



## SRI Quality System Registrar

Suite 304 • 300 Northpointe Circle • Seven Fields, PA • 16046  
Telephone: 724-934-9000 • Fax: 724-935-6825 • E-mail: [mail@sriregistrar.com](mailto:mail@sriregistrar.com)

# Surveillance Audit No: 1

## ISO 9001:2015

### CONFIDENTIAL

Report  
For


## JEMISON METALS

Trinity and Birmingham, Alabama, and Sumter, South Carolina

|   |                    |
|---|--------------------|
| Date of Report:                                   | January 31, 2020   |
| Date(s) of Audit:                                 | January 7-10, 2020 |
| Number of total mandays scheduled for this audit: | 3.5                |
| Number of total mandays actually conducted:       | 3.5                |
| Audit Team Members (Lead name first):             | Donald Simmons     |
| Nonconformances (CAN numbers) issued this audit:  | None               |
| Nonconformances (CAN numbers) closed this audit:  | None               |

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Associate Certification Director:

  
David D. Hansell

Date: January 31, 2020

*Ownership of the audit report is maintained by SRI.  
Right of perusal by a third party can only be obtained after permission of the audited company.*

## Executive Summary

An audit was conducted at the location(s) on the date(s) 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.

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.
- The audit objectives have been fulfilled.
- There were deviations from the audit plan. Please reference Notable Changes in the Auditor Commentary section of this report.
- 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:

|                            |   |
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| Internal Audit Results:    | <p>The Internal Audits are process-based and are completed by auditors that are not connected with the process being audited. Good objective evidence supporting the findings either findings of compliance or noncompliance to the standard, customer and internal requirements. The system utilizes a tailored checklist for each location to ensure all clauses and customer and internal requirements are covered. Reviewed the following audits: remote location Madison Heights, Virginia, full system audit, dated 8/27/2019, resulting in one minor and two observations. Remote location Cleveland, Ohio, full system audit, dated 7/16/2019, resulting in two minor and one OFI. HQ Birmingham full system audit, dated 11/13/2019, resulting in two observation. The audit schedule requires the QMS is fully audited throughout the entire organization, and upon review, the schedule is complete. The audit results and action status were reported through the MRM, and all required clauses were met. Based on the level of detail meeting the standard requirements, the process is effective.</p> |
| Management Review Results: | <p>The frequency of the Management Review Meeting (MRM) is annual per the Quality Manual. Reviewed the MRMs dated 11/25/2019 and 8/27/2018 (initial audit prior to the registration audit). The reviews follow the inputs and outputs per the standard requirements, including the review of the KPIs with determination of the goal levels. Several of the KPI goals were changed to reflect an improving status of the key processes. The MRM is accompanied with supporting documentation as to how the goals were met and activities for improvement. The system also ties the production level, accuracy, and quality to an incentive program that has dramatically improved the quality and delivery of the production process. The MRM covers the Birmingham Headquarters and remote location inputs with representation at the meeting. Based on the completeness and content of the Management Review and the improvement of the QMS and production, the process is effective.</p>   |

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| Corrective/Preventive Actions:  | <p>Reviewed the following corrective actions: CAR 17523 internal audit finding, CAR 17550 Customer Complaint, and SCAR 002 Supplier issue. The CAR/SCAR format is developed around the standard requirements that include other possible areas of impact, update the risk and opportunity spread sheet, and possible impacts to the QMS, i.e., procedure changes, etc. The actions are highly detailed and include expected closure dates. The system is well developed and meets the standard requirements; the system is effective.</p>  |
| Customer Complaints:  | <p>Complaints were reviewed, and proper investigation and resolution were observed.</p> <p>Customer complaints are process through the Corrective Action process for complaints that are elevated to or required by the customer. Corrections for complaints that do not require full corrective action are processed through a complaints log that documents actions taken to resolve the complaint. Reviewed log entry for week dated 11/25/2019, case numbers 17860-17869 issues identified, and appropriate actions taken. Repeat issues were also identified with management input to resolve issue. Please refer to the Corrective Action segment of this report for full corrective action related to a customer complaint. Customer satisfaction is based on the KPIs that are directly related to customer requirements, i.e., OTD, quality, and responsiveness. The goals set by Top Management is based on the customer expectation for the KPIs, and at this point, the goals on some of the KPIs exceed the customer expectation. Based on the method of responding to customer complaints, KPI status, and setting of the goals, the process is effective.</p> |
| Quality System Changes:   | None   |
| Areas Identified as Not Applicable:   | 8.3 Design and development of products and services  |
| Regulatory / Statutory requirements identified or added since the last event: | <p>Identified statutory or regulatory requirements [REACH, RoHS, DOT, Conflict Minerals (Dodd Frank Act), and NAFTA] were reviewed and no issues were identified.</p> <p>The organization has developed a statement concerning the conflict minerals request by the customers and provides the statement as part of the document package.</p>  |

