

 Policies and Procedures	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh	Approved by: Kevin Tuohy	Effective:	04/17/2019
			Revision:	4

Document Title: IFS Quality Management System

Document Number: QMS-01
Document Filename: QMS-01 IFS Quality Management System.docx

Revision History Table

Revision	Date	Description	Reviewed By	Approved By
0	05/30/2018	Initial Release	William H. Marsh	Kevin Tuohy
1	06/12/2018	Revised 2 & 5.3	William H. Marsh	Kevin Tuohy
2	08/24/2018	Revised 5.1, 5.2, & 5.3	William H. Marsh	Kevin Tuohy
3	11/12/2018	Minor Revision - Revised 5.2	William H. Marsh	Kevin Tuohy
4	04/17/2019	Revised 5.1, 5.2, 5.3, 6.4, & 7; Deleted 6.9	William H. Marsh	Kevin Tuohy

 Policies and Procedures	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh	Approved by: Kevin Tuohy	Effective:	04/17/2019
			Revision:	4

1. INTRODUCTION

Integrated Flow Solutions, LLC (IFS), formerly Flowtronex International, specializes in the design and manufacture of modular “engineered-to-order” (ETO) and “configure to order” (CTO) liquid and gas process systems. Founded in 1979 as an outgrowth of the pump distribution business, IFS serves the Oil & Gas, Power, Air Quality and General Industries.

IFS maintains a marketing and sales staff headquartered in Houston, Texas and an operations staff (engineering, design, and manufacturing) in Tyler, Texas. This structure puts sales and marketing closer to IFS’s customer base allowing sales to react to changes in markets while utilizing lowered costs for manufacturing product.

IFS is committed to providing quality products and services to our customers through design, manufacturing, and service of equipment and process solutions while maintaining a commitment to excellence and the best interest of our employees and shareholders. The goal of this management system is to ensure conformance to the requirements set forth by various codes, standards, local jurisdictions, and our customers.

IFS’s management system conforms to all applicable ISO 9001 requirements and covers the major processes associated with IFS’s business. These processes are identified in the Process Flow Map, which specifies the major processes, interaction between processes, and the procedures implemented to control how activities are performed. The Process Flow Map also identifies the measuring methods used to provide management with information to assure the system is fully implemented, functioning as intended, and analyzed for continual improvement.

MISSION STATEMENT:

To provide value to clients and supply chain partners through, design, manufacturing, and service of equipment and process solutions while maintaining a commitment to excellence and the best interest of our employees and shareholders.

VISION STATEMENT:

To be recognized by customers and competitors as a World Class Organization ranked globally among the best.

CORE VALUES:

*Customer Focus	*Teamwork
*Passion for Excellence	*Safety Conscious
*Improvement	*Communication
*Professionalism	*Empowerment
*Ownership	*Accountability

 Policies and Procedures	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh	Approved by: Kevin Tuohy	Effective:	04/17/2019
			Revision:	4

SCOPE:

The scope of the management system is to establish standard processes for the marketing, sales, design, and manufacturing of liquid and gas process systems. These processes are monitored for continuous improvement purposes through our Target Attainment Plan. IFS scope and quality policy can be viewed by all interested parties on our website, www.ifsolutions.com, or by visiting either of our facilities.

2. QUALITY POLICY

Integrated Flow Solutions, LLC is committed to meeting or exceeding our customer’s requirements for product quality and delivery while maintaining the best interests of our employees and shareholders.

The goal of our management system is to ensure conformance to the requirements set forth by the various codes, standards, local jurisdictions, and our customers. This goal is achieved by the following:

- Consistently meeting or exceeding our customer's expectations for product quality, delivery, and pricing.
- Always providing a high level of product support, including technical support, instruction manuals, field services, and replacement parts.
- Constantly providing a safe and adequate workplace to perform the tasks required of the employees.
- Continually improving our management system and the service we provide to our customers.
- Adhering to all statutory, regulatory, and customer requirements, as well as those defined in the international standard ISO 9001.

