**EFCOG Final Report –**

**EM SINGLE APPROVED SUPPLIER LIST PROCESS TASK TEAM**

Approved by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Signature on File Date: 9/25/2017

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Tom Hiltz, Task Team Co-Chair

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# Executive Summary

A diverse task team was formed to make recommendations on how EM contractors can use a single NQA-1 approved supplier process. The approach currently used by contractors can be significantly improved. Recommendations were identified by the team to achieve the vision of a single approved supplier process within two years. Conservative estimates identified enough potential efficiency and cost savings to make this a worthwhile activity to pursue.

The Master Approved Supplier List (MASL) is the single DOE database used by contractors for supplier audits. While there are opportunities for improvement, MASL provides an adequate approach for contractors to share supplier audit information. In fact, some contractors have achieved a high level of use and benefit from MASL. MASL is recommended to be used for EM contractors to achieve a single approved supplier list. Challenges exist in achieving full EM contractor MASL participation, improving MASL software usability, and improving supplier audit scheduling and coordination among contractors. Recommendations include improving usability of the Master Approved Supplier List (MASL), strengthening accountability and infrastructure to manage the supplier audit process by EFCOG contractors, and strengthening the audit process and third party acceptance of supplier audits performed by others. Nuclear Industry Assessment Committee (NIAC) membership is recommended and may also realize additional savings. Related information is discussed in the report and attachments.

This activity will also be included as input to the EM QA Corporate Board Focus Area #3, “Optimize Joint Supplier Evaluation Program (JSEP) Effectiveness and Implementation.” The results of the QA Corporate Board Focus Area #3 will also support the closure of action EM-3.113-01, “Shared Supplier Evaluation Program” included in the EM 45 day review strategic initiative to improve effectiveness and execution of the EM cleanup program. The EM 45 day review was initiated by EM-1 to help to focus the Department’s cleanup efforts by emphasizing more timely decisions on some of our more complex cleanup challenges.

# Recommendations

## Short Term Recommendation

To initially establish a single EM supplier listing while longer term effectiveness actions are implemented. The following recommendations were made:

1. The EFCOG QA subgroup should coordinate completion of the following actions to initially establish an EM Single Supplier listing by end of third quarter FY18.

##### Ensure applicable EM prime contractors are represented to effectively implement a single EM supplier listing in MASL.

##### Implement actions to populate MASL with current qualified suppliers from applicable EM sites as follows:

##### Confirm each site’s program allows review/acceptance of audits by others.

##### Ensure each site requesting access to MASL gains MASL access unless prevented by an issue that needs to be addressed in the long term recommendations. This action includes determining best path for allowing sites with “.com” extensions to access MASL.

##### Issue data entry guidance to define minimum essential information to upload EM qualified suppliers and supporting audit information to MASL. This limited upload guidance will ensure only critical, essential information is uploaded in a consistent manner.

##### Support and facilitate EM contractors’ efforts to populate qualified suppliers in MASL. It is estimated that critical information for 50 new suppliers and supporting information can be uploaded to MASL in about a week of effort.

#### The EFCOG QA Subgroup should track progress of completing above actions.

## Long Term Recommendations

#### Conduct audit scheduling at EFCOG QA subgroup semiannual meetings. Task group leadership should maintain the schedule and hold periodic meetings and conference calls as needed to ensure the schedule is maintained. At least one meeting per year should be fully attended by EM contractors to coordinate scheduling of supplier audits. This should be held along with the EM QA Corporate Board meeting and the semiannual EFCOG QA subgroup meeting. If there is insufficient attendance at this meeting it could be incentivized through contractual mechanisms such as modification to award fee criteria.

#### The EFCOG QA subgroup should:

#### Manage a single EM NQA-1 approved supplier list. This group will also be responsible for providing program status at semiannual EFCOG board meetings and annual EM QA Corporate Board meeting held in conjunction with an EFCOG QA subgroup meeting.

#### Drive consensus opinion on topics such as report level of detail, checklist content, etc. There are currently a number of inconsistencies on those and other topics.

#### Coordinate and track required annual supplier oversight evaluations.

#### Clarify minimum expectations on how to conduct and document an audit that facilitates use by others in the appropriate EFCOG User Guide/Document, to include:

#### Minimum requirements/expectations of the Audit Process.

#### Audit reports and checklist should be consistent. An example Audit File Checklist to ensure minimum required documentation is present prior to submittal to MASL is included in Attachment K.

#### Team Make-Up and Subject Matter Experts, as applicable, to include:

* Qualifications and Certifications
* Lead Auditors
* Auditors in training
* Inspectors
* Audit approach, to be used, for example:
* Compliance based
* Performance based
* Interviews
* Acceptable method for documenting/excluding proprietary information

#### Develop a standard process for performing third party reviews that includes role of the reviewer, supplier information, requirements review, and documentation (Attachment K).

#### To achieve full participation by contractors supporting a single approved supplier approach, the Task Team recommends DOE EM should:

#### Incentivize contractors to use MASL and participate with EFCOG QA subgroup to coordinate the audit process and implement a single EM approved supplier list. One example of incentivizing contractors could be through the use of award fee. A letter should be issued from EM-1 to Site Managers incentivizing the use of MASL, and support of EFCOG in coordinating the audit process. This will be discussed further at the EM Site Managers meeting in September of 2017. Incentives should reflect the expectation to use a common supplier list (MASL), to provide support to EFCOG to schedule audits, conduct supplier audits, and to document cost avoidance in MASL.

#### Provide a proposal to the EM IT Governance Board to approve support for MASL maintenance. MASL is currently maintained by KC Honeywell and funded by NNSA.

#### Consider additional incentive compensation for contractors who provide EFCOG audit coordination support and leadership.

#### Confirm each EM site uses MASL as part of their vendor qualification efforts (checks to credit audits by others) and keeps MASL information up-to-date for their respective qualified supplier listing.

#### The EFCOG Board should provide oversight for the EFCOG process.

#### DOE-EM should appropriately support a singular EM supplier list approach including expectations for evaluating audits by others for cost savings, and endorsing the EFCOG EM Single Supplier listing initiatives.

1. As a supplement to MASL, EM contractors should evaluate feasibility and benefit for joining NIAC. Where beneficial, EM site prime contractors should become members of NIAC. Some EM contractors with limited procurements or where other companies manage their supplier audits likely will not benefit from NIAC membership. Applicable EM sites should join NIAC if beneficial for their contract scope with target date of December 2018.
2. The EFCOG Supply Chain Subgroup should facilitate the following activities to coordinate NIAC implementation within EM:

* Provide information presentation on NIAC and the process/roles and responsibilities to become NIAC Members for applicable EM prime contractors. Goal completion for first quarter CY18. Address the following items at a minimum:
  + Would the prime contractor need DOE concurrence to share DOE owned property (i.e., audit performed to the NIAC checklist) in the NIAC system?
  + Would DOE and the prime contractor need to obtain a waiver to the NIAC membership sharing rules, which would allow DOE or the prime who performed the audit the ability to share their DOE property with other DOE prime contractors that were not NIAC members?
  + Since NIAC membership consist of international companies (i.e., foreign companies), what steps would need to be taken to ensure that we are meeting counter intelligent security rules?
  + Address NIAC membership approach for site where one prime contractor performs vendor qualification activities for other prime contractors (e.g., Hanford)
* Document a formal “Gap Review” of NIAC versus a verbatim NQA-1 2008/9a audit checklist. Discuss suitability of auditing using the NIAC checklist versus a verbatim NQA-1 checklist. Provide gap review and recommendations on consistent NIAC checklist use to DOE EFCOG Supply Chain group and AU/EM for complex-wide endorsement. This is not a prerequisite for a site to use a NIAC audit consistent with their respective site requirements. Goal completion in first quarter CY18.
* Develop supplemental, standardized checklists to the NIAC checklist based on the gap analysis results (e.g., Part II subpart for System Cleanliness) and place it in a centralized location for access by all EM sites. Goal completion second quarter CY18.
* Establish methods to demonstrate benefits and improvement actions relative to NIAC participation by EM prime contractors in annual EM MASL planning meetings discussed in earlier recommendations. This annual feedback review will support continued maturation of beneficial NIAC use by EM.
* EFCOG provide information (legal) regarding the commitment of DOE owned audit packages, by a prime contractor, to NIAC as a membership commitment.
* Would the prime contractor need DOE concurrence to share DOE owned property (i.e., audit performed to the NIAC checklist) in the NIAC system?
* Would DOE and the prime contractor need to obtain a waiver to the NIAC membership sharing rules, which would allow DOE or the prime who performed the audit the ability to share their DOE property with other DOE prime contractors that were not NIAC members?
* Since NIAC membership consist of international companies (i.e., foreign companies), what steps would need to be taken to ensure that DOE contractors that are members of NIAC are meeting counter intelligence security rules?

