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Renewal Audit No: 3

ISO 9001:2015

C O N F I D E N T I A L
Report
For

JEMISON METALS
Birmingham, Alabama; Sumter, South Carolina; and Cleveland, Ohio

Date of Report:	February 10, 2022
Date(s) of Audit:	January 11 – 13, 2022, January 18 – 21, 2022
Number of total mandays scheduled for this audit:	6.0
Number of total mandays actually conducted:	6.0
Audit Team Members (Lead name first):	John Griffin
Nonconformances (CAN numbers) issued this audit:	None
Nonconformances (CAN numbers) closed this audit:	None

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Associate Certification Director: _____ Date: February 10, 2022
David D. Hansell

Executive Summary

An audit was conducted on-site and via CAAT on the dates cited above. The purpose of this audit was to ensure that the auditee was continuing to maintain a documented and effective Quality Management System, to meet the organization's objectives, in conformance with the Quality Management System requirements. A draft audit report, consisting of the audit team recommendation (R20.36) and related corrective action notifications (R20.35), was provided to the organization by the Lead Auditor prior to the closing meeting.

The audit followed SRI's guidelines and procedures. The scope of the audit was a review of the scheduled processes and any area(s) of nonconformance cited and/or remaining open from the previous audit. In preparation for the renewal audit, planning considered the performance of the Management System over the period of certification and included a review of the previous surveillance audit reports.

Timing requirements for responding to Corrective Action Notifications are listed on the second page of the R20.35 form, which is part of the draft audit report.

The recommendation in the draft audit report is any one of the following:

Unconditional: No nonconformances were issued. The registered organization was able to demonstrate the capability to implement and maintain an effective Management System, to meet the organization's objectives and intended results, in conformance with the Management System requirements.

Conditional: One or more minor nonconformances were issued. The registered organization was able to demonstrate the capability to implement and maintain an effective Management System, to meet the organization's objectives and intended results, in conformance with the Management System requirements, except where described in the Corrective Action Notification(s).

Terminated: The audit was stopped before a recommendation could be established.

Failed (IATF audits only): The certificate will be withdrawn.

Registration Withheld or Status Notice (Suspension): One or more major nonconformances were issued. The organization was unable to demonstrate the capability to implement and maintain an effective Management System, to meet the organization's objectives and intended results, in conformance with the Management System requirements. For uncertified organizations, no action to issue the initial certificate will occur until the major nonconformity (s) are closed. For certified organizations, SRI will determine if the certificate can be maintained or whether a suspension status or withdrawal of the certificate is warranted. A separate communication will identify the final decision and communicate how the closure of the nonconformity (s) will be handled.

General observations made by the audit team:

- Progress made toward meeting Continual Improvement targets is satisfactory.
- Audit results observed were better than the previous audit activity.
- Marks and logos were found to be in conformance
- The certificate scope was found to be appropriate.
- CAAT auditing techniques (of any type) were used during this event. A portion of the event used Microsoft Teams software. It was used to do interviews, share documents, and observe the work areas at the Cleveland, Ohio facility.
- The audit objectives have been fulfilled, and any applicable CAAT methods were effective in fulfilling audit objectives.
- There were no deviations from the audit plan.
- There were no issues affecting the audit program.
- There were no unresolved issues at the end of the audit.

The audit evidence collected during an audit will inevitably be only a sample of the information available, partly due to the fact that the audit is conducted during a limited period of time and with limited resources. Therefore, there is an element of uncertainty inherent in all audits, and all users of the results of the audit should be aware of this uncertainty.

The audit team would like to thank all personnel for their hospitality and cooperation during the audit.