3. INTERESTED PARTIES

IFS has identified interested parties which could affect our ability to consistently provide products and services that meet all applicable customer and applicable statutory and regulatory requirements. The requirements of each identified party may be discussed during events such as Management Reviews, informal management discussions, or project specific discussions.

- **Internal/External** are first and second party entities.
- **Regulatory** are second party compliance organizations/entities.
- **Third Party** are organizations who provide registration or certification.

Internal/External	Regulatory	Third Party
Customers	ASME	Bureau Veritas
Employees	AWS	The National Board
Department Groups	CSA	CWB
Strategic Partners	UL	UL
Suppliers/Vendors	CE (ATEX & PED)	ASME
	OSHA	CSA
	NFPA	BBB
	EPA	

 <i>Policies and Procedures</i>	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh	Approved by: Kevin Tuohy	Effective:	04/17/2019
			Revision:	4

4. LEADERSHIP COMMITMENT

Management demonstrates leadership and commitment to IFS and our quality management system. The steps taken by each member of management are indicated below. Where these indicated as “ensure”, the actions may be performed by a delegate. All other actions are performed by each individual manager.

- a) Ensures the quality policy and objectives are established and are compatible with the context and strategic direction of the IFS.
- b) Ensures the integration of the quality management requirements into IFS’ business processes.
- c) Ensures the quality management system achieves its intended results.
- d) Takes accountability for the effectiveness of the quality management system.
- e) Promotes the use of the process approach and risk-based thinking.
- f) Communicates the importance of effective quality management and of conforming to the quality management system requirements.
- g) Engages, directs, and supports people to contribute to the effectiveness of the quality management system.
- h) Promotes improvement.
- i) Supports other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility.



