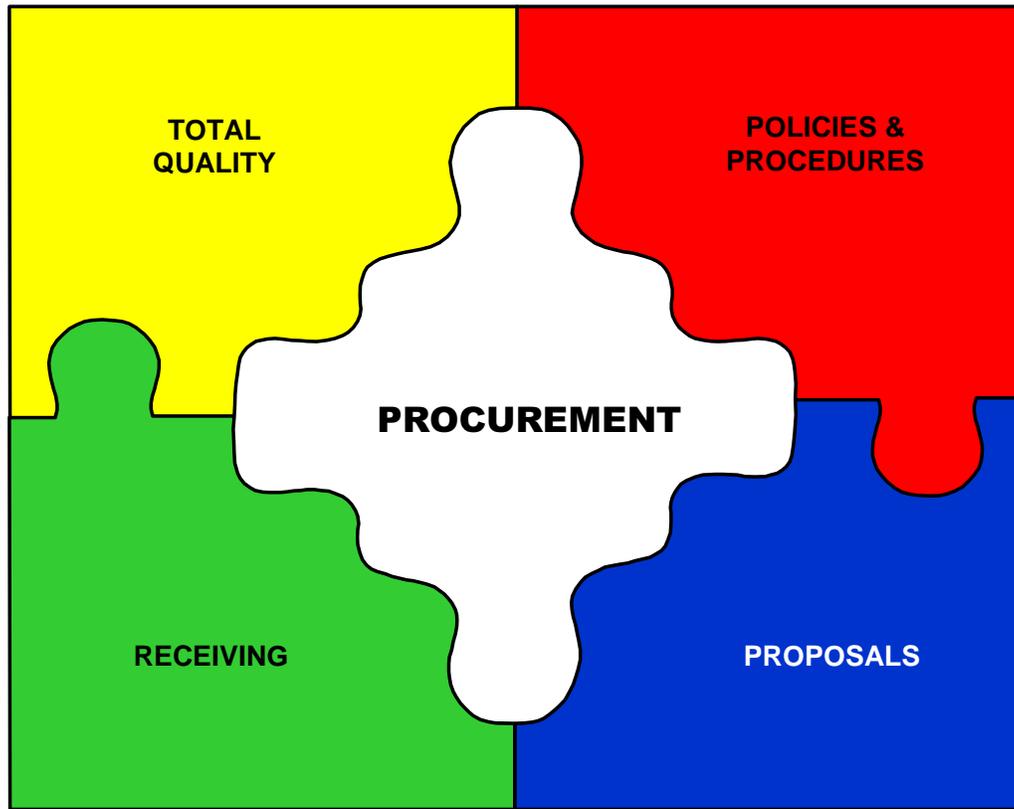




September 1999

SUPPLIER



QUALITY GUIDE

*Prepared By
Procurement and Materials Management Department*

To Our Suppliers:

*In order for the Savannah River Site to run smoothly, Westinghouse depends heavily on **YOU, the Supplier.***

*To continually improve operations, safety, health and environmental protection, quality, and customer satisfaction, we ask for your **total commitment** to quality and excellence in our business operations. WSRC will strive to meet this same commitment.*

Realizing the importance of our suppliers, we are pledged to making you valued partners by involving you in all aspects of our procurement process. Our plan centers around “continuous improvement” in the procurement process using clear and concise instructions to suppliers, communication, feedback, awareness, and education.

We ask you to take this Guide, copy it when needed, train your employees on our requirements and make them a part of your business practices where appropriate.

By working together, we can and must ensure that a quality product will be received when scheduled and at a competitive cost. Together, we can both accomplish our common goals.

Your support and cooperation in this program will make it happen! Thanks in advance for your support.



*Thomas E. Robinson, Manager
Procurement and Materials Management*

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Can You Answer “Yes” to These Questions?

- √ **Pricing**
 - ◆ Are quotations submitted on time?
 - ◆ Do proposals/quotations contain all of the required information per the Request for Quotation/Proposal?
 - ◆ Are prices competitive?

- √ **Delivery**
 - ◆ Are items shipped on time?
 - ◆ Is delivery improved when shipment is an emergency?

