

**PENNDOT – Engineering District 10-0
ISO 9001 Internal Audit Report
(01/13)**

Department	Audit Process	Date & Time of Audit
PennDOT – Construction Unit	LC1-Subcontractor Approval Process	1-26-2016 10:30 AM

Auditor(s)	Audit Objectives:
1. Steve Shilling 2. Brian Steffy	Review process and determine conformity to QMS Manual

Name of Auditee(s)	Auditee(s) job Function
1. Betty Bottali	1. District Labor Contract Compliance Agent (DLCCA)

Item(s) or areas audited
LC1 – Subcontractor Approval Process

Auditee Comments:
1. This audit challenged the knowledge of the DLCCA.

<u>Plan approved by: (Management Representative)</u>
Tab Boyer

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Audit Criteria

External requirements (questions)

1. How is the prime contractor and the IIC notified of subcontractor approval?
2. What reference documents are used for the process and where are they located?
3. What is the process for a subcontractor to lose prequalification, thus removing them from being approved as a subcontractor? Can this happen during the Construction Phase of a project?
4. Are subcontractors required to be bonded?

External requirements (answers)

1. Prime and IIC are notified via email.
2. See Areas to consider for improvements to modify reference documents.
3. Debarment process, which could happen during the construction phase but not likely because it typically would take failures on multiple projects and would take a very long time.
4. No but most subcontractors are bonded.

Internal requirements (questions)

1. Explain the process and how it is used to approve subcontractors? Where is the process found? Do hyperlinks within the process work?
2. If the subcontractor is scheduled for more than one operation on the project, does ECMS list what operations the subcontractor is approved for?
3. Regarding the process, did anything change with the recent implementation of V3 and/or PPCC?
4. Whom in Harrisburg is performing the review in Step 5 of the process?

Internal requirements (answers)

1. Once the subcontractor is selected by the prime, a subcontractor request is submitted in ECMS, PO or APO receives the request in Harrisburg. District LCCA knows of the request at this time. Once PO or APO checks Work Items and Work Classifications then the request is approved or left in review status. DLCCA then checks CRP for taxes. ECMS is safeguarded in multiple ways to keep subcontractors from being improperly approved. DLCCA then works through Process Step 15, approving or rejecting the request.
2. The Item(s) of work are listed in ECMS, not the operation.
3. No changes in the process due to V3 or PPCC.
4. Prequalification Officer(PO) and Assistant Prequalification Office(APO) from the Bureau of Project Delivery

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Overall Statement of Effectiveness of the Quality Management System

Areas of strength regarding ability to meet requirements- including observed BEST Practices

1. DLCCA works well with the primes and subcontractors to obtain subcontractor approvals as expeditiously as possible.

Areas to consider for improvement:

1. Recommend removing Attachment – A / Commitment Sheet and Labor Compliance Manual from the Reference Documents.
2. Reconnect the ISO Manual and the hyperlinks now that the Department has a new website and removed the ftp site.

Specific observed nonconformities (Findings): If Applicable, Follow-up Scheduled:

1. There are no observed nonconformities.

Observations and auditor comments:

1. The DLCCA is knowledgeable of the process.

Statement of overall effectiveness of the system:

1. The process is effective and continues to serve the Commonwealth well regarding subcontractor approvals.

Distribution of Audit Report:

- Manager of area audited
- A.D.E. Construction
- ISO Management Representative

Unit Manager Comments Including Follow-Up Action: (if any)

➤ Discussing findings with DLCCA, it was recommended that we do revise the process to remove the items in Areas to be Improved, will write a CPAR to follow up with the revision.

Continuing to work with IT to get website QM up and running