

**QA/QC MUTUAL UNDERSTANDING MEETING  
AGENDA**

CONTRACT NUMBER: W911KB-12-C-0024,  
PROJECT: Bethel Small Boat Harbor Dredging  
CONTRACTOR: Denali Drilling, Inc

A. Introduction. This is the Coordination Meeting referenced in Contract Specification 01 45 04.00 29 CONTRACTOR QUALITY CONTROL paragraph 3.3 COORDINATION MEETING. The purpose of this meeting is to review CQC requirements for the contract.

1. The meeting began at ~~10:30~~ hrs on ~~14-Feb-13~~ 2013. Introduction of Attendees:

Melanie Peterson	USACE	
Mike McHimmey	USACE	
Margaret Macha	USACE	
Stephen Walsh	Denali	
Stuart Currie	Denali	
Harry Faulkner	Denali	
Nathan Macha	USACE	
Roger Lapham	USACE	
Ron Richlar	Denali	
Hal Ingalls	Denali	

2. Outline of Meeting.

3. Chains of Command - Contract changes can be made only by:

Denali Drilling- Ron Pichler, President  
Denali Drilling - Hal Ingalls, CEO  
Denali Drilling - Karen Henderson, Vice President  
USACE - Ms Christine Dale  
USACE - Mr. Dale Berry, ACO  
USACE - Mr. William Walters, Alternate ACO

B. Contractor Quality Control Program. The purpose of the Contractor's Quality Control (QC) program is to ensure that the government obtains a quality product. QC is a contract requirement, which is specifically addressed in contract specification section 01 45 04.00 29. The QC Program is the contractor's program; he designs and administers it. QC is a management tool, which will facilitate planning and problem-solving and will make money for the Contractor due to increased efficiency.

1. Definitions, Systematic Management System, etc.

- a. Timely submittals. The QC Program is responsible for submittal review and approval. For all contractor-approved submittals, the Contractor receives a receipt acknowledged; Code F, and can proceed with work as soon as submitted and the QC approval is given. For all submittals that are variations, the contractor is requested to so note in the "Remarks" Section of the submittal form. The Government will review all shop drawings that are to be submitted for approval or for the Contracting Officer's (KO) approval.
- b. Identifying problem areas. When problem areas are identified, communicate the information to others to allow a solution to be developed as quickly as possible. First tell someone (superintendent, CQC Manager, Quality Assurance Representative, Project Engineer), then put in writing as appropriate (email, RFI, letter).

- c. Proper performance, no delays.
  - d. Government Representative to spot check. The role of the QA is that of monitoring and to assure that the contractor is maintaining an effective QC Program. The QA personnel will also conduct acceptance inspections. The Three-Phase Inspection System is also a QA concern, as joint participation of the CQC and QA is intended for both the preparatory and initial inspections. The Government will likely conduct its own verification and testing periodically.
  - e. As-built drawings. As-built drawings are the responsibility of the QC Program and the QA representative will conduct a monthly review of the drawings. Keep redlines current onsite at least weekly.
2. Contract Requirements.
- a. Inspection of Construction FAR 52.246-12.
  - b. Contractors Quality Control Specification 01 45 04.00 29
  - c. Related specifications including:
    - 1. Material and Workmanship FAR 52.236-5
    - 2. Superintendence by the Contractor FAR 52.236-6
    - 3. Submittal Procedures, Specification 01 33 00. Submit GA and FIO on separate Form 4025's. An FIO submittal becomes a GA submittal if a variation from the specifications is being requested. Identify variations by marking the variation column "h" with an explanation in the Remark box on Form 4025.
    - 4. Close out Submittals. Specification section 01 78 00
3. Three Phase Quality Control System.
- a. Establish CQC staff. Any revisions to the QC Program, including processes, authority, or staff, must be submitted and approved in advance before implementing the changes.
  - b. Definition of duties and authority. Authorities for QC personnel are stated in Denali's QC Plan. The Three-Phase Control System must be conducted for each definable feature of work. The Contractor Quality Control (CQC) personnel shall develop the phases of work that will be addressed by the three phase of inspection. The preparatory phase shall be coordinated **24 hours** in advance and will be attended by both CQC and Quality Assurance (QA) personnel. The preparatory inspection is conducted once for a phase of work and will not be repeated unless there are problems encountered with the follow-up phase of inspection. The second phase, initial inspection, shall be coordinated **24 hours** in advance and shall be attended by the CQC and QA personnel. This phase will establish the standard of workmanship, acceptance, and confirm the preparatory inspection. In the event Government personnel cannot attend the preparatory or initial inspections, the CQC personnel will be advised to conduct the inspection without the QA personnel. The follow-up inspection is the third phase and is conducted daily from the completion of the initial inspection to the completion of the phase of work being inspected. The follow-up inspection will ensure that the standard of workmanship is maintained and is conducted both concurrently and independently by CQC and QAR personnel. The QC report shall reflect the types of inspections performed each day and results of each inspection will be noted following the inspection phase.
  - d. Preparatory Inspection for each definable feature of work and for each foreman that will directly oversee the work. The CQC, superintendent, foreman and Corps representative are present at this time. **Twenty-four hours advance notice** must be given the Corps representative and QC will prepare meeting paperwork.
    - 1. Review submittals. Ensure all required submittals have been made (and accepted if GA).
    - 2. Inspection of materials. Inspect onsite materials prior to preparatory to ensure what arrived matches the submittal, that all the material is onsite, is not damaged, meet the Buy America Act clause, etc.
    - 3. Review Activity Hazard Analysis. The AHA will be updated in QCS/RMS prior to government notification and discussed during the preparatory, and then implemented in the field.
    - 4. Review of applicable plans and specifications.

