

Integrated Management System Executive Management Review 01 June 10 ~ 31 May 11

October 13, 2011

ASSESSMENT OF IMS MANAGEMENT SYSTEM PERFORMANCE ISO14001:2004 ~ RC14001:2008

❖ **Management System**

There have been no revisions to ISO14001:2004 or RC14001:2008. The systems adequacy, effectiveness and continuing suitability is found to be acceptable. On-going maintenance of IMS policies and analysis of performance indicators indicate the IMS continues to meet or exceed customer and/or regulatory requirements. During this reporting period there were no Document Change Request (DCRs) generated.

❖ **Management System Policy**

The policy currently in place has been reviewed and found to be suitable for TEAM's operations and therefore, no changes are recommended at this time.

❖ **Objectives and Targets**

IMS objectives specified for the previous reporting period have been reviewed. A summary of these objectives can be found in the *Follow-up Actions* section. IMS objectives for FY12 have been established and identified in the *Management Objectives* section.

REVIEW INPUTS

❖ Audit Results

During this period there were 7 audits performed; 3 Internal IMS audits, 3 accreditation/surveillance audits (ISO,) and 1 internal follow-up audit. In FY10 there were 6 audits performed. These results are consistent with the previous reporting period. Details of these audits can be found within Appendix A of this review.

❖ Communication from External Parties, Including Complaints

There were no external communications, including complaints during this reporting period.

❖ Process Performance / Conformance

During this period, there were 10 NCRs reported. A summary of the NCRs issued during this period can be found within Attachment 1 of this review.

❖ Corrective and Preventive Action Status

Beginning in FY11 the nonconformance/corrective action reporting processes were transitioned from a manually controlled process to an automated system. This process is now referred to as Control of Nonconformances (NCR) which is all inclusive of corrective and reactive preventive action. Applicable procedures and forms were revised to reflect these changes as well as various teleconferences were held to ensure understanding. All NCRS issued during this reporting period are closed. Proactive Preventive Action (PAR) reporting has been communicated throughout the organization. During the Internal Audit process and with day-to-day interactions, Corporate QA will continue to stress the importance of identifying potential areas of concern.

❖ Follow-up actions from Earlier Management Reviews

2011 Objective status

Environmental:

1. Continue to maintain zero nonconformances for environmental hazards stemming from equipment needing repair. *This goal was met. Verified through site assessment of 204 & 1204 and NCR tracking and trending.*
2. Continue to maintain zero nonconformances for environmental hazards stemming from the disposal of waste products. *This goal was met. Verified through site assessment of 204 & 1204 and NCR tracking and trending.*
3. Establish waste prevention processes by designating areas, protocols and assigning responsibilities for recycling paper, plastic and metal. Reduce/Recycle/Reuse/Rethink *This goal was met. Verified through site assessment of 204 & 1204 and Management Plans.*
 - *The Alvin, Tx location took various measures to ensure this goal was met. To kick this initiative off, a formal goal announcement was sent out to all departments. Recycle bins were purchased and are available in various areas of the building.*

Tristar Document Shredding was contracted to pick up paper once a month for shredding. The Quality Assurance department has transitioned to a single, uniformed document control system to enhance and improve efficiency and compliance. This system automates document control, approval, sign off and change control management processes to improve efficiency, decrease paper usage and create less risk. The Human Resources department has gone to pay cards/direct deposit and com-data cards instead of paper checks to reduce paper usage, using the web or teleconferencing to reduce travel and save on fossil fuels, utilizing the on-boarding process to reduce paper usage and on-line benefit enrollment to reduce paper usage. All other departments such as IT, Accounting, Tax, Training, Safety, etc. are participating in the reduce/recycle/reuse/rethink efforts by using the available recycle bins as well.

