# Audit Review and Evaluations of JEMISON METALS

# 8100 Aetna Road Cleveland, OH, 44105

Dates of Audit: 10/9/24 Date of Submittal: 10/21/24

Auditors: Rick Rowland - SR VP QA & Engineering

#### 1.0 Summary

This internal audit review provided an evaluation of Jemison's current level of conformance to the ISO 9001:2015, against the current internal audit schedule. The audit measured how effectively the quality management system is implemented in conformance with the applicable requirements and standards. **Based upon our review**, the QMS is effectively implemented.

#### Audit Detail/Observations/Findings

#### 7.5 – Documented Information

The following forms and documents were verified during the audit: JDM 200 10/9/13 Rev 2 for CA 26611, JDM-F-001 Rev 2 7/30/13 in Receiving, JDM200 Quality Policy 7.21.18 Rev-1 posted in shipping office and Loopco Slitter information board, JDM3 Slit Size Inspection 3/1/17 Rev 4 and JDM4 Slitting Orders 7/21/11 Rev 7 both at the Loopco Slitter

#### 7 Support

Employees appeared competent and well trained. Adequate resources (gauges, safety equipment, operating equipment, and environment) were observed during the audit.

#### 7.1.3 Infrastructure

Preventive Maintenance: Larry Strimple provided the following PM evidence that was performed either by Rick Ladow (Jemison Maintenance) or an outside provider:

- Forklift daily checks from January 2024 through September 2024 were reviewed and all indicated ok.
- HY120S forklift annual check by Gregory Co. was reviewed. Performed in November 2023.
- Loopco slitter PMs were reviewed from Jan-Sept 2024. Last major service performed was in 2018. Slitter PMs consists of two main parts: 1) Entry Exit, Uncoiler, Shear, Slitter and 2) Pit/Table, tension stand, overarm, recoiler, power units and gauger.
- Annual overhead crane inspection reports were reviewed. The report was dated 10/28/23 with the next scheduled inspections in November of 2024. The inspection report identified 5 safety items on 3 cranes. The safety items were 4 bumpers and 1 weld. All safety repairs were complete at the time of this audit.

#### 7.1.5 Monitoring and Measuring Resources

The following gauges were verified to be calibrated in compliance with calibration records via Gagetrak:

#### Receiving:

2 Rockwell machines labeled "out of service". OFI #1 – Should consider removing or selling the hardness testers or at a minimum

affixing better "out of service" signage to the units.

Looopco Slitter:

Micrometer serial#: RBI21 Last Calibration Oct 2024, due Nov 2024 Tape Measure serial#: 7 Last Calibration Sep 2024, due Sep 2025 12" Caliper serial#: SP1 Last Calibration Sep 2024, due Dec 2024 24" Caliper serial#: 120 Last Calibration Sep 2024, due Dec 2024 AGT Gauger serial#: 2208 Last Calibration 9/2624, due Mar 2025

#### Maintenance Office:

0.100" Gauge Block serial#: 237107, Calibration Due Nov 2026 0.500" Gauge Block serial#: 232090, Calibration due Nov 2026 1.000" Gauge Block serial#: 233453, Calibration due Nov 2026

#### 7.2 Competence

Interviewed Jaylin Hoyet (1<sup>st</sup> Receiver), Kathy Manka (Production Planner & 2<sup>nd</sup> Receiver), Jerald Prince (Slitter Operator), and Lemuel Robins (Shipping). All were able to locate the Jemison Quality Intranet, Quality Policy, and their respective procedures, if applicable.

Additional employees talked to: Sandi Watkins (Inside Sales), Rick Ladow & Larry Strimple (Maintenance), Reed Fulmer (Purchasing/Materials Mgmt)

Reviewed Training Status Matrix, which had employees clearly identified.

#### 8.2 Requirements for products and services

<u>Contract Review/Order Acknowledgement</u>: Precision Metal Products Loading order CLV-140648 was observed at shipping. Sandi Watkins is the inside sales representative for this customer. The customer sends their monthly requirements via email. In this case they emailed on 10/3/24 and Sandi confirmed back quantities the same day and entered Sales Order 9965. The part numbers from the email matched what was on the loading order. Material shipped on time.

<u>Purchasing</u>: Tag DU36027 was observed during receiving. It was purchased on PO CLV-30632. Reed Fulmer is the materials manager for this account in Cleveland. PO CLV-30632 was sent to NLMK on 8/19/24 and acknowledged by NLMK on 8/27/24. Grade, order quantity, thickness, width etc were verified in the acknowledgement vs the purchase order.

