



SAVINGS THROUGH SHARING

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Highlighting Supplier Quality Information Group (SQIG) Successes and Information

A note from the Chair and Co-chairman

Dear SQIG members, Our meeting in Las Vegas this August showed much progress has been made to secure DOE support/endorsements. The following is a brief synopsis of how some of these initiatives are progressing: Don Reagan participated in a video teleconference August 14, 1997 with the DOE Purchasing Council. The purchasing Council meeting in Amarillo, Texas invited SQIG to participate. The council expressed interest in learning more about the operations of SQIG and how they might partner with SQIG in the future. Don made a presentation to the Council on SQIG benefits and Norm Sandlin, Council member from Rocky Flats, a key supporter of SQIG, is credited with fostering the advantages of SQIG to the council. Other topics of interest to SQIG discussed included the Hammer Award DOE's endorsement of SQIG and how the endorsement would

enhance the contractors acceptance of SQIG. Richard Hopf, head of DOE's Office of Procurement seemed pleased about the SQIG information presented. Steve Stein attended the DOE Contractor's Purchasing Manager's Conference. A meeting with Richard Hopf was held while at the conference. Mr. Hopf reconfirmed his intent to send a letter to all contractor purchasing managers supporting SQIG, and the memo was subsequently sent. His office has also sponsored our Hammer Award. He signed the Hammer Award application, and it was hand carried to the Office of Quality Management, who serves as the DOE liaison with the National Performance review (NPR). It usually takes about a month for the DOE Office of the Inspector General to review and pass on the application, then NPR takes 3-4 weeks to process the award.

SQIG is now a topical committee for the DOE Technical Standards Program. As a topical committee, SQIG will promote supplier quality standards for

DOE and serve as the DOE focal point for supplier technical standards issues.

There have been other significant events:

The Nuclear Weapons Group is planning to join SQIG.

Steve Stein attended a meeting of the National Laboratories Improvement Council (NLIC) and gave a presentation on SQIG. NLIC is very interested in promoting SQIG at the national laboratories.

The SQIG charter is currently being revised and will include the Vision, Mission, and Goals of SQIG.

**Richard H. Hopf,
Deputy Assistant
Secretary for
Procurement and
Assistance
Management -
memorandum to
Directors of
Procurement**

On behalf of the Department of Energy (DOE) Federal/Contractor Purchasing Council, I would like to bring to your attention a resource, which can add value to federal procurement and contractor purchasing activities. The Supplier Quality Information Group (SQIG), a consortium of nineteen DOE contractors formed in 1991, has created a forum for sharing supplier evaluation data and exchanging information and ideas that promote excellence in supplier quality performance. Before SQIG was formed, many key suppliers were bombarded with multiple evaluations by DOE contractors, seeking to prequalify them before placing procurements. This resulted in duplicated efforts and created inefficiencies for the suppliers, the DOE, and their contractors. By using innovative supplier evaluation methods, standards, and state of the art Internet technology, SQIG has become a valuable resource for improving supplier quality and reducing government expenditures on redundant supplier evaluations. Red tape is further reduced because SQIG advocates a consensus method of conducting evaluations and provides common checklists to guide

these efforts. Evaluators still are free to apply methods that best meet their needs; however, their results have greater consistency and more universal acceptance due to the performance standards imposed.

There are significant reductions in cost when a supplier evaluation is shared. Every time a SQIG evaluation is used in lieu of performing the evaluation, there is a cost saving of approximately \$3,100 in labor, travel, and associated expenses. The DOE contractor benefits by saving time and dollars. Supplier firms also benefit because time and preparation costs wasted on redundant evaluations are reduced or eliminated. Currently, the SQIG database contains approximately 1500 evaluation entries, covering a wide range of goods and services. The SQIG has also established a network of professionals for sharing information (i.e. supplier evaluation programs and lessons learned), as well as providing advice or assistance.