# Task Summary

This task was to provide recommendations for EM contractors to use a shared, single NQA-1 approved supplier list process. The issue to be addressed was that EM contractors have not established a reliable and cost effective NQA-1 supplier network for the complex. The current approach is inefficient and results in higher costs. A diverse EFCOG and DOE team knowledgeable in the process and requirements was established to address this issue.

The team conservatively estimated a minimum savings of $500K over three years by using a single approved supplier list process, but the savings would likely be substantially higher if a reliable group of suppliers is established and used within the DOE complex. The cost savings estimate is based on an assumed audit cost of $20,000 per audit, 26 shared suppliers between the three sites participating in this review, and an assumption that at least 25 less audits would be performed over a 3 year period as a result of sharing resources. Based on cost avoidance information in MASL, approximately $1.4M has been avoided since 2012. The actual savings would likely be much greater considering more sites, reduced field impact resulting from procurement issues, and additional benefits realized from NIAC. Expected benefits of a single supplier process include:

* Use of a reliable group of NQA-1 suppliers who can effectively deliver quality products in a timely and cost effective manner
* Elimination of audit redundancy
* Improved consistency and quality of audit process
* Reduced impact to suppliers from unnecessary audits
* Reduced travel costs of auditors
* Elimination of redundant reports
* A maintained master database of suppliers (MASL)
* Improved accessibility of relevant supplier information
* Cost savings
* Elimination of duplication of effort.

Attachment A contains the Task Team charter. Attachment B contains the list of Task Team members. Additional background information for this subject is provided in Attachment C.

**Team Activities**

Several different activities were pursued by the team to understand the problem and make recommendations. Examples of those activities are:

* Conducted complex-wide survey on use of MASL
* Performed benchmark of NIAC
* Performed benchmark of DOECAP. Little relevant information could be applied to this effort from DOECAP.
* Viewed a MASL demonstration
* Reviewed EFCOG MASL and JSEP Guides
* Reviewed approved suppliers to identify degree of overlap between three EM sites and with NIAC
* Discussed with team and concurred on recommendations.

#### A subset of issues identified by the MASL survey are identified in Attachment D. The issues were binned and formed the structure and focus areas for the team to identify recommendations. Team disposition of those issues are included in the Attachment.

#### The current approach used by the EFCOG EM contractor community for a single approved supplier list is the Master Approved Supplier List (MASL). The MASL includes EM as well as other DOE program office contractors. Figure 1 contains an additional breakdown of survey results which shows that about 20% of EM sites are currently using the MASL.

Figure 1 - EM Facilities Actively Using MASL

|  |  |
| --- | --- |
| **Site** | **Effective MASL Utilization Includes:**   * **MASL Access** * **Audits Uploaded into MASL** * **MASL Audits Reviewed/Credited** |
| Carlsbad-WIPP | NO |
| Los Alamos | YES |
| Hanford –MSA/WRPS/CHPRS | In Progress |
| Hanford WTP | NO |
| Idaho Cleanup Project | NO |
| Oak Ridge UCOR | NO |
| Portsmouth/Paducah/DUF6 | Partial Use-not all suppliers uploaded |
| Savannah River SRNS/SRR | YES |
| Savannah River Site-SWPF | NO |
| West Valley | NO |

Note: 2/10 (20%) of EM facilities currently fully use MASL

It is desired that all EM contractors participate in a singular NQA-1 approved supplier list. Note that suppliers audited to other standards such as ISO /ISE 17025, General Requirements for the Competence of Testing and Calibration Services or qualified by Commercial Grade Surveys under NQA-1 Subpart 2.14, Commercial Grade Dedication, would also be beneficial to include in the shared supplier list. The current process is voluntary, and lacks formal organizational structure. A gap analysis was conducted against the NIAC process and the MASL process used by contractors. Issues identified to improve the infrastructure to centrally manage and coordinate this process are addressed in this section. The results of that review are included in Attachment E.

Some contractors had previous experience with NIAC, review and acceptance of supplier audits by others (third party audits), and use of a common supplier list. Those observations are included in Attachment F.

Based upon a review of the MASL database, MASL procedure, and feedback from the EM community, it was evident that MASL is the program that should be used within DOE for accessing supplier audit information. The MASL database is similar to the NIAC database. Some contractors effectively use MASL now as their sole supplier audit database. The database can be accessed with a “.gov” email account. There are numerous fields included in the database that could be populated for a variety of applications, such as cost savings. The MASL database is maintained by one contractor and is funded by DOE.

The MASL is a module the Supply Chain Management Council (SCMC) uses.  MASL is an Oracle database.  The MASL was created specifically for the benefit of sharing supplier information.  The MASL was initially created in 2011 by NNSA to house information for the eight (8) NNSA sites’ Nuclear and Nuclear Weapons suppliers; Phase 1 was created to design, develop and implement the MASL. In 2012, MASL Phase 2 changes were made to automate the cost avoidance/savings data. In FY2016, NNSA provided funds to allow other DOE sites such as DOE-EM and DOE Office of Science sites access to the MASL.  This also allows Export Control to identify suppliers who are approved for the security protection and handling of export controlled information per NAP-23 Atomic Energy Act Control of Import and Export Activities.  This change went into effect in April 2016. There are a total of 1,742 suppliers listed in the MASL of which 821 are active.  As stated in this report, approximately 20% of the DOE–EM Sites are currently using the MASL to some degree.  The MASL allows the sharing of such information as the supplier’s name, address, point of contact, DOE site and lead auditor, copy of the auditing documentation including the supplier’s quality manual, audit report, completed checklist, objective evidence for closure of audit findings. Based on cost avoidance information in MASL, approximately $1.4M has been avoided since 2012.

There are some issues currently inhibiting use of MASL which would need to be addressed regardless of the database used, such as criteria for third party acceptance of audits. There are also MASL improvement opportunities that should be addressed. MASL opportunities include contractors not having access to the database, audits are not always being entered into the single database (MASL), data is sometimes not detailed enough to be used by other organizations, and the MASL database system user interface needs improvement. To address these areas and encourage overall usage of a single supplier system, DOE support will be essential to facilitate transition to a single qualified supplier process by EM contactors. MASL is currently funded by NNSA and maintained by KC Honeywell. DOE-EM will need to provide support to NNSA for its use of MASL and any modifications make to the data system to accommodate EM needs.   
  
To achieve maximum participation, DOE should consider the appropriate mechanism to communicate expectations, promulgate additional policy or guidance, or establish contractor performance milestones.  
   
As contractors and DOE move to a greater reliance on shared information to meet QA requirements, consistency in implementation will likely be a challenge. Contractors and DOE may need clarification on policy implementation. DOE support will be needed to clarify implementation-related issues as the EM community, and potentially other Program Offices, invest in greater reliance on MASL and pursue more efficient and effective approaches through NIAC.

Note that full utilization of MASL would likely not result in eliminating all supplier listings maintained at the respective EM sites. Relying on the MASL information alone for suppliers would be a significant procedural and logistical challenge and should not be pursued with this effort.

The DOE EM QA Corporate Board also has a complimentary FY2017 Focus Area which is included in Attachment G.

Team meeting minutes are included in Attachment H. These minutes include review of MASL, NIAC, DOECAP, and survey results.

An extensive review was conducted on the potential use of NIAC. The results of that review are included in Attachment I.

A communications timeline was created for the results of this task which is included in Attachment J.

Associated forms to conduct third party reviews, and to add information to MASL are included in Attachment K.

Attachment A - Task Team Charter

**EM Single Approved Supplier List Objective, Task, and Deliverable**

**Objective:**

Provide recommendations to develop and maintain a single list of approved NQA-1 and Commercial Grade suppliers for use at DOE EM facilities. As a minimum, the list should support EM facilities, but may include all of DOE.

**Task:**

Develop a plan to be presented to both the EFCOG Board of Directors and the DOE on a complex-wide EM approved supplier list. Approved suppliers are typically audited and approved in accordance with applicable regulatory requirements such as NQA-1. The desired end state of this task is to develop a plan to address:

* One approved EM supplier list, covering NQA-1 and Commercial Grade as a minimum.
* One audit conducted by contractors to qualify a supplier for a defined period.
* Contractual direction to enable use of the list.
* DOE support for use of the list.
* Contractor liabilities associated with usage of this list.
* Applicable procedures.

**Deliverable:**

The Task Team will provide recommendations to DOE and EFCOG on how to proceed with use of a complex-wide EM approved supplier list. The recommendation should address the actions needed to allow contractors to use and maintain the list, contractual considerations, DOE endorsement, procedures, lead auditor certification, and conduct of supplier audits.

