



Air Hygiene International Inc.	Date:1/10/01
Document Title: Quality Assurance Manual	
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Air Hygiene International, Inc

Quality Assurance Policy Manual

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1.0 Overview and Management Responsibility

1.1 Overview

Air Hygiene International, Inc. (Air Hygiene) is a privately held professional service firm. Its mission is to reduce its client's exposures to regulatory, civil, and criminal liabilities related to air emissions through superior testing services, risk identification, and management services. Air Hygiene accomplishes this mission by looking beyond mere compliance, toward strategies that encompass potential future liabilities as well as community responsibility.

Headquartered in Tulsa, Oklahoma, Air Hygiene primarily serves clients in the south and central United States. Its client base includes companies from many varied industries including oil and gas companies, utilities, manufacturers, and others.

1.2 Management Responsibility

The purpose of this quality manual is to define the quality policies and responsibilities of management and employees at Air Hygiene. In this manual, Air Hygiene executive management sets the direction and commitment to quality.

1.3 Quality Policy

At Air Hygiene our quality policy is to meet client, company, and regulatory requirements in all of our products and services.

This manual describes the quality policies and objectives used to maintain the quality assurance system. Management has the responsibility of implementing and maintaining these quality policies and objectives. Air Hygiene's quality assurance systems use the ISO 9001 (ANSI/ASQC Q9001-1994) quality assurance standard as a model.

Quinn A. Bierman, President

Date

1.4 Organization

Air Hygiene's primary service is air emission testing. The President oversees the strategic direction and performance of all the divisions. The divisions are divided as follows:

1. Engines
2. CEMS/PEMS
3. Manufacturers

1.5 Responsibility and Authority

The responsibilities of senior management at Air Hygiene are defined in the following paragraphs. This senior management group has the authority to carry out the responsibilities in their area of the company, including those responsibilities related to non-conformities and quality problems.

President – Quinn A. Bierman

The President has the overall responsibility for quality at Air Hygiene. Quality leadership and direction is the responsibility of this office. The President authorizes procedures, approves quality documents, and authorizes and approves quality system reviews.

Each of the following managers is responsible for the development and maintenance of department procedures, standards, and forms along with the associated responsibilities:

Technical Quality Manager – Thomas K. Graham, P.E.

Provides quality review of all emission testing reports, correspondence documents, test plans, website information, and written opinion letters. The Technical Quality Manager ensures maintenance of the quality manual, standard operating procedures, and technical documents.

Administrative Quality Manager – Joel Morgan

Provides quality oversight of equipment records, website information, and chemical inventory. The Administrative Quality Manager ensures maintenance of equipment repair records, training records, and chemical inventory.

Project Managers - (various personnel serve a project managers including)

Quinn A. Bierman, President

R. Swanson Bierman, Vice-President

Thomas K. Graham, Test Engineer

Jake Fahlenkamp, Senior Technician

Maintains high quality testing services and performs emission tests meeting regulatory requirements; directs the training of supervised testing team; oversees the maintenance of all assigned equipment; and ensures the readiness of their Testing Division.

1.6 Resources

The senior management group is responsible for ensuring verification activities are established, appropriate resources are available, and that Air Hygiene personnel are properly trained.

Personnel who are familiar with quality auditing conduct quality system internal audits regularly. The President or Quality Managers, who are independent of the area they are auditing, conduct these audits. Each manager is responsible for adherence to the documented procedures and takes any necessary corrective actions identified for their area.

1.7 Management Representative

Air Hygiene appoints its President as the management representative who has the responsibility and authority to implement and maintain the policies described in this manual. The management representative provides reports on the quality system's performance to Air Hygiene executive management for review and improvement of the quality system.

1.8 Management Review of Quality Systems

Senior Management review air Hygiene's quality systems twice annually, under the leadership of the President. This review includes an examination of quality problems identified by clients and employees, quality policies, quality procedures, and internal quality audit results. The review will also examine whether the quality policy and objectives are being satisfied in a measurable and effective fashion.

