

# Vendor Assessment Report

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ArcelorMittal

## BCF Precision Grinding Works (Pty) Ltd

Registration number: 1966/000632/07

Physical address: 46 Ilana Street, Delville Ext 1, Germiston  
Tel: 011 827 4823  
Fax: 011 824 3313  
e-mail: BCF@TELKOMSA.NET

Vendor Number  
1150626 and 1161374

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## 1. Purpose

The purpose of the assessment was to determine if BCF Precision Grinding Works Pty Ltd has implemented the necessary Quality, Safety Management and Environmental system that complies with the minimum standards to be a vendor to ArcelorMittal Steel South Africa Limited.

The Vendor Specialist conducts assessments in accordance with ArcelorMittal Steel South Africa Limited and the Vendor Management's strategy, which assesses the vendor's involvement in implementing and maintaining Quality, Environmental and Safety Management systems.

Please note that this was not a complete audit, therefore it was not possible to cover all aspects of the vendor's activities and consequently it does not mean that no other shortcomings exist.

## 2. Vendor's scope of supply

BCF Precision Grinding Works (Pty) Ltd was established in July 1966, and provide the following services:

- Precision Grinding
- Turning
- Milling
- CNC
- General Machining

BCF Precision Grinding Works (Pty) Ltd are suppliers of the following products:

- Guide Rollers
- Guides
- Shear Blades
- Tackle Spares for Steel Mills

They are currently a supplier to ArcelorMittal SA, Newcastle and Vereeniging Plants.

## 3. Requirements

ArcelorMittal Steel South Africa Limited strives to conduct business with vendors who have implemented the following three management systems or equivalent:

- 3.1 Quality Management System (ISO 9001:2008)
- 3.2 Environmental Management System (ISO 14001:2004)
- 3.3 Safety Management System (OSHAS 18001:2007)

Failure to comply with these requirements could affect the organisation's future applications for work with ArcelorMittal Steel South Africa Limited.

### 3.1 Quality Management System (ISO 9001:2008)

BCF Precision Grinding Works (Pty) Ltd has documented and implemented activities of a Quality Management System that complies with ISO 9001:2008 standards.

- Documented Quality Management system does exist.
- Minutes of Management Review meetings are documented.
- Drawings and programmes for all machines are kept on file.
- Customer surveys are done.
- Job cards are signed off at each stage and inspected.
- Company organogram is available with clearly defined roles and responsibilities.
- Non- conformance reports are being issued. None received.
- Approved suppliers list maintained.
- Test certificates are issued by suppliers.
- A guide manual is available for calibration of measuring equipment used.

The following findings were made during the assessment:

- Internal audits to be done once system is fully developed and implemented.
- NCRs to be completed once feedback received from supplier.

### 3.2 Environmental Management System (ISO 14001:2004)

BCF Precision Grinding Works (Pty) Ltd has elements of an Environmental Management System.

The following positive activities to the implementation and maintenance of an Environmental Management System (ISO 14001:2004) were observed:

- Environmental policy is documented and available.
- There is a general procedure in place to address an EMS.
- Management review meetings are combined for entire SHEQ system.
- Scrap metal recycling is done.
- Oil is collected by an external company.
- Material Safety Data sheets are available.
- Drip trays are made use of.

The following findings were made during the assessment:

- Environmental Representative is not formally appointed as a consultant will be used to develop systems.
- Environmental audits are not done.
- Environmental system is not fully developed.

### 3.3 Safety Management System (OSHAS 18001:2007)

BCF Precision Grinding Works (Pty) Ltd has documented and implemented activities of a Safety Management System that complies with OSHAS 18001:2007 standards

The following positive activities to the implementation and maintenance of a Safety Management System (OSHAS 18001:2007) were observed:

- SHE policy is in writing and prominently displayed.
- All employees informed and trained regarding the SHE policy.
- There is a copy of the OHS act available.
- Legal appointments have been done.
- Health and Safety Rep has been appointed even though there are less than 20 employees.
- Overhead crane training and CNC training is done. As well as in house training.
- Combined SHEQ Management Review minutes available.
- Health and safety committee meetings are held every three months.
- Health and Safety Rep monthly inspections are done monthly.
- Toolbox talks done at the factory.
- Personal Protective Equipment is recorded on a register.
- Incident investigation procedure is in place.
- Risk assessments done by consultant.
- Risk assessments are included in the management review minutes.
- HIRAs and safe work procedures are available.
- Task observations are completed.
- Equipment registers are maintained.
- First aid boxes are available, together with legally compliant inventory.
- Medical records of employees are kept on file.
- Lockout procedure is available.
- SHE audits are done very six months.
- Vehicles have a maintenance plan in place and checklists done on all five vehicles.

The following findings were made during the assessment:

- PPE must be signed for by employees on each issue of PPE.
- Behaviour based safety is not yet monitored.

## 4. Recommendations

Based on the work performed by the vendor specialist, it was established that BCF Precision Grinding Works (Pty) Ltd complies with the requested criteria in order to conduct business with ArcelorMittal South Africa Limited.

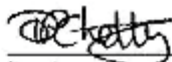
Quality-, Safety- and Health system policies and procedures are developed and available.

Management has demonstrated positive commitment to the implementation of management systems and is well motivated to expand and improve on current systems.

BCF Precision Grinding Works (Pty) Ltd currently has been awarded a contract to supply ArcelorMittal SA and were audited initially in 2011. There has been a lot of progress towards the successful implementation and development of their SHEQ systems.

ArcelorMittal SA can continue to make use of the BCF Precision Grinding Works (Pty) Ltd as a supplier.

Audit conducted by

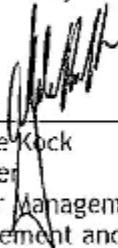


Devina Chetty  
Vendor Specialist  
Vendor Management  
Procurement and Logistics  
Centre of Excellence

12/04/2012

Date

Approved by



Mias de Kock  
Manager  
Vendor Management  
Procurement and Logistics  
Centre of Excellence

18/4/2012

Date