



Department of Energy
Office of Civilian Radioactive Waste Management
Yucca Mountain Site Characterization Office
P.O. Box 98608
Las Vegas, NV 89193-8608

MAY 16 1996

L. Dale Foust
Technical Project Officer
for Yucca Mountain
Site Characterization Project
TRW Environmental Safety Systems, Inc.
Bank of America Center, Suite P-110
101 Convention Center Drive
Las Vegas, NV 89109

VERIFICATION OF CORRECTIVE ACTION AND CLOSURE OF CORRECTIVE ACTION
REQUEST (CAR) YMQAD-96-C001 RESULTING FROM OFFICE OF QUALITY ASSURANCE
(OQA) SUPPLIER AUDIT OQA-SA-96-007 (SCPB: N/A)

The Yucca Mountain Quality Assurance Division staff has verified the
corrective action to CAR YMQAD-96-C001 and determined the results to
be satisfactory. As a result, the CAR is considered closed.

If you have any questions, please contact either Robert B. Constable at
794-5580 or Richard L. Maudlin at 794-1302.

Richard E. Spence, Director
Yucca Mountain Quality Assurance Division

YMQAD:RBC-1717

Enclosure:
CAR YMQAD-96-C001

cc w/encl:
T. A. Wood, HQ (RW-14) FORS
R. L. Strickler, M&O, Vienna, VA
R. P. Ruth, M&O, Las Vegas, NV
J. G. Spraul, NRC, Washington, DC
S. W. Zimmerman, NWPO, Carson City, NV
D. G. Horton, OQA (RW-3) NV
W. E. Barnes, YMSCO, NV
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cc w/o encl:
W. L. Belke, NRC, Las Vegas, NV
R. L. Maudlin, YMQAD/QATSS, Las Vegas, NV
D. G. Sult, YMQAD/QATSS, Las Vegas, NV

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CORRECTIVE ACTION REQUEST

1 Controlling Document: POP-002, Revision: New, OCRWM QARD, Revision 5
2 Related Report No.: OQA-SA-96-007

3 Responsible Organization: Alabama Specialty Products, Inc. (Metal Samples Co.)
4 Discussed With: Rick Douglas, Kirk Johnson

5 Requirement:
POP-002, Paragraph 3.1, states in part: "...before adding any supplier to our approved vendor/subcontractor list and/or ordering any material or product, purchasing checks the suppliers reputation and references.... Continuous quality and performance monitoring of suppliers is also an important element of supplier assessment."
OCRWM QARD, Section 7.0, Subsection 7.2.2(c) states: "Measures for evaluating and selecting procurement sources shall include one or more of the following elements: (1) Evaluation of the supplier's history for providing an identical or similar product which performs satisfactorily in actual use; (2) Evaluation of supplier's current QA records supported by any documented qualitative and

6 Description of Condition:
Contrary to the above, there was no documented evidence that the suppliers (Castle, Haines International) for LLNL material purchased on Alabama Specialty Products, Inc., Purchase Orders #23563-00, 23501-00, and 23587-00 had been evaluated and found acceptable to provide the material ordered.
In addition, the calibration services of Certified Measurements, Inc., Alabama Specialty Products, Inc., Purchase Order 23753-00, had been procured to calibrate standards used by Metal Samples Co. to calibrate their internal instruments. No evidence could be provided to indicate that the calibration vendor had been evaluated and found acceptable to provide calibration services.

7 Initiator: *Richard L. Maudlin*
Richard L. Maudlin Date 12/13/95
8. Does a stop work condition exist?
Yes ___ No ; If Yes, Attach copy of SWD
If Yes, Check One: A B C

10. Recommended Actions:
A. Determine the status of all material ordered by LLNL.
B. Evaluate and determine the impact on shipped material to LLNL based on a potential lack of vendor qualification. Evaluate the status of all suppliers on the Metal Samples approved suppliers list.
C. Determine what action is necessary to accept shipped material to LLNL. Document these actions.
D. Investigate and determine the cause, then identify and document all action to preclude recurrence.

