KANSAS CITY NSC National Security Campus

managed by Honeywell FM&T

SUPPLIER SUMMIT

Welcome

NSC-614-6873 01/2025 Unclassified Unlimited Release

The Department of Energy's Kansas City National Security Campus is managed and operated by Honeywell Federal Manufacturing & Technologies, LLC under contract number DE-NA0002839

CONFIDENTIALITY NOTICE

The information presented at the 2024 KCNSC Supplier Summit (The “Summit”) (including, but not limited to, information in oral and visual presentations) contains the proprietary and confidential information (“Confidential Information”) of Honeywell Federal Manufacturing & Technologies, LLC (“Honeywell FM&T”).

The information is intended for attendees of the Summit and shall not be photographed, recorded, reproduced, or distributed to the public or press. Recipients of Confidential Information from the Summit are deemed to have agreed: (1) not to disclose, reproduce, or distribute the Confidential Information in whole or in part without the prior written consent of Honeywell FM&T and (2) to be liable for any unauthorized disclosure of the presentations or the Confidential Information contained therein.

Disclosures of information: (a) previously known or lawfully obtained at a later date by a person through a source (other than Honeywell FM&T) not bound by any obligation to keep such information confidential or (b) in the public domain by no fault of such person, shall not be considered unauthorized disclosures of Confidential Information.

AGENDA

Welcome
Jacque Coleman
Director of Procurement

Keynote Address
David Hoagland
Executive Principal Assistant Deputy Administrator, NNSA

State of the Business
Dylan Plemons
Vice President, Integrated Supply Chain

Purchased Product Center of Excellence Update
Elizabeth Fossey
Sr. Director, PPCOE

Supplier Safety
Tom Moibi
Director of HSE&EM

Nuclear Weapons Program Update
Julie Aitkens
Sr. Director, NWP

Supplier Security Threats
Shawn Geib
Chief Information Security Officer

Lunch & Supplier Recognition Ceremony

Breakout Sessions
Indirect
Electrical
Mechanical

Supplier Highlights
Indirect
Electrical
Mechanical

Closing Remarks
Jacque Coleman
Director of Procurement

Social Summit

KCNSC STATE OF THE BUSINESS

DYLAN PLEMONS
VICE PRESIDENT, INTEGRATED SUPPLY CHAIN

KANSAS CITY NSC National Security Campus

SUPPLIER PERFORMANCE HIGHLIGHTS

SUPPLIER RELATIONSHIPS

Delivering Together

KCNSC's Supply Base

- More than **300** production suppliers
- Nearly **4,600** indirect suppliers
- More than **70%** of KCNSC production components procured externally
- More than **$956M spent** in direct and indirect commodities, annually

200

Complete warheads delivered to Department of Defense in FY23

326,347

Parts/assemblies shipped from KCNSC in FY23

You, **OUR SUPPLIERS,** enabled this to happen!

Thank YOU

FOR YOUR SUPPORT

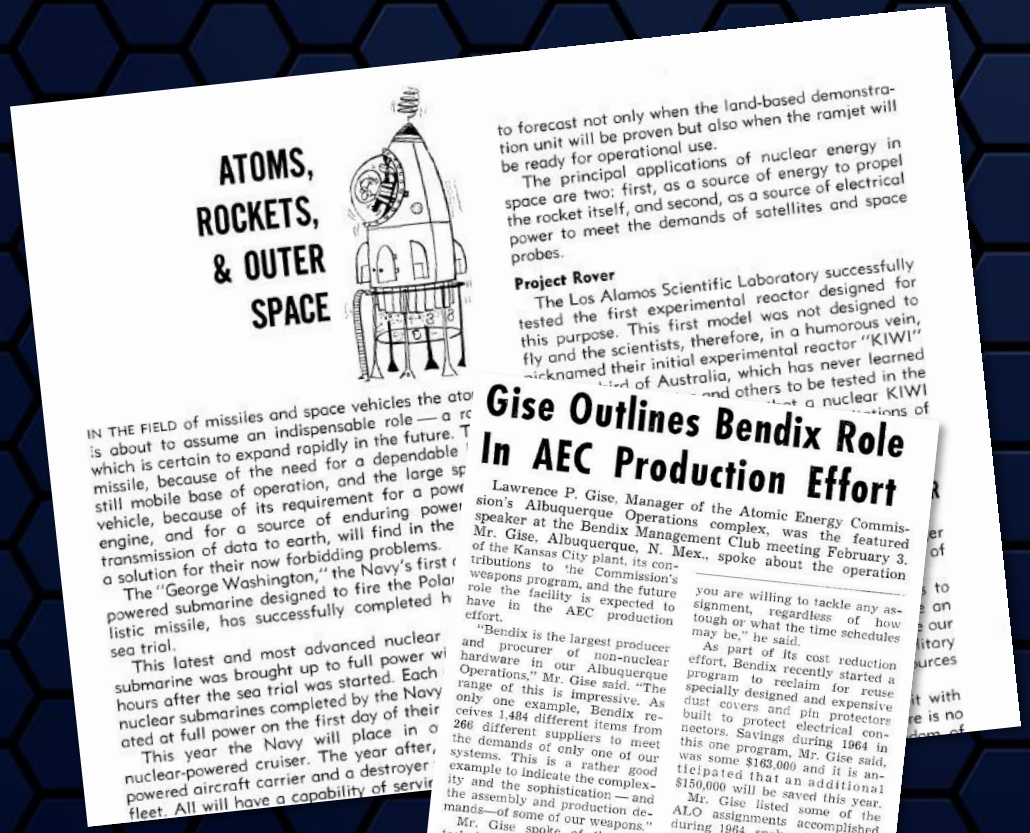
WE'RE GRATEFUL FOR YOUR …

- Dedication to product and workplace safety
- Flexibility and willingness to collaborate to improve processes
- Feedback to help us enhance producibility and technical capabilities
- Extra time and support to help us resolve quality issues
- Commitment to continuous improvement

WHO WE ARE AND HOW WE SUPPORT THE ENTERPRISE

A LEGACY OF PARTNERSHIP

Suppliers have supported our national security mission for decades



ATOMS, ROCKETS, & OUTER SPACE

IN THE FIELD of missiles and space vehicles the ato
is about to assume an indispensable role — a ro
which is certain to expand rapidly in the future. T
missile, because of the need for a dependable
still mobile base of operation, and the large sp
vehicle, because of its requirement for a powe
engine, and for a source of enduring power
transmission of data to earth, will find in the
a solution for their now forbidding problems.

The "George Washington," the Navy's first
powered submarine designed to fire the Polar
listic missile, has successfully completed h
sea trial.

This latest and most advanced nuclear
submarine was brought up to full power wi
hours after the sea trial was started. Each
nuclear submarines completed by the Navy
ated at full power on the first day of their
This year the Navy will place in o
nuclear-powered cruiser. The year after,
powered aircraft carrier and a destroyer
fleet. All will have a capability of servi

to forecast not only when the land-based demonstration unit will be proven but also when the ramjet will be ready for operational use.

The principal applications of nuclear energy in space are two: first, as a source of energy to propel the rocket itself, and second, as a source of electrical power to meet the demands of satellites and space probes.

Project Rover

The Los Alamos Scientific Laboratory successfully tested the first experimental reactor designed for this purpose. This first model was not designed to fly and the scientists, therefore, in a humorous vein, nicknamed their initial experimental reactor "KIWI" [illegible] of Australia, which has never learned [illegible] and others to be tested in the [illegible] a nuclear KIWI [illegible]

Gise Outlines Bendix Role In AEC Production Effort

Lawrence P. Gise, Manager of the Atomic Energy Commission's Albuquerque Operations complex, was the featured speaker at the Bendix Management Club meeting February 3. Mr. Gise, Albuquerque, N. Mex., spoke about the operation of the Kansas City plant, its contributions to the Commission's weapons program, and the future role the facility is expected to have in the AEC production effort.

"Bendix is the largest producer and procurer of non-nuclear hardware in our Albuquerque Operations," Mr. Gise said. "The range of this is impressive. As only one example, Bendix receives 1,484 different items from 266 different suppliers to meet the demands of only one of our systems. This is a rather good example to indicate the complexity and the sophistication — and the assembly and production demands—of some of our weapons."

Mr. Gise spoke of the high technical competence demonstrated by Bendix at the Kansas City Plant, mentioning as examples the work done by the firm in plastics, printed [illegible]

you are willing to tackle any assignment, regardless of how tough or what the time schedules may be," he said.

As part of its cost reduction effort, Bendix recently started a program to reclaim for reuse specially designed and expensive dust covers and pin protectors built to protect electrical connectors. Savings during 1964 in this one program, Mr. Gise said, was some $163,000 and it is anticipated that an additional $150,000 will be saved this year.

Mr. Gise listed some of the ALO assignments accomplished during 1964, spoke of rigid production and reliability requirements being met at the Kansas City Plant, and mentioned several non-weapons programs being conducted [illegible]

"Bendix is the largest producer and procurer of non-nuclear hardware in our Albuquerque Operations. The range of this is impressive. **As only one example, Bendix receives 1,484 different items from 266 different suppliers to meet the demands of only one of our systems.**"

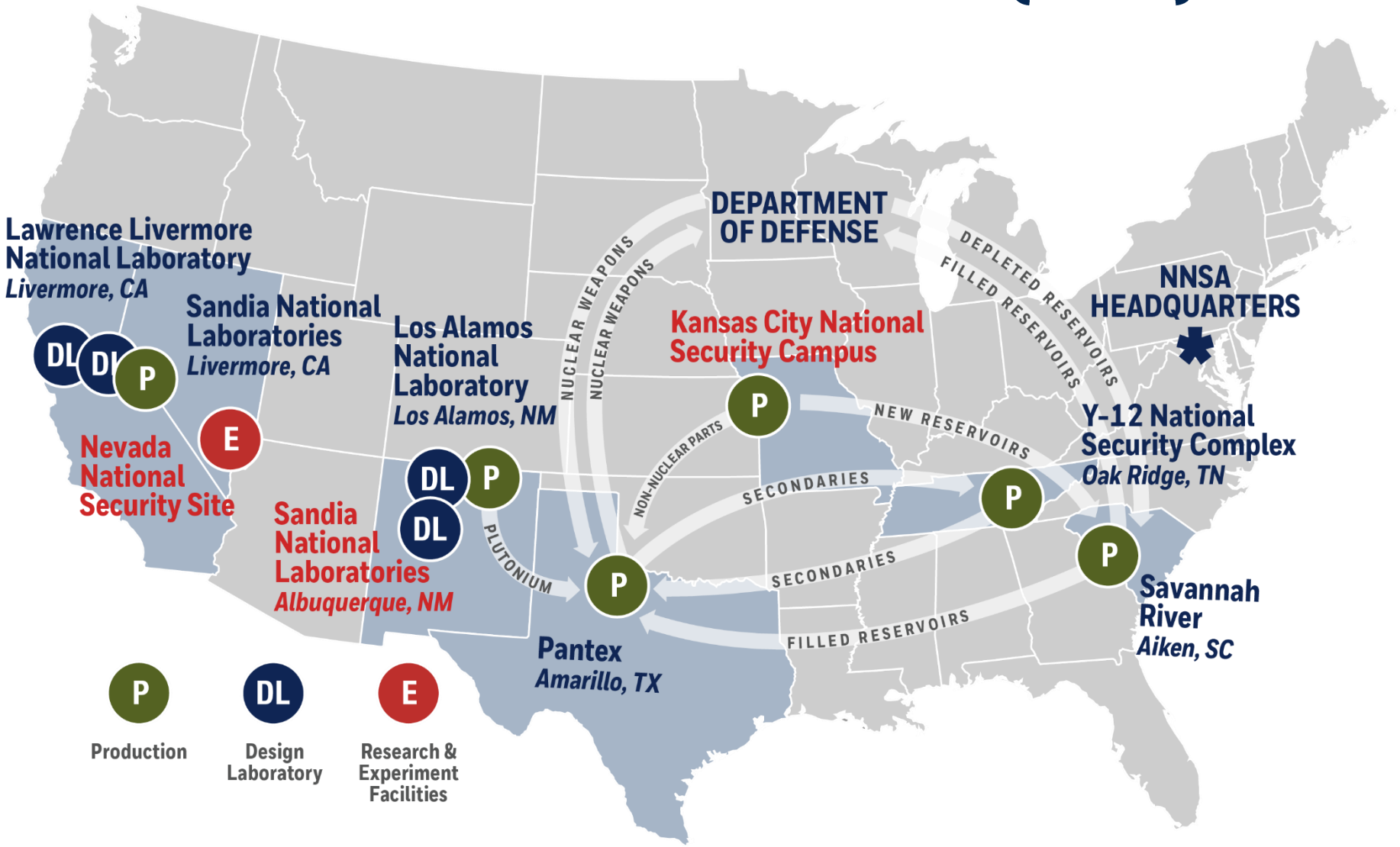
– Lawrence P. Gise, Manager of the Atomic Energy Commission's Albuquerque Operations complex
BKC Newsfront March 1965

"The Kansas City Division is an important and indispensable part of the Commission's weapons production program. **Also of great importance is the fact that 4,500 other suppliers, sub-contractors and manufacturers, many of them local funnel their material and services into the Bendix plant [KCNSC].**"

– Bendix News April 1960

CUSTOMER – DOE/NNSA/DOD

NNSA'S NUCLEAR SECURITY ENTERPRISE (NSE)



Honeywell's NSE Presence

Honeywell Federal Solutions, Washington D.C. oversees:

- Kansas City National Security Campus
- Nevada National Security Site
- Sandia National Laboratories
- Oak Ridge Reservation (DOE EM efforts)

KANSAS CITY NON-NUCLEAR EXPANSION TRANSFORMATION (KC NExT UPDATE

KANSAS CITY NSC National Security Campus

NOTIONAL CONCEPT

Total Size
245 acres

Envisioned to add approximately **2.5 million** square feet of office, manufacturing and support facility capacity

KANSAS CITY NON-NUCLEAR EXPANSION TRANSFORMATION (KC NEXT)

New and novel approach

- First time purchasing land with improvements in a phased approach
- Multi-year, multi-phase plan

Expands our existing campus

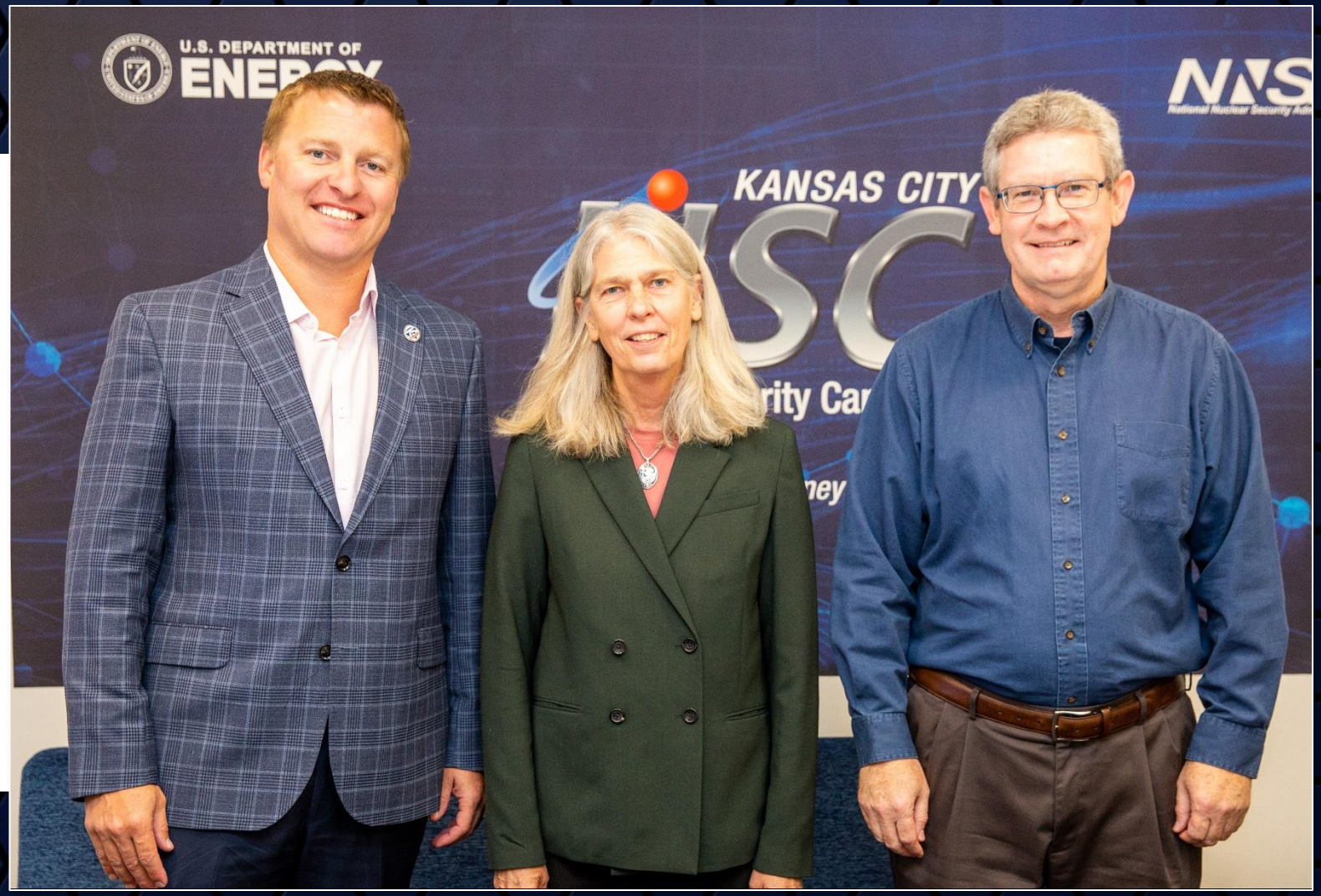
- Provides additional capacity for weapon modernization and sustainment, non-proliferation and national security needs
- Increases flexibility and resilience

Schedule expectations

- Delivery of office building in summer 2026
- More capacity delivered yearly throughout total project timeline

KC NExT COMMENCEMENT CEREMONY

Pictured left to right:
Honeywell FM&T President Eric Wollerman,
Under Secretary of Energy for Nuclear Security and
NNNSA Administrator Jill Hruby and
NNSA Kansas City Field Office Manager Jeff Shoulta



SAFEGUARDING NATIONAL SECURITY

TOGETHER

You play a key role in helping us meet our customers' needs.
Let's continue partnering to deliver quality parts on-time.

PURCHASED PRODUCT CENTER OF EXCELLENCE BUSINESS UPDATE

ELIZABETH FOSSEY
SR. DIRECTOR, PPCOE

EFOSSEY@KCNSC.DOE.GOV

AGENDA

- Organizational Update
- Spotlight on Quality Operations
- Accountability and Progress
- Production Material Outlook
- Strategic Focus on Indirect
- Our Small Business Mission

ORGANIZATIONAL UPDATE

PURCHASED PRODUCT CENTER OF EXCELLENCE

One Centralized Organization

PPCOE **manages all activities** related to purchased products in one centralized organization.

Purchased Products

More than **70%** of production components are procured through KCNSC's external supply chain.

Indirect Suppliers

PPCOE works with **4,600+** indirect suppliers, with **$669M** in nonproduction requirements.

Production Suppliers

PPCOE works with **311** production suppliers, with **$287M** in production spend.

$956,000,000

KCNSC spend in both production and indirect commodities.

Organizational Growth

PPCOE's **1,100** employees support product acceptance, strategic sourcing, procurements and product requirements.