- *The 204 Blackwood location kicked off this initiative with a directive from management posted on bulletin boards and distributed via email on our goal of establishing a recycling program. Recycle bins were placed in the shop area and labeled accordingly also a box is located under the branch fax machine for the collection of used 8X11 sheets of paper to be used with expense reports. When necessary all recyclables are transported to a local facility for recycling. All branch personnel are encouraged to use email over faxing.*
- *The 1204 Aston location has taken on several initiatives for the Reduce/Recycle/Reuse/Rethink initiative; a Paper Retriever Recycling Program which is a free service that supports National non-profit Keep America Beautiful and Nestl  Waters is used; Paper recycle bins are placed throughout the facility; cardboard boxes and shipping/packing materials are reused for shipping; scrap steel and alloys are recycled through International Scrap Iron and Metal Co.; truck inventory was downsized resulting in less environmental footprints while driving down operating costs; obsolete aerosol cans of NDT materials are depressurized and drained for reclamation; recycle alkaline and ni-cad batteries through AERC Recycling Solutions; utilizing Home Depots free program for recycling fluorescent bulbs; reducing the amount of fluorescent lights (safely) in designated areas to reduce power consumption. In addition, there is a commitment to continuously “Rethinking” ways to reduce waste while reducing costs.*

Health & Safety:

1. Reduce the Global Recordable Injury Rate by 10% as verified by TRIR. *This goal was met. FY11=.054;FY10=.074*
2. Reduce the number of injuries related to the improper use of equipment by 10% as verified by the Injury Variance Report. ***This goal was not met. FY11=10;FY10=7 Ref NCR 1284-020MR***
3. Reduce the total number of Smith Driving complaints by 10% as verified through the automated Smith system. *This goal was met. FY11=275;FY10=349*
4. Reduce the total number of Alara reports received company-wide for personnel performing Radiographic operations by 2% as verified by Alara reporting. ***This goal was not met. As verified by Alara reporting the individual exposures that exceeded the limits of policy increased by 29.2%. FY10=75, FY11=106 Ref NCR 1284-021MR***

Security:

1. Reduce the total number of security-related deficiencies reported by the NRC or Agreement State Inspections by 10%. *This goal was met. FY11=14.3% Decrease*

❖ Personnel Status

Each Branch ensures qualified personnel and other resources are available to implement and continually improve the IMS. Training needs, initial and on-going, are identified within the IMS and Branch Management Reviews. Training effectiveness is verified through day-to-day operations as well as internal audit results. Training records for all personnel are maintained by the Corporate QA department.

❖ Changes That Could Affect this Management System

At this time there are no known or pending changes to ISO14001 or RC14001. We will continue to monitor any changes related to this environmental management system and, take action as necessary to ensure compliance. Furthermore, consideration as to the impact of the changes on other elements of this environmental management system (i.e, training, organization, resources, process and products and relevant documentation resulting from or associated with any processes, etc.) will be considered.

REVIEW OUTPUTS

❖ Opportunities for Improvement of this Management System

Periodic review of the policy, objectives, audit results, corrective and preventive action as well as this management review allows for the continual improvement of our people, processes and overall performance. Branch Management Reviews are conducted to ensure continuing suitability of the existing IMS as well as opportunities for improvement as they relate to meeting customer expectations. A summary of the Branch Management review submittals can be found within Attachment 2 of this review. All key performance indicators are vital to maintaining an effective and efficient IMS and to meeting the needs of our customers and other interested parties.

❖ Resource Needs

Both the 204 Blackwood and 1204 Aston branches have a formally trained and qualified Branch Quality Monitor assigned.

❖ Objectives and Targets for 2012

Environmental:

1. Increasing awareness of Preventive Action reporting by realigning the reporting process and transitioning the manually controlled process to an automated process.
2. Continue to maintain zero nonconformances for environmental hazards stemming from equipment needing repair as verified through site assessment.

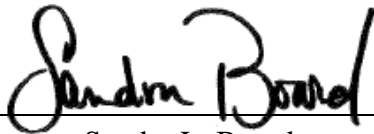
-
3. Continue to maintain zero nonconformances for environmental hazards stemming from the disposal of waste products as verified through site assessment.

