

Procedure XXX – Practice for VGEM Quality Management Program

EFFECTIVE DATE: July 30, 2018

1.1 Subject – Quality Management Program to be used by the Board of Trustees in the conduct of HOA operations.

1.2 Purpose – To facilitate the high quality operation of the HOA.

1.3 Authority – VGEM HOA declaration of Covenants and Restrictions, Articles of Incorporation of the Association, By-Laws, and Federal, State, and Local laws.

1.4 Scope – The Board of Trustees of the VGEM HOA is responsible for maintaining and effectively executing the VGEM Quality Management Program.

1.5 Responsible Party – The Board of Trustees is responsible for establishing a Quality Management Committee to perform day to day quality related operations. In the absence of a Quality Management Committee the Board of Trustees is responsible for performing day to day quality related operations.

1.6 Definitions – Not applicable.

1.7 Intellectual Property – The practices, processes, tools, forms, and any other information products associated with the VGEM Quality Management Program are the property of the HOA, VGEM Inc. Vendors are not permitted to use or adopt any elements of this quality management program without express permission and financial consideration to VGEM Inc. All future contracts with vendors and management companies are to include a signed non-disclosure agreement protecting this HOA intellectual property.

1.8 Policy Statement – The Board supports the use of uniform practices and the right to know in the conduct of VGEM operations including the Quality Management Program. The Quality Management program is fully transparent and Quality data is reported at Open Session Meetings. These practices will ensure that the community residents are informed in a proper and timely manner about the operations of VGEM.

1.9 Policy – The VGEM Quality Management Program shall include the following elements:

General

- a. The quality program is about collecting data on defects and service performance, NOT praising or providing positive comments on performance.
- b. The defects and service performance shall be categorized by type and general location.
- c. The defects and service performance shall be maintained in a spreadsheet or database that is available for review by any VGEM resident at any time.

d. The defects and service performance shall be grouped and reported at each Open Session Meeting and made part of the meeting minutes.

Service Performance

a. Performance Quality Feedback forms shall be developed for each contractor providing key periodic services to VGEM as identified below:

1. Management Company
2. Landscaping Company
3. Irrigation Company
4. Pool Company
5. Snow Removal Company

b. The Performance Quality Feedback forms are to be made available to residents for submission at any time to a secure HOA Suggestion and Performance Quality Feedback box located in the Clubhouse. Only HOA residents can have access to this secure HOA box. The management company and contractors are forbidden to have direct access to the secure HOA box.

c. Performance Quality Feedback forms are to be sent to each VGEM resident not later than 2 weeks before the Open Session Meeting for return to the HOA in preparation for the upcoming Open Session Meeting. This is to mitigate any resident disengagement from the process due to previous poor quality experiences.

Defects

a. Defect forms shall be developed for each of the key systems and services at VGEM as identified below:

1. Landscaping
2. Irrigation
3. Pool
4. Snow Removal

b. Defect forms are to be reviewed and responded to by the management company the next business day.

c. All defects are to be closed within 3 business days by the management company. Defects that are not closed within 3 business days are to have a written explanation provided by the management company. Unclosed defects and their explanations are to be reported at the next Open HOA Session Meeting and made part of the minutes.

System Check Lists

a. VGEM maintains a number of systems that must be safe, in proper working condition, and esthetically pleasing. These systems include:

1. Outdoor Pool Pump Room
2. Outdoor Pool
3. Indoor Pool Pump Room
4. Indoor Pool
5. Indoor Jacuzzi
6. Heating and Air Conditioning
7. Clubhouse Radio
8. Ball Room Entertainment System
9. Exercise Room
10. Saunas
11. Bathrooms and Showers
12. Lighting
13. Physical structure
14. Outdoor furniture and fixtures including front areas
15. Retention Ponds Phase 1, 2, 3
16. General grounds conditions Phase 1, 2 and 3

b. The checklists are to be used by the management company for periodic inspection of all VGEM systems and reported to the HOA when there are negative findings. The dates of the findings are critical because unaddressed findings may become legal liability claims if the findings are not addressed in a reasonable time.

c. The checklist findings are to be reported at each Open Session Meeting and made part of the minutes.

Forms

a. The forms shall include items that may be uncomfortable but they are critical to measure community discontent. The point is to meet the problem head on and properly address it without the need for conflict or possible future litigation.

b. The forms can be modified but must not be made useless by obfuscating or confusing the clear message in the forms that initialized this procedure.

c. The following Performance Feedback forms are attached to this procedure:

1. Performance Feedback Landscaping
2. Performance Feedback Irrigation
3. Performance Feedback Snow Removal
4. Performance Feedback Pool Service
5. Performance Feedback Management Company

c. The following Defect forms are attached to this procedure:

1. Pool Defects
2. Future to be developed

c. The following Check lists are attached to this procedure:

1. Pump Room Check List
2. Community Check List
3. Future to be developed

d. The forms can be used as guidance to develop additional forms.

Closing Defects and Performance Quality Issues

a. Collecting quality data and tracking metrics is of no value if there is no plan or no desire to close the defects.

b. It is ultimately the responsibility of VGEM Inc. to provide the residents of VEGM with a high quality world class age 55 community. Pushing that responsibility to the original builder and to blame the contractors and or residents is unacceptable.

c. If contractors are not performing, VGEM must perform its fiduciary responsibility to the residents and either work with the contractor to correct the performance or replace them even if it means premature contract termination by using the quality metrics data.

d. Community defects traceable to the original builder are a legal issue with the builder and must not translate to a loss of amenities or high quality systems in VGEM. In age 55 communities time is very precious and people can't wait for a legal battle to complete while key systems are unavailable to the residents. In many ways this is a legal jeopardy situation because of mortgages based on advertised community amenities.

e. It is acknowledged that an age 55 community is different from other communities. Health issues such as implants, missing organs, previous strokes, poor health affect systems such as the swimming pools. For example, the pool water must be perfectly clean with no room for anyone to second guess an illness or a death because they took a dip in the pool when the water was cloudy. The pools must be safe without fearing that a neighbor might drown in the pool because everyone is too old to help.

e. Defects and Performance Quality Issues shall be properly closed without intimidation to the full satisfaction of the originator in a reasonable time but must not exceed 30 days.

Management Company Status Reporting

a. The management company is to provide a written monthly status report of accomplishments.

b. The management company monthly status reports shall be provided at the next Open Session Meeting and included in the minutes.

c. The management company monthly status reports shall be made available to the residents at any time.

d. The monthly status report can include additional information as requested by the Board of Trustees.

e. Although the Board of Trustees is ultimately responsible for the high quality operation of the HOA, the management company is responsible for the day to day operations that translate into a high quality operation. Should quality start to drop the management company is expected to detect and provide recommend actions to the Board of Trustees and ultimately improve quality. The management company is the key responsible entity for proving a high quality operation.

1.10 Amendments – This policy may be amended from time to time but the quality management program shall not be compromised and made ineffective by potential future poor policy changes.