
Westinghouse Supplier Quality Oversight Update to the NRC

November 30, 2011

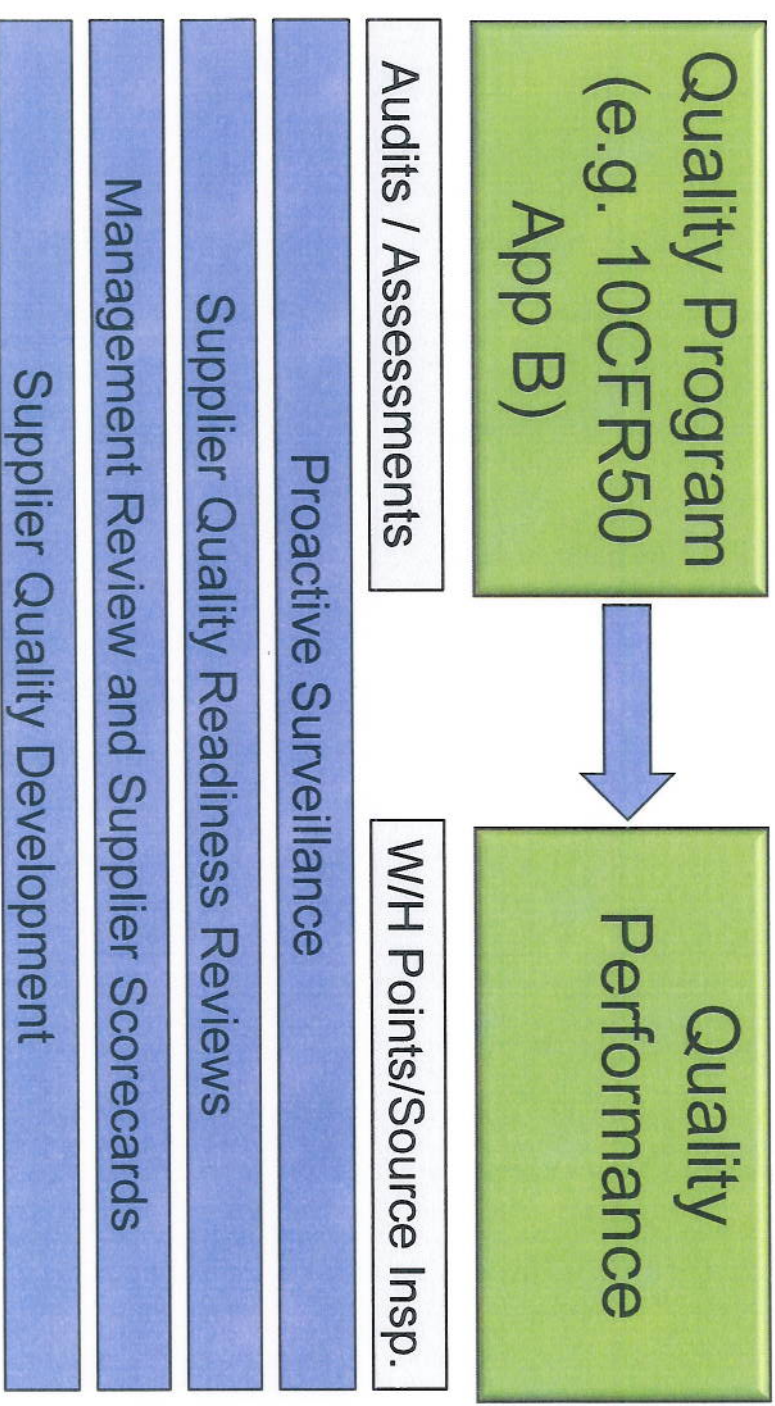
Agenda

- Supplier Quality Oversight Process
- Observations and Lessons Learned
- Improvements
- Next Steps

Supplier Oversight Summary

- Westinghouse oversight and control of suppliers is critical to industry success.
- Westinghouse program meets regulatory requirements.
 - Undergoes significant internal and external scrutiny
 - Fundamentally sound and compliant with regulations
- Focus for Continuous Improvement is consistent implementation.
- Proactively and systematically evaluating and driving improvement
- Initial improvement realized; continued focus and vigilance required.

Oversight of Suppliers



Improving existing processes for greater consistency and adding process steps for improved rigor.