Auditor Commentary

Based on the audit investigations, interviews, observations, and review of records, the following comments summarize the audit team's observations and findings:

Internal Audit Results:	Internal audits are done in two ways; at least one complete Quality Management System (QMS) audit per location each year, and one process audit per month for each production line or Machine processes. Records that were reviewed for the audit process revealed that audits were conducted per the schedule and were documented according to the process requirements.
Management Review Results:	Management Reviews are done at least one time per year, the last being January 5 - 22. The CEO and Chairman of the board were in attendance. Key performance indicators were reviewed during this process including DPPM, OTD, devaluation, supplier scorecards, and internal audit results. The leadership of the organization was active during this event and notes of the meeting were recorded.
Corrective/Preventive Actions:	The Corrective Action process was reviewed and was found to be in place, and in use. There was one nonconformance for the Cleveland, Ohio location, and four for the Sumter, South Carolina location. A sampling of these CAPA activities was done and revealed that there was a process for investigating root causes of nonconformities. The customer complaints from 2021 were reviewed; one for the Cleveland, Ohio facility was Bluebird/creases in painted parts. The root cause for this issue #21303, was reviewed and was found to meet ISO 9001:2015 requirements. The action plan was implemented as written and the issue was closed. Corrective actions and customer complaints are logged into the company CASE system and are managed for each individual manufacturing location on an as-needed basis.
Customer Complaints:	Customer complaints are recorded and reviewed weekly with management staff. If a determination is made that the complaint is the responsibility of the company, a corrective action activity is initiated, and a root cause is determined. i.e., Bluebird/creases.
Quality System Changes:	None noted.

Results of Documentation Review:	Documents required for the QMS were reviewed and found to be in place and in use. In addition, there was a Quality Manual and Level II procedures available at the corporate level and Level III and IV work instructions and records at the individual plant locations. All required records were found to be included as well as required QMS documents such as the Policy, Scope, and company goals and objectives.
Areas Identified as Not Applicable:	8.3 Design and development of products and services
Regulatory / Statutory requirements identified or added since the last event:	Identified statutory or regulatory requirements (i.e., those recorded on the R20.62) were reviewed and no issues were identified. REACH, DOT, RoHS, NAFTA, and ASTM, All but ASTM are not relevant to the QMS. ASTM standards are for characteristics and are managed by the company ERP (CORE) system. ASTM requirements are also reviewed during the order review process in the QMS.
Auditor Comments (Important Observations, Strengths, Exclusions):	Jemison Metals is a privately owned processor of steel products for multiple industries. The organization consists of six manufacturing locations and a corporate headquarters located in Birmingham, Alabama. The company does a variety of steel stretching, cutting, slitting, punching, and bending steel into various shapes and sizes for customers. Critical risk issues for the company are succession planning issues for a mature, highly senior workforce and supply chain related materials inflation.
Validation of CANs issued during previous activity:	There were none.
Review of Outsourced Processes:	Limited Painting of metal parts.

Shifts:	No changes in shifts or times were observed. All shifts were physically audited for all sites but Cleveland, Ohio For Cleveland, Ohio, the following information was reviewed as the basis of the justification to not physically audit off-shifts: internal audit results, Off-shift production management/lead person assignment, customer complaint, and product and process performance data.
Notable changes (e.g., address, management rep., shifts, scope, processes, employee count, etc.):	There were slight changes to the employee counts at all three locations sampled, but none effect mandays.

R20.62 Auditee Information

Auditee: **Jemison Metals** **Auditee No:** 6796-01

Address: 3800 Colonnade Parkway
Suite 250
Birmingham, AL 35243
Main Phone Number: 205-986-6627
Web Site: http://jemisonmetals.com

Auditee Contacts

Mr. Rick Rowland, SR VP Quality & Engineering, Metallurgical Engineer
Jemison Metals
3800 Colonnade Parkway, Suite 250, Birmingham, AL 35243
Tel: 205-986-6627
Email: rrowland@jemisonmetals.com

Audit Event

Renewal: 01/11/2022 - 01/13/2022 Total Mandays: 2.5
John Griffin, Lead Auditor

SRI Audit Operations Coordinator: Kelly Surgalski
Coordinator Phone: 724-934-9000 ext. 667
Coordinator Email: ksurgalski@sriregistrar.com

