STANDARD

CRITERIA FOR SUPPLIERS/ SUB-CONTRACTS QUALITY MANAGEMENT STANDARD (CSSQ)

REVISION & REVIEW TABLE

REV CODE	ISSUE DATE	DESCRIPTION OF REVISIONS MADE	SIGNATURES		
			RESPONSIBLE	REVIEWED	APPROVED
00	19/10/2011	Document Started	Arno Boshoff Group Quality Manager	N/A	Terry Armstrong Commercial Director
01	26/04/2010	Historical Changes			
02	31/10/2017	Historical Changes	Terence Gordon Supplier - Quality	N/A	Arno Boshoff Quality Director
03	07/09/2020	Updates include: Heading 6.7 – Pre-Production Inspection, and Heading 10 – Material Samples	Terence Gordon Supplier Quality Manager	Hendrik du Toit Group Quality Manager	Arno Boshoff Group Quality Director
04	14/06/2023	Updates include: Heading 6.13 Testing Heading 6.14 Retesting Heading 6.15 Failure to Pass tests on Completion of Repeat Testing			
			Shaydeen O'Sullivan Document Controller	Terence Gordon Supplier Quality Manager	Arno Boshoff Group Quality Director

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1. PURPOSE

This standard sets out the details of the minimum quality requirements that supplier/sub-contractors shall comply with, supplying plant, material, equipment, and/or services.

2. SCOPE

The standard covers all inquiries and purchase orders issued by WBHO for plant, material, equipment, and services.

3. DEFINITIONS

CAR	Corrective Action Request
Inspection	Activities (e.g. measuring, examining, testing, gauging, etc.) comparing 1 or more characteristics of material or services with specified requirements to determine conformity
NCR	Non-Conformance Report
Non-Conformance	A deficiency (in characteristic, documentation or procedure), which renders the quality of an item (of plant, material or equipment) unacceptable, indeterminate or not according to specified requirements
Purchase Order/Contract	For the purpose of this document the term “purchase order” will also mean contract
Contractor	The organisation which issues the purchase order and which is responsible for payment for the plant, material or equipment supplied in terms of the purchase order
QCP	Quality Control Plan: a document setting out the supplier/sub-contractor’s quality control measures to be implemented in the supply of plant, material or equipment
QMS	Quality Management System
Supplier/sub-contractor	The organization responsible for fulfilling the requirements of the purchase order; for the purpose of this document the term “supplier/sub-contractor” will also mean contractor
Supplier Pre-Qualification Questionnaire	a Formal document used to capture relevant new & existing supplier information for the WBHO supplier database
Supplier evaluation	WBHO will annually review & rate suppliers based on pre-determined rating criteria

4. REFERENCES

- ISO 9001
- ISO 3834 Part 2

5. RESPONSIBILITIES

The site agent will be responsible for specifying the plant, material, equipment, or service required and for reviewing, granting, or rejecting concession requests.

The site management will be responsible for reviewing the appropriate supplier/sub-contractor controls. This includes supplier/sub-contractor QMS requirements, assessments, evaluations, pre-inspection meetings, audits, surveillance, inspections, and releases as required. The site management will also be responsible for co-coordinating the review and approval of QCP's.

The inspector will be responsible for ensuring that all specified inspection and test requirements, including those specified by the supplier/sub-contractor, are correctly carried out. The inspector will also be responsible for issuing inspection reports and release notes.

6. REQUIREMENTS

6.1 Supplier/sub-contractor quality requirements

The site agent and project quality personnel will determine the quality requirements included in inquiries and orders for plant, material, equipment, or service.

6.2 Quality system

The supplier/sub-contractor will maintain a QMS in line with the requirements of the ISO 9001:2015 quality management standard, or an equivalent approved by the WBHO quality department, in writing, to ensure that plant, material; equipment or services conform to specified requirements.

The supplier shall receive a copy of the supplier/sub-contractor quality standard for review. This may be followed by a quality audit or surveillance to obtain objective evidence that an effective QMS has been established and is being maintained.

