



Penn Stainless Products
Quality Management System Overview
ISO 9001:2015

1. INTRODUCTION

Founded in 1949, Penn Stainless Products, Inc. was originally a fabrication business, trading as Schrader's Stainless. In 1979, this 5000 square foot business located on Route 309 in Quakertown, Pennsylvania was acquired by the present ownership which focused on distribution and processing of stainless steel. Slow structured growth contributed to the move in 1983 to a former facility in Trumbauersville, Pennsylvania and then to its present location, at which now is a 200,000 square foot plant located at 190 Kelly Road, Quakertown Pennsylvania and a 36,000 square foot facility located at 102 McQuiston Drive, Jackson Center Pennsylvania. Today as a full service center, Penn Stainless Products, Inc. practices on-going system improvements to insure that it supplies its customers with the highest level of stainless steel products and in-house processing possible.

2. PURPOSE

The purpose of this document is to define key elements of Penn Stainless Products Management System. These elements include the context of the organization, internal/external issues and interested parties. By implementing this system, senior management is better able to guide the company to achieve a successful strategic direction.

3. SCOPE OF PRODUCTS AND SERVICES

Distribution and processing of stainless steel products based on drawings and requirements provided by our customers. Penn Stainless Products does not participate in design and development of its products.



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4. INTERESTED PARTIES

4.1. “Interested parties” are those stakeholders who receive our products who may be impacted by them, or those parties who may otherwise have a significant interest in our company or impact on our QMS. These are as follows:

Interested Party	Internal or External	Reason for Interest (Needs and expectations)	Compliance obligation Y/N	Addressed in the QMS by
Customers	External	Direct recipient and/or user of our products. Customers’ require quality products compliant with internal and regulatory specifications.	Y	Development of Standard Operating Procedures that ensure orders are received, processed and shipped according to customer requirements.
Potential Customers	External	Potential customers allow business to grow and possibly offer opportunities to provide products in new markets. They require assurance that we deliver quality products within compliance of customer and regulatory requirements.	N	Maintaining an environment compliant with regulations by education and accountability of our team
Employees	Internal	Employees need a safe, non-confrontational environment that fosters teamwork and accountability with opportunity for growth.	Y	Development of infrastructure guidelines and preventative maintenance programs. On-going safety training and requirements are monitored to ensure compliance to regulations. Employee



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Interested Party	Internal or External	Reason for Interest (Needs and expectations)	Compliance obligation Y/N	Addressed in the QMS by
				reviews and “open door policy” of all management to improve employee relations.
Suppliers and Outside Processors	External	Provide supporting services or raw materials. Incorporating outside processors allows PSP to remain competitive in the marketplace by offering additional products and services.	N	SOP-840 Purchasing and Externally Provided Processes addresses the approval requirements of Suppliers and Outside Processors. PSP’s purchase orders address all flow down requirements from customer purchase orders.
Certification Bodies	External	Assess conformity of our QMS to ISO 9001:2015. Osha Standards and requirements.	Y	Review and evaluation of our EMS/QMS to the standard requirements through internal and external audits and management reviews. Corrective action for deficiencies and nonconformities.
Competitors	External	Provide challenges to our ability to provide products to our customers and for business growth. Drive continual improvement of our QMS	N	



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5. INTERNAL ISSUES OF CONCERN

5.1. The following are issues of concern which have been, or may be, raised by internal interested parties.

Type	Issue	Bias
Technological	Penn Stainless Products has up to date technology and is able to consistently produce its products to customer requirements and to react to changing requirements	Positive
Employee base	Low turnover on long term employees provide a wealth of knowledge and loyalty.	Positive
Supply Chain	Dependency on availability from mills	Negative
Outside Processors	Key contractors with long term relationships ensure reliable and consistent delivery of quality products and services.	Positive
Processes	Defined processes conducted by trained employees to manufacture quality products in a consistent way.	Positive
Organizational knowledge	All employees are competent in their area of responsibility and the necessary information and knowledge is secured and available (Instructions, Reports, data management...)	Positive



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6. EXTERNAL ISSUES OF CONCERN

6.1. The following are issues of concern which have been, or may be, raised by external interested parties.

Type	Issue	Bias
Competition	Strong competition in the marketplace	Negative
Regulations	Change in demands of different products and compliance requirements (I.e. AS 9100 and other standards)	Neutral/Negative
Market	Based on the product diversity there are opportunities in all markets but we are highly depending on commodity prices	Neutral/Negative
General labor	The wages are above average for the area and we can compensate economic changes in business by moving employees to other departments.	Positive
Economy	Our business is directly depending on the development of the domestic and international industries	Positive or negative
Location	Rural locations support growth opportunities	Positive

7. ORGANIZATIONAL RISKS and Opportunities

7.1. Based on an analysis of the above interested parties and issues of concern, Penn Stainless Products has identified the overall risks to the company. We rate risks in the following way:

Probability

Low: very unlikely to almost impossible the risk will occur

Medium: Likely that the risk will occur but not necessarily

High: High level of certainty that the risk will occur



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Impact:

Low: no or minor impact on our QMS

Medium: Impact on our QMS but not severe

High: Severe impact on our QMS

	<u>Severity</u>		
<u>Likelihood</u>	Low	Medium	High
Low			
Medium			
High			

	No action required but preventive actions may be defined
	Action not required but mitigation or preventive action required
	Action to address the risk required

(Risks are available upon request during audits)



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8. STRATEGIC DIRECTION

8.1. The top management has defined the following “strategic direction” for Penn Stainless Products:

Exceeding customer and industry standards, fostering an environment of teamwork and accountability while encouraging innovative thinking helps us to build long term mutually beneficial relationships with our customers, employees and suppliers.