**Benefit:**

Benefits of sharing a common list of approved suppliers used by EM contractors across the DOE complex include establishing a reliable network of NQA-1 suppliers who can provide quality products in a timely and cost effecter manner, eliminating the redundancy of each site auditing and subsequently approving their own suppliers, often the same ones being audited and approved by other sites, as well as reduce the technical support required to maintain the list. This would reduce travel costs of auditors, eliminate redundant reports, reduce resources necessary to maintain lists at multiple facilities, and improve accessibility of relevant supplier information, to name a few specific benefits. This concept has the potential for significant cost savings for DOE and its contractors.

Attachment B - EFCOG Team Members

Task team members were:

* John Longenecker, Sponsor, EFCOG
* Garrett Smith, Sponsor, AU
* Kevin Smith, Sponsor, ORP
* Tom Hiltz, Co-Chair, AU
* John McDonald, Co-Chair, WRPS
* Bob Murray, EM, DOE-HQ
* Paul Schroder, EM ORP
* Joe Fulghum, SRNS
* Richard Salizzoni, SRR
* James Tibble, WTP Bechtel
* Damon Haley, AECOM
* Vince Grosso, NSTec
* George Mata, MSA
* Bill Wingfield, LANL

Attachment C – Background Information

To reduce the duplication of effort by contractors and reduce unnecessary, repetitive burden on suppliers, EFCOG previously established its own Joint Supplier Evaluation Program (JSEP). EFCOG developed a standardized assessment program to evaluate suppliers of common commodities that have the potential to be used in both nuclear and non-nuclear facilities. The JSEP adopted a typical standard audit protocol like the Nuclear Procurement Issues Committee (NUPIC) that includes audit scheduling, planning, performance, reporting, follow-up and verification, and closure of the audit process. Audit reports are made available to federal and contractor participants through the JSEP database. The JSEP does not apply to analytical services, commercial environmental analytical laboratories, and/or commercial waste treatment, storage and disposal facilities (TSDFs) that are managed under the Department of Energy’s Consolidated Audit Program (DOECAP). Each site that uses the results of a JSEP audit is responsible for reviewing and evaluating the results to ensure that the information meets their site-specific quality and regulatory requirements and to make a determination regarding the extent to which the supplier evaluation information is relied upon. While JSEP has produced benefits, opportunities exist with full use by all EM contractors.

The JSEP database was a repository for evaluated supplier’s information and is provided for information purposes only. Database access is controlled through a verification acknowledgement process ensuring that the user understands that information obtained shall be used and controlled for the purposes of qualification, evaluation, and monitoring of suppliers for DOE related work only.

The MASL is an integrated, approved supplier database created in 2009 that can be used by each NNSA or other DOE entities to procure nuclear/weapons grade items and services from an approved supplier with confidence that they meet the applicable set of QA requirements. The list identifies suppliers who provide items, materials, and services pertaining to NSE nuclear (NQA-1) and/or nuclear weapons (NAP-24) specific programs. Requirements for Supplier Assessments include NQA-1, NAP-24, ISO-17025, PQR-1050, and PQR-1060. Supported Supplier Assessment Methods include one or more of the following methods: QA document reviews; supplier history reviews; on-site assessments; and/or third party assessments.The MASL is an internet-based application that makes it possible for all NSE sites to access, use, and share information about evaluated approved suppliers.

A current work task included in the EFCOG Safety Working Group 2017 Annual Work Plan is to integrate the JSEP and MASL processes. The following line items provide a general implementation strategy:

* Obtain consensus on a Data Warehouse Tool – COMPLETE – (The MASL over the JSEP database.)
* Resolve data access issue(s) – ON GOING (this is complete for those with Entrust)
* Brief EM, NNSA, EFCOG, & BMAC (The Business Management Advisory Council has been replaced by EFCOG) Leadership Teams on proposal to proceed
* Define Governance Structure - COMPLETE
* Establish Roles & Responsibilities - COMPLETE
* Establish access protocol

**Attachment C – Background Information (cont.)**

* Make software modifications – ON GOING FY16 Phase 1 was completed to allow EM & OOS sites access to the MASL.
* Develop Program Document and data entry protocol – ONGOING
* Develop Procedures, Training, Qualification
* Develop Marketing & Roll Out Plan
* Develop Cost Savings Metrics

NOTE: Individual Tasks for these items will be developed as required

* Update the MASL user guide to current practices associated with the updated system

Although the MASL concept is a good one, there are issues with the MASL. A reason for inconsistent use of the MASL by contractors includes interpretation of regulatory requirements, the quality of audits by various contractors, and legal issues. The team discussed liability and risk, but nothing we found was illegal or inconsistent with requirements. It appears that there is high confidence in the quality of audit reports, but emphasis on using the reports seems to be on legal disclaimers. Other examples of issues that exist with MASL include:

* Formality of process for supplier audits, lead auditor qualification and certification, and use of MASL.
* Inconsistent perceived DOE support for use of MASL.
* Unclear or inconsistent contract requirements for use of MASL.
* Liability and other contractual and legal aspects of MASL are not clear.

The NUPIC was formed in 1989 to support the nuclear power industry. NUPIC is a cooperative program for performing and sharing joint supplier audits that has been commonly and successfully used in the commercial nuclear industry for decades. With a proven process for evaluating suppliers to high standards of quality, NUPIC is the NRC Licensee’s preferred and cost-effective method of maintaining their Approved Suppliers List. NUPIC Members include all domestic U.S. nuclear utilities and several international members.

Audits are evaluated by each member and serve as a basis for maintaining suppliers on an Approved Suppliers List. NUPIC also provides a forum for sharing procurement and supplier quality issues. NUPIC audits are performed for suppliers with a minimum number of member users. Each audit is led by a member under their QA program with participants from multiple members. The approach used by NUPIC can provide an example from another industry that could benefit the DOE complex. The Nuclear Industry Assessment Committee (NIAC) created for those organizations that couldn’t join NUPIC also have a program for sharing audits.

Attachment D - Survey Results

**Focus Areas**

After reviewing available information and extensive team discussions, the following focus areas were addressed by the team. These areas then formed the basis for team recommendations.

#### Improve process infrastructure and support

#### Improve and simplify the MASL database and provide adequate funding

#### Improve quality/consistency of audit process to enable shared use

#### Evaluate feasibility of contractors joining NIAC.

#### Achieve full EM contractor participation using MASL

The answers to the question Q20: What is the biggest issue that needs to be addressed to allow your facility to accept a supplier identified on a DOE EM Approved Supplier list such as MASL? The responses to that question have been organized into bins to make it easier for the team to address the issues.

