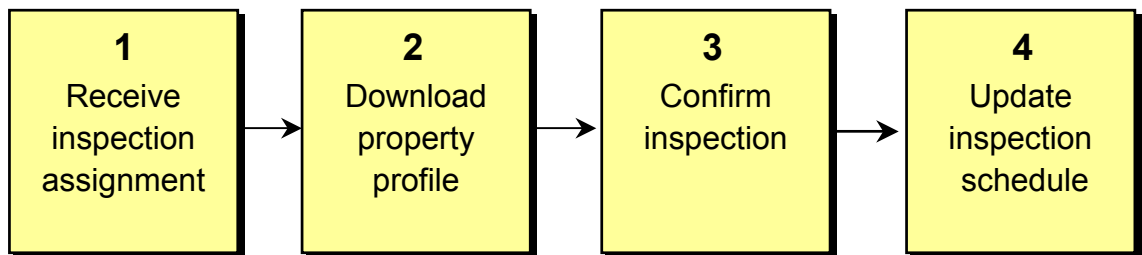
10. Sample Building and Units
    - 10a. Identify sample buildings
    - 10b. Enter generated sample units
  11. Inspecting
    - 11a. Inspect site
    - 11b. Inspect building exterior
    - 11c. Inspect building systems
    - 11d. Inspect common areas
    - 11e. Inspect dwelling units
  12. Confirm/verify inspection data
  13. Complete *Notification of Exigent and Fire Safety Hazards Observed* form and provide copy to property representative if applicable
- Post Inspection:**
14. Upload completed inspection

All steps must be followed in order to achieve accurate, reliable inspection results.

# UPCS INSPECTION PROTOCOL

## PHASE 1 – ESSENTIAL STEPS

### PRE-INSPECTION





**STEP 1****Receive  
Inspection  
Assignment**

HUD begins the inspection process by determining which properties need to be inspected and in what timeframe. PASS obtains the property profile information from other HUD systems and stores it on the PASS database. Each inspection is assigned a unique inspection number that is used for downloading and tracking purposes.

The Servicing Mortgagee is responsible for communicating inspection assignments and inspection numbers to their individual inspectors. Or, if the inspector is independently awarded an inspection via the Reverse Auction Program, he/she is responsible for that inspection. Once inspection assignments are received, the inspector can begin the scheduling process.

**Key Point:**

For Multi-Family Housing (FHA insured) property inspections, the servicing mortgagee is responsible for assigning inspections to their inspectors.

**STEP 2*****Download  
Property  
Profile***

The inspector must obtain the relevant inspection information, called the **Property Profile**, from PASS. The Property Profile is downloaded directly into the UPCS software from the PASS database.

The Property Profile contains:

- The inspection number
- Property information (e.g., property name, address, telephone number, number of buildings and units)
- Participant information (e.g., name, role, organization name, address, telephone number)
- Building information (e.g., building name, address, type, construction year, number of units)
- Total number of units

Once downloaded, information from the Property Profile is automatically entered into relevant sections of the UPCS software. This electronic data transfer reduces some of the manual input the inspector must do.

**STEP 3****Confirm  
Inspection  
with POA  
and  
Arrange  
Date and  
Time**

After the contractor/servicing mortgagee creates a tentative schedule, the inspector must contact the authorized property representative (a.k.a., property owner, management company, or PHA representative) to negotiate the actual inspection date and time. All inspections must occur in the presence of the property representative.

The inspector must make sure the property representative understands the purpose of the inspection. Inspectors should explain that the goal of the inspection is to objectively assess the physical condition of the property, **not** generate a list of maintenance issues. In the event the property representative refuses to permit an inspection, the inspector must immediately report the situation to the TAC (Technical Assistance Center).

**Key Point:**

The inspector is responsible for negotiating a mutually agreeable date and time for the inspection with the property representative. All inspections must occur in the presence of the property representative.

**Inspection Notification Letter**

The inspector is responsible for sending a letter of introduction informing the property representative of the purpose of the inspection and confirming the date of the inspection. This letter also informs the property representative of their responsibilities prior to and during the inspection.

The letter states that property representatives must:

- Provide the required written notice to their residents
- Accompany the inspector at all times during the inspection
- Be prepared to open all units identified in the inspection sample when the resident is not present and when the unit is vacant
- Be prepared to provide the inspector with detailed property information, including:

- The total number of units
- The total number of buildings
- The total number of units in each building
- The address or unique identifier for each building
- A copy of the document notifying residents of the inspection
- Any applicable certificates (e.g., elevators, sprinklers, etc.) including lead-based paint information for housing built prior to 1978
- The total percentage of all units occupied (occupancy percentage)
- The current rent-roll (all-inclusive list) clearly showing all units in the development whether occupied on the date of inspection or not.
- A site map or plat showing property layout and building locations, if available
- Provide two of the property's areas must be measured: 1) Parking Lots/Driveways/Roads, and 2) Walkways/Steps. The total square footage for both of these areas needs to be provided. If the property does not provide these area measurements at the time of inspection, the inspector will provide an estimate.

Go to **Appendix A** to see a sample of the *Inspection Notification Letter*.

**STEP 4*****Update  
Inspection  
Schedule***

Once inspections are scheduled with the property owner, PHA or their representative, it is the inspector's responsibility to update the inspection schedule, as necessary. The Servicing Mortgagee may update the inspection schedule, but the onus is on the inspector to ensure that the information is accurate. If there are any changes, it is the inspector's responsibility to notify all parties and to update the scheduler.

HUD Quality Assurance (QA) inspections are scheduled based on the contractor's/servicing mortgagee schedule. Therefore, HUD must be aware of all schedule changes.

Inspectors must notify PIH-REAC of any inspections scheduled outside the normal protocol hours of 9:00 a.m. to 3:00 p.m. **prior** to the day of the inspection. Schedule changes could affect the Quality Assurance schedule for inspections.

Inspections are scheduled Monday through Friday, with morning inspections beginning at 9:00 a.m. and afternoon inspections beginning at 1:00 p.m.