Policies and Procedures

IFS Quality Management System

QMS-01

Dept: Management

Effective: 04/17/2019

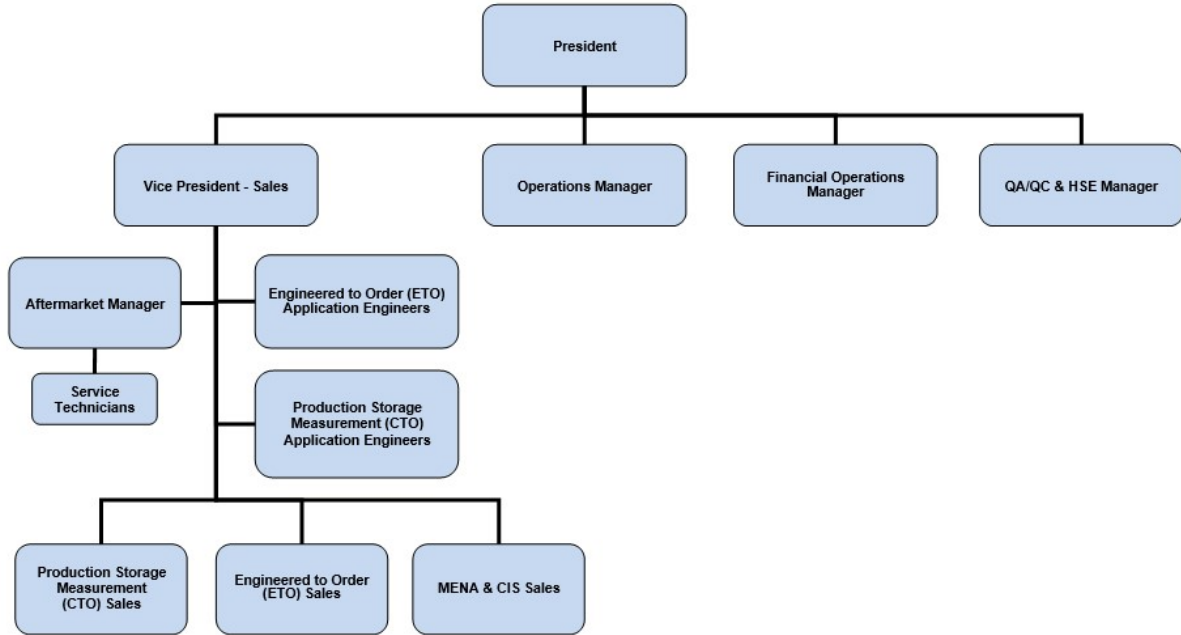
Reviewed by: William H. Marsh

Approved by: Kevin Tuohy

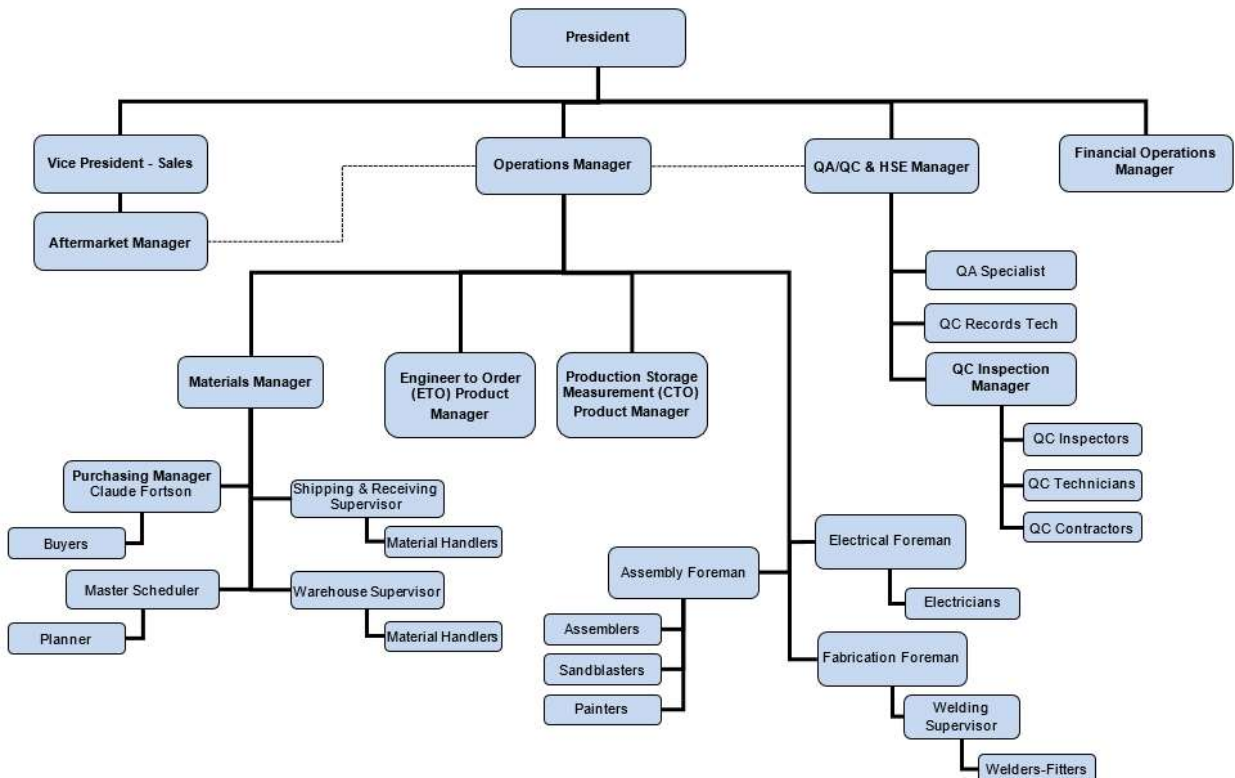
Revision: 4

5. ORGANIZATION

5.1 Sales & Marketing

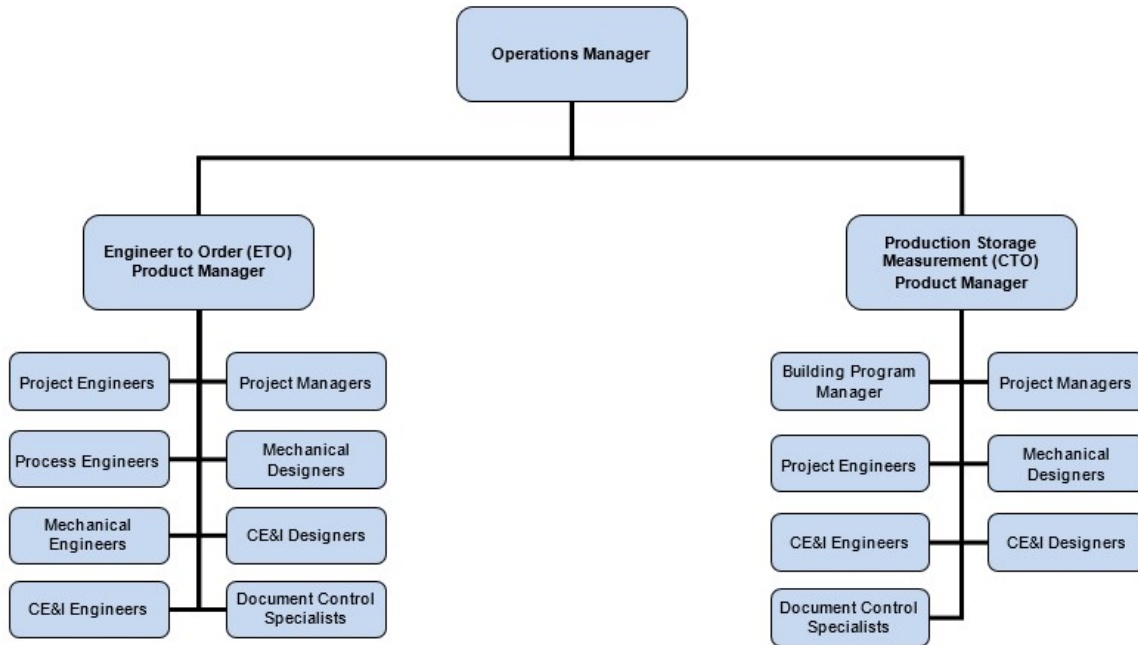


5.2 Operations



 Policies and Procedures	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh	Approved by: Kevin Tuohy	Effective:	04/17/2019
			Revision:	4

5.3 Engineering



 Policies and Procedures	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh	Approved by: Kevin Tuohy	Effective:	04/17/2019
			Revision:	4

6. ROLES, RESPONSIBILITIES, & AUTHORITIES

- 6.1 President
- Strategy Development
 - Creates/presents annual business plan to DXP Enterprises
 - Responsible for executing the approved plan
 - Creates short term and long term strategies for markets, products, and geographies
 - Responsible for implementing
 - Performance Management
 - Regularly reviews company performance
 - Responsible for in process course corrections
 - Responsible for communicating new or modified policies
 - Presents company performance quarterly to DXP and company managers
- 6.2 Vice President – Sales
- Responsible for product line development
 - Responsible for product line profit
 - Responsible for training sales team within product line
 - Provides guidance for sales strategies
 - Assists salesmen within product line in all activities required to ensure company goals are achieved
- 6.3 Operations Manager
- Holds authority overall facility based decisions related to finances, general operations, engineering, design, and manufacturing processes
 - Provides overall strategy of company operations
 - Responsible for operating budget for all departments
 - Reviews and communicates overall project financial status
 - Responsible for cost control and accuracy of all projects
 - Oversees daily operation of all departments
 - Responsible for proper interaction of all departments
 - Responsible for plant safety
 - Responsible for facility maintenance and upkeep
- 6.4 Product Manager
- Holds authority over decisions related to engineering and design processes, budgets, and costs
 - Holds authority over decisions regarding engineering and design personnel
 - Responsible for all technical aspects of projects
 - Responsible for budget and costs
 - Shares Responsibility for producing orders within labor and material budgets of the projects
 - Provides proper Engineering and Design resources for project execution
 - Provides technical guidance
 - Responsible for producing safe product designs
 - Responsible for all project document work flow including internal submittals, customer submittals/returns, and supplier submittals/returns.
 - Responsible for creation of final IOMs
 - Responsible for maintenance and archive of all project documents