**Survey Results**

|  |  |  |
| --- | --- | --- |
| **General Topic** | **Specific Questions (numbers from original list retained)** | **Team Recommendation to Address the Issue** |
| Site specific procedures revised to allow MASL and third party use. | 1. Making the appropriate procedure changes. 2. Program revisions | Implementation of recommendation 2.1.1.c will address each site confirming their programs allow use of audits performed by others. |
| Consistency in audit practices and documentation rigor for maximum acceptance by all sites. | 4. Consistent implementation and reviews commensurate with the work  5. Ability to review the Audit Plans and audit results. It is my understanding that some suppliers may not allow this due to "proprietary" issues. An audit plan/report does me no good if I can't see what was audited, how it was audited, and the results of the audit  6. The quality of the auditors and audits  7. That is covers all requirements in the reports with enough information and an attached completed checklist.  8. Applicability of the audit to the items needed  10. Quality, rigor, and specific applicability of audit report to work performed at my site.  13. It is critical that the audit report and checklist are completed with enough details to clearly demonstrate what was audit and the results of that audit  14. The Standard the supplier was audited to and the access to their objective evidence.  15. KCNSC audits are a different standard than NQA1 and therefore we would not accept another sites audit.  16. The Audits entered into the MASL are no help to our institution. They provide little to no information not helpful.  24. There is not a standard method used for performing supplier audits among the sites, so often even if a supplier evaluation was performed it may not meet all the criteria needed for that particular site or project.  26. consistency in the documented evidence of what was audited (LOIs) and what was found, and any issues identified  27. Trust of the third party and verification of the their audit and process  28. Audits are insufficient or too specific for our application. NIAC creates a checklist based portions of a variety of standards which I cannot see would be useful to anyone. We just need a straight NQA-1 2008/9a audit.  33. Minimum criteria to have suitable audit we would all agree as norms for us to use moving forward | Questions 4-8, 10, 13-17, 19, 22 – 24, 26-28 and 33 for consistency of audit practices and documentation rigor for maximum acceptance by all sites is addressed in team recommendations 2.2.2.b, 2.2.2.d, 2.2.2.e, and partially by short term recommendation 2.1.1.e.  Question 21 related to DOE endorsement of MASL use is addressed by recommendation 2.2.3. |
| Consistency in how data is populate in MASL and easy access | 9. We would like to be able to pull up the actual audit report file and review the checklist and summary report. While the MASL database provides useful status information (audit standards, who audited, etc.) about suppliers access-ability to the checklist and summary information would provide site-specific awareness of the supplier and greatly enhance the effort.  11. Ease of use, ability to access all documentation, quick turnaround  18. DOE Contractors take too long or do not enter Supplier Evaluations into the MASL database.  20. Access to the audit documentation  25. Compatible usage of MASL. Software issues and permissions almost make it impossible to use. | Questions for consistency in populating MASL and ease of access covered by recommendations 2.1.1.c, 2.1.1.d, 2.1.1.e, 2.2.2.b, 2.2.3.b for MASL funding and updates. |
| Consistency of Lead Auditor/ Auditor certifications and programs | 17. Legality; requirement document (i.e. NQA-1-2008/1a-09); lead auditor certification; adequacy of report/checklist. | Addressed by recommendation 2.2.2.d. |
| Questions on ability to use without vendor concurrence | 29. Multiple comments: Our IT and IT responsible for MASL are not able to get me access to MASL. We are required to review the supplier audit plan, report and checklist to determine applicability to our work scope. The questions above make assumptions about contractor ability to share information; we have non-disclosure agreements in place with suppliers. Questions above do not allow for alternate answers. Our legal does not allow us to participate in NIAC or NUPIC. The INL has agreements in place to promote small Idaho business. MASL has limited access and does not support use by large procurement, engineering, planning and quality organizations for multiple DOE contractors. The INL is DOE NE.  30. Willingness to upload audits | Addressed by recommendation 2.1.1.c, 2.1.1.d, and 2.2.3.b. |
| Usability of NIAC audits as basis | 29. Multiple comments: Our IT and IT responsible for MASL are not able to get me access to MASL. We are required to review the supplier audit plan, report and checklist to determine applicability to our work scope. The questions above make assumptions about contractor ability to share information; we have non-disclosure agreements in place with suppliers. Questions above do not allow for alternate answers. Our legal does not allow us to participate in NIAC or NUPIC. The INL has agreements in place to promote small Idaho business. MASL has limited access and does not support use by large procurement, engineering, planning and quality organizations for multiple DOE contractors. The INL is DOE NE.  31. NIAC checklist suitability for pre-award and what it would take to accept  32. Possibility to become NIAC members at their site  As well as many other responses questioning the level of fidelity of NIAC audits to NQA-1 criteria. | NIAC issues addressed by recommendations 2.2.6 and 2.2.7. |
| Not applicable/No action responses | 3. This answer would need to come from Quality Assurance.  12. Our program can perform reviews of audits by EFCOG MASL and NIAC as well as perform on-site audits. We already use the MASL. | No actionable comments. |
| Possible Minimum Success Actions | 34. Commitment to upload current supplier lists to if not there now.  35. What it would take to just accept qualified as long as right criteria audited (don't even review audit). | Question 34 addressed by recommendations 2.1.1 and 35 addressed by 2.2.2.e for third party acceptance standardization. |

**Attachment E - Process Infrastructure Review**

The current approach used by the EFCOG EM contractor community for a single approved supplier list is the Master Approved Supplier List (MASL). The MASL includes EM as well as other DOE program office contractors. Based on a recent survey, it is estimated that about 20% of EM contractors use the MASL. It is desired that all EM contractors participate in a singular NQA-1 approved supplier list. The current process is voluntary, and lacks formal organizational structure. The focus areas for improving the infrastructure to centrally manage and coordinate this process are addressed in this section. Partial survey results are shown in Attachment D.

Discussion: The areas identified for recommendations to improve the infrastructure after performing a gap analysis of the NIAC process against the current DOE MASL process are:

* Audit scheduling. Audit scheduling should be conducted at the annual meeting. Task group leadership should maintain the schedule and hold periodic meetings and conference calls as needed to ensure the schedule is maintained.
* How to achieve full participation by contractors supporting a single approved supplier approach. EM should incentivize contractors to use MASL and participate with EFCOG using award fee.
* Roles and responsibilities for those coordinating the process and EM contractors in conducting audits, updating the MASL, making audit reports available, and attending required meetings. The EFCOG Joint Supplier Evaluation Program (JSEP) Supplier Evaluation Governing Document currently provides adequate roles and responsibilities for contractors to participate in the program.
* Fees and costs associated with maintenance of the program. MASL is currently maintained by KC Honeywell and funded by NNSA. EM should provide fees to NNSA to support its use of the data system. EFCOG activities are generally allowable. It is a big responsibility for a contractor to take on specific commitments to coordinate a process like a single supplier list. It is recommended that DOE consider incentivizing contractors who provide this industry leadership.
* DOE involvement. EM field offices should ensure their site contractors are a participant in the single supplier process. EM should also provide funds to NNSA for its use of MASL. DOE policy statement on use of NIAC or singular approach and 3rd party acceptance endorsing EFCOG.
* Meetings. At least one meeting per year should be fully attended by EM contractors to coordinate scheduling of supplier audits. This should be held along with the EM QA Corporate Board meeting and the semiannual EFCOG QA subgroup meeting. Attendance at this meeting could be incentivized by DOE.

**Attachment E - Process Infrastructure Review**

* EFCOG structure to manage EM contractors using an NQA-1 approved supplier list. EFCOG should commission a task group under the QA subgroup which is responsible for managing a single EM NQA-1 approved supplier list. The task group will have a chairman, vice chairman, and secretary who will be responsible for managing this program. This group will also be responsible for providing program status at semiannual EFCOG board meetings and annual EM QA

Corporate Board meeting held in conjunction with an EFCOG QA subgroup meeting.

* Issue resolution process. There are currently a number of inconsistencies and practices on topics such as report level of detail, checklist content, audit technique, etc. The EFCOG QA Subgroup should facilitate consensus on best approach to be utilized to maximize cross site use of audit reports.
* Use of technical experts on supplier audits. Some DOE field offices currently require use of technical experts on supplier audits. The EFCOG guide discusses use of technical specialists on audits which is adequate to address this. This is an audit consideration where applicable.

Other Considerations: Other aspects of the process need to be evaluated for consistent use of the MASL:

#### Update the EFCOG guide to address MASL.

#### Post supplier audits are now in MASL.

#### Third party evaluation is needed.

#### Determine legal disclaimer language, with more responsibility on the user.

#### Determine who is doing maintenance of MASL and the process.

#### Develop a checklist for completion and performance of audits.

#### Need training grandfathering.

#### Facilities need to certify their lead auditors.

#### Share annual supplier review at annual meeting; SRNS and Hanford have templates for the review.

Attachment E - Contractor Experience on the Use of Third Party Audit Results and NIAC

**Fundamental Perspective:**

Audits need to be NQA-1 based, high quality, and have the basis documented for how the supplier implements the NQA-1 requirement at the paragraph level.

Historically we have found the audit packages lack this level of detail/basis. Because of this deficiency, we have had to perform supplemental actions, in some cases, to use the audit.

**Use of the MASL:**

The MASL is a database managed by Honeywell, an EFCOG member. If a company performs an audit, it checks in the audit package to the MASL. If a company needs to place a SC/SS order, they use the MASL.

If the supplier is in the MASL, the company checks out the audit package. If the audit package is high quality and meets the need of the company (i.e., third party review), the supplier is added to their respective company's approved suppliers list. If the audit package does not meet the need of the company (i.e., third party review), then a supplemental action occur, which could include a small scale audit. If the supplier is not in the MASL, the company performs an audit.

**Use of the NIAC:**

The NIAC uses the same basic process of MASL; however, the database is managed by NIAC.

**Things We Need To Evaluate**:

#### NIAC checklist: A crosswalk needs to be performed to the NQA-1 checklist. Currently the NIAC checklist is not broken down to the NQA-1 paragraph level. The SRS program is defined at the paragraph level.

#### Approved Supplier list: We need to obtain a copy of the NIAC approved supplier list for which a direct evaluation/audit was performed. Historically, there were very few is any suppliers on the NIAC list that were on the SRS list.

#### Audit package: We need to get a copy of several audit packages for our evaluation. This goes back to the fundamental question. Audits need to be NQA-1 based, high quality, and have the basis documented for how the supplier implements the NQA-1 requirement at the paragraph level.

