



***SHOP PAINTING CONTRACTOR
CERTIFICATION PROGRAM***

***SSPC QP3
APPLICATION,
INSTRUCTIONS,
AND
PROGRAM RULES***

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I. Introduction

SSPC developed the shop painting contractor certification program to verify the capabilities of shop facilities to perform quality surface preparation and coating application. SSPC achieves this by independently auditing shops to determine whether they have the personnel, organization, quality procedures, knowledge, and technical capability to produce quality surface preparation and protective coating application of steel in a shop environment and in accordance with contract specifications and industry best practices. SSPC audits blast and paint shops according to AISC SPE/SSPC QP3 420-10 "Certification Standard for Shop Application of Complex Protective Coating Systems," current edition.

The SSPC-QP3 certification program does not involve inspection of the shop's work or training of its personnel, and is limited to coating and related operations conducted in the shop. The program is not intended to guarantee the quality or safety performance of a specific shop. It is intended rather to assist facility owners, general contractors, and others who contract for shop painting services in evaluating the qualifications of paint shops. While SSPC certification confirms a shop's capability to meet the requirements of SSPC-QP3, owners, specifiers, fabrication shops, and others who hire paint shops should also assess additional capabilities not covered by the QP3 program such as the shop's financial stability, ability to meet tight schedules, and performance on previous projects.

This package contains information and materials needed to apply for SSPC-QP3 certification. You will find copies of this application and all other documents detailing program requirements, related procedures, clarifications, etc., on SSPC Online at <http://www.sspc.org/qp-programs/qp-for-contractors/>. Shops that desire program information but do not have access to the Internet can also contact SSPC staff directly for copies of all program related documents. Call SSPC QP Certification at: 877-281-7772 X2235 or X2209.

While every precaution is taken to ensure that all information furnished is accurate and complete, SSPC cannot assume responsibility, nor incur any obligation, resulting from the use or misuse of methods contained herein, or of the program itself.

Important Note: Contractors applying for SSPC QP3 certification must demonstrate a history of compliance with QP3 quality requirements. QP3 applicants must be able to document that necessary components of quality programs have been in place company-wide for at least six production months prior to the initial evaluation. For instance, where an evaluation item requires specific procedures to be in force, such as the preparation of daily inspection reports, the procedures must have been in force at least six production months prior to the time when the contractor undergoes the initial audit. Once certified, the Contractor is expected to consistently apply required certification procedures year round for all industrial steel painting work.

II. General Program Procedures

You must follow this sequence of procedures to participate in the SSPC QP3 shop painting certification program:

1. Complete the application form found in Section III.
2. Gather and prepare the **required information** discussed at the conclusion of the application form in Section III.
3. Submit all items of information summarized at the top of page 8 of Section IV to SSPC along with the appropriate certification fee and audit deposit described in Section V.
4. SSPC staff will review your submittal within 4 working days after receipt. If everything is in order, an audit will be scheduled at your shop. If not, SSPC will indicate what must be done or what additional information is required to complete the submittal.
5. All non-public information submitted is treated as confidential. The original submittal is filed at SSPC and the copy is given to the auditor assigned to conduct your evaluation.
6. The on-site evaluation will be conducted by an SSPC auditor at your shop, in conformance with SSPC QP3. It usually takes one and sometimes part of a second day to complete, and must include observation by the SSPC auditor of surface preparation, coating application, curing and material handling and storage operations.
7. At the conclusion of the audit, the auditor will conduct an exit interview for the purpose of telling you whether any deficiencies were cited during the audit.
 - If your firm has a qualifying score, it will be certified for three years, subject to its ability to maintain

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program standards in the second and third years. Your company's ability to maintain certification during the three-year certification term is confirmed through annual announced or unannounced evaluations, which your company must undergo at least once in each of the three years of the certification term. Certification lapses after three years.

- If your firm does not have a qualifying score, it will have up to 45 days after notification of audit results to develop a corrective action plan and request re-evaluation at a later date. If no corrective action plan is developed within the 45-day period, you must reapply for initial certification.
- The program provides for an appeals procedure should you contest audit findings. (See Section VII, Part D.)

III. Application Form for the SSPC QP3 Shop Painting Certification Program

Please note: QP3 encompasses shop application of coatings, referred to as complex painting systems in the SSPC-QP3/AISC 420.10 "Certification Standard for Shop Application of Complex Protective Coatings Systems," for steel items placed in service in the industrial, light industrial, and marine markets.

The QP3 program evaluates functions applicable to surface preparation, coating application, curing, handling, storage, and preparation for delivery of new steel or steel which has previously been coated and blast-cleaned and is free of hazardous metals as defined in SSPC-QP2. Removal of previously applied coatings that contain hazardous metals falls under the scope of SSPC QP2, "Standard Procedure for Evaluating the Qualifications of Painting Contractors (Removal of Hazardous Coatings from Industrial/Marine Structures)."