FUNCTIONAL RESPONSIBILITIES

Quality Operations

Scope
Inspect all Purchased Product material to Quality Requirements

Key Responsibilities
- Source inspection at suppliers
- KCNSC receiving inspection
- Precision measurement
- Non-destructive inspection
- Third-party inspection

Key Challenges
- Executing to planned flowtimes due to inspection and technical issues
- Large amount of in-process material requiring significant space and storage capacity

Purchased Product & Quality Engineering

Scope
Production material for all programs

Key Responsibilities
- Product realization (sourcing readiness)
- Definition readiness
- Alignment of acceptance methods
- Commodity management
- CASL management
- Supplier improvements

Key Challenges
- Late authorizations, technical definition changes, manufacturability and demonstration of readiness
- Enterprise understanding of supplier/quality management system (QMS) requirements

Strategic Sourcing

Scope
Production material for all programs

Key Responsibilities
- Commodity strategy development
- Supplier contracting
- Supplier onboarding
- Make vs. buy process
- Supplier risk, capability, and capacity assessments

Key Challenges
- Internal and external (other sites) forecasting
- New program requirements
- Enterprise commodity strategy alignment
- Supplier relationship management (SRM)

Procurement

Scope
All KCNSC procurement activities and spend

Key Responsibilities
- Production and indirect purchase order execution (placement, status, closure)
- Contracting for non-strategic commodities
- Purchasing programs (small business, PCard)

Key Challenges
- Demand volatility
- Growth in indirect spend (construction, capital equipment)
- Supplier performance management (flowtime, adherence to requirements)
- Compliance

PURCHASED PRODUCT CENTER OF EXCELLENCE LEADERSHIP

Total Staff: 1,100+

Elizabeth Fossey

Senior Director
Purchased Product

Tim Schalm

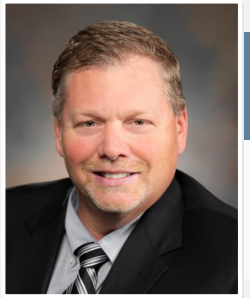
Director
Strategic Sourcing

Jacque Coleman

Director
Procurement

Ashley Smith

Technical Director
Purchased Product



Brian Olson

Director
Quality Operations

SPOTLIGHT ON QUALITY OPERATIONS

SPOTLIGHT ON QUALITY OPERATIONS

Brian Olson appointed Director in July 2023

- At KCNSC since 2014 in Senior Technical Manager roles
- Experience at IBM, JDS Uniphase and Pemstar

Key focus areas

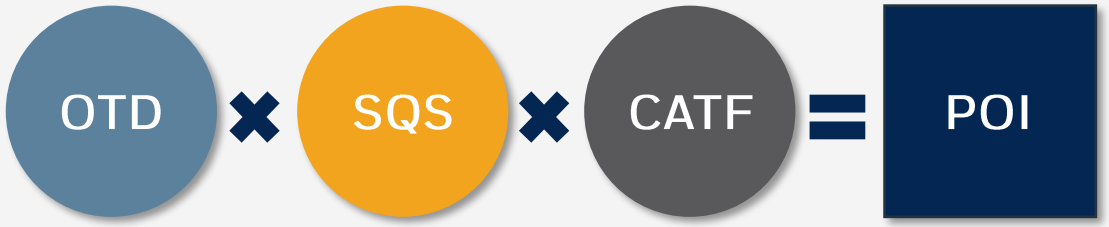
- Ensuring safety and security both in-house and at supplier locations
- Creating a first-in, first-out (FIFO) environment in inspection areas
- Continuous improvement in inspection methodologies, technology and training
- Early engagement in development and new programs
- Partnering with suppliers and PPCOE functions to improve quality

ACCOUNTABILITY AND PROGRESS

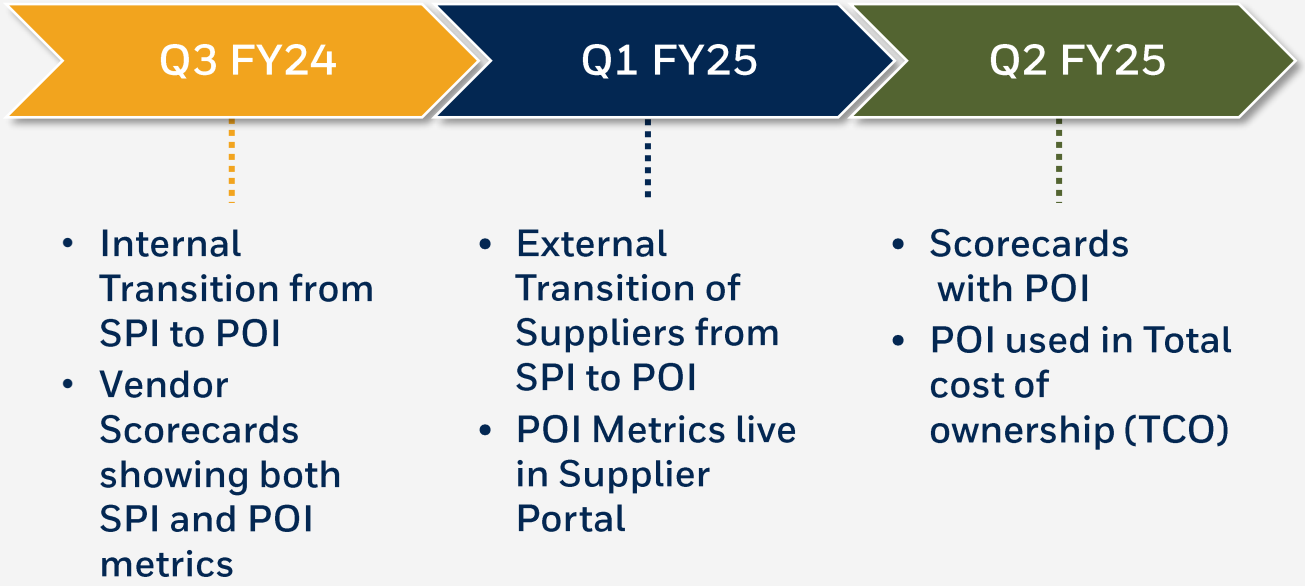
PPCOE SCORECARD AND METRIC ENHANCEMENTS

- Creation of PPCOE Health Index
- Transition to Supplier Quality Score (SQS)
- Introduction of Perfect Order Index and Certifications Accepted Trouble Free
- Progress:
  - Meeting and exceeding progressively higher material availability target
  - Exceeding SQS on average by 3% each month

New POI and CATF calculation



Enhancement Schedule



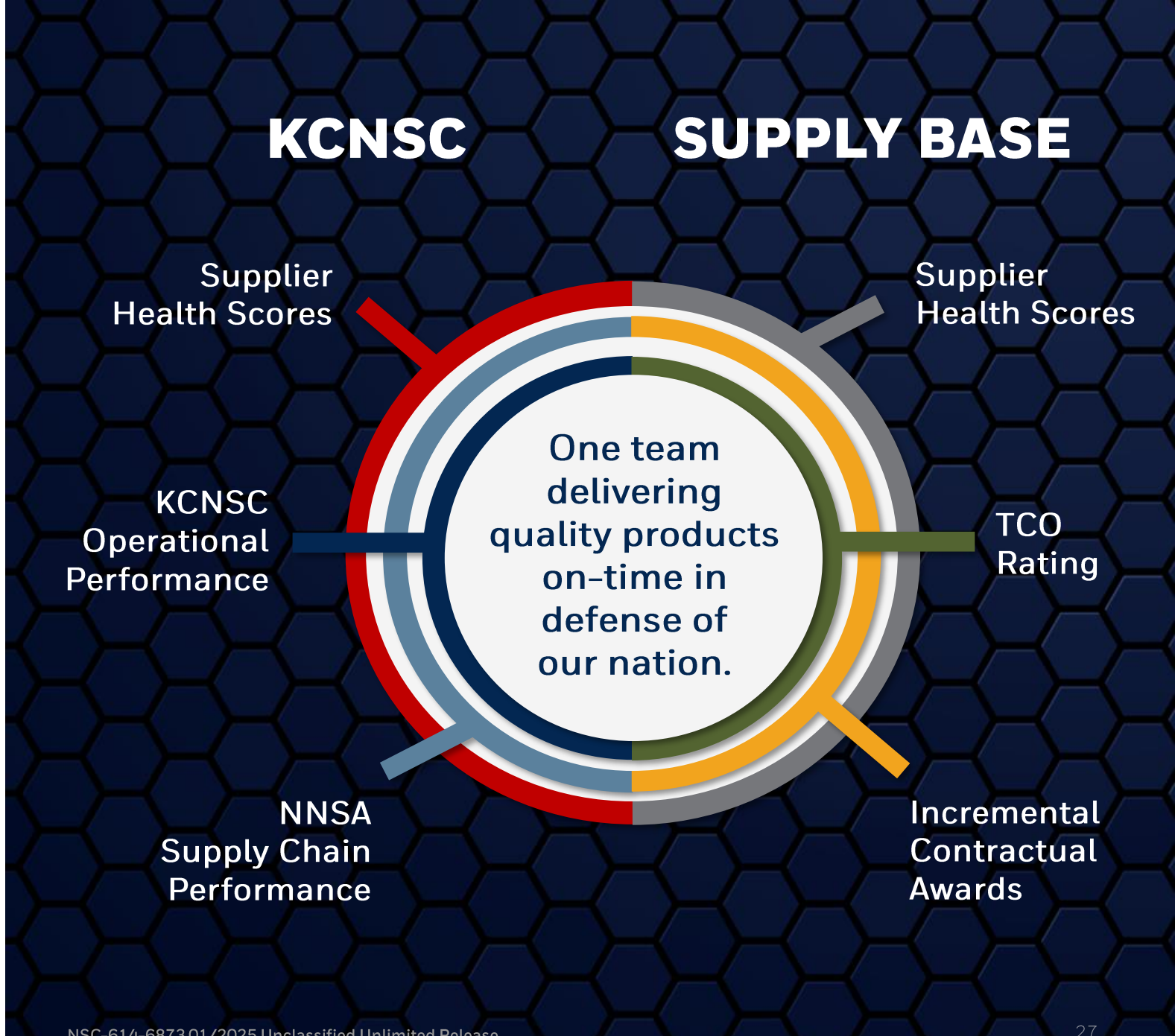
Driving accountability in our teams and our supply base.

ALIGNING PRIORITIES

Source Selection using Supplier Health Scores helps align priorities.

The **Supplier Health Score** combines the **Perfect Order Index** (40%), **Supplier Resiliency** (40%) and **Supplier Transparency** (20%) **scores**. These scores are distributed to the production supply base twice a year as part of the **Supplier Scorecard.**

TCO is used to compare supplier solicitations with price versus long-term value. At KCNSC, TCO is comprised of quoted price, quoted lead time and **Supplier Health Scores**.



STRATEGIC FOCUS ON INDIRECT

INDIRECT SPEND MANAGEMENT

Indirect spend accounts for a growing percentage of total expenditures as the site expands

- Construction, capital equipment, IT, services and supplies

Teams are focused on using existing enterprise agreements

- Supply Chain Management Center (SCMC)
- General Services Administration (GSA)
- Integrated Contractor Purchasing Team (ICPT – DOE)
- Solutions for Enterprise Procurement (SEWP – NASA)

Additional efforts to consolidate spend using KCNSC long-term agreements

- Specific attention given to small business opportunities
- Capturing Purchase Order, PCard and Direct Order opportunities across all KCNSC sites and functions

OUR SMALL BUSINESS MISSION

SMALL BUSINESS PROGRAM PERFORMANCE

	FY16-FY24 Aggregate Goal	Actual %	FY16-FY24 Spend (through 3/31/24)
Total			$5,598,278,207
Small	53%	56.2%	$3,144,455,662
Small Disadvantaged	5.4%	7.0%	$391,466,571
Woman-Owned	6.3%	8.2%	$460,261,601
HUBZone	3%	3.6%	$201,440,957
Veteran-Owned	5.5%	6.8%	$378,002,524
Service-Disabled, Veteran-Owned Small Business	3.6%	5.21%	$291,533,202

For FY24 goals and annual performance to goal visit kcnscsupplier.com.

Reminders:

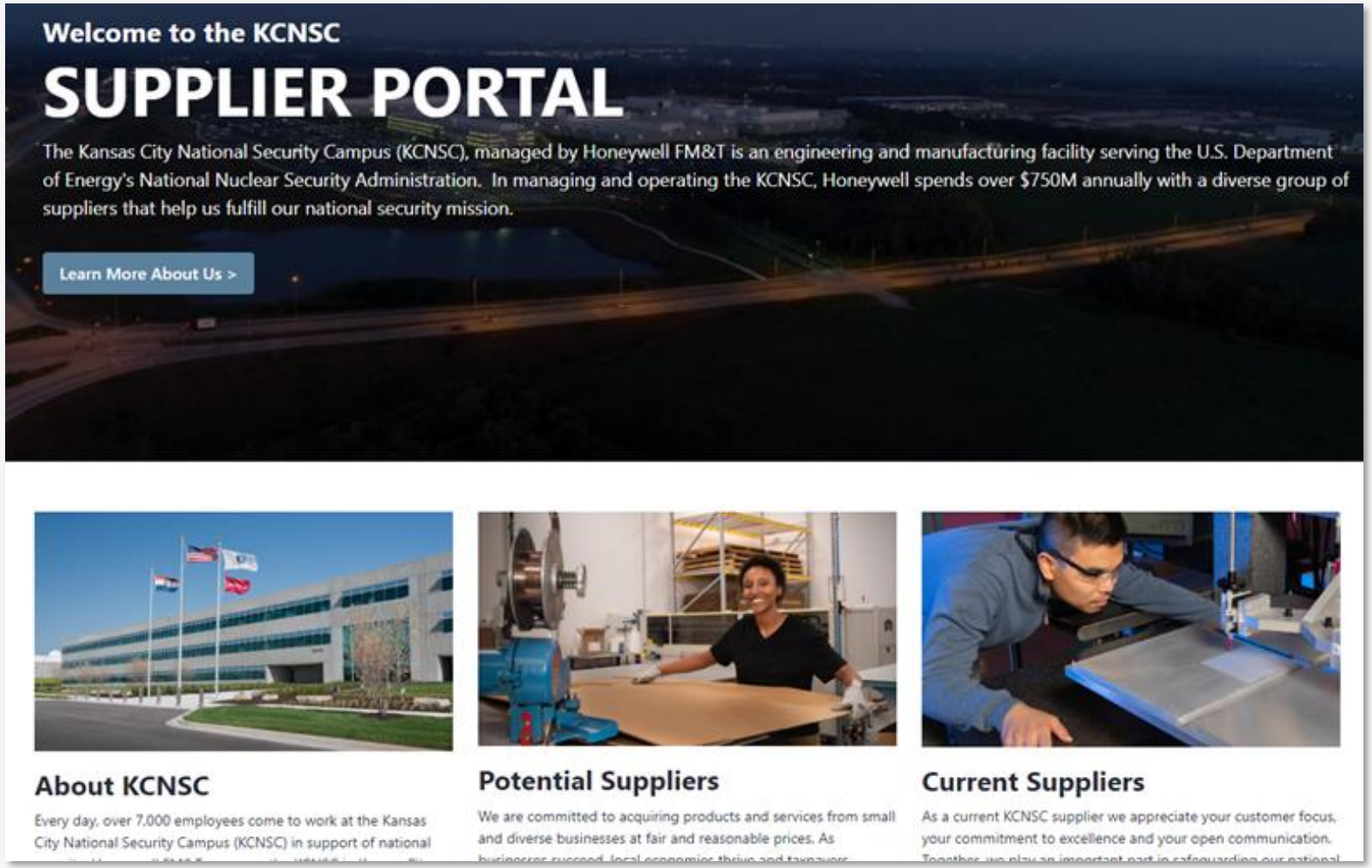
- The SAM.gov Small Disadvantaged Business (SDB) question is worded in a way that can cause supplier errors. Please double check your SAM.gov record to ensure it reflects your accurate SDB status.
- KCNSC generally accepts supplier self-certifications for all socioeconomic types except HUBZone, which must be SBA certified for HUBZone.

Continuing to meet Prime Contract requirements for Small Business spend.

CONNECT WITH US!

Tina Krstulic
Small Business Advocate
(816) 488-5191
ckrstulic@kcnsc.doe.gov

Karen West
Program Manager
(816) 488-7741
kwest@kcnsc.doe.gov



Visit our updated Supplier Portal at kcnscsupplier.com.

HEALTH, SAFETY, ENVIRONMENT AND EQUIPMENT MAINTENANCE (HSE&EM) OVERVIEW

TOM MOIBI
DIRECTOR, HSE&EM

TMOIBI@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

AGENDA

HSE POLICY

ORGANIZATIONAL STRUCTURE

- About HSE&EM
- Customer Engagement
- Supplier Engagement

GOVERNANCE + MOS FRAMEWORK

RISK MANAGEMENT

PERFORMANCE

OUR COMMITMENT TO HEALTH, SAFETY & ENVIRONMENT

HSE POLICY

ISO 45001/14001
5.1 Leadership and Commitment
5.2 OH&S & Environmental Policy

Our health, safety and environmental management systems reflect our values and help us meet our business objectives.

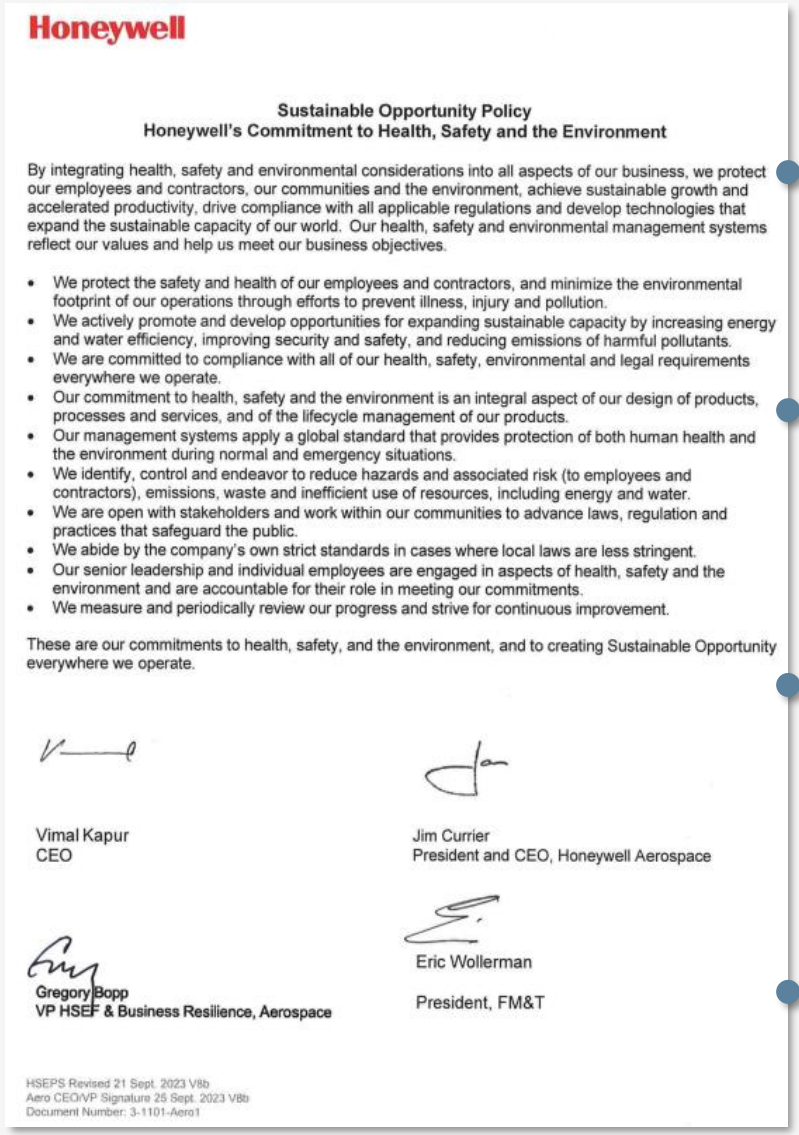
We are committed to compliance with all our health, safety, environmental and legal requirements everywhere we operate.