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| <p>Auditor Comments<br/>(Important Observations,<br/>Strengths, Exclusions):</p> | <p><b>Birmingham Facility</b></p> <p><u>Top Management Interview:</u><br/>Interviewed the CEO and discussed the process for new hire activity. Development of tools for bidding jobs to ensure detail level is the same level or higher than customer requirements. Development of training methods needed to validate the training was successful and meets the organization's expectations.</p> <p><u>Context:</u><br/>The organization has a good understanding of the context with development of interested parties, issues and risk, and opportunities related to each internal and external party. The Jemison Metals' External/Internal Interested Parties Log Document, JMD-F-100, Rev. 2, captures the interested parties, needs/expectations, risks, and opportunities taken to address risk is maintained and modified when actions are taken to minimize risk, identify additional risks, and any additional interested parties. Review of the log confirms the log is current and has been modified since the last audit. The system reviews the output from the Management Review, corrective actions and customer complaints that have an impact on the risk management and opportunity requirements. KPIs have been developed, with Top Management setting goals for each KPI related to each core process. Since the last audit, Top Management has modified the goals for each of the established KPIs that is in keeping with trend analysis and performance review to challenge the organization to improve the QMS and core processes. Jemison Metals Quality Manual, Revision 11/22/2019. The quality policy, scope, context of the organization and all sections of the standard and incorporation of the Level 2 documents (procedures) into the manual were reviewed. As the standard does not require a manual, the current revision of the manual has documented the quality policy and other documents to act as a repository for such documents required by the standard. The manual meets the requirement of the standard.</p> |
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| <p>Auditor Comments<br/>(Important Observations,<br/>Strengths, Exclusions):<br/>(continued):</p> | <p><u>Control of documented information and retained documented information:</u><br/>Control of documented information internal document QMS 7.5 Documented Information is via revision control, reviewed prior to release and approved by identified authority. electronic data is protected from damage or loss via backup and external documents are controlled via the quality manager. Retention requirements established respective of the documented information requirements, i.e., customer, specification, internal requirements, and interested party. The process is effective.</p> <p><u>IT:</u><br/>The system is fully backed up to a remote location within the organization daily. Another method of backup for the MRP system is through the cloud with full security rotating access with notification of completed backup weekly. The system has a dedicated power supply with battery backup to allow a soft shutdown to prevent damage and possible data loss. The system has environmental monitoring for temperature, moisture, power interruption, etc., and notification to the IT Director of any issues that require action. The process is fully implemented and effective.</p> <p><b>Trinity and Sumter Facilities</b></p> <p><u>Calibration:</u><br/>Reviewed the calibration process for measuring and monitoring equipment. The records are complete and provide traceability to NIST for both employee-owned and company-owned equipment. The system maintains an index of all equipment with location, frequency of calibration, and traceability to NIST. The standards used to calibrate the equipment are sent out to a calibration house to provide traceability to NIST and are used to validate the process equipment. The calibration supplier is A2LA and ISO 17025-certified. Reviewed the following Trinity location equipment: Tape Measure (employee owned) T1036, Caliper 6001, Micrometer 013, 011, and Calibration Blocks 909758, 9002008, 8100173, related to the calipers and blocks 190212, 195544, and 195568 related to the Micrometer. Sumter location equipment: Tape measure 8-3, Step Gauge ST5, Micrometer M-50, Inspection Table 63294, Steel Ruler 135, and Calibration block set 281802. All equipment reviewed confirmed full traceability to NIST per the calibration records. The process is effective.</p> |
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| <p>Auditor Comments<br/>(Important Observations,<br/>Strengths, Exclusions):<br/>(continued):</p> | <p><u>Training:</u><br/>The organization has developed a training matrix that provides the competency level, needs assessment for each process/position and cross training. Records support the competency and training displayed on the matrix. The process is complete, up to date, and effective.</p> <p><u>Access to Documents:</u><br/>The intranet is robust and is system-wide to all sites aiding in communication of production run status, production in ready to ship status, etc. Access to procedures, work instructions, forms, etc., is available at the workstations for looking up documents, printing shipping documentation, and data entry. Actual production parameters and run data are available on the system throughout the organization.</p> <p><u>Control of Nonconforming Product:</u><br/>The organization uses red hold tags to identify, segregate, and provide reasons for rejection and actions proposed to address the rejected product (Trinity and Sumter). Reviewed red hold tag 47 and 54272 edge wave and 542151 excessive edge burr. The actions are to rework to roll out the edge wave and remove the burr. The rework work order requires inspection steps the same as the original work order to ensure the process was effective and record the inspection results. Based on the level of detail and attention to meeting requirements, the process is effective.</p> <p><u>Preventive Maintenance:</u><br/>PM checklists used to ensure all items are covered and validated as complete.</p> <p>Trinity: Uncoiler, Roll Leveler, 2,400-ton stretcher, overhead crane, and forklifts.</p> <p>Sumter: Forklifts, Leveler, Air Compressor, Crane. Process equipment and support equipment are maintained and scheduled to minimize unplanned outages. As a risk minimization activity, the checklists are signed off by the Plant Manager as a peer review of needed maintenance activity. The process is effective.</p> |
| <p>Validation of CANs issued during previous activity:</p>  | <p>No CANs were issued at the last audit.</p>   |