5. Review repetitive deficiencies – repetitive deficiencies will be added to the preparatory meeting work sheet using the QCS module and will be reviewed during the preparatory meeting.
  6. All inspections must be documented by the CQC System Manager – see 01 45 04.00 29 paragraph 3.6.1.
- e. Initial Inspection. After completion of a representative sample of work, a "meeting of the minds" must occur to establish an acceptable level of workmanship and review the Activity Hazard Analysis. The CQC, superintendent, foreman and Corps representative are present at this time. This is to be done for each crew, which performs an activity. **24 hours advance notice** must be given the Corps representative.
  - f. Follow Up Inspection – The third step is the follow-up inspection, which is performed on a daily basis for a given activity to insure the standard established in the initial inspection is maintained and in compliance with contract requirements.
  - g. Tests – Notification of tests, provide samples if requested, government QA testing.
4. Documentation *All reports need to be turned in for the survey* The CQC report is essential for thorough and accurate documentation of daily activities, decisions, and observations on the site. The report should be:
- a. Thorough and accurate
  - b. On time (no later than noon the following day)
  - c. Signed by CQCSM and Superintendent Initials.
  - d. Should show:
    1. Test performed and results. QC personnel should review testing criteria and procedures. When test labs conduct tests, the CQC personnel should be aware if the tests are being conducted in accordance with specified standards.
    2. Crafts on site and hours worked
    3. Equipment on site and hours each piece of equipment worked
    4. Deficiencies and action taken. Update the deficiency-tracking log in QCS. If a phase of work is completed in a given area, i.e. the tradesmen have completed their work in that area and a deficiency is noted it needs to go on to the tracking log.
    5. Activities started and completed and location, identified by NAS activity number.
    6. Directions from the Government must be on report.
    7. Safety. Include SSHO report on monitoring safety violations and corrective actions in each daily QC Report.
5. Evaluation of CQC.
- a. Remedy for substandard CQC.
    1. Removal or replacement of deficient work.
    2. Non-payment for deficient work.
    3. Non-payment for work having delinquent submittals.
    4. Non-payment for work on top of deficient work.
    5. Deduction from payment for failure to maintain red line drawings.
    6. Stop work on deficient item.
    7. Withhold 10%.
    8. Performance Appraisal.
    9. Removal of the superintendant.
    10. Removal of CQC Systems Manager.

C. General Safety Requirements. Safety is of primary concern to the Corps. Good safety practices are a contract requirement and go hand-in-hand with successful construction management. Corps safety requirements are found in the U.S. Army Corps of Engineers Safety and Health Requirements Manual, EM 385-1-1, and numerous specifications. A good

safety program will better productivity, improve morale, save time and make money for the Contractor.