2.0 Quality System

2.1 General

Air Hygiene has established and maintains its quality system to ensure products and services meet or exceed client needs and regulatory requirements. The quality system includes written procedures and flow charts for each major area of the company.

ANSI/ASQC Q9001-1994 is the basis for the Air Hygiene quality system.

2.2 Quality System Procedures

Overall, the quality system provides for internal quality audits, maintenance of quality records, document control, and training of employees to ensure product and services conform to requirements. Planning for continued satisfaction of client requirements using the programs just cited is an integral component of the quality system.

Internal audits of procedures, which affect the quality of products and services offered by Air Hygiene, are conducted throughout the year. The President is responsible for managing the internal audit function.

2.3 Quality System Planning

Planning for continued client satisfaction using the programs cited in Paragraph 2.2 comprises an integral component of Air Hygiene's quality system and management reviews.

3.0 Contract Review

3.1 General

Air Hygiene maintains procedures for contract review and coordination. The intent of these procedures is to ensure that contract issues are examined and resolved before a project is initiated. The Administrative Quality Manager maintains records of these contract reviews.

3.2 Review

The Project Manager with responsibility for completion of the project is responsible for ensuring that technical and project requirements are adequately defined and documented and that Air Hygiene has the technical ability to meet the requirements of the contract. The President reviews the contract to ensure that Air Hygiene can commit the necessary resources and is not assuming an unreasonable level of risk. The Administrative Quality Manager reviews the contract for appropriate levels of insurance and to evaluate financial exposure.

3.3 Amendment to Contract

During negotiations and discussions with the client, any technical or project requirements which are different than those agreed to in the contract will be resolved. The appropriate Project Manager has overall responsibility to ensure that client requirements, which are different from the contract, are properly resolved.

3.4 Records

Any supplemental changes to the purchase order or contract will require documented agreement by both parties. The Administrative Quality Manager is responsible for ensuring that records of amendments to contracts are maintained and available for review.

4.0 Project Plan Control

4.1 General

Air Hygiene has established and maintains procedures to control and verify project plans and protocols. The purpose of these procedures is to ensure that requirements specified by the client and dictated by all applicable regulations and standard-setting entities (i.e. EPA, state agencies, etc.) are included in the project plan.

4.2 Project Plan Development

The Project Manager is responsible for preparing a project plan, including appropriate protocols, for each project. The Project Manager, in their project plan, ensures that 1) tasks are assigned to qualified, trained personnel, 2) adequate resources are available to execute the plan on schedule, and 3) the plan is effectively communicated to all affected personnel.

4.3 Organizational and Technical Interfaces

The Project Plan Development procedure includes a description of required interfaces with other departments, information needed from other departments, and how the required information is routinely transmitted to the Project Manager for input into project plans.

4.4 Project Plan Input

The Project Manager has the responsibility for ensuring project plan input requirements are identified, documented and their selection reviewed for adequacy.

The Project Manager is responsible for statutory or regulatory requirements and standards and the results of contract review activities. If requirements are not clear, the Project Manager will ensure that any unclear requirements are resolved.

4.5 Project Plan Documentation

Project plans are documented and maintained as defined in the Project Plan Development procedures.

4.6 Project Plan Review

The President is responsible for ensuring that all project plans have formal reviews at the levels defined in the Project Plan Development procedure.

4.7 Project Plan Changes

Air Hygiene uses a Project Change Notice system to identify and document changes to project plans and protocols. The President manages the Change Notice System.

Written approval of changes to project plans and protocols is required before changes can be implemented.

5.0 Document and Data Control

5.1 General

Air Hygiene testing staff maintains control over documents that are important to the effective management of the business, including documents of external origin. Documents are removed from use when they become invalid or obsolete. Prior

versions of updated documents may be kept if needed for legal purposes or to preserve some special knowledge or attribute contained in the documents. These prior versions are clearly marked and stored separately from documents currently in use at Air Hygiene.