- √ **Quality of Documentation**
 - ◆ Are submittals delivered correctly and on time?
 - ◆ Are quality-related documents delivered correctly and on time?
 - ◆ Were the required documents shipped with the hardware?
 - ◆ Were all the boxes and items marked per the Purchase Order instructions?

- √ **Quality of Hardware**
 - ◆ Does the item meet the Purchase Order requirements?
 - ◆ Were the materials/parts delivered in good condition?
 - ◆ Do the parts function correctly?
 - ◆ Do you buy material/components from a reputable dealer, receiving all supporting documents certifying the material/components to ensure that no counterfeit parts are received?
 - ◆ Do you have a sense of ownership of the products or services you provide, even after the product/service is delivered?

- √ **Invoicing**
 - ◆ Do invoices match the Purchase Order requirements?
 - ◆ Do invoices contain all the required back-up per the Purchase Order?
 - ◆ Do invoices reference correct line items on the Purchase Order?

- √ **Safety**
 - ◆ Do you place a high regard on safety and provide safety awareness training for your employees?

**IF THE ANSWER TO ALL QUESTIONS IS “YES,” THEN WSRC WANTS YOU
AS PART OF OUR TOTAL QUALITY TEAM**

IF NOT, LET US KNOW WHAT WE CAN DO TO HELP YOU BECOME
A MEMBER OF THE TOTAL QUALITY TEAM

Introduction

Westinghouse Savannah River Company (WSRC) has implemented a comprehensive Quality Improvement Plan. This plan involves continuous improvement of all WSRC processes and familiarizing and educating suppliers to the unique intricacies of conducting business with the Savannah River Site. The objectives of the WSRC Supplier Quality Improvement Plan are explained in the following **Vision** and **Mission** statements:

Vision

Suppliers will become integral partners on the WSRC Total Quality Team and will be responsible and accountable for their performance. Supplier products and services will be received on time and will be acceptable as received - the first time. Suppliers will be selected, measured, controlled, and recognized based on their potential and actual value contribution to meeting requirements for Total Quality.

Mission

Simplify and enhance the procurement process, through employee and supplier participation in planning and process improvement techniques. Promote open communication with suppliers and foster a teamwork approach to the objective of eliminating ambiguities, redundancies, rejections, rework, waste, late deliveries, and late payments to suppliers.

Purpose

This WSRC Supplier Quality Guide establishes the basic WSRC quality and delivery guidelines and requirements throughout the entire procurement process and explains WSRC's expectations and requirements relative to quality and delivery, so suppliers will know what is expected from them.

The purpose of this document is to provide assistance to suppliers in furnishing acceptable proposals, end products and/or services required by a WSRC Request for Proposal, Request for Quote, Subcontract or Purchase Order, and other requirements that may be set forth therein.

The Procurement and Materials Management Department (PMMD) maintains a viable base of suppliers who are willing to work as partners with WSRC to achieve its objective of **quality** and **excellence**.

Important Note:

THE FOLLOWING SECTIONS ARE DIRECT FEEDBACK FROM FUNCTIONAL WORK GROUPS WITHIN THE PROCUREMENT AND MATERIALS MANAGEMENT DEPARTMENT. PLEASE BE ADVISED THAT THERE IS ABSOLUTELY NO INTENT TO SEND A NEGATIVE MESSAGE TO ANY OF OUR SUPPLIERS READING THESE SECTIONS. THE GUIDANCE POSED IN THE FORM OF “DON'TS” IS INTENDED PURELY AS A MEANS OF RELAYING THE REQUIREMENT IN ITS SIMPLEST TERMS.

Expectations

- ◆ WSRC expects suppliers to completely review Scopes/Statements of Work and Specifications in solicitations and to provide a proposal only if they are able to meet delivery and performance requirements exactly.
- ◆ WSRC expects products and/or services to be delivered on time, exactly as stated in the Purchase Order/Subcontract and of the specified quality.
- ◆ WSRC expects to receive the quantity of items ordered with no substitutions and expects the items to be packaged, marked, shipped, and received exactly as required.
- ◆ WSRC expects open communication with suppliers and prompt, advance notice of problems or misunderstandings.
- ◆ WSRC expects suppliers to be dedicated to quality and to believe on-time delivery as a must.
- ◆ WSRC expects suppliers to conduct business ethically. Suppliers are not to offer Westinghouse or Bechtel employees any form of gifts, gratuities, or favors no matter how small in monetary value.
- ◆ WSRC expects suppliers to work on their present Subcontract only. WSRC will not tolerate suppliers marketing services or supplies to WSRC/Bechtel personnel for future Subcontracts while performing services or delivering supplies under a present Subcontract.
- ◆ WSRC expects suppliers to read, understand and comply with all purchase order terms and conditions.