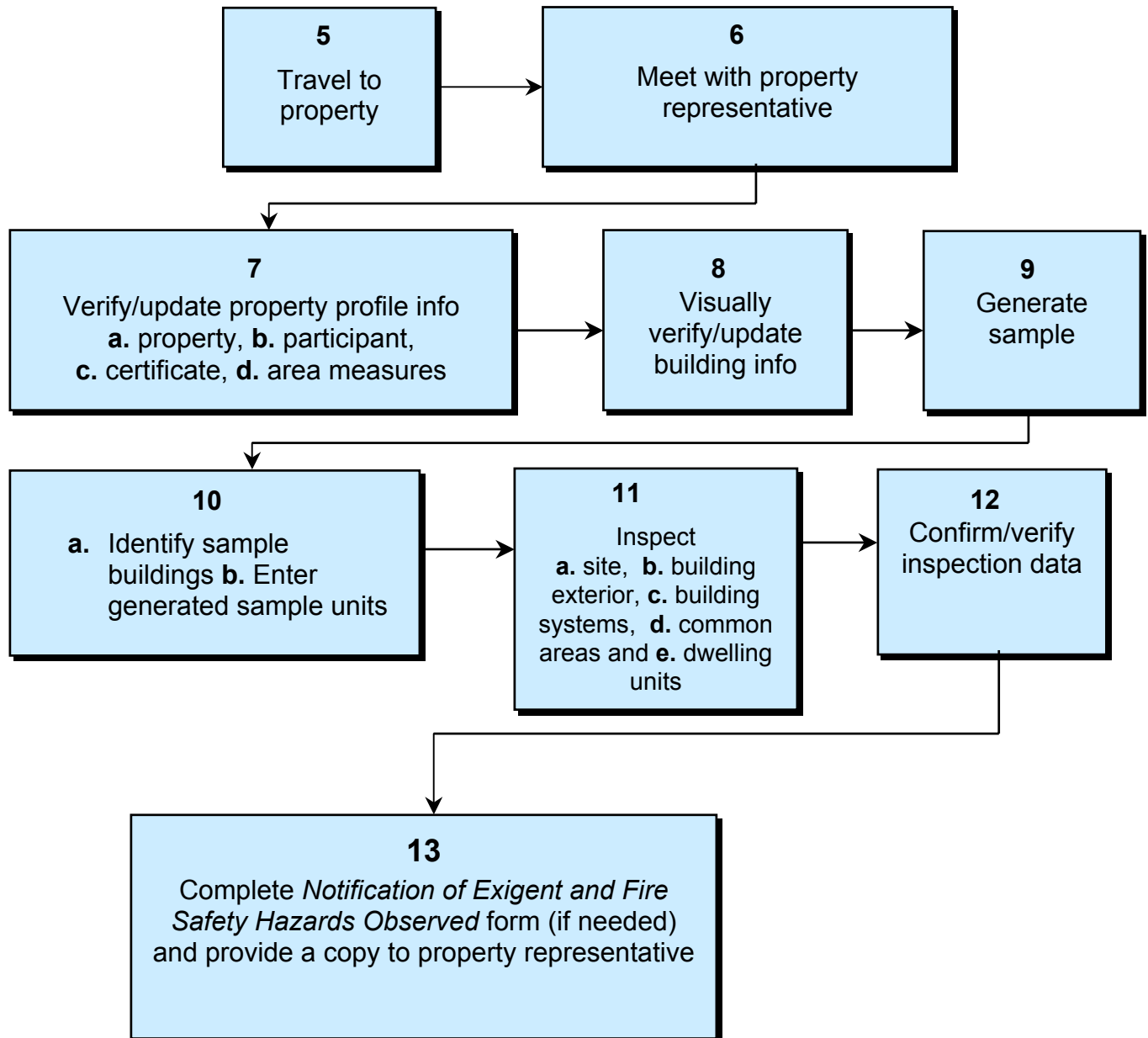
**Key Point:**

The inspector/servicing mortgagee is responsible for notifying PIH-REAC of all schedule changes.

# UPCS INSPECTION PROTOCOL

## PHASE 2 – ESSENTIAL STEPS

### INSPECTION



**STEP 5**

**Travel to Property**

The inspector is required to travel to the property to conduct the inspection. Inspectors must comply with the following rules:

1. The inspector must be physically present to conduct the inspection. The inspector must arrive on time and display the HUD-issued identification badge at all times.
2. If the inspection cannot be completed on the scheduled day, the inspector must call the Technical Assistance Center (TAC) at 1-888-245-4860.
3. If the weather prevents the inspector from arriving at the property, they must contact the Technical Assistance Center (TAC) at 1-888-245-4860. The inspector/servicing mortgagee must request approval from HUD to declare the inspection “unsuccessful”, based on HUD’s *Inclement Weather Policy, Natural Disaster Policy, and/or Rehab/Vacant Unit Policy*. To review a copy of the policies, go to **Appendix A**.
4. A PHA or property representative may choose to postpone an inspection due to weather. If so, inspectors must report an unsuccessful inspection to the Technical Assistance Center (TAC). The TAC gives the inspector a log number to upload with the inspection, providing a reference for HUD to confirm the inspection postponement.

**Severe Weather Advisory**

Inspectors should **not** conduct an inspection if a severe weather advisory is in effect. A severe weather advisory includes, but is not limited to, hurricanes, tornadoes, thunderstorms, hail or any other adverse weather condition that would likely endanger the safety of the participants. This also includes a snowstorm in which a severe weather advisory has been issued.

**Snow Policy**

Weather can impact an inspection, especially snowfall. In the absence of a severe weather advisory, inspectors should attempt to inspect all properties, regardless of snow. Any inspectable items not visible due to snow are then recorded as No Observed Deficiency (NOD). In the Comment field for the property (for site comments), or each building and unit, the inspector provides a comment indicating certain items were hidden by snow.

**STEP 6*****Meet With  
Property  
Rep***

Before beginning the inspection, the inspector must meet with the authorized property representative. It is important to follow protocol items as listed below when working with property representatives:

- Identify yourself as an inspector of HUD properties, not an employee of HUD
- Verify that the Notification Letter was sent to residents
- Inform the POA that you must always be accompanied by a property representative during the inspection
- Discuss the plan for conducting the inspection with the property representative
- Inform the property representative of how any Life-Threatening Health and Safety hazards identified during the inspection must be addressed
- Clearly explain the purpose of the inspection
- Clearly explain the sampling process
- Explain that the inspector must be the one who conducts the physical inspection
- Explain that the property representative should be prepared to open all units identified in the inspection sample when the resident is not present and when the unit is vacant
- Review the rent roll (all-inclusive list)
- Review, if applicable, list of units relative to 504/FHA/ADA
- Ask for site map of the property (not required)
- Verify that the property representative has the calculations pertaining to area measures

It is important that property representatives understand the purpose of the inspection. Inspectors should explain that the goal of the inspection is to objectively assess the physical condition of the property, not to create an exhaustive list of areas needing repair.

Inspectors should also briefly explain the sampling process. The sampling function of the UPCS software is designed to generate a random sample of buildings and units for inspection. Using a



series of mathematical and statistical equations, the UPCS software generates a list of sample units and buildings. The sample is designed to produce inspection results that are representative of the results that would have been obtained if every building and unit had been inspected. The inspector should stress that the sampling procedure dramatically reduces the time it takes to complete a physical inspection.