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Instructions: SSPC uses this application form to obtain information that will aid in evaluating and rating your firm. To avoid delays in the evaluation process, you must answer all questions accurately and truthfully. Information must be either typed or printed legibly. Please send SSPC two typed or printed copies of your completed application, along with two copies of all submittals, and the correct non-refundable fee and audit deposit.

1. Company Name: _____
Principal Officer and Title: _____
Business Address: _____
Email Address: _____
Web Address: _____
Telephone w/Area Code: _____
FAX w/Area Code: _____ Federal Tax I.D.: _____

2. Type of Business: Sole Proprietorship Partnership Corporation

3. Years your company has operated under the name listed in #1 _____
If your company has used its current name less than three years, list its previous names below.

Previous Name: _____ From: __/__/__ To: __/__/__
Previous Name: _____ From: __/__/__ To: __/__/__

4. Is the location listed in #1 the main place of business? Yes No

5. If you have other shop facilities under the same company name listed in #1, please identify these locations below:

Note: The auditor must observe each facility operating under the name listed in #1 before the evaluation process can be considered complete. Additional fees will be assessed for time and travel expenses required to audit other facilities.

6. Has your company undergone (within the past 18 months) or is it planning to undergo any significant changes (e.g., name change; change in ownership; Chapter 7, 11, or 13; purchase or takeover of another shop; executive management or key personnel changes, etc.)?

Yes No

If yes, please attach an explanation that meets the notification requirements described in Section X, Part A.

7. Attach copies of any Federal, State/Provincial or local (municipal) worker protection, environmental protection, or other regulatory agency violation citations (e.g., wage and hourly laws; tax laws, etc.) issued to any of your shop's painting operations during the previous 36 months. Provide resolution/settlement/notice of contest documentation if applicable, as well as a brief summary of policy changes and actions your company has taken as a result of the citations.

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8. List the names and headquarters locations of any industrial coating contractors your company is affiliated with. An affiliated company is: "A company, corporation, partnership, joint venture, or other business entity operating under a different name than the certified firm, which performs surface preparation or coating application or administrative and other support functions for the certified company; and in which an officer, director, owner, partner or stockholder of the certified firm, a previously certified firm disciplined by SSPC, or the certified firm itself, exercises directly or indirectly (such as through family members) any significant degree of ownership, management or control.

9. If your shop has suffered any work-related fatalities in the previous 36 months, you are required to report details to the SSPC Certification Manager. Submit the required copy of appropriate OSHA forms for fatalities that have occurred at your shop in the last 36 months.

9a. Is your company now, or has it in the past been associated in any way with a contracting firm operating under another name that has been disciplined by SSPC under the Disciplinary Action Criteria (DAC)?

Yes No if yes, please explain:

9b. Are any of your company's officers, directors, owners, managing agents, or managers now exercising (or have they previously exercised) direct or indirect control, management, or ownership of another contracting firm or shop, which has been disciplined by SSPC under the DAC? (Refer to the Disciplinary Action Criteria [DAC] found on SSPC Online: <http://www.sspc.org/qp-programs/qp-for-contractors/contractors-dac/>)

Yes No if yes, please explain:

If your company *has not* had such an association with a firm previously disciplined under the DAC, please check this box:

Note: Failure to answer truthfully or any instance of providing inaccurate information will lead to immediate revocation or denial of certification status.

10. Has your company been disqualified or disbarred from any bidder's list in the past 24 months?

Yes No

If yes, please provide the reason for the disqualification or disbarment and the name of the entity issuing the ban.

11. Please attach a copy of your most recent (12 months) OSHA accident and illness summary form, OSHA Form 300, if applicable.

12. Total production hours logged in previous calendar year: _____

Source of Information: _____

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13. Average number of workers associated with your painting operations you've employed or otherwise utilized over the preceding 3 years: _____

14. Is your firm an organizational member of SSPC? Yes No
If yes, please indicate the category of membership: Patron Sustaining

Membership Number: _____ Date membership expires: _____

15. Indicate which category of shop certification you are applying for:
(Choose one from the definitions in SSPC QP3/AISC SPE 420.10, section 1.0)

Check One: Enclosed Shop Covered Shop Open (Exposed) Shop

16. **Important:** Please note below any safety or other restrictions required before entering shop production areas:

Note: By my initialing and signature below, I acknowledge that I have read and understand:

Initial: _____ The QP3 Shop Painting Certification Program Application, Instructions and Program Rules

Initial: _____ The QP3 procedures set forth therein

Initial: _____ The QP3 Disciplinary Action Criteria (DAC)

As the principal officer of the shop painting facility, I agree to abide by and be bound by the rules, regulations, and procedures set forth therein. (Must be initialed above and signed by the President, Chief Operations Officer or Chief Executive Officer)

Signature: _____

Printed Name and Title: _____

Date: _____

Certification fee submitted with this application: \$ _____

For a detailed description of fees refer to Section V, "Fee Payment Schedule."

Caution: Failure to report accurate, complete information will delay your certification evaluation. Omission or falsification of information or failure to answer truthfully will result in withholding, denial or revocation of certification status.