11 QA Review: *Richard L. Maudlin* Date 12/18/95
12 Response Due Date: 20 working days from issuance

13 Affected Organization QA Manager Issuance Approval:
Printed Name ROBERT B. CONSTABLE Signature *Robert B. Constable* Date 12-20-95

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14 Remedial Actions:

SEE ATTACHED

15 Investigative Actions:

SEE ATTACHED

16 Root Cause Determination:

SEE ATTACHED

17 Action to Preclude Recurrence:

SEE ATTACHED

18 Response by:

SEE ATTACHED

Date

19 Corrective Action Due Date:

SEE ATTACHED

20 Response Accepted

QAR

[Signature]

Date

2/1/96

21 Response Accepted

AOQAM

[Signature]

Date

2-7-96

22 Amended Response Accepted

QAR

Date

23 Amended Response Accepted

AOQAM

Date

24 Corrective Actions Verified

QAR

[Signature]

Date

4/23/96

25 Closure Approved by:

AOQAM

[Signature]

Date

5/15/96

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quantitative information; (3) Evaluation of the supplier's technical and quality capability based on an evaluation of supplier's facilities, personnel, and QA program implementation."

ALABAMA SPECIALTY PRODUCTS, INC.

Operational Procedure

Revision Sheet from:

"EVALUATION of SUBCONTRACTORS No.: 6.1 - 1" to:
"SUPPLIER RATING PROGRAM, No.: 6.1 - 1"

Rev.	Nature of Change	Name	Date
NEW	Initial Release	JH	05-25-94
-1-	Re-titled from: "Standard Operating Procedure" To: "Operational Procedure" and from: "Supplier & Subcontractor Assessment" to: "Evaluation of Subcontractors", Re-numbered from: "POP-002" to: "6.1 - 1", removed signature blocks from page 1 of 2 and revised signature block on page 2 of 2. The document was shortened to two (2) pages by changing the print font. The paragraph numbering system was changed and wording with regard to the supplier program was added to paragraph 6.1.3.1. These changes were made to align the procedure with the re-written Quality Assurance Manual in an effort to simplify the documentation of our Quality System.	RD	03-28-95
-2-	Changed title from: "EVALUATION of SUBCONTRACTORS" to: "SUPPLIER RATING PROGRAM", and completely re-wrote the procedure to clarify responsibilities and better describe how our suppliers are to be assessed and rated. This document is an instructional Operational Procedure which supports our standard Operational Procedure for Purchasing.	RD	01-10-96
-3-	Removed "Unless otherwise directed in writing," from paragraph 6.1.2.1. Reworded paragraph 6.1.3.1 to eliminate "Grandfathering" of suppliers onto our approved suppliers list.	RD	01-16-96

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quantitative information; (3) Evaluation of the supplier's technical and quality capability based on an evaluation of supplier's facilities, personnel, and QA program implementation."

Responses:

- A. "Determine the status of all material ordered by LLNL."
1. Inspection results demonstrate dimensional compliance with the agreed upon requirements.
2. Samples of residuals of the materials shipped to LLNL are being gathered for submission to an outside laboratory for chemical and physical analysis. One alloy from each supplier of LLNL material will be analyzed to verify the credibility of those suppliers' mill test reports (MTRs).
3. Originals of the analysis results will be supplied to the OQA, and copies will be supplied to LLNL as objective evidence as soon as the results become available.
- B. "Evaluate and determine the impact on shipped material to LLNL based on a potential lack of vendor qualification. Evaluate the status of all suppliers on the Metal Samples Approved Suppliers List."
1. All materials, and their associated Mill Test Reports (MTRs), received by Metal Samples, are marked with a material lot identification number which establishes initial traceability of material to its specific MTR.
2. When a Work Order is released for processing, the desired alloy and its specific material lot I.D. number are identified on the order. The Work Order identified, marked material is withdrawn from our inventory and moved to the first processing operation with the order. Traceability of the material through all stages of processing is maintained with the accompanying Work Order by the markings on the material and the order.
3. When the individual pieces of material become too small for I.D. marking they are placed in portable processing trays which are tagged with cards identifying the alloy, material lot I.D. No., quantity, and the Work Order (Job) Number. During performance of the subject LLNL Purchase Order, only one alloy at a time was processed to absolutely eliminate traceability deficiencies.
4. When processing and dimensional inspection was complete, the material was subjected to radiographic analysis to verify the alloy family (i.e. S308, S318, TIGR6, C1018, etc.) prior to shipment. At this point larger pieces of residual (left-over) material were marked with their original, specific material I.D. number and were returned to inventory. Smaller pieces of rejected product and scrap material produced during performance of the subject LLNL Purchase Order were placed into