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| Review of Outsourced Processes:   | The calibration monitoring and measuring equipment and, when required by customers, third-party testing of material. Reviewed test report JMD121119.1, dated 12/11/2019, for the following mil coils 64232, NB65642, and ND65559. The testing for chemical and physical requirements passed the specification requirements.  |
| Shifts:   | <p>Changes to shifts and/or shift times were observed.</p> <p>Second shift of the listed sites on the audit plan have been modified. The shift is conducted four days per week Monday through Thursday ten hours per day. The audit plan was revised for the last day of the audit to accommodate the change and allow second shift audit coverage. A third shift was added to the Sumter and was covered as reflected in the revised audit plan attached to this report.</p> <p>All shifts were physically audited.</p> |
| Notable changes (e.g., address, management rep., shifts, scope, processes, employee count, etc.): | Sumter has added a third shift for shipping and allows staging the product for loading on the trucks. A revised audit plan that includes updated shift times was submitted to the SRI Office.  |

## R20.62 Auditee Information

**Auditee:** Jemison Metals

**Auditee No:** 6796-02

**Address:** 914 Maero Street NW

Trinity, AL 35673

Main Phone Number: 205-986-6630

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

Surveillance: 01/07/2020

Total Mandays: 1.0

Donald Simmons, Lead Auditor

**SRI Customer Care 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 products utilizing cut-to-length and stretch leveling operations.

**SIC Codes:** 5051 **IAF:** 29 **NACE Codes:** G51.5

**No. of Employees:** 27

**Products:** Steel

**Regulatory/Statutory Requirements:** REACH, RoHS, DOT, Conflict Minerals, NAFTA

**Accreditation Mark(s):** ANAB

**Registration Approach:** Sampling

**Certificate Expiration:** 03/10/2022

**No Shifts:** 2

**Times of Shifts:** 1st 6:00a-4:00p M-F, 2nd 4:00p-2:30a M-Th

## 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](mailto:rrowland@jemisonmetals.com)

### Audit Event

Surveillance: 01/08/2020 - 01/09/2020 Total Mandays: 1.5  
Donald Simmons, Lead Auditor

**SRI Customer Care Coordinator:** Kelly Surgalski  
**Coordinator Phone:** 724-934-9000 ext. 667  
**Coordinator Email:** [ksurgalski@sriregistrar.com](mailto: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:** 28  
**Products:** Steel  
**Regulatory/Statutory Requirements:** REACH, RoHS, DOT, Conflict Minerals, NAFTA  
**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](mailto:rrowland@jemisonmetals.com)

### **Audit Event**

Surveillance: 01/10/2020

Total Mandays: 1.0

Donald Simmons, Lead Auditor

**SRI Customer Care Coordinator:** Kelly Surgalski

**Coordinator Phone:** 724-934-9000 ext. 667

**Coordinator Email:** [ksurgalski@sriregistrar.com](mailto: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:** 40

**Products:** Steel

**Regulatory/Statutory Requirements:** REACH, RoHS, DOT, Conflict Minerals, NAFTA

**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

## 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 |
| Packaging and Shipping  | X            |                           |                |                |
| Production and Services | X            |                           |                |                |
| Purchasing              | X            |                           |                |                |
| Receiving of Materials  | X            |                           |                |                |
| Sales                   | X            |                           |                |                |