Health & Safety:

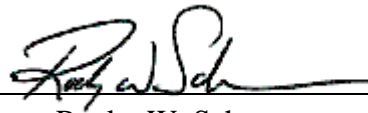
1. Reduce the Global Recordable Injury Rate by 5% as verified by TRIR. *FY11=.054*
2. Reduce the number of injuries related to the improper use of equipment by 10% as verified by the Injury Variance Report. *FY11=10*
3. Reduce the total number of Smith Driving complaints by 5% as verified through the automated Smith system. *FY11=275*
4. Reduce the total number of Alara reports received company-wide for personnel performing Radiographic operations by 2% as verified by Alara reporting. *FY=106*

Security:

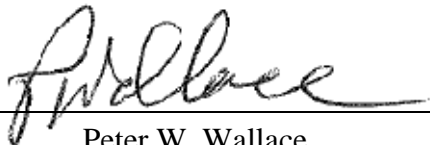
1. Reduce the total number of security-related deficiencies reported by the NRC or Agreement State Inspections by 10% as verified by Radiation Safety reporting.



Sandra L. Board
Management Representative



Rocky W. Schoonover
VP - Safety & Quality



Peter W. Wallace
Executive VP & COO



J. Pat Kearns
SVP – Operations Support
& Technology



Arthur F. Victorson
SVP – TCM Division



David C. Palmore
SVP – TMS Division

Audit ID#	Facility ID	Audit Type	Approval Date	Reference	Auditor	Findings	Participant(s)	Follow-up ID
1284-2011I	1284	Internal	2 /15/2011	ISO14001	J. Minyon	0		N/A
204-2010I	204	Internal	10/27/2010	ISO14001	D. Flores	0		N/A
1204-2010I	1204	Internal	10/26/2010	ISO14001	D. Flores	4		1204-2011I-F
1284-10497/S03/2011/E	1284	Surveillance	2 /24/2011	Environmental	WCS	0		N/A
204-10497/S03/2011/E	204	Surveillance	1 /28/2011	Environmental	WCS	2		N/A
1204-10497/S03/2011/E	1204	Surveillance	1 /27/2011	Environmental	WCS	3		N/A

Branch	QMS ID	NCR ID	Reference	Date	Source	Description of NCR
204	HSE&S	204-S03-1	10497/S03/2010/E	2/8/2011	Surveillance Audit	In conflict with Team's policy, monthly vehicle inspections are not consistently being carried out. In addition, evidence of correction of failed items recorded are not addressed or corrected.
905	HSE&S	905-001MR	FY10 IMR	12/10/2010	Management Review	The environmental goal to reduce the total number of Global Recordable Injuries by 15% was not met. As verified by TRIR an approximate increase of 0.01% is reported.
905	HSE&S	905-002MR	FY10 IMR	12/10/2010	Management Review	The environmental goal to reduce the number of injuries related to the improper use of equipment by 10% was not met. As verified by Injury Variance Reporting an approximate increase of 0.5% or 1 injury is reported. FY09=0.20/6 injuries vs. FY10=0.25/7 injuries.
1204	HSE&S	1204-2010I F-3	1204-2010I	11/2/2010	Internal Audit	A walk through inspection of the shop area revealed the following: a) There are various fire extinguishers that have not had monthly inspections performed. b) The lighted exit sign's lights are burnt out. c) Shelves are overloaded with 5-gallon cans of materials which are causing the shelf to concave and/or near collapse. d) 1 frayed nylon lifting strap and 1 towing strap found on the floor. e) 2 spent fire extinguishers on the floor. f) First aid kit is not stocked appropriately (identified during last audit). g) Various objects such as chains, fork lift extension forks leaning against a work table, daily fork lift operational checklist not being completed. h) Rusted propane (2 lbs size) canister was found on the shelf. i) Eye wash station inspections are not current.
1204	HSE&S	1204-2010I F-4	1204-2010I	11/2/2010	Internal Audit	During the 2009 WCS audit it was identified that the branch had not developed Environmental Aspects specific to the branch. A review of the branch environmental aspects is not acceptable as it only separates the aspects specific to TCM from the aspects common to TMS. In addition, there is no evidence that these changes have been implemented.
1204	HSE&S	1204-2010MR1	FY10 IMR	12/10/2010	Management Review	The goal to reduce power consumption for 1204 Aston by 5% was not met. As verified by P&L there was an approximate increase of 894 kw reported (80340kw vs. 81234kw).
1204	HSE&S	1204-S03-1	10497/S03/2010/E	2/8/2011	Surveillance Audit	In conflict with Team's policy, monthly vehicle inspections are not being carried out. 4 of the trucks identified were 25009, 50114, 26274 and 50177. This is a significant environmental aspect.
1204	HSE&S	1204-S03-2	10497/S03/2010/E	2/8/2011	Surveillance Audit	There is no evidence that any preventive actions have been initiated since the last audit conducted in 2008.
1204	HSE&S	1204-S03-3	10497/S03/2010/E	2/8/2011	Surveillance Audit	The Emergency Action plan was not readily available to the employees.
1284	HSE&S	1284-004MR	FY10 IMR	12/10/2010	Management Review	The goal to reduce power consumption for Corporate by 1% was not met. As verified by P&L there was an approximate increase of 8454kw reported. (65050kw vs. 73504kw).