We abide by the company's own strict standards in cases where local laws are less stringent.

Our senior leadership and individual employees are accountable for their role in meeting our commitments.

Protecting employees, our communities and the environment.

OUR COMMITMENT TO HEALTH, SAFETY & ENVIRONMENT



Honeywell

Sustainable Opportunity Policy
Honeywell's Commitment to Health, Safety and the Environment

By integrating health, safety and environmental considerations into all aspects of our business, we protect our employees and contractors, our communities and the environment, achieve sustainable growth and accelerated productivity, drive compliance with all applicable regulations and develop technologies that expand the sustainable capacity of our world. Our health, safety and environmental management systems reflect our values and help us meet our business objectives.

- We protect the safety and health of our employees and contractors, and minimize the environmental footprint of our operations through efforts to prevent illness, injury and pollution.
- We actively promote and develop opportunities for expanding sustainable capacity by increasing energy and water efficiency, improving security and safety, and reducing emissions of harmful pollutants.
- We are committed to compliance with all of our health, safety, environmental and legal requirements everywhere we operate.
- Our commitment to health, safety and the environment is an integral aspect of our design of products, processes and services, and of the lifecycle management of our products.
- Our management systems apply a global standard that provides protection of both human health and the environment during normal and emergency situations.
- We identify, control and endeavor to reduce hazards and associated risk (to employees and contractors), emissions, waste and inefficient use of resources, including energy and water.
- We are open with stakeholders and work within our communities to advance laws, regulation and practices that safeguard the public.
- We abide by the company's own strict standards in cases where local laws are less stringent.
- Our senior leadership and individual employees are engaged in aspects of health, safety and the environment and are accountable for their role in meeting our commitments.
- We measure and periodically review our progress and strive for continuous improvement.

These are our commitments to health, safety, and the environment, and to creating Sustainable Opportunity everywhere we operate.

Vimal Kapur
CEO

Jim Currier
President and CEO, Honeywell Aerospace

Gregory Bopp
VP HSEF & Business Resilience, Aerospace

Eric Wollerman
President, FM&T

HSEPS Revised 21 Sept. 2023 V8b
Aero CEO/VP Signature 25 Sept. 2023 V8b
Document Number: 3-1101-Aero1

- Accessible and communicated to KCNSC contractors and interested parties
- Posted at each KCNSC facility and on the KCNSC Portal HSE page
- Communicated to all new employees and annually to all employees
- Endorsed by Senior Leadership

ORGANIZATIONAL STRUCTURE

HSE&EM OVERVIEW

WHO WE ARE

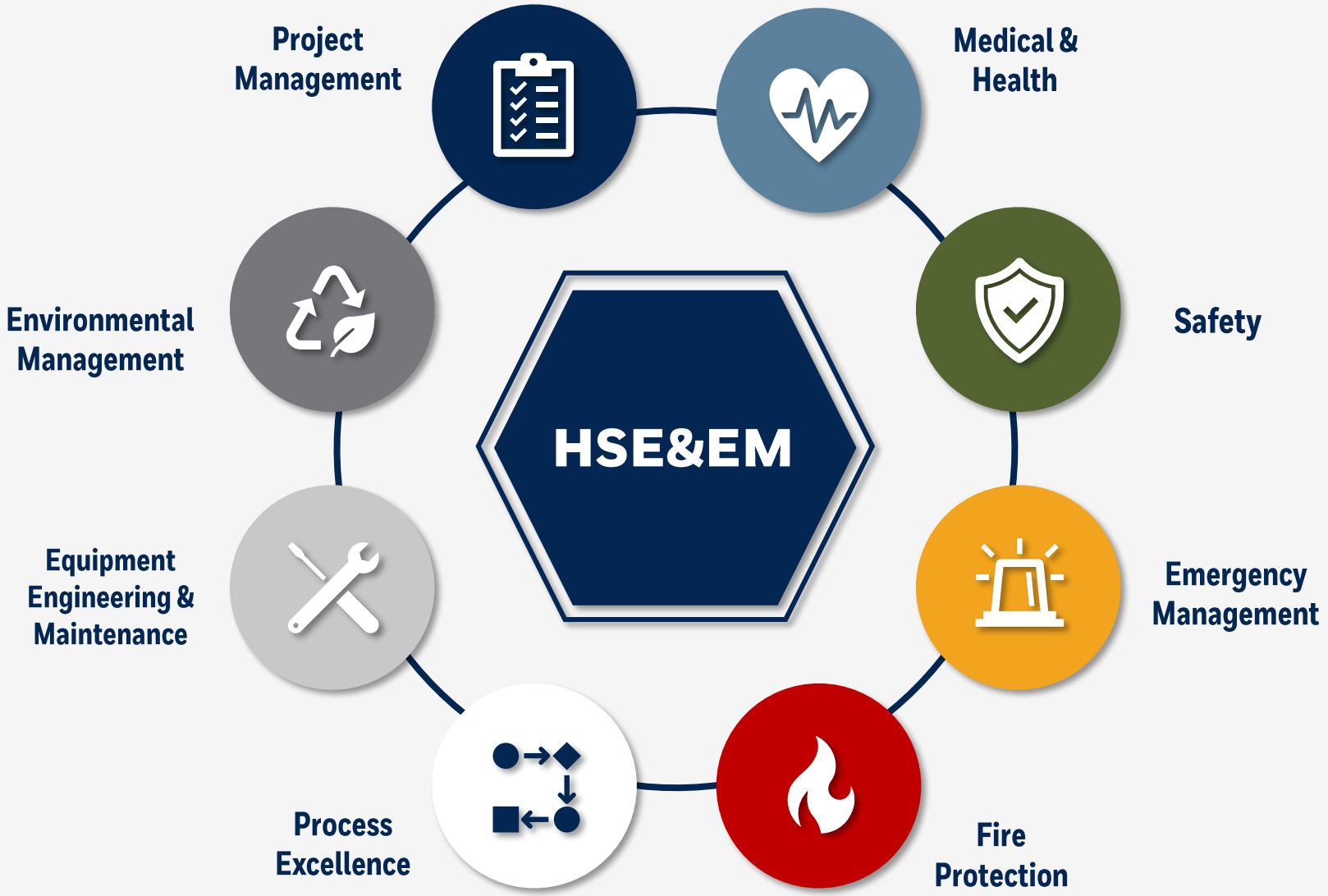
HSE&EM is an integrated business partner providing best-in-class **risk management services** and uncompromising commitment to **employee well-being, environmental protection and equipment reliability**.

WHAT WE DO

HSE&EM proactively engages KCNSC stakeholders to deliver on current and future mission scope by:

- **Protecting people and the environment**
- **Optimizing equipment reliability**
- **Enabling operational excellence**

HSE&EM OVERVIEW



CUSTOMER & STAKEHOLDER ENGAGEMENT

Department of Energy (DOE) & National Nuclear Security Administration

- Energy Facility Contractors Group (EFCOG)
- Safety Culture Improvement Panel (SCIP)
- NNSA Safety Performance Objectives, Measures & Commitments (SPOMCs)

Kansas City Field Office (KCFO)

- Quarterly leadership meetings
- Daily, weekly and monthly subject matter expert (SME) engagement
- Performance reports

Honeywell Corporate/Aerospace

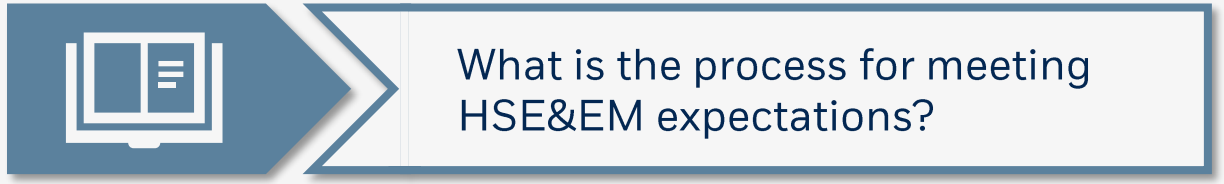
- Daily, weekly and monthly engagement
- Monthly Operating Review (MOR)
- Quarterly Business Decision Week (BDW)

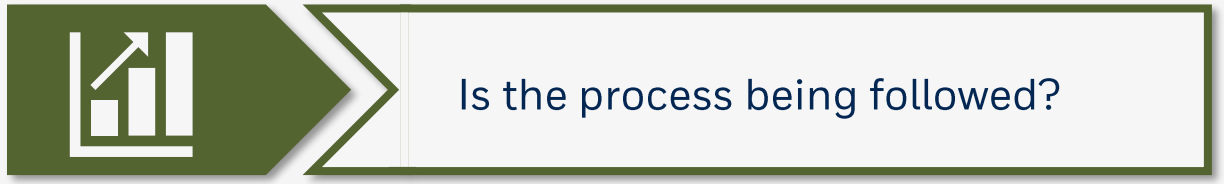
SUPPLIER ENGAGEMENT

Work done on-site by subcontractors and trade partners will be done with the highest regard to the health and safety of all occupants and visitors, as well as regulatory compliance and environmental stewardship.

An approved safety plan is required before Notice to Proceed (NTP) can be issued.

- Safety plans must communicate any HS&E critical project tasks.
- Pre-approval review for service contractors is required. This determines if a project-specific Safety Plan is needed.

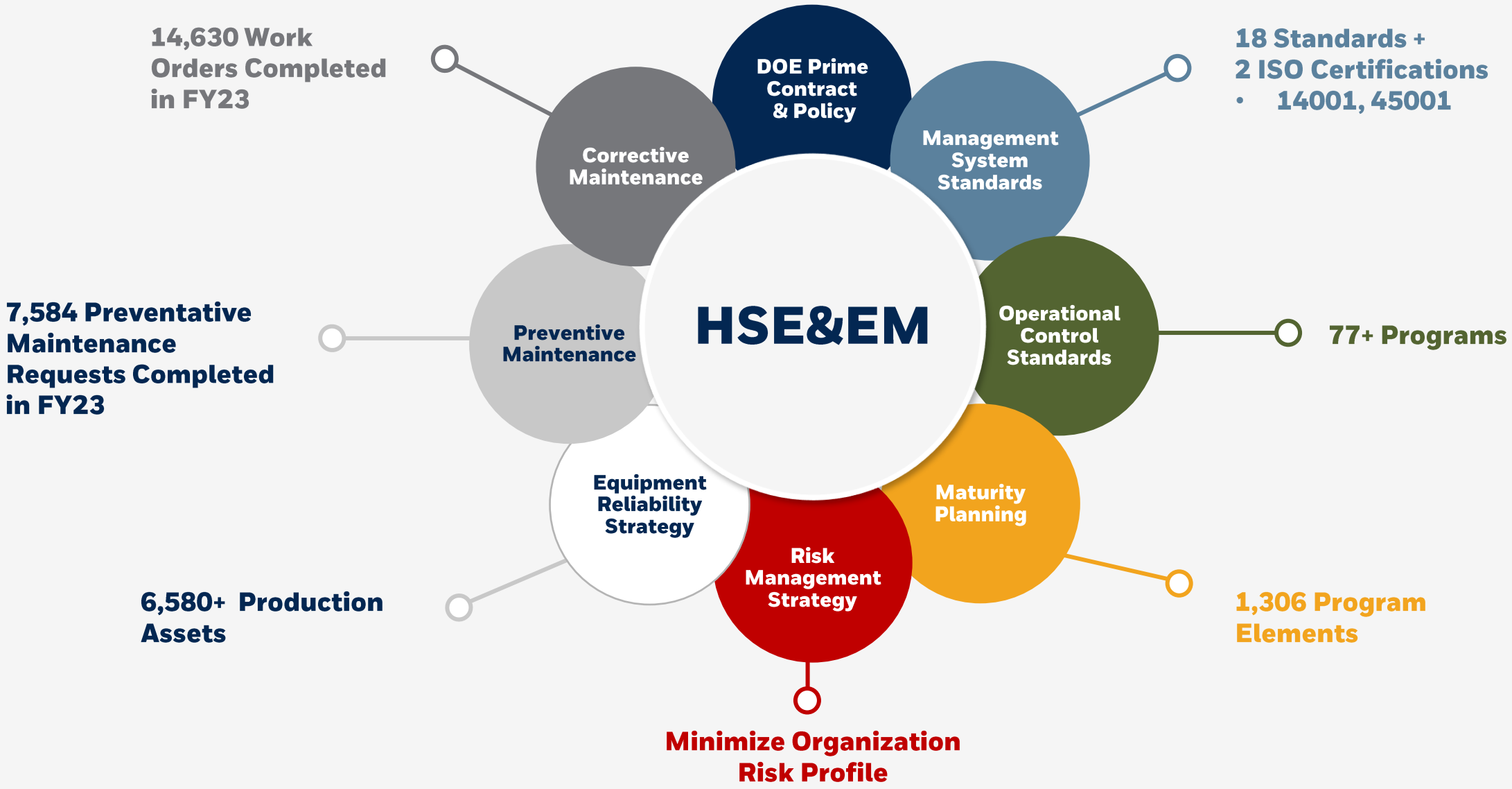




Supplier collaboration is a key enabler for a safe work environment.

HSE&EM GOVERNANCE + MANAGEMENT OPERATING SYSTEM (MOS)

HSE&EM GOVERNANCE FRAMEWORK



PERFORMANCE

THE YEAR AHEAD

OBJECTIVES

Mission Execution
- Meet or exceed our customer commitments
- Transform risk management strategies to enable mission execution

Digital Transformation
- Advance preventive and predictive strategies using data analytics

People and Process
- Advance a culture of learning, engagement and wellbeing

CALL TO ACTION

Build a Culture of Engagement
- Don’t wait for an accident or equipment failure
- Proactively identify and address potential risks

Build a Collaborative Learning Organization
- Knowledge-share
- Actively seek and apply lessons learned

Recognize Accomplishments
- Be intentional and celebrate each other’s accomplishments

Supplier collaboration is a key enabler for a safe working environment.

NUCLEAR WEAPON PROGRAMS MISSION OVERVIEW

JULIE AITKENS
SR. DIRECTOR, NUCLEAR WEAPON PROGRAMS

KANSAS CITY NSC National Security Campus

SC[illegible]/2025 Unclassified Unlimited Release

NUCLEAR WEAPON PROGRAMS

KCNSC Core Mission

- 4 modernization programs in production
- 4 modernization programs in development
- Support to all current stockpile systems

Stockpile Stewardship

- System design and optimization
- Advanced process engineering
- Component and sub-component manufacturing
- Supply chain management
- Acceptance & Certification
- Requirements analysis
- Stockpile surveillance
- Operational support

Directed Stockpile Work

- New production
- Technology, Readiness, Safety, Infrastructure & Operations
- Sustainment
- Trainers & Simulators
- Maintenance & Life-cycle
- Inventory
- Dismantlement & Disposal

KCNSC supports 8 Programs + the Current Stockpile

SUPPLIER SECURITY THREATS

SHAWN GEIB
CHIEF INFORMATION SECURITY OFFICER

SGEIB@KCNSC.DOE.GOV

CYBERSECURITY IS IN THE NEWS DAILY…

UK cybersecurity agency warns of chatbot 'prompt injection' attacks

Scams and data thefts could be caused by individuals overriding chatbot scripts, NCSC says

6 million records impacted by Louisiana OMV hack in June, cyber security group reports

Palo Alto Networks CEO warns companies need modern, integrated cybersecurity: 'The bad actors are moving faster'

PUBLISHED MON, AUG 21 2023•6:52 PM EDT | UPDATED MON, AUG 21 2023•8:43 PM EDT

Chinese Hacking Group Exploits Barracuda Zero-Day to Target Government, Military, and Telecom

RANSOMWARE

Cybersecurity Companies Report Surge in Ransomware Attacks

Cybersecurity companies have released a dozen ransomware reports in recent weeks and most of them show a surge in attacks.

Japan's cyber security agency suffers months-long breach

Infiltration comes as allies scrutinise Tokyo's defences against hacking

University of Michigan shuts down school's internet connections following 'significant' cybersecurity incident

By Sean Lyngaas, CNN
Published 5:13 PM EDT, Tue August 29, 2023

CYBERSECURITY

House bill would require federal contractors to adopt cyber vulnerability disclosure policy

… BUT IT'S NOT ALL BAD

UNIVERSITY OF TULSA TO EXPAND CYBERSECURITY STUDIES WITH CYBER INNOVATION INSTITUTE

SHRM Joins White House to Help Build Cyber Workforce

aws

PUBLIC SECTOR

AWS launches $20 million K12 cyber grant program, joins White House to address cybersecurity for K12 education

US Small Business Administration announces $6M in cybersecurity grants

Resilience at the core of the current and future Biden administration cybersecurity plans

DHS grants $375 million to boost state and local government cyber resilience

Updated on: 08 August 2023

WHAT IS CYBERSECURITY?

Cybersecurity is the practice of protecting computer systems, networks, devices and data from unauthorized access or digital attacks.

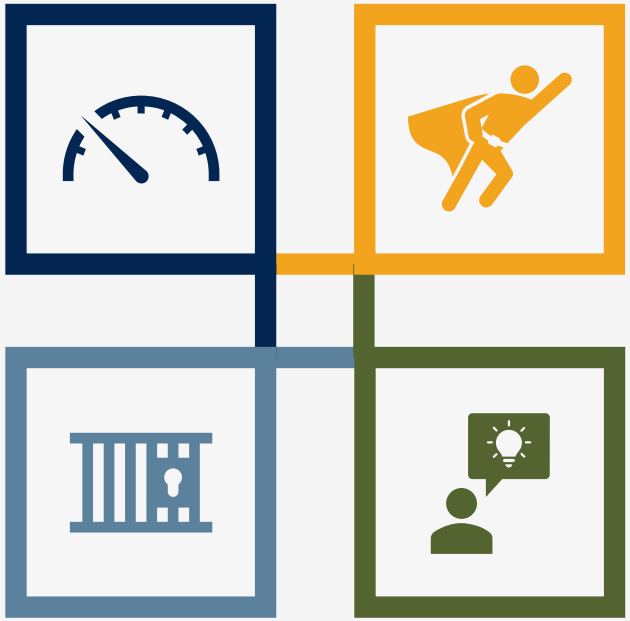
The basic principles of cybersecurity are often referred to as the CIA Triad.

- **C**onfidentiality
- **I**ntegrity
- **A**vailability

THE ROLE OF CYBERSECURITY

Adopting a proactive and comprehensive approach builds trust, supports the protection of sensitive data and helps ensure a secure, successful digital transformation journey.

Risk Assessment and Management



Incident Response and Recovery

Implementation of Security Controls

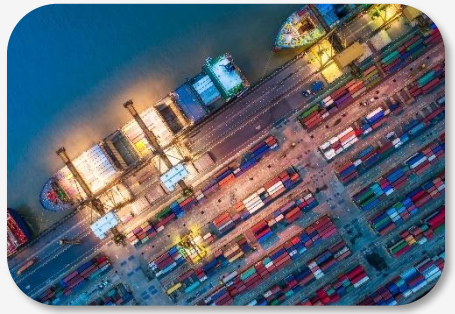
Security Awareness and Training

WHY IS IT IMPORTANT?

THE EVOLVING THREAT LANDSCAPE

Natural and Environmental

Advanced Persistent Threat (APT)



Supply Chain

Hosted Solutions: Cloud

Subcontractors

Internet of Things (IOT)

Remote Worker Environment

Active Insiders

Basic Cyber Hygiene

Cyber Talent Deficit

TOP 5 CYBERSECURITY THREATS & SOLUTIONS

Phishing and Social Engineering

- ☒ Attacker tricks user into clicking a malicious link or downloading a malicious file.
- ☑ Implement security awareness training to reduce risk.

