

**DOE Contractors
Supplier Quality Information Group**

**Held October 2-5, 2000
Las Vegas, NV
DOE Building**

October 2, 2000 - Steering Committee Meeting

October 3, 2000 - Steering Committee and Working Groups

October 4, 2000 - General Meeting

October 5, 2000 - Steering Committee

List of Attachments

**SQIG Secretary
Ronald B. Natali**

Supplier Quality Information Group
Steering Committee Meeting
October 2, 2000

Conference Call with Steve Stein, SQIG Chairperson

Steve indicated the following individuals would be attending the SQIG general meeting on Wednesday October 4, 2000.

Kevin Murphy

Cindy Dougherty

Steve Mergenmeier

Tony Vigil

Jim Urness

Steve Capelli

Dave Torczon

Richard Hopf

Scott Sheffield

The Big Topic at Hand for SQIG's survival, Funding.

We received the EPEA award feedback. But before we can adequately address the deficiencies addressed in this report SQIG needs to address the issue of funding in order to have the resources to be an effective organization.

SQIG needs funding to help pay for the support of two individuals to handle the day-to-day operations of SQIG i.e. database administration, updating of database, marketing activities.

Will Develop a strategy (statement of work) to get funding. There two possible sources to obtain funding these are:

- QA working group, Man-tech organization, Roger Morman.
- Going directly to Richard Hopf's Office.

What we would like to see the funding used for?

- 2 FTE's
- Development of Data Base/Mgmt. of database
- Market SQIG - Travel budget (SQIG would develop a marketing plan for these activities)
- Office space - office equip.

Examples to benchmark to help in writing this statement of work to obtain funding could come from:

- EMCAP, the analytical lab group
- Man-Tech, Roger Mormon

The funding cycle for fiscal year 2001 is over. We will need to have our Statement of Work done by April 2001. This will be assigned to Dave Torczon, Audrey Cooper, Tony Cannon, and Steve Stein. When the Statement Of Work is completed Dave will review it with Roger Mormon.

PAAA came up in dissuasion as to how SQIG will be supporting this issue. Pat Mars indicated that SQIG should not be involved with this and Dave concurred and indicated that this issue is now being address with the QAWG. Dave Torczon shared with the group his meeting with the EH-10 and Mr. Hopf's Office that was held in Washington DC last week.

**Supplier Quality Information Group (SQIG)
Steering Committee Meeting
October 2, 2000**

Print First and Last Name	Phone Number	E-Mail Address	Sign Name	Affiliation
Ronald B. Natali	925-422-9105	natali1@llnl.gov	<i>Ronald B. Natali</i>	LLNL
F.A. Cannon	865-574-4413	caf@vl2.doe.gov	<i>F.A. Cannon</i>	LMES
PAT MARS	702-295-0167	MARSpa@NV.Doe.gov	<i>Pat Mars</i>	BN
KEN HARRISON	509 372-4773	ke.harrison@pnl.gov	<i>KE Harrison</i>	PNNL
STEVE STEIN	651-344-5294	stein@bnl.gov	ON Phone	bnl.

Supplier Quality Information Group
Steering Committee and Working Group Meeting
October 3, 2000

Database

- No money to update database. Ron Natali is working with Filemaker Pro redesign the database. This is a slow process and done on a volunteer basis.
- Members Discussed that idea of purchasing an off the shelf software to members agreed that this would be a good idea but we need money first to accomplish that.
- Tony Cannon indicated that SDI - Software Databank Inc. - is doing similar software for NUPIC and NIAC. This cost approx. 5K annually to the organizations.
- One of the EPEA comments was that SQIG needed to validate their information in their database. To help accomplish this each DOE Contractor needs to review the audits they have posted in the SQIG database. Dave Torczon requested that this be done by Dec. 31, 2000. Steve Stein will be requested to issue a print out of each DOE Contractors information in the database.
- It was suggested that Desktop audits be removed from the database. After some discussion it was decided that they would be included but that SQIG will define what is calls a Desk-Top Audit.

SQIG needed to develop a glossary of Terms to help clear up some confusion among members. Pre-Award, Audit, Commercial Grade Survey, Desk Top Audit, etc.

Report on SQIG Working Groups

Analytical Labs

- EMCAP has completed 16 audits of analytical Labs this year. 30 Labs have been scheduled in FY-01. Ken indicated that this is the way of the future. They have strong DOE support. This would be a good organization for SQIG to benchmark.

Standardization

- A Procedure needs to be developed that identifies how entries in the database are validated.
- The SQIG management Plan that Tony Vigil put it together was presented at the March SQIG meeting. Comments were requested by the end of August 2000. He received 4-sets of comments back. It was decided that work would continue on the Management Plan until a funding source can be determined. Work will continue on it so that when a funding source has been determined the parent organization can then review the plan for comment.
- Dave Torczon did a survey on supplier generated documentation. This is an NQA-1 Requirement. He will have the survey report together for the steering committee by December 31, 2000.
- Reviewed the DOE contractors SQIG Joint and Shared Audit Procedure dated 10/93 Revision 1.
- Dave Torczon requested that a biographical sketch be developed for each SQIG member. This would be used to help get an idea of the member's background.
- Reviewed comments about last October's meeting minutes. Had trouble reading the previous secretary's notes. They could not be read and this individual did not transcribe them into a format that could be kept as official SQIG records. Pat Mars, Audrey Cooper, Dave Torczon agreed to help transcribe them. Ron Natali will scan them and e-mail them to these individuals.
- Dave Torczon reviewed with the Steering Committee various organizations that could help resolve SQIG's funding issue
 - Larry Vaughn will help SQIG secure funding for SQIG.
 - SQIG, suggested they needed two FTE's.
 - Need to write a statement of work.
 - Man-Tech is a place where the funding could go once it is obtained.
- Since SQIG is part of the QAWG it was suggested that SQIG only have a general meeting once a year and the Steering committee meet with the QAWG twice a year. The SQIG steering committee will meet with the QAWG in April. Dave Torczon will coordinate this effort with Larry Vaughn the chairperson of the QAWG.

SQIG Contact List and List Server Review

- Dave Torczon conducted a review of the SQIG contact list and revised it to reflect a more accurate representation of DOE Contractors. This was done and given to Steve Stein and the SQIG Web Page has been updated. Dave also is reviewing those individuals on the List server. He will provide each DOE Contractor Point of Contact a list of individuals on the List Server so they can verify that those individuals should remain on the list and/or add more individuals to the list.

Conference call with Steve Stein 1:30 -2:30p.m.

- Reviewed our discussion on obtaining a funding source. We will be looking for funding from QAWG and Hopf's office. There are three separate organizations that fund the QAWG, they are, the Office of Science, Defense Programs, and Environmental Management. The QAWG could seek funding not only from these three to support SQIG but also include Hopf's office.
- The funding statement of work needs to be completed and submitted by April 2001.
- SQIG needs immediate funding for, database improvement and maintenance.
- Requested Steve Stein to print reports by DOE Contractor their inputs of data into the database. This will allow each contractor to validate their information.
- Talk about ASME/ISO Cert. Each DOE contractor is required to get these certifications from the supplier and then they to validate the information by contacting the organization that issued the Certification.
- Reviewed with Steve about moving to an annual general membership meeting. This meeting would be held in October of each year. The Steering Committee would then meet with the QAWG at their meeting they hold around April each year. This was accepted and

Dave Torczon was asked to approach Larry Vaughn, chairperson of the QAWG for concurrence.

- A team was established to write a statement of work that would be used to seek funding. Task team members are Par Marmo, Audrey Cooper, Dave Torczon, Tony Cannon. By Thursday, noon a rough draft will be presented to the Steering Committee.
- Map out the Mgmt. Plan
SQIG will be looked at as a business and the Management Plan will be built around the ASME/NQA-1 1997 standard. This will facilitate the implementation of the DOE rule 830.120 and DOE order 414.1A.

Closed with Steve at 2:30

Joint Audit Procedure

- Reviewed the joint audit procedure that was discovered by Ron Natali from the documentation that Tony Vigil gave him from past meeting notes.
- Dave Torczon had marked up his copy and gave it to Ron Natali to incorporate it into the original document. This procedure covers both member and joint audits.

Evaluated Supplier List

As a follow up to the joint audit procedure Audrey Cooper volunteered to take every ones "Evaluated Supplier List" and develop a spreadsheet to see where and if there are common suppliers. Where there are common suppliers a joint audit will be proposed and hopefully scheduled. Those present are to have their ESL list to here by October 13, 2000.

Meeting adjourned at 3:30 PM.

**Supplier Quality Information Group (SQIG)
Steering Committee Meeting
October 3, 2000**

Print First and Last Name	Phone Number	E-Mail Address	Sign Name	Affiliation
Ronald B. Natali	925-422-9105	natali1@llnl.gov	Ronald B. Natali	LLNL
F.A. Cannon	865-9574-4413	cuf@vtd.doe.gov	F.A. Cannon	LMES
DAVID TOROZON	303 966 2063	dave.torozon@rfets.gov	David Torozon	RFETS
M.A. Vigil	806-477-4688	TVigil@pride.com	M. Ann Vigil	PX
PAT MARS	702-295-0167	maspa@uv.doe.gov	Pat Mars	BN
Cindy Daugherty	865-574-8248	ced@bechteljacobs.com	Cindy Daugherty	BSC
KEN HARRISON	509 372 4973	ke.harrison@pnl.gov	Ken Harrison	PNNL
Steve Capelli	505 665-6321	capelli@knl.gov	Steve Capelli	LANL
Audrey J. Cooper	509-963-5159		Audrey J. Cooper	FH
PAT MARMO	509-376-1383	patrick_m_marmo@rl.gov	Pat Marmo	FH

**Supplier Quality Information Group (SQIG)
General Membership Meeting
Oct. 4, 2000**

DOE Nevada Operations Office [Searchlight Room]

08:02 - 08:15 a.m.	Welcome
08:15 - 08:30 a.m.	General Meeting Introductions
08:30 - 08:45 a.m.	Reading the Minutes of the March 2000 meeting
08:45 - 09:30 a.m.	ICPT Support Update <ul style="list-style-type: none">▪ Beryllium BOA▪ Low Level Waste Container Team▪ WIPP BOA's
09:30 - 10:00 a.m.	EM Consolidated Audit Program (EMCAP)
10:00 - 10:15 a.m.	Break/Networking
10:15 - 10:30 a.m.	EPEA Feedback Report
10:30 - 11:45 p.m.	PAAA Benchmarking Update and discussion
11:45 - 1:00 p.m.	Lunch
1:00 - 1:30 p.m.	Discussion on securing funding from DOE
1:30 - 2:15 p.m.	Old Business <ul style="list-style-type: none">• Utilization Statistics• Database• Training on SQIG Charter and Procedures• Joint Audits• SQIG Quality Assurance Manual• Proposed changes to DOE O 414.1A
2:15 - 3:00 p.m.	New Business <ul style="list-style-type: none">• Purchasing Manager's Symposium – SQIG presentation• 2001 EPEA Application
3:00 - 3:15 p.m.	Break/Networking
3:15 - 3:45 p.m.	Working Group activity reports
3:45 - 4:20 p.m.	Report outs from members on their site activities
4:20 - 5:00 p.m.	Open Discussion <ul style="list-style-type: none">• Next meeting
5:00 p.m.	Adjourn

Oct. 3 and 5, 2000 - Working Group Meetings [DOE Nevada Operations Office, Great Basin Room]:
Agendas established by working group team leaders identified below. Please contact your team leader for more information.

Database Group - Working to improve the utility of the SQIG database, Steve Stein (631) 344-5694.

Analytical Laboratory Group - Establishing a common, coordinated approach to Analytical Laboratory/ Transportation, Storage and Disposal Facility evaluations, Ken Harrison (509) 372-4973.

Standardization - Improving standardization of SQIG operations, Tony Vigil (806) 477-4678.

Membership/Marketing/Communications Group - Increase membership and PR for SQIG, Ron Natali (925) 422-9105.

Oct. 2, 3 and 5, 2000 - Steering Committee Meeting [DOE Nevada Operations Office]
Agendas will be established by the Steering Committee. Please contact Steve Stein (631) 344-5694 for more information.

**Supplier Quality Information Group
General Meeting
October 4, 2000**

Conducting: Dave Torczon, Steve Stein was excused due to family illness.

Introduction

- Minutes from the March 29 meeting were read and approved. It was also noted that the minutes from the October 1999 meeting still need some work. The previous secretary did not transcribe his handwritten notes. Audrey Cooper, Pat Mars, and Dave Torczon offered to help transcribe them. Ron Natali will scan these notes and e-mail them out to the individuals mentioned above.

ICPT

- Dave and Ron presented the flowchart how ICPT and SQIG integrated (see Attachment 1). This is in draft form. General membership was asked to review and provide comments back to Ron Natali by October 31, 2000.
- Dave reviewed the minutes from the Beryllium Testing ICPT Teleconference held September 27, 2000 (See Attachment 2).
- Talked about the LLW container task team. The ICPT found that each DOE contractors use a different design. There is no one standard strong tight container that is used in the DOE complex. They are considering setting up regional contracts to meet these different styles of boxes.

WIPP Blanket Order Agreements (BOA's)

- WIPP has set up BOA's to have one supplier build Standard Waste Boxes and TRU PACII. WIPP has sent copies of these BOA's to the TRU Waste program managers at each site that will eventually use them.
- Richard Hopf's office/ and the ICPT had no idea that they were written let-alone in use.
- Those who have read the BOA's indicate that there is no documentation that indicates that the Carlsbad Area Office (CAO) will accept responsibility for QA and PAAA for their selected supplier. DOE contractors indicated that their sites would treat this

supplier like any other supplier they use. They will qualify them by performing an onsite assessment.

Joint Audits

- Flour Hanford will take the lead on performing the next audit of Nova Fastener's which is scheduled for March 2001.

Ken Harrison did a presentation of the EMCAP program.

- Ken's presentation is attached, see Attachment 3.
- IG reports DOE/IG-0374, this is what got EMCAP started. See Attachment 4
- A List of Labs that will be audited in FY2001 was provided. See Attachment 5
- Ken was asked if it might be possible to have EMCAP expand their database to include SQIG audits rather than spend the money to update SQIG's.
- EMCAP is currently working under a basic BOA developed by the ICPT. But they will eventually branch out and be doing all analytical labs for the DOE complex.
- EMCAP Web page is: <http://www2.em.doe.gov/namp/>
- EMCAP will be successful in reducing cost to DOE because it is a SQIG like Organization. Ken was asked to share with SQIG members the cost form that EMCAP Uses. (See attachment 6)

BREAK

EPEA Feedback Report

- SQIG earned 234.2 points on this year's EPEA Award. Steve and Dave to determine what action items need to be addressed will review the feed back report. (See attachment 7)
- Dave Torczon conducted a review of the SQIG contact list and revised it to reflect a more accurate representation of DOE Contractors. This was done and given to Steve Stein and the SQIG Web Page has been updated. Dave also is reviewing those individuals on the List server. He will provide each DOE Contractor Point of Contact a list of individuals on the List Server so they can verify that those individuals should remain on the list and/or add more individuals to the list.

PAAA

- Dave reviewed the meeting he attended back in Washington D.C. with EH-10 and Richard Hopf's office during the week of Sept. 25, 2000 (See Attachment 8).
- Dave indicated that the PAAA issue has been turned over to the QAWG. SQIG has done all they could.
- Keep your PAAA Coordinator in the loop, they are the experts.

LUNCH

Discussion on securing funding from DOE

- Dave Torczon reviewed with the Steering Committee various organizations' that could help resolve SQIG's funding issue. QAWG chaired by Larry Vaughn, EMCAP, and go directly to Hopf's office.
- Larry Vaughn as chair of the QAWG would seek funding from their source, which is The Office of Science, Defense Programs, and Environmental Management, but would also include in that mix Richard Hopf's office.
- Before we can seek funding SQIG needs to develop a Statement of Work. This has been put to a committee and a rough draft will be completed by October 5, 2000. After the draft is reviewed it will be put out for comment. Dave Torczon provided the team a basic list of items he felt needed to be included in the statement of work. What SQIG is looking for is enough money to cover 2-FTE's or approximately \$200,000. This team included the following members, Audrey Cooper, Pat Marmo, Tony Cannon, and Dave Torczon.
- Once the Statement of Work is completed Dave Torczon will review it with Roger Mormon and get his input. Once that is done it will be sent to the following organizations:
 - QAWG
 - EMCAP
 - Richard Hopf's Office

- Tony Cannon indicated that SDI - Software Databank Inc. - is doing similar software for NUPIC and NIAC. This cost approx. 5K annually to these organizations. Tony will contact SDI to see what they have done and see if it would fit our requirements.

Old Business

Utilization statistics

- Ron Natali presented the utilization information (See Attachment 9)
- Discussed the reasons and why people are not reporting utilization information. Pat Marmo asked how many DOE contractors actually reported using or sharing information. It was reported that 6 DOE Contractors reported using and sharing information out of a total of 26. This equates to 23% of the DOE Contractors reporting information. The questions was posed why aren't the contractors sharing data? Some indicated that the reports are different, different reporting methods. It was suggested that SQIG set a standard that all audits will be performed to and reviewed by. A proposal was made to re-establish the compliance committee to help set standards for audit. Dave Torczon indicated that Ron Natali had found an old SQIG Joint Audit Procedure. This is now being reviewed and updated. This procedure will be for both Audits and Joint audits that are performed by SQIG members. Attached is the old joint audit procedure (see attachment 10).
- Tony Cannon and Pat Mars have a draft training procedure that will be used to qualify Auditors and Lead Auditors. This is not a certification program. Each site is responsible for qualifying their Auditors and Lead Auditors. What this procedure does is ensure that all Auditors and Lead Auditors met some basic criteria established by SQIIG. (See attachment 11)

SQIG QA Manual

- SQIG has chosen to use ASME/NQA-1, 1997 to implement both the DOE 414.1A and 10 CFR 830.120. The QA Management Plan will be revised to reflect this change.

Scott Sheffield, Representing Richard Hop's Office

- Reviewed proposed changes to the DOE order 414.1A and DOE Guide 414.1-2.
- These changes will hopefully be made in FY-02.
- Changes will also be made in the SCI guide.

New Business

- Steve Stein will be representing SQIG at the Purchasing Manager Symposium in New York the week of Oct. 25, 2000; he will be doing a presentation while attending.
- SQIG Chair and Co-Chair will be reviewing the recently received EPEA feedback report for action items. There will be an emphasis to start earlier this year for the FY-01 application.

Working group activity reports.

- As a member of the QAWG Dave Torczon was asked chair a task team to review welding problems in procurement related to the last few PAAA fines at the request of the DNFSB. This report has been forwarded to the QAWG.