Audit Scope

Standard: ISO 9001:2015 (non-design)
Areas Identified As Not Applicable: 8.3 Design and development of products and services
Scope: Processing and distribution of ferrous and non-ferrous sheet and coil products, including plasma and laser cutting, forming, machining, kitting, slitting, cut-to-length, stretch leveling, blanking and shearing operations.
SIC Codes: 5051
IAF: 29
NACE Codes: G51.5
No. of Employees: 30
Products: Steel
Regulatory/Statutory Requirements: REACH, DOT, RoHS, NAFTA, and ASTM (All but ASTM are not relevant to the QMS.)
Accreditation Mark(s): ANAB
Registration Approach: Sampling
Certificate Expiration: 03/10/2022
No Shifts: 1
Times of Shifts: 8:00am-5:00pm

R20.62 Auditee Information

Auditee: **Jemison Metals** **Auditee No:** 6796-05

Address: 1255 Northgate Drive
Sumter, SC 29154
Main Phone Number: 800-858-2645
Web Site: http://jemisonmetals.com

Auditee Contacts

Mr. Rick Rowland, SR VP Quality & Engineering, Metallurgical Engineer
Jemison Metals
3800 Colonnade Parkway, Suite 250, Birmingham, AL 35244
Tel: 205-986-6627
Email: rrowland@jemisonmetals.com

Audit Event

Renewal: 01/18/2022 - 01/19/2022 Total Mandays: 2.0
John Griffin, Lead Auditor

SRI Audit Operations Coordinator: Kelly Surgalski
Coordinator Phone: 724-934-9000 ext. 667
Coordinator Email: ksurgalski@sriregistrar.com

Audit Scope

Standard: ISO 9001:2015 (non-design)
Areas Identified As Not Applicable: 8.3 Design and development of products and services
Scope: Processing and distribution of ferrous and non-ferrous sheet and coil products, including plasma and laser cutting, forming, slitting, cut-to-length, blanking and shearing operations.
SIC Codes: 5051
IAF: 29
NACE Codes: G51.5
No. of Employees: 37
Products: Steel
Regulatory/Statutory Requirements: REACH, DOT, RoHS, NAFTA, and ASTM (All but ASTM are not relevant to the QMS.)
Accreditation Mark(s): ANAB
Registration Approach: Sampling
Certificate Expiration: 03/10/2022
No Shifts: 3
Times of Shifts: 1st 5:00a-1:30p M-F, 2nd 1:30p-12:00a M-Th, 3rd 8:30p-7:00a M-Th

R20.62 Auditee Information

Auditee: **Jemison Metals** **Auditee No:** 6796-04
Address: 8100 Aetna Road
Cleveland, OH 44105
Main Phone Number: 216-271-1500
Web Site: http://jemisonmetals.com

Auditee Contacts

Mr. Rick Rowland, SR VP Quality & Engineering, Metallurgical Engineer
Jemison Metals
3800 Colonnade Parkway, Suite 250, Birmingham, AL 35244
Tel: 205-986-6627
Email: rrowland@jemisonmetals.com

Audit Event

Renewal: 01/20/2022 - 01/21/2022 Total Mandays: 1.5 *(via CAAT)*
John Griffin, Lead Auditor

SRI Audit Operations Coordinator: Kelly Surgalski
Coordinator Phone: 724-934-9000 ext. 667
Coordinator Email: ksurgalski@sriregistrar.com

Audit Scope

Standard: ISO 9001:2015 (non-design)
Areas Identified As Not Applicable: 8.3 Design and development of products and services
Scope: Processing and distribution of ferrous sheet and coil products, including slitting, cut-to-length, blanking, shearing, and stretch leveling operations.
SIC Codes: 5051
IAF: 29
NACE Codes: G51.5
No. of Employees: 20
Products: Steel
Regulatory/Statutory Requirements: REACH, DOT, RoHS, NAFTA, and ASTM (All but ASTM are not relevant to the QMS.)
Accreditation Mark(s): ANAB
Registration Approach: Sampling
Certificate Expiration: 03/10/2022
No Shifts: 1
Times of Shifts: 5:00am-2:30pm

Audit Plan

The audit plan, audit team members, and qualifications, representatives, working documents, audit plan schedule, process matrix, and auditor assignments have been reviewed with the organizations and are on file with SRI.