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IV. Required Information

In order to rate and evaluate your firm, the program uses specific criteria, organized into 16 function areas outlined below. The "Evaluation Items" section below contains detailed information for each area.

References

Management Responsibility

Contract and Project Specification Review and Communication

Coating System Communication

Document and Data Control

Control of Quality Records

Purchasing Documents

Material

Process Control Procedures

Inspection and Testing

Verification of Accuracy of Inspection, Measuring, and Test Equipment

Control of Nonconformities

Corrective Action

Handling, Storage and Delivery of Product and Materials

Training

Internal Audit

Many of these 16 function areas contains several subcategories focusing on your company's policies, personnel, procedures and resources.

All items must also be submitted in writing with the initial application. They must be typed or printed legibly on separate sheets of paper and clearly identified. Documents, such as organizational charts or file documents that already exist, are to be submitted and organized in this manner. All items are subject to verification and evaluation by the auditor during the shop visit. Records or files to be presented include but are not limited to: job files, inspection reports, production reports, training records, personnel performance reviews, equipment operating procedures and maintenance records.

Evaluation Items (Shop Painting)

Below is a list of the evaluation items the auditor will review and rate during your SSPC-QP3 evaluation. **Submit a description and supporting documentation (examples) for all evaluation items with your initial application.** Critical audit evaluation items are identified as such in **bold type** and by Critical Item number. See Section VII. B for more details about critical evaluation items.

References: (Critical Item 1)

The Firm shall have the reference documents and standards necessary to provide personnel with the requirements of the work. The following references shall be readily available to those who have coating program responsibilities. Firms shall possess the current edition of these references as well as references consistent with the requirements of existing contracts:

SSPC-PA 1, "Shop, Field and Maintenance Painting of Steel" SSPC-PA 2, "Measurement of Dry Coating Thickness with Magnetic Gages"

SSPC-VIS 1, "Guide and Reference Photographs for Steel Surfaces Prepared by Dry Abrasive Blast Cleaning"

Product data sheets, technical bulletins, other recommendations for materials in use.

ASTM D 3276, "Standard Guide for Painting Inspectors (Metal Substrates)"

Documents specified by contract

Management Responsibility:

Company Policy

Shop's Quality Goals

Submit copy of Firm's quality policy and goals as they apply to coating and related operations. This

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policy shall express the shop's commitment to meeting contract requirements. The Firm shall ensure that the policy is communicated and understood by all personnel involved in the coating process in the organization. The shop shall document one specific, measurable goal related to coating application process quality and show how it evaluates its performance with regard to achieving this goal. The policy statement must be signed by the CEO, COO, or President and dated.

Direction and Leadership: (Critical Item 2)

Show that executive management reviews the Quality Management System (QMS) at planned intervals, but at least annually. Show that Management Reviews cover (at a minimum) the following areas:

- Results of internal and external QMS audits
- Opportunities to improve product quality
- Need for changes in the QMS
- Evaluation of customer feedback
- Training and qualification of personnel
- Channels of communication to address quality issues
- Effectiveness of means, methods and practices as they relate to coating operations
- Product nonconformance
- Results from previous Management Reviews

Show how Management Reviews result in implementation of changes, where needed, to improve operations.

Resources (Buildings, Workspace and Associated Utilities): (Critical Item 3)

Provide a drawing of the facility showing locations where surface preparation, coating application, and curing are conducted as well as where coating material, blasting abrasives, and other related products are stored. Show locations of equipment in the drawing.

Explain how the shop controls ambient conditions in the above-mentioned areas to prevent contamination of surfaces during coating and related operations.

Personnel:

Submit a current organization chart that identifies personnel (by name) who are responsible for determining inspection requirements, oversight of inspection activities, acceptance criteria, disposition of non-conformities, surface preparation, coating mixing and application, curing and inspection of completed work. Also include the person named by Executive Management as the top individual at the shop with technical knowledge of the coating process.

Process Equipment: (Critical Item 4)

Provide a list of operable equipment owned or controlled by your shop used for coating operations. Equipment list shall include but not be limited to:

- Blast cleaning equipment
- Hand and power tools
- Compressors, line driers and oil separators
- Spray equipment
- Power agitators
- Lifting equipment
- Provisions for loading and blocking

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Inspection, Measuring, and Test Equipment: (Critical Item 5)

Provide list of equipment used at your shop to perform inspections and tests. The list shall include equipment or other tools to measure:

- Surface profile
- Surface cleanliness achieved
- Surface temperature
- Ambient conditions (e.g., air temperature, relative humidity)
- Wind direction/speed, if applicable
- Coating material temperature
- Wet film thickness
- Dry film thickness
- Other criteria as specified by contract

Organizational Chart (Key QP3 Personnel)

Job Descriptions, Qualifications and Biographical Information:

Submit job descriptions for key personnel involved in: management, purchasing, quality control, surface preparation, coating application, and inspection

List each person's: name, title, years of experience, training completed and professional certifications and registrations.