Suspect Counterfeit Parts

- Dave Torczon reviewed the latest report on suspect counterfeit parts. We discussed the effect they have in doing business with commercial suppliers.
- Suspect Counterfeit Parts web page is:
<http://www.twilight.saic.com/qawg>

SQIG Data Request Form

- During the March meeting Audrey Cooper presented a data request form that she would fill out and attach to the audits she sends to those requesting an audit. Dave Torczon has made some modifications to this form and would like to have each member fill one out when sending audit reports to other DOE Contractors. Dave Torczon gave Audrey his mark up and she agreed to finalize this form.
- Also we discussed a feed back for that could be used as to why audits were not used. This was also assigned to Audrey.

Miscellaneous

- Question was raised as to why a DOE office would be conducting an Audit of a supplier.
- Reporting out by each member

Meeting adjourned 4:35 10/4/00

**Supplier Quality Information Group (SQIG)
General Membership Meeting
October 4, 2000**

Print First and Last Name	Phone Number	E-Mail Address	Sign Name	Affiliation
Ronald B. Natali	925-422-9105	natali1@llnl.gov	Ronald B. Natali	LLNL
Kevin m. murphy	208-526-6556	murphy Km E.Inel.gov	Kevin m. murphy	BBWT
Steve Capelli	505-665-6321	capelli@lanl.gov	Steve Capelli	LANL
PAT MARS	702-295-0167	MARSPA@nu.doe.gov	Pat Mars	NV
PAT MARMO	509-376-1383		Pat Marmo	FH
AY COOPER	509-376-5720	aycooper@nu.doe.gov	Ay Cooper	FH
TONY VIGIL	806-477-4678	tvigil@pentet.com	massad Vigil	PX
JIM URNESS	816-977-4375	jurness@kep.com	Jan Urness	Honeywell Fruit
Steve Mergenmeier	702-295-2433	smergen@nu.doe.gov	Steve Mergenmeier	IT Corp.
KEN HARRISON	509 372-4973	ke.harrison@pnl.gov	KE Harrison	PNNL
DAVE TORZON	303 966 2063	dave.torzon@rfcs.gov	Dave Torzon	RF
Cindy Daugherty	865 574-8248	ced@bechteljacobs.com	Cindy Daugherty	BSC
Tony Cannon	865-574-4413	cus@y12.doe.gov	Tony Cannon	LMES
Michael D. Bolinger	702-295-2519	mbolinger@theitgroup.com	Michael D. Bolinger	IT
SCOTT SHEFFIELD	202-586-1816	scott.shaffield@hq.doe.gov	Scott Sheffield	DOE-HQ

**Supplier Quality Information Group
Steering Committee Action Item List
October 5, 2000**

Task	Responsible Individual	Resource Requirement	Time Frame	Action	Comments
Review EPEA feed back report for action items	Steve Stein Dave Torczon	EPEA Feedback Report	December 31, 2000	Review for SQIG Action and against our strategic plan.	
Funding statement of Work Rough Draft	Tony Cannon, Audrey Cooper, and Dave Torczon		Rough Draft by October 5, 2000 and final comment to Audrey Cooper by October 13, 2000.	Rough was distributed on October 5, 2000. Comments due to Audrey Cooper by October 13, 2000.	
Database content review	Steve Stein and Points of Contacts for each DOE Contractor	Existing SQIG Database	Faxed copies to DOE Contractors by October 20, 2000 and feed back to Steve Stein by December 31, 2000	Print out each DOE Contractors input and fax it to them for verification.	
Terms and Definitions	Pat Mars	SQIG's current document's, i.e. SQIG charter.	Input from members to Pat Mars by October 13, 2000 and completed by October 31, 2000.	Review and update SQIG's Current Terms and Definitions list.	
Management Plan	Tony Vigil	Current Draft of SQIG management Plan form Last March's SQIG Meeting	Completed by December 31, 2000	Get comments of draft Management Plan to Tony Vigil ASAP to be included for approval.	
Develop New SQIG Procedure For Document Control	Ken Harrison	Develop New Procedure	Draft ready for review by November 15 and final approval by November 30, 2000.	Develop Document Control Procedure for SQIG Members.	
Develop New SQIG Procedure For Records	Ken Harrison	Develop New Procedure	Draft ready for review by November 15 and final approval by November 30, 2000.	Develop Records Procedure for SQIG Members.	
Develop New SQIG Procedure For Management Assessments	Steve Capelli	Develop New Procedure	Draft ready for review by November 1 and final approval by November 30, 2000.	Develop Records Procedure for SQIG Members	

**Supplier Quality Information Group
Steering Committee Action Item List
October 5, 2000**

Task	Responsible Individual	Resource Requirement	Time Frame	Action	Comments
Develop New SQIG Procedure For Corrective Actions	Steve Capelli	Develop New Procedure	Draft ready for review by November 1 and final approval by November 30, 2000.	Develop Records Procedure for SQIG Members	
Develop New SQIG Procedure For Audits and Joint Audits	Dave Torczon Ron Natali	Develop a procedure for Audits and Joint Audits conducted by SQIG using old 1993 procedure	Draft completed by December 1, 2000 and final approval by December 31, 2000	Develop a new Audit and Joint Audit Procedure for SQIG Members	
Develop Procedure for Running SQIG (Conducting Meetings, Developing Working Groups, Conference Calls)	Steve Stein	New Procedure	Draft by December 1, 2000 and final approval by December 31, 2000.	Develop new procedure on how SQIG is to conduct its day-to-day business.	
Training Procedure	Tony Cannon Pat Mars	Develop new Procedure	Draft was presented to the Steering Committee on October 4, 2000. Final approval by October 31, 2000.	Update draft procedure from comments given at the SQIG meeting.	
Supplier Generated Documentation Survey	Dave Torczon	NQA-1 Requirements	Completed results published by November 23, 2000.	Publish criteria and results of survey.	
Evaluated Supplier list	Audrey Copper	Develop a list of Joint Audits	List to Audrey Cooper by October 13, 2000. And Feedback report from Audrey by October 31, 2000.	Each contractor is to send Audrey a copy of their active evaluated suppliers. She will look and verify common suppliers where Joint Audits can be performed.	
Biographical Sketches of SQIG Members	Dave Torczon		Dave Torczon will email format to SQIG Steering Committee members and POS's by October 13, 2000. All BIO's back to Dave Torczon by December 15, 2000.	Members of SQIG will complete a BIO on themselves to be published and used for identifying members for possible audits or an advisor.	

**Supplier Quality Information Group
Steering Committee Action Item List
October 5, 2000**

Task	Responsible Individual	Resource Requirement	Time Frame	Action	Comments
October 1999 meeting minutes	Audrey Copper, Pat Mars, Dave Torczon	Need accurate meeting minutes for the October meeting.	Ron will develop PDF file and send out by October 20, 2000 and comments back to Ron by November 15, 2000.	Decipher notes taken by the previous secretary.	
ICPT/SQIG Flow-Chart.	Ron Natali	Defining the relationship between SQIG and ICPT	Comments from draft to Ron Natali by October 31, 2000. And final to Steve Stein by November 15, 2000.	Defining the relationship between SQIG and ICPT	
Coordinate the Joint Audit with NOVA for Fasteners	Audrey Cooper	Joint SQIG Audit to reduce cost	Audit to be performed by March 2001.	Audrey Cooper's organization will act as Lead Auditor. Recommend that Audrey contact Lynne Dresser at LLNL who coordinates the ICPT NOVA contract for any additional information.	
SQIG List Server Update	Dave Torczon	Validate the current list to verify current membership	Dave Torczon will send list to each DOE Contractor Point of Contact to validation. By October 31, 2000. Feed back to Dave by December 1, 2000 and final list to Steve Stein by January 31, 2001.	Dave will separate the list by DOE contractor and send to each contractor those listed for their site and they are to validate to see if they want to remain on the list.	
Develop new Compliance Committee	Dave Torczon Ron Natali		This will be done at the same time As the Joint Audit Procedure is completed.	Ron Natali will Review Historical records to verify how this was established.	
Database Development	Tony Cannon	To improve current database.	October 31, 2000	Tony Cannon will talk with SDI. They developed NUPIC's database.	

**Supplier Quality Information Group
Steering Committee Action Item List
October 5, 2000**

Task	Responsible Individual	Resource Requirement	Time Frame	Action	Comments
SQIG Data Request and evaluation	Audrey Copper	Establish standardization for all SQIG Audits	Audrey Copper will develop two new forms. One from here existing data request form with comments from Dave Torczon and a form that members can use as to why a SQIG audit was helpful, not helpful, missing certain elements etc. This will be done by December 31, 2000.	Audrey Copper will develop two new forms. One from here existing data request form with comments from Dave Torczon and a form that members can use as to why a SQIG audit was helpful, not helpful, missing certain elements etc.	
Utilization Data Reporting Change	Ron Natali	SQIG Charter	Complete by October 31, 2000.	Change reporting to meet DOE fiscal year quarters.	
Increase reporting of Utilization Data	Ron Natali	SQIG Charter	Complete by October 31, 2000	Break down the current list of DOE Contractors and assign them to members of the steering committee so they can call these individuals for the data. This will also act as a marketing function.	
SQIG Steering Committee will conduct a market analysis of its members.	Ron Natali	EPEA	Completed by January 31, 2001	From the Steering Committee calling their assigned individuals they will determine if they are in a position to benefit from SQIG. Some DOE Contractors do not do audits.	
MOU signers submitting data	Ron Natali	SQIG Charter	Complete by October 31, 2000.	Compare 2 nd Quarter of 2000 (calendar year) to see how many MOU signers are submitting utilization data.	

**Supplier Quality Information Group (SQIG)
Steering Committee Meeting
October 5, 2000**

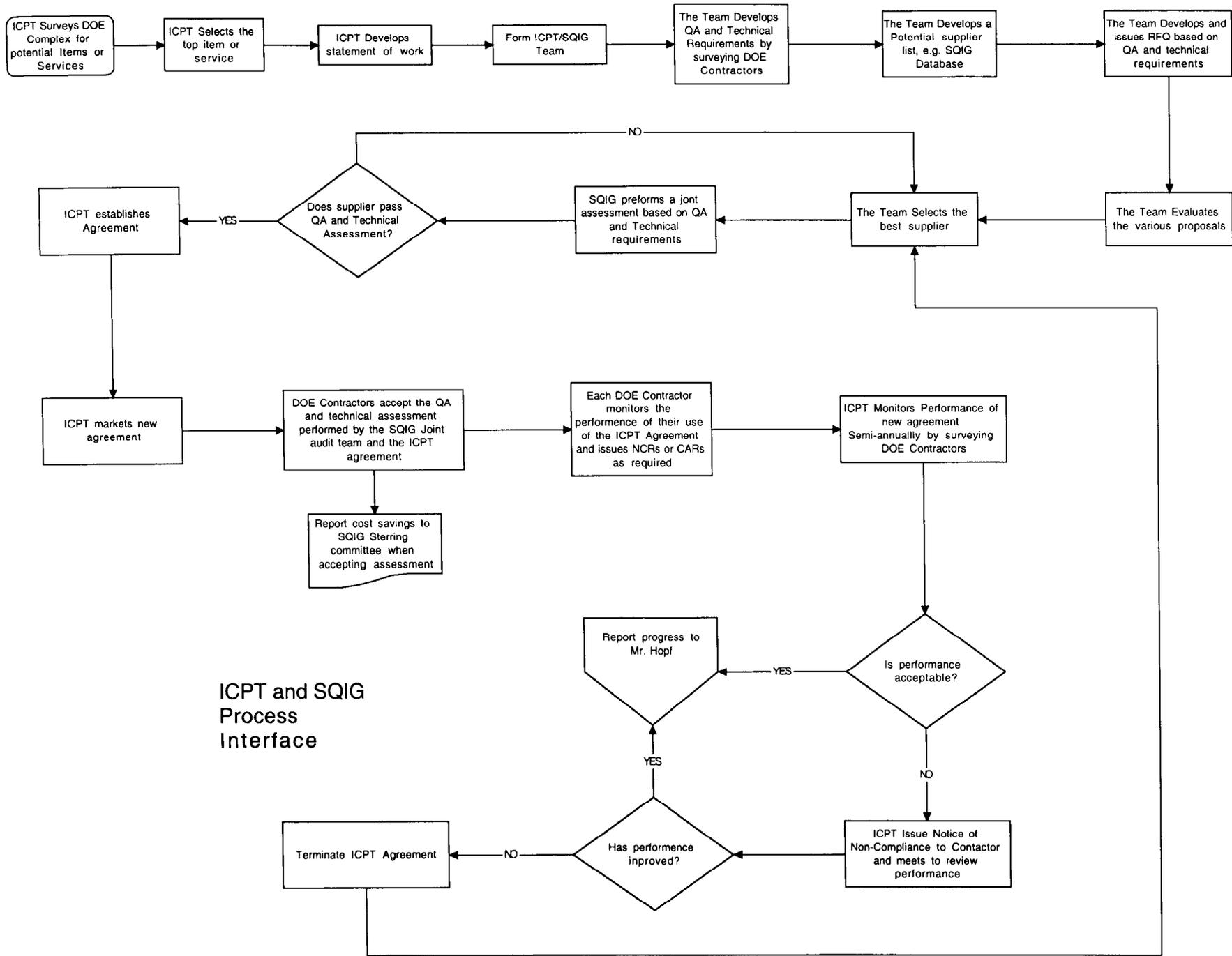
Print First and Last Name	Phone Number	E-Mail Address	Sign Name	Affiliation
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Steve Capelli	505-665-6321	capelli@lanl.gov	Steve Capelli	LANL
TONY VIGIL	806-477-4676	TVigil@pnl.gov	Manual Vigil	PX
Dave Torizon	3036849430	dave.torizon@rtets.gov	Dave Torizon	RE
PAT MARS	702-295-0167	MARSPA@NV.doe.gov	Pat Mars	NU
KEN HARRISON	(509)372-4973	KE.harrison@pnl.gov	KE Harrison	PNNL
Pat Marmo	509-376-1383	patrick-m-marmo@pnl.gov	Pat Marmo	FH
Tony Cannon	865-574-4413	cuf@y12.doe.gov	Tony Cannon	LMES
AY Cooper	509-376-5720		AY Cooper	FH

**Supplier Quality Information Group
General Meeting
Attachments**

1. Draft Flow Chart showing how ICPT and SQIG are integrated see Attachment 1
2. Beryllium Testing ICPT Teleconference meeting minutes from the September 27, 2000 meeting attachment 2.
3. Ken's EMCAP presentation is attached attachment 3.
4. IG reports DOE/IG-0374 this is what got EMCAP started attachment 4.
5. EMCAP's List of Labs that will be audited in FY01 was provided attachment 5
6. EMCAP's cost form they use to track cost savings attachment 6.
7. EPEA feed back report attachment 7.
8. Dave reviewed the meeting that was held in Washington D.C. with EH-10 and Richard Hopf's office during the week of Sept. 25, 2000 attachment 8.
9. Utilization information attachment 9.
10. SIQG's old joint audit procedure attachment 10.
11. Draft training procedure attachment 11.

Attachment 1

Draft Flow Chart showing how ICPT and SQIG are integrated



ICPT and SQIG
Process
Interface

Attachment 2
Beryllium Testing ICPT Teleconference meeting minutes from
the September 27, 2000 meeting

From: "Stein, Steven H" <stein1@bnl.gov>
To: "'marspa@nv.doe.gov'" <marspa@nv.doe.gov>
Date: 10/2/00 3:17pm
Subject: FW: Minutes of 9/27/00 ICPT BeLPT Telephone Conference (U)

Pat,

Please give to Dave and Ron.

Regards

MINUTES - BERYLLIUM TESTING ICPT TELECONFERENCE SEPTEMBER 27, 2000 (U)

Dawn Moore (WSRC) welcomed everyone. She request each to identify themselves and their location.

Dawn asked Ed Patigalia from HQ DOE/ESH&QA to address the BeLPT with the HQ DOE perspective of Who, What, Why, When...

Ed Welcomed everyone and addressed the following:

His office is the requesting office for the ICPT BeLPT initiative by the DOE Contractors.

The BeLPT is in response to 3 Major Initiatives

1. Support the National Performance Review initiated by Al Gore
2. Achieve Goals to standardize Contracts for similar services performed within the DOE complex
3. By January 2002, achieve full implementation of the BeLPT Testing based on DOE wide standardized testing parameters and methods.

Ed stated he is looking to Effect

1. Expanded testing capability of the existing labs and add new qualified labs
2. Lower the per test price
3. Improve the testing quality
4. Evaluate public pricing in existence to achieve savings and to obtain a low testing price with high quality testing option
5. He is the Point Of Contact (POC) at HQ DOE and has been and continues to receive requests from Citizens about information on BeLPT testing, general information, question on "What Do I Do?" and "How Do I get Money To Pay For Testing or For Compensation For Illness?"
6. Ed stated Paul Wambach is his and DOE's Expert go-to Resource and gives Paul the opportunity to help with answers.
7. He is looking for the ICPT BeLPT to help the Nation and Citizens by developing a standardized testing program and expanding qualified testing resources as critical elements toward resolving the problem.

Elton Hewitt stated that he was at National Jewish Hospital last week and found out that besides different labs running different tests for different durations to determine Beryllium exposure that National Jewish Hospital had changed its threshold number(s) for exposure / positive measurements. He stated consistency between labs and even within a lab is a big challenge.

Bob Harris, added to Elton's comment, that our team BeLPT Objective is to standardize where ever possible yet allowing for Site specific requirements (i.e., expansion of a DOE Wide standard to meet peculiar requirements/situations). Bob stated he is looking to standardize the type of testing , to get labs to participate and join in a consensus for the standard testing methods. He stated that we have been and will strive to be successful in getting buy-in and a sense of ownership from all participants.

Paul Wambach stated that at the DOE HQ, he is pursuing the same goal to achieve a standard accepted technical procedure. He sent to existing labs a draft specification for their comment. Paul is have an Oct. 19th Meeting with some highly involved Stakeholders and with the commercial labs performing the tests. He hopes to obtain comments and suggestions from all the labs, attendees, and to develop from the meeting a standard testing guideline or protocol.

Paul stated he has been involved since 1991 with the testing issue and it is still puzzling. There are two huge variables. First is blood protein serum medium used in the testing process and second is that the blood must grow with something to create a protein which is then evaluated for proliferation. The variable between batchs of serum can create significant difference between results. Human blood when taken (time of day) and what medications the donor is on and ... all create many variables in the testing process resulting in different results.

Paul stated there were two schools of thought on the serum. First, buy a large amount of serum mix it all together for a standardized batch and let all labs use the standard batch for testing. Alternative thought is to use different serum batched because people respond differently to different batches and therefore we may catch some people that would otherwise be missed. He also addressed the problems of blood donors having infections, taking drugs etc that can effect testing. Also, that time of day of blood donation effects the number of lymphocytes that again creates variables.

Bob Harris states that these technical specifics will hopefully be resolved at the Oct. 19th Meeting in developing the Standards. Bob stated that we are planning a two (2) day Meeting in Atlanta, Georgia around Nov. 14 -16 for BeLPT Members to include one half day for Commercial Labs. Again our goal is striving for consensus and for buy-in by all.

Elton Hewitt commented that the Labs change their procedures and that the actual measurement standard has changed for identification of an actual positive.