The property representative must accompany you throughout the **entire** inspection. If the property representative does not accompany you or does not show up at all for the inspection, then you must contact the Technical Assistance Center (TAC) at 1-888-245-4860 and report the inspection as unsuccessful.

**Resident  
Notification  
Letter**

In addition to explaining the inspection process, the inspectors should verify that the property representative provided the residents with a written notification of the upcoming inspection.



**Key Point:**

If the property representative cannot provide a copy of the notification letter that was sent to the residents, the inspector should immediately call the Technical Assistance Center (TAC) at 1-888-245-4860 to advise them of the situation. The inspection will either continue or the inspection may have to be rescheduled, depending on each individual situation.

**STEP 7**

**Verify/  
Update  
Information  
in the  
Property  
Profile**

For many properties, large portions of information in the downloaded Property Profile may be incorrect or outdated, since HUD may not have not recently inspected these properties. The inspector is responsible for correcting and updating the information in the downloaded Property Profile before conducting the inspection, including all **property, participant, certificate** and **area measures** information. It is critical that inspectors verify and correct the profile information in the UPCS software prior to generating the sample.

Information in the Property Profile is used to generate statistically representative building and unit inspection samples.

- Inspector is responsible for updating property information **before** beginning the inspection
- If the information is not updated prior to the inspection, the building and unit sampling will be incorrect
- Inspector must visually verify the property buildings with the property representative to ensure that the property profile is correct

Failure to correct property information may result in an inaccurate count of buildings and/or units. Such a mistake will cause incorrect sampling calculations and may invalidate the inspection. In such cases, a new sample must be generated with the correct property information and a new inspection conducted.

**STEP 7a**

**Property  
Information**

Property information in the Property Profile includes the following:

- Property name, address, and telephone number
- Property ID/PIH Project Number (these fields cannot be changed)
- Scattered site information (more than one building in more than one location)
- Total number of buildings and units

An individual building is defined as any structure that has a contiguous roofline, a permanent foundation, is enclosed on all sides and at least one utility is servicing it such as electric, gas, water or sewer.

The inspector should question the property representative about additional property changes or updates that may affect the inspection. For example, buildings may be uninspectable due to fire damage, or new buildings may have been added to the property. Such information must be recorded in the UPCS software prior to generating the sample, since it will impact the accuracy of the sampling.

#### STEP 7b

##### ***Participant Information***

After validating general property information, the inspector should verify and update participant information in the Property Profile. A participant can be an individual or an organization (e.g., site manager, property representative, PHA, or management agent). All new participants must be added to the Property Profile using the *Add Participant* function in the UPCS software. Participant information is an important record of the persons and organizations involved in the inspection. There should be three participants listed: two of those must be the role of owner/PHA and management agent.

Participant information includes the following:

- Participant name
- Participant role
- Participant organization name
- Participant address and telephone number

**STEP 7c**

**Certificates** The property representative is required to show that they have all the proper certificates for property systems (e.g., boiler, elevators, fire alarms, and sprinkler systems), as well as lead-based paint. Certificates are documents certifying that specific safety and maintenance requirements have been fulfilled. Although there may be a system associated with each individual building, there may be only one overall certificate for each system.

The following certificates are required:

- Boilers

NOTE: A boiler certificate may be issued by a city or state government agency, insurance company or any other entity, which has jurisdiction and/or authority to issue such a certification.

- Elevators
- Fire Alarms
- Lead-Based Paint (LBP) Disclosure form

NOTE: Inspectors randomly select 5 resident files from buildings constructed prior to 1978. If any of the 5 resident files contain the LBP disclosure form the inspector checks YES on the DCD. If none of the files contain the LBP disclosure form the inspector checks NO. If none of the buildings were constructed prior to 1978 the inspector checks NA.

Refer to **Appendix A** for an example of the lead-based paint disclosure form, and the Federal Rules and Regulations that define “target housing”.

- Lead-Based Paint (LBP) Inspection report

NOTE: If the property has buildings constructed prior to 1978 the inspector must ask the property representative if the property has ever been inspected for LBP. If the property representative says no, the inspector checks NO on the DCD. If the property representative says yes, the inspector must ask to see the lead-based paint inspection report. If the property representative produces a lead-based paint inspection report the inspector checks YES on

the DCD. If the property representative cannot produce a lead-based paint inspection report, the inspector checks NO on the DCD. If the property does not have any buildings constructed prior to 1978, the inspector checks NA.

NOTE #2: Inspectors are required to request the LBP disclosure form and inspection report from the POA for all properties, regardless of the type of resident population, for buildings constructed prior to 1978. A comment must be provided in the Property Information Comment text box field regarding resident population for elderly only. For the purpose of determining whether the LBP disclosure form and inspection report is applicable, the inspector must use the building construction year not the date of “gut rehab” or other renovations.

– Sprinkler Systems

Inspectors should first determine if each certificate is applicable for the property. If a certificate is applicable, the inspector must check the expiration date and record the information in the UPCS software. The inspector must physically check **all** applicable certificates and expiration dates for each property system, not just the sample buildings, and mark “Yes” or “No” in the UPCS software. Turn to **Appendix A** to see a copy of a sample certificate.

#### STEP 7d

##### **Obtain Area Measures**

The property representative is requested to have the area measures relating to Parking Lots/Driveways/Roads and Walkways/Steps available to the inspector on the day of the inspection. Area measures (refer to proportionality) are used to determine the percentage (square footage) of the defected area. The level of the rating is based on the percentage (proportionality) of the defect. The percentage is calculated by dividing the measurement of the defect by the total area. If the property representative does not have this information, the inspector will estimate the measurement of the area and record it in the UPCS software.

The three inspectable defects where proportionality applies are:

- Ponding (parking lots/driveways/roads)
- Cracks (parking lots/driveways/roads)
- Cracks/settlement/heaving (walkways/steps)

**Example:** If the Total Area of the parking lot is 5,000 square feet and the defect is 500 square feet, the defect represents 10% of the total area.

If the property representative does not know the total area of the parking lot but knows the number of parking spaces, the inspector will multiply the number of spaces by a predetermined measurement to convert the number of spaces to an area measurement. The predetermined measurements are:

- Full-sized car is 9 ft. x 20 ft. or 180 square feet.
- Subcompact car is 8 ft. by 15 ft. or 120 square feet.
- Driveway within the parking lot is the length of the driveway X 20 feet (wide).