Project List:

Submit a Project List (representative samples of complex paint system projects performed during the past 2 years). Include project name & facility owner; size of area cleaned and coated, dates work performed, surface preparation requirements, and coating material applied.

Contracts and Project Specification Review: (Critical Item 6)

Procedures

- Provide company procedure for contract and project specification review
- Provide procedure for addressing conflicts between project specification and manufacturer's recommendations and changes received through clarification

Coating System Communication:

Procedures:

- Describe method used to communicate project requirements (e.g. surface preparation, coating type, dry film thickness [DFT], step backs, masking, items or areas not to be coated, reduced DFT zones)

Documents and Data Control: (Critical Item 7)

Procedure Review and Approval:

- Describe how documents affecting coating quality are reviewed and approved by management and the frequency of review

Revision Control

- Describe how company controls and labels revisions

Access

- Describe how company ensures that applicable procedures and documents are made available to all personnel performing coating and related work

Obsolescence

- Describe procedure for ensuring that obsolete documents are marked, segregated, destroyed, or otherwise removed from the workplace to prevent inadvertent use

Transmittal

- Describe the company's process for tracking the distribution of drawings, documents, and specifications to owners, customers, subcontractors and suppliers

Customer Requirements

- Describe the company's procedure for receipt and distribution of customer requirements or other communication affecting coating operations to affected persons both internally and externally.

Control of Quality Records:

Submit Procedures for:

Storage

- Describe how company stores records to protect them from damage, deterioration and loss.

Retention

- Describe record retention policies and times

Types of Quality Records

Describe how the Firm maintains the following types of quality records:

- Contract document review
- Contract clarifications or Requests for Information (RFI)
- Training
- Internal audits
- Certificates of Conformance (COC) for materials used
- Qualification and performance of subcontractors
- Qualification and performance of suppliers

Requests for Deviation (RFDs) and responses:

- Surface preparation
- Application
- Nonconformities
- Waivers from the owner
- Corrective action
- Final inspection
- Management review

Purchasing Procedures:

Purchasing Data:

- Provide samples of purchasing documents for subcontractors, products, materials and services

Evaluation of Subcontractors:

- Describe process for evaluating and selecting subcontractors

Qualification and Evaluation of Suppliers:

- Describe process for evaluating and qualifying material suppliers

Materials: (Critical Item 8)

a. Container.

Describe how material containers are properly identified

b. Storage

Describe how materials are stored

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- c. Certificate of Conformance (COC) for Coating Requirements
Describe Firm's process to obtain and retain COC

Process Control Procedures: (Critical Item 9)

Surface Preparation:

- Describe your firm's standard procedures for performing surface preparation to meet contract requirements while not contaminating surfaces being coated and cured

Mixing and Application:

- Describe your firm's standard procedures for mixing and applying coatings in areas of the shop that are protected from air-blown dust, blast media or other debris that is detrimental to coating quality. Indicate how areas not-to-be coated are protected.

Application Records:

- Describe records maintained by your shop that documents the completed application process. Records to be maintained include:
 - Surface condition and temperature immediately prior to application
 - Material temperature immediately prior to application
 - Description of material applied (e.g. name, number, color)
 - Shelf life expiration date
 - Batch numbers of all components
 - Ambient conditions during application
 - Inspection of material (open can) prior to application
 - Documentation of the mixing process
 - Thinner or reducer added
 - Induction time and pot life
 - Verification that application was conducted within pot life
 - Equipment used to apply material (spray pump, spray gun, tip size)
 - Time elapsed between coating applications
 - Start and finish times
 - Dry Film thickness
 - Piece markings per contract requirements
 - Other contract requirements, not mentioned above

Equipment (not part of the critical item designation):

- Describe your firm's implemented procedures for performing preventative maintenance on major equipment (e.g. blast machine, compressors, driers, moisture and oil separators, dust collectors, spray equipment, lift equipment) regardless of whether the equipment is owned, leased, rented or otherwise procured

Inspections and Testing: (Critical Item 10)

- Provide Firm's procedures (including development of inspection plans) for inspection and testing to verify that work has been performed that meets contract requirements.

Inspectors

- Describe your process for selecting inspectors that are trained and qualified to perform required inspections
- Show samples of inspection plans prepared and used for each project
- Describe procedures for reviewing and signing off on inspection records by upper management or persons designated by upper management

Records

- Show how the Firm maintains inspection records that document:
 - Surface preparation achieved (condition of surface prior to coating, degree of cleaning, surface profile)
 - Dry film thickness per SSPC-PA 2 or as specified

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- Visible inspection of coating applied
- Verification of accuracy of dry film thickness gage used (per PA 2)

Verification of Accuracy of Inspection, Measuring and Test Equipment: (Critical Item 11)

- Describe company procedures for ensuring that equipment is in proper working order

Control of Nonconformities: (Critical Item 12)

- Describe firm's process for identifying, documenting and disposing of non-conforming work and non-conforming material that is acceptable to the customer and steel owner.

