

Final Quality Improvement Working Group on Quality Assurance RESNET Quality Assurance Options

October 3, 2014

In October of 2013, the RESNET Board of Directors received a number of recommendations from the HERS Index Score Consistency Task Force. This Task Force is comprised of representatives of the nation's largest production builders, rating software tool developers, and Rating QA Providers. A principle recommendation for creating greater consistency in the HERS Index was "enhanced quality assurance of ratings" through "independence of Quality Assurance Designees." In response to this recommendation, the Task Force put forth, and the Board adopted, the following policy:

RESNET certified Quality Assurance Designees must in the future:

- Serve as agents of RESNET
- Have neither a financial interest nor an employee/employer relationship with the entity performing the rating.

The RESNET Quality Improvement Working Group was tasked by the Board of Directors to develop options for how RESNET could carry out the above policy, specifically: how RESNET Quality Assurance can be completed without a financial interest or employee/employer relationship between QA Designees and Rating QA Providers or Raters. After many months of deliberations, and a public comment period, the Working Group created four Options, three of which provide true "financial separation", which removes any financial influence by Providers and Raters over the RESNET Quality Assurance process and one hybrid option (Option 4) which incorporates feedback received from public comments on Options 1, 2 and 3.

Applicable to all options, RESNET Staff is to be strengthened in number of employees, skills, and abilities, including increased technical capability to do more rigorous oversight of the RESNET QA process in addition to the administrative confirmation of QA that it currently performs.

Option 1 – RESNET does 100% of QA with RESNET Staff.

QA is carried out by a trained and qualified staff of RESNET employees.

Option 2 – RESNET to create a pool of QA Contractors to execute RESNET QA Program.

Only individuals at the companies who are approved by RESNET are allowed to provide QA services. The pool of QA Contractors will be limited but appropriate in number to meet the requirements of this Option. QA Contractors will not be allowed to perform ratings in the geographic areas, to be defined by RESNET, that they are delivering QA services. RESNET will:

1. Establish a rigorous process of vetting, approving, and validating Contractors;
2. Establish uniform QA processes that Contractors are responsible for and ensure comprehensive training of the QA Contractors;
3. Oversee the entire QA process, tell the contractors where to go and when, and pay the contractors directly;
4. Retain oversight of the work done by the QA Contractors and the freedom to terminate contractors with poor performance;
5. RESNET will work to implement measures that address non-disclosure and conflicts of interest between QA contractors and those receiving quality assurance.

Option 3 – RESNET contracts with a pool of third-party regional QA Contractors to perform QA of Raters.

The pool of QA Contractors will be limited but appropriate in number to meet the requirements of this Option, fully responsible for overseeing and carrying out the entire QA process, and not be allowed to perform ratings in the region(s) that they are awarded a contract. RESNET will:

1. Establish a rigorous process of vetting, approving, and validating Contractors;
2. Establish uniform QA processes that Contractors are responsible for and ensure comprehensive training of the QA Contractors;
3. Establish Regions of the country and allow third-party contractors to respond to an RFP to provide QA services in one or more Regions. Contractor selection to be based on “best value” and not solely on lowest price. Selected contractors would be awarded contracts for 2-3 years and the RFP process would be repeated again at the end of each contract period;
4. Retain oversight of the work done by the QA Contractors;
5. RESNET will work to implement measures that address non-disclosure and conflicts of interest between QA contractors and those receiving quality assurance.

Option 4 – “QA Providers” can perform QA of their independent Raters while “Rating Providers” receive QA by RESNET.

Two distinct types of Providers shall be established, “QA Providers” and “Rating Providers.” A company cannot be both a QA Provider and a Rating Provider.

QA Providers cannot perform ratings and can perform all QA oversight of independent Raters under their Providership. QA Providers will be subjected to a more rigorous process of, and qualifications for, accreditation than Rating Providers. Additionally, QA Providers will receive increased oversight by RESNET of their QA work than is currently defined in the RESNET Standards.

Rating Providers performing ratings will receive QA oversight of their work by RESNET. QA of Rating Providers shall be performed by RESNET or its designated representatives. If QA oversight is performed by a third-party contractor, Rating Providers may challenge the selection of the contractor for legitimate reasons.