Ransomware and Malware

- ☒ A malicious file or download is used to gain unauthorized access to networks, systems or data. Company data is made inaccessible, and ransom may be demanded.
- ☑ Implement data backup and recovery.

Weak Passwords

- ☒ Attackers steal weak passwords and gain unauthorized access to networks, systems or data.
- ☑ Implement a strong password policy and consider a business password manager.

TOP 5 CYBERSECURITY THREATS

Poor Patch Management

- ☒ Attacker exploits software vulnerabilities with malware or ransomware.
- ☑ Implement patch management, endpoint management and/or vulnerability tools.

Insider Threats

- ☒ A risk to business data caused by employees, former employees or contractors.
- ☑ Implement least privilege principles to ensure people only have the minimum amount of access needed to do their job.

WE MUST RETHINK OUR PROTECTION STRATEGY.

NSC-614-6873 01/2025 Unclassified Unlimited Release

WHAT CAN YOU DO?

SAFEGUARDING AGAINST ATTACKS

- Understand the attack surface of your organization
- Conduct risk assessments
- Develop a sustainable roadmap
- Enhance incident response and processes
- Train your employees
- Secure your networks
- Implement access control at various levels
- Implement role-based access control
- Deny the right of access to the employees that were terminated
- Use vulnerability patch management

Engage complacency every day.

NIST SP 800-171

The National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171 provides a framework for protecting Controlled Unclassified Information (CUI)

Consists of **14 key sections** and provides configuration guidance for each:

Access Control
Who is authorized to access this data, and what permissions (read-only, read and write, etc.) do they have?

Configuration Management
How are your systems standardized?
How are changes monitored, approved and documented?

Awareness and Training
Are users properly trained in their roles involving how to properly secure this data and the systems it resides on?

Identification and Authorization
How are users positively identified before obtaining access to this information?

Audit and Accountability
Are accurate records of system and data access and activity kept and monitored? Can violators be positively identified?

Incident Response
What processes are followed when security events, threats or breaches are suspected or identified?

NIST SP 800-171

Maintenance

How is this information secured and protected against unauthorized access during maintenance activities?

Risk Assessment

How are business risks and system vulnerabilities associated with handling this information identified, tracked and mitigated?

Media Protection

How are electronic and hard copy records and backups stored securely?

Security Assessment

How effective are current security standards and processes? What improvements are needed?

Physical Protection

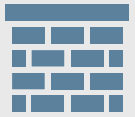
How is unauthorized physical access to systems, equipment and storage prevented?

System and Communications Protection

How is information protected and controlled at key internal and external transmission points?

Personnel Security

How are individuals screened prior to granting them access to CUI?



System and Information Integrity

How is this information protected against such threats as software flaws, malware and unauthorized access?

CYBERSECURITY RESOURCES

Cyber Guidance for Small Businesses

cisa.gov/cyber-guidance-small-businesses

Cybersecurity Framework

nist.gov/cyberframework

Stopransomware.gov

cisa.gov/stopransomware

Free Cybersecurity Tools and Resources

cisa.gov/resources-tools/resources/free-cybersecurity-services-and-tools

BREAKOUT SESSIONS
INDIRECT

FOREIGN OWNERSHIP, CONTROL OR INFLUENCE (FOCI) & FACILITY CLEARANCES, PERSONNEL CLEARANCES

JENNY WARREN
SR. SECURITY SPECIALIST

JWARREN@KCNSC.DOE.GOV

Support information provided by Mallory Cardwell

KANSAS CITY NSC National Security Campus

FOCI AND FACILITY CLEARANCES

BASICS OF FOCI AND FACILITY CLEARANCES

FOCI stands for Foreign Ownership, Control or Influence

Applies to vendors with a classified contract

- Requires unescorted access to secure areas
- Performing classified work

Must be evaluated for FOCI to obtain a Facility Clearance (FCL)

BASICS OF FOCI AND FACILITY CLEARANCES

An FCL is required when personnel clearances (PCL) are needed.

- e-FOCI (Department of Energy FCL) or National Industry Security System (Department of Defense FCL)
- Designate a Facility Security Officer (FSO) to ensure compliance
  - FSO Training
- Key Management Personnel (KMP) processed for PCL
- (Interim) Active FCL with DOE before classified work can begin on contract, and employees can be submitted for PCL

HOW TO OBTAIN A DOE FCL

There are two methods for obtaining an active DOE FCL.

Complete an e-FOCI package and the DOE will review for FOCI

Request reciprocity on an already active DOD FCL

e-FOCI is a database used to obtain and evaluate FOCI information.

- Requested information varies depending upon type of organization
  - Limited liability company
  - Privately owned corporation
  - Publicly traded corporation
- Includes tier parents

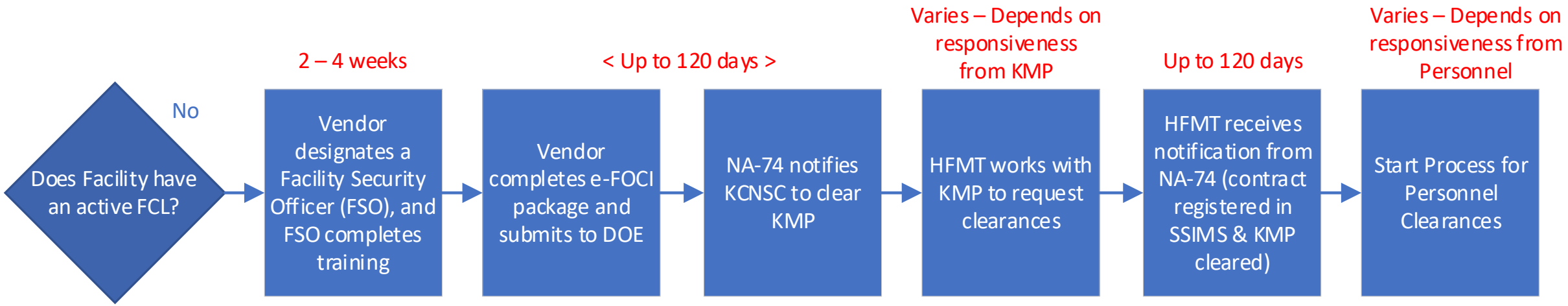
WHAT INFORMATION WILL THE DOE REQUEST?

Dependent upon organizational structure, but may include the following:

- SF 328, Certificate Pertaining to Foreign Interests
- List of key management personnel (KMP)
- Bylaws
- Articles of incorporation
- Operating agreement
- Consolidated financials
- Board meeting minutes

DOE FCL PROCESS OVERVIEW

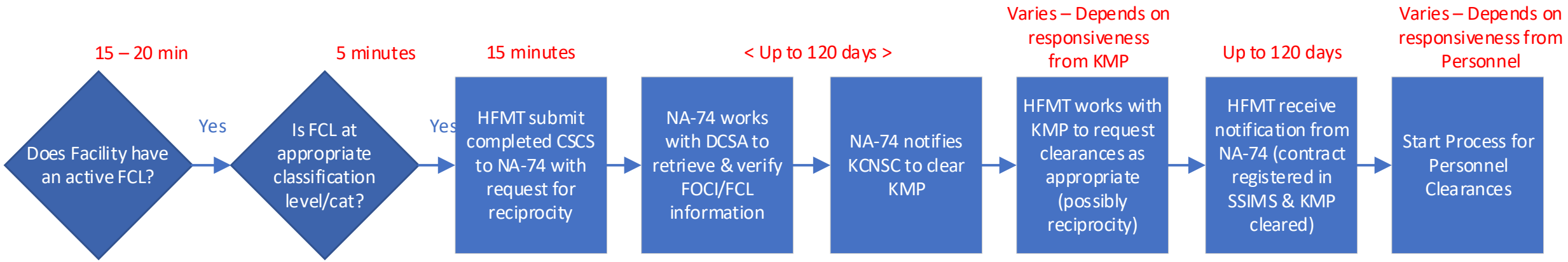
After the classified contract has been made, the process below is initiated.



The average processing time for a new DOE FCL is about six months.

DOD FCL RECIPROCITY

If a vendor does *not* possess an active FCL with the DOE, but they *do* have an active FCL with the DOD, a request for reciprocity may be submitted.



PERSONNEL CLEARANCES

KCNSC SECURITY CLEARANCES

After an FCL has been granted (interim or full active), KCNSC can begin processing PCLs for vendor employees.

A security clearance is an access authorization, granted to select individuals who have a high probability of complying with rules, regulations and norms.

The Defense Counterintelligence and Security Agency or FBI background investigation consists of:

- Record checks
- Fingerprint check
- Credit search
- Interviews

POTENTIAL IMPACTS TO OBTAINING A CLEARANCE

What would deny or delay my clearance?

A history of any of the following may be reason for denial or significant delay in the granting of a security clearance:

- Criminal activities
- Drug or alcohol abuse
- Falsification of information
- Subversive activity
- Mental or emotional instability
- Misrepresentation or omission of information
- Financial irresponsibility
- Immoral conduct or sexual perversion

If you have any reason to believe that a background investigation will reveal conduct or activities that would delay or possibly deny the granting of a security clearance, careful consideration should be given before accepting a job or submitting a clearance application.

POTENTIAL IMPACTS TO OBTAINING A CLEARANCE

Automatic disqualifiers to consider:

- Convicted in any court of the United States of a crime and sentenced to imprisonment for a term exceeding one year and incarcerated as a result of that sentence for not less than one year
- A felony conviction within the last five years
- Current probation
- Current parole
- Current participation in a diversion program (other than for minor traffic violations)

If any of the automatic disqualifiers apply, it is recommended the individual does *not* move forward with the clearance process.

SECURITY CLEARANCE PROCESS

Current or recently active clearances may be transferred.

If the individual has not had a security clearance before, they will be expected to complete the following steps:

- Return of signed security acknowledgment
  - A form acknowledging their understanding of DOE security obligations
- Drug screen
- Enroll in USAccess (this includes electronic fingerprinting, identity verification and taking a photo)
- Complete the Standard Form 86 (SF86) in National Background Investigation Services (NBIS)

THE SF86 EXPLAINED

The SF86 is an online questionnaire used to conduct an in-depth background investigation for national security positions.
A few things the SF86 will cover:

- Residential history (10 years)
- Education (10 years)
- Employment history (10 years)
- Foreign contacts, travel and activities (seven years to “ever”)
- Criminal history (seven years to “ever”)
- Mental health (“ever”)

CONTRACTS & AGREEMENTS

MANDY LINTNER
LEAD PROCUREMENT SPECIALIST

ALINTNER@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

TYPES OF LONG-TERM CONTRACTS & AGREEMENTS

GENERAL

KCNSC uses three main types of long-term contracts and agreements:

Basic Ordering Agreement (BOA)

Blanket Purchase Agreement (BPA)

Indefinite Delivery/Indefinite Quantity Contract (IDIQ)

KEY BENEFITS

- These contracts and agreements are typically used when goods or services are needed over an extended period.
- Many aspects of the contract or agreement are negotiated up front, reducing the administrative burden on both the buyer and supplier when the requirement is needed.

TYPES OF CONTRACTS AND AGREEMENTS

Blanket Ordering Agreement (BOA)

FAR 16.703

- Not a contract
- Max length: 10 years
- No price list
- Includes description of how buyer and seller will arrange future pricing
- Negotiates terms of the agreement up front

Blanket Purchase Agreement (BPA)

FAR 13.303

- Not a contract
- Max length: five years
- Contains quoted prices
- Task and delivery orders cannot exceed the SAT
- Buyer must issue order and the supplier must accept to form a binding contract
- Basically a “charge account”

Indefinite Delivery/Indefinite Quantity (IDIQ)

FAR 16.504

- Contract
- Max length: 10 years (generally)
- Offer to sell
- Repetitive need with well defined Statement of Work (SOW)
- Must state minimum contract amount
- Must contain a ceiling amount

INDEFINITE DELIVERY/INDEFINITE QUANTITY (IDIQ)

Most beneficial when there is a repetitive need with a well-defined statement of work

- Provide for an indefinite quantity with stated limits within a fixed period
- Must contain a minimum amount to be binding
- Must state a ceiling amount
- Prices represent an offer to sell
- Task and delivery orders are easily administered by the buyer; no quotations are required
- Maximum length: 10 years (generally)

Follows guidance at FAR 16.504

BASIC ORDERING AGREEMENT (BOA)

Most beneficial when services or quantities are unknown and volatile at time of agreement

- Not a contract
- Specific quantities and prices are unknown, but substantial number of requirements for the types of services or supplies are anticipated to be purchased
- BOAs do not have a price list, but rather describe how the buyer and seller will make future arrangements for entering a contract
  - Not an offer to sell
- Task and delivery quotes are sent by the buyer to collect pricing and representations and certifications
- Maximum length: 10 years

Follows guidance at FAR 16.703

BLANKET PURCHASE AGREEMENTS (BPA)

Most beneficial when there is a need to purchase a wide variety of items and the need is not unique to one department

- Not a contract
- Simplified acquisition method that contains terms, conditions and price quotations
  - Basically a “charge account”
- Quotations in a BPA are not offers to sell and represent advertised prices
- The buyer must issue an order and the supplier must accept it to form a binding contract
- Task and delivery orders cannot exceed the Simplified Acquisition Threshold (currently $250K)
- Maximum length: five years

Follows guidance at FAR 13.303

CONTACT

Reach out to your buyer if you feel that you would benefit from a long-term agreement or contract.

KCNSC INDIRECT SUPPLIER EXPECTATIONS

MEREDITH WARREN
PRINCIPAL PROCUREMENT SPECIALIST

MWARREN@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

SUPPLIER EXPECTATIONS

- Integrity
- Compliance
- System for Award Management (SAM.gov)
- Responsiveness
- Quoting
- Terms and Conditions
- Price Justification
- On-Time Delivery
- Delegation of Authority

SUPPLIER EXPECTATIONS

INTEGRITY

- KCNSC relies on its supply base to help fulfill its national security mission.
- Suppliers are expected to run their business in accordance with KCNSC's high standards of integrity and compliance.
- No conflicts of interest.
- No gifts, favors or gratuities.

SUPPLIER EXPECTATIONS

COMPLIANCE

- KCNSC suppliers are expected to comply with all applicable laws, including export control.
- Parts of the Federal Acquisition Regulation (FAR) are flowed down to KCNSC in our Prime Contract with the Department of Energy (DOE). We are required to flow these requirements down to our supply base in our general Terms and Conditions.
- Contract Terms and Conditions, clauses, forms and export control documents are available on the Supplier Portal at kcnscsupplier.com.

SUPPLIER EXPECTATION: SAM.GOV

SAM.GOV

- As a KCNSC supplier, you are strongly encouraged to have an active registration in the System for Award Management (SAM.gov).
- Registration is free and enables you to be a supplier to the government and government prime contractors.
- Your SAM.gov registration must be re-certified annually.
- Your certifications in SAM.gov relative to NAICS code size standards and socioeconomic types are used by KCNSC in reporting our small business spend to the DOE (for buyer POs under $25K).

SUPPLIER EXPECTATIONS

RESPONSIVENESS

- We expect our suppliers to provide timely responses to:
  - Requests for quote
  - Purchase order confirmation
  - Technical questions
  - Corrective actions
  - Requests for change to delivery date (pull-ins)
- If you are aware of a problem or delay in meeting the requirements of an open PO we expect your timely communication of the issue.
- Finding issues out last-minute or after the fact is problematic for KCNSC.

SUPPLIER EXPECTATIONS

RESPONSIVENESS

- Emails/phone calls: Response within two business days (sooner if possible).
- Timing is critical in our business to effectively meet contractual requirements.
- Quotes: Turnaround time for quotes may change depending on urgency at KCNSC.
  - Complexity of product or service is taken into consideration.
  - Work to meet or beat required due dates.
  - If an extension is necessary, immediately notify the buyer so they can plan accordingly.

SUPPLIER EXPECTATIONS

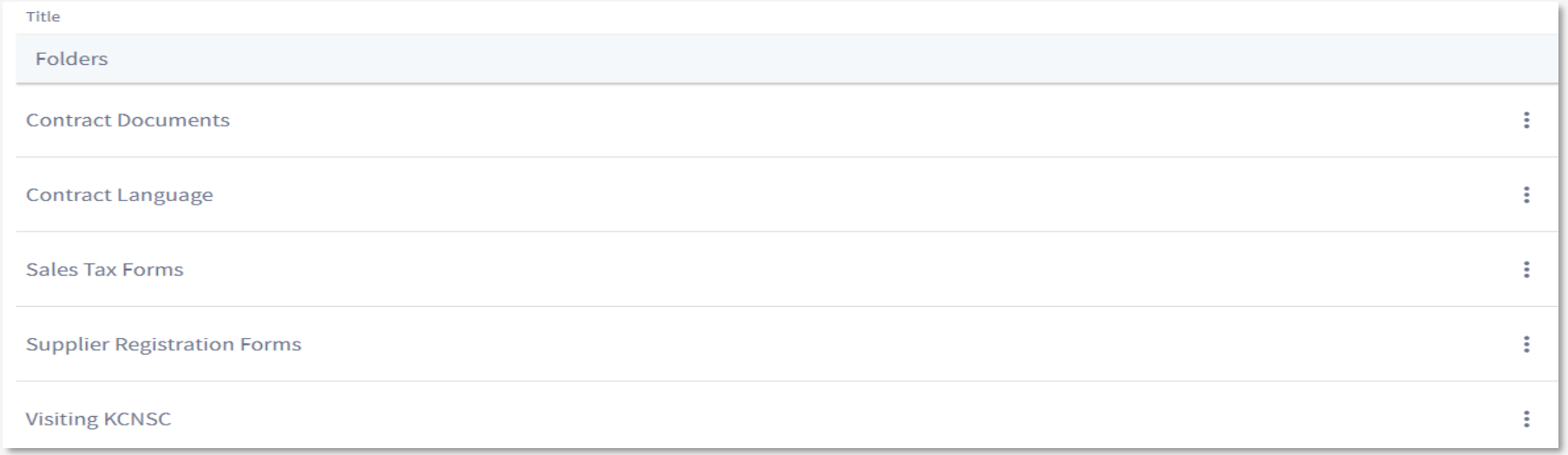
QUOTING

- Always provide the lead time on the quote in weeks.
- Quote a realistic lead time based on what your team can achieve considering our DPAS rating (top of RFP/SAO and PO page 1) and required delivery date listed in section D.
- Work to meet or beat the required date noted in section D of the SAO/RFP.
- Ensure a full understanding of SAO/RFP requirements and a thorough review of all documents transmitted with the SAO/RFP.
- If there are any questions while preparing the quote, reach out to the buyer to coordinate a call with our internal customers.
- Provide a competitively priced quote based on what it will cost to manufacture a conforming part or provide a service.

SUPPLIER EXPECTATIONS

TERMS AND CONDITIONS

- KCNSC expects awareness of and adherence to all purchase order terms and conditions.
- Exceptions (if any) to requirements must be documented in response to the RFQ/RFP.



SUPPLIER EXPECTATIONS

PRICE JUSTIFICATIONS

- As a contractor to a government entity, we are restricted to Federal Acquisition Regulation (FAR) guidelines.
- Competition is the top technique, as it ensures we have effectively evaluated the marketplace by receiving multiple bids and awarding the best value overall.
- There are times when we cannot achieve a competitive state and we only receive one proposal. When this happens, we may require additional support to determine fair and reasonable pricing.
  - Factors that contribute to pricing changes since last purchase.
  - Breakdown of pricing: X% manufacturing, X% materials, X% outside processing, X% labor, etc.
  - Redacted invoices for similar parts you offer to other customers of yours. Even if they're not exact, we can still use them to help justify pricing.
  - Redacted invoices of the outside processes you included in the quote, invoices of materials, plating, etc.