Corrective Actions: (Critical Item 13)

- Describe firm's "Corrective Action Program" to address:
 - Recurring nonconformities
 - Responses to corrective action requests issued by customers, owners, inspectors, internal QC, or others
 - Root cause analysis (RCA) of system failures
 - Changes to Quality Management System (QMS) as a result of RCA

Handling, Storage, and Delivery of Product and Materials: (Critical Item 14)

- Describe firm's procedures for handling, storing, loading, and shipping of finished products that conform to contract requirements

Training Craft-workers and Inspectors: (Critical Item 15)

- Describe firm's implemented program to train craft-workers who perform surface preparation (or operate machinery that does the surface preparation) and coating application

Inspectors and testing

- Describe firm's implemented program to train inspectors on topics covered in ASTM D 3276 that apply to the firm's operations.
- Describe firm's process for qualifying inspectors (based on training completed and experience) to perform assigned inspection tasks

Internal Audit: (Critical Item 16)

- Describe firm's program to perform internal audits of the coating process (QMS) at least annually to ensure conformance with QP 3 and customer requirements. Show that auditors are independent of the production process. Describe how the firm uses audit results to improve processes

V. Fee Schedule (Effective October 2011)

The QP3 Shop Painting Certification Program is a self-funding program. To achieve this, fees have been established as described here:

- **Initial Audit Administrative Fee:** Submitted by those applying for SSPC QP3 initial certification.
- **Annual Maintenance Administrative Fee:** Submitted in the 2nd & 3rd program years to cover annual evaluation costs.
- **Re-Submittal Administrative Fee:** Fee for shops that must repeat the application process due to an inability to satisfy program requirements in a timely manner (i.e. six months) prior to acceptance of application and submittal and scheduling.
- **Re-Evaluation Administrative Fee:** Fee for re-evaluation to verify implementation of corrective action

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plans.

Note: Annual administrative fees are not refundable if a contractor's QP 3 certification is suspended or revoked.

• **Audit Deposit: Monies submitted to cover the expense of performing the audit. Audits are performed at cost. If the audit deposit exceeds the cost of the audit (auditor's time, travel, expenses), SSPC will refund the difference. If audit expenses exceed audit costs, SSPC will bill your firm for the additional expense.**

Submit your non-refundable annual administrative fee and deposit for audit expenses with your QP3 application. SSPC will withhold your certification until receiving total payment. The fees cover the cost of staff time to review and process your application package, the cost of the on-site evaluation and audit, and the overhead expenses required to operate the program. Use the following tables to determine your fees.

QP3 Admin Fee	Sustaining Member	Patron Member	Non-Member
Initial & New Term	\$1,350	\$1,600	\$2,150
With QP1 or QP2	\$500	\$600	\$800
Maintenance	\$1,350	\$1,600	\$2,150
Corrective Action Verification	\$300	\$550	\$800

Audit Deposits (regardless of membership)

Initial & New Term	\$1,700 - (Stand-Alone Audit)
Initial with QP1 or QP2	\$1,200 - (if within 50 miles of the QP 1/2 job site or contractor's offices)
Annual Maintenance	\$1,500
*Outside U.S./Canada/Mexico – Add	\$1,000

Example: If you are applying for an initial QP3 stand-alone audit and you are an SSPC patron member, submit \$3,300 (\$1,600 Administrative Fee + \$1,700 Audit Deposit).

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As previously stated, SSPC performs QP3 audits at cost. If your audit cost is less than your submitted audit deposit, SSPC will refund the difference to you. If the audit cost is more than your audit deposit, SSPC will bill you for the additional expenses. Program fees are non-refundable, regardless of the results of your evaluation. If you decide to withdraw your application prior to scheduling of the field evaluation, SSPC will withhold \$500 for application processing expenses. After six (6) months SSPC will return "non-responsive" and "inactive" applications to the contractor, minus the \$500 non-refundable administrative processing fee.

You must pay post-audit fees for QP3 deficiency audits or additional audit expenses when they are due. Failure to pay in a timely manner will result in a six-month suspension from the program and public notification of your suspension. If you do not pay the fees after the suspension period, you will be de-certified and have to reapply to the QP3 program. When re-applying to the program you will have to pay all applicable fees *and* all overdue fees.

VI. Submittal Procedure

Help SSPC staff to process your application quickly and efficiently by following these instructions:

- Type or clearly print all entries on the application form.
- Be certain to answer all items on the form accurately and completely.
- Send original and one copy of the application package to SSPC. We suggest you keep a copy on hand for your use at the on-site audit.
- Clearly identify the all items of information required to be submitted in the application package. See evaluation items above.
- Determine fee using the schedule in Section V. Make check payable to: SSPC - QP3.
- Mail or email the application and all other required information to this U.S. mailing address:

**SSPC: The Society for Protective Coatings
Attn: Certification QP3
40 24th Street - 6th floor
Pittsburgh, PA 15222-4656**

VII. Evaluation Process

Evaluation of your shop is performed in conformity with the current version of AISC/SPE - SSPC QP3, #420-10: Certification Standard for Shop Application of Complex Protective Coating Systems.