Dan Jones of Los Alamos Procurement recommend sending our needs to the Labs and to let them send in their recommendations.

Bob Harris stated that this is a national problem and that there may be other private companies that would want to participate. We will search the Internet, Industry Periodicals on Line, and possibly use a Commerce Business Daily "Request for Expression of Interest" to obtain additional potential Lab sources.

Dan Jones has a question about how many people have been effected by the Beryllium expose problem.

Dawn stated that she has requested the known numbers from the initial list of BeLPT interested people and that she has a number of responses with statistics. Dawn included the numbers provided to date in the Current Usage blocks on the ICPT BeLPT TEAM MEMBERS DATA organization line chart under each DOE Locations. See chart dated 9/27/00 (bottom right corner) of the information provided by Dawn by email just before the meeting.

Babs Marrone questioned whether all statistics from all sites as rolled into the "Operating" locations or if they are identified separately?

Dawn stated that we are trying to identify all possible numbers and roll them into the DOE operating location that supports or is responsible for those sites.

Paul stated that the immunologists are a hard/challenging group to communicate with and to pull out the information on how they do their job and how they make decisions. It appears that there is a fair amount of personal expertise subjectivity and methodology in how they make decisions during the testing process.

Babs stated that we need to identify the standard parameters, the standard number of days for testing, and other testing standards. We do not want to tell them how to do the testing but rather to identify what we are looking for as to the standard. This will allow the labs to make their determination of test methodology within those standards.

Bob stated that we are looking to establish the standards. Bob referred the Group to Steve Stein on the Quality Assurance portion of this effort and that Steve is starting a Chart to quantify the QA that will need to be incorporated with the new/revised Testing Protocol.

Paul stated that Steve must talk to Ed Frome, a bio-statistician who has been working with BeLPT for several years.

Dawn asked Paul to email Ed's phone number, address etc., to Dawn for her to pass on to Steve.

Paul stated that ORISE was collecting electronic files on test results and can analyze the variances between tests. He stated ORISE will perform and develop standardized statistical controls on current and future test result data.

Dawn stated that "We need a Technical Lead" for the BeLPT Team. She asked for volunteers. She stated that Dr. John McInerney, Rocky Flats, is recommended. Dr. Steve Burastero, LLNL, came up during discussions as an

Attachment 3
EMCAP Presentation by Ken Harrison

EM Consolidated Audit Program
SQIG Presentation
 Ken Harrison
 Pacific Northwest National Laboratory

SQIG Meeting
 Las Vegas, Nevada
 October 4, 2000

EMCAP Overview

- EMCAP = Environmental Management Consolidated Audit Program
- Goal: design and implement a program for consolidating site audits of commercial and DOE environmental laboratories providing routine analytical services to DOE-EM
- EMCAP was launched in October 1999 with the formation of a working group representing the following DOE Operations Offices:

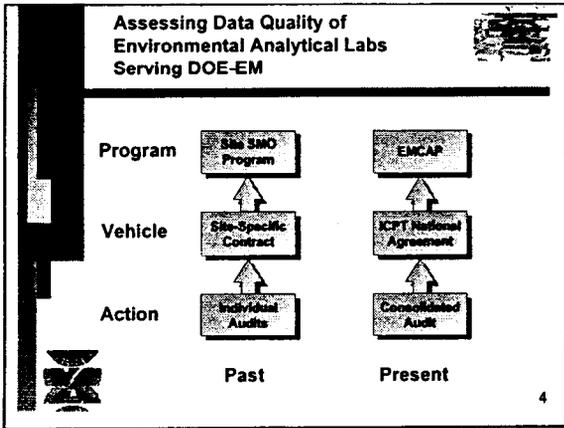
Richland	Rocky Flats
Ohio	Oak Ridge
Idaho	Oakland
Savannah River	Albuquerque

2

EMCAP Working Group

Charles Frazee - DynCorp
David Calkins - DOE-OR
James E. Chambers - Fluor Daniel Fernald
James Merrigan - Lawrence Livermore National Laboratory
Lydia Powell - ORNL - DOE-OR
Mark Masarik - Waste Management Hanford
Mark Mirreza - Analytical Quality Associates
Mohab Khalil - Westinghouse Savannah River Co.
Shauna Holland - Bechtel BWXT Idaho
Stephanie Woolf - DOE-ID
Todd McHenry - SAIC
Virgene Isoler - Kaiser-Hill/Rocky Flats

3



- ### EMCAP Drivers
- Inspector General Report DOE/IG-0374: "Audit of the Department of Energy's Commercial Laboratory Quality Assurance Program"
 - Of 206 audits reviewed, 103 were redundant
 - Inconsistent standards were applied during audits
 - Results of audits were not shared among contractors
 - Implementation of Integrated Contractors Purchasing Team (ICPT) National Analytical Services Agreement
 - Requests from NAMP stakeholders for a consolidated audit program
- 5

- ### Program Objectives
- Eliminate audit redundancy
 - Improve quality of analytical services audits
 - Reduce annual audit costs to DOE-EM
 - Develop a consistent approach to auditing commercial laboratories allowing flexibility for site-specific input
 - Implement a mechanism to share audit information among different contractor organizations
 - Support the implementation of the ICPT National Agreement through the qualification of participating laboratories
 - Foster a sense of ownership of the program via participation across the DOE complex
- 6

Development Approach

- Formed a national working group to provide input to program design and ensure that site-specific needs are met
- Used existing quality assurance programs as the basis for EMCAP procedures and audit criteria
- Reached agreement on program content via consensus
- Conducted a pilot audit to measure the effectiveness of procedures
- Continued program improvement with each audit

7

Progress to Date

- **November 1999:** Formed EMCAP working group
- **December 1999:** Procedures and audit plates drafted and distributed for review by working group
- **January 2000:** Data collected from complex on qualified pool of auditors
- **February 2000:** Pilot audit conducted at General Engineering Laboratories, Charleston, South Carolina
- **March 2000:** Procedures and plates revised based on lessons learned during pilot audit
- **April-May 2000:** Procedures and plates finalized, multiple audits conducted at commercial labs
- **June 2000:** EMCAP Manual, Revision 0 issued

8

Infrastructure and Implementation

- A Steering Committee will be formed with representatives from various sites. Committee is tasked with ensuring that EMCAP continues to meet the needs of DOE-EM.
- The EMCAP Information System will become an integral tool in the management and sharing of audit information including schedules, approved auditors, and audit reports.
- EMCAP will be the basis for qualification of analytical laboratories for the DOE Integrated Contractor Procurement Team analytical agreement
- EMCAP to partner with Supplier Quality Information Group (SQIG)

9

Implementation Challenges

- Ensuring adequate level of information exchange across various contractor organizations.
- Maintaining and refining audit plates and review approach so that EMCAP continues to meet the basic audit needs for the DOE complex
- Identifying reasons why certain organizations may continue to perform site-specific audits
- Potential liability issues related to transmitting information regarding laboratory performance
- Building a pool of qualified auditors capable of working as a team
- Expansion of audit coverage to non-ICPT laboratories

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Cost Savings and Performance Improvement

- EMCAP has the potential for significant cost savings
- Cost data for each audit must be captured
- Program performance metrics:
 - Number of sites participating
 - Decrease in audit redundancy
 - Closure of findings
 - Wide distribution of audit results

11

Path Forward and Program Goals

- Numerous audits scheduled: three-month "look ahead"
- Continued improvement of information sharing
- Continued improvement of audit plates and reports
- Work with steering committee to maintain high level of support from the field
- Build database of qualified auditor and audit team leads to ensure that the program is adequately staffed
- Reduce the number of "site-specific" audits; minimize and possibly eliminate redundant audits
- Issue EMCAP Procedures and Policies from EM-1

12

EMCAP POC Information



Mr. David Carden, EMCAP Manager
Telephone: (860) 374-4262
e-mail: cardendm@ortt.dod.gov



13

Attachment 4

IG reports DOE/IG-0374 this is what got EMCAP started

June 20, 1995

IG-1

INFORMATION: "Audit of the Department of Energy's Commercial Laboratory Quality Assurance Evaluation Program"

The Secretary

BACKGROUND:

The audit was undertaken because of problems identified during prior Office of Inspector General audit work. This audit work identified problems related to quality assurance at both subcontract commercial laboratories and M&O contractor operated laboratories.

DISCUSSION:

The audit disclosed that contractors conducted redundant quality assurance evaluations of commercial laboratories, did not evaluate others, applied standards inconsistently, produced inconsistent results, and did not communicate those results among contractors. We found that 103 of the 206 quality assurance evaluations covered by our review were redundant. One laboratory was subjected to 11 redundant evaluations. Based on a one-year evaluation cycle and contractor reported average evaluation costs of \$11,631, elimination of the 103 redundant evaluations could have resulted in an estimated savings of about \$1.2 million per year.

We also concluded that a third-party laboratory accreditation program, commonly used by other Federal agencies and private sector firms, could provide overall cost, quality and efficiency benefits to the Department. We estimated the Department could have avoided about \$2.4 million per year by adopting such a third-party accreditation program. Overall, we estimated that implementation of this recommendation would result in savings to the Department of about \$12 million over a five-year period.

We recommended that the Assistant Secretary for Environment, Safety and Health develop and implement a coordinated third-party commercial laboratory quality assurance program by: (1) requiring that commercial laboratories participate in a third-party accreditation program as a condition for award of laboratory analytical services contracts; (2) phasing-in to existing laboratory contracts, as allowed, the third-party accreditation program; (3) developing and

implementing Department specific evaluation standards and methods of application with the selected third-party accreditor; and (4) providing for ongoing monitoring, coordinating and oversight of laboratory accreditation issues to ensure that all Departmental concerns are addressed in a uniform and timely manner. The Office of Environment, Safety and Health concurred with the recommendation and is planning actions to correct the problems noted in the report.

(Signed)

John C. Layton
Inspector General

Attachment

cc: Deputy Secretary
Under Secretary
Assistant Secretary
for Environmental Management
Assistant Secretary for Human Resources
and Administration

U.S. DEPARTMENT OF ENERGY
OFFICE OF INSPECTOR GENERAL

AUDIT OF THE DEPARTMENT OF ENERGY'S
COMMERCIAL LABORATORY
QUALITY ASSURANCE EVALUATION PROGRAM

The Office of Inspector General wants to make the distribution of its reports as customer friendly and cost effective as possible. Therefore, we are making this report available electronically through the Internet at the following alternative addresses:

Department of Energy Headquarters Gopher
gopher.hr.doe.gov

Department of Energy Headquarters Anonymous FTP
vm1.hqadmin.doe.gov

U.S. Department of Energy Human Resources and Administration
Home Page
<http://www.hr.doe.gov/refshelf.html>

Your comments would be appreciated and can be provided on the Customer Response Form attached to the report.

AUDIT OF THE DEPARTMENT OF ENERGY'S
COMMERCIAL LABORATORY
QUALITY ASSURANCE EVALUATION PROGRAM

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U.S. DEPARTMENT OF ENERGY
OFFICE OF INSPECTOR GENERAL
OFFICE OF AUDIT SERVICES

AUDIT OF THE DEPARTMENT OF ENERGY'S COMMERCIAL LABORATORY
QUALITY ASSURANCE EVALUATION PROGRAM

Audit Report Number: DOE/IG-0374

SUMMARY

The Department of Energy (Department), through its contractors, contracts with commercial analytical laboratories for the analysis of samples related to environmental management activities and worker health and safety programs. Over 100 commercial laboratories located throughout the United States perform sample analyses for the Department. Because of problems identified during previous audit work, we initiated our audit to determine whether the Department's commercial laboratory quality assurance evaluation program was effective and efficient.

The Department's method of performing quality assurance evaluations of commercial analytical laboratories was not cost effective or efficient. Contractors at many of the Department's sites conducted multiple evaluations of the same commercial laboratory. In contrast, some laboratories were not evaluated to determine their ability to provide analytical services. In addition, methods used to perform evaluations and report results varied among contractors. Finally, quality assurance evaluation results were not communicated to other contractors.

These problems occurred because the Department's quality assurance policy guidance did not require development and implementation of a coordinated commercial laboratory quality assurance program. The Department did not require contractors to coordinate efforts, develop uniform standards and methods, or to communicate the results of their evaluations to other contractors. Contractors were only required to initially evaluate and periodically confirm that laboratories were capable of providing quality analytical data.

The lack of a coordinated commercial laboratory quality assurance evaluation program resulted in excessive cost, duplication of effort, and potentially placed the Department at risk that its decisions on worker health and safety issues and environmental matters may be based on unreliable data. Contractor provided cost estimates indicated that the Department spent about \$2.4 million for commercial laboratory evaluations conducted for Fiscal Year 1993, and that approximately \$1.2 million of that amount was attributable to duplicative evaluations. The failure to evaluate some laboratories, inconsistent evaluation and reporting methods, and failure to communicate results of evaluations to other contractors increased the risk that the Department may rely on analyses from laboratories with quality assurance problems.

Adoption of our recommendation to implement a third-party laboratory accreditation program, would eliminate the need to spend the \$2.4 million annually for quality assurance evaluations of commercial laboratories. Under this approach, subcontract laboratories bear all costs of accreditation and are required to participate as a condition to bid on analytical service contracts. Third-party accreditation would provide assurance that laboratories are evaluated to clear and consistent common standards and that reporting and communication of evaluation results is uniform within the Department.

The Assistant Secretary for Environment, Safety and Health agreed with the problems addressed in the report and agreed to take action with respect to our recommendations. Management agreed to adopt either the recommended third-party accreditation approach or an alternative approach that would eliminate redundancies and correct the conditions cited in our report. In addition to interim measures to facilitate the sharing of evaluation results, management stated that it would establish a Process Improvement Team to consider alternatives for implementing our recommendations and would provide its recommendations within 180 days of the final audit report. Management also stated that the team would be a cooperative effort to include representatives from the Offices of the Assistant Secretary for Environmental Management and the Deputy Assistant Secretary for Procurement and Assistance Management.

(Signed)

Office of Inspector General

PART I

APPROACH AND OVERVIEW

INTRODUCTION

The Department of Energy (Department), through its contractors, contracts with commercial analytical laboratories for the analysis of samples related to environmental management activities and worker health and safety programs. These contractors consist of management and operating contractors, environmental restoration management contractors, and lower tier subcontractors (contractors). Over 100 commercial laboratories located throughout the United States perform sample analyses for the Department.

The purpose of our audit was to determine whether the Department's commercial laboratory quality assurance evaluation program was effective and efficient. Specifically, our audit objective was to determine whether the Department's method of qualifying commercial laboratories resulted in redundant quality assurance evaluations.

SCOPE AND METHODOLOGY

The audit was performed from May through October 1994. Field-work was performed at the Department's Oakland, Idaho, and Albuquerque Operations Offices during that period. We also collected information through survey techniques from the Chicago, Nevada, and Richland Operations Offices. In addition, we used information gathered during a previous audit from the Department's Oak Ridge and Savannah River Operations Offices and the Rocky Flats Field Office.

Our review focused primarily on quality assurance evaluations of commercial laboratories conducted by contractors during Fiscal Year 1993. We also included evaluations that were scheduled in Fiscal Year 1993 but not completed until Fiscal Year 1994. We collected and reviewed contractor quality assurance evaluation programs, protocols and reports covering 206 separate evaluations. Contractor prepared evaluation cost estimates were also used for determining the overall cost of evaluations.

We based the estimate of cost savings on a one-year evaluation cycle and an average evaluation cost based on contractor prepared estimates. That cycle was chosen because the majority of the contractors covered by our review used a one-year or shorter evaluation cycle. Contractor provided estimates for a typical evaluation were used because contractors did not separately track evaluation costs. To normalize contractor provided estimates that ranged from under \$1,000 to over \$53,000 per evaluation, we totaled the estimates and divided that total by the 30 contractors covered by our review. This method produced an average evaluation cost of \$11,631.

We considered all quality assurance evaluations in excess of one per commercial laboratory per fiscal year to be redundant. We used this approach because most contractors believed that one evaluation per year was adequate and because many commercial laboratories stated that evaluations were virtually identical.

We also collected and evaluated information from subcontract commercial laboratories and other external sources. We reviewed and considered the results of a survey conducted by the International Association of Environmental Testing Laboratories. Information on alternative methods of evaluating laboratories was gathered from a Federal agency and a non-profit third-party laboratory accreditation association.

The audit was made in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. Accordingly, we assessed the internal controls with respect to the requirement that subcontract commercial analytical laboratories be initially qualified and periodically evaluated to ensure they can provide acceptable results of analyses. Because our review was limited, it would not necessarily have disclosed all internal control weaknesses that may have existed at the time of our audit.

We did not rely on computer-processed data to accomplish our audit objective. Our estimate of available savings was not based on the results of statistical sampling.

An exit conference was held with representatives of the Office of Environmental Management and the Office of Environment, Safety and Health on December 14 and 16, 1994, respectively. The Deputy Assistant Secretary for Procurement and Assistance Management waived the exit conference. Coordination of Management's final response to our report occurred on June 5, 1995.

BACKGROUND

In 1991, the Department established a comprehensive quality assurance program to provide confidence that quality was achieved throughout the broad spectrum of work performed by the Department and its contractors. The Department established quality assurance requirements to ensure that risks and environmental impacts were minimized and that safety, reliability, and performance were maximized through the effective management systems commensurate with the risks posed by the facility and its work.

To achieve these goals as they relate to procurement of laboratory analytical services, the Department's Quality Assurance Program requires all laboratories that provide analytical services be evaluated to ensure they are qualified to perform the required work. Contractors meet these goals by performing quality assurance evaluations of commercial analytical laboratories that analyze samples for the Department. These evaluations are required to ensure that the results of subcontractor sample analyses, critical to decisions regarding environmental and worker health and safety matters, are reliable.

We initiated this audit because of problems identified during prior Office of Inspector General audit work. We reported that the results of quality assurance evaluations were not communicated among contractors during our Audit of the Effectiveness and Efficiency of the Rocky Flats Analytical Services Program, (Report Number CR-B-95-01, dated November 3, 1994). Also, problems related to multiple quality assurance evaluations of subcontract commercial laboratories were identified during a review of subcontract administration.

OBSERVATIONS AND CONCLUSIONS

The Department's method of performing quality assurance evaluations of commercial analytical laboratories was not cost effective or efficient. Contractors at many of the Department's sites conducted multiple evaluations of the same commercial laboratory. In contrast, some laboratories were not evaluated to determine their ability to provide analytical services. In addition, methods used to perform evaluations and report results varied among contractors. Finally, quality assurance evaluation results were not communicated to other contractors.

These problems occurred because the Department's quality assurance policy guidance did not require development and implementation of a coordinated commercial laboratory quality assurance program. The Department did not require contractors to coordinate efforts, develop uniform standards and methods, or to communicate the results of their evaluations to other contractors. Contractors were only required to initially evaluate and periodically confirm that laboratories were capable of providing quality analytical data.

