

PHENIX OF IDAHO, INC.

SUBCONTRACTOR QUALITY ASSURANCE PLAN

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1.0 PURPOSE

- 1.1 The purpose of this Subcontractor Quality Plan (SQP) is to describe the program to be implemented by Phenix of Idaho, Inc. to ensure that specific quality requirements identified in the contract documents are accomplished.
- 1.2 The Quality Assurance Manager shall be responsible for maintaining and updating this SQP as needed, as well as preparing and implementing any project specific requirements that are not covered by this SQP.

2.0 APPLICABILITY

- 2.1 Phenix of Idaho, Inc. will comply with requirements of the General Provisions for Fixed Price Construction Subcontracts, and the project Special Conditions. These requirements will also be passed down to all subtiers.
- 2.2 This Phenix of Idaho, Inc. SQP is applicable to all the () and encompasses all original contract documents, addendums and changes, or as defined by the project specific requirements.

3.0 RESPONSIBILITIES

3.1 Definitions

Acronyms for documents/staff have the standard definitions found in Special Conditions and General Provisions for Fixed Price Construction Subcontracts with the exception of “PC” refers to Project Controls, and “OM” refers to Office Manager for Phenix of Idaho, Inc.

3.2 ORGANIZATIONAL STRUCTURE

- 3.2.1 Lance Peterson, President of Phenix of Idaho, Inc., is the Quality Assurance Manager for this firm. He is ultimately responsible for all major negotiations, engineering / design control, and for

developing project-unique programs, and attain the services of and independent inspection and testing laboratory for on-site activities. Documents at all levels will be signed by Lance Peterson, President. Modifications will be signed by the above unless the SA is notified otherwise.

3.2.2 Project Superintendent for specific projects in the absence of Lance Peterson has the same authority.

3.2.3 A Project Superintendent (PS) will be designated for each project. The PS will oversee and coordinate project organization. The PS will be the primary interface with subtier contractors, material suppliers, material testing laboratories and contracting officers.

The PS is responsible for the implementation of the Quality Assurance Plan. The PS has the authority to identify quality related problems, to initiate or recommend solution, to negotiate and sign design change notices, to control existing nonconformance, to verify implementation of approval changes, and when necessary to stop work.

The PS also has the authority to sign Field Problems, CID's and Vendor Data Transmittals at any time, and Mods when directed by, or in the absence of, the president. The PS is the Procurement Manager for his own projects and may sign all the Purchase Orders.

3.2.4 Each project will have a designated PS and Alternate Superintendent as approved by (). The PS or Alternate PS will also be the On-Site Field Representative for Quality Assurance and Safety. The PS is responsible for implementing, maintaining, and posting the latest directives on controlled documents in the Field Office. The PS will communicate daily with our business office to coordinate document control and implement the Subcontractor Quality Plan.

3.2.5 A PC Representative will be assigned to each project. The PC will be responsible for cost-tracking, scheduling and negotiations support. The PC will also be responsible for administrative tasks such as: Vendor Data Tracking and Distribution, Document Control, and Request for Information/Design Change Notice Tracking, Purchasing and Subcontract Preparation and Tracking, and processing documents received from () and Subtiers/Suppliers.

The PC has the authority to sign vendor data/DCN transmittals,

acknowledgments of receipt of documents, purchase orders for office supplies for all staff, and project-specific purchase orders when delegated to do so by the PS. The PC may sign other documents at the direction of the President.

3.2.6 The company Safety Officer is responsible for implementing, enforcing and updating the company's safety policies and procedures. Duties include periodic job-site safety inspections to ensure compliance. The Safety Officer has the authority to sign Work Control/Safety Procedures governing the work performance of company personnel.

3.2.7 The Quality Assurance Manager, in addition to the responsibilities outlined in 1.2 of the SQP, shall be responsible for responding to quality audit discrepancies, and conducting periodic audits to assure compliance and conducting training and indoctrination as required.

3.2.8 The Office Manager (OM) is responsible for all administrative functions for the office located in Idaho Falls, Idaho.