The SQIG database is available at "http://www.lanl.gov/sqig/sqig_home.htm", or through the DOE Procurement Homepage. I encourage you to use the valuable resources provided by SQIG at every appropriate opportunity. If you

Savings Through Sharing

have any questions, contact James J. Cavanagh, of my staff, at 202-586-8257, or Steve Stein, of Brookhaven National Laboratory, SQIG Chairman at 516-344-5694.

News from Bechtel Nevada - Waste Examination Facility Opens at NTS

The Nevada Test Site's new Waste Examination Facility (WEF) is open for business. Located in Area 5 of the southern portion of NTS, the 2,600-square-foot structure houses an eight-person glove box for the remote handling of radioactive material. "We're now in our training phase", said DOE engineer Cathy Karney, task manager for the project. "This includes operating with the equipment in a stimulated or 'cold box' status to see how it operates. If all goes well, we'll enter the 'hot box' phase in September, when we introduce radioactive material into the facility." WEF's first real job will be the visual examination of radioactive waste consisting of used personal protective equipment, contaminated glove boxes, and other debris. The waste is stored in several drums and boxes and is destined for the Waste Isolation Pilot Plant

(WIPP) soon to open near Carlsbad, New Mexico. "Before we ship material to New Mexico, we'll take a sample of the drums and examine the contents," Karney said. "We'll verify the contents visually and then repackage the waste. We'll also x-ray some drums without opening them so we can determine what's inside with little or no risk of radiation exposure." The waste drums will be handled in a specially designed containment room to ensure the radioactive elements are not released into the environment. Workers will use the facility's glove box to segregate, sample, and repackage the waste. "WIPP requires that we search a minimum of 2 percent of the drums for prohibited items such as aerosol cans. WEF will allow us to meet those requirements," Karney said. "We hope to finish shipping waste to WIPP by fiscal year 2003."

SQIG TRADE Presentation

The supplier Quality Information Group (SQIG) was requested to conduct a presentation for the Packaging and Transportation Special Interest Group during the 21st Annual TRADE

Conference in Denver, CO during the week of December 1-5, 1997. The presentation was conducted by Dave Torczon, Kaiser-Hill Co., L.L.C. Rocky Flats Environmental Technology Site. The benefits of the SQIG concepts were discussed and specific examples discussed in which the SQIG sharing concepts would assist in reducing the cost of programs implemented in support of DOE packaging and transportation programs.

SQIG - Contractor Purchasing Council Partnering

SQIG has entered a teaming relationship with DOE's Contractor Purchasing Council (CPC) to develop a program for a DOE complex-wide procurement system. The vision of the CPC is to develop a National Vendor Database in which the quality information sharing concepts currently implemented by the SQIG will be expanded to include sharing of procurement related information. Multi-Site subcontracts will be developed for use by DOE Contractors for procurement of common items and services. A pilot program is being initiated by the Rocky

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Flats Environmental Technology Site (RFETS) for the development of subcontracts for items currently planned at RFETS including pipe, valves, fittings, electrical components, and chemicals. Quality assurance provisions are incorporated into the subcontract documents followed by subcontractor QA program evaluation and subsequent monitoring to evaluate performance. The benefits expected include reduction of the duplication of effort among DOE Contractors for the development of subcontracts for procurement of common items as well as improved controls to preclude entry of suspect/counterfeit items into DOE facilities.

DOE Quality Assurance Working Group (QAWG)

SQIG members Tony Cannon, Orville Paul, Darrell Patterson, and Dave Torczon represent their respective Sites on the DOE Quality Assurance Working Group (QAWG). The QAWG was chartered by the Under Secretary upon the recommendation of a Senior Managers Task Group, which was convened by DOE's Office of Field Management

4

(FM) to bring closure to long-standing issues with the office of the DOE Inspector General regarding suspect/counterfeit items (S/CI). The QAWG is made up of a cross section of DOE-HQ, DOE-Field Offices, and DOE Contractors to provide the mechanism to communicate cross cutting quality issues within the department. The initial charter was to address S/CI issues, however, the role has expanded into identifying and resolving various quality assurance issues within the Department including developing Department QA positions and providing appropriate recommendations, advice and, counsel to the Under Secretary. Membership and participation on task teams organized to address QA issues provide additional sources of information regarding quality issues as well as another level of exposure to the benefits of SQIG.