Audit Records

Form R20.36: Which shows the registrar confirmation of the audit results was completed, signed by both parties on-site, returned to SRI, and is on file.

Assessment Narrative: The pre-audit/post audit conference list of attendees and standard agenda are on file, as is the agenda. The registered company has acknowledged and signed any corrective action notifications issued at this event.

The SRI Auditor Notes: Auditor notes were captured and returned to SRI, along with the "Interview Listing" (I8-3), all of which are on file.

Assessment Summary Matrix: The assessment summary matrix was completed by the lead assessor and indicates the areas in which the selected processes were assessed and the areas requiring corrective action. If there are several distinct audit tracks or business units, each has a matrix completed for it. The matrix is provided.

Corrective Actions: If any, are included with this report and summarized in numerical order, showing the referenced cited standard section, process, a description of the nonconformity, and the level of severity indicated as "M = Minor" or "H = Hold." Form R20.35 provides the detailed nature of the nonconformance.

Opportunities for Improvement: If the lead auditor noted opportunities for improvement (OFIs), these were provided to the auditee during the post-audit meeting. The opportunities for improvement are listed.

Report Distribution

Distribution by SRI is only to the auditee, the auditor assigned for the next scheduled audit event, SRI, and any accreditation body, when requested, where their oversight is required.

Assessment Summary

Processes Assessed	Performance			
	Satisfactory	Org. Action Plan in Place	Not Identified	Unsatisfactory
Award Review	X			
Control of Monitoring and Measurement Resources	X			
Packaging and Shipping	X			
Production and Service	X			
Purchasing	X			
Receiving of Materials	X			
Sales (Quotation/Contract Review)	X			
Support activities	X			

Process Summary

Process	Comments
Award Review	Birmingham, Alabama only: The awards process is documented in QMP 8.1. The process begins with an RFQ from customers which is followed by a Quote that is generated in the company system (JDM quote form). This is the review record. The customer requirements are contained on the JDM Model form there the sales analyst creates a model for the Production process steps to create the finished product. Key areas for the review include Steel grade, ASTM specs, and pounds to be produced. There is a meeting called a "quote call" where various members of the organization have a conference call to a final review of the quote before sending the quote to the customer. If quotes are accepted by the customer, the order is accepted or "awarded". <u>Metrics:</u> DPPMs goal <3400, 5 of 6 met goal, OTD >98%, 0-5 met goal. Devaluation <.4%, 5-6 met goal, supplier scorecards >3.5-3 of 5 met goal.

Process	Comments
Control of Monitoring and Measurement Resources	The Calibration process was documented, and records are kept and managed using a gauge track computer software system. In the Sumter, South Carolina facility, there are some 39 devices under management including tape measures, micrometers, dial calipers, gauge blocks, laser table, and scales. There is a combination of internal and third-party verifications that occur to ensure that information from the devices is reliable and accurate. In the Cleveland, Ohio facility, they use the same gauge track system to manage calibrated devices in the facility. They control some 63 devices including tape measures, calipers, micrometers, gauge blocks, scales, gama gauges, and a measurement table. Records reviews indicated that these devices are in a state of calibration. <u>Metrics:</u> DPPMs goal <3400, 5 of 6 met goal, OTD >98%, 0-5 met goal. Devaluation <.4%, 5-6 met goal, supplier scorecards >3.5-3 of 5 met goal.

Process	Comments
Packaging and Shipping	The shipping and packaging activity at the Sumter, South Carolina facility, followed an established process. A shipping schedule is generated using customer ship dates. Orders are generated for each order on the schedule. The Shipping operator was interviewed and was found be aware of the QMS and was competent to use the Shipping process. Load sheets were generated for each shipping order. These sheets record customer name, parts #s, weight, destination, and carrier. Orders are matched to product tags; all tags for each order are pulled and entered the computer system. Key information on the order is matched to the tags; Part #, material size, weight, and piece count. Inventory is relieved, and a bill of lading is generated. The bill is signed by the shipping operator and the truck driver prior to loading. The Cleveland, Ohio facility Shipping process is very similar to the Sumter, South Carolina location. Operator in Cleveland was interviewed and very experienced, competent, and aware of the QSM and their role in making quality happen. <u>Metrics:</u> DPPMs goal <3400, 5 of 6 met goal, OTD >98%, 0-5 met goal. Devaluation <.4%, 5-6 met goal. Supplier scorecards >3.5-3 of 5 met goals.