The lack of a coordinated commercial laboratory quality assurance evaluation program resulted in excessive cost, duplication of effort, and potentially placed the Department at risk that its decisions on worker health and safety issues and environmental matters may be based on unreliable data. Contractor provided cost estimates indicated that the Department spent about \$2.4 million for commercial laboratory evaluations for Fiscal Year 1993, and that approximately \$1.2 million of that amount was attributable to duplicative and unnecessary evaluations. The failure to evaluate some laboratories, inconsistent evaluation and reporting methods, and failure to communicate results of evaluations to other contractors increased the risk that the Department may rely on analyses from laboratories that suffer from quality or other problems.

The adoption of our recommendation to implement a third-party laboratory accreditation program would eliminate the need to spend \$2.4 million per year for commercial laboratory quality assurance evaluations. Portions of the Environmental Protection Agency, the Department of Housing and Urban Development, a U.S. Navy activity, and some major corporations have successfully adopted this approach to laboratory accreditation. Under this approach, subcontract laboratories bear all costs of accreditation and are required to participate as a condition to bid on analytical service contracts. In addition, third-party accreditation would provide assurance that laboratories are evaluated to clear and consistent common standards, and that reporting and communication of evaluation results is uniform within the Department.

The lack of a cost-effective and efficient commercial laboratory quality assurance evaluation program constitutes a management control weakness that should be considered when preparing the yearend assurance memorandum on management controls.

PART II

FINDING AND RECOMMENDATION

Evaluation of Commercial Analytical Laboratories

FINDING

Sound management practices dictate that the Department should strive to streamline its programs to ensure they operate effectively and efficiently. The Department's program for performing quality assurance evaluations of commercial analytical laboratories was neither cost effective nor efficient. Specifically, contractors conducted redundant quality assurance evaluations of commercial laboratories, did not evaluate others, applied standards inconsistently, produced inconsistent results, and did not communicate those results among contractors. These problems occurred because the Department's quality assurance policy guidance did not require the development and implementation of a coordinated commercial laboratory quality assurance program. As a result, about \$1.2 million was for duplicative evaluations and the estimated \$2.4 million the Department expended for Fiscal Year 1993 commercial laboratory quality assurance evaluations could be saved by adopting a third-party laboratory accreditation program. In addition, the Department is potentially at risk that its decisions on worker health and safety issues and environmental matters may be based on unreliable data.

RECOMMENDATIONS

We recommend that the Assistant Secretary for Environment, Safety and Health, in coordination with the Assistant Secretary for Environmental Management and the Deputy Assistant Secretary for Procurement and Assistance Management:

Develop and implement a coordinated third-party commercial laboratory quality assurance program. At a minimum, the program should:

1. Require that commercial laboratories participate in a third party accreditation program as a condition for award of laboratory analytical services contracts;
2. Phase-in to existing laboratory contracts, as allowed, the third-party accreditation program;
3. Develop and implement Department specific evaluation standards and methods of application with the selected third-party accreditor; and
4. Provide for ongoing monitoring, coordination and oversight of laboratory accreditation issues to ensure that all Departmental concerns are addressed in a uniform and timely manner.

MANAGEMENT REACTION

The Assistant Secretary for Environment, Safety and Health agreed with the problems addressed in the report and agreed to take action with respect to our recommendations. Management agreed to adopt either the recommended third-party accreditation approach or an alternative approach that would eliminate redundancies and correct the conditions cited in our report. In addition to interim measures to facilitate the sharing of evaluation results, management stated that it would establish a Process Improvement Team to consider alternatives for implementing our recommendations and would provide its recommendations within 180 days of the final audit report. Management also stated that the team would be a cooperative effort to include representatives from the Offices of the Assistant Secretary for Environmental Management and the Deputy Assistant Secretary for Procurement and Assistance Management.

DETAILS OF FINDING

IMPROVING THE EFFICIENCY OF GOVERNMENT

The Vice President's National Performance Review (NPR) emphasized that Government agencies should strive to be more efficient by eliminating program redundancies. The objective of this and other NPR initiatives is to make Governmental programs work better and cost less. In addition, sound management practices dictate that, where practical, the Department should streamline its programs to eliminate duplication and to ensure equitable and consistent treatment of commercial laboratories. In this respect, Departmental resources should not be expended for and commercial laboratories should not be subjected to redundant evaluations.

Quality Assurance Evaluation Requirement

The Department's Quality Assurance Order, 5700.6C dated August 21, 1991, requires that contractors confirm that subcontract commercial analytical laboratories that perform analyses for the Department are capable of providing acceptable levels of service. Contractors are required to conduct both initial and periodic quality assurance evaluations of those laboratories. Contractors are responsible for conducting such evaluations as part of their overall quality assurance program. Even though the Department did not specify a required frequency of evaluation, most contractors included in our review had adopted a one-year cycle.

COMMERCIAL LABORATORY QUALITY ASSURANCE PROGRAM

The Department's program for performing quality assurance evaluations of commercial analytical laboratories was neither cost effective nor efficient. Specifically, we found that:

- Departmental contractors performed redundant initial and periodic quality assurance evaluations of commercial analytical laboratories, while others received no evaluations;
- Quality assurance evaluation methods varied from one contractor to another; and
- Results of laboratory quality assurance evaluations were not shared between contractors.

Quality Assurance Evaluations

The Department's contractors conducted redundant initial and periodic quality assurance evaluations of commercial analytical laboratories. We found that 103 of the 206 quality assurance evaluations covered by our review were redundant. The following table illustrates laboratories subjected to redundant evaluations and the total number of redundant evaluations.

Number of Laboratories	X	Redundant Evaluations	=	Total Redundant Evaluations
1	X	11	=	11
1	X	7	=	7
3	X	6	=	18
1	X	5	=	5
4	X	4	=	16
4	X	3	=	12
10	X	2	=	20
14	X	1	=	14
38		TOTALS		103

As shown in the table, one laboratory was subjected to 11 redundant evaluations. These 11 evaluations were conducted by 9 separate contractors. Of the commercial laboratories performing analyses for the Department, 38 of 103 (about 37 percent) were subjected to redundant evaluations. Moreover, 23 of the 30 contractors covered by our review conducted at least one evaluation of a commercial laboratory that had been previously evaluated by another contractor.

Quality assurance evaluations were also duplicated within operations offices. For example, at three operations offices more than one of the contractors under the control of those offices conducted separate evaluations of the same laboratory. At two other sites, separate evaluations of the same commercial laboratory were conducted by two different program elements within the same contractor.

Subcontract commercial laboratories reviewed believed that duplicative evaluations conducted by contractors resulted in an unfair burden on them. Most laboratories stated that the evaluations were overly redundant and most covered virtually identical subject matter. Evaluations frequently required substantial investments of staff resources and caused laboratory throughput to suffer. At some laboratories, production virtually ceased for periods of up to 4 days.

In contrast to these redundant evaluations, several contractors did not conduct evaluations of small dollar value awards and lower tier subcontract laboratories. These laboratories were allowed to analyze samples even though their ability to provide quality analytical data had not been assessed. Officials for a contractor told us that they did not evaluate laboratories with small dollar value awards because they believed that the cost of the evaluation would exceed the total value of the contract. Another contractor stated that it allowed commercial laboratories to subcontract some or all analytical work to others without evaluating the lower tier subcontractor's ability to perform.

Variations in Evaluation Methods

Quality assurance evaluation methods varied from one contractor to another. While most evaluations covered the same general subject area, the depth and specificity of coverage varied significantly. For example, several evaluation programs required only that the evaluator complete a yes/no type checklist. In contrast, one evaluation program consisted of over 142 pages of detailed technical questions. That checklist required the evaluator to provide detailed support for each exception found. Many variations between these two extremes were observed.

Commercial laboratories also reported that variations in evaluation methods and evaluator qualifications made it difficult to adequately prepare for evaluations. Respondents to a survey conducted by the International Association of Environmental Testing Laboratories stated that some evaluators did not have sufficient training and experience to enable them to understand the area of chemistry they sought to evaluate. These laboratories stated that reviewers concentrated mainly on the area of chemistry with which they were most familiar, overemphasized some areas, and virtually ignored others. Laboratories also cited differences in interpretations of standards that required them to make frequent and unnecessary changes to their methods of operation.

We also noted a number of inconsistencies in the amount of contractor resources dedicated to performing quality assurance evaluations. Preparation time, length of site visit, number of personnel assigned, and average evaluation costs varied significantly from one contractor to another. Evaluation preparation time usually involved preliminary reviews of laboratory quality assurance documents and required from 2 to 112 hours. Site visits were conducted by from 2 to 10 persons and required from 1 to 5 days to complete. Contractors reported that typical costs ranged from just under \$1,000 to over \$53,000 per evaluation.

Results of Laboratory Evaluations

Contractors did not share the results of quality assurance evaluations with one another. Contractor officials stated that even though they recognized that duplicative evaluations were occurring, they did not consult with one another regarding scheduling and did not share the results of evaluations with other contractors. Both Department and contractor officials stated that some laboratories failed to qualify or were suspended from work for one site but continued to test samples for other sites. These officials told us that even when they learned of these failures or suspensions, they did not notify other known laboratory customers.

The quality of reporting results of evaluations also varied significantly among contractors. A number of the contractors covered in our review prepared well documented reports that identified findings, cited supporting requirements, and specified required corrective actions. Some, however, produced poor quality reports of evaluation in which findings could not be readily identified. One contractor did not prepare a report at all and retained only the completed checklists as proof of its evaluation. Another contractor prepared only a bid review sheet for pre-award evaluations and did not detail evaluation results.

Both Departmental and contractor officials at Headquarters and in the field acknowledged that because evaluation results were not shared, some sites used laboratories that had failed to qualify for work at other sites. While most of the officials indicated they would be interested in knowing what laboratories had failed evaluations and the basis for the failures, they stated that current contracting methods did not permit the exchange of such information.

QUALITY ASSURANCE REVIEW APPROACH

These problems occurred because the Department's quality assurance policy guidance did not require development and implementation of a coordinated commercial laboratory quality assurance program. The Department did not require contractors to coordinate efforts, develop uniform evaluation and reporting methods, or to communicate the results of their evaluations to other contractors. The Department's Quality Assurance Program required only that contractors initially evaluate and periodically confirm that laboratories were capable of providing quality analytical data.

EFFECT OF CONTINUING CURRENT METHOD

The lack of a coordinated commercial laboratory quality assurance evaluation program resulted in excessive cost, duplication of effort, and potentially placed the Department at risk that its decisions on worker health and safety issues and environmental matters could be based on unreliable data. Redundant evaluations conducted by contractors resulted in significant unnecessary expenditures. The failure to evaluate some laboratories, inconsistent evaluation and reporting methods, and the failure to communicate results of evaluations to other contractors increased the risk that the Department may rely on analyses from laboratories that suffer from quality or other problems.

The Department's method of evaluating commercial laboratories resulted in unnecessary expenditures. Based on a one-year evaluation cycle and contractor reported average evaluation costs of \$11,631, elimination of the 103 redundant evaluations would result in estimated savings of about \$1.2 million per year. Savings of about \$2.4 million for the 206 evaluations covered by our review could be avoided by adopting the recommended third-party accreditation program. Over a 5-year period, our recommended approach would result in an estimated savings, without adjustment for inflation, of about \$12 million. These estimates do not consider indirect charges for items such as the development and maintenance of evaluation programs and checklists.

The lack of sharing laboratory evaluation results potentially puts the Department at risk that its decisions on worker health and safety issues and environmental matters may be based on unreliable data. While this risk is not directly quantifiable, we believe that it is significant. The fact that a laboratory may continue to provide analytical services that directly impact worker health and safety issues or environmental decisions, when it fails to qualify or is suspended for cause, demonstrates the significance of such risk.

The inconsistent application of evaluation and reporting methods also increases the risk that the Department's decisions regarding subcontractor qualifications are inappropriate. Inconsistencies in evaluation and reporting methods and the failure to evaluate small dollar value and lower tier subcontractors increases the risk that unqualified laboratories may be permitted to analyze samples. The Department may also not be able to successfully defend decisions to exclude a laboratory from work for one site while allowing it to analyze samples for another.

Third-Party Laboratory Accreditation

The adoption of our recommendation, to implement a third-party laboratory accreditation program, should solve the problems observed during our audit. Portions of the Environmental Protection Agency, the Department of Housing and Urban Development, a U.S. Navy activity, and some major corporations have successfully adopted this approach to laboratory accreditation. Under this program, subcontract laboratories bear all costs of evaluations. Requiring accreditation as a condition to bid on analytical service contracts would reduce expenditures for the administration and conduct of these evaluations. Third-party accreditation would also provide assurance that each laboratory is evaluated to a common standard, that such standards are consistently interpreted and applied, and that reporting and communication of results is uniform across the Department.

Also, adoption of a third-party laboratory accreditation program would not weaken the Department's quality assurance program. A third-party accreditation program would provide assurance that laboratories are initially qualified to perform analyses. These evaluations, however, as important as they are, speak only to the ability of a laboratory to perform on a given date. Once analysis begins, other additional controls such as monitoring a laboratory's ability to properly analyze quality control and performance samples becomes important.

PART III

MANAGEMENT AND AUDITOR COMMENTS

The Assistant Secretary for Environment, Safety and Health agreed with the problems addressed in the report and agreed to take action with respect to our recommendations. Management agreed to adopt either the recommended third-party accreditation approach or an alternative approach that would eliminate redundancies and correct the conditions cited in our report. In addition to taking interim measures to facilitate the sharing of evaluation results, management stated that it intended to form a Process Improvement Team, to consider quality assurance evaluations and methods as they relate to contractor operated laboratories and will provide its recommendations within 180 days of the final audit report issuance date. Management also stated the team would be a cooperative effort to include representatives from the Offices of the Assistant Secretary for Environmental Management and the Deputy Assistant Secretary for Procurement and Assistance Management. Detailed management and auditor comments follow.

Management Comments: Management agreed that based on its experience with the Department's Laboratory Accreditation Program for External Dosimetry and that of other Federal Agencies cited in our report, the third-party approach to supplier qualification and accreditation is practicable in certain instances.

Management stated that it would establish a Process Improvement Team, in coordination with the Assistant Secretary for Environmental Management and the Deputy Assistant Secretary for Procurement and Assistance Management, to consider alternatives for implementing the recommendations and for correcting the conditions cited in our report. Management pledged to either adopt the recommended approach or an alternative approach that will eliminate redundancies and other reported problems. As an interim measure, Management stated that it was in the process of implementing procedures that will facilitate the sharing of evaluation's results between contractors and programs. Management also stated that its Process Improvement Team would consider quality assurance evaluations and methods as they relate to contractor operated laboratories.

Management also recognized that while action was required to correct the reported conditions, it sought to develop and implement the least prescriptive requirements to accomplish that goal. It believed that such requirements, supported by innovative guidance, would allow managers to create the most efficient processes, using appropriate standards, to accomplish their mission. Management stated that it desires a coordinated approach between suppliers and laboratory contractors to ensure high quality services and products. Based on that philosophy, the Process Improvement Team will be chartered to determine an approach that will eliminate redundancies, and have reasonable and cost-effective application to the Department, its contractors, and commercial contract laboratories. For programs or areas for which the third-party accreditation is adopted, either in whole or in part, management agreed to establish protocols and standards for that option.

Auditor Comments: Management's comments are responsive to our recommendations.

CUSTOMER RESPONSE FORM

The Office of Inspector General has a continuing interest in improving the usefulness of its products. We wish to make our reports as responsive as possible to our customers' requirements, and therefore ask that you consider sharing your thoughts with us. On the back of this form, you may suggest improvements to enhance the effectiveness of future reports. Please include answers to the following questions if they are applicable to you:

1. What additional background information about the selection, scheduling, scope, or procedures of the audit or inspection would have been helpful to the reader in understanding this report?
2. What additional information related to findings and recommendations could have been included in this report to assist management in implementing corrective actions?
3. What format, stylistic, or organizational changes might have made this report's overall message more clear to the reader?
4. What additional actions could the Office of Inspector General have taken on the issues discussed in this report which would have been helpful?

Please include your name and telephone number so that we may contact you should we have any questions about your comments.

Name

Date

Telephone

Organization

When you have completed this form, you may telefax it to the Office of Inspector General at (202) 586D0948, or you may mail it to:

Office of Inspector General (IG-1)
Department of Energy
Washington, D.C. 20585
ATTN: Customer Relations

If you wish to discuss this report or your comments with a staff member of the Office of Inspector General, please contact Wilma Slaughter at (202) 586D1924.

Attachment 5

EMCAP's List of Labs that will be audited in FY01 was provided

Draft

DOE EMCAP
 FY01 Lab Audit Schedule
 Revision 0: 9/28/00

Laboratory	Cycle	Month	Dates	Lead	Auditor Functions Required					
					Module 1 QA/General Lab Practices	Module 2: Organics	Module 3: Inorganics Analysis	Module 4: Radiochemical Analysis	Module 5: EDD/LIMS Audit	Module 6: Hazardous and Radioactive Materials Management
Sanford Cohen and Associates; Montgomery, Ala.	Individual	April								
Thermo Retech; Oak Ridge	Oak Ridge	Dec								
BWXT ACO at Y-12 (GOCO)	Oak Ridge	Dec								
ETTP Materials Characterization Lab (Non ICPT)	Oak Ridge	Dec								
Data Chem Laboratories, Salt Lake City, Utah (Non-ICPT)	Salt Lake	Jan								
Mountain State Analytical Salt Lake City, Utah	Salt Lake	Jan								
Portsmouth GDP, Bldg. X-710 Piketon, OH	Ohio	July								
RECRA Labnet; Lionville, PA	Penn	May								
Severn Trent Laboratories, Colorado	Denver	Nov								
Severn Trent Laboratories - St. Louis	Kentucky	Nov								
Thermo Retech Albuquerque	Individual	Nov								
Babcock & Wilcox Lynchberg, VA 24506-1165	Virginia	Feb								
Central Virginia Laboratory and Consultants (NON ICPT)	Virginia	Feb								
Oak Ridge Institute for Science and Education (GOCO)	Oak Ridge	Oct								
UTB CASD Labs, ORNL 2026 (GOCO)	Oak Ridge	Oct								
Severn Trent - Richland	Northwest	Sept								
Southwest Research Institute San Antonio, Texas	Texas	Sept								
Southwest Laboratories; Tulsa, Oklahoma	Texas	Sept								
Severn Trent Laboratories; Knoxville, TN.	Oak Ridge	Dec								

Draft

DOE EMCAP
 FY01 Lab Audit Schedule
 Revision 0: 9/28/00

Laboratory	Cycle	Month	Dates	Lead	Auditor Functions Required					
					Module 1 QA/General Lab Practices	Module 2: Organics	Module 3: Inorganics Analysis	Module 4: Radiochemical Analysis	Module 5: EDD/LIMS Audit	Module 6: Hazardous and Radioactive Materials Management
General Engineering Laboratories, Charleston, SC	SC	Mar								
CEBAM Analytical, Inc. Seattle, WA (NON ICPT)	BAER	Nov								
Frontier Laboratory; Seattle, WA (NON ICPT)	BAER	Nov								
Thermo Retech - Richmond, Ca.	Northern California	Aug								
Caltest Laboratories, Napa, Ca.	Northern California	Aug								
Paragon Analytics, Ft. Collins	Rocky Mtn.	Nov								
O'Brien Geyer Laboratories; Buffalo, NY	Penn	May								
Acculab Laboratory	Denver									
Johns Mansville Laboratory; Denver, Colorado (IH Work)	Denver									
IT Bear Creek Laboratory	Oak Ridge	Dec								
Advanced Terra Testing Laboratory										
EMAX Laboratory, LA, Ca.	Southern Ca.	July								
Shealy Laboratory (Non ICPT)	SC	Mar								
Microseeps Laboratory; Pittsburg, PA. (Non ICPT)	Penn	Mar								
WASTREN Laboratory										
Fruit Growers Laboratory; Ca.	Southern Ca.	July								
BC Laboratory; Bakersfield, Ca.	Southern Ca.	July								
Barringer Laboratories	Denver	Nov								
National Foam	Penn	May								
ECC; Cincinnati, Ohio (just IH and EC no Rad)	Ohio									
Fernald Onsite Labs (GOCO and Subcontract)	Ohio									

Attachment 6
EMCAP's cost form they use to track cost savings

Estimate of EMCAP Audit Costs

Laboratory: SEVERN TRENT	Laboratory Location: 2800 George Washington Way
Audit Dates: September 25-27, 2000	Number of Days On Site: Two
Name: Kenneth E. Harrison	Affiliation: Pacific Northwest National Laboratory
Site Represented: HANFORD	Area of Participation: Quality Program/LIMS

Travel & Per Diem Costs, w/o Labor: ZERO	
Pre-Audit Labor Costs:	\$780/12 HOURS
On Site and Travel Labor Costs:	\$1,040/16 HOURS
Post Audit Labor Costs:	\$1,040/16 HOURS
Total Estimated Cost:	\$2,860/44 HOURS
Training Costs:	ZERO

Comments:

NOTES:

"Pre-Audit Labor Costs": The cost to review prior lab audit reports and responses to corrective actions.

