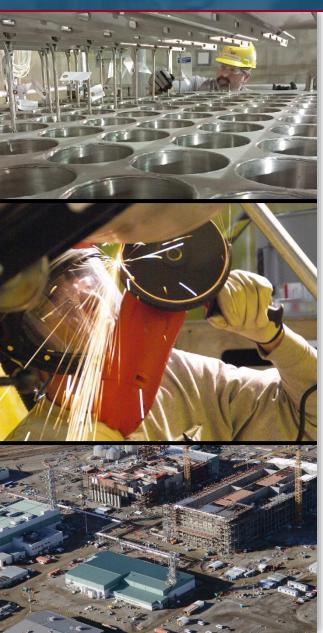


Waste Treatment Plant Project



2016 Supply Chain Collaboration Event

Product Process Integrity
Analysis (PPIA) - How Does it
Ensure Success?







Commitment to Teaming



- PPIA is a tool to identify, prioritize and mitigate risk
- Fundamentally it is designed to facilitate two-way communication, and to increase the probability of success in execution of work with our suppliers.
- Identifying and addressing risk promotes a solution based approach, rather than reactionary problem solving.

Factors Contributing to Risk



- Contract terms
- Bid specifications
- Technologies
- Design margins
- Changes
- Schedule
- Project environment
- Resources
- Project imposed requirements



PPIA at WTP



Three current examples

- Analyzer Order
- 2. Black Cell pressure vessels
- 3. Adjustable Speed Drives

Each of the cited examples has been successful in identifying and managing risk that would or will pose quality and schedule risk to both the supplier and WTP.





Use a Sample Purchase Order and identify risks

Commodity – Skid Mounted Compressor

Quality Level – QL 1

Purchase Order Includes:

- Compressor (ASME Section VIII Code Stamped Vessel)
- Skid Frame (Fabricated IAW AWS D1.1)
- Piping (ASME B31.3)
- Control System including programmable software
- Electrical



Sample Purchase Order (Cont.)

Specifications Require:

- NDE of welding (VT, RT, PT)
- V&V of software
- Commercial Grade Dedication on materials of construction
- NRTL Listing and Labeling of electrical components and/or UL Field Evaluation
- System Integration factory acceptance testing
- Comprehensive documentation review (QVD)



Sample Purchase Order (Cont.)

Awarded to ACME Corporation:

- Integrator (Using sub-suppliers to provide all commodities for skid)
- Sub-suppliers are located in five different states and none have been audited by ACME
- Has never performed work for WTP
- Schedule provided is aggressive and contains only 2 weeks contingency to meet delivery date



Sample Purchase Order (Cont.)

Let's Get Started:

- Tool used to identify and prioritize risk
 - Risk Identification Worksheet.xlsx
- What stands out as the potential # 1 risk overall?
- Other risks?
- What does a completed risk worksheet look like for an active PPIA at WTP?
 - Sample Completed PPIA Worksheet.xlsx

PPIA Path to Success



- Objective is to identify, prioritize and manage identified risk
- Increases understanding of Bechtel's and Supplier's/Sub-contract's weaknesses
- Cross functional team and SMEs brought together
- Enables informed risk mitigation and action plans
- Collaborative and transparent