*Source for the predetermined measurements: A Policy on Geometric Design of Highways and Streets published by AASHTO.*

## STEP 8

### **Visually Verify/ Update Building Information**

In addition to property and participant information, the inspector is responsible for verifying building information. A building is defined as any structure that has a contiguous roofline, a permanent foundation, is enclosed on all sides and has at least one utility servicing it (e.g., gas, electric, sewer/water).

In order to generate a valid sample, the UPCS software must have an accurate count of buildings and units. Any new buildings must be added to the property profile, and non-existent buildings deleted. Changes to the number of units must also be updated in the UPCS software.

**Note:** If you find that actual building or unit information is different from the information provided in the downloaded inspection, you

must call the TAC. In your DCD make the necessary correction according to the UPCS inspection protocol, and provide a clear comment explaining the change in the Building/Unit Information screen Comment field .

Your comment can reflect the TAC Number you received when you called in to report the profile discrepancy, or you can specifically state the change. For example, if a downloaded inspection reflects that a property consists of 3 buildings, but your visual verification confirms that there are actually 4 buildings, you would add the additional building to the property profile as usual. You would then bring that change to the attention of the REAC reviewer by entering a note in the comment field such as "Building 4 added in 2001". If you verify that there are fewer buildings than expected, your comment might be "Building X sold in 2003". Or in the case of fewer units, "Unit 12A converted to retail", etc.

These comments are in addition to the building occupancy percentage you already enter in this field.

Building information includes the following:

- Building Number (e.g., 1, 2, 3)
- Building name and address (e.g., Office & Laundry, 421 East Avenue)
- Building type (e.g., Row/Townhouse, Garden Apartments)

**Building Type Definitions:**

**Common Building** – A detached non-residential structure

**Duplex** – A detached residential structure consisting of two units

**Low/Rise Garden Apartments** – A multi-unit residential structure consisting of two and one-half floors or less with common hall entrance

**Mid/High Rise Apartments** – a multi-unit residential structure consisting of three or more floors with or without elevators

**Row/Town House** – A single unit residential structure that is connected to a similar structure by a common sidewall

**Single Family House** – A detached residential structure

consisting of one unit

- Building construction year (e.g., 1974)
- Total number of units (e.g., in building)

The inspector is also responsible for determining the inspectable status of each building. To determine the building status, the inspector **must visually** verify all property profile data (such as number of buildings, etc.), along with the property representative, **prior** to beginning the inspection and before generating the sample. For example, if a building is declared uninspectable, the inspector must visually verify the reason and record it in the UPCS software. Buildings marked uninspectable will not be included in the sampling calculations. It is important that inspectors record uninspectable buildings **before** generating the sample.

**NOTE:** A building can be rendered uninspectable prior to the generation of a sample, if the uninspectable reason is one of the following:

- Abandoned/Boarded Up
- Demolished
- Fire Damage
- Off-Line (unit and/or building currently undergoing rehab)
- Other Hazard
- Police Restricted Area



**Key Point:**

Accurate building information is critical to a successful inspection. If an uninspectable building is not recorded as uninspectable in the UPCS software, it will be included in the sampling calculation, resulting in an invalid inspection sample. In such cases, a new sample must be generated with the correct building information and a new inspection conducted.



**How do I enter a client room in the DCD?*****Nursing  
Homes,  
Group  
Homes and  
Assisted  
Living  
Facilities***

For nursing homes, group homes, and assisted living facilities, any room with a bed, or beds, is considered a client room. Inspectors must change the **number of units** in the DCD to reflect client rooms, and a sample is then generated from the number of client rooms rather than the number of beds. Because client rooms do not always have assigned numbers, the inspector should identify each client room by a unique number, after consultation with the POA.

All other areas of the facilities – including kitchens, dining areas, community areas, etc. – are to be inspected as common areas.

**STEP 9****Generate  
the Sample**

Once all the property information is verified, the inspector should generate an inspection sample using the sampling function of the UPCS software. Sampling plays a key role in the inspection process as it allows an inspector to assess a small set of randomly chosen buildings and units instead of every single one.

Using statistical equations, the UPCS software generates a random sample displayed as a list of random numbers. These numbers are used in the next step to select units to inspect. The UPCS software calculations are designed to select a sample that reflects what would have been recorded had all buildings and units been inspected. Each sampled building will have its own set of sample units.

Although the UPCS software actually calculates the sample, it is the inspector's responsibility to carefully follow the Physical Inspection Protocol to ensure that the sample is valid. The inspector is responsible for confirming property, participant, and building information prior to generating the sample. Failure to verify this information may result in inaccurate samples that may invalidate the entire inspection.

Property representatives should not be allowed to alter units in the sample. If an owner or representative insists on altering the sample, inspectors should contact the Technical Assistance Center (TAC) at 1-888-245-4860 for assistance.

**Why are some samples so small?**

Sometimes inspectors find it puzzling that the number of UPCS software generated sample units is so small compared to the total number of units that are in a building. This is similar to the situation in national polls, where there are millions of households or voters, yet only a few hundred may be interviewed. For most calculations using large group samples, the percentage of the sample is not relevant. What is relevant is making sure the sample is properly representative, and this can be assured when it is selected in an appropriate random manner.

## **SAMPLING DO AND DON'TS**

Inspectors must follow UPCS Inspection Protocol rules when generating an inspection sample:

### **Do**

- Verify all property and building information prior to generating the sample
- Use the all-inclusive list (rent roll) of units to determine sample units
- Select units in the order they are displayed
- Select alternate units in the order they are displayed

### **DON'T**

- X** Allow property representatives to alter units in a sample
- X** Provide property representatives with a list of sample units prior to the inspection
- X** Deviate from the Physical Inspection Protocol

**STEP 10a****Identify  
sample  
buildings**

Once the sample is generated, the UPCS software displays “Yes” in the “**In Sample**” field located on the “Building/Unit Information” tab for each building that is in the sample. The “**In Sample**” field will be blank for any building not included in the sample. Alternate buildings are displayed as “Alt” in the “**In Sample**” field.

**STEP 10b****Enter  
Generated  
Sample  
Units**

The UPCS software also displays a sequence of whole numbers in the “**Sample Units**” text field on the “Building/Unit Information” tab after the sample is generated. The inspector is responsible for using the number sequence to select building units to inspect.

Selecting units to inspect requires:

- UPCS software-generated sample units
- An all-inclusive list of units (e.g., rent roll)

For example, a rent roll listing of all units, both vacant and occupied, can be used as the all-inclusive unit reference list.

Each number in the “Sample Units” field represents a unit in the selected building. The position of each number represents the relative position of the unit on the list of units. The number “4”, for example, represents the fourth unit appearing on the list of units for that particular building.