SUPPLIER EXPECTATIONS

ON-TIME DELIVERY

- KCNSC expects 100% on-time delivery (OTD) from its suppliers.
- When a purchase order (PO) is issued, the delivery date on the PO becomes a contractual obligation.
- If a modification to a purchase order is initiated by KCNSC, the supplier will have the opportunity to respond with the impact to cost and delivery schedule.
- All supplier-caused date slides will require a corrective action. Causes and future preventive measures must be understood and communicated.
- OTD reports are available on the My Dashboard feature of the kcnscsupplier.com Supplier Portal.

DELEGATION OF AUTHORITY

A delegated representative may have limited authorization to act for specific purposes.

Duties delegated:

- Secure and furnish such interpretations of technical requirements as the buyer and seller may require
- Provide technical liaison as required
- Observe performance and acceptance tests as required

The delegated buyer representative(s) do not have the authority for the following:

- Approve invoices
- Additional work beyond the scope of the purchase order
- A change as defined by the "Changes" article of the terms and conditions
- Changes to any of the other expressed terms and conditions
- Changes to the delivery schedule(s)

Note

The Buyer's Purchasing Representative is the only person who can legally obligate the buyer for the expenditure of funds, changes in the scope of work or level of effort, changes to the terms and conditions and the negotiating and signing of legally binding documents. Commitments, obligations and promises (either implied or expressed) by the delegated buyer representative(s) do not bind the buyer in any manner or fashion.

DEFENSE PRIORITIES AND ALLOCATION SYSTEMS (DPAS) RATINGS

BROOKE GOMEZ
DIRECTOR OF CONTRACTS

BGOMEZ1@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

WHAT IS DPAS?

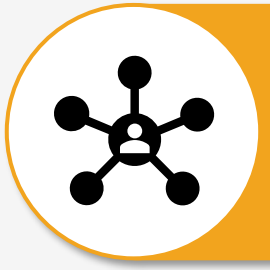
The Defense Priorities and Allocation Systems (DPAS) rating assigns priority for industrial resources supporting national defense.

The Department of Commerce authorizes government agencies to place DPAS Priority Ratings in accordance with 15 CFR Part 700.

HOW DOES IT WORK?

Flowed down on prime contracts to prioritize orders in the U.S. supply chain

Takes precedence over all other unrated orders



Required to flow down to all suppliers at all levels that support the order (except foreign entities)

DPAS PRIORITY RATINGS

Priority Rating = Rating Symbol + Program ID Symbol

Examples: DO-E2 or DX-A2

Rating Symbol

There are three rating levels:
(reference 15 CFR § 700.11)

1. **DX**
2. **DO**
3. **Unrated (UR)**

Program ID Symbol

Indicates which approved program is being supported.
(reference Schedule I of 15 CFR § 700)

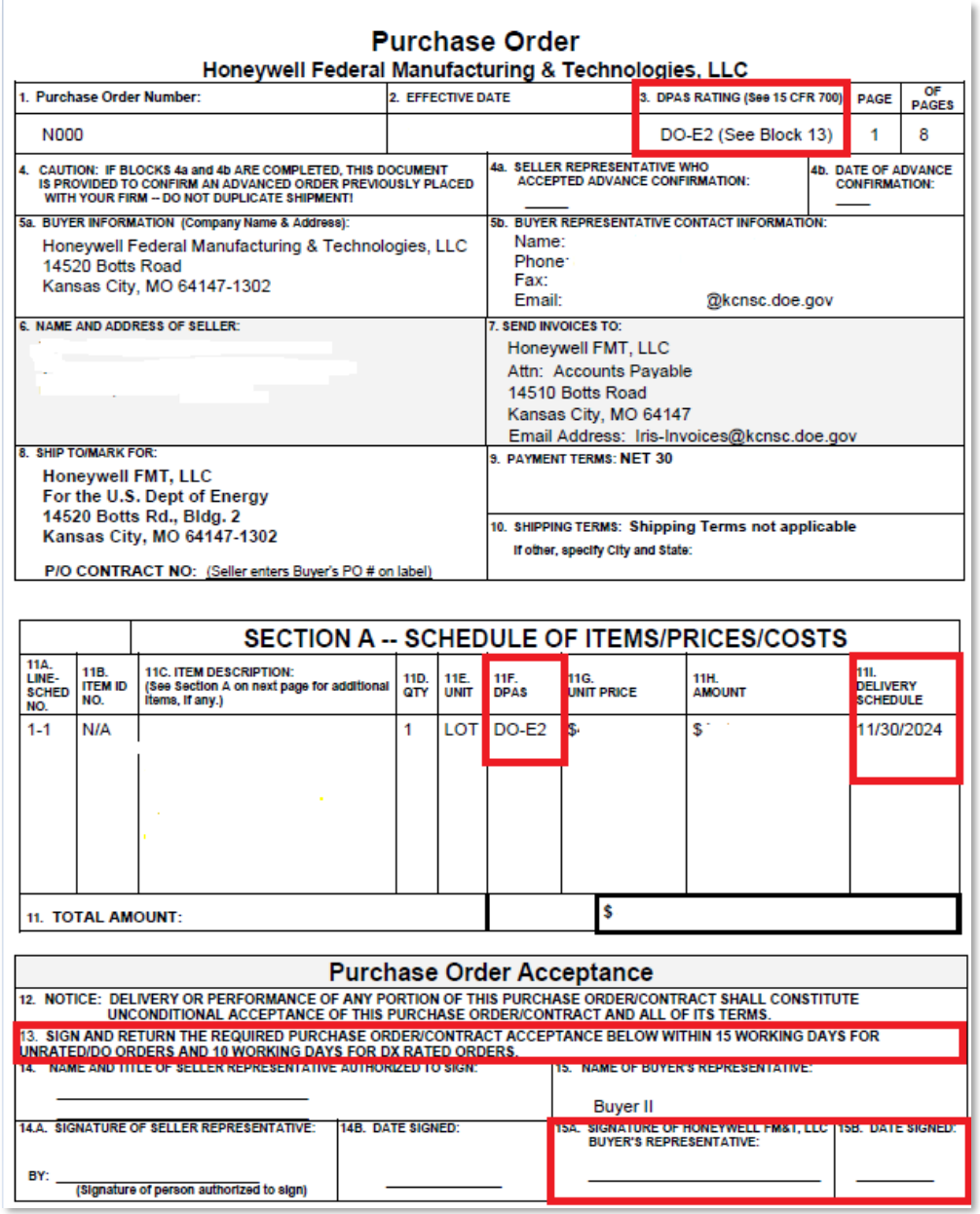
- Program ID symbol
- Approved program name
- Agency or agencies

Atomic Energy Programs		
E1	Construction	Department of Energy.
E2	Operations—including maintenance, repair, and operating supplies (MRO).	Department of Energy.
E3	Privately owned facilities	Department of Energy.

FOUR ELEMENTS OF A RATED ORDER

1. Rating
2. Delivery Date
3. Signature
4. Statement signifying it is a rated order

DPAS ratings may differ by purchase order line.



Purchase Order
Honeywell Federal Manufacturing & Technologies, LLC

1. Purchase Order Number:	2. EFFECTIVE DATE	3. DPAS RATING (See 15 CFR 700)	PAGE	OF PAGES
N000		DO-E2 (See Block 13)	1	8

4. CAUTION: IF BLOCKS 4a and 4b ARE COMPLETED, THIS DOCUMENT IS PROVIDED TO CONFIRM AN ADVANCED ORDER PREVIOUSLY PLACED WITH YOUR FIRM -- DO NOT DUPLICATE SHIPMENT!

4a. SELLER REPRESENTATIVE WHO ACCEPTED ADVANCE CONFIRMATION:

4b. DATE OF ADVANCE CONFIRMATION:

5a. BUYER INFORMATION (Company Name & Address):
Honeywell Federal Manufacturing & Technologies, LLC
14520 Botts Road
Kansas City, MO 64147-1302

5b. BUYER REPRESENTATIVE CONTACT INFORMATION:
Name:
Phone:
Fax:
Email: @kcnsc.doe.gov

6. NAME AND ADDRESS OF SELLER:

7. SEND INVOICES TO:
Honeywell FMT, LLC
Attn: Accounts Payable
14510 Botts Road
Kansas City, MO 64147
Email Address: Iris-Invoices@kcnsc.doe.gov

8. SHIP TO/MARK FOR:
Honeywell FMT, LLC
For the U.S. Dept of Energy
14520 Botts Rd., Bldg. 2
Kansas City, MO 64147-1302

P/O CONTRACT NO: (Seller enters Buyer's PO # on label)

9. PAYMENT TERMS: NET 30

10. SHIPPING TERMS: Shipping Terms not applicable
If other, specify City and State:

SECTION A -- SCHEDULE OF ITEMS/PRICES/COSTS

11A. LINE-SCHED NO.	11B. ITEM ID NO.	11C. ITEM DESCRIPTION: (See Section A on next page for additional items, if any.)	11D. QTY	11E. UNIT	11F. DPAS	11G. UNIT PRICE	11H. AMOUNT	11I. DELIVERY SCHEDULE
1-1	N/A		1	LOT	DO-E2	$	$	11/30/2024

11. TOTAL AMOUNT: $

Purchase Order Acceptance

12. NOTICE: DELIVERY OR PERFORMANCE OF ANY PORTION OF THIS PURCHASE ORDER/CONTRACT SHALL CONSTITUTE UNCONDITIONAL ACCEPTANCE OF THIS PURCHASE ORDER/CONTRACT AND ALL OF ITS TERMS.

13. SIGN AND RETURN THE REQUIRED PURCHASE ORDER/CONTRACT ACCEPTANCE BELOW WITHIN 15 WORKING DAYS FOR UNRATED/DO ORDERS AND 10 WORKING DAYS FOR DX RATED ORDERS.

14. NAME AND TITLE OF SELLER REPRESENTATIVE AUTHORIZED TO SIGN:

15. NAME OF BUYER'S REPRESENTATIVE:
Buyer II

14.A. SIGNATURE OF SELLER REPRESENTATIVE:
BY: (Signature of person authorized to sign)

14B. DATE SIGNED:

15A. SIGNATURE OF HONEYWELL FM&T, LLC BUYER'S REPRESENTATIVE:

15B. DATE SIGNED:

AFTER RECEIVING A DPAS RATED ORDER

Accept or Reject the rated order in writing

Within 10 working days for a DX rated order | Within 15 working days for a DO rated order

ACCEPTANCE (Ref. 15 CFR § 700.13 (a))	REJECTION (Ref. 15 CFR § 700.13 (b)-(c))
Must accept and fill a rated order using preferential scheduling over lower rated or unrated/commercial orders	If cannot meet delivery date, must offer earliest date possible • Cannot reject due to other lower-rated orders
No discrimination: • No charging higher prices • No varying terms and conditions from unrated orders Must meet all order requirements, not just the delivery date Must flow down to all lower-tier subcontractors Must provide preferential scheduling (ref. 15 CFR § 700.14)	Rejection is okay for these reasons, if vendor is not discriminating: • If KCNSC is unwilling or unable to meet terms of sale or payment • If order is for something vendor doesn't supply or service • If item hasn't been produced or filled in last two years (if sold, must accept up to sold quantity in last two years) • If KCNSC makes the item or provides the service

DPAS RESOURCES

Department of Commerce

- DPAS Homepage

Department of Defense

- DCMA DPAS

Department of Defense Priorities and Allocations Manual

- DoD 4400.1-M

Code of Federal Regulations

- DPAS Regulation - 15 CFR 700

Ask KCNSC Compliance at purchasingcompliance@kcnsc.doe.gov.

THE SUPPLIER EXPORT CONTROL APPROVAL PROCESS

RICHARD MORKEN
SR. IMPORT/EXPORT CONTROL ANALYST

RMORKEN@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

WHAT IS EXPORT CONTROL?

Export control regulations are federal laws that govern how technology, technical data, technical assistance and items or materials are physically or electronically exported, shipped, transmitted, transferred or shared from the U.S. to foreign countries, persons or entities.

WHEN ARE EXPORT CONTROLS USED?

Export controls usually arise for one or more of the following reasons:

The nature of the export has actual or potential military applications or economic protection issues

Government concerns about the destination country, organization or individual

WHAT IS EXPORT CONTROL?

Export control regulations protect:

- National security and U.S. foreign policy interests
- Against terrorism and the proliferation of weapons of mass destruction
- U.S. economic competitiveness

Examples of government jurisdictions involving export control:

- Export Administration Regulations (EAR) – Administered by the Department of Commerce
- International Traffic in Arms Regulations (ITAR) – Administered by the Department of State
- Atomic Energy Act (AEA) – Administered by the Department of Energy

Export controls protect the United States and our allies.

HANDLING EXPORT CONTROLLED INFORMATION

As a supplier, your company may have access to certain articles and/or technical data disclosed to you in connection with services performed for KCNSC.

Suppliers seeking approval to handle our export-controlled articles and technology require written procedures in the form of a Technology Control Plan (TCP) to describe how your company internally secures and protects export-controlled information.

At a minimum, the procedures should include:

- **Access**: Addressing precautions in preventing foreign national access
- **Storage**: Maintaining export-controlled articles and information in secured areas
- **Electronic transmission**: How information will be sent electronically through a secured method of transmission (e.g., email encryption or authorized users of Web Exchange).
- **Destruction**: Addressing export-controlled articles/information, when no longer needed, process for destruction/disposal

Suppliers are responsible for flowing down export control expectations to their subcontractors.

ADDITIONAL REQUIREMENTS

- ☑ A Non-Disclosure Agreement (NDA)
- ☑ A completed “Certification of Lawful Exchange of Controlled Technical Data” (KCNSC form number PC3325)
- ☑ If applicable to your company’s work, a copy of your Department of Defense Trade Controls Directorate (DDTC) Registration Letter

  - Your registration number should be redacted when sending to KCNSC
  - Note: You must register with the Department of State if you manufacture or export United States Munitions List (USML)-controlled items also known as “defense articles” and “defense services.”

KCNSC requires a DDTC Registration if working with USML controls.

RESOURCES

U.S. Department of Commerce, Bureau of Industry and Security (BIS)

- bis.gov/

U.S. Department of State

- state.gov/

ITAR Compliance & Building a Technology Control Plan

- pmddtc.state.gov

National Nuclear Security Administration (NNSA)

- energy.gov/nnsa/national-nuclear-security-administration

Export Controls protect national and international security.

WE'RE HERE TO HELP!

Please contact members of the Import/Export Compliance team with any questions you may have.

Vince Amoriello, Import/Export Compliance Principle

- vamoriello@kcnsc.doe.gov

Richard Morken, Import/Export Compliance Sr. Analyst

- rmorken@kcnsc.doe.gov

Ashley Royal, Import/Export Compliance Sr. Analyst

- aroyal@kcnsc.doe.gov

Export email: export@kcnsc.doe.gov

BREAKOUT SESSIONS
ELECTRICAL & MECHANICAL

KANSAS CITY NSC National Security Campus

SPI TO POI TRANSITION

BENJAMIN STEWART
LEAD PROJECT MANAGER, STRATEGIC SOURCING

BSTEWART@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

SUPPLIER PERFORMANCE INDEX

Supplier Performance Index (SPI) is KCNSC's quality metric used to grade purchased product supplier performance.

SPI is the sum of four weighted metrics:

- 40% On-Time Delivery (OTD
- 40% Parts Per Million Defective (PPM)
- 10% Parts Accepted Trouble Free (PATF)
- 10% Lots Accepted Trouble Free (LATF)

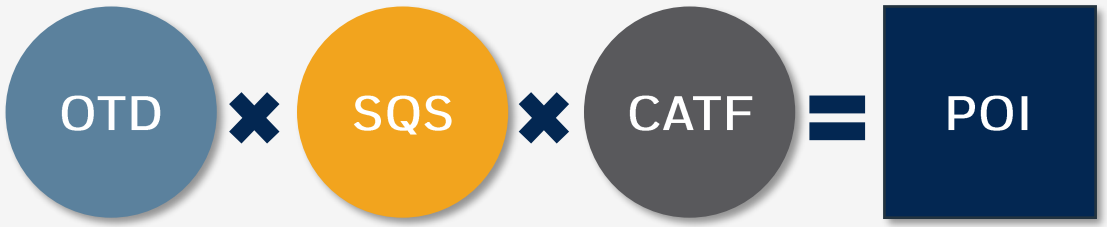
SPI = OTD x .4 + (1,000,000 – PPM) x 100/1,000,000 x .4 + PATF x .1 + LATF x .1

SPI TRANSITIONING TO POI

KCNSC is transitioning the Supplier Performance Index (SPI) to the Perfect Order Index (POI).

Index composition of changes:

- On-Time Delivery (OTD – No Change
- ~~Parts Per Million Defective (PPM) – Removed~~
- Parts Accepted Trouble-Free (PATF) – Changed to Supplier Quality Score (SQS)
- ~~Lots Accepted Trouble-Free (LATF) - Removed~~
- Certifications Accepted Trouble-Free (CATF) – New Metric



All weighting has been removed.

SQS & CATF BREAKDOWN

SUPPLIER QUALITY SCORE (SQS)

SQS is a National Nuclear Security Administration (NNSA) metric.
It is the same calculation used by the NNSA to grade KCNSC.

New SQS calculation

Each lot is scored for SQS using the current PATF method.

Then, the individual "lot" scores are averaged.

Example:

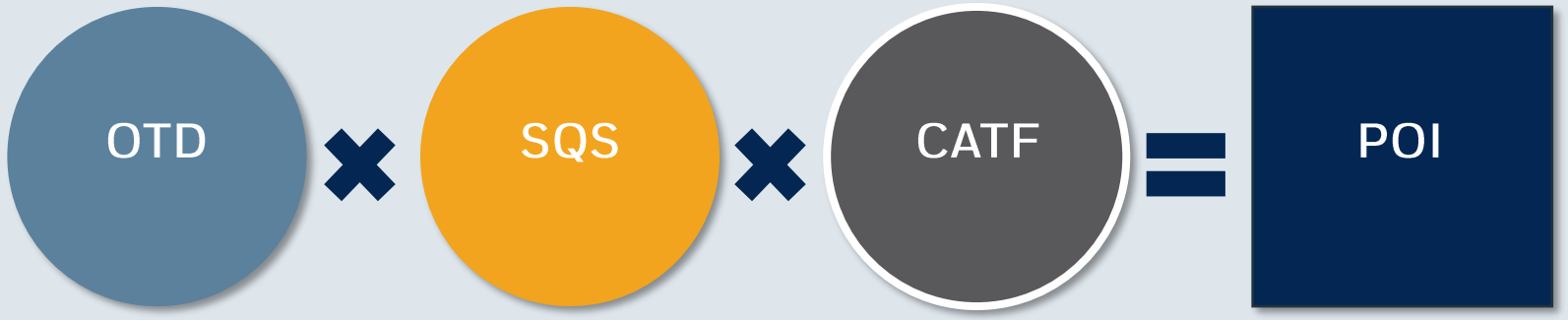
- Lot 1 = 87% SQS
- Lot 2 = 88% SQS
- Lot 3 = 95% SQS
- Total = 90% SQS
  - This is the same "lot" determination currently used for LATF.

Benefit: The overall quantity submitted does not have a major impact on total SQS.

This reduces the large swings that affect the overall metric while still including all part performance data.

CERTIFICATIONS ACCEPTED TROUBLE FREE (CATF)

NEW CATF CALCULATION



How is CATF calculated?

Each lot is scored for CATF using the current LATF method.

Then, the individual "lot" scores are averaged.

Benefit: This new metric more accurately grades certifications and documentation.

Example:

- Lot 1 = Y = 1
- Lot 2 = Y = 1
- Lot 3 = N = 0
- Lot 4 = Y = 1
- Total = 75% CATF

This is the same "Lot" determination currently used for LATF.

