

Document Control for Just-in-Time purchases. For procurements requiring a procurement package, Form NP 4-1-1 becomes part of that package.

General Requirements

- Items or services graded QL-1 or QL-2 (see SP 1-1) may be purchased using a Purchase Requisition (PR), or by following the SNL Just-in-Time (JIT) process, or by using a Procurement Card, or Credit Card. These procurements shall be made following the process defined in Section 2.1.2 through Section 4 of this procedure.
- For an “administrative change” (see the Glossary) to an existing contract, e.g., a change to the Funds Available or the Period of Performance of the contract, a Purchase Requisition or Oracle PR Worksheet should be completed and provided to the Budget/Procurement Specialist directly. The procurement process defined in Section 2.1.2 through Section 4 of this procedure does not need to be followed.

2.1.2 Quality Requirements Documentation

Prior to procuring any item or service for the WIPP project, it is important for the Sandia Delegated Representative (SDR) or delegate to specify any quality requirements necessary for the purchased item or service to meet WIPP quality assurance standards e.g., certificate of calibration or performance standards, specifications, or qualification and training, etc. These quality requirements are recorded on the Form NP 4-1-1 in Section 4, Quality and Technical Requirements, or attached to the Form NP 4-1-1 and referenced in the Quality Requirements block.

2.1.3 Supplier Selection

Selection of suppliers to whom a contract, Purchase Order (PO), or Request for Quotation is sent shall be the responsibility of the Sandia Contracting Representative (SCR) in the SNL WIPP Purchasing Department with concurrence from a QA Staff Member. However, the SDR/Requester may recommend suppliers to the SCR, who in turn shall conduct an evaluation of the potential suppliers' capability to provide products or services in accordance with the technical and QA specifications of the procurement document. One or more of the following measures shall be utilized:

- Evaluation of the supplier's history of providing identical or similar products which were found to perform satisfactorily, or services which were found to be acceptable. Refer to NP 4-1, Section 2.4 and SP 1-1, Section 2.3.2.
- Evaluation of the supplier's current QA documentation, supported by any documented qualitative or quantitative information concerning the effectiveness of their QA program.
- Determination of the supplier's technical and QA capability derived by evaluating the supplier's facilities, personnel, and quality program implementation.

This evaluation of supplier capabilities shall be documented and maintained as part of the procurement record.

2.1.4 Procurement Document Preparation

Procurement Request Documentation:

The Requester/SDR shall prepare a Purchase Requisition or Oracle PR Worksheet which includes the following Statement of Work (SOW) requirements (as applicable):

- Technical/performance requirements for the materials or services. Requirements from Test Plans, Design Plans, or Analysis Plans should be cited. Drawings and specifications for manufactured or fabricated materials may be included.
- Contract deliverables/milestones, including the criteria for their acceptance.
- A contract Period of Performance (POP).
- A QA section which specifies QA requirements applicable to contract activities/products/services.
- A requirement (where appropriate) for the supplier to incorporate equivalent QA requirements into any sub-tier, supplier-issued procurement documents.
- Provisions for right of access to supplier facilities and records for inspection or audit by SNL, Department of Energy (DOE), or other SNL-authorized designees.
- Specification of any "hold points" beyond which work cannot proceed without SNL authorization.
- The proposal and bid evaluation criteria for procurements which are to be competitively bid (See Appendix A).

QA Requirements Section:

In the QA section of the PR or PR Worksheet, one of the three approaches identified below shall be specified:

- The Contractor shall work directly under the current implementing procedures of the SNL WIPP QA program.
- The Contractor shall develop and maintain their own QA program and implementing procedures which must meet the upper tier QA requirements specified in the SOW. *Note: A hold point requiring that the Contractor QA Program Document or Implementing Procedures be reviewed and approved by SNL QA prior to the start of data collection, analysis, or other technical work must be included in such procurements.*
- The Contractor shall develop and maintain their own QA program and implementing procedures which must meet the upper tier QA requirements specified in the SOW, plus certain SNL WIPP QA procedures specified, e.g., Software QA. *Note: A hold point requiring that the Contractor QA Program Document or Implementing Procedures be reviewed and approved by SNL QA prior to the start of data collection, analysis, or other technical work must be included in this type of procurement.*

(The set of documents associated with a procurement request, e.g., the PR, PR Worksheet and attachments, JIT, Procurement Card, and Credit Card are subsequently referred to as the procurement document package.)

Bid Evaluation Criteria and Plan:

For procurements that are to be competitively bid, the Requester must include in the procurement documentation the criteria that bidders must address in their proposals. The Requester must also prepare a Bid Evaluation Plan (See Appendix A) as part of the procurement document package.