**SRS history with NIAC:** Approximately seven years ago SRNS was a member of NIAC. Our experience was not good for the following reasons:

1. There were no suppliers on the shared list that SRNS used.
2. We were required to perform one audit a year. Because there were no suppliers on the NIAC list that SRNS used, we were directed by NIAC to perform an audit of a supplier that SRNS did not use.
3. We were required to use the NIAC checklist not an SRNS NQA-1 checklist

#### **Attachment F - Contractor Experience on the Use of Third Party Audit Results and NIAC (cont.)**

1. The NIAC checklist did not meet the entire NQA-1 checklist requirement. There were many deltas.
2. Summary, in order to stay a member of NIAC we were directed to perform an audit of a company that SRNS didn’t use nor was on our qualified list; therefore, we couldn’t use results of the audit because we had to use the NIAC checklist, which did not meet our current practices of using the NQA-1 checklist.
3. We had never used a NIAC audit package because of the inadequacies of the NIAC audit package.

**Use of a Common list of Qualified Supplier:**

Each site needs to maintain their respective list of approved suppliers based on the following:

* A small percentage of suppliers are shared, causing individual site to still perform audits.
* Loss of control – if the system goes off-line would relying of an outside entity
* Overall fundamental change in the program.
* Significant re-training cost effort.

**Suggested EFCOG working group meeting actions**

1. Finalize the delta/gap comparison between the NIAC audit checklist and the NQA-1 checklist
2. Obtain the list of NIAC approved suppliers

Obtain samples of NIAC audits for a qualitative and quantitative review.

Attachment F - DOE EM QA Focus Area 3

**Project Focus Area #3 –** Optimize Joint Supplier Evaluation Program (JSEP) Effectiveness and Implementation

**Target Completion Date:** December 2017

**Background:**

The EM QA Corporate Board recognizes that optimizing JSEP is an on-going corporate effort and challenge. JSEP was developed and implemented within EM and is now in use within NNSA. JSEP’s implementation within EM can be optimized. The EM QA Corporate Board recognizes that there are still some EM sites that do not leverage the benefits of the JSEP program and continue to qualify suppliers separately. As such, the EM QA Corporate Board has recommended forming this Focus Area to first evaluate the effectiveness of JSEP and second to determine if there are any enhancements that should be considered to better nurture its success. In addition, the Focus Area will explore how best to expand the use of the JSEP database of qualified suppliers with the focus on eliminating repetitive audits while mitigating concerns over supplier qualification liability.

**Scope:**

The scope of this Focus Area will be to evaluate the current effectiveness of the JSEP implementation then recommend any needed enhancements that could reduce the cost of executing the program. The focus area team will then identify and recommend solutions to any roadblocks and concerns with JSEP’s implementation. JSEP must be self-sustaining without requiring intervention from EM senior management to be successful. There must also be a concerted effort by the Focus Area to address the liability concerns associated with JSEP’s implementation that is currently obstructing its full use across EM.

**Status:**

This is a new Focus Area. Status updates will be provided at the EM Corporate QA Board meetings. The focus area will need to work closely with the DOE/EFCOG Task Team addressing the need for a “Single Approved Supplier List” since there are common issues to be resolved among the two teams.

**DOE Lead:** Paul Schroder (ORP)

**EFCOG Lead:** Vince Grosso

**Support Team:**

To be determined by the DOE and EFCOG leads.

**Attachment G - DOE EM QA Focus Area 3 (cont.)**

**Focus Area #3 Project Milestones:**

| **Task #** | **Estimated Due Date** | **Task Description** | **Deliverable** | **Deliverable To Be Submitted to Project Managers** |
| --- | --- | --- | --- | --- |
| FA3-01 | 8/11/17 | Execute a management assessment of the JSEP program to determine its effectiveness and cost savings to date. Determine how wide-spread the use of JSEP is and identify any reasons for not using JSEP. | Management Assessment | No |
| FA3-02 | 8/11/17 | Convene a workshop with the top 10 largest EM contractors to better understand how to address any issues identified and to develop recommended solutions on how to better execute the program. | Workshop Notes and Initial Set of Recommendations | No |
| FA3-03 | 10/27/17 | Consolidate feedback from workshop and screen the recommendations. | Qualified set of Recommendations | No |
| FA3-04 | 11/10/17 | Generate a final list of recommendations. | List of Recommendations | Yes |
| FA3-05 | 12/29/17 | Develop a summary report for distribution to the QA Corporate Board. | Summary Report | Yes |

Attachment G - Meeting Minutes

Location: June 7, 2017; Forrestal Building, Room 1E-245, 1:00-4:30

Attendees: Team members: John McDonald, Tom Hiltz, Garrett Smith, Christian Palay (for Bob Murray), Vince Grosso, Rich Salizzoni, George Mata, Jim Tibble, Nate Morley

Observers: Kliss McNeel, Patricia Allen, Bill Wingfield, Damon Haley

The meeting started with introductions. The task team membership appeared to be adequate to accomplish the goal of task tam. The charter suggested we may need other resources such as procurement or contracts, but they will probably not be needed.

Vince Grosso presented the current state of EFCOG activities associated with the Joint Supplier Evaluation Program (JSEP) and the Master Approved Supplier List (MASL). The presentation follows.

Approximately 1400 suppliers are included in MASL. About 120 are included in JSEP. EM has more to gain from the suppliers listed in the MASL. The JSEP was last updated about 4 years ago.

DOE has selected the MASL as the software platform to be used for the supplier list, and the JSEP is being phased out. MASL software maintenance is currently paid for and supported.

It costs $600 for DOE contractors to become members of the Nuclear Industry Audit Committee (NIAC). This membership saved one contractor $20,000 immediately in cancelling travel that was not needed.

We need consistency in processes and procedures such as how to conduct a supplier audit.

The task is shaping up as identifying the obstacles and reasons for not using the single supplier list, which would be obtained from a survey sent out to supplier POCs currently maintained by EFCOG. From that input, the reasons and obstacles to using the single supplier list would be compiled and evaluated.

Numerous examples were provided during the meeting on how to address some of the obstacles.

Due diligence review is required to use third party audit reports.

Jim Davis (ORP) was suggested as a potential team member for DOE because of his role in a task in the DOE EM and Energy Facility Contractors Group 2017 Quality Assurance Improvement Project Plan.

**Attachment H - Meeting Minutes (cont.)**

From this discussion, several action items were identified:

* Conduct a webinar on the MASL for the task team. (Vince/Bill- June 28, 2017 at 12:00 eastern)
* Prepare survey questions to go out to EM contractors and DOE POCs identifying why the MASL is not used. (Vince – June 21, 2017)
* Identify a list of DOE QA site POCs (Palay – June 21, 2017)
* Send out the survey to POCs (Vince/John - July 10, 2017)
* Send out survey results to team members (Vince/John - July 22, 2017)
* Schedule next team meeting for Las Vegas the week of August 7 (Vince - June 15, 2017)
* Based on discussions at the meeting, revise the Task Team Charter will need to be revised to reflect discussions at the meeting. (John - July 2017)

June 28, 2017

Attendees: Bill Wingfield, John McDonald, Vince Grosso, Tom Hiltz, George Mata, Jim Tibble, Damon Haley, Christian Palay, Joe Fulghum, Rich Salizzoni, Paul Schroder, Steve O’Connor.

This call consisted of a WebEx presentation of the MASL software. There was a lot of discussion, so key points of the discussion are captured here too. Bill Wingfield was capturing screenshots along the way for others to review what we talked about. Those are attached with the minutes.

Participants were in agreement that the MASL was a good tool to manage a supplier database. Going forward, there were no obvious issues that came up that would stand in the way of using this software.

The first example we looked at indicated the Supplier was current and approved, but when we looked further, the last audit was out of date. It was suggested that the software should automatically show the current status within the database if the approval timeframe had lapsed. It was also noted that an audit had been done recently which had not been entered into MASL. Another contractor was conducting an audit of that vendor now so the need for better coordination and use of the database was seen during the call.

George Mata will send John a copy of the contract language they use at Hanford to coordinate these vendor audits.

Attachment H - Meeting Minutes (cont.)

There appeared to be multiple entries for one vendor that could be entered into MASL, but it may be preferred to make one entry and just update the single data entry.

Due diligence resides with the user of the information on MASL. There was a disclaimer on a report that stated this. There is risk associated with using another contractor’s audit report. Actions can be taken to lower the risk of using another audit report such as:

* Use of qualified NQA-1 auditors.
* Participation by multiple contractors on audits.
* High quality audit reports.
* DOE funding to support the various contractors performing these audits.
* Use of procedures approved within DOE approved contracts.

In general, contractors perform their own audits but their Supplier Evaluation Programs allow them to evaluate and if acceptable, to use other contractor’s assessments, when possible.

Procedures need to allow for use of 3rd party assessments. It appeared that WTP was the only facility that currently does not allow for this.

There needs to be a process to raise issues on quality of audits and a resolution process so there are no issues preventing use of audit reports by any contractor.

