



## In this issue

New Expectations

SQ Issues Newsletter

Timeliness of Response

Ethics Question

In the Next Issue

### WTP SQ Issues Newsletter

This is the first issue of the "Speaking Quality" newsletter, a routine correspondence issued by WTP Supplier Qualification. Our goal is to increase communication and facilitate a better understanding of relevant quality topics and implementation methods. If there is a specific topic that you would like to see addressed in future issues, please contact Andy Webster at akwebste@bechtel.com.

### Timeliness of Supplier Corrective Action Report Responses

Suppliers are advised to respond to Supplier Corrective Action Reports with proposed or completed corrective actions within 30 working days of the date of initial receipt of a Supplier Corrective Action Report.

### A Question of Ethics

**Question:** Are WTP employees allowed to be treated to meals by suppliers?

**Answer:** No, WTP employees are not allowed to be treated to meals by suppliers. However, WTP employees may accept a business lunch from a supplier if the business lunch is provided to permit work to continue uninterrupted and the meal is not the primary purpose of the meeting. In which case, WTP employees are required to pay the full cost of the meal to the supplier. It is extremely important that the relationship between WTP employees and suppliers remain professional and business-related only.

### In the Next Issue

The next issue of the "Speaking Quality" newsletter will address the use of subject matter experts (SMEs) during audits.

## Defining New Expectations for Supplier Corrective Action Responses

When a discrepancy is identified and corrective action is required, WTP utilizes the Supplier Corrective Action Report to identify, document, correct, and prevent recurrence of supplier deficiencies. Previously, suppliers were required to address all six (6) statements in their responses to Supplier Corrective Action Reports, no matter the issue. Effective May 28, 2010, WTP will be implementing a grading system to improve and simplify the response process. The new process will define the expected supplier action/response based on the significance level of the adverse condition.

### Supplier Corrective Action Report Deficiency Levels

Deficiencies outlined in Supplier Corrective Action Reports will now be categorized into one of three (3) significance levels, based on a variety of criteria that will be applied in a graded manner. The deficiency levels and the actions required by suppliers in their response to WTP are as follows:

Action(s) Required of Supplier	Level C	Level B	Level A
1. Immediate/Compensatory	No	No	Yes
2. Remedial	Yes	Yes	Yes
3. Cause Analysis	No	Yes	Yes
4. Extent of Condition	No	Yes	Yes
5. Corrective (Preventive)	No	Yes	Yes
6. Internal CAR/NCR submitted to WTP	Yes	Yes	Yes

### Definitions and Guidance

Please consider the following definitions and guidance when responding to Supplier Corrective Action Reports:

**Immediate/Compensatory Action(s):** Actions that need to be taken as soon as possible to isolate and control the issue. Action implemented as soon as possible after identification for the purpose of mitigating or terminating the consequences. Used to "stop the bleeding."

**Remedial Action(s):** Remedial actions are the immediate measures taken to isolate and control the adverse condition while the corrective action plan is being developed and implemented. In other words, a short-term fix to mitigate or terminate the consequences. Describe the actions taken to assess the situation and stop the symptom until the corrective action is implemented.

**Cause Analysis:** The cause is the reason for the deficiency, which, if corrected, would eliminate recurrence of the issue. Plainly state what caused the issue described in the "Description of Discrepancy" section of the Supplier CAR. Be sure to address the deeper issues, such as "Why did the adverse condition occur?" Continue to ask the question "Why?" until the actual cause is determined.

**Extent of Condition:** The extent is the range over which a deficiency exists with other processes, equipment, or human performance. Focus on the actual adverse condition and determine if it is confined to one area or if it also exists elsewhere. Answer the question, "How big is the problem?" Bound the issue with your response.

**Corrective Action(s) (Preventative):** Corrective actions taken are those actions put into place to ensure that similar deficiencies will be prevented. Has the change become part of training for employees? Has the change become part of preventative maintenance? Define the steps taken to permanently prevent the cause from occurring again.

It is WTP's expectation that suppliers respond with the appropriate rigor per the instructions on the Supplier Corrective Action Report in a clear, concise, and specific manner.

### Determining Which Supplier Corrective Action Report to Use

Please follow the response guidance on the Supplier Corrective Action Report. Those Supplier Corrective Action Reports issued before May 28, 2010 will still require a response that addresses all six (6) statements, while those issued after June 1, 2010, will require a response based on the new graded process.

Open communication between parties is the best way to facilitate prompt and effective closure of Supplier Corrective Action Reports. If you have any questions or require additional information, please contact Bob Zabilka at (509) 371-2347, Marilyn Avery Kavchak at (509) 371-2954, or Andy Webster at (509) 371-2753.