Process	Comments
Production and Service	The Production process activity begins with production planning, which is facilitated by a daily production call for each of the six manufacturing sites. Sumter, South Carolina and Cleveland, Ohio locations were audited during the meeting (conference call with video production schedule sharing. On these calls are sales, productions scheduling, the plant manager, and purchasing. New, WIP and completed orders are reviewed against customer ship dates (board) and orders are scheduled, arranged, and loaded for each process. Key Manufacturing processes in the Sumter, South Carolina facility are cut, blank, slit, and shear. The production activity at the Sumter, South Carolina facility was found to be documented. Computer located at each production station provided easy access to QMS documentation. The redbud cutting machine was audited. Operations personnel were found to be aware of their QMS, Policy and were competent to manage the process. The documented process detailed how the equipment was set up, monitored, and finished product properly packaged. Critical process monitoring steps include product count, and material weight, visual defects, and packaging details. Product measurement issues are thickness squareness, dimensions, surface defects, flatness, and warpage. Measurement devices are managed and calibrated to ensure data is reliable and accurate. Upon finding nonconforming materials in the process, materials are segregated, a quality alert is generated (JDM-F-002) and a FIT case form is generated. The production facility in Cleveland, Ohio has similar equipment, processes, and systems as the Sumter, South Carolina facility. There are two steel slitters, one blanking/cutting line, and one Leveling process. Procedures and monitoring and measurement criteria are the same as the Sumter, South Carolina facility. All operators were highly senior, competent and were aware of the QMS and their role in making quality happen at the operational level. <u>Metrics:</u> DPPMs goal <3400, 5 of 6 met goal, OTD >98%, 0-5 met goal, Devaluation <.4%, 5-6 met goal, supplier scorecards >3.5-3 of 5 met goal

Process	Comments
Purchasing	The Purchasing process was audited, and key personnel were interviewed. The process begins with daily reviews of customer orders against available materials on hand. The HFI form (hold for incoming) records data that purchasing managers and analysts use to match materials to orders. If there is a shortfall, then it is likely that spot purchases of materials will be made. There are five main suppliers of steel that are managed in purchasing. Monthly meetings are held (contract review) to ensure alignment between customer expectations and production mills ability to complete the orders on time. Each supplier is evaluated every quarter and scores are given for; NCM claims, on time delivery, and claim acceptance. Values are given for each area from 1-5, and the three areas are averaged together to come up with an overall performance score of 1-5. <u>Metrics:</u> DPPMs goal <3400, 5 of 6 met goal, OTD >98%, 0-5 met goal, Devaluation <.4%, 5-6 met goal, supplier scorecards >3.5-3 of 5 met goal.
Receiving of Materials	The Receiving process involves the bringing into the facilities large coils of rolled steel from various steel suppliers and storing them for processing into flat finished stock. In the Sumter, South Carolina facility, large overhead cranes are used to unload move and position coils for storage and processing. The receiving operator receives the BOL and matches it against the PO. If they match the product is unloaded and located in the plant using a series of numbers and letter locator system. A computer software system logs all materials and applies them to future orders. In the Cleveland, Ohio facility, the process is very similar to this process. The receiving operator also loads the machines and keep up with machine material needs by staging materials for the production lines. They ensure that received materials are the correct weight, size, and are covered form the weather. <u>Metrics:</u> DPPMs goal <3400, 5 of 6 met goal, OTD >98%, 0-5 met goal. Devaluation <.4%, 5-6 met goal, supplier scorecards >3.5-3 of 5 met goal.