6.3 Quality Control Plan (QCP)'s

The supplier/sub-contractor will provide QCP's, specifying the proposed quality control activities for the scope of supply. QCP's will incorporate, as a minimum, the requirements specified by the client. These will not necessarily constitute the total quality control to be carried out. QCP's will also: reference the specifications, procedures, codes and standards which apply to the listed activities; the acceptance criteria; the records to be produced; and will incorporate all supplier/sub-contractor activities.

QCP's will be prepared either on the contractor's format or the supplier/sub-contractor's standard format, if this contains equivalent required data.

Detailed QCP's, fully satisfying the requirements in 6.3, will be submitted for approval to the Site agent that is in line with the purchase order requirements.

The supplier/sub-contractor will not undertake any work before the relevant QCP is approved or without the written consent of the contractor.

6.4 Contract Review Meeting

A contract review meeting may be held at the discretion of the contractor, the scope of which will include, but not be limited to the items listed in the contract review meeting agenda.

6.5 QCP Intervention Levels

Hold point = H - this indicates an intervention that is considered vital to the quality, integrity, and safe functioning of the plant, material, equipment, or completed works and which can only be achieved at this point. Hold points that are nominated in the QCP indicate inspections at which the contractor and/or a representative will be present. Supplier/sub-contractors must be authorized, by receiving a copy of the visiting inspector's acceptance report or an inspection waiver (see section 6.9) before proceeding beyond any hold point.

Verify point = V - this indicates an intervention where all records, operations and results are checked to ensure it complies with the relevant requirements.

Surveillance point = S - this indicates an intervention that Ad hoc inspections are conducted on a continuous process to ensure compliance.

Witness point = W - this indicates an intervention that may be equally as important as a hold point, but which can be reasonably carried out after the point has been passed. Supplier/sub-contractors may proceed beyond witness points without a visiting inspector's acceptance report if the supplier/sub-contractor has notified the contractor of the witness point and the contractor does not attend for any reason. An acceptance report will be issued during the next visit, following a demonstration of compliance by the supplier/sub-contractor.

Test point = T - this indicates an intervention where product or materials are tested to ensure they comply with the required specification.

Document Review point = DR - this indicates an intervention that before starting, a document review must be held by approved authority/ies, Resident Engineer and main Joint Venture partner, etc.

During approval of the QCP, interventions will be added by the contractor, and the AIA where relevant. These will indicate the contractor’s intended monitoring of the sub-supplier/sub-contractor quality control.

6.6 Supplier/Sub-Contractor’s Inspection

The supplier/sub-contractor will, as a minimum, carry out the inspections detailed in the approved QCP and maintain the required records for review by the contractor.

The supplier/sub-contractor will ensure that appropriate quality requirements are included in orders for material or services provided by their sub-supplier/ contractors. QCP’s, monitoring at their sub-supplier/contractor’s works, and retention of the necessary records will be included where necessary.

6.7 Pre-production inspection

This type of inspection is necessary to check the raw materials or components that will be used in production. It can also be used to monitor the processes followed by the operators.

To decrease quality risks, the inputs can be inspected before production (e.g. HDPE MATERIALS)

Buyers must clearly define what material is specified before the order is awarded. (e.g. VIRGIN MATERIAL). Site staff needs to conduct these inspections.

Samples should be taken randomly or as per the agreed sampling plan. Samples must be checked, clearly labeled with date and time included in the identification.

Samples must be sent to a laboratory for required testing.

Production should only start after lab test results have passed the required specifications.

6.8 Readiness for Inspection (RFI)

Plant, material, equipment, or completed works will be deemed to be ready for inspection by the contractor only when:

- The supplier/sub-contractor has carried out his own inspection at the identified stage and is satisfied that plant, material, equipment, or completed works meet the specified requirements. Documented evidence of these inspections will be maintained by the supplier/sub-contractor.
- All applicable certificates and quality documents are available for review at the inspection location.
- The latest revisions of approved drawings and/or procedures, with evidence of acceptance by the contractor and/or his nominated representative, are available at the inspection location for use by the contractor and/or his nominated representative.
- The QCP for the plant, material, equipment, or service has been approved by the contractor

6.9 Notification of Readiness for Contractor's Inspection

Notification is required for both **hold** and **verification** points at least **TWO working days** in advance of readiness for inspection.