"Post-Audit Labor Costs": The cost to prepare the final audit report and to review and accept the laboratory's plan for corrective action.

"Training cost": The labor and travel costs associated with an auditor-in-training that participates or observes the audit. This is not added to the total estimated cost.

(Complete and submit this form to the lead auditor at the completion of the audit's on site portion.)

Attachment 7
EPEA feed back report

**Evaluation of
DOE Contractors'
Supplier Quality Information Group
(SQIG)**

**Application for
*2000 U.S. Department of Energy
Energy Performance Excellence Award***

August 31, 2000

Prepared by:

*Energy Performance Excellence Awards
Board of Examiners
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
202-426-1328*

This Report is based on the
Baldrige National Quality Program,
Malcolm Baldrige National Quality Award,
"1999 CRITERIA FOR PERFORMANCE EXCELLENCE"

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Introduction

The application report from your organization has been evaluated through the Department of Energy 2000 Energy Performance Excellence Award process. This feedback report, which contains the findings of the Board of Examiners, is based upon the information contained in your written application. It includes background information on the examination process, a detailed listing of strengths and opportunities for improvement, key business factors and summarizes the performance and scoring for your organization.

Background

Independent Evaluation Process

The application review process begins with an independent evaluation conducted by each Examiner and Senior Examiner assigned to your application. Examiner assignments are based on an individual's area of expertise and are made to avoid areas of potential conflict of interest. Each application is evaluated using a scoring system from the 1999 Malcolm Baldrige National Quality Award process. All 19 Items are scored.

Consensus Review Process

At the close of the independent evaluation, Examiners discuss their comments and work together to develop a consensus on strengths; opportunities for improvement and a percent score for each of the 19 Items. During the consensus review, differences between Examiners are resolved. Site visit issues and crosscutting themes are identified and discussed, and initial site visit planning is completed.

Site Visit Examination

A site visit is conducted to clarify information that is difficult to understand in the application, verify information that is included in the application to ensure accuracy and correctness, and to check the deployment of approaches that are described in the application. All 2000 Award applicants receive a site visit. The Examiner Team uses site visit issues to guide the site visit interviews. At the close of the site visit, the team completes a Feedback Report and Judges' Report. The Judges' Report includes a summary of the team's findings and findings for each site visit issue. The Judges' Report is sent to the Panel of Judges and used by them to determine the award level that best represents the performance of your organization.

Scoring

The scoring system is designed to differentiate applicants in terms of performance. The Scoring Guidelines used by the Examiners are based on evidence that business processes and quality systems are in place; the depth of their deployment; the results achieved; and the length of time they have been in place. Based on the written application, your organization receives a percent score for each Item in the seven Categories. A percent score is selected based on the Scoring Guidelines description of the characteristics typically associated with the range which best fit the strengths and opportunities for improvement of your organization.

Panel of Judges

The Panel of Judges receive a Feedback Report which includes strengths, opportunities for improvement, key business factors, executive summary, and Category summaries; and a Judges' Report which includes site visit issue findings and a pre-site visit consensus percent score and a post-site visit consensus percent score for each Item. This information guides the Judges in determining the award level to be presented to your organization. Judges' Award recommendations are based on the ranking and comparison of all applicant percent scores and a comparison of the site visit findings, strengths, opportunities for improvement, Executive summary and Category summaries.

During the meeting of the Judges, strict rules involving their conflict of interest to the applicant are followed. Three major types of conflict are considered: (1) direct linkage such as current employment, recent employment, or a client relationship; (2) significant ownership; and (3) business competitors of companies for which direct linkages or ownership existed. Judges are allowed to vote only when they do not have a conflict.

Secretarial Approval

The award decisions of the Panel of Judges are submitted as recommendations to the Secretary of Energy. The Secretary uses the Judges' recommendations to make final decisions for awards.

Key Business Factors

Basic Description:

The Supplier Quality Information Group (SQIG) is a not-for-profit group whose mission is to provide an information exchange forum for its members to share information data on suppliers, process improvement and lessons learned. The organization does not have a physical location. It is a virtual organization whose officers work at DOE facilities across the country.

Members—from DOE and its contractors—are linked through an electronic database that supplies information to them. Most of the member interactions are through the SQIG website or listserver email.

SQIG's primary products are supplier evaluation reports and a database that lists suppliers evaluated by DOE contractors. Members can share best practices and access the following:

- Checklists for performing supplier evaluations
- Guidance and assistance on issues in supplier quality
- Information for benchmarking research

Staff is made up of volunteers from DOE and its contractors in the Quality and Procurement areas. They become members by signing a Memorandum of Understanding, although others who have not signed the MOU can participate.

Five key goals:

1. Reduce costs for DOE and its contractors associated with supplier evaluations
2. Improve SQIG's database and website
3. Facilitate communications among members and participants on supplier quality
4. Increase the number of DOE contractors who actively participate in SQIG
5. Minimize the burden on suppliers by sharing supplier quality information

Customer and market requirements are defined for the supplier evaluations and must:

1. Be performed within the last three years
2. Demonstrate a match between the product/service that has been evaluated and what needs to be supplied
3. Use similar quality criteria to perform the evaluation
4. Be led by certified staff

Supplier and partnership relationships

1. DOE Quality Assurance Working Group
2. DOE Technical Standards Program
3. DOE Office of Procurement and Assistance Management
4. Los Alamos National Laboratory (administration of the webserver, including software)
5. Brookhaven National Laboratory (Listserver administration)
6. Lockheed Martin Energy Systems (website development and maintenance)
7. Lawrence Livermore National Laboratory (database physical location)

Note: All the above services are donated.

Competitive Situation

Competitors are all contractor organizations who perform their own supplier evaluations and don't participate in SQIG

Barriers to achieving key goals include the following:

1. The need for DOE contractors to procure locally
2. Fear of internal supplier evaluation groups losing their jobs
3. Credibility of the external evaluations
4. Competition with the National Analytical Management Program (NAMP), a parallel effort that focuses only on analytical laboratories and that has visions of expanding to other types of evaluations.

Business Directions

- A. Strengthen support for the DOE mission by forming interfaces with the following organizations:
 1. Integrated Contractor Purchasing Team (ICPT)
 2. National Analytical Management Program (NAMP)
 3. Environmental Management Consolidated Audit Program (EMCAP)
 4. Contractor Purchasing Council (CPC)
- B. Develop a totally web-based supplier evaluation database with which members can interact to do real-time queries, get reports, enter and edit data.

Executive Summary

SQIG's charter establishes expectations, mission, vision, leadership roles, and conditions of participation in the organization and defines SQIG's leadership system. SQIG's senior leaders are beginning to fulfill the leadership responsibilities. The early stages of an organizational performance review/improvement cycle are described in the application. Although SQIG does not identify itself as a member of a community in the traditional sense, it strives to serve the community of which it is part.

SQIG is in the early stages of strategy development. Implementation of suggestions received from various internal and external reviews indicates a commitment to improvement. A large customer segment, however, is not addressed during the strategic planning process: the contractor organizations who are affiliated with SQIG. This is an untapped resource for SQIG and has the potential for significant impact on the strategic goal of increasing participation in SQIG's supplier evaluation program.

SQIG has developed action plans that contain good project management concepts; however, action plans are not in alignment with all strategic goals stated in the Business Overview and targets and performance measures are missing. This information is crucial in determining if progress is being made toward achieving organizational objectives

The organization is doing many things to obtain feedback from its current members to improve the quality of its product (supplier evaluations) and the usability of its information delivery system (database). A complaint management process is in place to work the issues that surface. SQIG has not yet addressed a large potential customer segment; that is, the DOE and DOE contractor organizations that are not affiliated with SQIG. This is an untapped resource for SQIG and has the potential for significant impact on the strategic goal of increasing participation in SQIG's supplier evaluation program. SQIG is utilizing current communication technology in an effort to work cost-effectively, the primary strategic goal of the organization, and to gather and provide information that will improve program performance.

SQIG has identified that cost savings are its primary performance measure. The beginning of an effective performance measurement system is indicated but measurement selection is still in the early stages of development. There is little evidence of a systematic approach to align the performance measures with the key business objectives. The organization has not identified comparative data or best practices information that may be useful in developing action plans to capitalize on improvement opportunities. By researching other organizations that have faced similar barriers such as voluntary members and funding issues, SQIG may find best practices not yet considered.

SQIG is a voluntary organization that operates in a "virtual" environment with no paid employees. The group's members are both employees and its customers. Consequently, the needs of the members and their roles for a given function overlap with their needs as customers. SQIG uses methods to encourage and motivate members to participate in work design development and operations, and it seeks input from members on improvement that can be made to the database. SQIG's Steering Committee assigns tasks to working group leaders.

Assignments are tracked to verify completion. Most other work systems are informal because of the voluntary nature of SQIG: members receive benefits and compensation through parent organizations. SQIG is developing a training program plan. Meanwhile, training is conducted in formal and informal ways and focuses on working with the database. The organization does not yet have a method for how it seeks and uses member input to determine training and education needs.

The organization works cooperatively with its members/customers to test its product, and to evaluate the tools it makes available to members. Input for changes to product requirements comes from customer surveys and semi-annual meetings. Members of the Steering Committee and appropriate working group leaders see that changes are incorporated. A Quality Management Plan that will define design processes is scheduled for completion in October 2000. SQIG's distinction between its product/service processes and support processes is blurred, which may inhibit its ability to address individual customer/member needs

SQIG is showing positive trends in two areas relevant to its business success: DOE contractors supplying information to SQIG's database and DOE contractors realizing savings through shared supplier evaluations. Results from SQIG's customer survey have yielded important information relevant to barriers to participation in SQIG's supplier evaluation program. This information, however, is not presented in quantifiable form, allowing these baseline results to be used to set performance targets and monitor future improvements in performance. There appears to be much missing information on performance results that could be collected relevant to the goals and requirements identified by the organization.

Of significant importance is a lack of alignment between Key Business Objectives identified in the Business Overview with strategic goals, action plans, reported actions taken, identified barriers to organizational success, key customer requirements, performance measures, and Business Results.

The Insights section of this feedback report provides additional information.

Evaluation of Responses

Category 1.0, Leadership

SQIG's charter establishes expectations, mission, vision, leadership roles, and conditions of participation in the organization and defines SQIG's leadership system. SQIG's senior leaders are beginning to fulfill the leadership responsibilities. The early stages of an organizational performance review/improvement cycle are described in the application. Although SQIG does not identify itself as a member of a community in the traditional sense, it strives to serve the community of which it is part.

1.1 Organizational Leadership

Describe how senior leaders guide your organization and review organizational performance.

Strengths

- (+) SQIG has developed a Charter that establishes expectations, mission, vision and goals; the Charter documents how the organization is to be operated and products/services delivered. Using the charter as a guide, senior leaders fulfill leadership responsibilities of setting and communicating direction.
- (+) The Steering Committee reviews utilization data and website access on quarterly and cumulative bases, and evaluates current results to determine positive or negative trends. Focused working groups are established to guide the organization and support deployment of the organization's objectives and concepts.

Opportunities for improvement

- (-) Currently, the charter defines what to do if an officer is no longer able to serve a full term. However, discussions with leaders indicate that succession planning is an issue not yet addressed. Because of its volunteer nature, the organization is extremely dependent upon the efforts of one or two key players, and real issues of organizational sustainability and continuity exist.
- (-) SQIG states that working groups have been established to drive improvements to elements of its programs, however, the working groups' system of process evaluation, and improvement planning and implementation are not addressed.

1.2 Public Responsibility and Citizenship

Describe how your organization addresses its responsibilities to the public and how your organization practices good citizenship.

Strengths

- (+) Although SQIG does not identify itself as a member of a community in the traditional sense, it has identified several professional organizations (e.g., NLIC, ASQ, DOE TRADE, etc.) that fulfill that function, and with whom it shares evaluation processes and information about suppliers. As described in its application, SQIG strives to serve the community it has identified. SQIG's efforts to change DOE Orders could be considered an act of good citizenship (improvement to general business of the DOE/U.S.).
- (+) SQIG has established a Code of Ethics that guides the ethical and professional conduct of its members and supports the integrity of the evaluation process.

Opportunities for improvement

- (-) The reliability of evaluation information is not verified. This could have negative consequences for an organization whose product is information relied upon to provide an accurate and valid evaluation of supplier capabilities. As such, data reliability is a leadership issue that needs to be addressed.
- (-) SQIG's customer survey states that some customers and/or potential customers are sensitive to issues of liability, yet SQIG has determined not to address these concerns. The 1999 barrier survey revealed no regulatory or requirements-based "legal" liabilities. SQIG thus determined that liabilities are not fact based but were customer or potential customer perceptions. These "perceived" liabilities were discounted as not real and therefore not a concern. Consequently, SQIG missed an opportunity for focusing on customer relations based on the core value of customer-driven quality—a strategic concept.

Note: Normally, data reliability is addressed in the evaluation of Category 4.0, *Information and Analysis*. Due to its relevance to product quality, however, it is evaluated here.

Evaluation of Responses

Category 2.0, Strategic Planning

SQIG is in the early stages of strategy development. Implementation of suggestions received from various internal and external reviews indicates a commitment to improvement. A large customer segment, however, is not addressed during the strategic planning process: the contractor organizations who are affiliated with SQIG. This is an untapped resource for SQIG and has the potential for significant impact on the strategic goal of increasing participation in SQIG's supplier evaluation program.

SQIG has developed action plans that contain good project management concepts; however, action plans are not in alignment with all strategic goals stated in the Business Overview and targets and performance measures are missing. This information is crucial in determining if progress is being made toward achieving organizational objectives.

2.1 Strategy Development

Describe your organization's strategy development process to strengthen organizational performance and competitive position. Summarize your key strategic objectives.

Strengths

- (+) The first formal strategic planning began in October 1999 using the 1999 EPEA feedback report to guide its development. Opportunities for improvement were subsequently reviewed and prioritized with consideration given to limited financial/human resources. This represents the beginning of a systematic approach to review and plan strategically.
- (+) Key strategic objectives and supporting tasks are identified and a timetable was created to target completion. The establishment of a timeframe indicates commitment to improvement and a step toward monitoring progress.

Opportunities for improvement

- (-) Key Business Factors are not in full alignment with Strategic Goals and relevant action plans. For example: SQIG identifies five key business objectives in the Business Overview. Two of these key objectives are aligned with SQIG's strategic goals and action plans. The remaining three objectives are not linked to strategic goals or action plans.
- (-) The use of positive feedback in strategy development is not evident, which may limit the ability to improve. Those things the organization does well are not recognized and the relationship between negative and positive input is not explored. This may indicate that the organization is still reacting to problems and not using a systematic approach.

2.2 Strategy Deployment

Describe your organization's strategy deployment process. Summarize your organization's action plans and related performance measures. Project the performance of these key measures into the future.

Strengths

- (+) SQIG has developed action plans with the intent of achieving its strategic objectives. A form, the “Strategic Goal Implementation Plan,” was developed to ensure consistent formation of action plans and tasks.

Opportunities for improvement

- (-) Although SQIG has developed action plans that contain good project management concepts, action plans identified in 2.2.1 are not in alignment with all strategic goals stated in the Business Overview. No action plans are identified for the goals of reducing costs for DOE and contractors, minimizing the burden on suppliers by sharing supplier information, and facilitating communication among members and participants on supplier quality.
- (-) The action plans do not include performance measures. Projections for the next 2-5 years are vague. Performance targets are missing, which makes it difficult to determine if progress is being made toward achieving objectives.
- (-) Conflicting information exists in the application regarding competitors. The Business Overview states that all contractor organizations who perform their own supplier evaluations and don't use SQIG are competitors. In 2.2.2, however, the application states that SQIG has not identified competitors.

Evaluation of Responses

Category 3.0, Customer and Market Focus

The organization is doing many things to obtain feedback from its current members to improve the quality of its product (supplier evaluations) and the usability of its information delivery system (database). A complaint management process is in place to work the issues that surface. SQIG has not yet addressed a large potential customer segment; that is, the DOE and DOE contractor organizations that are not affiliated with SQIG. This is an untapped resource for SQIG and has the potential for significant impact on the strategic goal of increasing participation in SQIG's supplier evaluation program. SQIG is utilizing current communication technology in an effort to work cost-effectively, the primary strategic goal of the organization, and to gather and provide information that will improve program performance.

3.1 Customer and Market Knowledge

Describe how your organization determines short- and longer term-requirements, expectations, and preferences of customers and markets to ensure the relevance of current products/services and to develop new opportunities.

Strengths

- (+) SQIG conducted a series of interviews to obtain feedback for improvements to its product (supplier evaluations), and to understand lack of participation by DOE and contractor organizations in the SQIG supplier evaluation program. A self-assessment was subsequently performed to seek ways to address the barriers to participation identified during the interviews. Based on the self-assessment, SQIG revised its Steering Committee membership to include two procurement managers as Directors on the Committee. These actions demonstrate SQIG's interest in management by fact, continuous improvement and learning and customer focus.
- (+) SQIG conducted surveys of its members to determine what improvements were most important to its information delivery system. In response to survey results, SQIG is planning to update its database to provide information in real time, and has moved from computer disk to the Internet as the means to deploy information (the product).