## Process Summary

| Process                | Comments  |
|------------------------|---|
| Packaging and Shipping | <p>Reviewed work orders for Trinity: 109488 and 109301 related to packaging of product. The work order contains the packaging requirements per established packaging instructions specific to the customer requirements. Example: one customer called for specific skid configuration JD5 and strapping with tags located on opposite corners and protective cover on top sheet. Pictures of the configurations are located within the work area related to the work order call out. The weight restrictions and stack heights are also called out. When the work order is completed, the Packaging Department places the status of the order into ready to ship status. The Shipping process moves the material into the staging area and identifies the skids with green markers, and a Loading Order is established. Reviewed the following load orders for Trinity: 81707 and 81728; Sumter 106846, 106845, 106878, and 106879. Trucks are scheduled for pickup, and when the order is loaded onto the trucks, the tags are scanned into the computer allowing the document package to be printed. At a minimum, a BOL is printed for release of the product to be shipped. To prevent missed products, wrong product placed on the truck, etc., a peer review is done with the office employees to mitigate risk. The trucks are not released until the review is complete. Other documents, such as lab reports, etc., are per the customer requirements and entered into the computer at the planning stage; example order 106846 has a customer requirement to provide chemical analysis for each heat lot used to complete the order. Based on the level of detail on the work order and the peer review between the packaging and the staging of the product to ship, the process is effective.</p> <p>Effectiveness measures:<br/>OTD (On Time Delivery)<br/>Goal 98%, Actual 99.3%<br/>Trend Steady; Goal was exceeded.</p> |

| Process                 | Comments   |
|-------------------------|--|
| Production and Services | <p>Part of the production process is the planning and development of the work order including CAD drawings. Customer provides the CAD file that will require additional information or configuration at different stages of development to final configuration. Reviewed part numbers 436617330110, 436617340110, and 436619890110. The previous revision levels are maintained in an access limited file to prevent obsolete revisions from being accessed. Field feedback is invited and requested to ensure the current revision is accurate and is the most efficient utilization of the program.</p> <p>Reviewed the following work orders for Trinity: 109488, 109301, 109210, and 109378. Reviewed the following work orders for Sumter: 76704, 93706, 76721, and 76722. The tags attached to the coils when received contain data, such as heat lot numbers, master coil numbers, etc., that allow the product traceability to the manufacturer to the delivered product. Flow down requirements are contained on the work order, including lessons learned from previous production runs, customer complaints, and other instructions/requirements per the customer purchase order. Accept/reject criteria and dimensional requirements and actual field measurements are documented on the work order and entered into the computer located at the work centers. Risk issues include camber, thickness variation, surface issues, coil selection, and burr height are identified, and actions taken to reduce or eliminate. The work order travels with the job and include instructions for each operation. Production is the release authority to validate that the actual field measurements and the required configuration are within tolerance. The field measurements are documented per the organizations frequency or per customer required frequency. Before the product can be transferred to the next operation, the operation must be signed off in the computer. The operator has the release authority to allow the product to be shipped to the customer. Based on the traceability of the product, control of the product configuration, and meeting requirements, the process is effective.</p> <p>Effectiveness measures:<br/> OTD (On Time Delivery)<br/> Goal 98%, Actual 99.3%<br/> Trend Positive; Goal Exceeded</p> <p>DPPM Internal<br/> Goal 0.4, Actual 0.06<br/> Trend Steady; Goal Exceeded</p> <p>DPPM Ship<br/> Goal 3400 Max, Actual 174<br/> Trend Positive; Goal Exceeded</p> |