There appears to be no issues with any EM contractor posting audit reports on MASL. It was mentioned that KC NNSA is reluctant to post reports for legal reasons, but that shouldn’t have any impact on this task.

It appears that all EM contractors had access to entrust which allows use of MASL.

NIAC doesn’t use MASL. NIAC reports don’t get posted on MASL. NIAC offers its own method for accessing information.

**Attachment H - Meeting Minutes (cont.)**

**EM Approved Supplier List Task Team Conference Call Minutes – June 28, 2017 (cont.)**

There is a cost avoidance form which tracks ongoing savings from use of the MASL such as not needed to do an audit because someone else already did one, or only sending one (1) person on a joint audit with other Contractors vs three (3).

A comment was made that MASL is a like an expensive sports car and has more parts than it needs to. We may want to look at paring back what fields have to be used to simplify the process.

The MASL guide has no official status. It could be an EFCOG document at some point, but there is no configuration control at EFCOG. Since it is a guide, this may not be an issue, but we need to resolve it somehow. It was mentioned that it could also be placed on the MASL website. The previous version dated March 2014 is on the MASL Home (private) listed under MASL Documents.

It was mentioned that NNSA has previously provided funding $26K, for software upgrades in FY2016. It may be expected that EM come up with some funds if some additional changes are recommended.

(Additional Information: The SCMC KC Honeywell is funded for maintaining the MASL. The current Task SC-17-01 MASL – Import/Export is already funded for KC Honeywell. Additional funds will be needed to make changes to the MASL database.)

It was suggested that Dr. Clark from WRPS could be a presented at a DOECAP presentation. John will line up one or more calls in July to discuss DOECAP and NIAC processes.

The meeting was adjourned on schedule.

**July 27, 2017**

Attendees: Jim Peters, George Mata, Vincent Grosso, Jay Rhoderick, Richard Salizzoni, Joseph Fulghum, Bill Wingfield, Damon Haley, Paul Schroder, Greg Hayward, Kevin Henry, Earl Hughes

Jim Peters, NIAC Secretary, gave a presentation on NIAC and answered questions.

The Nuclear Industry Assessment Committee (NIAC) was formed as a result of an industry initiative to share the results of supplier assessments (audits) among industry companies, thereby reducing the number of external assessments on the supplier. The program is similar to the joint audit program operated by utilities through the Nuclear Procurement Issues Committee (NUPIC), except membership is limited to nuclear industry suppliers. Joint assessments are not conducted, and assessments are shared only with member companies that have a bonafide business relationship with the assessed supplier.

**Attachment H - Meeting Minutes (cont.)**

As a unified industry organization, NIAC provides a cost and quality effective program for the performance of assessments and the sharing of assessment results. The NIAC Shared Audit Program is based on a standardized approach for performing supplier assessments by using a standard assessment checklist approved by all members of the NIAC. The assessment checklist delineates those criteria of 10 CFR 50 Appendix B; 10 CFR 21; 10 CFR 71, Subpart H; 10 CFR 72, Subpart G; ANSI N45.2; ASME NQA-1; ASME NCA-4000; and/or NCA-3800; which apply to the nuclear suppliers for the item or service. NIAC members perform assessments on suppliers common to at least one other NIAC member and then share the results with all NIAC members that use the assessed supplier. Performing and sharing assessment results has the following benefits:

* Supplier quality assurance programs are evaluated using a consistent basis.
* Standard methodology is utilized for the performance of supplier assessments.
* Member companies save on assessment costs by the sharing of assessment results.
* Suppliers save on assessment costs by a reduction in the number of assessments conducted.
* Interface and cooperation between industry peers is increased.

A ratio technique is used to assure that all NIAC member companies perform and receive assessments commensurate with their needs and resources. Thus, regardless of member company size or needs, each company shares the burden of performing while enjoying the benefits of sharing, usually by each company performing one assessment for every three assessments received. NIAC continues to grow with foreign and domestic companies with over 170 memberships. Membership in NIAC is open to suppliers having a 10 CFR 50, Appendix B, or equivalent DOE quality program, and complying with the NIAC Charter. To join NIAC choose the “How to Join” icon on the committee website and follow the instructions. <http://niacusa.org>

The NIAC conducts a non-mandatory meeting every June and a mandatory annual membership meeting every November. The mid-year General Membership meeting is scheduled in conjunction with the annual NUPIC Vendor Interface Committee Meeting held every June. The November meeting's emphasizes member training, member qualification, and Auditing Services activities. Annual dues for membership are $500.00. There is a process to identify who will be on an audit, gather input from members prior to an audit, review an audit report, and provide input prior to issuance. There is a detailed checklist used, which is at the requirement level. There may or may not be preexisting subpart checklists. Vendors authorize release of their reports to other companies, which are distributed by the company that issued the report. There appeared to be a low rate of problems with audit reports and other process related issues. ASME has concurred with use of the checklist, which is not an easy approval to get.

It was mentioned that DOE requires detailed, requirement line-by-line checklist detail. There are a handful of DOE contractors who are currently members of NIAC. Subsidiary companies join separately from parent companies because of different QA programs. The basis process is to provide NIAC your list of suppliers in August, and they propose an audit schedule for review at the November meeting.

**Attachment H - Meeting Minutes (cont.)**

**EM QA Plan**

Focus area #3 is directly applicable to this EFCOG task.

**Survey Results**

The survey results were discussed. It looks like less than 25% of EM contractors use MASL. Approximately 30 comments were provided as to what needs to be changed with MASL to make it more useable.

**Agenda**

The meeting agenda was discussed and slightly modified. It will be sent out separately. Please bring a government computer to the meeting if you have one. There will be breakout sessions and we will need at least three.

**Action Items:**

* Conduct a webinar on the MASL for the task team. - Complete
* Prepare survey questions to go out to EM contractor and DOE POCs identifying why the MASL is not used. - Complete
* Identify list of DOE QA site POCs - Complete
* Send out the survey to POCs - Complete
* Send out survey results to team members - Complete
* Schedule next team meeting for Las Vegas the week of August 7 - Complete
* Based on discussions at the meeting, the Task Team Charter will need to be revised to reflect discussions at the meeting. (John - July 2017)
* Forward Monkey survey link, NIAC checklist, and example NIAC audit package to participants. – Complete
* Meeting presentation for NIAC – Complete
* Meeting presentation for DOECAP (McDonald) – 8/2/17
* Draft issues to address from survey results and forward to participants next week – Salizzoni (8/2/17)
* Paul Schroder to talk with Bud Danielson, DOE about this effort. (8/4/17)
* Vince to set up breakout meeting rooms for August 7 meeting week using the meeting agenda.

Attachment H - NIAC Membership Recommendation

The NIAC organization is comprised of companies performing work for the Commercial Nuclear industry to efficiently share results of supplier assessments, thereby reducing the number of external assessments on the supply chain. The program is similar to the joint audit program operated by Commercial Nuclear Power Utilities via the Nuclear Procurement Issues Committee (NUPIC). As a unified industry organization, NIAC provides a cost and quality effective program for the performance of assessments and the sharing of assessment results.

The NIAC shared audit program is based on a standardized approach for the performance of audits using a standardized checklist approved by all members of NIAC. The assessment checklist delineates those criteria from 10 CFR 50, Appendix B; 10CFR21; 10CFR71, Subpart H; 10 CFR 72, Subpart G; ANSI N45.2; ASME NQA-1; ASME NCA-4000; and NCA-3800 to support nuclear related activities. The current NIAC audit checklist has been endorsed by NIAC members, NUPIC, American Society of Mechanical Engineers (ASME), and the Nuclear Regulatory Commission (NRC) as adequate to perform audits to the standards listed. Member companies are permitted to share supplier qualification information with other NIAC members only.

The NIAC approach minimizes individual on-site auditing of suppliers. Member companies meet each year to schedule needed audits for the upcoming year to ensure only one company performs audits for a given supplier. Members are responsible to perform audits based on a ratio technique to ensure members perform and receive assessments commensurate with needs and resources. Each member company must review and acceptance audits performed by other NIAC members to credit the audit for use in their procurement processes. As such, expectations for level of rigor and documentation for audit performance/results is well established in the NIAC network to support review and acceptance of the audits by other NIAC members.

Historically, some DOE facilities have been members of or explored NIAC, but with limited utilization. Interviews indicated limited use was primarily for one or both of the following reasons. First, questions arose regarding the NIAC quality audit checklist potentially favoring 10 CFR Part 50 requirements versus a broader NQA-1 checklist normally used by DOE facilities to perform audits. Second, the supply chain for DOE member sites appeared to have limited overlap with the vendors in the NIAC qualified supplier lists. In recent years, some DOE sites, particularly in NNSA, have joined NIAC and are realizing improved benefits of membership.