PERFORMANCE NUMBERS

PERFORMANCE NUMBERS

SQS
Average Score: ~88

~70% of suppliers are above the average.

OTD
Average Score: ~89

~65% of suppliers are above the average.

CATF
Average Score: ~91

~80% of suppliers are above the average.

POI
Average Score: ~76

~69% of suppliers are above the average.

Analysis run July 10, 2024

METROLOGY DESIGNATED CALIBRATION SOURCES “DCS” & VENDOR CMM APPROVAL

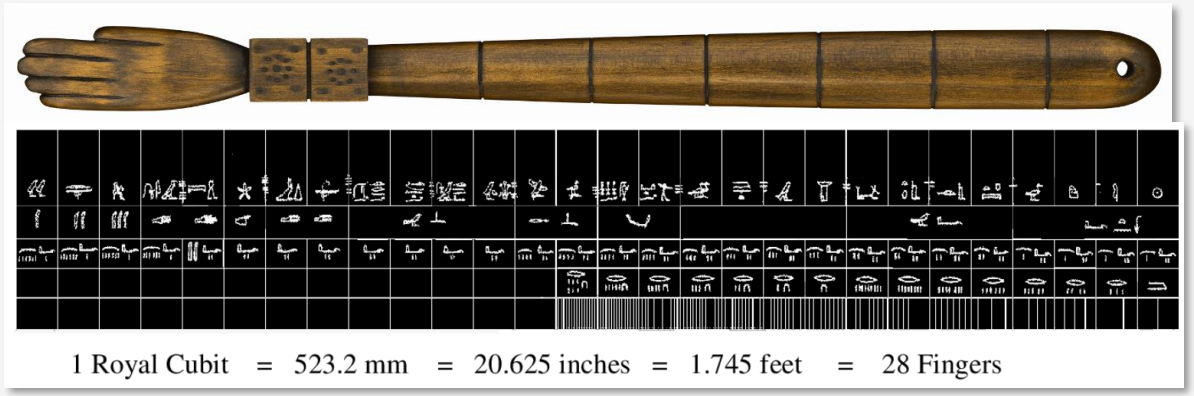
MATTHEW GREEFF
METROLOGY TECHNICAL MANAGER

MGREEFF@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

WHY DCS?

THE HISTORY OF METROLOGY



The Measurement

The Pharaoh Khufu (known for building the Great Pyramid at Giza in 2566 BC) was **the first to decree that a standard unit of length be fixed**.

The standard chosen was **made of black granite** and called the **Royal Egyptian Cubit**. History records its length as that of the ruling pharaoh's forearm and hand. (Length from the elbow to the tip of the third digit, plus the width of the palm.)

It was also decreed that all **working cubits** (**made of wood**) be **compared with the granite cubit every full moon**, failure to do so was punishable by death.

The Requirements

It was defined and established by governmental decree.

This standard was embodied in a physical object capable of application. (Now we prefer intrinsic standards such as the speed of light.)

The unit was made of a very stable and durable material, one of the best available in those times.

There were secondary standards that were compared at regular intervals to this primary standard.

THE REQUIREMENT

NAP-401.1A Attachment 2, 5.6.a2

The contractor must: Establish and document a program approved by the PSL for approval and oversight of metrology at Commercial Calibration Laboratories (CCLs), Commercial Testing Laboratories (CTLs) and Designated Calibration Source (DCSs).

PQR-2698

This describes the minimum calibration requirements the supplier must meet when providing product acceptance, calibration, testing or measurement services to the buyer. Here are some highlights:

- Supplier Calibration Program must be consistent to the requirements of ISO/IEC 17025.
- Traceability must be maintained.
- Records must be maintained (3-year minimum.)
- Subcontracted calibration services, must be ISO/IEC 17025 accredited. Look for the label!

- When internal calibration are performed, they must meet the same standard as an accredited calibration.
- Calibration uncertainty must be evaluated, and a 4 to 1 TAR must be maintained when evaluating product.
- Out-of-tolerance conditions must be evaluated for product impact.

Metrology doesn't make the rules, we just ensure that they are followed.

THE DCS PROCESS

- It is initiated with an E2710 by a quality engineer.
- A Quality analyst will contact the vendor for information on each parameter listed in the E2710. They will provide a list of the required documents Including Calibration Certificates, data, and Procedures.
- Metrology engineers will review and approve or ask for more information.
- A Quality Analyst will schedule a review of the vendor's calibration program. Initially this audit is on-site. Some renewals may be done virtually.
- A Quality Analyst will release an approval Memo with all currently approved parameters.

Follow the process and ask questions if *anything* is unclear!

NSC-614-6873 01/2025 Unclassified Unlimited Release

CMM APPROVAL PROCESS

By the Numbers

More than **3,200 approvals** since 2013

600–800 per year (12–17 average approvals per week)

Working with over **41 vendors**

Four subject matter experts to review CMM programs

Approving programs using **nine CMM softwares:** Calypso, PCDMIS, CMM Manager, SmartProfile, MeasureX, MeasureFit, MeasureMind, Zone 3, Inspec.

This is a major effort for Metrology.

PQR SUPPLIER CMM PROGRAM/APPROVAL (Issue P)

Please refer to the PQR. It establishes the requirements.

Here are a few key areas for success:

Make sure to use the correct naming conventions. It is very specific!

- VP-XYZ1A1234P01-A: Vendor Program, manufacturer code 'XYZ', P/N 1A1234, Program 01, Issue A

There is guidance on what must be in the program and on the report.

Take your time, do it right.

Proper use of GD&T per the print is required. This includes:

- Correctly setting up the datum features
- Using Max inscribed for internal diameters and Min Circumscribed for cylinders.
- In most cases datum shift is not allowed.
- The number of points on part features must be sufficient to capture the envelope of the feature at the discretion of the SME
- Profiles must be reported with at least two results, minimum and maximum measured values.
- All CAD models must match the print.

Ask questions: The CMM SME wants to teach, it makes their job easier.

CUI & UCNI OVERVIEW

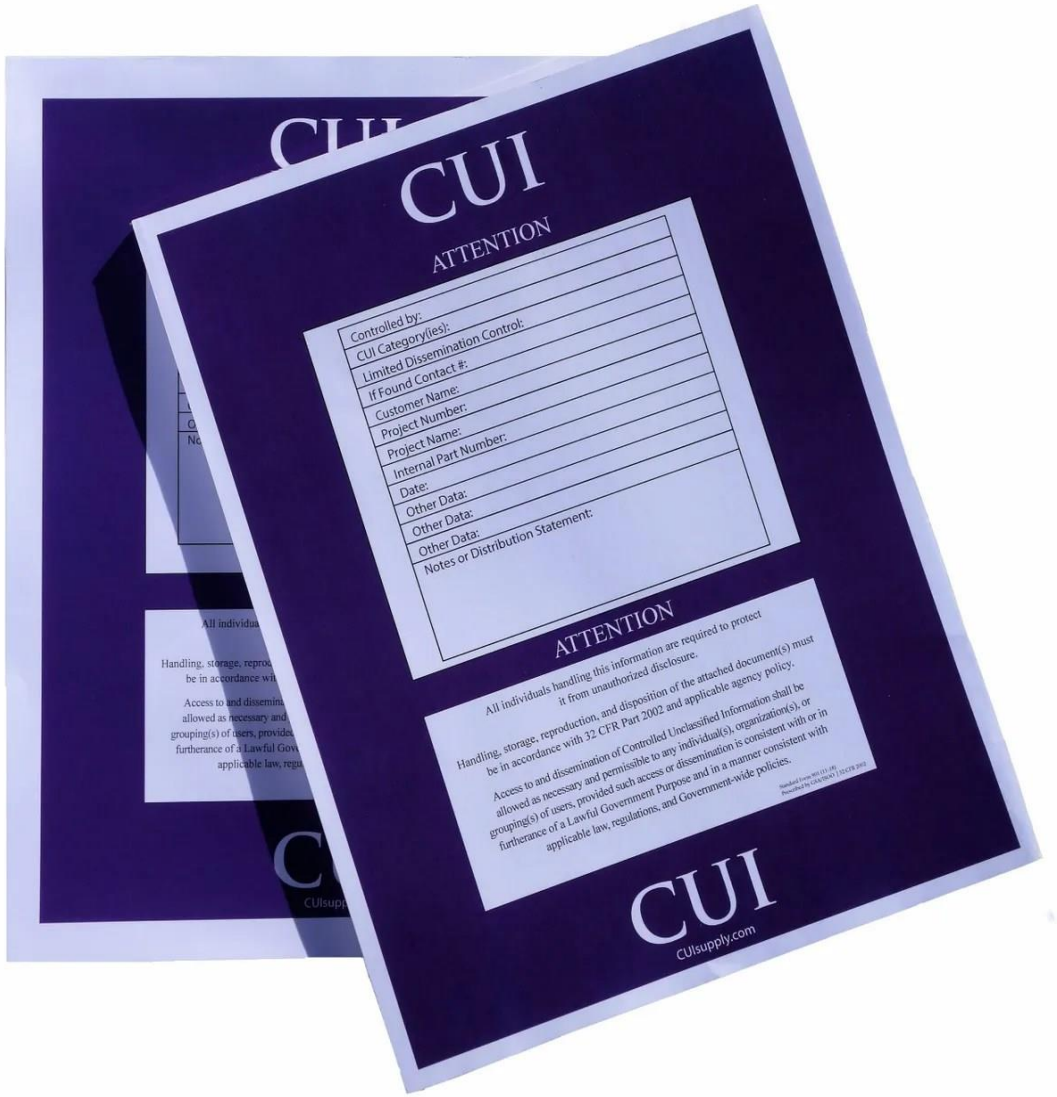
ERIC MANOOKIAN
LEAD PROJECT MANAGER

EMANOOKIAN@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

CONTROLLED UNCLASSIFIED INFORMATION (CUI)

- Established By EO 13556 (2009)
- Documented as Federal Law: 32 CFR Part 2002
- Signed as DOE Order 471.7 (2022)
- Full Implementation by KCNSC – currently underway
- Information Security Oversight Office (NARA): Executive Agent



CUI DEFINED

Controlled Unclassified Information (CUI) is:

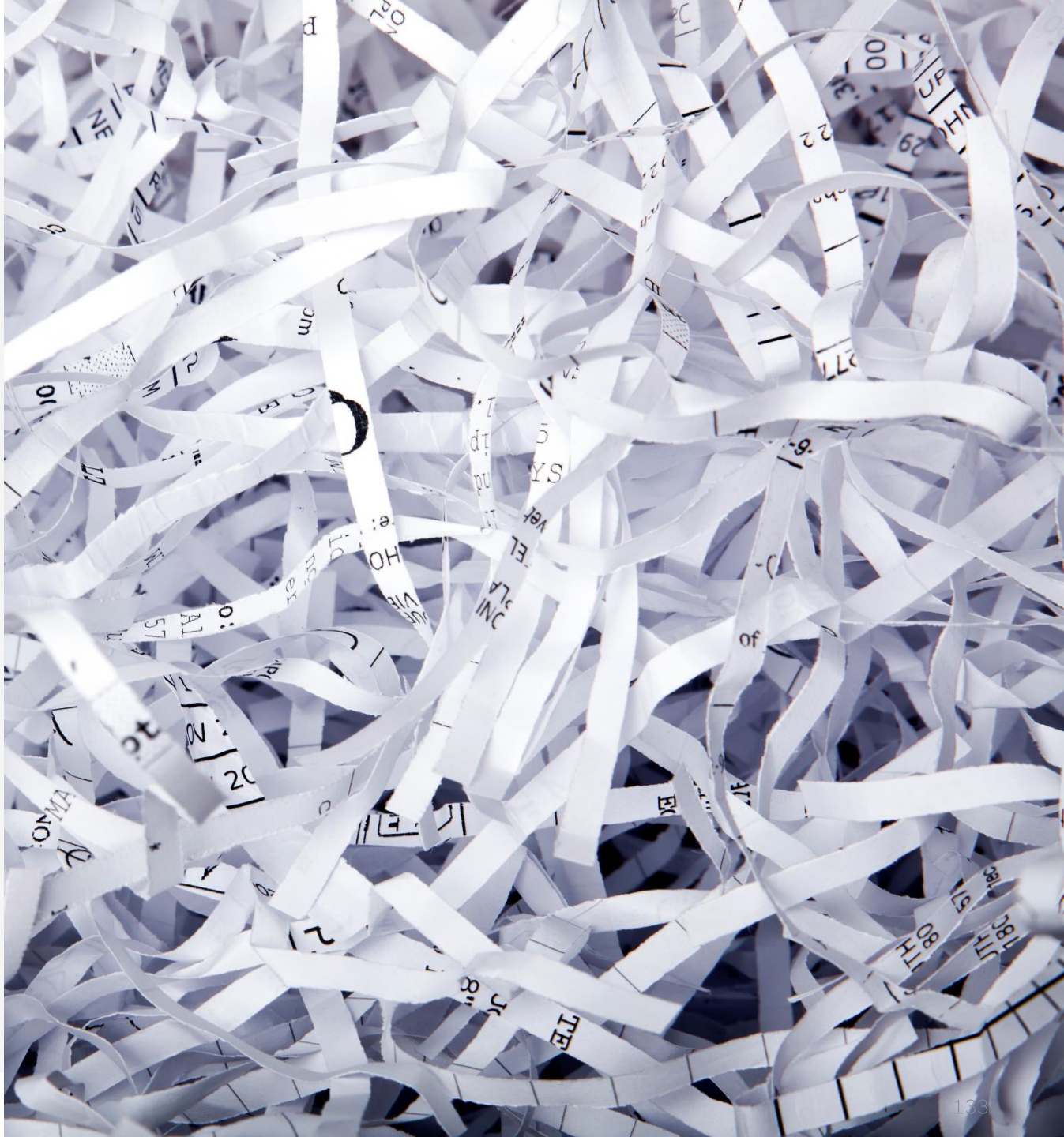
Information the government creates or possesses, or an entity creates or possesses for or on behalf of the government, that a Law, Regulation or Government Wide Policy (LRGWP) requires or permits an agency to handle using safeguarding or dissemination controls.

SAFEGUARDING AND HANDLING

Physical Handling:

Essentially the same as OUO, *except* destruction.

Destruction should be done using an approved shredder that is appropriate for classified matter (NSA EPL).



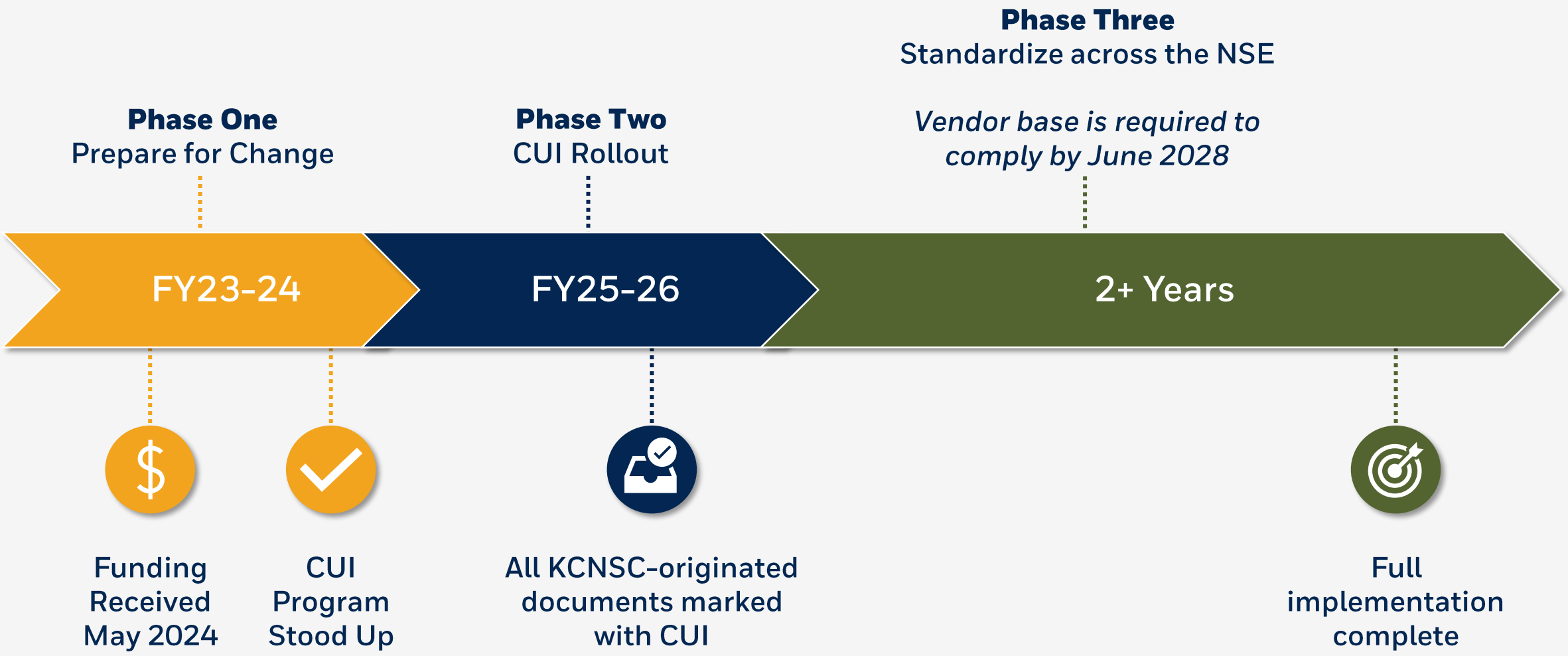
ELECTRONIC TRANSMISSION AND STORAGE

NIST 800-171 Rev 2

"This publication provides agencies with recommended security requirements for protecting the confidentiality of CUI when the information is resident in nonfederal systems and organizations."

Encryption is required when transmitted electronically.

CUI IMPLEMENTATION PLAN (OVERVIEW)



UNCLASSIFIED CONTROLLED NUCLEAR INFORMATION

What is UCNI?

UCNI is information that pertains to one of three categories:

1. Restricted Data (classified nuclear weapons information) that has been declassified
2. Security measures pertaining to protection of nuclear material and facilities
3. Nuclear facility design or detailed information

UCNI guidance

UCNI is NOT a subset of CUI. It is a separate category of information controlled by the guidance below:

- Atomic Energy Act of 1954
- 10 CFR Part 1017
- DOE Order 471.1B

UCNI REVIEWING OFFICIALS (ROs)

UCNI Reviewing Officials (ROs) are individuals who have completed training and are authorized to identify and mark UCNI.

If a document/product is suspected to contain UCNI it must be protected as such until an UCNI RO can review and make a determination.

Any person otherwise approved for UCNI can request to become an UCNI RO (handled through the Classification Office).

UCNI SAFEGUARDING AND HANDLING

Physical Protection Requirements for UCNI are essentially identical to CUI EXCEPT:

10 CFR 1017.27 “Transmission”

Transmitting UCNI documents over telecommunications circuits.

Encryption algorithms that comply with all applicable federal laws, regulations and standards for the protection of unclassified controlled information must be used when transmitting UCNI over a telecommunications circuit (including the telephone, facsimile, radio, e-mail and internet).

PATH FORWARD AND RESOURCES

Uncertainty is the rule not the exception.

Arm yourself with the following resources:

- NIST 800-171 Familiarity & Compliance
- CUI Registry (archives.gov/cui)
- 10 CFR Part 2002
- DOE Order 471.7 (CUI)
- 10 CFR Part 1017
- DOE Order 471.1B (UCNI)

SUPPLIER ENGINEERING & PQR UPDATES

MIKE HARVEY
TECHNICAL MANAGER
MHARVEY@KCNSC.DOE.GOV

KARA CHRISTENSEN
PRINCIPAL ENGINEER
KCHRISTENSEN@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

SUPPLIER ENGINEERING OVERVIEW

SUPPLIER ENGINEERING MISSION

Partner with the supply base to enable and predict Quality Management System (QMS) conformance, monitor Consolidated Approved Supplier Listing (CASL) status to minimize production impacts and develop agile solutions for global supplier improvement.