 Policies and Procedures	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh	Approved by: Kevin Tuohy	Effective:	04/17/2019
			Revision:	4

- 6.5 **Materials Manager**
- Holds authority over decisions related to all purchasing, warehousing, and material handling related processes
 - Holds authority over decisions related to supplier agreements
 - Holds authority over decisions related to scheduling, purchasing, warehousing, and material handling personnel
 - Responsible for all material activity
 - Supply Chain Management
 - Inventory
 - Supplier Buying Agreements
 - Material Handling
 - Responsible for maintaining Master Schedule
- 6.6 **QA/QC Manager**
- Holds authority over decisions related to Quality Control and Quality Assurance processes
 - Holds authority over decisions related to sub-fabricator and third party inspection agencies
 - Holds authority over decisions related code conformance and quality issues
 - Holds authority over decisions related to QA/QC personnel
 - Responsible for creating and maintaining overall Quality Plan
 - Surveys and monitors supplier quality
 - Monitor QA and QC personnel for compliance with project requirements
 - Provide proper QA/QC resources for project execution
 - Responsible for QA/QC department budget and costs
- 6.7 **Manufacturing Manager**
- Holds authority over business decisions related to fabrication, assembly, and electrical production processes, budgets, and costs
 - Holds authority over decisions related to shop personnel
 - Provides proper shop resources for project execution
 - Provides proper training for shop resources
 - Responsible for shop department budget and costs
 - Responsible for safety of shop personnel
 - Responsible for producing orders within budget hours and time frame of the master schedule
 - Ensures production's compliance with QA/QC requirements
 - Responsible for maintaining shop moral and communicating to operations manager
- 6.8 **Project Manager**
- Provides liaison from Sales to Operations
 - Provides liaison from Customer to Operations
 - Determines project scope and communicates to project team
 - Determines customer requirements for project timeline
 - Responsible for monitoring and reporting project actual costs versus budget costs
 - Responsible for initiating, planning, executing, monitoring, controlling, and closing the projects
 - Responsible for monitoring and controlling project scope, cost, and schedule.
 - Shares Responsibility for producing orders within labor and material budgets of the projects
 - Ensures proper project communication and stakeholders engagement

 Policies and Procedures	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh	Approved by: Kevin Tuohy	Effective:	04/17/2019
			Revision:	4

- Identifies and communicates commercial issues to sales for action
- Identifies and controls project risks
- Manages project changes