If an all-inclusive list of units is unavailable, the inspector should select units in ascending order from the lowest floor to the top floor. For example, in a building with two floors and six units numbered 1A, 1B, 1C, 2A, 2B, and 2C the number “4” on the list would refer to unit 2A.

**Key Point:**

The sampling function of the UPCS software generates a statistically valid random sample of buildings and units for inspection. Inspectors must follow sample steps:

- Generate the sample
- Match sample to all-inclusive list of units
- Select units in order given by sample

To maintain statistical validity, it is important to select unit inspections in the order in which they are displayed in the "Sample Units" field. The order of **selection** within the UPCS software is critical. Once the units are properly selected, the order of inspection may be any order the inspector chooses to facilitate the inspection.



### Activity

Determine the units you will inspect using the following sampling and all-inclusive list of units.

#### **All-Inclusive List of Units**

Building: 2137 North St.

Units: 101, 102, 103, 104, 201, 202, 203, 204, 301, 302, 303, 305

Building: 2243 West St.

Units: 1A, 1B, 1C, 2A, 2B, 2C, 3A, 3B, 3C, 4A, 4B, 4C, 5A, 5B, 5C

#### **UPCS Software Sampling**

2137 North St.: 3, 4, 8, 9, 11, Alternates: 10, 12, 1, 2

2243 West St.: 2, 5, 7, 10, 12, 14, 15, Alternates: 1, 13, 9, 3

The property representative informs you that unit 103 of 2137 North St. cannot be inspected due to poor housekeeping. What do you do?

During your inspection of 2243 West St., a resident refuses to let you inspect his unit, 3A. What do you do?

## INSPECTION GUIDELINES

Once the inspection sample is generated, the inspector may begin the actual physical assessment. There are no set rules regarding the order of an inspection, but inspectors must record **all** inspectable items for each inspectable area of the property.

There are five inspectable areas:

- Site
- Building Exterior
- Building Systems
- Common Areas
- Dwelling Units

To ensure a successful, trouble-free inspection, inspectors should follow these guidelines:

- Answer resident questions, but direct specific complaints or concerns to the property representative or representative escort.
- Remind residents that the purpose of the inspection is to record the physical condition of the unit, not evaluate housekeeping.
- Record items **inside** the development/property. Inspectors should not inspect physical structures that are not under the control of the housing provider (e.g., city sidewalks and streets).
- Call out all deficiencies with the severity level to the property representative as you perform the inspection.



### Key Point:

If inspectors make a mistake and record a deficiency in an obvious wrong location in the UPCS software, PASS will reject the inspection. Recording a deficiency in a wrong location can affect the overall physical assessment score!

## HEALTH AND SAFETY HAZARDS

HUD is very concerned about hazardous conditions, such as a blocked emergency exit, that pose a threat to the health and safety of the residents. All Health and Safety hazards **must** be recorded specifically as such in the DCD and brought to the attention of the property representative immediately.

The UPCS software contains a special section where the inspector must rate and record any observed Health and Safety hazards. Each item in the Health and Safety section has one or more possible deficiencies associated with it. Items in the Health and Safety section include:

- Air Quality
- Electrical Hazards
- Elevator
- Emergency/Fire Exits
- Flammable Materials
- Garbage and Debris
- Hazards
- Infestation

The inspector may manually record Health and Safety hazards for any inspectable area of the property during the course of the inspection. If an observed Health and Safety hazard does not fall under a specific item in the Health and Safety section, it can be recorded in the *Hazards, Other* section.

HUD has further determined that certain “standard” deficiencies can also create Health and Safety concerns. When these deficiencies are marked “Level 3”, they are automatically recorded as being Health and Safety hazards by the UPCS software.

## LIFE-THREATENING HEALTH AND SAFETY HAZARDS

Certain Health and Safety hazards are considered life-threatening. The following life-threatening health and safety hazards are listed on the *Notification of Exigent and Fire Safety Hazards Observed* form:

- A. Propane, natural, or methane gas detected
- B. Exposed wires or open electrical panels
- C. Water leaks on or near electrical equipment
- D. Blocked or unusable emergency or fire exits
- E. Blocked fire escapes or ladders
- F. Missing or misaligned chimney for gas-fired hot water heater/HVAC
- G. Window security bars preventing exit
- H. Expired fire extinguishers
- I. Inoperative/missing smoke detectors

A copy of the *Notification of Exigent and Fire Safety Hazards Observed* form is located in **Appendix A**, and will be covered in more detail in **Step 13**.

### What if I observe a life-threatening health and safety hazard in a building that is not included in the sample?

Life-threatening health and safety hazards pose a great threat to residents and other persons on the property. HUD seeks to provide immediate notification to property representatives so that they may take corrective action quickly. The UPCS software provides Comment space for **all** buildings, even if they are “not in the sample.” The comment space allows the inspector to record life-threatening hazards observed in buildings that are not inspected, but where you may encounter a life-threatening health and safety hazard.

Although life-threatening health and safety hazards recorded in uninspected buildings are not displayed on the Life Threatening Health and Safety Hazards Report screen generated at the close of the inspection, the inspector adds these defects to the *Notification of Exigent and Fire Safety Hazards Observed* form before providing a copy to the property representative.



**STEP 11a**

**Inspect Site** The inspector is responsible for recording the physical condition of the property site using the UPCS software. The site is the area surrounding all buildings of the property. There is only one site per property, even if the property is a scattered site. The inspector is required to inspect the site for both specific inspectable items and Health and Safety hazards. The site can be inspected at any point during the inspection.

**STEP 11b-d**

**Inspect Building Exterior, Building Systems, and Common Areas** The inspector must record the physical condition of three areas for each sample building.

- Building Exteriors - outside building surfaces (e.g., fire escapes, lighting)
- Building Systems - civil systems that support the building (e.g., domestic water, HVAC)
- Common Areas - areas within each building that are usable by more than one resident or by the property administration

The inspector should adhere to these business rules:

- A **sample building** is discovered to be uninspectable by HUD standards:
  - The inspector should reclassify the building as uninspectable in the UPCS software and inspect the first alternate building
  - Alternate building may be inspected at any time during the inspection
  - Alternate buildings must be selected in the order they are displayed in the UPCS software generated sample list
- A missed building is discovered before the inspection has begun, but after the sample has been generated:
  - The inspector must regenerate the sample
- A missed common building is discovered after the inspection has begun:

- The inspector should add the building to the property profile, then the system automatically updates the reason uninspectable field to “Added After Sample”, and inspect the building
- A missed building with units is discovered after the inspection has begun:
  - Stop the inspection, update the property profile and regenerate the sample

**STEP 11e**

***Inspect Dwelling Units***

The inspector is required to physically verify all sample units declared uninspectable by the property representative within a sampled building.