2.1.5 Procurement Document Reviews

The Requester/SDR shall submit the procurement document package for technical and QA reviews. These reviews shall be documented on a Form NP 4-1-1 (Procurement Review).

Technical Review:

The technical review shall be performed by an independent individual who is technically competent in the subject area related to the purchase requisition. The technical review should include a review of the technical specifications in the SOW to verify that contract activities/objectives are clearly described, and that the SOW is technically adequate, accurate, and complete. Completion of the technical review is documented on the Form NP 4-1-1. The Requester/SDR shall resolve any comments, and incorporate results in the procurement documents.

QA Review:

An independent SNL WIPP QA staff member shall perform the QA review. The QA review should verify that the SOW specifies appropriate QA requirements, and that the requirements of this procedure are met. Completion of the QA review is documented on the Form NP 4-1-1. The Requester/SDR shall resolve comments, and incorporate results in the procurement documents.

Upon obtaining technical and QA reviews, the Requester/SDR will deliver the procurement document package to a Budget/Procurement Specialist (BPS) for further processing.

2.1.6 Budget/Procurement Specialist Processing

The BPS shall check the procurement document package for completeness, verifying that at a minimum the following are present:

- The Purchase Requisition/Change Requisition,
- The SOW, if the procurement calls for one,
- A completed Form SP 1-1-1, Form NP 4-1-1, and Form NP 4-1-2 (Receipt Inspection).

Once the procurement documents are verified as being complete, the BPS inputs the PR into the Oracle System, and prepares and submits the procurement document records package to the WIPP Records Center (see Section 3.0) after the Purchase Order is complete.

Once the Request-for-Quotation (RFQ), contract, or change amendment is available, the BPS shall make a copy of the RFQ and contract, or any non-administrative change amendments, and submit them to the SNL WIPP Records Center in accordance with Section 3.0.

2.2 Proposal/Bid Evaluation

For competitively-bid procurements, potential suppliers shall submit proposals (or "bids") in response to the Request for Quotation issued by the Corporate SNL Purchasing Department. The Requester/SDR shall conduct a bid evaluation, in accordance with the bid evaluation plan, and report the results to the SCR. See Appendix A for requirements applicable to bid evaluation.

2.3 Existing Contract Change Requests

The Requester/SDR shall prepare and process changes to procurement documents as specified in Sections 2.1.4 through 2.1.6 above, including technical and QA reviews. However, administrative changes (see the Glossary) do not require technical or QA reviews and, consequently, do not require the signatures of those reviewers.

2.4 Supplier Performance Evaluation

SNL WIPP QA, in conjunction with the Requester/SDR, shall determine the methods of evaluating supplier performance. The extent and type of evaluation will be a function of the relative importance, complexity, and nature of the procured materials or services, plus the supplier's history of quality performance. Evaluations may include supplier audits or surveillances, planned and conducted in accordance with NP 18-1 (Audits and Surveillances). As a minimum, a QA Staff Member with support from the Requester/SDR shall evaluate supplier performance by means of determination of the acceptability of the provided products or services (see Sections 2.5 and 2.6). This supplier evaluation information shall be entered in a Quality Levels for WIPP Activities database maintained by Document Control containing data derived from the Forms SP 1-1-1, NP 4-1-1, and NP 4-1-2. The original of Forms SP 1-1-1, NP 4-1-1, and NP 4-1-2 shall be transmitted by the requester to Document Control for all activities and purchases not managed by the Procurement Specialist (JIT orders). The Procurement Specialist shall transmit a copy of Forms SP 1-1-1, NP 4-1-1, and NP 4-1-2 to Document Control for procurements managed by the Procurement Specialist. The Procurement Specialist includes Form SP 1-1-1, NP 4-1-1, and NP 4-1-2 in the procurement package. Document Control updates the database.

2.5 Acceptance of Equipment/Items (Receipt Inspections)

Upon receipt of procured equipment or items which have been classified QL-1 or QL-2 in accordance with SP 1-1 (including JIT, Procurement Card, and Credit Card orders), the equipment/item shall be inspected to verify that it is in serviceable condition, and that all quality requirements specified on Form NP 4-1-1 have been met. This receipt inspection shall be conducted by an individual who has been designated in writing as an SNL WIPP Receipt Inspector (training and qualification of Receipt Inspectors is covered in Section 2.5.1 below). The Receipt Inspector must have adequate technical knowledge of the item to determine if the specified quality requirements are present in the item as received. If an appropriate Receipt Inspector is not available at the time the item is delivered, the individual who accepts the item from the delivery person shall visually inspect the item/shipping container for damage, and secure the item to prevent damage or theft. This action does not take the place of the SNL WIPP receipt inspection, which must be conducted subsequently by an authorized Receipt Inspector.