Proposal Preparation Requirements

General Information

- ◆ Suppliers who plan to do business with the Savannah River Site should become familiar with the “rules and regulations” of doing business with the U.S. Government, its agencies, and Prime Contractors.
- ◆ For Subcontracts/Purchase Orders that require access to the Savannah River Site, personnel will be required to obtain security badges and are required to be U. S. citizens.
- ◆ All personnel who work on Site are subjected to initial and, on certain occasions, random substance abuse testing. WSRC prohibits the use, possession, sale, distribution, and presence in the body of alcohol, drugs or other controlled substances within the limits of the Savannah River Site.
- ◆ WSRC has experienced problems with suppliers who drop-ship material and parts. WSRC prefers suppliers with the Purchase Order to ship the material/parts direct. WSRC holds suppliers accountable for review of the quality, documentation, packaging, and marking before shipment to the Savannah River Site.
- ◆ If currently providing products that can be exactly traced and identified to a National Stock Number, please indicate in writing to your WSRC Buyer.

Request for Quotes (Tips for a successful quotation)

- ◆ A Request for Quotes normally is provided on solicitations where an award is expected not to exceed \$100,000.
- ◆ Read the cover sheet carefully, noting Local Area or, Small Business Set Aside information.
- ◆ Write unit pricing and total pricing per line item on the WSRC request form, which contains the item description only, and return via Fax.
- ◆ Assure that your quotation states the following:
 - FOB Destination
 - Freight - Prepaid and allowed
 - Promised ship date
 - The part number and manufacturer if quoting an approved equal and a Technical Cut Sheet for evaluation of approved equal
 - Specifically what you are quoting - list color or any other required information that is listed on the request if offering an approved equal
 - Acceptance of WSRC Terms and Condition
 - Payment terms
 - Identify all foreign made parts
 - The unit of measure has to be the same as required on the requisition
 - Provide a published price list, if requested (provide number and date)

Request for Quotes, Continued

- ◆ Indicate if requested parts have a corresponding National Stock Number.
- ◆ Read the request carefully to identify required documentation such as Certified Material Test Reports, Material Safety Data Sheets, Certificate of Conformance, etc. This documentation is a required part of the quotation and any resulting Purchase Order.
- ◆ Notify a Buyer of any part number changes or if there is a problem with the specification.
- ◆ Respond by the requested date and time.

Request for Proposal (Tips for a successful proposal)

- ◆ Read the entire Request for Proposal (RFP) carefully and familiarize yourself with all of the documents therein. If you have any questions or concerns, address them immediately to the respective Buyer.
- ◆ Make sure you understand and adhere to all the requirements of the RFP and proposal submittal documents. Ensure that all required WSRC forms (Representations and Certifications/Organizational Conflict of Interest Disclosure, etc.) are properly and thoroughly completed and submitted with the proposal.
- ◆ Representations and Certifications must be properly completed and submitted when required. (WSRC provides this form).
- ◆ Note the section in the Representations and Certifications that applies to the Buy American Act and clearly state which, if any, items offered are foreign end products. Do not use word/abbreviation N/A. If none of the parts are foreign made state “None”.
- ◆ Provide questions or concerns promptly in writing to the Buyer.
- ◆ Pay close attention to the proposal due date and time. Follow the Bid Control Office/ Proposal Submittal Instructions exactly and use the orange mailing label as provided. Allow plenty of time for postal or delivery service in order to meet the due date and time. A late proposal will not be considered for award.
- ◆ Particular attention should be devoted to the proposal preparation submittal instructions. Noncompliance can be grounds for exclusion.
- ◆ Read the specifications carefully and ensure that you can comply - in full. If no exceptions are taken, then this implies that your company can and will meet all specification requirements. Notify the Buyer before the proposal/quote due date if there is a problem with the specification or if a part number has changed.
- ◆ Indicate if the requested parts have a corresponding National Stock Number.