In the event a sample unit is declared uninspectable during the inspection, the inspector must indicate the reason in the UPCS software and select the next alternate unit indicated in the generated sample list. Alternate units must be selected in the order they are displayed in the UPCS software, but may be inspected in the order most convenient to the inspector.

**What should I do if I encounter a closed door in a resident’s unit?**

Never attempt to open a closed door (e.g., bedroom, bathroom, mechanical, etc.) within the unit. Either obtain the permission of the resident, or have the property representative open the door.

***Add Alternate Units to inspect (if needed)***

In order to maintain a statistically valid sample, inspectors must inspect an alternate unit whenever a sample unit is considered uninspectable. The sampling function of the UPCS software automatically generates alternate units. Alternate units are displayed after the sample units in the “Sample Units” text field.

Alternate selection follows three basic guidelines:

1. If there are no available alternate units in the sampled building, the inspector should select the first alternate unit in the next sampled building of the same type

2. If there are no alternate units available in the same building type, the inspector should use an alternate unit in the other building type group
3. If there are no other alternate units available, the inspector should call the Contractor/Servicing Mortgagee Help Desk for assistance

Inspections should be conducted using the exact sample of buildings and units generated by the sampling function of the UPCS software. The inspector may inspect alternate units at any time during the inspection; however, alternates must be selected in the order they are displayed in the UPCS software.

For example, units 1C, 2A, 3D, 4A are in the sample. Unit 12A and 1B are the alternate units. If 2A is uninspectable, the first alternate unit (12A) must be selected **before** the second alternate (1B). The alternate 12A may be inspected at any time during the inspection, but must be used as an alternate before 1B is used as an alternate.

## **Vacant Units**

### **How do I inspect “vacant” units?**

#### **PUBLIC HOUSING AGENCY PROPERTIES:**

Vacant units should **not** be inspected. However, vacant sample units must be visually verified.

#### **MULTIFAMILY HOUSING PROPERTIES:**

Vacant units that are included in the random sample will be inspected **only** at properties with 15 percent or more total vacant units (85 percent or less occupancy rate). This policy applies only to Multifamily Housing properties. Inspectors should **not** inspect vacant units for Multifamily Housing properties with less than 15 percent vacancy. The inspector should replace any vacant units included in the sample with alternates. When the inspector arrives at the property, they confirm with the property representative the number of vacant units and determine if the 15% threshold is met. If any of the vacant units are listed in the sample, confirm that the units are indeed vacant, and inspect if more than 15 percent of the total units are vacant.

NOTE: If no sample units are available in the sample building, the inspector should select an alternate unit of a similar building type. If there are no alternate units available for the similar building type, then select an alternate unit from the next building type group. If there are no alternate units available for selection, the inspector must call the TAC at 1-888-245-4860, and report the issue and to secure a TAC # before proceeding.

### How do I inspect client rooms?

Sampling for units in group homes, nursing homes, or assisted living facilities is done by counting client rooms. Because client rooms do not always have assigned numbers the inspector should start at the lowest level and move to the right, and then up, through the property to select rooms as they are listed in the sample. Mixed-use facilities contain both client rooms and residential (apartment-style) dwelling units – the total number of units used to generate the sample will include both.

Unit: For client rooms, record a kitchen or bathroom in a sample unit when it may be accessed only through the unit. If a kitchen or bathroom is accessed through a common area, deficiencies must be recorded appropriately in Common Area. If no kitchen or bathroom may be accessed through the unit, record N/A for kitchen and/or bathroom as applicable.

**STEP 12****Confirm/  
Verify  
Inspection  
Data**

Upon completion of the inspection, the inspector should verify that all inspectable items were recorded. The UPCS software has a built-in verification system that automatically reviews the thoroughness of the inspection by identifying missing items. The verification is performed using the Check/Prepare/Import tab.

**Key Point:**

Only a completed inspection can be sent to HUD. If there are incomplete items, the inspection will not upload.

It is **essential** to use the Check/Prepare/Import tab before leaving the site. The inspector must visually verify all inspectable items. If the Check/Prepare/Import function is executed after leaving the site and missing information is discovered, the inspector will have to return to the property to complete the inspection.

The Check/Prepare/Import tab in the inspection software is a very valuable tool for the inspector. This tab should be used frequently during the inspection day (e.g., after each floor, after each building, or even as often as after each unit!) to assist the inspector in making sure an inspectable item has not been missed!

**STEP 13****Complete Notification of Exigent and Fire Safety Hazards Observed Form**

Life-threatening hazards must be entered into the UPCS software and recorded on the *Notification of Exigent and Fire Safety Hazards Observed* form. Property representatives should sign the form in acknowledgment of the safety hazard(s). If the property representative refuses to sign the form, the inspector should note the refusal on the form. A copy of the form **must** be left with the property representative. If an inspection is going to be continued for more than one day, the EH&S form shall be completed and provided to the POA at the end of the first day and at the end of each successive day until the inspection is completed. The inspector may retain the original for his/her files.

**Key Point:**

All life-threatening safety hazards must be entered into the UPCS software **and** recorded on the *Notification of Exigent and Fire Safety Hazards Observed* form. Inspectors should print clearly and complete all items in the report so that each deficiency can be accurately logged and quickly addressed by the property representative and the HUD field office.

It is important to complete the *Notification of Exigent and Fire Safety Hazards Observed* form in its entirety. The information will be used later by a HUD representative to follow-up on the property to ensure that any potential Health and Safety hazards have been dealt with properly. A copy of this form is located in **Appendix A**.

### How much time is allowed to correct life-threatening deficiencies?

The Office of Housing and Public Housing require all Exigent Health and Safety hazards be mitigated immediately.

### **MULTIFAMILY HOUSING PROPERTIES:**

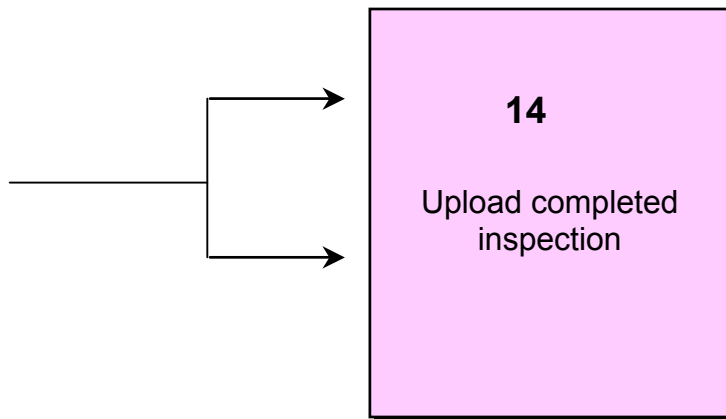
Life-threatening deficiencies must be corrected or abated immediately and a written report filed by the POA to the HUD field office within **3** business days.