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zip-lock plastic bags which were marked with the Work Order number and the original material I.D. number, and were held in our Inspection Lab. as "retains" in the event of any unforeseen problems with receipt at LLNL.

5. The "retains" described in 4., above are still available and properly identified. These "retains" are the materials from which the outside analysis samples addressed in A., above will be selected.

6. Although none of the suppliers used for purchasing LLNL material were "officially" qualified, our in-house radiographic alloy verification along with our proposed outside analysis of one alloy from each supplier will establish the credibility of those suppliers' CMTRs. These efforts alone may not qualify our suppliers, but they will verify that Metal Samples Co. did ship the correct, required alloys affecting no negative impact on the shipped materials.

7. To preclude recurrence of similar instances we have expanded our Operational Procedure No. 6.1-1, "SUPPLIER RATING PROGRAM" to include minimum requirements for suppliers to be placed on our approved supplier list and a scoring system to rate those suppliers which are on our list. (See attached procedure).

C. "Determine what action is necessary to accept shipped materials to LLNL, and document these actions".

1. Metal Samples' submission of outside chemical and physical analysis results will satisfy the requirements and facilitate acceptance.

D. "Investigate and determine the cause, then identify and document all actions to preclude recurrence."

Investigative Actions:

1. Reviewed ISO 9001-1994, Section 4.6 Purchasing, and Alabama Specialty Products' Quality Assurance Manual, and procedure POP-002, "Supplier and Subcontractor Assessment."

2. Interviewed purchasing, receiving, and Q.A. personnel.

Root Cause:

1. Documented procedure was unsuitable, therefore;
2. raw materials were purchased from "un-approved" suppliers.
3. Insufficient to no training of appropriate personnel.
4. Lack of internal audits caused failure to identify the deficiency.

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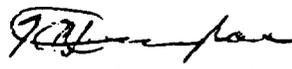
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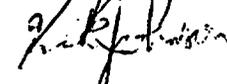
Corrective Action:

1. Clarify supplier assessment processes by establishing, documenting, and implementing a supplier rating system based on measurable supplier performance elements. (see attached procedure No. 6.1-1, "Supplier Rating Program").
2. Train all appropriate personnel to new procedure for immediate implementation. (to be fully implemented by 29 March, 1996)
3. Implement internal quality audits to verify effectiveness of implementation.

Response Submitted by: F.A. "Rick" Douglas and

Kirk Johnson


Compliance Director


President

ALABAMA SPECIALTY PRODUCTS, INC.	
Operational Procedure	No.: 6.1 - 1
SUBJECT: SUPPLIER RATING PROGRAM	Page: 1 of 8 Rev.: -3-

6.1.1 PURPOSE

6.1.1.1 This procedure describes our Supplier Rating Program, provides instruction and assigns the responsibilities for the rating and approval of suppliers providing us with raw materials, completed items, outside services, and consulting services which become a deliverable component of the end item(s) that we provide to our customers. This document supports procedure 6.0 - 1, PURCHASING, and complies with Section 6.0, Purchasing, found in our Quality Assurance Manual.

6.1.2 POLICY

6.1.2.1 This procedure shall be strictly adhered to whenever:

- a. qualifying a new supplier or subcontractor,
- b. an order is being placed for deliverable materials, product or services,
- c. receiving of deliverable materials, product or services is being performed,
- d. updating our Approved Supplier List, and
- e. Supplier Rating Reports are being prepared and distributed.