Request for Proposal, Continued

- ◆ Note RFP evaluation and award criteria. Some requirements are evaluated and scored based on technical merit with cost as a secondary, but substantial factor. Delivery can also be considered in the basis for award. Other considerations may be, but are not limited to, past performance, financial responsibility, current capability to perform, and meet the requirements of the Subcontract/Purchase Order.
- ◆ Submit all required Cost or Pricing Data on the required forms and submit all supporting documentation and justification for pricing with the proposal.
- ◆ Do not quote delivery dates that can not be met - it could jeopardize your standing with WSRC.
- ◆ If the WSRC RFP contains the form entitled “Information to Offerors Service Contract Act of 1965,” then each offeror has the sole responsibility to ensure that its offer fully complies with the Act and the regulations at 29 CFR Part 4 which implement the Act. (Call the local Dept. of Labor for information).
- ◆ If the WSRC RFP Statement of Work calls for work to be performed on Site property, then the requirements for insurance coverages stated in the General Provisions must be satisfied and your proposal should so state.
- ◆ Note that some service requirements may be awarded for multiple years or with options for additional years. Particular attention should be paid to the instructions in the WSRC RFP relative to this area. It should also be noted that if a contract of this type is awarded, then this requirement will not be available for rebid for several years.
- ◆ Note the RFP specification shelf life requirements and assure that your product will meet them.

Purchase Order Subcontract Requirements

Purchase Order/Subcontract Administration

- ◆ Sign and return the acknowledgment copy of the Purchase Order/Subcontract.
- ◆ Work within the Subcontract cost, Scope of Work, schedule, and period of performance constraints.
- ◆ Do not continue to provide maintenance or other services beyond the expiration date of the Subcontract.
- ◆ Do not continue to provide services if the Subcontract funding ceiling has been reached.
- ◆ Do not take direction that changes cost, Scope of Work, schedule, or period of performance from anyone except the WSRC Buyer. Changes of this nature can only be done via a WSRC Change Notice issued by WSRC Buyer in writing.
- ◆ Submit all required cost and status reports to the Purchase Order/Subcontract schedule.
- ◆ If operating under a Cost Type Subcontract, ensure that all costs are allowable before billing and all travel costs are allowable per the WSRC Policy for Reimbursement of Travel Costs. (Check your Subcontract)
- ◆ Successful suppliers will operate in a proactive mode, constantly monitoring time, cost, and schedule performance and will provide advance notification of problems.

Avoiding Late Payments

- ◆ Note: WSRC payment terms of Net 30 denotes that WSRC has 30 days from the date invoice is received by WSRC Accounts Payable Department or 30 days from the receipt of the material (which ever is later) to make payment providing the invoice is properly submitted and documented per the terms of the Subcontract/Purchase Order.
- ◆ Verify that the quantity ordered, the quantity shipped, and the quantity invoiced agree before sending invoice to WSRC Accounts Payable.
- ◆ Verify that invoice price matches Purchase Order price.
- ◆ Reference only one Purchase Order per invoice.
- ◆ Know your Buyer and contact him/her early before small problems become big.

Shipping, Packaging, Marking, & Receiving Requirements

- ◆ Know the correct delivery address on your Purchase Order and adhere to it. Delivery will be to **WSRC Operations Receiving, 731-1N, Aiken, SC 29808**.
- ◆ Only ship the materials specifically ordered on the Purchase Order. Do not substitute without written authorization from the Buyer.
- ◆ Always ship and invoice in the unit of measure specified on the Purchase Order. Example: Purchase Order specifies 500 ft. of cable, then document as 500 ft. of cable, not 1 reel.
- ◆ Do not over or under ship the quantity ordered unless a Purchase Order Change Notice is received from the Buyer prior to shipment.
- ◆ Always mark the WSRC Purchase Order number and Purchase Order item number on the outside label or tag and on each item, as well as, the packing slip and invoice. This is often a problem on drop-shipments. If the material is palletized, all marking should face outward for easy identification.
- ◆ All palletized material is to be: a) secured to the pallet to ensure stability during shipment and handling, b) under an overall height of 53” including pallet for multiple carton items, c) on a non-expandable 48” x (40” to 48”) wide, two-way entry, hardwood pallet. Pallet should have full length stringers connected with deck boards on top and bottom.
- ◆ Ship all documentation required by the Purchase Order (i.e., Quality Assurance Data, Test Data, and Shelf Life Expiration Data, or Manufacturer’s Cure Data) with each item. This is often a problem on drop-shipments.
- ◆ All documentation should be marked with the Purchase Order number and Purchase Order item number.
- ◆ Ship complete assemblies or lots. Example: If Purchase Order reads: one (1) each “Control Panel and Power Supply,” do not ship Control Panel and Power Supply in separate shipments.

