



NHQ CERTIFIED TRADE CONTRACTOR AUDIT REPORT

T.W.R. Enterprises, Inc.
Corona, CA 92880
Report No: TR5251208
Audit Date: December 8, 2008
Report Date: December 23, 2008
Audit Conducted by: Bob Roller

ASSESSMENT CRITERIA

The assessment criterion for this audit is the National Housing Quality Trade Contractor Quality System Requirements. The quality manual reviewed for the audit was dated 12/8/2008.

LEVEL OF COMPLIANCE

This verification audit found that T.W.R. Enterprises, Inc. quality assurance system is in substantial compliance with the requirements of the NHQ Certified Trade Contractor Program and continued certification is granted.

SUMMARY

T.W.R. Enterprises, Inc. is an established contractor that provides framing services to residential home and apartment builders in the Southern California marketplace. The company has undergone a significant change in its personnel during the last 2-1/2 years, being reduced from approximately 2,200 employees in 2006, then a further reduction to 500 employees in 2007, and has maintained a fairly consistent level of about 160 employees in 2008. However, in spite the down housing market, the company maintains a strong relationship and an acceptable level of work volume with the major home builders in the area.

This audit involved assessing compliance with the NHQ Trade Contractor Requirements of T.W.R. Enterprises' quality assurance system via a sampling of records and worker interviews and job site visits. The following items were identified as notable during the audit.

Positive trends are showing in several quality performance statistics (hot spot analysis, back charges, warranty calls, etc.). The company reports builder callbacks and warranty claims are down substantially since the implementation of the NHQ system. Very positive builder feedback survey results were noted by the auditor, with a collective rating of 3.76 out of 4. A positive team approach is very evident from observations and interviews by the auditor.

The company is making good use of communication and computer technology, and database information was used to drive continuous improvement.

Quality-related files were in order and easily retrievable. The quality system's processes and procedures were well defined and organized. The process for version control of plans/specifications/selections appears to be working well, with controls in place to prevent duplication and oversights. The material and supplier approval process are very well thought-out and reviewed regularly. The employees appear to be well trained and competent with many being of long tenure. Continuous improvement to the quality system and forms was evident.

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The independent job site QA audits were providing a good assessment of the QA system operation. The contractor exceeds the NHQ requirements in this area by doing at least one (or more) audit per week if business volume warrants. The corrective action (hot spot) process has been effectively implemented with both perfect training records and field responses to questions relating to this subject. An effective inspection process is in place and all forms reviewed were completely and thoroughly filled out.

The auditor found very good safety awareness throughout the organization, and observations indicate the safety program is receiving a strong commitment from management.

The auditor found a strong company-wide awareness of the quality commitment, which is a further indication of management's attention and support of the quality program. It should also be noted that the operation of the quality system was not interrupted despite severe personnel changes during the last two years.

There were no findings or observations during the course of this audit.

REMINDER INFORMATION

Occasionally, when an auditor is in the area, we may conduct an unannounced spot check to be sure that certain elements (typically hot spots and inspections) are continuing. These spot checks will be very brief and you will be informed of the result.

EMPLOYEES INTERVIEWED

NAME	TITLE
Amy Strommer	Director of Human Relations
Kristi Brandel	Operations Manager
Robert Graf	Quality Assurance Manager
George Dawald	Project Manager
Rick Newton	Customer Service

JOB SITES VISITED

PERSONNEL	TITLE	BUILDER	DEVELOPMENT
Kevin Bower	Foreman	Shea	Silverstone
Tim Egan	Framer	Shea	Silverstone
Lewis Lyons	Framer	Shea	Silverstone
Angel Espadas	Framer	Shea	Silverstone
Shane Sanchez	Foreman	Shea	Newbridge
Tino Delgado	Framer	Shea	Newbridge
Juan Gonzales	Framer	Shea	Newbridge
Arturo Romero	Framer	Shea	Newbridge
Oscar Castro	Framer	Shea	Newbridge
Jose Martinez	Framer	Shea	Newbridge
Miguel Hernandez	Framer	Shea	Newbridge
Martin Hernandez	Framer	Shea	Newbridge
Roland Placentia	Framer	Shea	Newbridge

DISCLAIMER

This audit was an audit of the quality management system and not a quality inspection of various jobs. This audit was not a safety audit nor was it a safety inspection and any reported safety observations are for the company's information and action as the company sees fit. This audit involved a sampling process for both records and interviews and, as such, the audit may not find all the significant concerns with the QA system and/or safety program or their implementation at T.W.R. Enterprises, Inc.

Lead Auditor:

Robert S. Roller

Signature

December 23, 2008

Date

Reviewed at the NAHB Research Center by:

Paul J. Callahan

Signature

December 23, 2008

Date