6.1.3 QUALIFYING SUPPLIERS and SUBCONTRACTORS

6.1.3.1 Suppliers and subcontractors with whom we have done business for more than six months prior to release of this procedure shall be required to submit completed ALABAMA SPECIALTY PRODUCTS, INC. "Supplier Self Assessment", form V/SQS.NEW, and an uncontrolled copy of their Quality Assurance Manual. These documents, along with acceptance history of their past five (5) deliveries, shall be reviewed and evaluated for suitability prior to placement on our Approved Supplier List.

6.1.3.2 When it is deemed necessary to add a supplier or subcontractor to our Approved Supplier List, our Purchasing Agents shall request the following from the candidate supplier/subcontractor.

- a. A copy of the candidate's Certificate of Quality System Registration (if registered),

NOTE: If the candidate is registered to an ISO 9000 or QS 9000 System, c. through f. below are not required.

- b. a copy of the candidate's Quality Assurance Manual.
- c. descriptions of relevant processing equipment and machines,
- d. samples of similar products and/or documented workmanship criteria (when applicable),
- e. business references from other customers, and professional resumes (if engineering or consulting services are involved).

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6.1.3.3 When the information requested in paragraphs 6.1.3.1 or 6.1.3.2 of this procedure is received, our Purchasing Agents and Compliance Director shall review and assess the submission(s). The decision as to whether or not to place the candidate supplier/subcontractor on our Approved Supplier List shall be based on a comparison of the complexity and criticality of the items or services to be ordered against the detail, completeness, and timeliness of the information submitted.

6.1.3.4 When the information and business references submitted are deemed acceptable for our uses, the candidate supplier/subcontractor shall be placed on our Approved Supplier List with a "PROVISIONAL" Supplier rating, and our Supplier Rating Program described in paragraph 6.1.6 of this procedure shall be imposed upon them.

6.1.3.5 In the event the candidate supplier/subcontractor does not submit the requested information, or the information is incomplete, or the business references or professional resumes are unsuitable, the candidate supplier/subcontractor shall not be placed on our Approved Supplier List and shall receive no orders from us until the deficiencies are corrected.

6.1.4 PLACING ORDERS for DELIVERABLE MATERIALS, PRODUCTS, or SERVICES

The foundation of an effective supplier/subcontractor evaluation program is comprised of sound, well-disciplined processes for the ordering of materials, products, and services, as well as sound, well-disciplined processes for the receipt, acceptance, and performance measurements of those orders. After all, if we intend to impose a rating system upon our suppliers which uses on-time deliveries, acceptability of the item(s) received, and the presence of the required paperwork in the shipment as our means of measuring their performance, it is imperative that our Purchase Orders contain all of the information necessary to give our suppliers a detailed description of exactly what we require and how we intend to receive and accept their shipment(s). Therefore, the ordering of deliverable materials, products, and services shall be accomplished as described below.

6.1.4.1 Deliverable Materials, Products, or Services are defined as those which become part of, are incorporated into, or have a direct affect upon the overall quality and performance of the products and/or services we deliver to our customers.

6.1.4.2 All personnel are authorized to initiate requests for quotes and/or orders and shall use form no. MS231 or MS200 in accordance with procedure no. 6.1 - 2, COMPLETION of ASP QUOTE/ORDER REQUEST for deliverable items. The requestor delivers the completed form to the department supervisor for approval and submission to the appropriate Purchasing Agent for action.

6.1.4.3 The Purchasing Agent reviews the request to determine whether or not the information is sufficient to obtain an accurate quote or place a proper Purchase Order, to determine whether or not the items requested are "deliverable", and to determine whether or not (based on its dollar value) the request is subject to additional management approval prior to initiating the required action.

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6.1.4.4 Once the request is deemed acceptable and all the required approvals have been obtained, the Purchasing Agent performs the tasks required to obtain the requested quote (by telephone or written request) or place the requested *Purchase Order* in accordance with procedure no. 6.1 - 3, COMPLETION of the ASPI PURCHASE ORDER.