3.3 TRAINING AND INDOCTRINATION

3.3.1 Upon assignment to a project, Phenix of Idaho, Inc. personnel and all subtier personnel shall receive indoctrination consisting of, but not limited to, the following:

- (a) Phenix of Idaho, Inc. Company Policies
- (b) Project of General Conditions
- (c) Project Special Conditions
- (d) Project Job Rules
- (e) Project Safety (including Haz/Com, Alcohol/Drug Abuse Program, Job Safety Analysis)

3.3.2 Formal Training - Training conducted in a classroom atmosphere to procedures, instruction, or technical information. Included in this category are the following:

- (a) Security Indoctrination/Training
- (b) Weekly Toolbox Safety Meetings
- (c) OSHA Seminars
- (d) Craft Union sponsored training seminars
- (e) Red Cross First Aid/CPR Training

3.3.3 Required Reading - Training accomplished by personnel reading the required information. Re-training can often be accomplished by

having personnel read/review the material and new revisions.

- 3.3.4** Hands-On Training is accomplished by personnel receiving direct one-on-one training from the PS, supervisor or a specialist regarding a specific task, i.e., personal protective equipment or a very technical task.
- 3.3.5** Company personnel shall be trained to contract documents for which they are responsible. These include, but are not limited to, the Safe Work Permit, DCN's, Quality Procedures, Vendor Data Submittals, Power Outage Permit, Excavation Permit, and Landfill Permit, etc.
- 3.3.6** The following documents will be kept in the Phenix of Idaho, Inc.'s job field office and be available for review by personnel working on this project:
- (a) Phenix of Idaho Work Control Procedures
 - (b) Complete set of Plans/Specs
 - (c) MSDS File
 - (d) Job Safety Analysis
 - (e) Construction Services Manual - Safety and Health Program
- 3.3.7** All forms of training and indoctrination shall be conducted and documented. Submit once what's identified on VDS.

4.0 REQUIREMENTS

4.1 Organization

Implemented as required by General Provision A-28, Project Special Condition 9, and Article IV of the Subcontract, Phenix of Idaho, Inc.'s Organizational Structure Chart (Attachment A) is Attached.

4.2 Quality Assurance Program

Implemented by the project Superintendent and the Project Special Conditions.

- (a) The PS shall train (or verify the training of) personnel responsible for specific testing activities to the applicable test procedure.
- (b) Personnel responsible for specific testing activities shall be Union Journeyman with minimum of three (3) years

experience in their respected field. "Test control" shall be implemented to develop and control test procedures. The P.S. will be responsible to verify completed work.

- (c) The PS shall provide indoctrination and training to personnel responsible for specific work activities. Complete training attendance records shall be submitted as required by "Training and Indoctrination".
- (d) Any inspection and testing agency used, through-out the course of a project, will be screened for the necessary certifications and have acceptance approval from () prior to use.

4.3 Design Control

Proposed changes to approved design by the superintendent shall be via () furnished Request for Information (RFI) document. The RFI shall outline the proposed change and justification for it. The RFI shall be forwarded to the () Construction Engineer for disposition processing. No work shall be performed to the requested change until approval is obtained.

"Document Control" shall be implemented to control the routing of RFI and Design Change Documents.

4.4 Procurement Document Control

As per "Procurement Document Control" and the Project Special Conditions, shall be implemented for the control of items that require traceability. PC shall be responsible for this implementation.

4.5 Instructions, Procedures, and Drawings

"Procedure Development" shall be implemented when the development of work control procedures are required by the Project Special Conditions of Specifications.

Work control procedures shall be developed by the Phenix of Idaho, Inc. President and/or PS and submitted to the contractor for approval.

4.6 Document Control

"Document Control" shall be implemented by the Phenix of Idaho

Inc. PC and/or OM to establish a system of control and distribution of documents to ensure that current documents are available at the work location. All contractual documents shall be controlled.

4.7 Control of Purchased Items and Services

The PS shall implement this procedure, as required by the Technical Specifications "Control of Purchased Items", to ensure that purchased Items and services conform with the requirements specified in the contract documents.