Opportunities for improvement

- (-) SQIG is only in the beginning stages of understanding the market segment of non-affiliated organizations that are potential customers. For example, four of the 11 national laboratories are not identified as affiliates of SQIG.
- (-) The organization is concerned with its immediate sustainability, which may inhibit a long-range view of the future to develop new opportunities.

3.2 Customer Satisfaction and Relationships

Describe how your organization determines the satisfaction of customers and builds relationships to retain current business and to develop new opportunities.

Strengths

- (+) Because SQIG members are both suppliers and customers, a built-in relationship exists that allows the applicant the opportunity to maintain customer relationships, and to communicate and receive input on satisfaction with the product and delivery system. SQIG'S semi-annual meetings provide a forum for relationship enhancement and exchange of information.
- (+) SQIG has deployed a process for collecting complaints and suggestions from customers via its website, and describes the process steps in the application. The website has a section for suggestions and concerns. The database administrator monitors this section and forwards issues to the appropriate individuals for resolution.
- (+) In addition to regular meetings, the SQIG Listserve and e-mail provide opportunities for relationship enhancement. SQIG uses a variety of electronic tools to facilitate communication with customers. The Listserve is the primary tool for customers to seek and receive advice/information on suppliers/evaluations.

Opportunities for improvement

- (-) Although SQIG has obtained excellent input from its customers on expectations, needs, requirements, and concerns, they have yet to use that information as the basis for customer satisfaction surveys relative to SQIG's performance.

Evaluation of Responses

Category 4.0, Information and Analysis

SQIG has identified that cost savings are its primary performance measure. The beginning of an effective performance measurement system is indicated but measurement selection is still in the early stages of development. There is little evidence of a systematic approach to align the performance measures with the key business objectives. The organization has not identified comparative data or best practices information that may be useful in developing action plans to capitalize on improvement opportunities. By researching other organizations that have faced similar barriers such as voluntary members and funding issues, SQIG may find best practices not yet considered.

4.1 Measurement of Organizational Performance

Describe how your organization provides effective performance measurement systems for understanding, aligning and improving performance at all levels and in all parts of your organization.

Strengths

- (+) SQIG states that feedback from the 1999 EPEA process was used to develop some performance measures, which the Steering Committee intends to evaluate on an annual basis. Development and implementation of performance measures, however, is still in the early stages.
- (+) SQIG's primary performance measure is cost savings achieved by customers using their supplier evaluation information. This measure was developed to determine the effectiveness of sharing supplier evaluations. The cost savings data is collected and aggregated on a quarterly basis.
- (+) Member expertise in the auditor/evaluator discipline and involvement in other professional organizations enables SQIG to stay current with business needs. Currently, SQIG is exploring additional opportunities to keep the performance measurement system current by developing partnering interactions with the ICPT.

Opportunities for improvement

- (--) No performance measures are identified for three of SQIG's five key business objectives described in their Business Overview. Although SQIG reviews utilization data as a standing item at its semi-annual meetings, performance measures for other key business objectives have not been developed. This lack of measures does not support the core value of results focus, i.e., an organization's performance measurements need to focus on key results.
- (-) There is no evidence of comparative data or performance targets used to evaluate SQIG performance.

Note: Data reliability is addressed in 1.2.

4.2 Analysis of Organizational Performance

Describe how your organization analyzes performance data and information to assess and understand overall organizational performance.

Strengths

- (+) For the few measures that have been developed, SQIG uses several methods to analyze performance data: brainstorming, simple trending, cause and effect determination and projection based on current results.

Opportunities for improvement

- (-) Until performance measures are developed for all the key business objectives, SQIG cannot analyze overall organizational health. This gap in alignment inhibits the ability to evaluate progress in achieving what is most important for the organization.

Evaluation of Responses

Category 5.0, Human Resource Focus

SQIG is a voluntary organization that operates in a “virtual” environment with no paid employees. The group’s members are both employees and its customers. Consequently, the needs of the members and their roles for a given function overlap with their needs as customers. SQIG uses methods to encourage and motivate members to participate in work design development and operations, and it seeks input from members on improvement that can be made to the database. SQIG’s Steering Committee assigns tasks to working group leaders. Assignments are tracked to verify completion. Most other work systems are informal because of the voluntary nature of SQIG: members receive benefits and compensation through parent organizations. SQIG is developing a training program plan. Meanwhile, training is conducted in formal and informal ways and focuses on working with the database. The organization does not yet have a method for how it seeks and uses member input to determine training and education needs.

5.1 Work Systems

Describe how your organization's work and job design, compensation, career progression, and related work force practices enable employees to achieve high performance in your operations.

Strengths

- (+) SQIG uses methods such as semi-annual meetings and electronic means to encourage and motivate members to participate in work design development and operations. For example, various and frequent communication among members provides encouragement and support for participation. SQIG actively seeks input from members for improvements to and expansion of its database.
- (+) Work assignments are tracked during semi-annual meetings and teleconferences. If a task is not completed it is assigned a new due date. This shows the beginning of a systematic approach to managing the work of the organization

Opportunities for improvement

None identified.

5.2 Employee Education, Training, and Development

Describe how your organization's education and training support the achievement of your business objectives, build employee knowledge, skills, and capabilities, and contribute to improved employee performance.

Strengths

- (+) SQIG recognizes that training members is crucial to the success of the organization, and is developing a member-training program scheduled for completion in October 2000. Training is conducted formally at semiannual meetings, including updates on using the database effectively, and delineating roles and responsibilities identified in the Charter. Informal interaction among the members provides additional opportunities to share knowledge, mentor, network and learn.

Opportunities for improvement

None identified.

5.3 Employee Well-Being and Satisfaction

Describe how your organization maintains a work environment and an employee support climate that contribute to the well being, satisfaction, and motivation of all employees.

Strengths

- (+) The SQIG Steering Committee originally planned to rotate the location of semi-annual meetings, however, they eventually chose a single location that is economical and convenient for the membership at large. This supports the core value of valuing employees.

Opportunities for improvement

None identified.

Evaluation of Responses

Category 6.0, Process Management

SQIG works cooperatively with its members/customers to test its product, and to evaluate the tools it makes available to members. Input for changes to product requirements comes from customer surveys and semi-annual meetings. Members of the Steering Committee and appropriate working group leaders see that changes are incorporated. A Quality Management Plan that will define design processes is scheduled for completion in October 2000. The organization has not identified any support processes or supplier and partnership processes. SQIG's distinction between its product/service processes and support processes is blurred, which may inhibit its ability to address individual customer/member needs

6.1 Product and Service Processes

Describe how your organization manages key product and service design and delivery processes.

Strengths

- (++) SQIG conducts beta testing among selected members to assure deliverables perform as intended, works with customers to evaluate tools as necessary to meet specific customer requirements, and conducts pre-evaluation meetings to further refine evaluation approaches. These actions demonstrate the core value of partnership development, where internal/external (employee-member/customer) partners cooperate and share knowledge and information for process design.
- (+) Input for changes to product requirements comes from customer feedback surveys and semi-annual meetings. Members of the Steering Committee and/or the appropriate working group leaders are responsible to incorporate changes.

Opportunities for improvement

- (-) SQIG has no verification process to ensure data reliability on the website. Verifying author input of supplier information is will be in the next iteration of the website, however, no interim verification process is being considered.

6.2 Support Processes

Describe how your organization manages its key support processes.

Strengths

None.

Opportunities for improvement

- (-) SQIG's distinction between its product/service processes and support processes is blurred, which may inhibit the ability to address individual customer/member needs.

6.3 Supplier and Partnering Processes

Describe how your organization manages its key supplier and/or partnering interactions and processes.

Strengths

- + SQIG is actively involved in partnering with other professional organizations such as NAMP, etc. and a task has been developed related to this partnering.

Opportunities for improvement

- (-) SQIG has determined that suppliers (those who donate equipment and services to this voluntary organization) do not require feedback; however, an element of partnering includes a feedback loop among participants. Further developing these partnerships—a core value—may assist in achieving overall goals such as more funding, further donations, and marketing awareness of SQIG.

Evaluation of Responses

Category 7.0, Business Results

SQIG is showing positive trends in two areas relevant to its business success: DOE contractors supplying information to SQIG's database and DOE contractors realizing savings through shared supplier evaluations. Results from SQIG's customer survey have yielded important information relevant to barriers to participation in SQIG's supplier evaluation program. This information, however, is not presented in quantifiable form, allowing these baseline results to be used to set performance targets and monitor future improvements in performance. There appears to be much missing information on performance results that could be collected relevant to the goals and requirements identified by the organization.

Of significant importance is a lack of alignment between Key Business Objectives identified in the Business Overview with strategic goals, action plans, reported actions taken, identified barriers to organizational success, key customer requirements, performance measures, and Business Results.

7.1 Customer Focused Results

Summarize your organization's customer focused results, including customer satisfaction and product and service performance results. Segment your results by customer groups and market segments, as appropriate. Include appropriate comparative data.

Strengths

- (+) The chart on page 26 of the application shows a positive trend for *DOE Contractors Supplying Evaluations*, increasing from 16 in 1997 to 41 in 1999.

Opportunities for improvement

- (-) Results from SQIG's 1999 customer survey to identify the significant barriers to participation in SQIG's supplier evaluation program are presented in narrative form. Without additional quantifiable information, these baseline results will not be useful to monitor future improvements in performance.
- (-) The application identifies 5 key performance measures that support SQIG's key business objective to increase active contractor participation in the SQIG program. These measures are linked to SQIG's strategic goal and action plans. Only one of these measures is reported in the chart on page 23 of the application, showing the number of hits on the SQIG website.

7.2 Financial and Market Results

Summarize your organization's key financial and marketplace performance results, segmented by market segments, as appropriate. Include appropriate comparative data.

Strengths

- (+) SQIG shows utilization savings for seven years (1993 to 1999) and is able to calculate savings per cost of transaction for SQIG users and cumulative cost savings for these years. A positive trend for *DOE Contractors Savings through Shared Evaluations* increased from 11 in 1997 to 30 in 1999.

Opportunities for improvement

None

7.3 Human Resource Results

Summarize your organization's human resource results, including employee well being, satisfaction, development, and work system performance. Segment your results by types and categories of employees, as appropriate. Include appropriate comparative data.

Strengths

None identified.

Opportunities for improvement

- (-) No performance measures implemented; no results are reported.

7.4 Supplier and Partner Results

Summarize your organization's key supplier and partner results. Include appropriate comparative data.

Strengths

None identified.

Opportunities for improvement

- (-) No performance measures implemented; no results are reported.

7.5 Organizational Effectiveness Results

Summarize your organization's key operational performance results that contribute to the achievement of organizational effectiveness. Include appropriate comparative data.

Strengths

None identified.

Opportunities for improvement

(-) No performance measures implemented; no results are reported.

Scoring Summary

Criteria	Section	Point Value	Per Cent	Score	Section Score
Organizational Leadership	1.1	85	40	34	
Public Responsibility and Citizenship	1.2	40	30	12	
Leadership	1	125			46
Strategy Development	2.1	40	20	8	
Strategy Deployment	2.2	45	27	12.15	
Strategic Planning	2	85			20.15
Customer and Market Knowledge	3.1	40	30	12	
Customer Satisfaction and Relationships	3.2	45	37	16.65	
Customer and Market Focus	3	85			28.65
Measurement of Organizational Performance	4.1	40	30	12	
Analysis of Organizational Performance	4.2	45	17	7.65	
Information and Analysis	4	85			19.65
Work Systems	5.1	35	33	11.55	
Employee Education, Training, and Development	5.2	25	37	9.25	
Employee Well-Being and Satisfaction	5.3	25	37	9.25	
Human Resource Focus	5	85			30.05
Product and Service Processes	6.1	55	33	18.15	
Support Processes	6.2	15	17	2.55	
Supplier and Partnering Processes	6.3	15	23	3.45	
Process Management	6	85			24.15
Customer Focused Results	7.1	115	30	34.5	
Financial and Market Results	7.2	115	27	31.05	
Human Resource Results	7.3	80	0	0	
Supplier and Partner Results	7.4	25	0	0	
Organizational Effectiveness Results	7.5	115	0	0	
Business Results	7	450			65.55
Total Score		1000			234.2

Insights

As a result of evaluating this application, the Examiner Team offers the following insights.

Since members have a dual role as both the customer and member, the applicant would do well to define each entity, what their interests and needs are, and how they are different.

Consequently, when processes are put in place they can address multiple member needs. Processes can be targeted to specific needs and evaluated against the criteria set forth for each role. Additionally, making a clear distinction between SQIG members as employees (who provide evaluations) and customers (who use evaluations) should enable the development of meaningful performance measures in the areas of customer focus and human resources.

Missing information in the application complicated the initial evaluation of SQIG's performance. During the site visit much of the missing information was revealed during interviews with SQIG leaders. In many cases, the additional information, once evaluated by the Examiner Team, contributed to an increase in score. Although Site Visits are designed for examiners to clarify and verify information in the application, the missing information was extensive. The Examiner Team concluded that gaps exist in SQIG's understanding of the Malcolm Baldrige-based award process. Participation in EPEA or state-level Baldrige-based awards programs would enhance understanding the criteria and how to apply it to SQIG's performance improvement efforts.

The focus on the uniqueness of "virtual" and "volunteer" may be barriers to SQIG taking full advantage of good business practices used by more traditional organizations. For instance, the importance of developing a clear succession plan cannot be overstated.

SQIG's membership may benefit from careful review and determination of who are competitors and/or partners.

SQIG has untapped opportunities to collect and analyze performance data related to its strategic goals. For example, attendance at semi-annual meetings, money saved by suppliers, use of comparative data from comparable competitor websites, utilization/access (number of hits) to gauge performance and set performance targets, website downtime, membership or affiliation with other professional groups (an indicator for supplier/partner results).

The dollar value of an average supplier evaluation (to show cost savings) could be a powerful marketing tool if advertised on the web pages.

A careful review of terminology to ensure consistent application of terms would increase clarity of SQIG's processes. Example: use of the term "action plan" to mean the four key "Action Plans" identified in 2.2.1, and the same term used to describe plans associated with the tasks identified in the "Strategic Goal Implementation Plan." Related item: Conflicting information (competitors vs non-competitors) is confusing.

Some tasks require work on areas such as marketing and communications, which are not necessarily the expertise of SQIG's members. It may be beneficial to partner with functional groups in members' home organizations and use their expertise. For example, marketing plan review or website design esthetics by the public affairs office, etc. Home organizations may realize the benefit SQIG and provide more support.

Best Practices

During the evaluation of this application the following best practices were observed.

Category 1, Leadership

Category 2, Strategic Planning

Category 3, Customer and Market Focus

Category 4, Information and Analysis

SQIG has adapted a benchmarking process that will be used in the future. This supports the core values of management by fact and continuous improvement and learning.

Category 5, Human Resource Focus

SQIG has selected a location for the semi-annual meetings based on cost-effectiveness and ease of access for the membership at large. This supports the core values of leadership and valuing employees.

Category 6, Process Management

Category 7, Business Results

**Alignment of Key Business Objectives/Strategic Goals
With Performance Measures/ Business Results**

Key Business Objectives	Strategic Goals	Action Plans	Recent Action Items	Performance Measures	Business Results
Reduce costs for DOE and contractors. Business Overview				Cost savings (application states that this is the primary performance measure for SQIG) 4.1.1	1. Utilization 2. Cost Savings 3. Sharing of evaluations 4. # R&R awards 7.0
Minimize burden to suppliers by sharing supplier quality information. Business Overview					
Improve SQIG's information systems (database/website) Business Overview	Develop and implement a new all web-based supplier evaluation database* 2.1.2	Development of a new web-based supplier evaluation database. 2.2.1	Distribution of database via Internet instead of computer disk. 3.1.1 Improve the database to have information in real time. 3.2.2		
Facilitate communication among members and participants on supplier quality. Business Overview			Develop a new user-friendly utilization form for requesting supplier assessments. Develop a basic checklist that can be augmented for specific needs. 3.2.2		
Get the contractors to actively participate in the program. Business Overview	Increase use of SQIG by DOE and its contractors. 2.1.2	Increase membership and participation of DOE contractors. 2.2.1		Other key measures: # of MOU singers # Contractors supplying information # Contractors requesting information # Contractors using supplier information. 4.2.1	
		Secure funding sources through the DOE QA Working Group. 2.2.1			
	Develop partnerships with Purchasing Managers 2.1.2	Cultivating SQIG partnership with DOE contractor Procurement Managers through ICPT. 2.2.1	Steering Committee membership revised to include 2 Procurement Managers. 3.1.1		

* Scheduled to be completed by CY 2000. Selection based on funding considerations.

Attachment 8

Dave reviewed the meeting that was held in Washington D.C. with
EH-10 and Richard Hopf's office during the week of
Sept. 25, 2000

PAAA Benchmarking Update

Dave L. Torczon

SQIG Co-Chair

Kaiser-Hill Co., L.L.C.

