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

Quality Program (e.g. 10CFR50 App B)

Quality
Performance

Audits / Assessments

W/H Points/Source Insp.

Proactive Surveillance

Supplier Quality Readiness Reviews

Management Review and Supplier Scorecards

Supplier Quality Development

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
- requires continuous attention Training, Qualification & Proficiency - Personnel development

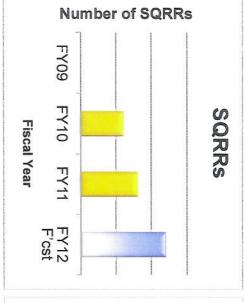


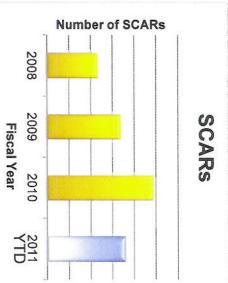
Oversight Process Supplier Quality Lessons Learned

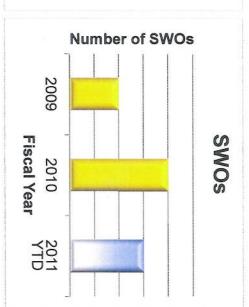
- Procedure Implementation Detailed guidance drives standardization and consistency
- Frequency, Intrusiveness & Observation Tailor frequency, breadth, and intrusiveness to situation
- Systematic Monitoring & Trending Fact-based and systematic to ensure early identification of risk and correction before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



Metrics







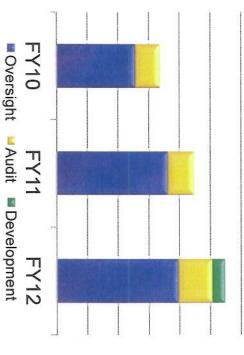
Driving a shift from reactive to proactive



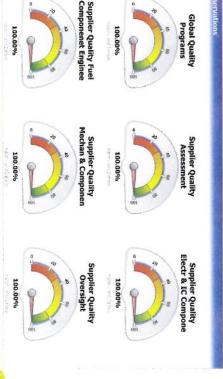
People

- 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

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Name Supplier:	Agrice upon any action items. What, who, and when L. Conduct a WEC leasons learned and share the results of the meeting / LL with the appropriate WEC personnel.	that Westinghouse needs them to be successful.	improve and prevent events.	Ask how the supplier is utilizing their Corrective Action Program to	Ask how the supplier is utilizing Operating Experience to improve and prevent events.	What approach is the management team taking to improve performance?	that the ownersy percomanno sara presented consupersy. I not, ask for this information. Are there any negative trends? If so, what is the nan-agement team doing?	Ask the supplier what they expect regarding manager and suppervisor visibility and overeight on the shop floor? How do they ensure this?	Ask the supplier withing or not tiney ceaseve mey have any issues with Procedure use & Antherence. What data do they have that gives them confidence in their answer?	issues and what they are doin	Ask the supplier about any rep	What lovel of overtime is the plant working? What is driving this?	What are the first time thru and overall yields?	doing about them?	Are there any negative trends?	Meets □ Beow⊡	Was the safety & quality performance data presented / discussed? If not, ask for this information.	Coach the group on the INPO principle of the month. Provide direct relation to the product / service the supplier provides.	Moets [] Below[]	Was a proper safety brief provided at the beginning of the meeting? If not insist on one.	To overal focus is on behaviors of the supplier's management learn regarding sets, reliable operations that provide WEC with confidence in the supplier's quality performance and culture. Ensure that the Operations supplier is leading the discussion.	WEC SO Manager Kamishibai Card for Supplier Management Meetings
Dato	wrat, who, and when ed and share the result personnel. [n to be successful.		ng their Corrective Acti	18 Operating Experienc	ment team taking to im	Wan the delivery performance data presented discussed? If not, sak for this information. Are there any negative trends? If so, what is the management team doing?	shop floor? How do the	or they believe mey hav What data do they hav	Ask the supplier about any repetitive / repest events – Issues and what they are doing about them.		lantworking? What is		? If so, what is the management team		Excoods ?	rmance data presontes	principle of the month.	Execteds	ided at the beginning o	the supplier's manag that provide WEC with culture. Ensure that i	nishibai Card ent Meetings
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Date	Ask the supervisor what approach the management team is taking to improve performance.	Ask the supervisor how much OT his department is working. What is driving this?	trained / qualified on the different operations.	Ask the supervisor to explain how he knows which operators /	Ask a production supervisor what their objectives are regarding	Ask the employee what the status of production is – schedule. Are they working a lot of overtime?	Ask the employee what he/she about non-conforming material what does he/she do?	Ask the employee what he'she does if there is a question about the product quality.	Ask the employee what issues are experienced with the equipment. How is maintenance performed to deal with the issues?	Ask the employee what his/her goals are. Follow up with asking what the company goals are.	69	Introduce yourself to an operator I inspector. Ask them what step they are on in the procedure. Is the procedure readily available and can the employee answer your question?	E ×	is there any evidence of visual factory principles? If so review the content and assess the quality information.	Ве	Does the housekeeping indicate a safety and quality focused		Are all employees wearing the appropriate PPE? managers correct this immediately?	Be.	Meets II Below! Exceeds Are the managers wearing the appropriate PPE?	(inline the following as you walk through the shop, Focus on the didutals regarding safety and quality. Keep an eye out for any risk taking behaviors. 1. Was a proper safety brief provided prior to the walk-down?	WEC SO Manager Kamishibai Card for Supplier Shop Walk-Downs
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- 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?