Summary

Westinghouse Savannah River Company hopes that this Guide will assist you in providing quality products and services to the Savannah River Site.

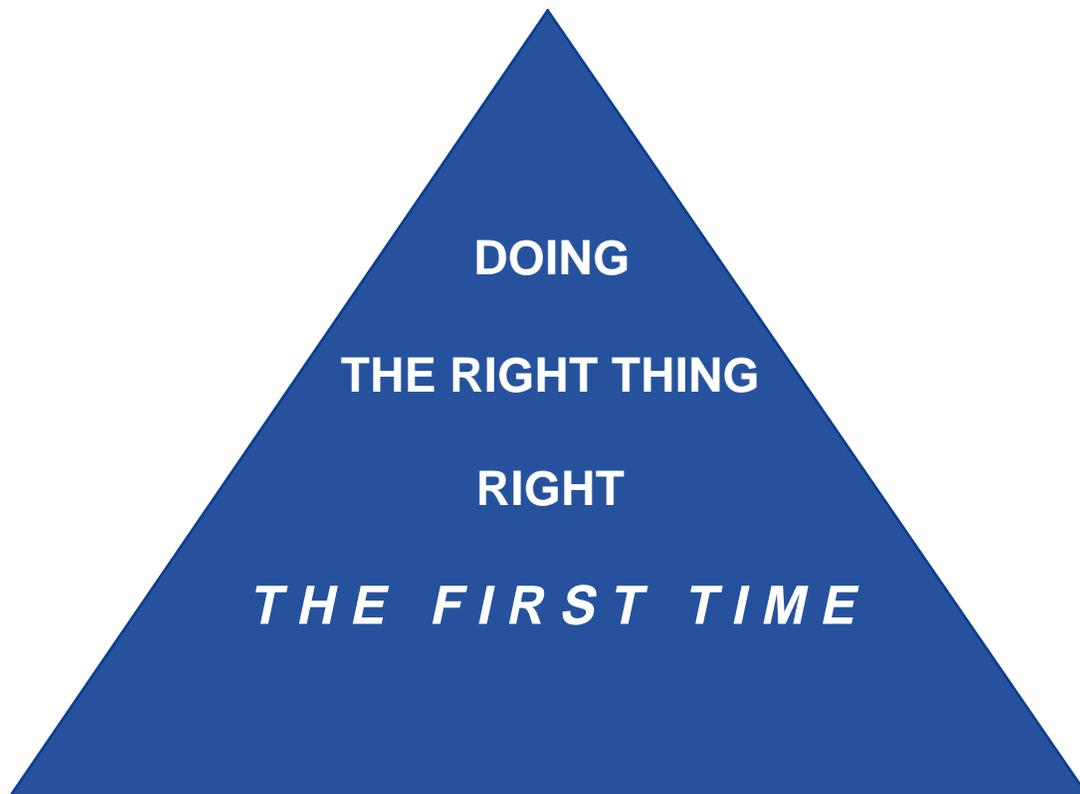
WSRC cannot produce quality products without quality materials and services. Our Suppliers must provide nothing less than quality materials, parts, and services - on time, the first time, and every time.

Supplier performance has a major impact on our operations, our products, as well as on our reputation.

WSRC holds the Supplier solely responsible and accountable for performance.

We will strive to improve execution of our responsibilities to you. WSRC realizes this is a shared responsibility and a “two way” street.

Working together, Westinghouse Savannah River Company and our Suppliers can reach our common goals and objectives by



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