6.1.4.5 When the Purchase Order is printed, the Purchasing Agent compares the order to the associated QUOTE/ORDER REQUEST form to ensure that all of the request requirements are properly reflected on the Purchase Order. When the Purchase Order is correct, the Purchasing Agent signs and delivers it, along with Quote/Order Request form, to the requestor, or their supervisor, for review, approval and signature.

6.1.4.6 After approval by the Purchasing Agent and the requestor, the Purchase Order, along with the associated Quote/Order Request form are submitted to our Compliance Director or Q.C. Manager for final review to ensure that all of our customer's quality requirements for purchases are properly addressed. When the Purchase Order is considered complete and acceptable, the final reviewer shall sign it prior to submission to the supplier/subcontractor.

NOTE: *Neither our Compliance Director nor our Q.C. Manager will perform final reviews of Purchase Orders until the cognizant Purchasing Agent AND the requestor have reviewed, approved and signed them.*

6.1.4.7 In the event an error(s) or omission(s) is found on the Purchase Order, the error(s) shall be corrected, and the corrected (amended) Purchase Order shall be subjected to the same scrutiny as described in paragraphs 6.1.4.5 and 6.1.4.6 above.

6.1.4.8 At the end of each business day, our Purchasing Agents shall print out "Receiving Documents" for each Purchase Order processed. These "Receiving Documents" are delivered to our Receiving Clerk for his actions as described in procedure no. 10.1 - 1, RECEIVING INSPECTION (Receiving Clerk).

6.1.5 RECEIVING of DELIVERABLE MATERIALS, PRODUCTS, or SERVICES

6.1.5.1 Whenever shipments containing Deliverable Items are received, our Receiving Clerk shall receive the shipments exactly as described in procedure no. 10.1 - 1, RECEIVING INSPECTION (Receiving Clerk) to ensure consistency in the receiving process.

6.1.5.2 After completing receiving inspection, our Receiving Clerk shall rate (score) the shipment using the actual day of delivery, the accuracy of the counted quantity, the physical condition of the product received, and the presence of accurate, required paperwork as described in 6.1.6, SUPPLIER RATING PROGRAM below.

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6.1.6 APPROVED SUPPLIER LIST

Alabama Specialty Products, Inc. purchases deliverable materials, products, and services from suppliers listed on our Approved Supplier List. In the beginning our company purchased items from any supplier capable of providing the items ordered within the shortest time period and at the lowest cost. Over several years of purchasing items in this manner, the list of suppliers we were doing business with became unmanageable. To correct the problem we queried our main frame for a list of three hundred (300) of our most frequently used suppliers. These suppliers were placed on our Approved Supplier List in the status rating of "PROVISIONAL". (Additional suppliers may be placed on the list in this status rating in accordance with paragraph 6.1.3 of this procedure). Suppliers rated as "PROVISIONAL" have the opportunity to raise their ratings to "ACCEPTABLE" or "PREFERRED" by providing consistent *On-time Deliveries* of the *Correct Quantity* of items in *Good Condition* accompanied by *Accurate, Required Paperwork*.

NOTE: *It is permissible to make emergency purchases of deliverable materials, products, and services from suppliers other than those listed as Approved Suppliers provided measure are taken during receiving inspection to ensure that ALL requirements of the Purchase Order have been fully complied with.*

6.1.6.1 The three (3) rating levels, PROVISIONAL, ACCEPTABLE, and PREFERRED, are defined as:

- a. "PROVISIONAL" which is a supplier newly placed on the Approved Suppliers List or, through mediocre performance, has established a Rating Score of between seventy (70) and eighty (80) points;
- b. "ACCEPTABLE" which is a supplier who, through consistently good performance, has established a Rating Score of between eighty-one (81) and ninety (90) points, and;
- c. "PREFERRED" which is a supplier who, through consistently excellent performance, has established a Rating Score of between ninety-one (91) and one hundred (100) points.