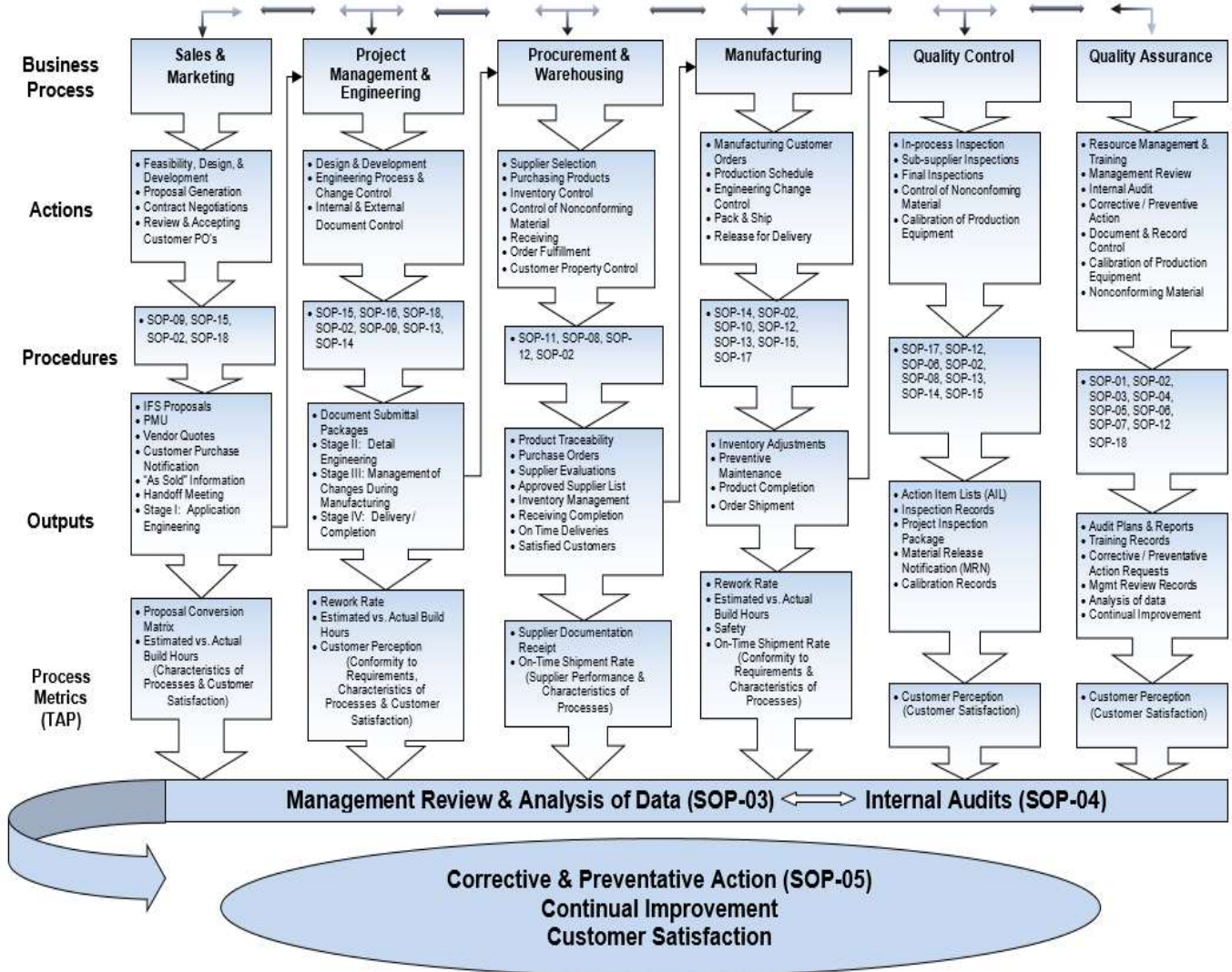
7. STANDARD OPERATING PROCEDURES (SOP)

Standard Operating Procedures have been developed and implemented in order to provide guidance for employees, standardize how processes are performed, control process inputs and outputs, and ensure the goals and requirements of IFS, our employees, our customer's, and ISO 9001 are met.