8.4 Control of externally provided processes, products and services <u>Receiving</u>: Mill coil 2892324 from NLMK was received against PO# CLV-30632 by Jaylin Hoyett (1<sup>st</sup> Receiver) and Kathy Manka (2<sup>nd</sup> Receiver). JDM-F-001 Rev 2 7/30/13 was filled out documenting: Mill, Gauge, Size, Description, weight, tag number, location and with yes/no questions for PKG Complete, Truck Wet, Material Wet. Tag number DU36027 was generated and hung on the coil place in location A19. Purchased for customer Vertiv.

OFI #2 – CLV-RC-001, receiving procedure, revision from 2018 removed the requirement for coils to be weighed. JDM-F-001, mill/receiving worksheet, has a column for scale weight. Should consider removal of the column, or mark it as optional so the blank spaces aren't questioned.

#### 8.5-Production & Service Provisions

Production: Work Order CLV 88638, customer JAC Products. Production of 22ga HSLA Grade 50 40G/40G Galvanized slit coil (6 cuts) of 6.550".

Gauge (.034-..040", .0385-.0395" Actual). Width (6.55-6.58", Actuals were 6.553, 6.552, 6.553, 6.553, 6.553, 6.553"). Tags 469311-469315 were cut from coil DU35835 (DU35835 was the correct coil as shown on "material to be used" on the work order). All checks, other than gauge listed above, were within tolerance and documented on either the Slit Size Inspection Report (JDM3, 3/1/17 Rev 4) or the Slitting Orders Report (7/21/11 Rev 7).

<u>Shipping</u>: Precision Metal Products Loading Order CLV 140648 (also the BOL) was staged in preparation for loading. Lemuel Robinson showed me the loading order as well as the 12 tags (35,173 lbs) that were staged. Loading order requirements included: Fork Rear Unload, 3,000lbs max lift. These requirements along with the tags listed on the loading order were observed to be correctly loaded onto the Conestoga truck at 10am, the scheduled time for the truck.

#### 8.7 Control of Nonconforming Product

The nonconforming areas were neat and identified with tags that had descriptions in the comments about the issue. There are 2 nonconforming areas in Cleveland, one for sheet/blanks and one for slit coil. Both were clearly delineated, and sample tags were written down for further review.

- Sheet tag 278366R (21pcs, 3314 lbs, HRPO .0966 x 60 x 96 CS Type B). Tag date was 10/7/24 and remark listed as "scratches on bottom of master".
- Sheet tag 276402R (30pcs, 1891 lbs, CR .0351 x 59.75 x 111.5). Tag date was July 2024 and is on mill claim 26924. Tag remark "Bruise in sheets"
- Coil tag 276299 (1pc, 7,720lbs, .042 x 26.18"). Tag date 7/18/24. Tag remark "Edge Damage, needs to be re-slit". Tag is reserved to a re-slit job by planner.

All 3 of these tags were verified to be in either the reject or mill claim virtual warehouse in Stelplan.

#### 10.2 Nonconformity and Corrective Action

CA 26611, Reading Truck, verified, Closed during this audit. SCAR 02191, Lincoln Electric. MF#1: The second action in this CA had not been completed. This action included adding "Sampling 1pc/skid" to the part spec remarks. This was corrected and verified before the end of the audit.

SCAR 02192, Lincoln Electric. Verified. Customer accommodation for a rust claim.

#### 10. Improvement

The Cleveland plant is one of our best performing plants regarding our key KPI's: Internal and External DPPMs and On Time Delivery %. Cleveland has done this while experiencing tonnage growth year over year. Internal DPPMs YTD are 2,335 vs goal of less than 2,500 (60 DPPM are operational related). External DPPMs YTD are 1,421 vs goal of less than 3500 (1,113 are operational related). On time delivery YTD is 98.1% vs goal of greater than 98%. Additionally, there were upgrades to the bathroom, breakroom, and locker room. New stainless steel stalls, new lockers and approximately \$30,000 worth of plumbing work were performed/installed.