Process	Comments
Sales (Quotation/Contract Review)	The Order Review process and order changes is covered in the document COP #1. The process begins with an RFQ from customers which is followed by a Quote that is generated in the company system (JDM quote form). This is the review record. The customer requirements are contained on the JDM Model form there the sales analyst creates a model for the production process steps to create the finished product. Key areas for the review include Steel grade, ASTM specs, and pounds to be produced. There is a meeting called a "production call" where the inside sales/customer service in the organization participate in these calls to ensure that customer requirements are understood and the changes to orders are managed so that customer needs are met. The inside sales reps also communicate with customers concerning changes primarily delivery times. In the Sumter, South Carolina facility, there is an Inside Sales process which processes customer orders coming from email, fax, and customer portal. A sales Rep was interviewed and was found to be knowledgeable of the QMS and was judged competent to manage the review of orders prior to their being scheduled for production. The review process is documented and covers the account management, confirming orders, reviewing orders, and communicating any changes in orders. The process also initiates reviews when customer complaints are received through the software system (FIT). Case forms are created for each complaint to document customer issues to determine if corrective actions and/or refunds are needed. <u>Metrics:</u> DPPMs goal <3400, 5 of 6 met goal, OTD >98%, 0-5 met goal. Devaluation <.4%, 5-6 met goal, supplier scorecards >3.5-3 of 5 met goal.

Process	Comments
Support activities	The Support activities for the QMS are managed at the corporate office location in Birmingham, Alabama. The senior VP of Quality and Engineering. These support activities include document control, internal audits, Management Review, corrective action, Continual Improvement, risk management, training records, communications, and change management. After a detailed discussion with the company chairman of the board, it was evident that a process is in place to determine a strategy for overall company business management. Interested parties including ownership, employees, and customers were taken into consideration. A risk matrix was reviewed to ensure that the company's risks and opportunities were addressed. There was evidence that Continual Improvement projects were being planned and carried out to address issues such as data management (B.E.S.T), efficiency (B.E.S.T), and competency (ABSORB). For the six manufacturing locations, including Sumter and Cleveland, support activities are shared and addressed in regular company meetings where individual issues for KPIs, corrective actions, internal audits, customer complaints, and support activities such as calibration, document control, training, and other ISO type QMS processes are addressed. <u>Metrics:</u> DPPMs goal <3400, 5 of 6 met goal, OTD >98%, 0-5 met goal. Devaluation <.4%, 5-6 met goal, supplier scorecards >3.5-3 of 5 met goal.

Corrective Actions List

No nonconformities were identified during this audit event activity.

Opportunities for Improvement

The following Opportunities for Improvement were identified during this audit activity:

Process	Description
Support activities	Consider an update to expand the current risk matrix to include the current issue affecting the organization, including human resources, covid, supply chain backlogs, freight availability, and succession planning issues. Consider using a simplified cloud driven customer survey with a single question and comment box for customer feedback. Consider updating PFMEA and control plans when new failure modes are discovered and/or more robust failure mode responses are developed because of your corrective action process. Consider creating a SWOT type analysis as a document to record internal and external factors that determine the business management system strategy. Consider aligning your SWOT, Risk interested parties and continual improvement planning activity in a matrix to record company management strategy. Consider creating employees and performance evaluation activity as a measurement of training effectiveness. Consider the creation of training checklists to record specific training of critical job skills listed on the operator job descriptions.
Purchasing	Consider using as a metric, an average of all supplier scorecards and display as a run chart to track improvements in overall supplier performance.
Award Review	Consider using Win %, or other metric data as a method for tracking awards process performance.
Sales (Quotation/Contract Review)	Consider using the data for customer service-related order changes after awards to track effects on efficiency of the production operation.
Production and Service	Consider tracking customer complaints and Tons per hour production metrics for each individual plant and displaying this data for communication with associates.

Note: Opportunities for Improvement are non-binding.

Best Practices Observed

The following Best Practices Observed were identified during this audit activity:

Process	Description
Production and Service	Impressive positive attitude among workforce for the company and their goals. Computer systems located in the production stations allow operators to access all QMS documentation from their stations. Workforce- Impressive time in service, experience, and low turnover rates in the operations areas. This shows exceptional human resources management practices. A bonus system that encourages and provides incentives for Continual Improvement. Computer software has a feature that locks out NCM in the system and prevents it from being used in the Manufacturing processes.