The person nominated in the purchase order is the contact person for this notice.

Supplier/sub-contractors will be charged for the cost of abortive inspection visits. A visit will be aborted if:

- The supplier/sub-contractor advises readiness for inspection but the plant, material, or equipment and/or associated documentation is **not** ready when the contractor's inspector arrives.
- The contractor's inspector identifies that the plant, material, or equipment is **not** to the specification since the supplier/sub-contractor inspector did not identify non-conformities prior to advising readiness for inspection.

6.10 Statutory Material/Equipment (AIA)

AIA activities (if required) will comply with the requirements specified in the contract.

Where a supplier/sub-contractor appoints an AIA, the AIA will be subject to approval by the contractor.

6.11 Audit/Surveillance

The contractor reserves the right to conduct a supplier/sub-contractor quality assessment prior to the award of any purchase order, to verify that the supplier/sub-contractor quality system complies with the relevant quality standard. The contractor may also conduct a quality system audit at any time after the award of a purchase order.

If the supplier/sub-contractor quality system is found to be deficient, he will be given the opportunity to take corrective action and bring the QMS system up to the required standard, within a defined period of time. A follow-up audit will be carried out to verify that the supplier/sub-contractor has carried out the necessary corrective action(s). If during a follow-up audit, it is found that the required corrective action(s) have not been carried out, the contractor reserves the right to take such actions as necessary, at the supplier/sub-contractor cost, to rectify deficiencies.

The contractor may also conduct surveillance audits to monitor the supplier/sub-contractor quality control. This will normally take the form of an audit of a section of the supplier/sub-contractor quality system. The scope of the audit will identify the section to be audited. Physical and documentary evidence will be required to verify compliance.

6.12 Deviations from purchase order requirements

The supplier/sub-contractor may request a concession to deviate from purchase order requirements, QCP's and/or plant, material, or equipment specifications.

This will be done by a formal written application to the contractor. Agreement to a concession may be granted only in extreme circumstances. The contractor will formally notify the supplier/sub-contractor of his acceptance/rejection of the concession request.

Only the responsible engineer has the authority to grant concessions. The contractor's inspector will not accept deviations unless a copy of the approved concession is offered at the inspection.

All approved concessions will be included within the quality control data pack.

6.13 Testing

Testing requirements are defined by the project specifications and contract requirements. It is intended to include any type of tests which the Supplier / Subcontractor is required to carry out prior to completion of a section or activity by an accredited service provider. The purpose of this is to show that the works have reached a stage of compliance as specified and are now ready to proceed to the next phase / activity, or to where it can be taken over. Test results must be submitted progressively and the compilation of data packs with traceability referenced to a drawing must be submitted on completion.

6.14 Retesting

Additional testing may be required, in contradistinction to retesting.

After the cause of previous failures have been remedied and it seems likely that other or related works may have been affected by the remedial work and that other work may, therefore, need to be retested or redone.

6.15 Failure to Pass Tests on Completion of Repeat Testing

Where the works fail to pass the repeated Test and the failure deprives the Contractor substantially of the whole benefit of the works or section, the Contractor has the right to reject the Works and terminate the contract. Under no circumstances will the Contractor be liable for absorbing any of the abovementioned costs and should be allowed for by the Subcontractor.

6.16 Non-Conforming Material, Plant, Equipment or Completed Work

Non-conforming plant, material, equipment, or completed work may be identified by the supplier/sub-contractor during manufacture or during an inspection by the supplier/sub-contractor or contractor.

In such cases, the supplier/sub-contractor will issue an NCR following his quality system requirements. The NCR becomes the means by which the non-conforming plant, material, equipment, completed works, and corrective action is controlled.