The Receipt Inspection shall be conducted and documented using Form NP 4-1-2 for that equipment/item.

2.5.1 Receipt Inspection Personnel

SNL WIPP Receipt Inspectors shall be designated in writing, and shall complete specific training to perform this function. This training will address the intent of the QA requirements contained in NP 4-1 and SP 1-1, as well as how to implement required actions, e.g., how to conduct and document receipt inspections properly using Form NP 4-1-2.

2.5.2 Equipment, Item, or Services Received Meets Requirements

If the receipt inspection reveals that the equipment or item meets the requirements specified, the person who performed the receipt inspection shall complete a Receipt Inspection form (Form NP 4-1-2). The Document Control staff shall document the results into the database, and submit the Receipt Inspection form to the SNL WIPP Records Center when it has not been entered as part of a procurement package. For procurements managed by the Procurement Specialist, a copy of the completed Receipt Inspection Form is transmitted to Document Control by the Procurement Specialist.

2.5.3 Equipment, Item, or Services Received DOES NOT Meet Requirements

If the receipt inspection reveals that the equipment or item does not meet the requirements specified, the person who performed the receipt inspection shall describe the deficiency in detail on the Receipt Inspection form, and submit the completed form to an SNL WIPP QA Staff member who shall determine if a Corrective Action Request should be initiated in accordance with NP 16-1 (Corrective Action). The Document Control staff shall document the deficiency in the database, and submit the Receipt Inspection form to the SNL WIPP Records Center when it has not been entered as part of a procurement package. For procurements managed by the Procurement Specialist, a copy of the completed Receipt Inspection Form is transmitted to Document Control by the Procurement Specialist.

3.0 Records

The following QA records, generated through implementation of this procedure, shall be submitted to the WIPP Records Center in accordance with NP 17-1 (Records):

| <u>QA Record</u> | <u>Preparer</u> | <u>Records Submitter</u> |
|---|---|--------------------------|
| • Procurement documents – PR/CR or PR Worksheet and attachments including grading forms. | Requester/SDR with Inspector and BPS | BPS |
| • Copies of RFQs and contracts and copies of change amendments (except those for administrative changes). | SCR | BPS |
| • Copies of disapproved Invoice Actions (for unsatisfactory service). | Requester/SDR with BPS | Requester/SDR or BPS |
| • Documents indicating review and approval of Contractor QA Programs. | QA Reviewer Desktop reviews become part of the procurement package or Onsite audits are handled separately | BPS QA Reviewer |
| • Grading forms not part of procurement packages. | Requester | Document Control |

4.0 Appendices

- Appendix A: Bid Evaluation Planning, Proposal Criteria, and Conduct of Bid Evaluation
- Appendix B: NP 4-1 Process Flow Chart
- Appendix C: Form NP 4-1-1, Procurement Review
- Appendix D: Form NP 4-1-2, Receipt Inspection

Appendix A

Bid Evaluation Planning, Proposal Criteria, and Conduct of Bid Evaluation

General

Competitively-bid procurements, for which proposals will be solicited from a number of potential suppliers, require additional aspects, beyond the basic Statement of Work, to appear in the procurement documents that lead to the Request for Quotations. To create those additional aspects, the Requester/SDR should accomplish the following:

- Develop a plan and criteria for evaluation of the proposals.
- Develop instructions to potential bidders defining what their proposals must address concerning their capability to perform the work to be contracted.

Many Requesters find it most efficient to develop the plan and criteria for the bid evaluation first, and then to develop the instructions and criteria that the bidders must follow and address.

Bid Evaluation Planning and Criteria

The Requester/SDR shall plan the bid evaluation effort. The plan shall indicate who will perform the evaluation; QA staff shall be included among the evaluators. The plan may call for other individuals representing technical, administrative, or subject matter areas, each of whom must be qualified in their respective areas of expertise. The Requester/SDR shall designate the specific bid evaluation team members.

The bid evaluation plan may include a grading or scoring scheme based on the bid evaluation criteria. The Requester/SDR should coordinate the bid evaluation team's application of the scoring scheme to the proposals.