As part of this task effort, a critical benchmarking review of the current NIAC organization, audit practices, and NIAC qualified supplier listings was performed to determine the potential benefit of current NIAC membership for EM facilities. This benchmarking was supported by NIAC organization representatives.

The benchmarking proved that joining NIAC likely will return a more significant benefit to EM sites than historical experiences and perceptions. The NIAC Audit checklists are currently more specific and consistent with NQA-1 detailed requirements and are fully endorsed by the commercial nuclear industry and the NRC as suitable audit checklists. Also, a significant number of NIAC approved suppliers was also shown to exist that are used be DOE sites.

**Attachment I - NIAC Membership Recommendation (cont.)**

A comparison of three site qualified supplier lists showed about a quarter of the DOE suppliers were in the NIAC approved supplier listings. Further details of the benchmarking, including pros/cons of NIAC membership are further discussed below. Considering the benchmarking results, the team recommends each applicable member site join NIAC to supplement MASL. It is recognized that some prime contractors are supported by other prime contractors for supplier audit activities or do not procure quantities of nuclear related products and services and therefore NIAC membership may not be applicable for those prime contractors.

NIAC Benchmarking Supporting EM Membership showed the following results:

1. **NIAC checklist aligns with NQA-1** - The current NIAC checklist currently is recognized by the NRC, ASME, and Commercial Nuclear Utility Owners (Via NUPIC and NRC), to adequately address multiple quality standards including NQA-1. The checklist is utilized across the commercial nuclear supply chain as sufficient to address the NQA-1 standard Part I 18 requirements, Subpart 2.7 for Software, and Subpart 2.14 for Commercial Grade Dedication and is not just based on details in 10CFR50. NIAC has a Checklist Subcommittee that continually solicits member feedback to improve the checklist. The checklist is approved by all members to demonstrate suitability and usability in a 10 CFR Part 21 regulatory environment. In addition, the audit process allows members to add checklist items to the audit to address other Subparts, specific criteria, etc. so any unique DOE facility requests for additional criteria can be addressed readily in an NIAC audit (e.g., DOE/RW-0333P, Quality Assurance Requirements and Description for Office of Civilian Radioactive Waste Management).

As part of task team efforts, Savannah River Site QA representatives performed a preliminary “gap” review of the NIAC checklist against a detailed NQA-1 verbatim checklist and showed a high level of consistency between the current NIAC checklist and a verbatim NQA-1 checklist. This demonstrates further suitability of the current checklist for NQA-1 application. A verbatim checklist is not considered by the utilities to be essential to confirm overall effectiveness of a quality program to perform nuclear safety related activities and services in accordance with NQA-1.

1. **Increased DOE supply chain vendors audited by NIAC** - With support of NIAC representatives, the qualified supplier lists from Savannah River Nuclear Solutions/Savannah River Remediation, the Hanford Waste Treatment Plant (WTP), and Mission Support Alliance from Hanford (supporting Washington Closure Hanford and CH2M Hill Plateau Remediation), were reviewed to determine if the current NIAC supply chain includes suppliers on the DOE site listings. The review determined approximately a quarter of the suppliers on the DOE qualified supplier lists were in the NIAC. This is a significantly improved overlap than historical experiences/perceptions and provides promising cost savings for the DOE EM facilities to utilize these audits.

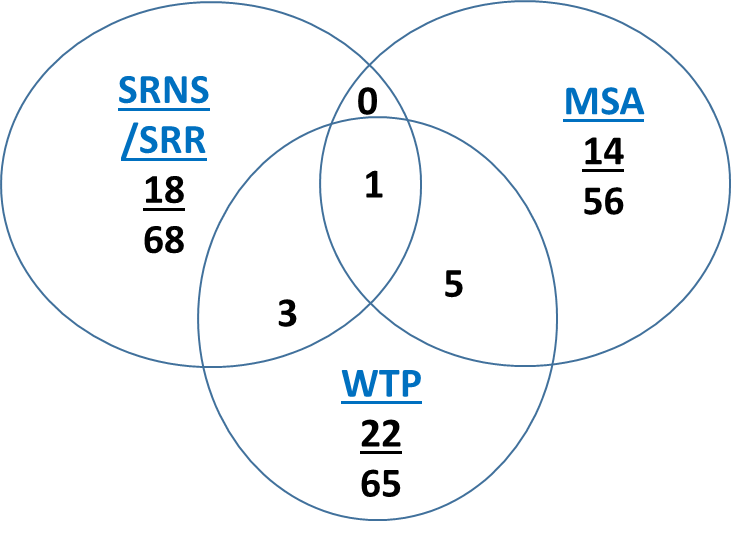
**Attachment I - NIAC Membership Recommendation (cont.)**

The following table shows the results per qualified supplier list:

|  |  |  |
| --- | --- | --- |
| **Site** | **Total on sites Qualified Supplier Listing** | **Number of Suppliers in NIAC** |
| SRNS/SRR | 68 | 18 |
| WTP Hanford | 65 | 22 |
| MSA Hanford | 56 | 14 |
| Total | 189 | 54 (29%) |

The following Venn diagram shows this breakdown including commonality of suppliers from each of the three sites in NIAC.

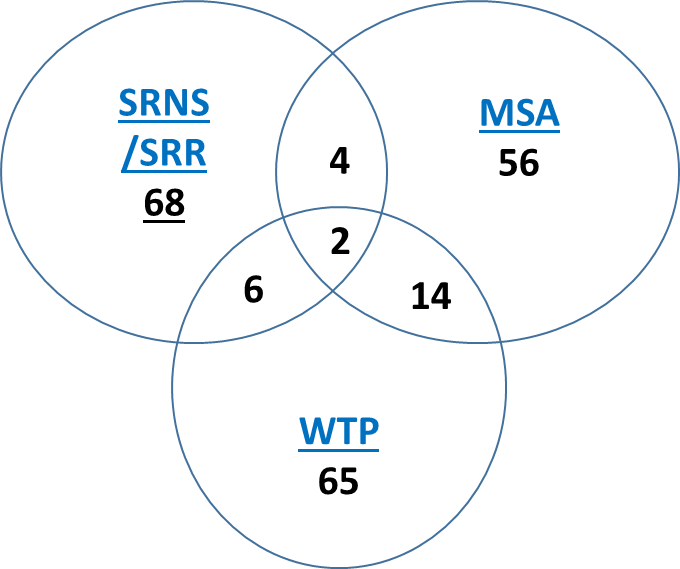
**Example DOE Qualified Suppliers in NIAC**



A comparison was also performed to show commonality of suppliers between the three sites and potential sharing if MASL was fully populate for EM Sites. The following diagram demonstrates this comparison. The overlap of suppliers is only about 15% (total common suppliers divided by total suppliers). This demonstrates that less sharing opportunities would exist if solely relying on MASL inputs.

**Attachment I - NIAC Membership Recommendation (cont.)**

**Example EM Common Suppliers**



This information demonstrates that NIAC can provide additional benefit for audit sharing information than MASL alone.

Based on these two benchmark results, NIAC membership should be more beneficial than historical experiences.

**Attachment I - NIAC Membership Recommendation (cont.)**

The following table provides additional pros and cons of NIAC membership. While there are negatives to recognize or that must be addressed (e.g., lead auditors must be certified by an exam in the sites program versus interviews), the overall benefit remains positive for EM membership in addition to MASL use.

**PROS CONS**

* Each site must join NIAC separately
* NIAC information cannot be shared to non-NIAC members
* Each member must perform audits per year based on prorated use of other company audits
* Will need to address prime contractors who perform audits for other prime contractors (will all need to become NIAC members separately or as combined membership)
* Audits must be requested from performing organization and audited vendor
* Checklist is not verbatim to NQA-1
* Each sites audit program will be assessed/audited by NIAC
* Site Lead Auditor certification requirements must include written exams (more restrictive than NQA-1 which allows interview by certifying authority)
* Likely never full replacement for MASL due to DOE unique supply chain and requirements
* 1100 suppliers in the database
* Proven process and audit standard endorsed by NRC, ASME and NUPIC
* An NNSA site is currently a member and has accepted NIAC audits
* Nominal cost to join
* Audit checklist address NQA-1 requirements (Part 1 18 Requirements plus CGD and Software subparts)
* 25% of WTP, SRNS/SRR, and MSA suppliers in NIAC
* Example checklist and audit report showed high quality for audit scope to accept
* Simplicity of NIAC database versus MASL

**Attachment I - NIAC Membership Recommendation (cont.)**

Additional comparative information between MASL and NIAC is included in the following Table. This information also demonstrates the benefit of using MASL and NIAC combined.