Actions for the non-conforming plant, material, equipment, or work may be identified as follows:

- **Rework**: bring back exactly to specified requirements with traceability.
- **Repair**: make it safe and fit for purpose, but not exactly to specified requirements (i.e. only deviate marginally from tolerances)
- **Use-as-is**: may be used subject to contractor approved concession.
- **Scrap**: do not use for any order

The supplier/sub-contractor will maintain a register of NCR's together with their status. The contractor reserves the right to request copies of NCR's to review deviations and status (i.e. open NCR's).

Original NCR's will be included in the final quality control dossier.

The contractor may carry out surveillance to verify satisfactory compliance with the NCR closeout processes and corrective actions taken.

The supplier/sub-contractor will ensure that the QMS procedures include the identification and segregation of non-conforming plant, material, equipment, or completed work.

If the contractor identifies a non-conformity that has not been detected by the supplier/sub-contractor quality system, the contractor may raise an NCR relating to the non-conformity.

Corrective action which requires additional inspections and/or tests will be included in an updated QCP which will be submitted to the contractor.

6.17 Quality Control Data Pack

The supplier/sub-contractor will include a quality control data pack index with the QCP. The contractor will review the index against the purchase order requirements. After it has been approved by the contractor's inspector, the supplier/sub-contractor will be required to compile the quality control data pack according to the approved index.

Any change of work scope resulting from an amendment to the purchase order may require the supplier/sub-contractor to submit an amended data pack index to the contractor.

6.18 Quality Control Data Pack Compilation

A master quality control data pack will be compiled progressively during manufacture and will contain the documents relating to the relevant stages of production. In this way, the quality control data pack will be complete when the manufacture is complete.

6.19 Documents and Authorization

All documents will be verified and signed by the supplier/sub-contractor before being submitted to the contractor's inspector/AIA.

When inspections and tests are witnessed or verified by the contractor's inspector, the appropriate document will be signed by the contractor's inspector and the QCP will be endorsed against the appropriate entry.

6.20 Inspection Release

All material supplied will be released by the contractor's inspector before shipment by the supplier/sub-contractor. The contractor's inspector will issue an inspection report document (Doc.

No. G28) and tick the Inspection result accordingly e.g. RELEASE. A copy of the inspection report will accompany the material to the delivery point.

7. SUPPLIER SELECTION & REVIEW

Critical & Selected suppliers & sub-contractors will be subjected to complete a compulsory Supplier Pre-Qualification Questionnaire, thus enabling the contractor to add them to their supplier database. (**Doc. No F44**)

The Supplier Pre-Qualification Questionnaire refers to Quality Assurance requirements that must be completed accurately.

Suppliers may formally request a broader explanation of the ratings & selections used by submitting requests to the contractors respective buying & quality departments.

8. SUPPLIER EVALUATION

Critical & Selected suppliers used by the contractor will be evaluated according to the required criteria specified. These evaluations will be converted into risk ratings and will be used as part of the contractor's procurement strategy for supplier/sub-contractor selection.

The following are some of the criteria used for evaluations:

- QMS; Product certification
- CAR responsiveness
- Supplier Audit results
- Product Quality
- Cost
- Price flexibility
- Competitiveness
- On-time Delivery
- Communication

9. DOCUMENTATION

The following documentation is required to implement this procedure:

- F03 - Quality Control Plan (QCP's)
- E42 – Spec Register
- Data Pack Index
- E03 - NCR Register
- E10 - Concession Register
- Contract review meeting minutes
- F44 – External Provider Evaluation Questionnaire

10. MATERIAL SAMPLES

- When samples are required for approval, the following documents must be completed:
  - Form F11 – Material Approval
  - Register E31 - Material Approval Register
- The tag on the sample must reflect the Material Approval Number obtained from document F11 above.
- Also, complete the section for availability of photos on Material Approval Register (E31).
- When samples are required to be retained, then arrangements for storage must be made with site management.