| Process    | Comments   |
|------------|--|
| Purchasing | <p>Reviewed the following purchase orders: 16310, 26722, 3475, and 16194. The purchase orders are highly detailed with specification call out, required records, i.e., mill report, material properties, packaging requirements, and additional notes per the organization and/or customer flow down. An approved supplier list (ASL) has been developed identifying those suppliers that the organization can purchase raw material and are evaluated on a quarterly basis. Supplier score cards are provided to those suppliers with purchasing activity for the quarter with the following categories: on-time delivery, technical assistance, quality of the product, and responsiveness to issues and needs to aid in the selection of the supplier. The buyers are responsible for performing the evaluations that are documented and maintained. The system has contingency plans in place in the event the key supplier is not able to provide the needed product. New suppliers are required to complete a self-evaluation form. The evaluation is reviewed and accepted or could generate additional questions. The forms are signed as reviewed and completed. For suppliers that are certified, i.e., ISO, the certificates are maintained on file. Trial purchases are done to ensure delivery and quality is acceptable. Reviewed new supplier evaluation for JSW Steel resulting in the supplier to be identified as conditional supplier due to issues with coils. The results of the supplier scorecards are submitted to Top Management through the Management Review process. Supplier audits are optional but maybe initiated to mitigate risk. Headquarters is responsible for purchases for all the remote sites with data feedback of product delivered and accepted or rejected to complete the purchase cycle. Review of the receiving activities will be done at the remote sites. Additionally, Top Management has developed a highly detailed analysis of the key supplier base as to capacity, capability, products provided, and configuration of those products. Historical reviews and pricing are also part of the review and aid in assisting sales with data when bidding on contracts for lead time, proximity to the remote sites, and ensuring the supplier is a good fit for the customer/organization. Supplier issues related to quality, delivery, etc., are documented and addressed through the Corrective Action process. Reviewed supplier SCAR 002 related to repeat issue with critical width tolerance not being met and required supplier to respond with a corrective action. Based on the level of detail and HQ involvement in the new supplier evaluation, frequency of the evaluations of existing suppliers, status of the KPIs, and the centralization of purchasing materials, the process is effective.</p> |

| Process                   | Comments   |
|---------------------------|--|
| Purchasing<br>(continued) | <p>Effectiveness measures:<br/> OTD (On Time Delivery)<br/> Goal 98%, Actual 99.3%<br/> Actions taken and resulting trend positive</p> <p>Inventory months on Hand<br/> Goal &lt; 2.2 Months on hand, Actual 2.1 Months on hand</p>  |
| Receiving of Materials    | <p>The customer-supplied product is validated against the BOL to ensure the product is being delivered to the correct address, the heat lot numbers match, product type, grade and quantity are accurate, thickness/size, and specification matches. The BOL is scanned and sent to HQ for matching up with customer product and assignment to the work order reviewed customer number 2890 (Trinity) 2965 (Sumter). Purchased product is matched up with the purchase order for the same items listed on the PO, such as grade size, etc., and accepted into inventory. Once accepted, a tag number and printed tag is attached to the product and is used as an internal trace and assignment to a work order. Reviewed PO GAD16793 tag 3767991.000 (Trinity); Reviewed PO 25184, 25345, and 25525 Sumter. The data is checked by the office employee as a peer review to minimize human error for purchased products, and for customer-supplied products, the coil is assigned to the work order for processing of the coil. Based on the level of validation points, the status of the KPI, and the attention to detail by employees, the process is effective.</p> <p>Effectiveness measures:<br/> OTD (On Time Delivery)<br/> Goal 98%, Actual 99.3%</p> |

| Process | Comments  |
|---------|---|
| Sales   | <p>Reviewed the following purchase orders: 4001-144784, 4001-144701, and 4001-142210. New parts, customers, or changes to an existing part are process through an award review. The orders are processed through Headquarters to determine if the organization has the capability, capacity, and equipment to process the order and determine the best site that has the ability to process the order. Any additional information needed to fully understand the customer requirements is done through the remote site where the contact was made. The Business Manager is responsible for preparing quotations, gathering information, and coordinating quote calls (internal personnel) to aid in developing the quotation. Note that the Sales process is being centralized similar to the purchasing process to the Birmingham office. Customer complaints are documented on a customer complaint log and are reviewed at the scheduled daily production meetings. The entire organization (all sites) is in attendance to discuss issues, job status, and any corrective actions, actions, and reasons for late shipments. Top Management is included on the meeting attendance and where needed resources are provided to support and aid to resolve issues. Contract review ensures that the quotation and the custom purchase order agree. The customer is provided an acknowledgement that details the product and any exceptions or issues. Any changes are evaluated and, depending on the stage of the manufacturing process, changes are accommodated with a revised purchase order identifying the change. Contracted release requires the customer to issue a release order to allow the shipment to be process and sent to the customer. Based on the status of the KPI and the level of detail provided on the acknowledgement, the process is effective.</p> <p>Effectiveness measures:<br/> OTD (On Time Delivery)<br/> Goal 98%, Actual 99.3%<br/> Trend Positive; Goal Exceeded</p> <p>DPPM Ship<br/> Goal 3400 Max, Actual 174<br/> Trend Positive; Goal Exceeded</p> |

## **Corrective Actions List**

No nonconformities were identified during this audit event activity.

## **Opportunities for Improvement**

No Opportunities for Improvement were identified during this audit event activity.