5.2 Document Approval and Issue

The President is responsible for procedures controlling Air Hygiene's reports, other than project plans developed by the Project Managers, including ensuring the documents are reviewed for adequacy before they are issued.

5.3 Document Changes

The President ensures adequate procedures are in place for review and approval of document changes and modifications. The procedures ensure that the same departments that created the original document approve the modification of the document.

6.0 Purchasing

6.1 General

Air Hygiene's policy is to purchase services from subcontractors whom conform to the requirements specified by the project plans.

6.2 Evaluation of Subcontractors

The President uses methods of selecting subcontractors to ensure that a selected subcontractor can meet the requirements set out in each project plan.

Air Hygiene assesses the quality system controls of sub-contractors, when it is deemed necessary, to ensure the controls are effective.

6.3 Purchasing Data

Purchasing specifications are provided to the President by the Project Managers in accordance with project plans. The President ensures that purchasing documents adequately specify requirements before contacting the vendor.

6.4 Verification of Purchased Product

As called for by contract or regulatory requirements, clients of Air Hygiene may examine the materials or subcontracted operations used to complete projects, including equipment and laboratories.

7.0 Project Control

7.1 General

Air Hygiene controls its projects by continuously evaluating conformity with the Project Plan.

7.2 Control Elements

The following elements are specifically controlled through the project status reporting and feedback systems:

- 1) Tasks performed vs. planned tasks
- 2) Resources employed vs. planned resources
- 3) Actual equipment and laboratory specifications vs. planned specifications
- 4) Actual cost vs. planned cost
- 5) Actual results vs. expected results

8.0 Project Deliverable - Review, Approval and Release

8.1 Review

The project plan specifies which employees, representing various disciplines, must review and approve the project work papers and deliverable prior to its release. In every case, the President reviews all deliverables and supporting work papers prior to release of the deliverable to the client.

8.2 Project Records

Documentation of the review and approval process is maintained in each project file, along with planning and control documents, supporting work papers, and the project deliverable.

9.0 Corrective and Preventive Action

9.1 General

The Project Managers have primary responsibility for the operation of the corrective action system. Air Hygiene has established procedures to investigate and resolve the causes of nonconformity from the Project Plan to eliminate their root cause. The elimination of root cause is critical to the prevention of nonconformity.

9.2 Corrective Action

Project review results are the primary indicators used to identify the need for corrective actions, which are monitored and reported by the Project Managers. Corrective action procedures are primarily implemented through Change Notice procedures and through recommendations from the internal quality action process.

9.3 Preventive Action

The President, Quality Managers (Technical & Administrative), and Project Managers are responsible for determining instances of nonconformity where preventive action may be effective. Once initiated, the President monitors preventive actions. Records regarding the preventive action are presented for management review every six months, along with suggestions for changes in procedures.

10.0 Control of Quality Records

Quality records are maintained within each division in the company. Procedures are used in each division to manage the quality records, including filing, storing, maintenance, disposition, and access.

Quality records are stored so they can be readily retrievable and in a manner in which they will not be damaged. Each division determines the retention schedule for its quality records.

11.0 Internal Quality Audits

Air Hygiene has established a planned and documented internal quality audit program. These internal audits are prioritized based on the status and importance of the work audited. Audit results are documented and reviewed with the department or division manager responsible for the area audited. Managers in the areas audited are to take timely corrective action to resolve noncompliance matters identified during the audit.

Follow-up audits are scheduled to ensure effectiveness of corrective and preventive actions. Results of internal audits are a major component of the regularly scheduled management review of the quality system.

12.0 Training

Air Hygiene has established and maintains on-going training for its employees who work on activities related to emission testing. Work is assigned based on skills, training, and satisfactory completion of work performance tests. Records are kept on the training subject, instructor, date, those attending and test results, if a test is given.