### 2.0 Overview

# 2.1 Personnel Interviewed (Audit evidence found in the Audit Worksheets)

| Jerald Prince – Loopco Operator          | Sandi Watkins-Inside sales |
|--|----------------------------|
| Lemuel Robinson - Shipping               | Randy Richards – VP Opns   |
| Jaylin Hoyett – 1 <sup>st</sup> Receiver | Larry Strimple/Rick Ladow- |
| Kathy Manka – 2 <sup>nd</sup> Receiver   | Maintenance                |
|  | Reed Fulmer - Purchasing   |

## 2.2 Audited Requirements

| 4  | Context of the Organization  | 8  | Operation  |  |
|--|--|--|--|--|
| 4.4  | Quality Management System  | 8.1  | Operational planning and   |  |
| and its process  | ses  |  | control  |  |
| 5  | Leadership   | 8.2  | Requirements for products and  |  |
| 5.1  | Leadership and commitment  |  | services   |  |
| 5.1.2  | Customer Focus   | 8.3  | Design and development of  |  |
| 5.2  | Policy   |  | products and services (N/A)  |  |
| 5.6  | Management review  | 8.4  | Control of externally provided   |  |
| 6  | Planning   |  | processes, products and  |  |
| 7  | Support  |  | services   |  |
| 7.1.1  | General  | 8.5  | Production and service   |  |
| 7.2  | Competence   |  | provision  |  |
| 7.1.3  | Infrastructure   | 8.7  | Control of nonconforming   |  |
| 7.1.4  | Environment for the  |  | outputs  |  |
| operation of processes   |  | 9  | Performance evaluation   |  |
| 7.1.5  | Monitoring and measuring   | 9.1  | Monitoring, measurement,   |  |
| resources  |  | -  | analysis and evaluation  |  |
| 7.5  | Documented information   | 9.1.1  | General  |  |
|  |  | 9.1.3  | 3 Analysis and evaluation  |  |
|  |  | 10 Improvement   |  |  |
|  |  | 10.2   | Nonconformity and corrective   |  |
|  |  | action   |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| 5.1<br>5.1.2<br>5.2<br>5.6<br><b>6</b><br><b>7</b><br>7.1.1<br>7.2<br>7.1.3<br>7.1.4<br>opera<br>7.1.5<br>resou<br>7.5 | Leadership and commitment<br>Customer Focus<br>Policy<br>Management review<br><b>Planning</b><br><b>Support</b><br>General<br>Competence<br>Infrastructure<br>Environment for the<br>tion of processes<br>Monitoring and measuring<br>rces<br>Documented information | 8.3<br>8.4<br>8.5<br>8.7<br>9<br>9.1<br>9.1.1<br>9.1.3<br>10,2<br>action | services<br>Design and development of<br>products and services (N/A<br>Control of externally provid<br>processes, products and<br>services<br>Production and service<br>provision<br>Control of nonconforming<br>outputs<br><b>Performance evaluation</b><br>Monitoring, measurement,<br>analysis and evaluation<br>General<br>Analysis and evaluation<br><b>Improvement</b><br>Nonconformity and corrective |  |

## 2.3 APPROVAL/SIGN-OFF

Report Prepared by Rick Rowland

Date 10/21/24

#### Nonconforming Corrective Action Report (CAR) for Jemison Metals

| CAR    | ISO 9001:   | Findings/Requirements  | Observation | Minor | Major |
|--------|---|--|-------------|-------|-------|
| #      | 2015 Clause /   |  |             |       | Ŭ     |
|        | Sub-Clause  |  |             |       |       |
| MF#1   | 10.2.1c<br>Non-<br>Conformity &<br>Corrective<br>Action | Customer SCAR 02191, for bowed blanks at<br>Lincoln, included implementing an action that had<br>not been completed. Specifically, the remarks<br>"Sampling 1pc/skid" was to be added to the part<br>specification. This was corrected prior to the end<br>of the audit.   |             | Х     |       |
| OFI #1 | 7.1.5.2b<br>Measurement<br>Traceability                 | Two rockwell hardness testing machines were<br>located in the warehouse receiving area. They<br>were labeled as "out of service". The label was<br>dirty and hanging by tape. Should consider selling<br>the machines or moving to maintenance or at least<br>providing better signage that is more robustly<br>affixed to them. | X           |       |       |
| OFI #2 | 7.5.3<br>Documented<br>Information                      | CLV-RC-001, receiving procedure, revision from 2018 removed the requirement for coils to be weighed. JDM-F-001, Mill Receiving Worksheet, has a column for scale weight. Should consider removal of this column, or mark it as optional so the blank spaces aren't questioned by customers and/or auditors.                      | X           |       |       |