**NIAC/MASL Attribute Comparison**

|  |  |  |
| --- | --- | --- |
| **Attribute** | **MASL** | **NIAC** |
| Active Suppliers in Database | ~700 | ~1100 |
|  |  |  |
| Centralized Administrative Process | In development | Active and proven |
| Audit Standard endorsement | In development | NRC, ASME, NUPIC, NIAC |
| Cost impact | No annual fee, $2000 travel to EFCOG Supply Chain meeting | $600 + $2000 travel to Member meeting |
| WTP, SRNS/SRR, MSA shared suppliers | ~15% | ~25% |
| Database usability / simplicity | More complex interface, additional search and audit document filing features | Simple user interface, audit reports not captured in database. Must request copy for use |
| Sharing of Data | Accessible to all EM contractors | NIAC info accessible to NIAC members only |
| Supply base coverage | Limited to DOE contracted suppliers | Broad nuclear supply chain access |

Attachment J - Final Report and Communication Plan Timeline

*What/Where Who When*

Report sections submitted to John Team complete

Issue draft report John complete

Add report actions to EFCOG annual work plan VG complete

Team phone call John complete

Final report issued John complete

Communications slides final John complete

EFCOG Board Call JL/JM complete

QA subgroup/EM contractors QA courtesy review VG complete

EFCOG board meeting/ Washington, DC JL/JM complete

Kevin Smith/phone and in person JM, PS, JL, JT complete

Pat Worthington/ phone and in person TH, JM complete

Garrett Smith/ phone and in person TH, JM complete

Jim Hutton/phone or in person JL complete

Matt Moury / phone or in person JL complete

Ingrid Kolb / phone or in person JL complete

DOE field managers/DC KSmith/JL September 2017

Stacy Charbonneau/ phone and in person JL September 2017

Jim McConnell/phone or in person JL September 2017

MASL KC VG September 2017

Brief corporate parents and LLCs team members Aug-Sep 2017

Monthly QA subgroup call VG/WW October 18, 2017

Fall QA subgroup meeting VG/WW November 6-9, 2017

Attachment K – Forms

Third Party Reviews

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Audit Performed by Co. Name:** | | **Contractor:** | **Audit No.:** | **Audit Team Leader:** | | |
| **Supplier:** | | | **Service/Capabilities:** | | | |
| **Address:** | | | **City:** | | **State:** | **Zip Code:** |
| **Supplier Contact:** | | | **Phone No.:** | | | |
| **Supplier’s Current QA Manual Title and Basis:** | | | **Rev & Issue Date:** | | | |
|  | | | | | | |
| **Evaluation Criteria:** | | | | | | |
| NQA-1-\_\_\_\_\_ | NQA-1a-\_\_\_\_\_ | | NQA-1b-\_\_\_\_\_ | | NQA-1c-\_\_\_\_\_ | |
| ISO-17025: \_\_\_\_\_ | ANSI-Z540: \_\_\_\_\_ | | ANSI-N323: \_\_\_\_\_ | | | |
| DOE O 414.1­­­­­­­­ | | | | | | |
| NAP-24\_\_\_\_\_ | | | | | | |
| Other: | | | | | | |
|  | |  |  | |  | |
| **ASME NQA-1 Requirements:** | | **Desk Review/ Compliance (Not Found)** | **Implementation/**  **Performance (Not Found)** | | **ESL Approved Criteria** | |
| Part I, Requirement 1  100  200  300 | |  |  | |  | |
| Part I, Requirement 2  100  200  300  400  500 | |  |  | |  | |
| Part I, Requirement 3  100  200  300   400  500  600   700  800  900 | |  |  | |  | |
| Part I, Requirement 4  100  200  300   400 | |  |  | |  | |
| Part I, Requirement 5  100 | |  |  | |  | |
| Part I, Requirement 6  100  200  300 | |  |  | |  | |
| Part I, Requirement 7  100  200  300   400  500  600   700  800 | |  |  | |  | |
| Part I, Requirement 8  100  200  300 | |  |  | |  | |
| Part I, Requirement 9  100  200  300   400 | |  |  | |  | |
| Part I, Requirement 10  100  200  300   400  500  600   700  800 | |  |  | |  | |
| Part I, Requirement 11  100  200  300   400  500  600 | |  |  | |  | |
| Part I, Requirement 12  100  200  300   400 | |  |  | |  | |
| Part I, Requirement 13  100  200  300   400  500  600 | |  |  | |  | |
| Part I, Requirement 14  100 | |  |  | |  | |
| Part I, Requirement 15  100  200  300   400 | |  |  | |  | |
| Part I, Requirement 16  100 | |  |  | |  | |
| Part I, Requirement 17  100  200  300   400  500  600   700  800 | |  |  | |  | |
| Part 1, Requirement 18  100  200  300   400  500  600   700  800 | |  |  | |  | |
| Part II, Requirement 2.7   100  200  300   400  500  600   700 | |  |  | |  | |
| Part II, Requirement 2.14   100  200  300   400  500  600   700  800 | |  |  | |  | |
| Part II, Requirement 2.15   100  200  300   400  500  600   700  800  900 | |  |  | |  | |
| Other: | |  |  | |  | |
|  | |  |  | |  | |
| **ISO/IEC 17025 Requirements:** | | **Desk Review/ Compliance (Not Found)** | **Implementation/ Performance (Not Found)** | | **ESL Approved Criteria** | |
| Section 4 | |  |  | |  | |
| Section 5 | |  |  | |  | |
|  | |  |  | |  | |
| **ANSI/NCSL Z540 Requirements:** | | **Desk Review/ Compliance (Not Found)** | **Implementation/**  **Performance (Not Found)** | | **ESL Approved Criteria** | |
| Part I, Sections | |  |  | |  | |
| Part II, Sections | |  |  | |  | |
|  | |  |  | |  | |
| **Other Requirements:** | | **Desk Review/ Compliance (Not Found)** | **Implementation/**  **Performance (Not Found)** | | **ESL Approved Criteria** | |
|  | |  |  | |  | |
|  | |  |  | |  | |
| **Specification or Statement of Work No.:** | | | | | | |
| **Cost avoidance documents complete within MASL:**  **Print Name**  **Signature**   **Date juju** | | | | | | |
| **Comments:** | | | | | | |
| I have reviewed the audit records submitted and determined that the audit meets the requirements of the \_\_\_\_\_\_\_\_\_\_\_ Procurement Documents. **Audit Team Lead Name**  **Signature**   **Date juju**  **QA Manager/Director Name**  **Signature**   **Date j** | | | | | | |

**MASL Audit File Checklist**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Audit No.:** | **Auditing Company:** | | | **Audit Team Lead:** | | | |
| **Supplier Name:** | **Supplier Address:** | | | **State:** | | **Zip Code:** | |
| **Service / Capabilities:** | | | | | | | |
|  | | | | | | | |
| **Evaluation Criteria:** | | | | | | | |
| NQA-1-\_\_\_\_\_ | | NQA-1a-\_\_\_\_\_ | NQA-1b-\_\_\_\_\_ | | NQA-1c-\_\_\_\_\_ | | |
| ISO-17025: \_\_\_\_\_ | | ANSI-Z540: \_\_\_\_\_ | ANSI-N323: \_\_\_\_\_ | | | | |
| DOE O 414.1­­­­­­­­ | | | | | | | |
| NAP-24\_\_\_\_\_ | | | | | | | |
| Other: | | | | | | | |
|  | | | | | | | |
| **Document to be Placed in Audit File** | | | | **Initials to Verify** | | | |
| **Completed** | | | **Doc. Uploaded to MASL** |
| 1. Audit Plan | | | |  | | |  |
| 1. Copies of Lead Auditor Qualifications (if not already submitted) | | | |  | | |  |
| 1. Technical Specialist Qualification (if applicable and/or not already submitted) | | | |  | | |  |
| 1. Audit Notification Letter | | | |  | | |  |
| 1. Audit Attendance Record | | | |  | | |  |
| 1. Audit Report Cover Letter | | | |  | | |  |
| 1. Audit Report (including Extension Request Approval if over 30 days from audit) (if applicable) | | | |  | | |  |
| 1. Completed Audit Checklist | | | |  | | |  |
| 1. Audit Response/Closed Audit Finding Forms (if applicable) | | | |  | | |  |
| 1. Audit Closure Letter (if applicable) | | | |  | | |  |
| 1. Limited Distribution & Disclaimer Statement with Supplier’s Name and Audit Number (if applicable) | | | |  | | |  |
|  | | | | | | | |
| **Verification that Audit File is complete and ready for submittal to MASL:** Audit Team Lead Name Signature Date | | | | | | | |
| **Manager/Director review of audit file package to verify that it is ready for submittal to MASL:**  Manager/Director, Quality Services Signature Contractor/Site Date | | | | | | | |