1. Contract references:
  - a. EM 385-1-1
  - b. Safety and Occupational Health Requirements, section 01 35 26.
  - c. Contract Clause Safety (SCR-45)
  - d. Cranes – be aware of special documentation requirements prior to bringing crane onsite.
2. Routine safety requirements.
  - a. Hard hats are to be worn on the job site at all times – bill facing forward.
  - b. Appropriate work boots are to be worn on the job at all times.
  - c. Safety Vest, short sleeve shirt and long pants are the minimum.
  - d. Appropriate eye protection is to be worn.
  - e. Good housekeeping on a routine basis.
  - f. Certification of equipment prior to start of work, cranes require additional testing and certification.
  - g. Government personnel will comply with Contractors safety program.
3. Accident Prevention. Plan ahead and actively enforce the plan. At a minimum, weekly safety meeting for all personnel; monthly safety meeting for supervisory personnel. Daily safety inspection of the job site to be documented on the QC report.
4. Activity Hazard Analysis. Review periodically and update.
5. Accident reports. The superintendent/SSHO has primary responsibility for enforcement of the Safety Program. Accidents requiring more than first aid require immediate verbal notification, followed up with written notification on Form POD 265R to the Corps. All accidents beyond first aid are to be reported on ENG Form 3394 within 48 hours. Safety incidents and accidents shall be reported on the CQC daily report. Monthly Exposure reports are to be provided to the Southern Area Office by the 5th of each month.
6. If the Contractor's Safety Program is deficient, one or more of the following actions will be taken:
  - a. Remove uncooperative personnel.
  - b. Stop work on the item with a safety deficiency.
  - c. Withhold payment
  - d. Issue an unsatisfactory performance rating to the Contractor.

D. Completion Inspections /Red Zone/Closeout. Punch out inspection is the contractor's inspection, the contractor will document and clear all punch out inspection deficiencies prior to requesting a Pre-final inspection. The Pre-final inspection will be conducted by the government to verify the facility is complete and ready to be occupied by the user. Punch list items generated during the pre-final inspection will be corrected prior to the Final inspection. Final acceptance inspection will be conducted after the contractor makes a request with a listing of current construction deficiencies. The Government will determine the date of the final acceptance, based upon the listing and accuracy of the deficiency list as supplied by the QC personnel. Punch list from inspections will be issued and verified using the RMS/QCS QC/QA punch lists. The Red Zone meeting takes place at approximately 75% of project schedule, prior to the anticipated project turnover date and includes the following milestones:

1. Closeout documentation is described in Specification 01 78 00 Closeout Submittals

- a. Inspections – pre-final, final.
- b. Warranty documents.
- c. As-built drawings.

F. Contractor Performance. The Corps will monitor contract performance internally each month. Criteria are shown on DD Form 2626 (copy attached) an interim performance appraisal will be issued to Denali only if performance is not acceptable. A final performance rating will be entered into the Government's CCASS database for use by Government agencies on future projects. The Corps will send the Small Business Administration copies of documentation regarding contract performance.

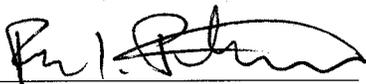
G. General.

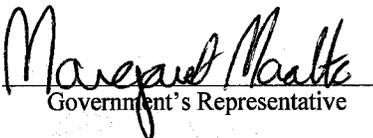
1. Corps business approach to this project:

- a. Provide information up front, available to all to allow timely decision-making.
- b. Communicate verbally, written and often.
- c. Denali Drilling is entitled to a profit, the Government is entitled to a quality product on time at a reasonable cost, and workers are entitled to a safe working environment and satisfaction in a job well done.
- d. Treat each other professionally and with respect.
- e. Be sure to include all data from survey.
- f. Make sure the contractor contacts either the QAR or PE if a situation arises no matter the time of day.