9. PROCESSES

Processes established to maintain and improve the quality management system are as follows:

(710)	Infrastructure
(715)	Monitoring, Measuring & Calibration
(716)	Organizational Knowledge
(720)	Competence, Training and Awareness
(750)	QMS Documentation
(810)	Production Planning and Control
(815)	Receiving
(820)	Sales Planning and Control
(840)	Purchasing and Externally Provided Processes
(850)	Traceability and Identification
(920)	Internal Audit
(930)	Management Review
(1020)	Nonconformity and Corrective Action



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10. QUALITY POLICY

Top management ensures that the quality policy is communicated to all employees. It is included in all training activities associated with QMS. It is posted in prominent places throughout the facility to maintain high visibility within PSP. Management reviews the quality policy at management review meetings to determine its continuing suitability for the organization.

PSP's Quality Policy can be stated as follows:

- Keep customers happy**
- Improve processes**
- Include and invest in people**

11. QUALITY OBJECTIVES

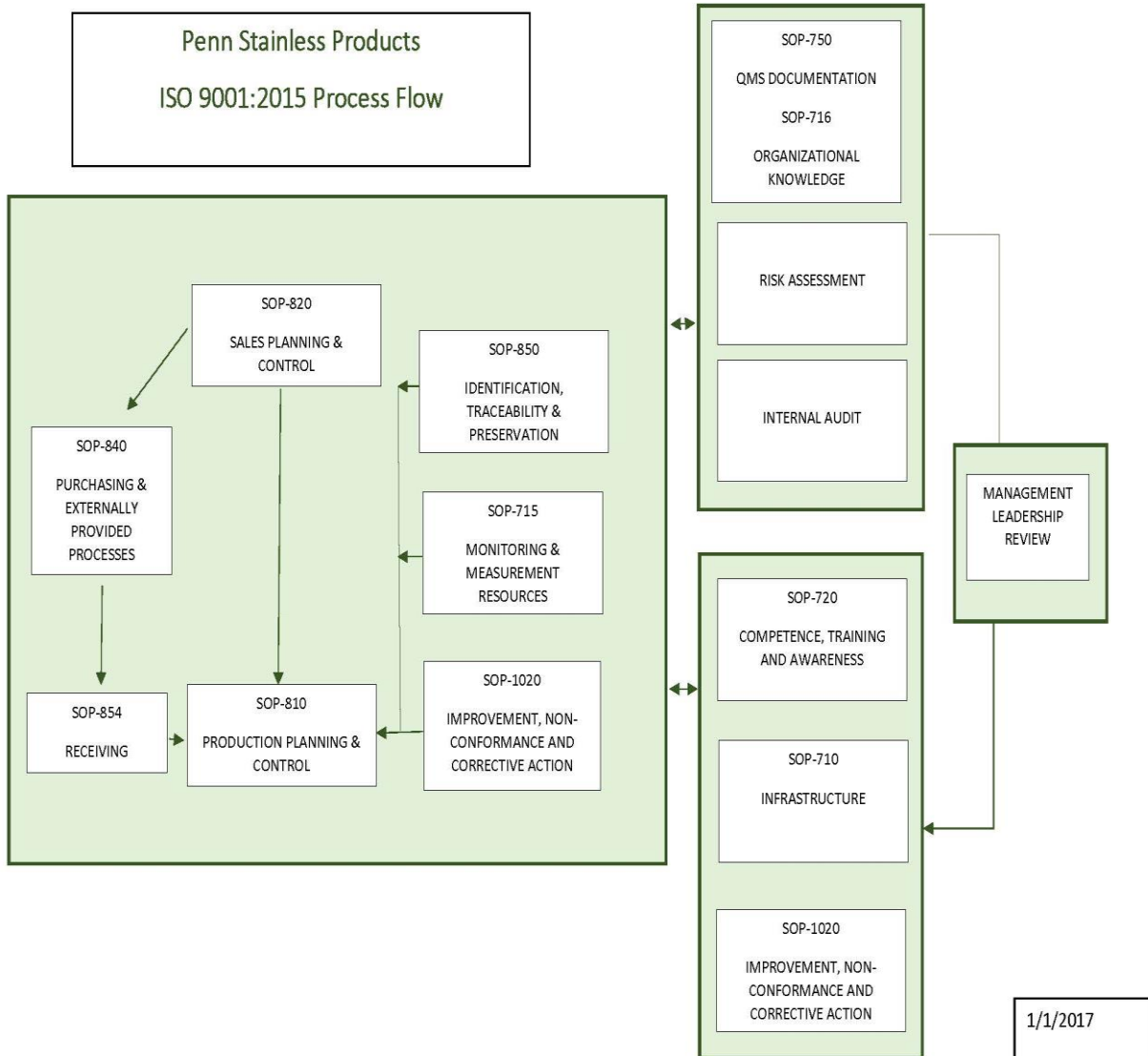
Quality objectives have been established at the company level and for each department. Quality objectives are measurable and consistent with PSP's quality policy. The quality objectives are reviewed at management review meetings to assess performance progress and to provide guidance on continuous process improvements.