Our role at KCNSC is to:

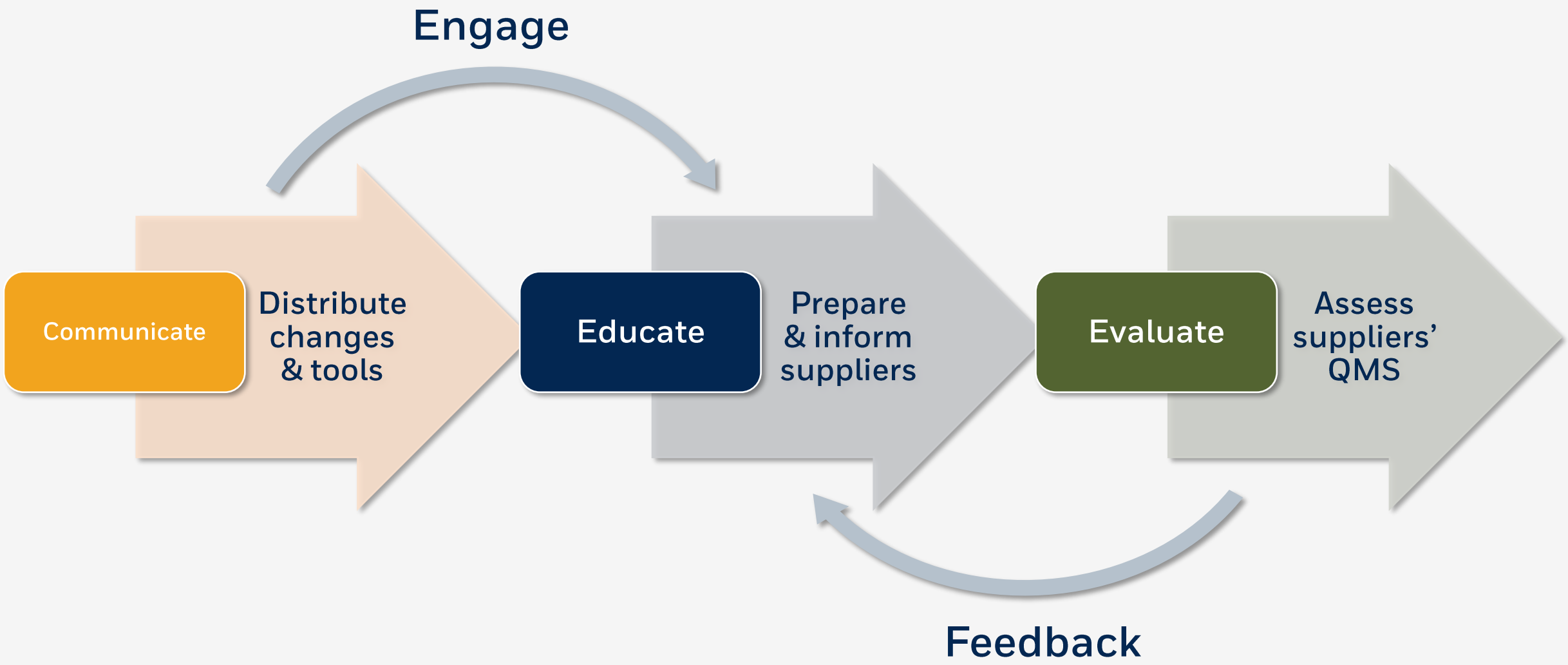
- Maintain Product Quality Requirement (PQR) approval and CASL management of existing supply base.
- Predict, evaluate and minimize production impacts due to CASL risk.
- Partner with supply base and commodity teams (CTs) to identify and close supplier QMS gaps.
- Develop, implement and execute global supplier training and digital improvement initiatives (e.g., KCNSC Data & Information Gateway).
- Ensure effective rollout of PQR updates and major QMS requirement changes across the supply base.

We are the key point of contact for all things supplier QMS.

UPCOMING EFFORTS

- Supplier-facing electronic forms rollout
- Designated Calibration Source (DCS) dashboard and modernization
- Online supplier training modules
- Proactive engagement on PQR requirements
- Supplier feedback on QMS reviews and PQR revisions

PQR CHANGE ROLLOUT OVERVIEW



PQR UPDATES

KCNSC GRADED APPROACH (PAST)

NAP 401.1 Paragraph 3.6 — D&P Manual 13.2

Attachment 2 — PSLM

PQR 1010 (Commercial/ Public Domain)

- General
- Management
- QMS
- Document Control
- Product Identification
- Inspection & Testing
- Control of NC Product
- Corrective Action
- Limited Life Items
- Counterfeit Control
- Handling

PQR 1040 (Test House)

- Contract Review
- QMS Requirements
- Organization
- Quality Improvement
- Training
- Document Control
- Procurement
- Control of M&TE
- Inspection
- Control of Items
- Handling
- Control of NC Product
- Corrective Action
- Records

PQR 1020 (Value Added Distributers/Short Run)

- Contract Review
- QMS Requirements
- Quality Improvement
- Training
- Instructions & Procedures
- Document Control
- Procurement
- Control of M&TE
- Inspection
- Control of Items
- Handling
- Control of NC Product
- Corrective Action
- Records

PQR 1050 (Piece Parts)

- Contract Review
- QMS Requirements
- Organization
- Quality Improvement
- Training
- Instructions & Procedures
- Document Control
- Procurement
- Control of M&TE
- Inspection
- Control of Items
- Handling
- Control of NC Product
- Corrective Action
- Records
- Buyer Certified Processes
- Buyer Required Reports
- Internal Assessments

PQR 1060 (Assemblies)

- Contract Review
- QMS Requirements
- Organization
- Quality Improvement
- Training
- Instructions & Procedures
- Document Control
- Procurement
- Control of M&TE
- Inspection
- Control of Items
- Handling
- Control of NC Product
- Corrective Action
- Records
- Buyer Certified Processes
- Buyer Required Reports
- Internal Assessments
- Design

PQR 2698 (DCS)

- Calibration Program
- Records
- Labels
- Intervals
- Ovens
- CMMs
- Sub-Contracting Calibration
- Calibration Software
- Uncertainty

PQR 2700 (CCL/CTL)

- Calibration Program
- Close Loop
- Records
- Uncertainty

Indicates requirement for “written procedure”

KCNSC GRADED APPROACH (CURRENT)

NAP 401.1 Paragraph 3.6 — D&P Manual 13.2

PQR 1010 (Commercial/ Public Domain)	PQR 1040 (Test House)	PQR 1020 (Value Added Distributers/Short Run)	PQR 1050 (Piece Parts)	PQR 1060 (Assemblies)	PQR 2698 (DCS/CTL/CCL)
• General	• Contract Review	• QMS Requirements	• QMS Requirements	• QMS Requirements	• Calibration Program
• Management	• QMS Requirements	• Leadership	• Leadership	• Leadership	• Records
• QMS	• Organization	• Control of M&TE	• Control of M&TE	• Control of M&TE	• Labels
• Document Control	• Quality Improvement	• Training	• Training	• Training	• Intervals
• Product Identification	• Training	• Document Control	• Document Control	• Document Control	• Ovens
• Inspection & Testing	• Document Control	• Records	• Records	• Records	• CMMs
• Control of NC Product	• Procurement	• Contract Review	• Contract Review	• Contract Review	• Sub-Contracting Calibration
• Corrective Action	• Control of M&TE	• Procurement	• Procurement	• Procurement	• Calibration Software
• Limited Life Items	• Inspection	• Identification	• Control of Processes	• Control of Processes	• Uncertainty
• Counterfeit Control	• Control of Items	• Preservation	• Identification	• Identification	• Close Loop
• Handling	• Handling	• Inspection	• Preservation	• Preservation	
	• Control of NC Product	• Control of NC Product	• Inspection	• Inspection	
	• Corrective Action	• Performance Evaluation	• Control of NC Product	• Control of NC Product	
	• Records	• Quality Improvement	• Performance Evaluation	• Performance Evaluation	
		• Corrective Action	• Quality Improvement	• Quality Improvement	
			• Corrective Action	• Corrective Action	

Re-organized to align to Industry Standards

Indicates requirement for “written procedure”

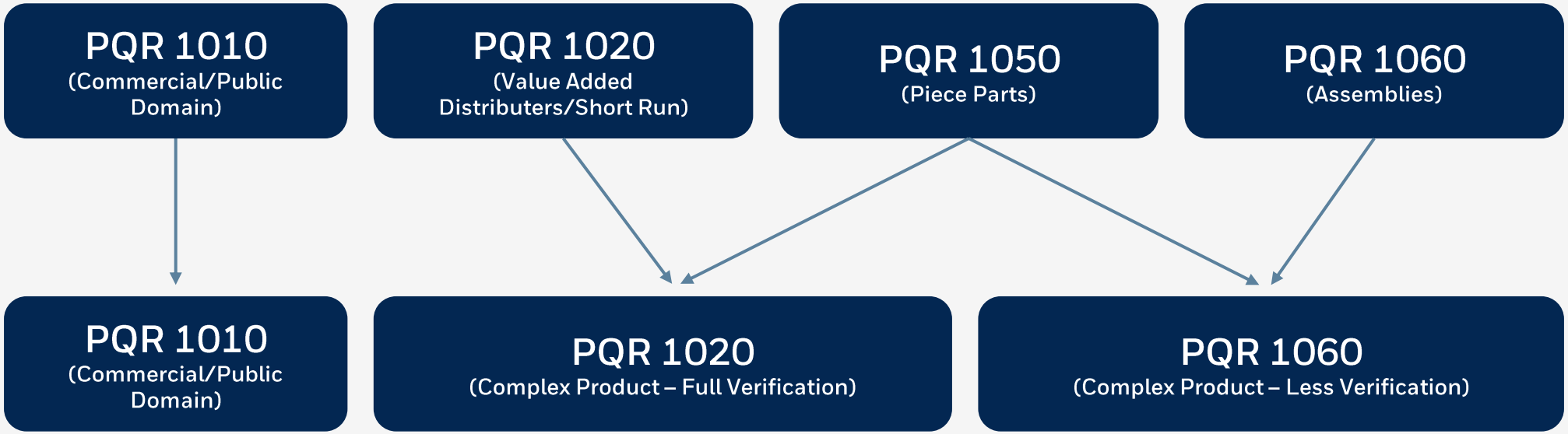
KCNSC GRADED APPROACH (FUTURE)

NAP 401.1A

PQR 1010 (Commercial/ Public Domain)	PQR 1040 (Test House)	PQR 1020 (Value Added Distributers/Short Run)	PQR 1060 (Assemblies)	PQR 2698 (DCS/CTL/CCL)
• TBD	• Maintain QMS in Conformance with ISO/IEC 17025	• Maintain QMS in Conformance with ISO 9001	• Maintain QMS in Conformance with AS 9100	• Calibration Program • Records • Labels • Intervals • Ovens • CMMs • Sub-Contracting Calibration • Calibration Software • Uncertainty • Close Loop

Anticipated PQR revisions by end of CY25 with supplier rollout to follow in CY26.

PQR TRANSITION (CURRENT – FUTURE)



SUPPLIER OPERATIONS ASSESSMENT PROCESS (SOAP)

BEN HARPER
PURCHASED PRODUCT QUALITY
PRINCIPAL QUALITY ENGINEER D-470

BHARPER@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

WHAT IS SOAP?

Supplier Operations Assessment Process (SOAP) is a deep-dive review of supplier operational processes, including documentation and work instructions.

This requires the KCNSC Purchased Product Team to map the process and requirements prior to reviewing supplier processes, streamlining the assessment and reducing time on-site.

WHEN IS SOAP USED?

Executed in **early production cycles.**

Completed on-site by Quality or Product Engineers.

SOAP GOALS


What are the key objectives of SOAP?
Help Quality and Product Engineers better understand part requirements and manufacturing processes.
Validate that supplier processes comply with product definition to prevent and/or correct nonconformances.
Identify KCNSC actions, such as improvements to drawings or Purchase Order Quality Requirements (POQR).

REVIEW CONSIDERATIONS

1. Does the supplier's understanding of purchase order (PO) requirements align with KCNSC expectations?
2. Are the requirements feasible (e.g. manufacturable and inspectable)?
3. Are the supplier's work instructions aligned with PO requirements?
4. Do the supplier's work instructions provide sufficient detail to ensure continued conformance?
5. Does the supplier's inspection align with KCNSC methods?

POST-REVIEW ACTIONS

Identify issues and improvement actions for both the supplier and for KCNSC.

KCNSC DATA & INFORMATION GATEWAY (DIG)

ALAN MARKLE
PRINCIPAL QUALITY ENGINEER

AMARKLE@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

KCNSC DATA & INFORMATION GATEWAY (DIG)

GOAL: Provide KCNSC suppliers with engineered solutions for the submittal of business and quality evidence to:

- Improve quality performance
- Improve supplier relationships
- Enable business process standardization
- Enable business data analysis for future improvement

CERTIFICATION REVIEW CHECKLIST (CRC)

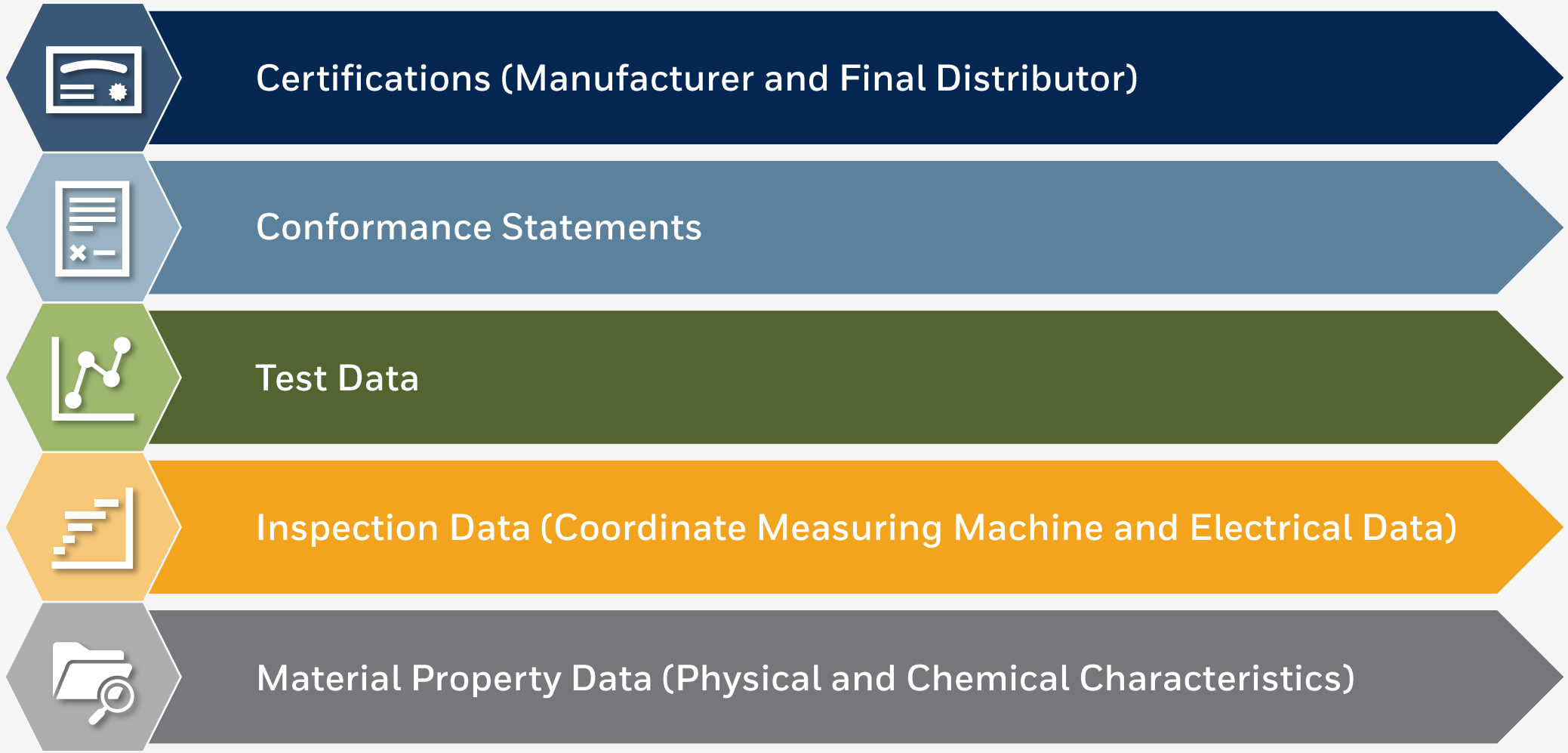
WHAT IS THE CRC GATEWAY?

The CRC GATEWAY
is a digital application for the Certification Requirements Checklist (CRC).

It breaks down all **certification-related requirements** for a part or assembly and lists the sub-requirements for each item or material so nothing is missed.

WHAT IS THE CRC GATEWAY?

These requirements include:



BENEFITS OF THE CRC GATEWAY

1. Standardizes how quality engineers request quality documentation from suppliers
2. Reduces time required to complete reviews (time savings of up to 25%)
3. Shelf-life traceability requirements for suppliers reduces communication for material date-of-use
4. Standardizes how suppliers provide quality documentation to KCNSC
5. Alerts suppliers to issues or errors in document package prior to submittal

BENEFITS OF THE CRC GATEWAY

6 Statistics Page helps identify trends in supplier documentation

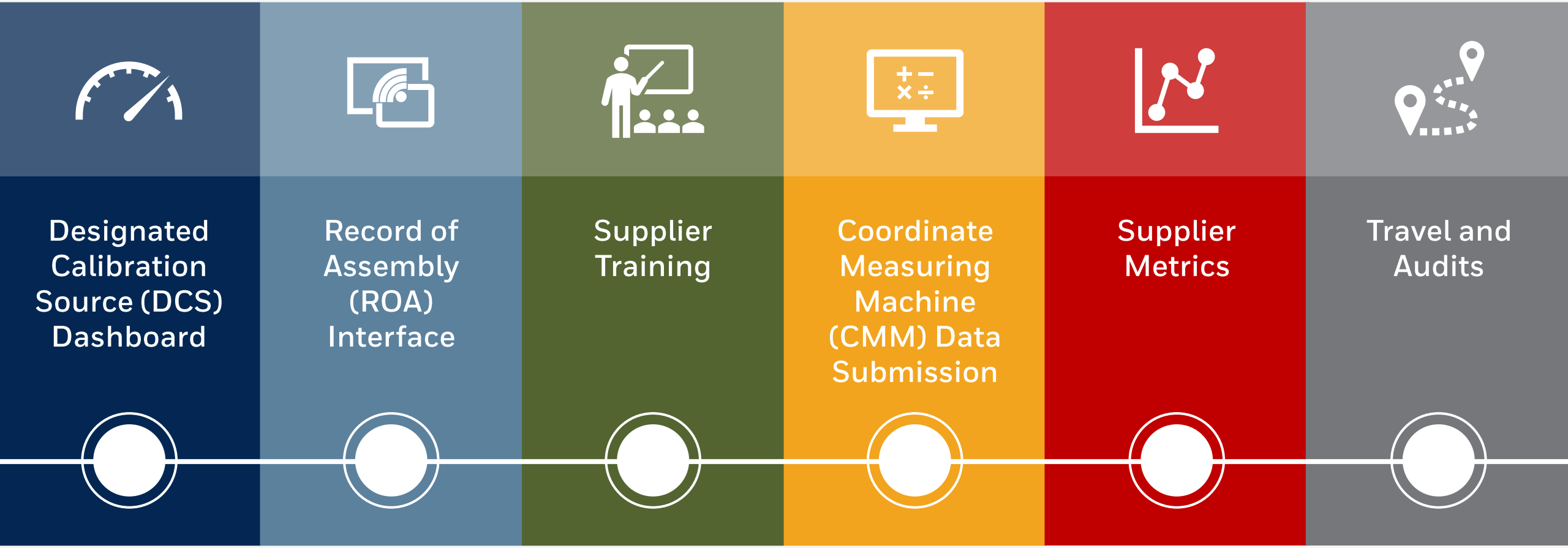
7 Query Page easily tracks containment tasks, isolating a single cert lot across the commodity

8 Email notifications instantly alert of changes in record status (both for supplier and KC)

FUTURE EXPANSION

FUTURE

FUTURE PROJECTS



SOURCE INSPECTION: ELECTRICAL

KYLE DEBERG
SOURCE INSPECTION QUALITY MANAGER

KDEBERG@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

KCNSC SOURCE INSPECTION

Vision & Mission:

On-time delivery
of quality products to
KCNSC and our customers
through exceptional customer
service, excellent quality and
technical leadership, and
dedicated partnerships
with our suppliers.