H. The meeting concluded at approximately 1126 hrs. These minutes accurately represent discussions at the meeting.

Every Tuesday @ 10 am

  
Contractor's Representative

  
Government's Representative

2/14/13  
Date

14-Feb-13  
Date

- They would like to start demo of the south ramp on the 15-Jul-13
- When will the launch ramps be disposed of.
- Preparatory BOB @ on 15-Feb-13
- aggregate testing

Notes for monthly meeting with contractor, Contract

**THIS DOCUMENT IS FOR DISCUSSION PURPOSES ONLY AND IS NOT AN OFFICIAL RATING OF THE CONTRACTOR'S PERFORMANCE UNDER ER 415-1-7.** This document is to be completed by the Govt. Project Engineer and QAR during the review of the contractor's monthly payment request. Provide comments for any item marked other than satisfactory, use continuation sheets if necessary.

Govt. Project Engineer \_\_\_\_\_  
Govt QAR \_\_\_\_\_

PART III-EVALUATION OF PERFORMANCE ELEMENTS													
N/A=NOT APPLICABLE O=OUTSTANDING A=ABOVE AVERAGE S=SATISFACTORY M=MARGINAL U=UNSATISFACTORY													
15. QUALITY CONTROL	N/A	O	A	S	M	U	16. EFFECTIVENESS OF MANAGEMENT	N/A	O	A	S	M	U
a. QUALITY OF WORKMANSHIP							a. COOPERATION AND RESPONSIVENESS						
b. ADEQUACY OF THE COC PLAN							b. MANAGEMENT OF RESOURCES PERSONNEL						
c. IMPLEMENTATION OF THE COC PLAN							c. COORDINATION AND CONTROL OF SUBCONTRACTORS						
d. QUALITY OF QC DOCUMENTAION							d. ADEQUACY OF SITE CLEAN-UP						
e. STORAGE OF MATERIALS							e. EFFECTIVENESS OF JOB-SITE SUPERVISION						
f. ADEQUACY OF MATERIALS							f. COMPLIANCE WITH LAWS AND REGULATIONS						
g. ADEQUACY OF SUMITTALS							g. PROFESSIONAL CONDUCT						
h. ADEQUACY OF QC TESTING							h. REVIEW/RESOLUTION OF SUBCONTRACTOR'S ISSUES						
i. ADEQUACY OF AS-BUILTS							i. IMPLEMENTATION OF SUBCONTRACTING PLAN						
j. USE OF SPECIFIED MATERIALS													
k. IDENTIFICATION/CORRECTION OF DEFICIENT WORK IN A TIMELY MANNER													
17. TIMELY PERFORMANCE							18. COMPLIANCE WITH LABOR STANDARDS						
a. ADEQUACY OF INITIAL PROGRESS SCHEDULE							a. CORRECTION OF NOTED DEFICIENCIES						
b. ADHERENCE TO APPROVED SCHEDULE							b. PAYROLLS PROPERLY COMPLETED						
c. RESOLUTION OF DELAYS							c. COMPLIANCE WITH LABOR LAWS AND REGULATIONS WITH SPECIFIC ATTENTION TO THE DAVIS-BACON ACT AND EEO REQUIREMENTS						
d. SUBMISSION OF REQUIRED DOCUMENTATION							19. COMPLIANCE WITH SAFETY STANDARDS						
e. COMPLETION OF PUNCHLIST							a. ADEQUACY OF SAFETY PLAN						
f. SUBMISSION OF UPDATED AND REVISED PROGRESS SCHEDULES							b. IMPLEMENTATION OF SAFTEY PLAN						
g. WARRANTY RESPONSE							c. CORRECTION OF NOTED DEFICIENCEIES						

20. REMARKS (Explanation of unsatisfactory evaluation is required. Other comments are optional; provide facts conferring specific events or actions to justify the evaluation. These data must be in sufficient detail to assist contracting officers in determining the

QA/QC Mutual Understanding Meeting Sign-in Sheet		19 February 2013	
Bethel Small Boat Harbor			
1	Melanie Peterson	USACE	7535690
2	Margaret Maatta	USACE	753-2743
3	Michael McKimney	USACE, QAR	444-8524
4	Stephen Wacost	Denali Drilling	230-0776
5	Stuart Currie	Denali Drilling	351-5511
6	Harold Faulkner	Denali Drilling	907-543-3264
7	Nathan Machacek	USACE	907-350-5145
8	Roger Lapham	USACE	907-382-2652
9	Tom Pichler	Denali Drilling	462-2312
10	Hal Ingalls	Denali Drilling	562 2312
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