Rocky Flats Environmental Technology Site

October 4, 2000

PAAA Benchmarking Update

- Agenda
 - Background
 - Benchmarking Survey
 - Team Activities
 - Path Forward

PAAA Benchmarking Update

- Background
 - October 1999 SQIG Meeting
 - April 2000 SQIG Meeting
 - Benchmarking Survey
 - SQIG Support

PAAA Benchmarking Update

- Benchmarking Survey
 - Varied levels of Site procurement processes
 - Inconsistent interpretation and application
 - Organizational differences among contractors
 - Ineffective organizational interface
 - Reluctance to provide information

PAAA Benchmarking Update

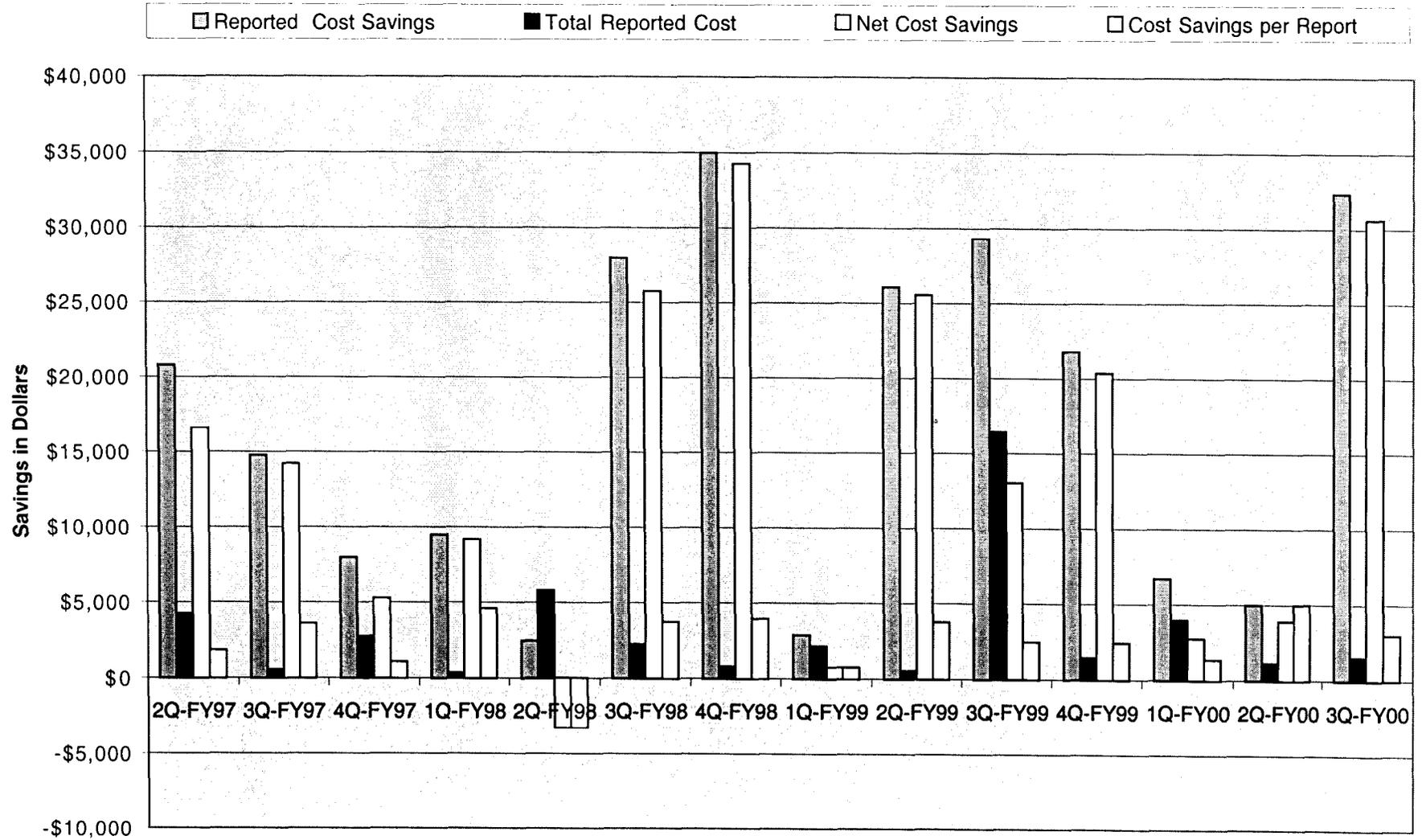
- Team Activities
 - PAAA Fundamentals Handbook
 - Teleconferences
 - RFETS meeting with PAAA Coordinator
 - Team meeting with DOE HQ

PAAA Benchmarking Update

- Path Forward
 - Develop a Roles & Responsibilities matrix
 - Identify available training
 - PAAA Fundamentals Handbook
 - Review use of IWO, MPO, GFE, & BOA
 - Identify models
 - Contractor Purchasing Council Symposium

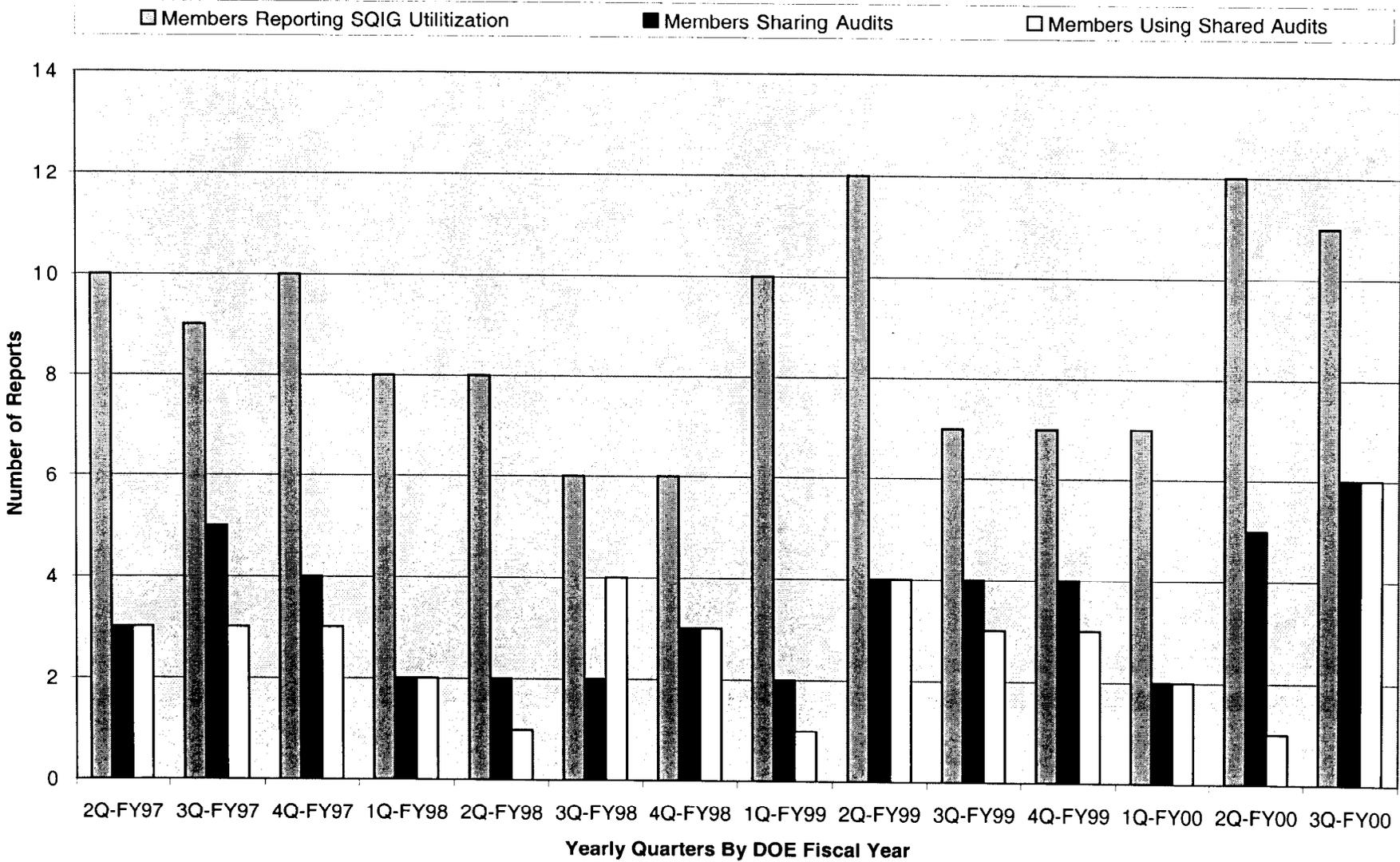
Attachment 9
Utilization information

SQIG Costs and Savings Data

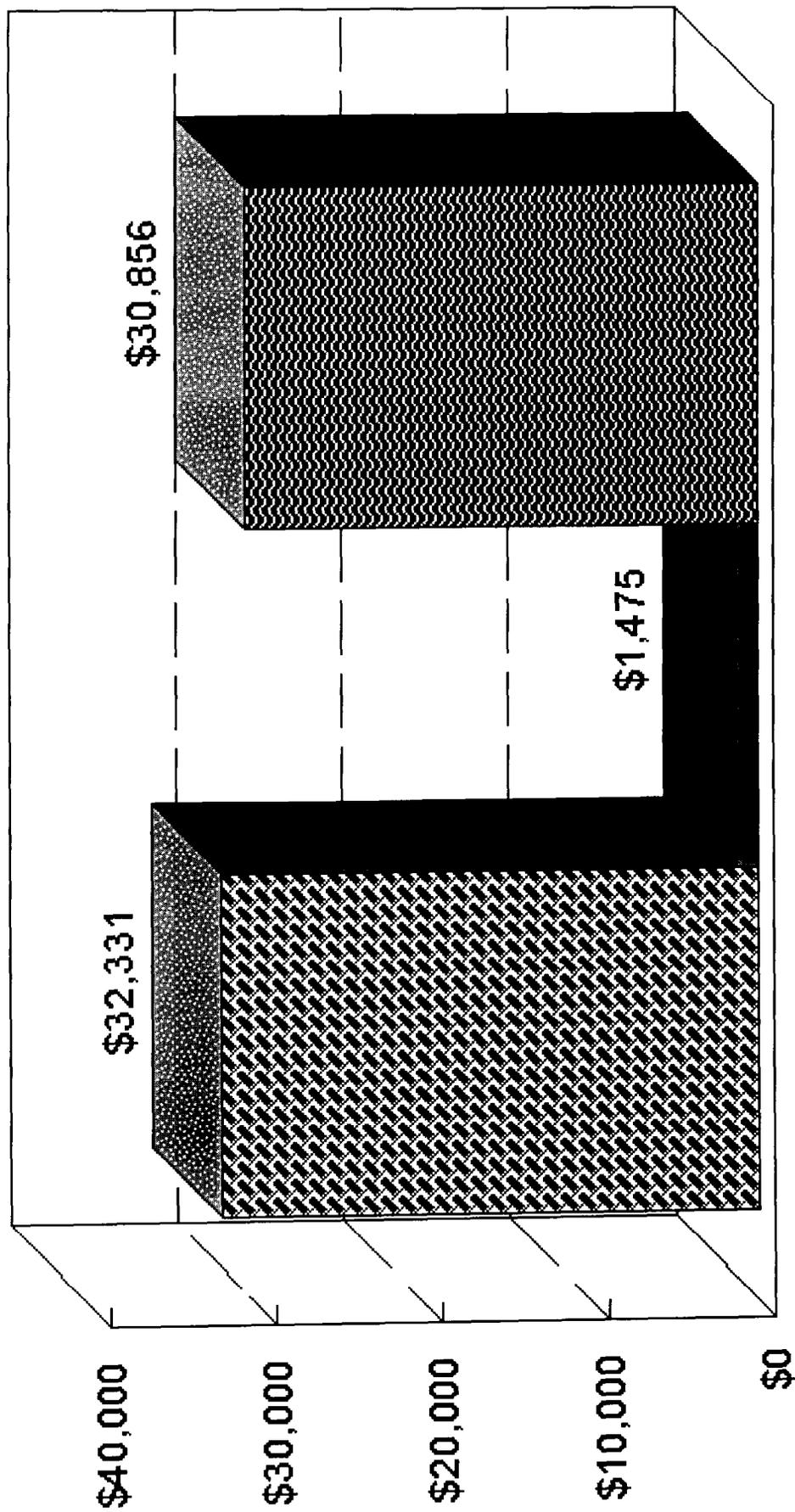


Yearly Quarters by DOE Fiscal Year

Reports SQIG Members Are Sharing and Using



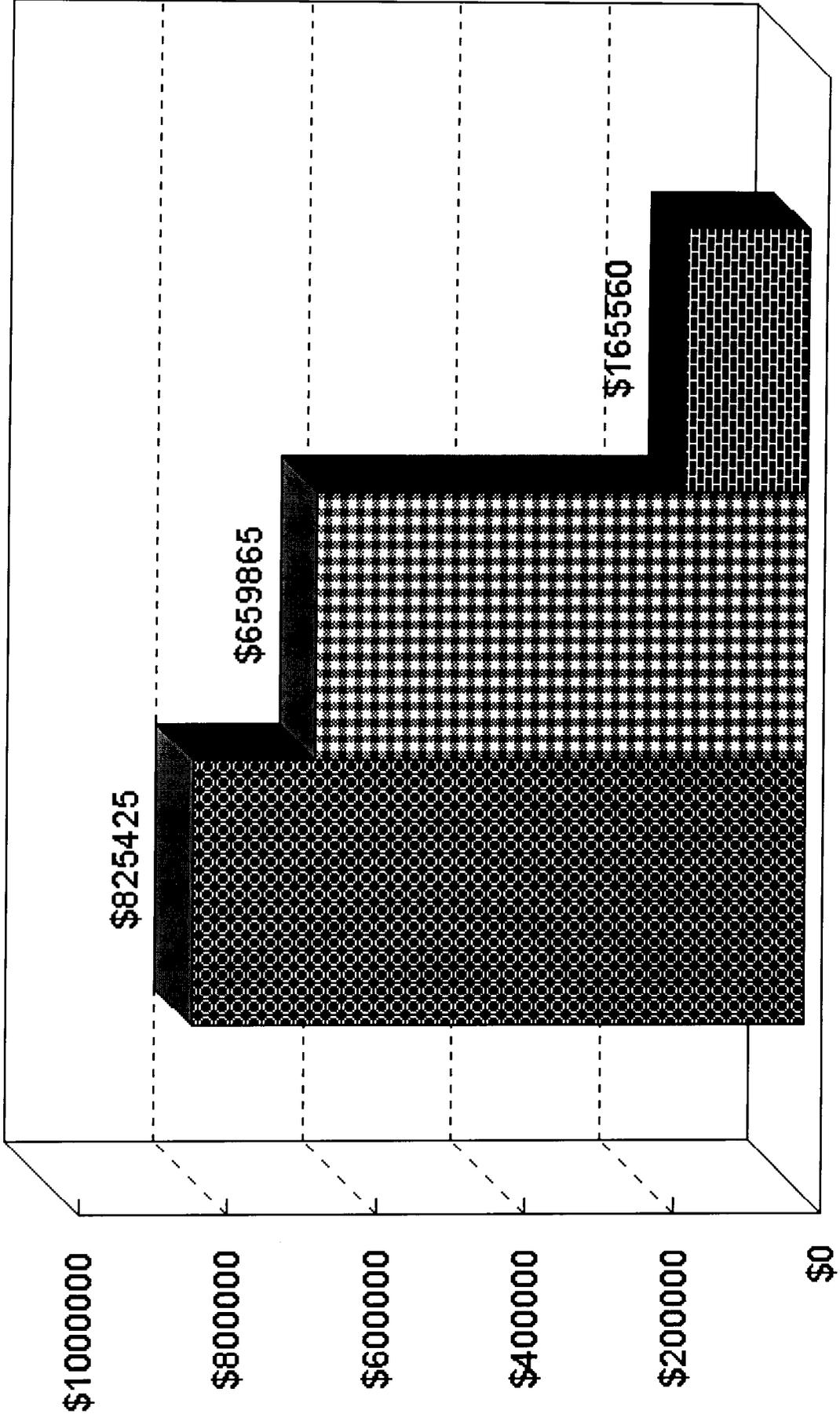
Water Utility Administration 2nd Quarter, 2000



SQIG UTILIZATION DATA

CUMMULATIVE PROGRAM TOTALS

(4TH Quarter 1993 to 2nd Quarter 2000)



SQIG Utilization Data For
Third Quarter Fiscal Year 2000
(April through June)

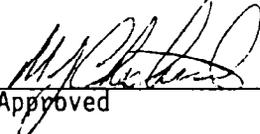
SQIG Quarterly Utilization Data Third Quarter Fiscal Year 2000						
Contractor	Savings(\$)	Costs(\$)	Number Reports Shared	Reports Actually used	Point Of Contact	MOU Signers
Honeywell FM&T - Kansas City Division, KCD	\$0	\$0	0	0	Lynn Barnes	No
ALW, Argone National Lab. West, ANL - W	\$0	\$0	0	0	Gary Winner	No
ANL, Argone National Lab. East, ANL - E	\$0	\$0	0	0	Paul wolf	No
Babcock & Wilcox of Ohio, Mound	\$0	\$0	0	0	Gary D. Carpenter	No
BN, Bechtel Nevada	\$3,124	\$500	5	1	Pat Mars	Yes
BNL, Brookhaven Nat. Lab	\$0	\$0	0	0	Steve Stein	Yes
Fluor Daniel - Hanford, FDH	\$0	\$100	4	0	Audrey Cooper	Yes
Fluor Daniel Fernald, FERMC0	\$0	\$0	0	0	Paul Pierson	Yes
Idaho National Engineering and Environmental Lab (INEEL), BWWI	\$0	\$0	0	0	Kevin Murphy	No
International Technology Inc., ITC	\$2,512	\$0	0	1	Steve Mergenmeier	Yes
Kaiser-Hill Rocky Flats, RFP	\$14,945	\$150	3	5	David Torczon	Yes
LBL, Lawrence Berkeley Lab	\$0	\$0	0	0	Richard Arri	Yes
LLNL, Lawrence Livermore Nat. Lab.	\$5,998	\$25	1	2	Ronald B. Natali	Yes
University of Tennessee - Battelle	\$0	\$0	0	0	Kent D. Calfee	Yes
BWXT - Y-12	\$0	\$0	0	0	Tony Cannon	Yes
LANL, Los Alamos National Lab.	\$0	\$0	0	0	Steve Capelli	Yes
Mason & Hanger - Slias Mason Co. Inc., PX	\$3,602	\$300	3	1	Tony Vigil	Yes
Pacific Northwest Lab, PNL	\$2,150	\$0	0	1	K. E. Harrison	Yes
Princeton Plasma Physics Lab, PPPL	\$0	\$0	0	0	Frank Malinowski	No
Sandia National Lab, SNL	\$0	\$0	0	0	Nora Armijo	Yes
Spallation Neutron Source, SNS	\$0	\$0	0	0	William E. A. Palmer	No
WASTREN - Grand Junction Office	\$0	\$0	0	0	Donna Riddle	No
Weldon Spring Site, WS	\$0	\$0	0	0	Stephen P. Stumne	No
WVNS, West Valley Nuclear Services Company	\$0	\$0	0	0	Michael J. Sheridan	Yes
WSR, Westinghouse Savannah River Co.	\$0	\$400	4	0	J. Allen Fertic	Yes
WIPP, Westinghouse WIPP Project	\$0	\$0	0	0	John F. Gran	No
Totals	\$32,331	\$1,475	20	11		
Total DOE Contractors Reporting	11					
Total Participating in SQIG	26					
Percent Reporting Utilization Data	42%					
Net Cost Savings	\$30,856					
Cost savings per report	\$2,939					
Total MOU Signers	16					
MOU Signers Reporting Utilization Data	11					
Percent of MOU Signers reporting data	69%					
Total Number of Participating Contractors (Non MOU Signers)	10					
Number of Participating Contractors reporting Data	1					
Percentage of Participating Members Reporting Data	10%					

Attachment 10
SIQG's old joint audit procedure

DOE Contractors
Supplier Quality Information Group
(SQIG)

Joint & Shared Audit Procedure

Revision 1, 10/93


Approved _____ Date 10-21-93

1. Purpose

This procedure establishes the minimum requirements and methodology to be used in the planning, conduct and reporting of Joint & Shared Audits which are conducted to verify compliance and implementation of the Quality Programs of selected suppliers.

2. Scope

This procedure applies to scheduling, conduct, and auditor requirements related to audits performed under the auspices of the SQIG Audit Program. Suppliers to be audited using Joint Audits will be so designated by SQIG in accordance with the Memorandum of Understanding. All Joint and Shared Audits shall be conducted in accordance with this procedure and the SQIG Joint/Shared Audit Checklist.