The application package (e.g., application form, written submittal, certification fee) is received by SSPC. Upon acceptance of the application and submittal package by the SSPC Certification Manager, the application form and submittal is forwarded to the SSPC auditor who then schedules the audit.

When a date or a time frame has been selected, mutually agreed upon, and confirmed in writing or verbally by you and the auditor, the auditor will visit your shop to perform the following:

- Confirm data submitted in the application package.
- Interview key management and selected shop personnel.
- Observe and rate company organization and operation, using QP3 program rating procedures.
- Examine and rate equipment and facilities.
- Conduct exit interview.

At the conclusion of the evaluation, the auditor will schedule an exit interview with your supervisory and management personnel to point out items (i.e., deficiencies) that were scored less than 2, if there are any, as well as any corrective actions required. The applicant's representative will be required to sign the exit interview form and confirm findings noted at the exit interview for the audit to be considered complete.

A. Audit Cancellation Policy

If, after the audit date or time frame has been selected, mutually agreed upon by both you and the auditor, and confirmed in writing or verbally, you either cancel the audit or request a change in the date or time frame, SSPC will bill your firm for unrecoverable expenses (e.g., purchase of a non-refundable discount airline ticket) incurred by SSPC as a result of rescheduling the audit.

B. Critical Item Provision

The QP3 critical item provision identifies 16 of the total evaluation items program auditors use to evaluate contractors for certification. SSPC has deemed these 16 critical to the annual certification maintenance of a shop. The provision requires the shop to achieve scores of a minimum of two (2) on a scale of 1 to 3, on 13 of 16 critical evaluation items or SSPC will withhold or suspend certification.

The QP3 program provides a 45-day period for applicants who have not attained an adequate score to: make corrections in the deficient areas, submit a corrective action plan to change system procedures, and ask for a reevaluation. That same 45-day period is available to program members unable to achieve the required minimum score on all 16 critical evaluation items during annual on site maintenance or follow up evaluations.

For initial applicants, SSPC can withhold certification until: corrections are made, required procedures are put in place a minimum of six production months prior to the follow up evaluation, and the passing score (rating of 3) is achieved during any follow up on site evaluation.

For program members unable to achieve the required score during an annual maintenance evaluation (which consists at a minimum of an evaluation of all 16 critical items), SSPC will provide the member 45 days to submit a corrective action plan and request any required follow up evaluation.

If a program member is deficient in no more than 2 critical items upon completion of the annual maintenance evaluation, SSPC will extend certification status until the follow up evaluation is completed, pending acceptance by SSPC of a written corrective action plan. If the program member is deficient in more than 2 critical items, SSPC can suspend certification status for up to six months, pending receipt and acceptance of

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written corrective actions and required verification through any required follow up audit. If required corrective actions are not provided and verified after six months, decertification will result.

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QP3 Critical Items

The QP3 Critical Items are listed below:

1. References
2. Direction and Leadership – all aspects of the firm's management review program
3. Resources (Buildings, Workspace & Associated Utilities)
4. Process Equipment
5. Inspection, Measuring and Test Equipment
6. Contracts and Specification Review
7. Documents and Data Control
8. Material
9. Process Control Procedures
10. Inspections and Testing
11. Verification of Accuracy of Inspection, Measuring and Test Equipment
12. Control of Nonconformities
13. Corrective Actions
14. Handling, Storage and Delivery of Product and Materials
15. Training Craft-workers and Inspectors
16. Internal Audit

C. Determination of Status

At the conclusion of the evaluation process the SSPC Program Administrator will make one of two possible decisions concerning your certification status:

Confer Certification: Your Company achieved satisfactory ratings on all evaluation items

Withhold Qualification: Your firm has not attained the scores adequate to achieve SSPC QP 3 Certification. You then have 45 days after issuance of audit results to submit an acceptable corrective action plan to address deficiencies and request that SSPC re-evaluate to verify implementation of the corrective actions.

D. Appeal Procedure

During the Audit Exit Interview, the Auditor will document and explain all deficiencies cited during the Audit. If you dispute any of the audit results, you may appeal, using the steps of recourse listed below.

- You must notify the SSPC Certification Manager in writing within 10 working days of the Exit Interview, specifically identifying the deficiencies you are appealing, and substantively explaining why you dispute them (this includes providing supporting documentation for each deficiency being contested).
- SSPC will evaluate your written appeal and notify you of the evaluation results (in writing) within 30 calendar days of the appeal submission receipt by SSPC. SSPC appeal evaluations will result in either acceptance of your written appeal (vacating or reducing an audit deficiency) or denial of the appeal (sustaining the deficiency). For a denial of any appeal, the Contractor has the option to accept the SSPC appeal resolution and submit a Corrective Action Plan (CAP) which may or may not require a follow up Audit to verify CAP implementation. Finally, an appeal denial by SSPC could also result in suspension for up to 1 year.
- The Contractor can continue the appeal process by requesting an informal conference in writing and within 10 business days of an appeal denial by SSPC. The informal conference will be held at SSPC headquarters in Pittsburgh, PA, for Shop to further explain its position.
- The final option for the Shop wishing to continue with the appeal is to utilize the existing Disciplinary Action Criteria (DAC) Arbitration Panel Procedure.