The Requester/SDR shall establish criteria for evaluation of the submitted proposals against the proposal criteria specified in the RFQ (see below). Those bid evaluation criteria shall include the ability of the supplier to fulfill QA Program requirements and shall also include one or more of the below-listed criteria:

- Technical considerations, e.g., minimum or distinguishing technical capability of the supplier in terms of equipment, facility, skills, or proprietary capability,
- Supplier's personnel skills,
- Supplier's production capability,
- Supplier's established past performance, and
- Consideration of alternative criteria or exceptions to criteria proposed by a supplier.

The bid evaluation plan may include evaluation of the potential suppliers' capabilities based on an on-site visit. This evaluation should assess the suppliers' personnel, facilities, equipment, on-going activities, and QA implementation.

Proposal Criteria

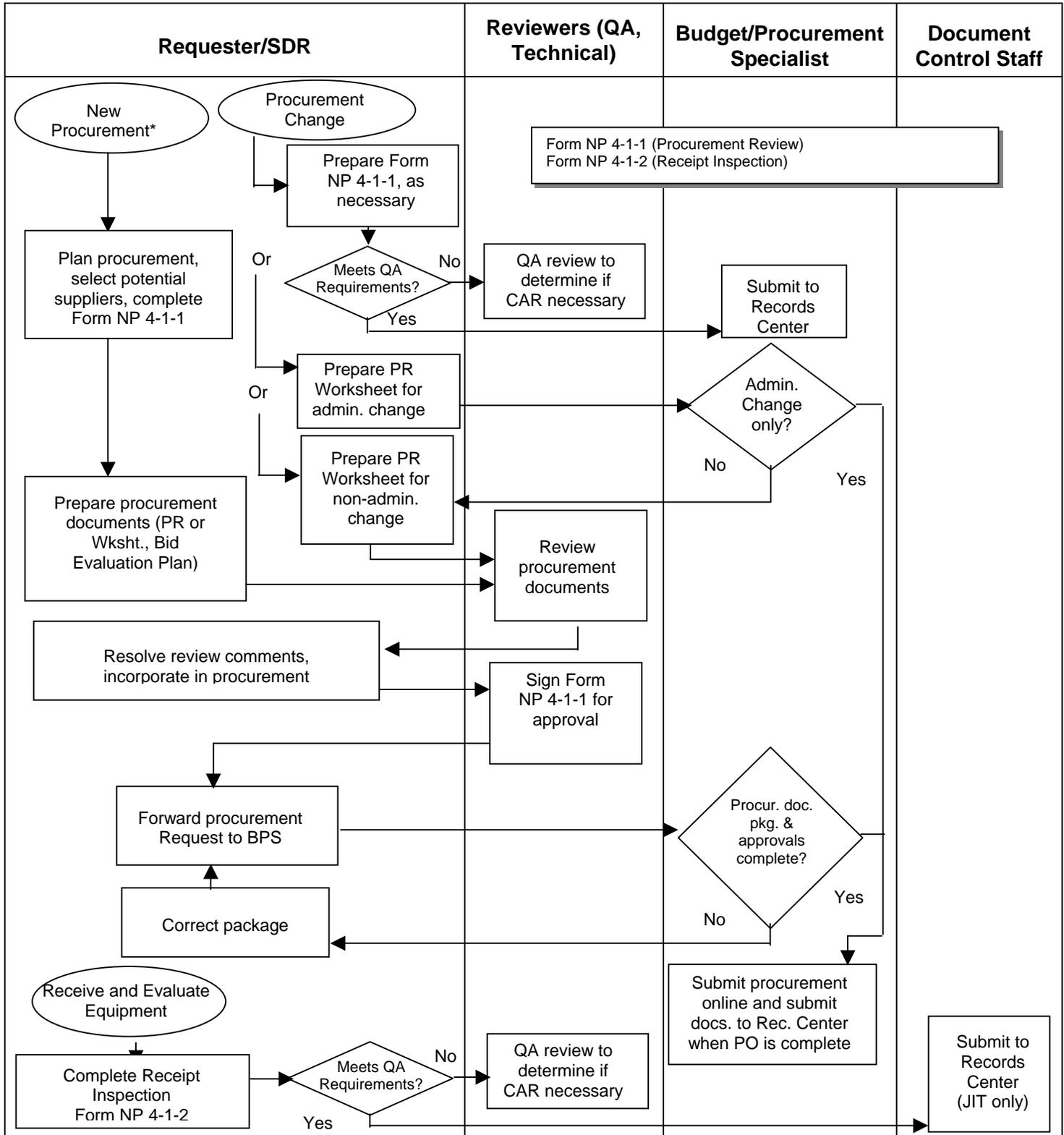
The Requester/SDR shall develop instructions and criteria for bidders' proposals, and RFQs. The instructions and criteria shall clearly state what information must be included in responses/proposals, based upon the potential supplier's capabilities related to anticipated work activities. These instructions and criteria should allow for effective bid evaluation, and award determination.