## **PUBLIC HOUSING AGENCY PROPERTIES:**

PHA's must document that all life-threatening deficiencies have been corrected or abated within **24** hours.

## UPCS INSPECTION PROTOCOL PHASE 3 – ESSENTIAL STEP

### POST INSPECTION





**STEP 14****Upload  
Completed  
Inspection**

Once the UPCS software verifies the inspection is complete, it must be uploaded to PASS within 24 hours. The data is electronically transmitted to PASS via the Internet. The UPCS software provides a receipt number for confirmation purposes when the inspection is successfully uploaded. All completed inspections must be uploaded daily from off-site. Uploaded inspections are then scored by the PASS subsystem.

If the inspection cannot be uploaded for technical reasons, the inspector should immediately report the problem to the Technical Assistance Center (TAC) for technical support.

**Key Point:**

After the inspection is successfully transmitted to PASS it is either accepted or rejected by the PASS staff. It is recommended that inspectors **only** delete inspections from the UPCS software after they have been accepted by PASS. To learn how to archive inspections, refer to "User Guidelines to Archive and Retrieve UPCS Database Files" document.

## VARIANCES

Variations in the established UPCS Inspection Protocol impact the accuracy and validity of property inspections. Variations are alterations to the standard inspection procedures as defined by the UPCS Inspection Protocol. The variations are:

**SUBJECTIVITY** occurs when inspectors make personal judgements about the condition of a property or allow their personal biases to affect how they inspect.

- **Examples:**

- Allowing bad property management to affect the assessment
- Allowing bad housekeeping to affect the assessment
- Allowing negative opinions about public housing to affect the assessment
- Recording items that are not defined as an inspectable item

- **Key Points:**

- Inspectors must remain objective and impartial
- If an inspector does not remain objective and impartial, it impacts the objectivity and scoring of the inspection
- If the inspector follows the established protocol, it increases their ability to provide objective assessments

**NEGLIGENCE** occurs when an inspector purposely tries to avoid following the inspection protocol, in order to reduce the time or effort required to inspect a property.

- **Examples:**

- Skipping key activities like checking appliances and systems
- Not verifying property or building information
- Not thoroughly inspecting items to truly determine their condition

**GAMING** occurs when an inspector performs illicit activities in an attempt to cheat the system.

- **Examples:**

- Providing the property representative with the sample units ahead of time, so that the owner can clean up the units to be inspected which results in a quicker inspection for the inspector and a higher score for the owner.
- Accepting bribes or favors from property representatives in return for leniency during the inspection

Variations must not occur if inspections are to provide HUD with consistent, objective, and standardized information about the physical condition of properties.



## Discussion

### Scenario 1:

During his inspection of Rose Garden Apartments, Inspector Jamey noticed dirt on the linoleum floors in the common area of the sample building he was inspecting. When he noticed a few tiles missing, he immediately rated the deficiency as “Level 3”, when it should have been rated “Level 1”.

### Scenario 2:

Inspector Frank began the physical inspection of Dogwood Estates with sympathetic feelings toward the property representative Mr. Byron. He felt that Mr. Byron did all he could to meet HUD requirements, but sometimes fell short despite valiant efforts. During the inspection, he rated several deficiencies as “Level 1” when they should have been rated “Level 2” or even “Level 3”.

## SUMMARY

The purpose of the UPCS Inspection Protocol is to standardize the inspection process. This will assist in providing HUD with consistent, objective and factual inspection data. The UPCS Inspection Protocol is divided into phases and steps that must be followed to complete a successful inspection:

### Pre-Inspection:

1. Receive inspection assignment
2. Download inspection profile
3. Confirm inspection with POA and arrange date and time
4. Update inspection schedule

### Inspection:

5. Travel to site
  - 5a. Arrive on time
  - 5b. Display the HUD-issued identification badge at all times
6. Meet with property representative
  - 6a. Identify yourself as an inspector of HUD properties, not an employee of HUD
  - 6b. Verify notification letter was sent to residents
  - 6c. Always be accompanied by the property representative while on the property
7. Verify/update property profile (property, participant, certificate, and area measures information)
8. Visually verify/update building information
9. Generate sample in UPCS software
10. Sample Buildings and units
  - 10a. Identify sample buildings
  - 10b. Enter generated sample units
11. Inspecting
  - 11a. Inspect site
  - 11b. Inspect building exterior

- 11c. Inspect building systems
- 11d. Inspect common areas
- 11e. Inspect units
- 12. Confirm/verify inspection data
- 13. Complete *Notification of Life-Threatening Health and Safety Observed* form and give copy to property representative if applicable

**Post Inspection:**

- 14. Upload completed inspection

Inspectors must follow the protocol **exactly** to ensure that HUD receives accurate physical assessments. Protocol procedure must be followed in order to maintain decent, safe and sanitary housing in good repair. Variances to the protocol negatively impact the ability to provide HUD with accurate inspection data.

## ➤ **QUALITY ASSURANCE (QA)**

### **LEARNING QA OBJECTIVES:**

Upon completion of this section, the participant should be able to...

- Explain the function of QA in the Physical Inspection Program
- Describe the role and responsibility of QA inspectors
- Describe the QA inspection approach used by QA inspectors
- Describe the role of Inspector Administration in the QA process

## QUALITY ASSURANCE (QA)

### ***The QA Function***

The QA function in the Physical Inspection Program is to ensure that property assessments are conducted according to the UPCS Inspection Protocol. QA supports the efforts to assess the physical condition of HUD's housing portfolio and ensure decent, safe, and sanitary housing conditions for residents. More specifically, the QA program objectives are to:

- Evaluate the performance of the inspectors and aid in the development of their inspection skills
- Evaluate the performance of the Physical Inspection Program and define areas which are in need of improvement
- Identify discrepancies in the data received from the inspectors and define ways to resolve such discrepancies
- Refer inspectors to Inspector Administration (IA) for appropriate action, when necessary, to guarantee accurate and consistent adherence to the UPCS Inspection Protocol

QA reviews focus on five principal inspection areas:

1. **Property Profile** - missing/incomplete owner, participant, location information
2. **Questionable N/As** - N/A for items that should not have N/A without an explanation e.g., N/A for roof, fire escape for high-rise
3. **Sample Size** - incorrect sample (inspected incorrect building or unit) or size (inspected incorrect number of units) without explanation
4. **Protocol Discrepancies** - incorrect application of inspection protocol (e.g., identification of deficiencies outside the scope of the current deficiency definitions)
5. **Visually Verify Site** – visually verifies that the property profile information is accurate

Trained QA inspectors perform collaborative inspections with

inspectors on HUD properties. This enables QA to identify issues and take appropriate actions as necessary.