Penn Stainless Products, Inc. has established the following Quality Objectives:

- **1% Credit Returns**
- **95% Customer Satisfaction**
- **Supplier Non-Conformance**
- **Financial data (Lbs sold, Sales dollars, Gross Profit)**



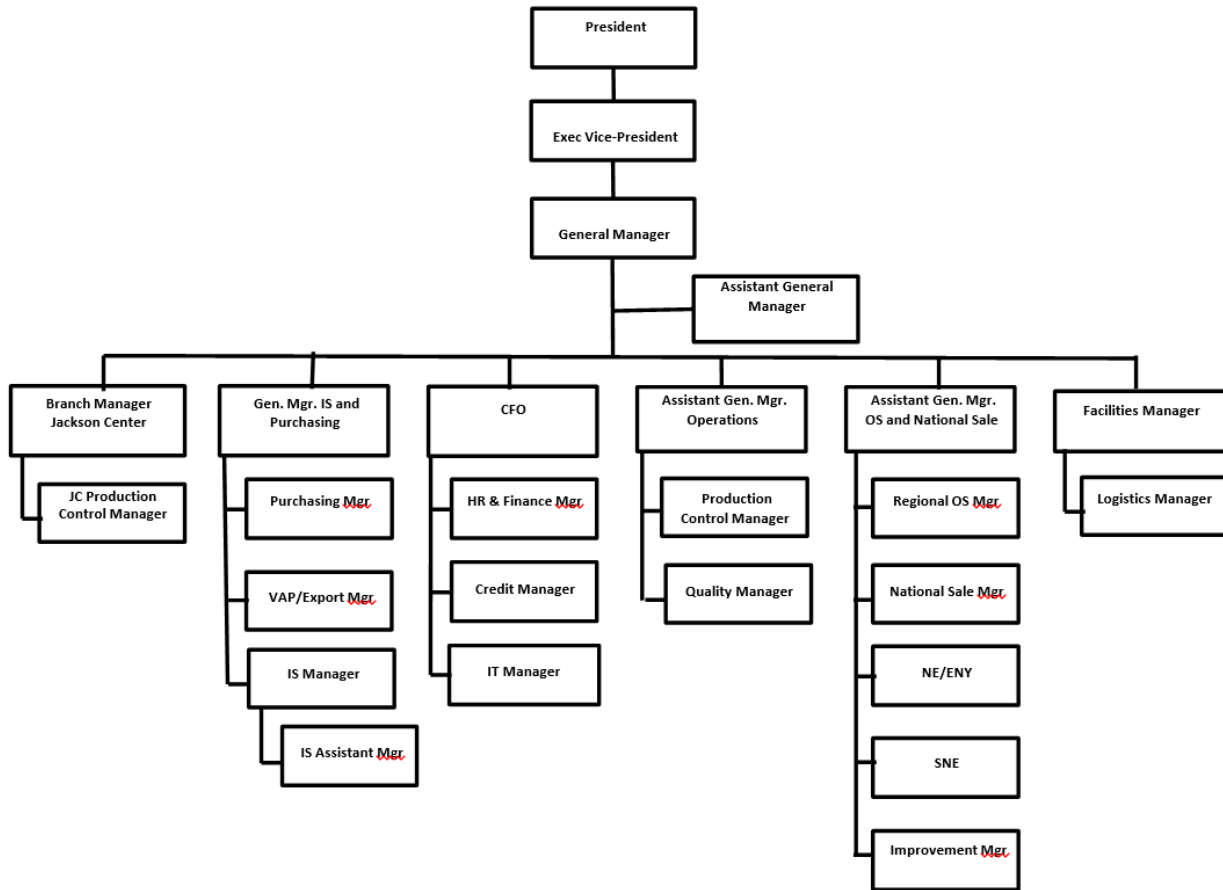
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Penn Stainless Products Organizational Chart



7/18/2018



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12. REVISION HISTORY

Date	Sections	Changes	Revision #	Approved by
1/1/2017	ALL	INITIAL DOCUMENT	A	DAWN DEVLIN DAVE HARRIS DAN SEWARD NGOC TRAN JIM SEWARD
8/4/17	Section 2	Justification for exclusion of design and development.	B	DAVE HARRIS DAN SEWARD NGOC TRAN JIM SEWARD
7/18/18	Page 10	Revised Organizational Chart and updated Objectives	C	JIM SEWARD DAN SEWARD DAVE HARRIS NGOC TRAN