Bid Award Open Items

If deficiencies exist concerning the capability of the supplier selected for bid award, the Requester/SDR, working through the Buyer/SCR, shall resolve those issues, or obtain commitments from the supplier to resolve those deficiencies, **prior to contract award**.

Even though the bid evaluation process shall include an evaluation of the supplier's QA program, the supplier's QA Program must be formally reviewed and accepted by SNL WIPP QA **prior to the supplier beginning technical work** under the contract. A hold point may be established to ensure this is accomplished.

Appendix B Procurement Process Flow Chart



NOTE: Bid evaluation, supplier performance evaluation, control of supplier nonconformances, and acceptance of materials or services are addressed in the procedure text.

*Procurement may be a Purchase Requisition, JIT, Procurement Card, or Credit Card method of procurement.



Appendix C

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| <p style="text-align: center;">NUCLEAR WASTE MANAGEMENT PROCEDURE</p> <p style="font-size: small;">Sandia National Laboratories</p> | <h2 style="margin: 0;">Procurement Review</h2> | <p>Form Number: NP 4-1-1</p> <p>Page 1 of 2</p> |
| 1. Activity/Item/Service: | | |
| <p style="text-align: center;">_____</p> <p style="text-align: center;">(Describe, or reference attachments to this form)</p> <p>Quality Level: <input type="checkbox"/> QL-1 <input type="checkbox"/> QL-2 (from previously completed Form SP 1-1-1)</p> <p>Method of Purchase (choose one from drop-down box): <u> Select one... </u></p> <p>Supplier Name and Address: _____</p> | | |
| 2. Supplier Selection Evaluation Method(s): | | |
| <p>1. An evaluation of the Supplier's history for providing an identical or similar product that performs satisfactorily in actual use. <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>2. An evaluation of the Supplier's current QA documentation, supported by any documented qualitative and quantitative information. <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>3. An evaluation of the Supplier's technical and QA capability based on an evaluation of the Supplier's facilities, personnel and Quality Program implementation. <input type="checkbox"/> YES <input type="checkbox"/> NO</p> | | |
| 3. Supplier Performance: | | |
| <p><input type="checkbox"/> I have evaluated the Supplier performance history in providing the quality needed for the items/services and have determined that it is adequate. Suppliers with a WIPP performance history will require that a printout of the latest quality data for WIPP activities Database for that supplier be attached as evidence of the evaluation performed. (Locate on the WIPP on-line documents website).</p> | | |
| 4. Item(s) and Technical Requirements: (Document any unique quality requirements/specifications needed for the item/service to meet intended use. Unique requirements must be entered in the block below, or attached to this form and clearly reference to the block.) | | |
| <p>Item(s) Purchase:</p> <p>1. Item(s) being purchased by part number or catalog number. If yes, identify part(s) number/catalog number as quality or technical requirements. <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>_____</p> <p>2. Item(s) being purchased to technical requirements document (e.g., drawing, specification, code or standard). If yes, identify technical document or applicable section(s) of document. <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>_____</p> <p>3. Item(s) being purchased to QA requirements document (e.g., SNL WIPP QA Program, QA procedure). If yes, identify applicable portion(s) of SNL WIPP QA Program or applicable procedures. <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>_____</p> | | |

| | | |
|---|-----------------------------|--|
| NUCLEAR WASTE MANAGEMENT PROCEDURE Sandia National Laboratories | <h2>Procurement Review</h2> | Form Number: NP 4-1-1 Page 2 of 2 |
|---|-----------------------------|--|

4. Quality and Technical Requirements (continued):

Service(s) Purchase:

1. Service being purchased requires personnel qualified to SNL WIPP QA Program as applicable for service provided (e.g., NP 2-1, Qualification and Training, and Annual QA Training). If yes, identify qualification and training requirements and documentation. YES NO

2. Service being purchased requires certification of compliance to be provided that applicable SNL WIPP QA Program procedures, drawings, plans, or standards are met. If yes, identify required certification documentation. YES NO

3. Service being purchased which has a specified period of performance or specified period for producing/providing contract deliverables. If yes, identify period (date) of service supplier is to be provided or date contract deliverable(s) are due and identify deliverable(s). (e.g., Technical Report, Software and Documentation, Test Results, Analysis Report). YES NO

5. Technical and QA Reviews

Technical Review: _____ (printed name) _____ (signature) _____ (date)

QA Review: _____ (printed name) _____ (signature) _____ (date)

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