Supplier Quality Lessons Learned

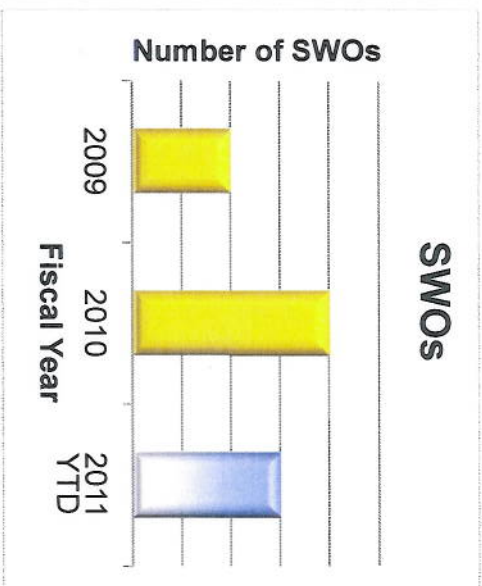
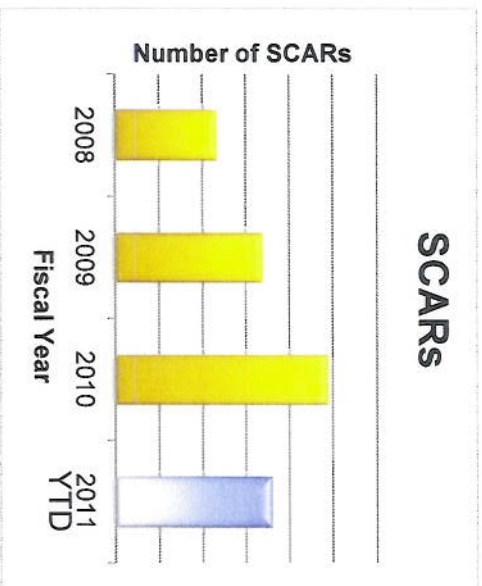
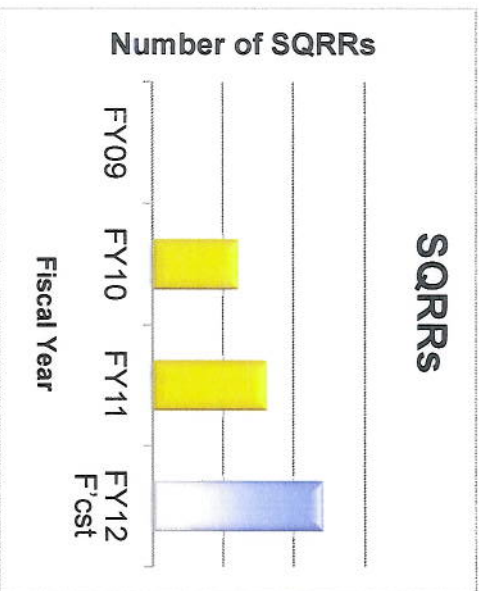
People

- **Standards/Expectations** – Require consistent, continuous observation & reinforcement
- **Procedure Use & Adherence** – Valued and reinforced
- **Training , Qualification & Proficiency** – Personnel development requires continuous attention

Supplier Quality Lessons Learned Oversight Process

- **Procedure Implementation** – Detailed guidance drives standardization and consistency
- **Frequency, Intrusiveness & Observation** – Tailor frequency, breadth, and intrusiveness to situation
- **Systematic Monitoring & Trending** – Fact-based and systematic to ensure early identification of risk and correction before an issue occurs
- **Proactive Supplier Readiness & Development** – Issue prevention
- **Executive Engagement and Intervention** – Visibility and involvement in critical supplier performance issues

Metrics



Driving a shift from reactive to proactive

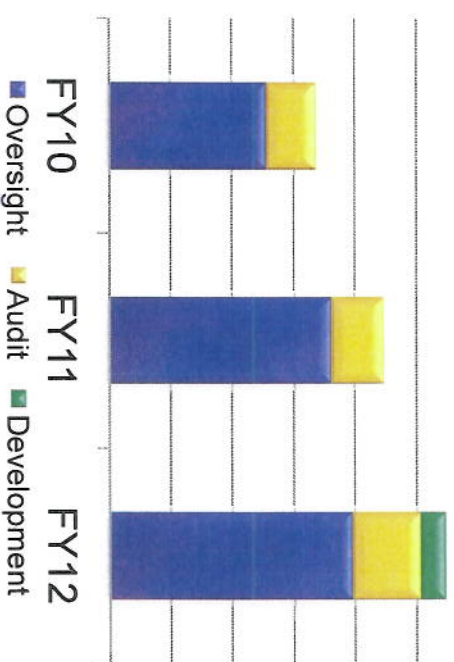


People

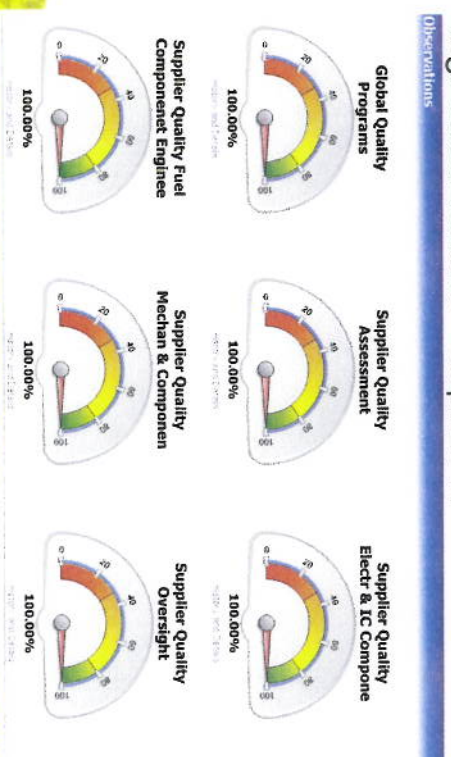
- Improvements in Resource Capacity
- Operating Model improvements to drive greater leadership attention