The metrics of our Supplier Rating Program and the manner in which the Rating Scores are determined is described below.

6.1.6.2 Our Supplier Rating Program is a supplier performance measurement program based on a maximum score of one hundred (100) points. There are four (4) categories being scored with a maximum of twenty-five (25) points each. The four (4) categories are: 1) On-Time Delivery, 2) Quantity Received versus Quantity Ordered, 3) Physical Condition of Received Items, and 4) Presence of Accurate, Required Paperwork.

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6.1.6.3 Our Receiving Clerk is responsible for completing our form number QF96-01, Rev. NEW, "SUPPLIER RATING DATA SHEET" for each shipment received. The form is comprised of eleven (11) columns labeled "SUPPLIER NAME", "SUPPLIER NUMBER", "PURCHASE ORDER NUMBER", "ITEM DESCRIPTION OR NUMBER", "DATE DUE", "DATE RCVD", "QTY. ORD.", "QTY. RCVD", "COND. OF ITEMS", "REQD. PAPERWORK", and "SCORE". To properly receive purchased items and to properly complete our form QF96-01-NEW, our Receiving Clerk, or designated alternate shall:

- a. complete all the tasks described in procedure no. 10.1 - 1, RECEIVING INSPECTION (Receiving Clerk);
- b. review the Receiving Document, when receiving inspection is complete and complete the form QF96-01-NEW by writing:
 - i the supplier's name in column labeled "SUPPLIER NAME";
 - ii the supplier's number in the column labeled "SUPPLIER NUMBER";
 - iii our Purchase Order Number in the column labeled "PURCHASE ORDER NUMBER";
 - iv the item description AND/OR part number in the column labeled "ITEM DESCRIPTION OR NUMBER";
 - v the date the shipment was due in the column labeled "DATE DUE";
 - vi the actual date the shipment was received in the upper half of the column labeled "DATE RCVD";
 - vii the quantity of item(s) ordered in the column labeled "QTY. ORD.";
 - viii the actual quantity received in the upper half of the column labeled "QTY. RCVD";
 - ix the actual condition of the item(s) received in the upper half of the column labeled "COND. OF ITEMS" by noting "ACC" for good condition, or list the actual quantity of damaged or lost items in the event loss or damage has occurred, and;
 - x "ACC" if all P.O. required paperwork was present and correct, "CERT" if the required Certification of Conformance was missing or inaccurate, "CMTR" if the required Certified Mill Test Report was missing or inaccurate, "DATA" if the required Inspection, SPC, or Test Data was missing or inaccurate, and/or "SLIP" if the Packing Slip was missing or inaccurate in the upper half of the column labeled "REQ'D PAPERWORK". If more than two (2) items of required paperwork were missing, write "REJ" and notify our Q.C. Manager or Quality Systems Facilitator.

6.1.6.4 At the end of each work day, our Receiving Clerk is responsible for placing all forms QF96-01-NEW completed during that business day on our Compliance Director's desk for analysis and scoring.

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6.1.6.5 Our Compliance Director, or designated alternate, shall review the forms QF96-01-New for completeness. If the forms are incomplete, or there is a question, the reviewer shall contact our Receiving Clerk for resolution. If the forms are complete, the reviewer shall score each line of the form QF96-01-NEW by:

- a. calculating the difference between the Date Due and the Date Received and multiplying the difference by two (2). The result is written in the lower half of the column labeled "DATE RCVD";
- b. calculating the percentage of the Quantity Received ("QTY. RCVD.") versus Quantity Ordered ("QTY. ORD"), and write the difference between the result and one hundred percent (100 %) in the lower half of the column labeled "QTY. RCVD" (i.e. if the supplier provided 110% of the items ordered, write "10" in the designated blank, or if the supplier provide 94% of the items ordered, write "6" in the designated blank);

NOTES:

1. *In the event our Purchase Order is a bulk order which allows plus or minus ten percent (+/- 10%) of the ordered quantity, the score shall be calculated using ninety percent (90%) to one hundred ten percent (110%) as acceptable quantities. Any percentage above or below those limits shall be scored as described above (i.e. if 88% of the ordered quantity is received, the suppliers score would be "2").*