3. References

- A. DOE 5700.6C
- B. SQIG Memorandum of Understanding
- C. SQIG Database Procedure
- D. ASME NQA-1
- E. Approved SQIG Checklist
- F. SQIG Charter

4. Definitions

- A. Audit - A planned and documented activity performed to determine by investigation, examination, or evaluation of objective evidence the adequacy of and compliance with established procedures, instructions, drawings, and other applicable documents, and the effectiveness of implementation. An audit should not be confused with surveillance or inspection activities performed for the sole purpose of process control or product acceptance.
- B. Supplier - Any individual or organization who furnishes items or services in accordance with a procurement document. An all-inclusive term used in place of any of the following: vendor, seller, contractor, subcontractor, fabricator, consultant, and their subtier levels.

- C. Supplier Audit - An audit conducted at the facilities of a supplier or prospective supplier. This term includes ongoing audits of present suppliers as well as pre-award surveys of prospective suppliers.
- D. Joint Audit - A supplier audit which is 1) scheduled in advance as such, 2) conducted by representatives of two or more SQIG members and 3) made available to the SQIG membership by posting on the SQIG database and distributed as requested.
- E. Shared Audit - An audit which is 1) not designated as a Joint Audit, 2) normally conducted by representative(s) of a single SQIG member, and 3) made available to the SQIG membership by posting on the SQIG database and distributed upon request.
- F. Technical Specialist(s) (TS) - Individuals who have the capabilities/practical understanding appropriate for the activity/process being evaluated.

Based on this definition, any team member(s) may fulfill the TS role during the audit process provided the TS responsibilities are clearly defined in the audit plan. The TS may have no previous auditing experience; however, if an adequate level of technical input is available in the contractor's auditing organization, then no additional participation by others is required.

5. Responsibilities

- A. The Joint Audit Committee is responsible for:
 - 1. Assuring that SQIG members meet the commitments as defined in the SQIG Charter for leading and/or participating in Joint Audits.
 - 2. Maintaining the status and schedule of SQIG Joint Audits.
- B. The Compliance Committee is responsible for:
 - 1. Conducting reviews of Joint and Shared Audits to assure compliance to this procedure utilizing the Compliance Committee Checklist (Addendum 1).
 - 2. Periodic verification of qualifications of personnel conducting audits.

- C. Each Representative is responsible for:
 - 1. Meeting the commitments defined in the Charter as scheduled by the Joint Audit Committee.
 - 2. Maintaining cognizance of those audits for which their company is providing an Audit Team Leader/Team Member. This includes assuring that all audit personnel are familiar with the SQIG Audit Procedure and the rules by which the program is implemented and controlled.
 - 3. Assuring that Audit Team Leaders are certified Lead Auditors in accordance with ANSI N45.2.23-1978 or NQA-1 Supplement 2S-3 requirements.
- D. The Audit Team Leader and/or audit team members are responsible for conducting Joint and Shared Audits in accordance with this procedure.

6. Instructions

A. Audit Scheduling

- 1. All Joint Audits shall be conducted in accordance with the Joint Audit Schedule developed and maintained by the SQIG Joint Audit Committee.
- 2. Shared audits shall be scheduled and conducted as deemed necessary by member contractors. Coordination with the SQIG Joint Audit Committee is encouraged to avoid audit redundancy and to encourage supplier cooperation in the overall program.

B. Audit Plan

- 1. The Audit Team Leader shall develop an Audit Plan which shall reference the SQIG Checklist.
- 2. The Audit Team shall provide technical and quality inputs and analyze aspects of vendor performance history for submittal to the Audit Team Leader.
- 3. The plan shall be reviewed and approved by the Audit Team Leader or their authorized designee for conformance to the company's QA Program and this procedure.

C. Audit Preparation

1. The Audit Team Leader shall be responsible for the preparation for Joint and Shared Audits to include the following:
 - a. Determine team members' qualifications.
 - b. Development of the audit schedule in conjunction with the other team members and the supplier.
 - c. Review of applicable industry advisories for inclusion in the scope of the audit.
 - d. Assignment of responsibility areas and activities for each team member.
 - e. Distribution of copies of all pertinent documentation, including available supplier performance history information, to the other team members for preparation.
 - f. Issuance of written notification to the supplier, including the audit plan and proposed audit schedule. A copy of the notification letter and audit plan shall be sent to each Audit Team member.

Note: This notification should include information indicating the Audit Report may be shared with other DOE contractors.

D. Audit Performance

The performance of Joint and Shared Audits shall include the following:

1. Conducting an entrance meeting with appropriate levels of the supplier's management to advise them of the audit scope and plan, introduce the audit team, meet counterparts, discuss the audit sequence and plans for the exit meeting, and establish channels of communication for use during the audit.
2. Conducting the audit in accordance with the audit plan and the SQIG checklist.

3. Determine by investigation, examination, or evaluation of objective evidence the adequacy of and compliance with established procedures, instructions, drawings, and other applicable documents, and the effectiveness of implementation.
4. Verifying that corrective action(s) from the previous SQIG Joint and/or Shared Audit (if any) continue to be effectively implemented.
5. Completing the audit checklist prior to the completion of the audit by:
 - a. Providing appropriate references to where each Quality Element is addressed in the supplier's QA Program document.
 - b. Providing a traceable description of the objective evidence reviewed to determine the status of each Quality element in the checklist.

The checklist shall include reference to sufficient objective evidence for each QA Program audited and shall identify, where appropriate, program applicability (e.g. ASME Code, non-code safety-related, commercial grade).

- c. Entering either "Y" - Satisfactory, "N" - Unsatisfactory, or "NA" - Not Applicable for each Quality Element in the Results column.

Note: Each entry, regardless of which designation (i.e. "Y", "N", or "NA") will require documented evidence to support the noted conclusion.
- d. Adding supplemental pages to record additional data. These pages shall include as a minimum, the identification of the supplier, and either the page number (e.g. "29 of 31") or be referenced on the numbered page (e.g. "see attached page 29a, 29b, etc.").
- e. Validating any corrections by dated initials.

7. Conducting the exit meeting at the conclusion of the audit with appropriate levels of the supplier's management present to discuss the results of the audit (satisfactory and unsatisfactory) and required corrective actions, as appropriate.

E. Audit Reporting

The documentation and control of all Audit Reports shall include the following:

1. Preparation of the report by the Audit Team Leader.
2. The audit report shall include:
 - a. A description of the supplier's scope of product/service/facilities covered under the audited QA program(s) including the applicability of the programs for safety-related and/or commercial grade procurement.
 - b. A description of any supplier unique order entry requirements for safety-related and/or commercial grade procurement.
 - c. An assessment of the implementation of the supplier's QA program including a description of the significance of any non-conformance and where possible, the potential impact on product/service quality.
 - d. An assessment of the implementation of corrective action(s) from the previous SQIG Joint Audit, if any.
 - e. A description of the status of any activities initiated in response to industry advisory notices.
 - f. A list of the persons contacted during the entrance meeting, audit, and exit meeting.
3. Issuance of the final report and SQIG checklist by the Audit Team Leader within thirty (30) days of the exit meeting. The supplier shall be requested to provide corrective action

responses to any identified non-conformance within thirty (30) days of receipt of the report.

4. For Joint and Shared Audits, transmittal of the Audit package to the Compliance Committee members for evaluation. This package shall include a copy of the Audit Report, the completed SQIG Checklist, the transmittal letter to the supplier, and Corrective Action (If applicable). For Shared Audits, Audit Checklist Summary Sheets shall be transmitted to the designated contact person for entry into the SQIG database.

F. Follow-up

Audit follow-up activities shall include the following:

1. Review of the supplier's corrective action responses by the Audit Team Leader for acceptability.
2. Upon completion of review of the supplier's response, the Audit Team Leader shall be responsible to notify the supplier in writing of the results of the review and any verification required to close the identified non-conformance.
3. Required verification activities shall be as directed by the Audit Team Leader, who may request, through the applicable SQIG representative, that an SQIG member in close proximity to the supplier assist in the verification of corrective action implementation.
4. Upon completion of the verification, the results shall be documented by the Audit Team Leader.

(Addendum 1)

Supplier Quality Information Group (SQIG) Compliance Committee Checklist

Supplier: _____

Address: _____

Date of Evaluation: _____ Type (Audit, Pre-award, etc.) _____

Organization Conducting Evaluation: _____

Team Leader Certified (Yes/No): _____ How Determined? _____

Quality System Evaluated: _____

Commodity/Service: _____

Team Members & Organization(s) Listed? (Yes/No) _____

Are the purpose, scope, and summary statements present and consistent with the checklist? (Yes/No, comments) _____

Does each checklist item regardless of designation (i.e. "Y", "N", or "NA") have the required documented evidence to support the noted conclusion? _____

Is the conclusion supported by the checklist and the balance of the report? (Yes/No, comments) _____

Are deficiencies adequately documented? (Yes/No, comments) _____

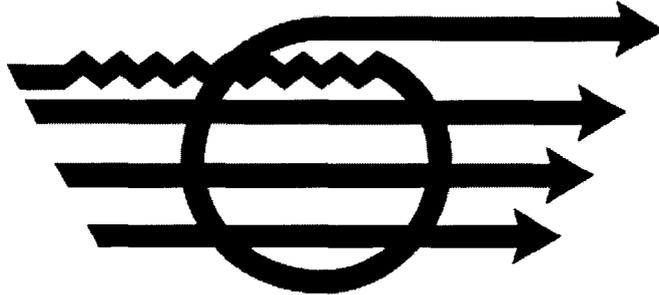
Have deficiencies been adequately followed up/verified? (Yes/No, comments) _____

Evaluated By _____ Date _____

Approved By _____ Date _____

Attachment 11
Draft training procedure

SUPPLIER QUALITY INFORMATION GROUP



SQIG ORGANIZATION

Title: **QUALIFICATION AND CERTIFICATION OF ASSESSMENT
PERSONNEL**

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Number: **SQIG-XXX**

Revision Number: 0

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Responsible Organization: **SQIG Steering Committee**

Signature Approval:

SQIG Chair

Date

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1:0 PURPOSE

1.1 The purpose of this procedure is to describe the requirements for the process of qualification and certification of personnel performing assessments.

2:0 SCOPE

2.1 The requirements of this procedure are applicable to all personnel performing supplier assessments.

3:0 RESPONSIBILITIES

3.1 The following entities have responsibilities in this procedure:

- **Certifying Officials**
- **Lead Assessors (LAs)**

4:0 PROCEDURE

4.1 GENERAL REQUIREMENTS

4.1.1 The LA shall identify the qualifications and experience required by technical specialists and assessors and selects them based on criteria needed to successfully conduct an assessment.

4.1.2 The LA shall define the scope of the assessment, identify any required reading, and provide training to the assessment team, as necessary.

4.2 ASSESSMENT TEAM MEMBERS

4.2.1 Assessment personnel, other than the LA, do not require formal training or certification. These include technical specialists and assessors. They are qualified by the LA through methods determined by the LA in a manner that meets the needs of the assessment scope.

4.3 LA QUALIFICATION AND CERTIFICATION

4.3.1 LA shall:

4.3.1.1 Participate in the formal training course developed by each DOE contractors organization for LAs, and successfully complete an examination to demonstrate comprehension of the course materials with a minimum score of 75 percent, or

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present objective evidence of certification under a DOE-recognized Qualification and Certification Assessor Program.

- 4.3.1.2 Complete the SQIG Required Reading List (see Appendix A [Typical]).
- 4.3.1.3 Demonstrate effective communication skills, both written and oral. These skills shall be attested to and recorded by the Certifying Official.
- 4.3.1.4 Have verifiable objective evidence that a minimum of 10 credits have been accumulated under the scoring system identified below.
- 4.3.1.4.1 Education (4 Credits Maximum)
- An associate degree from an accredited institution scores 1 credit. If the credit is in engineering, physical sciences, mathematics, or QA, it scores 2 credits.
 - A bachelor's degree from an accredited institution scores 2 credits. If the degree is in engineering, physical sciences, mathematics, or QA, it scores 3 credits. In addition, score one more credit for a master's degree (or higher) in engineering, physical sciences, business management, or QA from an accredited institution.
- 4.3.1.4.2 Workplace Experience (9 Credits Maximum)
- The prospective lead auditor shall have participated in a minimum of five QA audits or equivalent verifications (such as management assessments, pre-award surveys, or comprehensive surveillance, as long as the parameters of the audit process are met) within a period of time not to exceed three years prior to the date of qualification.
 - One audit of which shall be applicable to the DOE 5700.6C/10 CFR 830.120 criteria within the year prior to qualification. In addition, for technical experience in such areas as scientific investigation, site characterization, nuclear waste management, production, transportation, engineering, manufacturing, construction, operation, maintenance, or experience applicable to the auditing organization's area of responsibility, score 1 credit for each full year, with a maximum of 5 credits for this aspect of experience.
 - a. If two years of this experience have been in a nuclear field, score 1 additional credit; or
 - b. If two years of this experience have been in QA, score 2 additional credits; or
 - c. If two years of this experience have been in auditing or assessment, score 3 additional credits; or

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- d. If two years of this experience have been in nuclear-related QA, score 3 additional credits; or
- e. If two years of this experience have been in nuclear-related QA auditing or assessment, score 4 additional credits.

4.3.1.4.3 Professional Competency (2 Credits Maximum)

For certification in engineering, science, or QA specialties, issued and approved by a state agency or national professional or technical society, score 2 credits.

4.3.1.4.4 Rights of Management (2 Credits Maximum)

When determined appropriate, the Certifying Official may grant up to 2 credits for other performance factors applicable to auditing that are not explicitly called out, such as leadership, sound judgement, maturity, analytical ability, tenacity, past performance, and completed QA training course.

4.4 DOCUMENTATION OF QUALIFICATION OR CERTIFICATION

4.4.1 Qualification of assessors by the LA.

4.4.1.1 For technical specialists and assessors, the **LA** shall document their qualifications in the assessment file.

4.4.2 Certification of LA(s) by the Certifying Official.

4.4.2.1 Document the aforementioned requirements by completing the applicable Qualification Records, the SQIG Required Reading List and, if applicable, the Annual Recertification Evaluation (see Appendices A, B, and C).

4.4.2.2 Maintain the record copy of the Qualification Records and supporting documents in the Certifying Official's organizational files.

4.5 MAINTENANCE OF CERTIFICATION FOR LA

4.5.1 **LAs** shall maintain their proficiency through one of the following: regular and active participation in the assessment process; the documented review and study of codes, standards, procedures, instructions, and other documents related to the assessment process; and participation in applicable training programs.

4.5.2 Prior to the annual evaluation due date, the **Certifying Official** shall review objective evidence of proficiency maintenance.

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4.5.2.1 Based on an annual evaluation, the **Certifying Official** may recertify, require retraining, or require qualification. This evaluation shall be documented (see Appendix C).

4.6 RECERTIFICATION

4.6.1 LAs who fail to maintain their proficiency shall require recertification at the discretion of the Certifying Official. Recertification shall include retraining in accordance with paragraph 4.3.1.1 of this procedure as applicable and successful participation as a LA in at least one assessment applicable to DOE/NV operations.

5.0 TRAINING

5.1 See Lead Assessor Training Program for each DOE contractors.

6.0 FORMS

6.1 Lead Assessor Statement of Qualification/Certification, xxxxxxxxx

6.2 Record of Assessment Participation, xxxxxxxxx

7.0 RECORDS MANAGEMENT

7.1 This procedure generates the following records:

Lead Assessor Statement of Qualification/Certification, xxxxxxxxx

Record of Assessment Participation, xxxxxxxxx

8.0 REFERENCES

8.1 U.S. DOE Order 0 414.1, "Quality Assurance."

8.2 10 CFR 830.120, "Quality Assurance."

9.0 DEFINITIONS

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- 9.1 **Assessment.** The act of reviewing, inspecting, testing, checking, conducting surveillances, or otherwise determining and documenting whether items, processes, or services meet specific requirements.
- 9.2 **Assessor.** Any individual in the organization who performs any portion of an assessment including technical specialists, and others, such as management representatives.
- 9.3 **Certifying Official.** The individual in the organization responsible for certifying LAs.
- 9.4 **Independent Assessment.** An assessment performed by a qualified individual or team that is not affiliated with the organization directly performing the work.
- 9.5 **Lead Assessor (LA).** A person certified as a LA who is responsible for organizing, directing, and coordinating the conduct of an assessment; reporting findings and observations; issuing the assessment report; and evaluating the adequacy of responses.
- 9.6 **Relevant Workplace Experience.** Documented workplace experience that gives the practical knowledge of a field that is necessary to effectively assess systems in that field and that has been verified as part of employment screening.
- 9.7 **Technical Specialist.** An individual subject matter expert (SME), and/or technical representative who is assigned to support the assessment team to evaluate the technical accuracy and appropriateness of a particular area or function.

10.0 APPENDICES

- 10.1 Appendix A: Assessment Personnel Reading Requirements Table [Typical].
- 10.2 Appendix B: Statement of Qualification and Certification.
- 10.3 Appendix C: Summary of Assessment Participation.

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APPENDIX A

Assessment Personnel Reading Requirements Table [Typical]

Page 1 of 1				
ASSESSMENT PERSONNEL REQUIRED READING LIST				
Name: _____		Title: _____		Employee No: _____
Position _____ (circle one)		Initial/Date		LA A TS/SME
* MANDATORY				
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
* Additional required reading may be assigned by placing an X in the applicable column of page 1, and/or identifying additional documents on page 2 and placing an X in applicable column.				
AALA: As assigned by the Lead Assessor				
Verified by: _____			Date: _____	

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APPENDIX B

Statement of Qualification and Certification

RECORD OF LEAD AUDITOR QUALIFICATION	Name: _____	Date: _____	
EMPLOYER: _____			
QUALIFICATION POINT REQUIREMENTS		CREDITS	
Education - University/Degree Date 4 Credits Max.		_____	
1. Undergraduate Level 2. Graduate Level			
Experience - Company/Dates 9 Credits Max.		_____	
Technical (0-5 credits) and Nuclear Industry (0-1 credit), or Quality Assurance (0-2 credits), or Auditing (0-4 credits)			
Professional Accomplishment - Certificate/Date 2 Credits Max.		_____	
1. P.E. 2. Society			
Management – Justification/Evaluator/Date 2 Credits Max.		_____	
Explain Evaluated by: (Name and Title) _____ Date _____			
Total Credits: _____			
AUDIT COMMUNICATION SKILLS			
Evaluated by: (Name and Title) _____ Date _____			
AUDIT TRAINING COURSES			
Course Title or Topic: 1. _____ 2. _____		Date _____	
AUDIT PARTICIPATION			
	Location	Audit	Date
1			
2			
3			
4			
5			
EXAMINATION PASSED		DATE: _____	
AUDITOR QUALIFICATION CERTIFIED BY: (Signature and Title)			Date Certified
ANNUAL EVALUATION (Signature and Date)			