- Building Skills and Proficiency
- Formal Management Observations

Supplier Quality Resources



Mgt Observations – Sept 2011



Proactive Surveillance

Westinghouse WEC SQ Manager Kamishibai Card for Supplier Management Meetings

The overall focus is on behaviors of the supplier's management team regarding safety, reliable operations that provide WEC with confidence in the supplier's ability to provide quality products. Evaluate the Supplier Operations Manager's behavior (10-100 scale).

1. Was a proper safety brief provided at the beginning of the meeting? If not, insist on one.
Meets Below Exceeds
 2. Coach the group on the 1000 principles of the month. Provide direct criticism to the presenter; serves the supplier provider.
Meets Below Exceeds
 3. Was the safety & quality performance data presented / discussed? If not, ask for this information.
Meets Below Exceeds
 4. Are there any negative trends? If so, what is the management team doing about them?
 5. What are the best time thru and overall yields? Any trends?
 6. What level of overtime is the plant working? What is driving this?
 7. Ask the supplier about any repetitive / repeat events – long standing issues and what they are doing about them.
 8. Ask the supplier whether or not they believe they have any issues with confidence in their answer?
Process Owner & Approver: What data do they have that gives them confidence in their answer?
 9. Ask the supplier what they expect regarding manager and supervisor visibility and oversight on the shop floor? How do they ensure this?
 10. Was the delivery performance data presented / discussed? If not, ask for this information. Are there any negative trends? If so, what is the management team doing?
 11. What approach is the management team taking to improve performance?
 12. Ask how the supplier is utilizing Operating Experience to improve and prevent events.
 13. Ask how the supplier is utilizing their Corrective Action Program to improve and prevent events.
 14. Feedback the overall WEC assessment of the meeting and reinforce that Westinghouse needs them to be successful.
 15. Agree upon any action items: what, who, and when
 16. Conduct a WEC lesson learned and share the results of the meeting / LL with the appropriate WEC personnel.
- Name _____ Date _____
Supplier _____
- Overall Meets Below Exceeds

Westinghouse WEC SQ Manager Kamishibai Card for Supplier Shop Walk-Downs

Utilize the following as you walk through the shop. Focus on the behaviors regarding safety and quality. Keep an eye out for any OSHA violations.

1. Was a proper safety brief provided prior to the walk-down?
Meets Below Exceeds
 2. Are the managers wearing the appropriate PPE? If not, correct this behavior. Meets Below Exceeds
 3. Are all employees wearing the appropriate PPE? If not, did the managers correct this immediately?
Meets Below Exceeds
 4. Does the housekeeping indicate a safety and quality focused organization? Meets Below Exceeds
 5. Is there any evidence of signal failure principles? If so, review the content and assess the quality information.
Meets Below Exceeds
 6. Introduce yourself to an operator / inspector. Ask them what step they are on in the procedure. Is the procedure readily available and on the employee answer your question?
Meets Below Exceeds
 7. Ask the employee what hatches goals are. Follow up with asking what the company goals are.
 8. Ask the employee what issues are experienced with the equipment. How is maintenance performed to deal with the issues?
Meets Below Exceeds
 9. Ask the employee what he/she does if there is a question about the product quality.
What does he/she do?
 10. Ask the employee what he/she does about non-conforming material.
What does he/she do?
 11. Ask the employee what the status of production is – behind or on schedule. Are they working a lot of overtime?
 12. Ask a production supervisor what their objectives are regarding quality.
 13. Ask the supervisor to explain how he knows which operators / inspectors are trained / qualified on the different operations.
Meets Below Exceeds
 14. Ask the supervisor how much OT his department is working. What is driving this?
 15. Ask the supervisor what approach the management team is taking to improve performance.
- Name _____ Date _____
Supplier _____
- Overall Meets Below Exceeds

- Standardized process through
 - Kamishibai Cards
 - Surveillance Inspection Guides
- Evolution will add programmatic elements
- Establishing linkage between Qualification and Oversight

Summary

- Westinghouse oversight and control of suppliers is critical to industry success
- Journey of improvement is focused on consistent implementation of the process
- Proactive and Aggressive approach
- Progress is being realized; Continued vigilance is required

Questions?