- SOP-01 QMS Document Control
- SOP-02 Records Control
- SOP-03 Management Review & Analysis of Data
- SOP-04 Internal Audit
- SOP-05 Corrective & Preventive Action
- SOP-06 Calibration
- SOP-07 Resource Management
- SOP-08 Supplier Evaluation & Approval
- SOP-09 RFQ & Order Processing
- SOP-10 Preventive Maintenance
- SOP-11 Purchasing & Receiving
- SOP-12 Control of Nonconforming Material
- SOP-13 Customer Order Shipment
- SOP-14 Manufacturing
- SOP-15 Design & Development
- SOP-16 Design & Development Document Control
- SOP-17 Inspection
- SOP-18 Customer Satisfaction Survey

 Policies and Procedures	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh		Approved by: Kevin Tuohy	
			Effective:	04/17/2019
		Revision:	4	

8. PROCESS FLOW MAP



 Policies and Procedures	IFS Quality Management System		QMS-01	
			Dept: Management	
	Reviewed by: William H. Marsh	Approved by: Kevin Tuohy	Effective:	04/17/2019
			Revision:	4

9. TARGET ATTAINMENT PLAN

The Target Attainment Plan defines the performance targets of specific areas of measurement which are used to support our Quality Objectives. The table below identifies the Targets (Goals), Acceptable, and Unacceptable performance limits for each area. If the measurement falls at or above the Acceptable limit, no corrective or preventive action is necessary. A measurement between Acceptable and Unacceptable would indicate that a preventive action may be needed to correct a situation before it becomes a problem. A measurement at or below Unacceptable would indicate that a corrective action may be required.

<p style="text-align: center;">SUPPLIER DOCUMENTATION RECEIPT (Supplier Performance)</p> <p>GOAL – 65% ACCEPTABLE – 50% UNACCEPTABLE – 40%</p> <p>Measurement Frequency – Quarterly Method: Percentage Documentation PO Line Item Received ÷ Documentation PO Line Item Required Responsible: Materials Manager</p>	<p style="text-align: center;">ON-TIME SHIPMENT RATE (Characteristics of Processes)</p> <p>GOAL – 90% ACCEPTABLE – 75% UNACCEPTABLE – 65%</p> <p>Measurement Frequency – Quarterly Method: Percentage On Time Shipments ÷ Total Shipments (14 day grace period) Responsible: Operations Manager</p>
<p style="text-align: center;">ESTIMATED VS. ACTUAL BUILD HOURS (Characteristics of Processes)</p> <p>GOAL – 100% ACCEPTABLE – 120% UNACCEPTABLE – 150%</p> <p>Measurement Frequency – Quarterly / Closed Jobs Only Method: Percentage Actual Hours ÷ As-Designed Hours Responsible: Operations Manager</p>	<p style="text-align: center;">REWORK RATE (Conformity to Requirements)</p> <p>GOAL – 0.5% ACCEPTABLE – 1.0% UNACCEPTABLE – 3.0%</p> <p>Measurement Frequency – Quarterly Method: Percentage WDO Hours ÷ Actual Build Hours Responsible: Manufacturing Manager</p>
<p style="text-align: center;">CUSTOMER PERCEPTION (Customer Satisfaction)</p> <p>GOAL – 100 ACCEPTABLE – 88 UNACCEPTABLE – 75</p> <p>Measurement Frequency – Quarterly Method: Score Score ÷ Total Shipments Responsible: Vice President of Sales</p>	<p style="text-align: center;">PROPOSAL CONVERSION MATRIX (Characteristics of Processes, Customer Satisfaction)</p> <p>GOAL – 90% ACCEPTABLE – 85% UNACCEPTABLE – 70%</p> <p>Measurement Frequency – Quarterly Method: Percentage 1 – (Proposals Lost ÷ Funded Proposals Generated) Responsible: Vice President of Sales</p>
<p style="text-align: center;">SAFETY</p> <p>GOAL – 0.5 ACCEPTABLE – 0.75 UNACCEPTABLE – 1.0</p> <p>Measurement Frequency – Quarterly Method: Score TRIR Responsible: QA/QC Manager</p>	<p style="text-align: center;">PIPE WELD ACCEPTANCE RATE</p> <p>GOAL – 98% ACCEPTABLE – 97% UNACCEPTABLE – < 95%</p> <p>Measurement Frequency – Quarterly Method: Percentage Number of film accepted ÷ number of film processed x 100 Responsible: Manufacturing Manager</p>