2. *In the event our purchase order is for material drops, variations in material sizes will be experienced. In this case the QTY. RCVD shall be verified by calculating pounds or square inches as the unit of measure, rather than count of pieces.*

- c. counting any damaged or missing items and calculating the percentage of damaged or missing items to the quantity of items ordered, and writing the value in the lower half of the column labeled "COND. OF ITEMS" (i.e. if 100 items were ordered and 2 items are damaged, calculate the percentage of damaged items, [in this case 2%] and write the resultant value, "2", in the designated blank);

NOTE: *In the event a shipment is received with more than twenty-five percent (25%) of the shipment exhibiting damage or degradation, a score of twenty-five (25) shall be assigned, and the cognizant Purchasing Agent shall be advised of the deficiencies along with a recommendation that the shipment be returned to the supplier.*

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- d. identifying required paperwork deficiencies, calculating a score by applying a score of ten (10) points for each required document that is missing, and/or a score of five (5) points for each required document which is incomplete or contains inaccurate information. Write the sum of the scores in the lower half of the column labeled "REQ'D. PAPERWORK" (i.e. if our Purchase Order required a Certified Mill Test Report [CMTR], and Inspection Data, and the shipment was received with a Packing List which does not reference our P.O. Number, a CMTR, and no Inspection Data, a score of five (5) is applied to the incomplete Packing Slip, and a score of ten (10) is applied for the missing Inspection Data. Add the applied scores, [in this case 15], and write the result in the designated blank).

NOTE: *Each month our Q. C. Manager, or designated alternate, shall randomly select four samples of raw materials received with Mill Test Reports for submission to third-party analysis of chemical and physical properties to verify the accuracy of the Mill Test Reports received from our suppliers. In the event any supplier provided Mill Test Reports are found to be inaccurate, a formal Corrective Action Request (CAR) shall be issued to the subject supplier, and the supplier shall be temporarily suspended from the Approved Supplier List until a satisfactory response to the CAR has been received..*

6.1.6.6 After the above described scores have been written into their respective columns, the reviewer shall add the four (4) scores, subtract the sum from 100 and write the result in the column labeled "SCORE", make photo copies of the data sheets, retain the originals and distribute copies to our Receiving Clerk and our Purchasing Agents. (See the attached SAMPLE form QF96-01-NEW)

6.1.6.7 Utilizing the forms QF96-01-NEW, the reviewer now enters new suppliers' names, suppliers' numbers and their respective scores into the Supplier Rating Data spread sheet, OR updates scores for suppliers already listed on the spread sheet, for future recall and use in determining the suppliers' status level.

6.1.6.8 During the last business day of each month, our Compliance Director, or designated alternate, shall electronically update Supplier Ratings by accessing and reviewing the Supplier Rating Data spread sheet. This report contains cumulative On-time Delivery, Correct Quantity, Physical Condition, Required Paperwork, and Total scores for each supplier from whom we received deliverable items during that month. The report is now reviewed for Total scores, and a Status Rating is assigned to, or updated for, each supplier based upon their scores. (See 6.1.6.1 a., b., and c. of this procedure for status rating level requirements.)

6.1.6.9 The completed monthly Supplier Rating Data is used by our Purchasing Agents to electronically update our Approved Supplier List by accessing the Approved Supplier List data base and editing the suppliers' Rating Status levels to reflect the ratings noted on the monthly Supplier Rating Data.

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6.1.7 SUPPLIER RATING REPORTS

6.1.7.1 During the last business day of each calendar quarter (i.e. Mar., Jun., Sep., etc.), our Purchasing Agents shall print out an updated Approved Supplier List for distribution to all supervisory and management personnel for their information and use during completion of ASP QUOTE/ORDER REQUEST forms.