KCNSC SOURCE INSPECTION

Mobile and Agile Workforce:

- Not all suppliers have full-time dedicated VCFRs on-site.
- Once a VCFR is committed to travel to perform source inspection, they are generally allocated to that supplier/order for an entire week. We do not generally require VCFRs to visit multiple suppliers in the same week unless there's an **urgent business need**.
- When you submit parts to Source, ensure complete and accurate submittals. Parts without certification packets, partial submittals or submittal for in-process less than 35 calendar days from dock date are **not considered complete and on-time**.
- Please attempt to give us notification several weeks in advance, prior to the actual Source submittal date. This will help us plan our work and travel schedules accordingly.

WHAT TO LOOK FOR IN THE POQR

Example 1 – In-Process Source Inspection

```
6.0 In Process & Source Inspections

6.1 KCP IN-PROCESS SOURCE INSPECTION
In-process inspection by KCP is required.

        ++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++
        THE SELLER SHALL NOTIFY THE BUYER AT THE FOLLOWING PRODUCTION
        HOLD POINTS FOR IN-PROCESS INSPECTION:
```

- Purchase Order Quality Requirements (POQR) could include a statement such as: *In process inspection required for component A and component B prior to assembly.*
- Such statement would mean the supplier is required to submit parts to Source prior to additional processing. In such cases, it is important to clearly understand the stopping point and ensure that it is noted in the shop order and quoted accordingly to allow time for in-process Source Inspection.

WHAT TO LOOK FOR IN THE POQR

Example 2 – Final Source Inspection

6.0 In Process & Source Inspections

6.1 KCP SOURCE FINAL INSPECTION
Seller shall deliver purchased product and all associated Certificate of Conformance documentation as described in section 3.1 CERTIFICATION to Buyer's Vendor Contract Field Representative (VCFR) prior to source inspection in accordance with the delivery requirements contained in the Purchase Order/Contract. Inspection by VCFR does not waive the rights of NNSA to conduct an inspection at Seller's plant or inspection at final destination by Buyer, NNSA or both. Following inspection at the Seller's plant by VCFR and, (if applicable) NNSA, Seller shall make shipment of inspected quantities to final delivery destination in accordance with the delivery requirements contained in the Purchase Order/Contract. If delays occur as a result of VCFR inspection, Seller may invoice based upon the delivery schedule contained in the Purchase Order/Contract. Seller's invoice must contain a certification stating quantity of product submitted to VCFR for inspection and date submitted. Certification must be signed by a member of Seller's management.

Should final source inspection be required, all associated Certificate of Completion, Certificate of Conformance (COC) documentation is required to be submitted to the KCNSC VCFR either prior to or at time of submittal to source inspection.

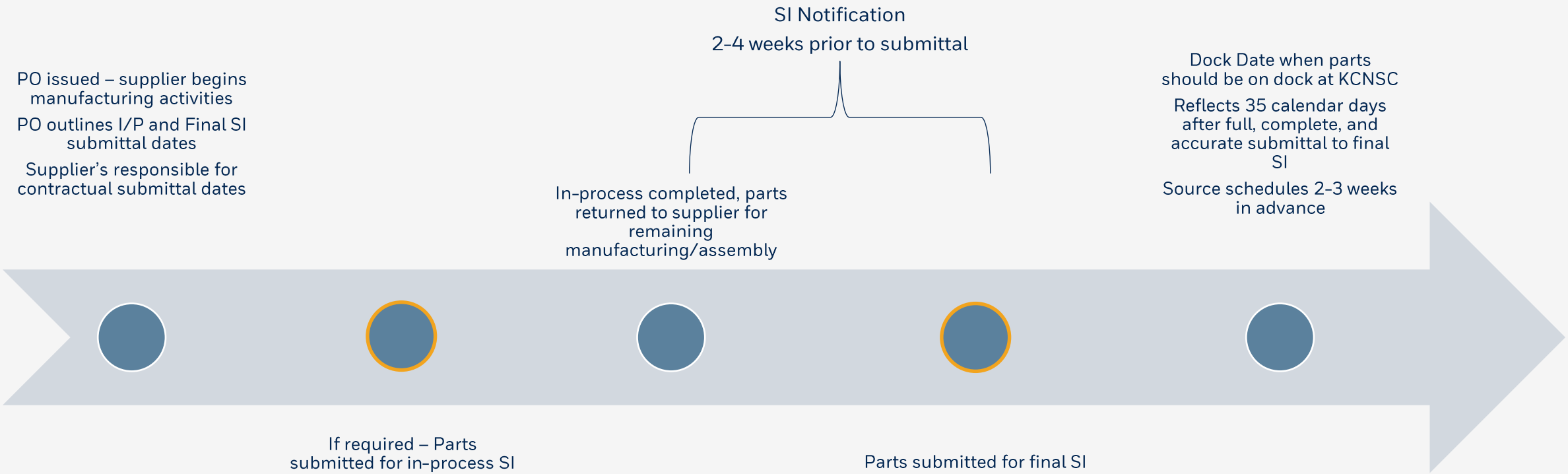
WHAT TO LOOK FOR IN THE PURCHASE ORDER (PO)

PO Language – Clause D-4.1.1 – Delivery Schedule

Line-Schedule	Quantity	In-Process Source Inspection Submittal Date	Final Source Inspection Submittal Date	FM&T PO Contract Scheduled Delivery Date
1-1	100	xx/xx/xxxx *If applicable*	xx/xx/xxxx *Date Parts to be Submitted to Source Inspection*	xx/xx/xxxx *Date Parts are to Dock at KCNSC*

- If Source Inspection is required (per POQR), this section defines, by line/schedule and quantity, when parts should be submitted to Source along with the contracted dock date parts are required to arrive at KCNSC.
- Final Source Inspection submittal date is based off quoted lead time needed once parts are returned from In-Process Source Inspection.
- KCNSC PO Contract Scheduled Delivery Date should allow for 35 calendar days from submittal to final Source to parts docking at KCNSC.

SOURCE INSPECTION FLOW TIME VISUAL



Adherence to contractual submittal dates is crucial.

SOURCE INSPECTION COORDINATION

When requesting Source Inspection, you must contact:

KCNSC Buyer

- Alerts our internal supply chain that the order is preparing to ship

PMFO Coordinator (Patty Phipps at pphipps@kcnsc.doe.gov or 816.488.2659)

- Assigns a VCFR and coordinates travel

VCFR

- Prepares required equipment and documentation for Source Inspection

Prior to submittals:

Source Inspection standard flow time is 35 days, quote/plan accordingly
Communicate accurate status of submittal dates via status calls
Communicate once within 2-4 weeks
Communicate ASAP if any known delays in PO

Once parts are ready:

Send an email to the PMFO Coordinator
Copy KCNSC Buyer and VCFR
Further communication can be via phone, but email is preferred

Communication is key!

PURCHASED PRODUCT INSPECTION OPERATIONS OVERVIEW

BETH KING
SR QUALITY MANAGER
BKING@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

PURCHASED PRODUCT CENTER OF EXELLENCE

Brian Olson

Director,
Quality Operations

INSPECTION OPERATIONS – PURCHASED PRODUCT

Beth King

Sr. Quality Manager

Mark Stromberg

Sr. Quality Manager

Brian Tuttle

Sr. Quality Manager

John Sloan

Quality Manager

Ray Behning

Quality Manager

Kyle Steuber

Quality Manager

Darius Steele

Quality Manager

RECEIVING INSPECTION OVERVIEW

Purchased Product Acceptance

- Serves as **internal, central hub to inspect and test received items.** Helps ensure all requirements are met, accepting product into both War Reserve (WR) and non-WR systems.
- **Facilitates cross-functional Management Operating System (MOS)** to progress parts through acceptance process.

RECEIVING INSPECTION OVERVIEW

High-Volume Operations

- The PPCOE currently supports the design and inspection of **>5k part numbers.**
- **Between 5k and 8k pieces are shipped per month.** An estimated 25% of these shipments are workload direct ships and 75% support Next Assembly.
- KCNSC is facilitating ±27k active Work Orders on >12k Part IDs, totaling **11.1M piece parts.**

RECEIVING INSPECTION OVERVIEW

Complex Issue Mitigation

- Receiving Inspection (RI) is predominantly sample-based, leading to **resource constraints when screening is necessary**.
- Due to the large volume of in-process material, **significant space and storage capacity** is required.
- Inspection issues, technical challenges and nonconformances can lead to **delayed flow times.**

WHAT HAPPENS IN RECEIVING INSPECTION?

- Part ID released at login and administrative work order splits dictated by lot definition
- Inspector orders and/or obtains necessary gages
- Samples and/or parts transported to internal labs or External Test House for testing
- Inspection of parts per Inspection Routing
- Supplier paperwork and certifications scanned into Feith
- Parts transported to, processed in and transported back from other departments
- Quality Engineering certification review
- First Time Submittal and Requirements Map completed by PPE and PPQE

WHAT HAPPENS IN RECEIVING INSPECTION?

- Verification of valid Complete Engineering Release and Qualification Evaluation Release
- Quality Assurance Inspection Procedures (QAIP) as required
- Establishing item shelf life
- Secondary Inspector marking review
- Stamping and packaging (NNSA Diamond Stamp)
- Supervisor “Route to Review”
- Electronic sale transaction

SOURCE INSPECTION: MECHANICAL

MANDY RATER
D412 QUALITY MANAGER

MRATER@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

KCNSC INSPECTION TYPES

Mechanical Inspection

- KCNSC inspects every print dimension
- Performed 100% or per a sampling plan
- Proper part marking is essential
- Methods for KCNSC inspection are determined by the quality engineer (hand tools, open setup, CMM, special design gages, etc.)

Visual Inspection

- A systematic, feature-by-feature review at multiple angles using optimal lighting
- A visual inspection with no magnification (ex. Per 9900000) or inspection under magnification per a drawing note or supplemental specification (ex. SSxxxxxx)
- Magnification can be used at any time to help characterize a defect

Lack of product uniformity is reason for concern!

WHAT TO LOOK FOR THE IN THE POQR

Example 1 – In-Process Source Inspection

```
6.0 In Process & Source Inspections

6.1 KCP IN-PROCESS SOURCE INSPECTION
In-process inspection by KCP is required.

        ++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++
        THE SELLER SHALL NOTIFY THE BUYER AT THE FOLLOWING PRODUCTION
        HOLD POINTS FOR IN-PROCESS INSPECTION:
```

- Purchase Order Quality Requirements (POQR) could include a statement such as: ***In process inspection required for component A and component B prior to assembly.***
- Such statement would mean the supplier is required to submit parts to Source prior to additional processing. In such cases, it is important to clearly understand the stopping point and ensure that it is noted in the shop order and quoted accordingly to allow time for in-process Source Inspection.

WHAT TO LOOK FOR IN THE POQR

Example 2 – Final Source Inspection

6.0 In Process & Source Inspections

6.1 KCP SOURCE FINAL INSPECTION
Seller shall deliver purchased product and all associated Certificate of Conformance documentation as described in section 3.1 CERTIFICATION to Buyer's Vendor Contract Field Representative (VCFR) prior to source inspection in accordance with the delivery requirements contained in the Purchase Order/Contract. Inspection by VCFR does not waive the rights of NNSA to conduct an inspection at Seller's plant or inspection at final destination by Buyer, NNSA or both. Following inspection at the Seller's plant by VCFR and, (if applicable) NNSA, Seller shall make shipment of inspected quantities to final delivery destination in accordance with the delivery requirements contained in the Purchase Order/Contract. If delays occur as a result of VCFR inspection, Seller may invoice based upon the delivery schedule contained in the Purchase Order/Contract. Seller's invoice must contain a certification stating quantity of product submitted to VCFR for inspection and date submitted. Certification must be signed by a member of Seller's management.

Should final source inspection be required, all associated CofC documentation is required to be submitted to the KCNSC VCFR either prior to or at time of submittal to source inspection.

WHAT TO LOOK FOR IN THE PO

PO language - Clause D-4.1.1 – Delivery Schedule

Line-Schedule	Quantity	In-Process Source Inspection Submittal Date	Final Source Inspection Submittal Date	FM&T PO Contract Scheduled Delivery Date
1-1	100	xx/xx/xxxx *If applicable*	xx/xx/xxxx *Date Parts to be Submitted to Source Inspection*	xx/xx/xxxx *Date Parts are to Dock at KCNSC*

Following inspection at Seller's plant by VCFR and (if applicable) NNSA, Seller shall make shipment of inspected quantities to final delivery destination, in accordance with the delivery requirements within this contract. If delays occur as a result of VCFR inspection, Seller may invoice based upon the delivery schedule contained in the Purchase Order/Contract. Seller's invoice must contain a certification stating quantity of product submitted to VCFR for inspection and date submitted. Certification must also be signed by a member of Seller's Management.

- If Source Inspection is required (called out in POQR), this section defines by line/schedule and quantity, when parts are to be submitted to Source along with contracted dock date parts are required to arrive at KCNSC
- In-Process Source Inspection Submittal Date based off quoted lead time at time of RFQ (X weeks to I/P)
- Final Source Inspection Submittal Date based off quoted lead time needed once parts are returned from I/P SI
- FM&T PO Contract Scheduled Delivery Date should allow for 35 days from submittal to final Source to parts docking at KCNSC

KCNSC SOURCE INSPECTION

Vision & Mission:

On-time delivery of quality products to KCNSC and our customers through exceptional customer service, excellent quality and technical leadership, and dedicated partnerships with our suppliers.

KCNSC SOURCE INSPECTION

Mobile and Agile Workforce:

- Not all suppliers have full-time dedicated VCFRs on-site.
- Once a VCFR is committed to travel to perform source inspection, they are generally allocated to that supplier/order for an entire week. We do not generally require VCFRs to visit multiple suppliers in the same week unless there's an **urgent business need**.
- When parts are submitted to Source, ensure complete and accurate submittals. Parts without certification packets, partial submittals or submittal for in-process less than 35 days from dock date are **not considered complete and on-time**.
- Accurate submittal dates should be reflected on weekly status calls conducted by Purchasing ensuring appropriate flow time has been allotted to VCFRs.
- Please attempt to give us notification several weeks in advance, prior to the actual Source submittal date. This will help us plan our work and travel schedules accordingly.

Complete Submittals and Proactive Communication

SOURCE INSPECTION FLOW TIME VISUAL

PO issued – Supplier begins manufacturing activities

PO outlines I/P and Final SI submittal dates

Supplier's responsible for contractual submittal dates

If required – Parts submitted for in-process SI

35 days for I/P SI

SI Notification

2-4 weeks prior to submittal

In-process completed, parts returned to supplier for remaining manufacturing/assembly

Parts submitted for final SI

35 days for final SI

- Full quantity per PO
- ALL certs with parts
- ALL processing certs
- ALL required PC forms
- Complete and accurate data packet

Dock Date when parts should be on dock at KCNSC

Reflects 35 days after full, complete, and accurate submittal to final SI

Source schedules 2-3 weeks in advance

Adherence to contractual submittal dates is crucial!

SOURCE INSPECTION COORDINATION

When requesting Source Inspection, you must contact:

KCNSC Buyer

- Alerts our internal supply chain that the order is preparing to ship

PMFO Coordinator (Patty Phipps at pphipps@kcnsc.doe.gov or 816.488.2659)

- Assigns a VCFR and coordinates travel

VCFR

- Prepares required equipment and documentation for Source Inspection

Prior to submittals:

- Source Inspection standard flow time is 35 days, quote/plan accordingly
- Communicate accurate status of submittal dates via status calls
- Communicate once within 2-4 weeks
- Communicate ASAP if any known delays in PO

Once parts are ready:

- Send an email to the PMFO Coordinator
- Copy KCNSC Buyer and VCFR
- Further communication can be via phone, but email is preferred

Communication is key!

PURCHASED PRODUCT INSPECTION OPERATIONS OVERVIEW

DARIUS STEELE
QUALITY MANAGER
DSTEELE@KCNSC.DOE.GOV

KANSAS CITY NSC National Security Campus

PURCHASED PRODUCT CENTER OF EXELLENCE

Brian Olson

Director,
Quality Operations

INSPECTION OPERATIONS – PURCHASED PRODUCT

Beth King

Sr. Quality Manager

Mark Stromberg

Sr. Quality Manager

Brian Tuttle

Sr. Quality Manager

John Sloan

Quality Manager

Ray Behning

Quality Manager

Kyle Steuber

Quality Manager

Darius Steele

Quality Manager

RECEIVING INSPECTION OVERVIEW

Purchased Product Acceptance

- Serves as **internal, central hub to inspect and test received items.** Helps ensure all requirements are met, accepting product into both War Reserve (WR) and non-WR systems.
- **Facilitates cross-functional Management Operating System (MOS)** to progress parts through acceptance process.

RECEIVING INSPECTION OVERVIEW

High-Volume Operations

- The PPCOE currently supports the design and inspection of **>5k part numbers.**
- **Between 5k and 8k pieces are shipped per month.** An estimated 25% of these shipments are workload direct ships and 75% support Next Assembly.
- KCNSC is facilitating ±27k active Work Orders on >12k Part IDs, totaling **11.1M piece parts.**

RECEIVING INSPECTION OVERVIEW

Complex Issue Mitigation

- Receiving Inspection (RI) is predominantly sample-based, leading to **resource constraints when screening is necessary**.
- Due to the large volume of in-process material, **significant space and storage capacity** is required.
- Inspection issues, technical challenges and nonconformances can lead to **delayed flow times.**

WHAT HAPPENS IN RECEIVING INSPECTION?

- Part ID released at login and administrative work order splits dictated by lot definition
- Inspector orders and/or obtains necessary gages
- Samples and/or parts transported to internal labs or External Test House for testing
- Inspection of parts per Inspection Routing
- Supplier paperwork and certifications scanned into Feith
- Parts transported to, processed in and transported back from other departments
- Quality Engineering certification review
- First Time Submittal and Requirements Map completed by PPE and PPQE

WHAT HAPPENS IN RECEIVING INSPECTION?

- Verification of valid Complete Engineering Release and Qualification Evaluation Release
- Quality Assurance Inspection Procedures (QAIP) as required
- Establishing item shelf life
- Secondary Inspector marking review
- Stamping and packaging (NNSA Diamond Stamp)
- Supervisor “Route to Review”
- Electronic sale transaction

FINAL THOUGHTS

JACQUE COLEMAN
DIRECTOR OF PROCUREMENT

KANSAS CITY NSC National Security Campus

THE FUTURE IS BRIGHT

THANK YOU

for joining us today and for your continued partnership.

LOOKING AHEAD

Our workload is evolving, and our future forecast is promising.

KEEP IN TOUCH

Communication is key and we want to hear from you!