Memo

To: Rocky Schoonover, Pete Wallace, Pat Kearns, Art Victorson, David Palmore
From: Sandra Board, QA Director
CC: File
Date: 27 September 2011
Subject: FY11 Branch Management Reviews (ISO14001:2004)

A thorough review of the branch management review submittals has been performed. The following is a summary of the Management Objectives identified. More detailed information is available upon request.

3.1 Opportunities for Improvement of this management system and its processes:

- Reestablish Environmental Aspects (1204)
- Improvement on safety drills (1204)
- Improve on Monthly Vehicle Inspections (1204)
- Periodic reviews of the program

3.2 Resource needs:

- Continued 3rd party reviews/consultation
- On-going training of HSE&S

- Increased control of field safety equipment (1204)
- QA/QC Manager (1204)

3.3 Management Objectives:

- Focus on Preventive Action (PAR) program (1204)
- Recycling of plastic & metals (204)
- Reduce paper consumption (204)

Memo

To: Sandra Board
From: David Tebo
CC: Earl Banfield
Date: Wednesday, October 05, 2011
Subject: FY11 IMS Report

Sandra,

Per the established objectives and targets for the IMS Program, the radiation safety department reports the following results for FY2011.

- 1) **Goal** – Reduce the total number of ALARA reports received company-wide for personnel performing Radiographic operations by 2%.

Result – ALARA reports for FY2010, as received from Landauer, Team's monthly dosimetry supplier, indicated 75 individual monthly exposures that exceeded the monthly limits established by the company's ALARA Policy.

ALARA reports for FY2011 indicated 106 individual exposures that exceeded the limits of the policy, or an increase of 29.2% from FY2010.

The above results indicate this objective was not met. Corrective actions, as necessary, will be provided separately.

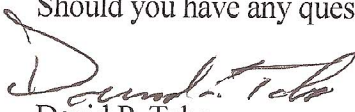
- 2) **Goal** – Reduce the total number of security-related deficiencies reported by the NRC or Agreement State inspections by 10% as verified by Radiation Safety reporting.

Result – As indicated by a review of NRC and Agreement State inspection reports received during FY2010 and FY2011, the total number of security-related deficiencies were reduced from 7 reported for FY2010 to 6 for FY2011, or a 14.3% decrease.

The above results indicate this objective was met.

The results shown above indicate both objectives established are still areas where improvement is needed and should continue to be the objectives for FY2012.

Should you have any questions or require any additional information, please contact me.


David P. Tebo
Corporate RSO