SQIG Organization:

SQIG Chairman and Database Administrator - Steven Stein, Brookhaven National Laboratory, 516-344-5694, Fax 516-344-7981, stein1@bnl.gov
SQIG Co-Chairman - Don C. Reagan, Lockheed Martin Energy Research, 423-574-9505, Fax 423-241 4645, dr8@ornl.gov

SQIG Secretary - Ronald Natali, Lawrence Livermore National Laboratory, 510-422, 9105, natali1@llnl.gov
SQIG Steering Committee - Christopher Arana, SNL, carana@sandia.gov; Forrest A. Cannon, LMES, cannonfa@ornl.gov; Orville Paul, paul3@llnl.gov; Dave Torczon, dave.torczon@rfets.gov and Lily Reese, LANL, lily_r@lanl.gov
Host Server - Los Alamos National Laboratory, www@lanl.gov

SQIG Working Groups

- Analytical Work Group
Leader - William Kelly
Establishing a common, coordinated approach to Analytical Laboratories/ Transportation, Storage and Disposal Facility evaluations
- Standardization
Leader - Chris Arana
Improving standardization of supplier evaluation practices
- Database Group
Leader - Steve Stein
Working to improve the utility of the SQIG database
- Membership/Marketing/ Communications Group
Leaders - Don Reagan & Steve Stein
Develop membership/

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marketing to include geographical evaluations, interfacing with DOE, and prioritizing on customers needs

- Charter
- Self Assessment
- DOE Support & Endorsement
- Newsletter Group
Leader - Lily Reese
Working to keep SQIG members informed of on going and upcoming events

Hammer Award Application

SQIG was encouraged to pursue the Hammer Award by Nancy Weidenfeller, Head of DOE Office of Quality Management.

The award is at the NPR, which is the last step in the review process.

Tony Cannon, is heading up this effort.

Up coming events

The next meeting will be held at the Bechtel Nevada complex. Dates for these meetings are March 24-26. Working groups will meet on March 24 and the general meeting will be on March 25 and the working groups will meet again on March 26 and we will hold a general training session on that day for new

5

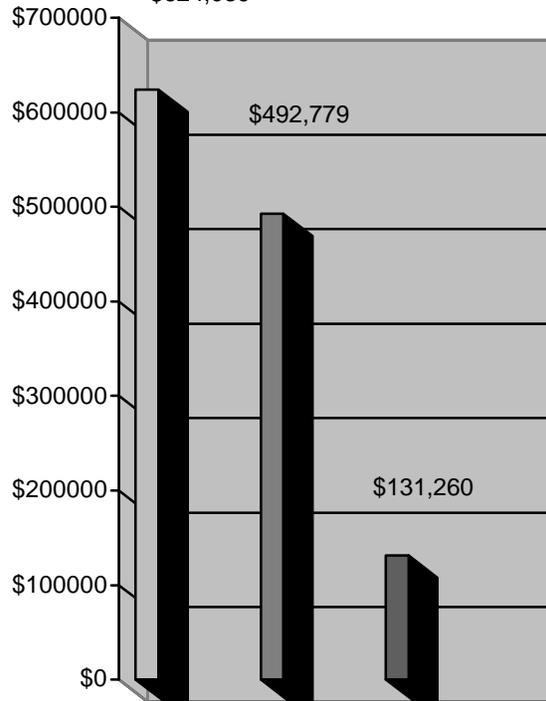
members and those that feel they need a refresher. Prior to the next meeting, working groups are requested to please have an agenda either posted on the list-server or e-mail to your working group members. Please provide Ron Natali with a copy of your agenda so it can be included with the agenda for the general meeting.

Please remember working groups, if you finish your task early, you can distribute your information to SQIG members on the list-server.

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SQIG Utilization Data

Cummulative Program Totals
(4th Quarter 1993 to 3rd Quarter 1997)
\$624,039



Savings Per 236 Shared Report: \$2644

Reported Cost Savings Net Program Savings Reported Costs