Note: Contractors who do not appeal audit findings can still appeal disciplinary action taken by SSPC as a result of failing an audit. Use the procedures above to appeal a suspension resulting from a failed audit.

An annual internal audit will be required at the end of the first and second year of your term. SSPC provides an internal audit form on its web site, which you can use to record the results of your internal audit

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<http://www.sspc.org/qp-programs/qp-for-contractors/> and keep on file for review by the auditor if requested. Customers will be given an opportunity to comment directly to SSPC at any time on your company's performance. All replies will be treated as confidential, and will be used only as a component in determining certification reconfirmation.

Failure to pass the aforementioned annual or unannounced follow-up audits during the second and third years will be cause for suspension or revocation of your company's certification status. See Section IX, Maintenance Applications, for specific rules governing maintenance of QP3 certification status in the second and third years.

Important: Failure to cooperate with the program auditor or certification staff, or failure to provide access to data, personnel, or on-site premises, shall be sufficient cause for denial, suspension, or revocation of your firm's certification status for up to six months.

VIII. Scoring

The **rating of 1**, (aka a major CAR or deficiency), indicates: (a) the required training, written program, practice, or procedure is non-existent; (b) the required training or written program is inadequate; or (c) the required practice or procedure has not been in place for the minimum amount of time (six consecutive production months) or it has been in place sporadically (e.g., less than 2/3 implemented).

Important Note: Auditors will also issue a rating of "1" if they discover one or more unauthorized deviations from contract requirements or deviations from good painting practices found in the paint shop, shipyard, or field job site.

The **rating of 2**, (aka a minor CAR or deficiency), indicates the training or written program is adequate but requires minor revision. Examples include a practice or procedure that is in place with isolated instances of non-conformance (no more than 1/3 of the time), lack of practice or documentation due to personnel turnover, non-performance by field personnel, personal hardship, or natural disaster.

The **rating of 3** indicates that a contractor, based on audit sampling, consistently adheres to specific training and written program requirements, and that required practices and procedures consistently meet the letter of the standard. When there are no audit findings, it means that all items evaluated during the audit were rated "3."

Corrective Action Reports: A Corrective Action Report (CAR), using the SSPC CAP (Corrective Action Plan) form found on the SSPC web site (<http://sspc.org/certification/PCCP/CAPinfo.html>), **is required** for **each** major deficiency (rating of "1") found by the auditor. Remedial action for a Major CAR requires the submission of a corrective action report followed by an on-site audit to confirm that the contractor has corrected the deficiency and implemented the corrective action plan submitted to SSPC.

Remedial action for a Minor CAR requires that the auditor confirm remediation at the next audit. Minor Cars that are not remediated by the contractor by the next audit turn into a Major CAR or deficiency.

Note: Initial Audits **require** corrective action report submissions for **all** deficiencies cited (major or minor).

Concerns: Occasionally, the auditor will note a "concern" on an audit report. A concern is not a rating. It is simply a statement for the contractor to consider for its own business purposes. No response is required for a "concern."

IX. Maintenance Applications

The QP3 certification term is three years. To assure that your operations remain in compliance with certification standards during that period, it is required that SSPC evaluate your firm in each of the three years of the certification term. Additional unannounced audits may be performed at SSPC's discretion, at no cost to the program member. This excludes any corrective action verification audits required

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Maintenance applications are due to SSPC (postmarked) by January 15 of each calendar year. The annual audit must be completed by December 31 of each calendar year. **Note: SSPC strongly advises each company be actively involved in scheduling their audit.** Current applications and audit requirements are found on SSPC's web site: <http://www.sspc.org/qp-programs/qp-for-contractors/>.

SSPC will send a certified letter approximately 60-90 days before the renewal deadline as a reminder. Failure to receive a reminder from SSPC does not relieve your company of the responsibility to apply for renewal of certification when due. If you fail to reapply by the January 15 deadline, certification is lost. If certification is lost, the company must reapply as an initial applicant. **Note: You are responsible for ensuring that SSPC has your current mailing address, phone, fax, and email information.**

Shops who fail the annual maintenance evaluation will be given 45 days after notification of audit results to submit a Corrective Action Plan and request that SSPC re-evaluate. SSPC reserves the right to withhold certification from firms who fail a maintenance or follow-up evaluation until a Corrective Action Plan (CAP) is submitted and accepted by SSPC. SSPC may opt, in certain cases, to extend the company's certification status following acceptance of a CAP for a limited period subject to certain conditions.

Shops placed on suspension for failing a maintenance audit during their certification term will be formally notified in writing (e.g. by letter or email) of the suspension.

- The shop is given 45 days from notification to make corrective actions and be re-audited
- The shop is asked to return original certificates
- The shop is asked not to present itself as QP 3 certified during the suspension period

During a suspension period the contractor's name will be removed from SSPC's web site list of certified contractors <http://www.sspc.org/qp-programs/qp-for-contractors/>. **Contractors will be formally notified in writing when a suspension is lifted**, valid certificates will be reissued, and the contractor's name will be added back to the SSPC web site as being QP 3 certified.