"Suspect Material" shall NOT be used under any circumstances on any project. Items that are potentially suspect shall be verified for conformance at the time of delivery acceptance.

4.8 Identification and Control of Items

PS shall insure that items, material and equipment requiring traceability shall be maintained in accordance with "Material Traceability".

4.9 Control of Processes

Implemented as required by the Technical Specifications and the INEEL Weld Manual for welding, Phenix of Idaho, Inc. shall implement "Weld Record Packages" to control welding activities and control the storage and usage of weld filler material.

4.10 Inspection

The Project Quality Manager of designee upon award of contract will develop and maintain an inspection program plan, which will be developed as outlined in the technical specifications/scope of work. The plan will address services of the subcontract and implement inspections with trained and qualified inspector's to ensure that work, items and materials are procured, and installed in accordance with the design specifications and drawing requirements, federal and state regulations and industry standards, as applicable.

4.11 Test Control

Implemented as required by the Technical Specifications, "Test Control" shall be implement for a procedures to control test which ensure the quality of fabrication, installation, or operation of

equipment or services. PS shall be responsible for testing activities.

4.12 Control of Measuring & Test Equipment

The PS shall implement the Technical Specifications, “Control of Measuring and Testing” to control Measuring and Test Equipment (M&TE) and assure that such equipment is the proper type and has the range, accuracy and tolerance specified in the contract documents.

Survey equipment to be handled in accordance with “Survey Equipment Calibration and Control”.

4.13 Handling, Storage & Shipping

Implemented “Material and Equipment Storage, Handling and Maintenance” for the correct procedure for the receiving, identification, storage, and maintenance of materials and equipment. PS shall be responsible for implementation.

4.14 Inspection, Test & Operating Status

Implemented as required by the Technical Specifications and Special Conditions “Inspection and Test Status” to provide a means of control, through the use of status indicators, for identifying the status of equipment, processes, and systems during inspection, test and follow-up activities to prevent the inadvertent use of an unacceptable item and/or installation. PS shall be responsible for implementation.

4.15 Control of Nonconforming Items

The PS shall implement “Control of Nonconforming Items” to report, control and correct nonconforming items. Suspected nonconforming items shall be reported to () Subcontract Administrator Construction Engineer.

4.16 Corrective Action

The PS shall notify () Subcontract Administration of Construction Engineer of any significant conditions adverse to quality. Identified deficiencies shall be responded to with a corrective action within five (5) working days of receipt.

4.17 Quality Assurance Records

The PS shall be responsible for maintaining Quality Records in conjunction with applicable requirements. The PC shall submit report or records as required by the Vendor Data Schedule. After completion of work, all records generated throughout the subcontract shall be submitted to the contractor for inclusion into the permanent site records file. Report/records generated by Phenix of Idaho, Inc. which provide documented evidence that the project was constructed or tested in accordance with design documents (i.e., weld maps, pressure tests, inspection reports, nondestructive examinations, etc.) shall be treated as follows:

- (a) All information shall be made using black indelible ballpoint pen. No Pencils.
- (b) Corrections shall be made by marking a single line through the incorrect entry and placing the correct entry in close proximity of the incorrect entry.
- (c) All corrections shall have the date and initials (of person making the correction) in close proximity of the correction.
- (d) Correction fluid or erasures for correction are not allowed.
- (e) Reports/records (including weld maps) shall be clean, neat, free of irrelevant information, and be reproducible.
- (f) Upon acceptable review by the Quality Manager or Designee, these reports/records shall be maintained as Quality Assurance records by () in accordance with their Quality Program Manual.
- (g) All submitted vendor data will have subcontractor review before submittal to ().

4.18 Audits

Phenix of Idaho, Inc. is aware that its activities and records are subject to audits or surveillances by () Phenix of Idaho, Inc. shall take prompt action to correct deficient item/activities as identified by () and shall provide a written response to identified deficiencies action to correct the deficiency, cause identification and action to prevent recurrence.