6.1.7.2 Once each calendar quarter our suppliers shall receive a Supplier Rating Report which notifies them of their current Status Rating Level and their cumulative scores in each of the four (4) scored categories. Our Sales Secretary accesses the Supplier Rating Data spread sheet to obtain the current, cumulative scores for each supplier, and generates a Supplier Rating Report for each supplier utilizing that supplier's scores and Rating Status. This Supplier Rating Report is then delivered to the supplier by use of either electronic or surface mail.

NOTES: 1. *In the event a supplier's score drops to below seventy (70) points, our Sales Secretary shall print out that supplier's Supplier Rating Report and present it to our Compliance Director for attachment of a formal Corrective Action Request (CAR) prior to delivery to the supplier. In the event the supplier does not respond within the time specified on the CAR, they will be removed from the Approved Supplier List.*

2. *Due to our impending change in business operating soft ware, we will be unable to use the electronic rating system described in sections 6.1.6 and 6.1.7 of this procedure until sub routines to the new soft ware can be written. Until the electronic rating system is established, verified, and implemented, our Supplier Rating Program shall be performed manually under the direction of our Compliance Director.*

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Prepared/Revised By: <i>[Signature]</i>	Reviewed By: <i>[Signature]</i>	Approved By: <i>[Signature]</i>	Date: 01-17-96
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VERIFICATION OF CAR YMQAD-96-C001

On April 18, 1996, a verification was performed to verify implementation of the corrective action as specified in the response to the Corrective Action Request.

- (1) The supplier who provided the independent testing of LLNL samples was Laboratory Testing Inc., P.O. Box 249, Dublin, PA. Qualification of this supplier was based upon acceptance of Laboratory Testing Inc's QA Manual, an acceptable self assessment and an acceptable shipment. The above was supported by the review of the Alabama Specialty Products, Inc. "Supplier Approval Checklist" dated April 1996.
- (2) Performed a cursory review of Laboratory Testing Inc.'s Quality System Program Manual, Revision 11, dated October 16, 1995. It was noted that Laboratory Testing Inc.'s Quality Systems Manual endorsed standards such as: 10CFR50, Appendix B; ANSI/NCSL Z540-1; ISO 9002; and ANSI/ASME NQA-1. Samples of the subject matter addressed by the Quality Systems Manual included: Manual Control; Personnel Responsibilities, Qualification, and Certification; Internal Audit; Marking and Traceability; Procurement Document Control; Corrective Action; and Document Storage and Record Retention.
- (3) Also reviewed Alabama Specialty Products, Inc.'s "Supplier Self Assessment" for Laboratory Testing Inc., dated 01/29/96. The self assessment was complete and all questions were responded to. Responses to the self assessment supported Quality System Manual commitments. The self assessment questionnaire addressed crucial QA program requirements.
- (4) Reviewed Laboratory Testing Certificate of Conformance No. ASP003-96-03-03646. All samples submitted conformed to the specific ASTM standard and a statement of conformance was noted for each sample tested.
- (5) Reviewed the current "Alabama Specialty Products, Inc. Approved Supplier List", dated April 17, 1996. Also checked and found that the Purchasing Agent had the current list.
- (6) Reviewed a sample of the "retains" as discussed in the response to this CAR. The retains were in a plastic bag and was marked with LLNL ID No. M400.

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- (7) Verified that the calibration supplier, Certified Measurements Inc., had been evaluated and was on the Alabama Specialty Products, Inc. Approved Suppliers List. Bases for qualification was that the supplier maintained an acceptable QA Manual, completed the supplier self assessment form, and had a satisfactory shipment history.
- (8) The supplier Rating Data Sheet has not yet been implemented. The Alabama Specialty Products, Inc. QA Director advised that it should be in place by the end of April 1996.
- (9) Verified that the revised operating procedure titled "Supplier Rating Program" 6.1-1, Revision 5, had been approved and issued.

With the exception of item 8 above, all corrective action was found to be acceptable. Since item 8 does not have a direct impact on the acceptance of suppliers already used, all actions related to the Corrective Action Report are considered complete and closed. Future evaluations will address the Supplier Rating System established by Alabama Specialty Products, Inc.


R.L. Maudlin

4/23/96
Date