QP3 certified shops that fail two consecutive certification maintenance/annual audits at any time while certified will be suspended from the program for up to 12 months following failure of the second audit. Audit failure is defined as three or more Critical Item Deficiencies. Corrective action verification audits following a failed audit are not considered annual/maintenance audits.

X. Special Provisions

A. Major Changes in a Company's Organization

SSPC certified shops are required to notify the SSPC certification coordinator within 30 days of any major organizational changes. Examples of a major change include, but are not limited to, the following:

- Change in ownership
- Partnership/joint venture
- Change in executive management (e.g., President; C.E.O., general manager)
- Name change
- Declaration of bankruptcy
- Relocation of main or branch business offices or opening of new branch offices

The notification shall include:

- Specific details about changes
- Revised organizational and responsibility chart
- Effective dates of change
- Names of officers of company

SSPC will subsequently schedule a special audit at your expense within a year of notification. SSPC will also schedule another audit, at the firm's expense, within 6 months after the special (first) audit to verify that the company is in fact maintaining the standards of the program. If the shop does not pass the 6-month audit, certification will be rescinded.

No transfer of certification status to a new company will be approved until the company provides SSPC

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with the information and passes the special (first) audit.

Failure to notify the certification coordinator of any major changes within the required time period may result in an automatic 6-month suspension from the program.

A company that has changed its name must certify in writing that it will assume responsibility for any disciplinary actions or violations of Federal, state, and local regulations issued under the original name. In addition, any violations of the SSPC QP 3 program (e.g., written complaints from owners or critical faults) by the firm under its original name will be considered as part of the record of the firm under its new name.

A company may request that SSPC waive the requirement for a special (first) audit before approving the transfer. SSPC will evaluate each request and waive the requirement at its own discretion.

B. Joint Ventures and Auditing

When SSPC audits a project being done by one or more QP certified firms as a Joint Venture (JV), the audit counts as an audit for all the QP certified companies involved in the JV. That is, if the audit is successful, all the JV QP companies audited share in the success. If the audit is not successful, the audit is unsuccessful for all QP firms involved. In addition, SSPC reserves the right to audit a non-JV project being done by one or more of the joint venture contractors.

C. Suspension for Non-Payment of Fees

Failure to pay all fees due SSPC in a timely manner can result in a six-month suspension and public notification of the suspension. SSPC will suspend the contractor's QP3 if it fails to pay all outstanding balances within (3) three business days of the final (second) invoice. For initial and annual applicants that pass the evaluation, certification will be withheld until all fees are paid. Finally, if the Contractor chooses to contest or appeal any outstanding balance, the appeal must be in writing and submitted to the Certification Manager within five business days of the final (second) invoice date. Failure to submit a timely written appeal of an outstanding invoice will also result in a six-month suspension mentioned.

D. Formal Complaint Procedure

Any authorized representative of an agency who hires a certified shop may file a formal complaint against a certified shop if this person has information that the shop does not practice certification procedures. The formal complaint procedure allows the shop to submit information to counter the complaint. An audit may be performed to investigate a complaint.

E. Administrative Suspension and Change of Company Name

Change of company name, ownership or structure does not void a suspension issued by SSPC. Any company that is suspended for failing to meet QP audit standards, SSPC administrative policy, or any other policy related to QP3 certification is restricted from reapplying for certification as a newly formed, merged, or renamed company. Recertification in any form is prohibited for the stated duration of the suspension. Once the suspension period has lapsed, any suspension history and records will be transferred to the new business.

Any representative of the management, including but not limited to an officer, director, superintendent, quality control supervisor, safety director, general manager, or stockholder, or any person who exercises directly or indirectly, including through an intermediary person, any degree of ownership, management or control of the suspended contracting firm, who forms or purchases a new company or who exercises any management or control of a new, existing, or purchased company, or who exercises any degree of ownership of a new, existing, or purchased company, renders the new, existing, or purchased company ineligible for certification while any suspension of the company the person was associated with, is in effect. The intent is to prevent management, or other key individuals associated with the suspended firm from forming or purchasing a new company, or exercising any control over an existing affiliated company (such as through an intermediary person) to avoid the consequences of a QP3 suspension.

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A suspended contractor may re-enter the program when the suspension period has lapsed and the conditions for reinstatement have been met. A newly formed, merged, or renamed company must submit an application and follow all procedures for QP certification.

Note: For purposes of this document, affiliated company is defined as: "A company, corporation, partnership, joint venture, or other business entity operating under a different name than the certified firm, which performs surface preparation or coating application or administrative and other support functions for the certified company; and in which an officer, director, owner, partner or stockholder of the certified firm, a previously certified firm disciplined by SSPC, or the certified firm itself, exercises directly or indirectly (such as through an intermediary person) any significant degree of ownership, management or control."