

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

Department	Audit Process	Date & Time of Audit
Construction	7.5.1	02/07/2017

Auditor(s)	Audit Objectives:
1. Dave Schaffer Brian Sams (not present)	To ensure compliance and identify Need for improvement.

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

Item(s) or areas audited
Subcontractor Approval Process LCI (7.5.1) Internal Audit

Auditee Comments:
○ None

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

# PENNDOT – Engineering District 10-0

## ISO 9001 Internal Audit Report

### Audit Criteria

#### External requirements (questions)

1. Explain the process and how it works.
2. How does a subcontractor get approval?
3. Under what circumstances would a subcontractor not gain approval?
4. How are prime contractors/IIC's notified when a subcontractor is suspended/removed/debarred?
5. What happens if a subcontractor is suspended/removed/debarred after being approved?

#### External requirements (answers)

1. Can a subcontractor lose previously approved work classifications and what would be the reason?
2. If a subcontractor loses pre-qualification during a project can they still complete the work?
3. Once a subcontractor is approved on a project, must they complete the work?
4. What happens if a subcontractor performs work they are not approved to do?

#### Internal requirements (questions)

1. The Bureau of project delivery reviews ALL sub requests and once they approve the sub, they notify the DLCCA who then runs the CRP report and verifies the sub has all the required documentations in place, and has the proper work class code approvals and then either approves or disapproves.
2. The subcontractor is first given conditional approval until they gain the necessary experience in the work class code they are trying to get approved for. Once the project is done, the prime, DLCCA, or CO verifies that the sub is capable of doing the work and class code approval is given.
3. Not having the required experience or demonstrating poor performance, lack of ability to perform the work or not having the available work force.
4. The Contractor Responsibility Program report will alert the DLCCA if a suspension/or debarment exists and the DLCCA notifies the IIC but not the prime.
5. The prime contractor can either do the work themselves OR they can solicit a replacement subcontractor to perform the work.

#### Internal requirements (answers)

1. Yes, If they receive poor performance ratings OR they receive a request from an IIC to re-evaluate the sub's ability to perform work.
2. No, they will either have to be replaced with another sub or the prime will have to complete the work.
3. The prime contractor may elect to do the work themselves if the sub is unavailable when the work needs done.
4. The district's recourse is to withhold payment for any work that would be done by a sub for which they do not hold the appropriate work class code approval.

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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. There is a defined system of checks and balances in place to ensure qualified subs are being utilized.

### Areas to consider for improvement:

1. When a sub is suspended/removed/debarred, there should be a notification sent out through ECMS that the sub is no longer available for use on projects.

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

1. NONE

### Observations and auditor comments:

1. The DLCCA has a very good grasp on the process.

### Statement of overall effectiveness of the system:

- For the most part, the system seems to be functioning as intended.

### Distribution of Audit Report:

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

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