**Key Point:**

The objectives of the Quality Assurance program are to continuously improve and create value in the physical inspection program.

***The QA Inspector***

The QA inspector's job entails the following:

1. QA inspectors must make certain that the UPCS Inspection Protocol.
2. QA inspectors assist in training inspectors during their inspection.

The QA inspectors perform various roles in an effort to obtain an accurate physical inspection. Through their work, the Department can determine the effectiveness of the Physical Inspection Program and can identify those areas that may need attention.

**Key Point:**

The QA inspectors' primary role is to make certain that the UPCS Inspection Protocol is followed properly. Strict adherence to the protocol ensures comprehensive and objective assessment results. Failure to comply with the protocol adversely impacts inspection results. Inspectors deemed by a QA inspector to be not in compliance with the protocol are subject to corrective action by Inspector Administration (IA).



**The QA  
Inspection  
Process**

QA inspections may be conducted at any time, including during the course of a property inspection, following an inspection, or as a separate analysis. To obtain a better understanding of the role of QA, it is helpful to know how QA inspections are initiated and the types of QA inspections that occur.

There are three situations in which a regional QA Manager will typically initiate a QA inspection:

1. Departmental and/or program office priorities and special requests
2. QA triggers (e.g., information and analyses that reveal discrepancies in inspector performance or property conditions)
3. Assignment of collaborative inspections to be performed by the QA inspector.

Once QA identifies a property for assessment, it is scheduled accordingly.

**Key Point:**

It is HUD's intent to meet with each inspector at least twice every quarter.

A QA inspection is initiated based on the REAC scheduler. Therefore, it is essential that inspectors report inspection schedules in accordance with contract requirements. Furthermore, the inspector must report on-site delays or cancellations to the TAC.

The most frequent QA inspection is one in which the QA assessment is conducted in collaboration with that of the inspector. The QA inspector accompanies the inspector through the entire inspection of a property.

The QA inspector:

- Observes the inspector's performance,
- Identifies and corrects any inconsistencies with the inspection protocol, and
- Provides feedback for training reinforcement and for evaluating and building inspection skills.

Another type of QA inspection is one in which the QA inspector conducts a complete UPCS inspection *independently* of that performed by the inspector.

This type of QA inspection may be performed in one of two ways:

- Simultaneously with the inspection done by the inspector. Both inspectors assess the same property, at the same time, using the same sample, but the inspections are conducted separately and the inspectors are accompanied by different property representatives.
- As a "shadow" of a completed inspection by the inspector. The QA inspector assesses only those sample buildings and units that were assessed in the original inspection.

Another type of QA inspection is performed using a specific set of comparative inspection data rather than an item-for-item assessment as is done in the other types of QA inspections.

**QA and the Inspector**

QA has an important role in continuously improving the assessment process. The results of QA assessments are channeled back into training, and process evaluation to continually improve the Physical Inspection Program. Therefore, these QA results have a direct impact on the inspectors who perform the physical assessments of HUD properties. It is important to note:

- QA inspectors monitor and evaluate inspector compliance with the UPCS Inspection Protocol to assure accurate, consistent inspections. Strict adherence to the protocol by the inspector means that the inspector's assessment results will agree with the QA assessment results.
- QA inspectors are a valuable resource for inspectors' continued development. QA inspectors can provide insight and advice into the process for all inspectors. Therefore, it is encouraged that inspectors utilize the QA team as a source for information to enhance inspection skills.
- Because QA inspectors monitor and evaluate compliance with the protocol, they are responsible for taking the necessary actions to make certain the inspector adheres to the protocol at all times. These actions may include recommending the retraining of an inspector who demonstrates an inability or unwillingness to comply with the protocol. It is the job of the QA inspector to report on an inspector's performance regardless of whether the findings are positive or negative.

**Prevention:**

- HUD's QA program is designed to prevent gaming and negligence
  - Various automated analyses are performed that can detect when the inspection protocol is not being performed. For example, the time a sample is generated and the time the first observation is entered into the UPCS software are recorded. If these two times are not on the same day, HUD will know that the sample was generated ahead of time.
  
- If an inspector is caught participating in gaming or other

practices, the inspector may be subject to administrative action.



**Key Point:**

QA is a key resource for continued improvement and success.

**Inspector Administration**

Inspectors who are found through QA reviews to be not in compliance with the UPCS Inspection Protocol or “outside of standard” may be subject to administrative action. Inspector Administration (IA) is the part of QA where such actions are determined and taken.

IA will issue a Notice of Deficiency for each inspection when the inspector is found to be not in compliance or outside of standard. The inspector will have 15 business days from the date of notification to respond to the Notice of Deficiency. IA will review the inspector’s rebuttal to determine if a Performance Deficiency is warranted.

When an inspector accumulates three Performance Deficiencies, IA will de-certify the inspector.

De-certified inspectors:

- May not conduct UPCS inspections on behalf of HUD
- Will be denied access to the HUD inspection systems, and
- Must return the HUD-issued ID card.

In order to be re-certified, a de-certified inspector must reapply for—and successfully complete—the certification training and testing.

One Performance Deficiency will be removed from an inspector’s current status for each 30 subsequent, consecutive inspections that the inspector completes that are accepted by HUD without incurring an additional Performance Deficiency. Below is an example of how Performance Deficiencies reflect an Inspector’s current status:

#	Inspector Action	Change to Status	Current Status
1	Out of Standard QA Review	+ one deficiency	1
2	Code of Conduct noncompliance	+ one deficiency	2
3	30 acceptable inspections	- one deficiency	1
4	Rejected Inspection	+ one deficiency	2
5	Out of Standard QA Review	+ one deficiency	3

The Inspector and all contractors and servicing mortgagees with whom the inspector has an affiliation will be notified of each Performance Deficiency and de-certification.

Certain activities may be cause for an inspector's immediate de-certification if they occur during the course of an inspection. These include, but are not limited to, the following:

- Carrying a firearm or weapon onto a property
- Theft or intentional property damage
- Fraudulent activity
- Threatened or actual violence again a person while conducting an inspection
- Sexual harassment

In all such cases, Inspector Administration will refer the case to the Office of Inspector General or the DEC for action.



## Discussion

Discuss the following questions:

1. What is the QA inspectors' primary role?
2. What are the three jobs a QA inspector performs?
3. How can an inspector best utilize a QA inspector?
4. What is the role of IA in the QA process?