



**SSPC QP2
APPLICATION, INSTRUCTIONS,
AND PROGRAM RULES**

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Application Form, Instructions, and Program Rules / SSPC QP2

I. Introduction

SSPC developed the QP2 Certification category under its **Painting Contractor Certification Program (PCCP)** to assess the primary capabilities of contractors to protect worker health and safety and the environment while successfully completing industrial/marine hazardous paint removal projects. It is written according to the requirements of **SSPC QP2: Standard Procedure for Evaluating the Qualifications of Painting Contractors to Remove Hazardous Paint**.

QP2 is intended to assist owners, specifiers and general contractors in their evaluation of potential bidders. Prequalification using QP2 certification does not eliminate the need to evaluate the contractor's financial or scheduling capabilities to meet project-specific requirements. SSPC recommends evaluating the contractor on those issues and other areas not covered under this program. To better ensure the success of a project, owners and specifiers should write quality specifications, maintain ongoing communication with contractors before and during project work, and enforce specification requirements.

QP2 Certification does not involve personnel or environmental monitoring or personnel training. The QP2 program is not intended to guarantee the quality, safety or regulatory/environmental compliance performance of a specific contractor on any of its projects as enforcement of contract requirements is the obligation of the facility owner or prime contractor.

This package contains information and materials you need to apply for SSPC QP2 Certification. You will find copies of this application and all other related documents detailing program requirements, related procedures, clarifications, etc. on SSPC Online at <http://www.sspc.org>. Click on Certification and click the link, List, Forms and Applications. Contractors who desire program information but who do not have access to the internet can contact the PCCP office by phone at 412-281-2331, ext. 2235 or 2209 or by fax at 412-281-9993.

While every precaution is taken to ensure that all information furnished is accurate and complete, SSPC cannot assume responsibility nor any obligation resulting from the use or misuse of the methods contained herein, or the program itself.

IMPORTANT NOTE: *Contractors applying for SSPC QP2 Certification must demonstrate a history of compliance with QP2 quality, worker safety and environmental protection requirements. QP2 applicants must be able to document that necessary components of its quality program relating to hazardous paint removal have*

been in place company-wide for at least six production months prior to SSPC's initial QP2 evaluation. For instance, where an evaluation item requires specific procedures to be in force, such as the preparation and maintenance of biological monitoring reports or reports documenting inspection of containment by the Competent Person, the procedures must have been in place at least six production months prior to the time when the contractor undergoes the initial audit. Once certified, the contractor is expected to consistently apply required certification procedures year-round for all industrial/marine hazardous paint removal operations on painting jobs.

II. General Program Procedures

The SSPC QP2 Certification process uses this sequence of procedures that you must follow:

- Complete the application found in **Section III**.
- Gather and prepare the required information outlined in **Section IV** following the application.
- Submit the five items of information on the evaluation checklist (see **Section IV**) to SSPC along with the appropriate non-refundable certification fee and any required audit deposit described in **Section V**. You are encouraged to submit your application and submittal electronically. However, hardcopy submittals will also be accepted.
- SSPC will review your submittals. If everything is in order an SSPC auditor will perform the on-site audit. If not, SSPC will indicate to you what must be done to complete the application process. When you submit the requested information to complete your submittal, SSPC will contact you to schedule the audit.
- An SSPC program auditor will conduct the on-site evaluation at a hazardous paint removal project site (field, shop or shipyard) being performed under contract by your company where worker protection, lead health and safety, and environmental compliance programs have been implemented. SSPC selects the job site for evaluation, and it is possible that prior notification will not be given. Note that the project scope has to include coating application following hazardous paint removal. The initial audit will most likely include a visit to your place of business to obtain information not required at the job site, but essential to complete the audit. Also note that the auditor will review randomly selected project files. During the audit you must be able to present the files and ensure the availability of management and production personnel familiar with those projects.

- The audit is concluded with an exit interview to advise you of any findings cited during the audit.
- If you have a qualifying score and submit any required corrective action reports in a timely manner, your company will be eligible for certification subject to SSPC acceptance of Corrective Action Plans, your adherence to the program’s administrative rules, your avoidance of disciplinary action as described in the **Disciplinary Action Criteria (DAC)** and your ability to maintain program standards during the following 12 months. Certification lapses after one year.
- If you do not qualify, you have up to 45 days after SSPC notifies you to submit an acceptable written Corrective Action Plan to correct deficiencies and request re-evaluation at a later date. If you do not submit acceptable corrective actions within 45 days, you must reapply for initial certification.
- The program provides for an appeals procedure should you choose to contest audit findings. Refer to **Section VII: Part D: Appeal Procedure** for more details.

III. QP2 Application – SSPCs Painting Contractor Certification Program, Removal of Hazardous Paint During Surface Preparation

INSTRUCTIONS: SSPC uses the application form to obtain information that will aid in evaluating and rating your company. To avoid delays in the evaluation process you must answer all questions accurately and truthfully. Information must be either typed or printed legibly. Please send SSPC an originally hardcopy of your completed application and submittals or an electronic version along with the correct non-refundable fee/deposit. Please note that SSPC welcomes electronic submissions. Contact the Certification Office for details on acceptable ways to submit electronically. If you submit electronically, you only need to submit one copy of your application and submittals. Companies applying for QP1, QP3, QP6 or QP8 and QP2 at the same time can omit filling in the same information asked for on the QP1, QP3, QP6 or QP8 application by simply stating “*See QP XX application*” on the appropriate line.

1. Company Name: _____
 Principle Officer and Title: _____
 Business Address: _____
 E-mail Address: _____
 Web Address: _____

Telephone (with Area Code): _____

Fax (with Area Code): _____ Federal ID: _____

2. Type of Business: Private Ownership Sole Proprietorship
 Partnership Corporation
 Publicly Traded Stock Ownership

3. Years your company has operated under the name listed in #1 _____. If your company has used its current name less than three years, list its previous names below.

Previous Name: _____ From: _____ To: _____

Previous Name: _____ From: _____ To: _____

4. Is the location listed in #1 the main place of business?

Yes No

If not, list branch officers and locations: _____

5. Has your company undergone (within the past 18 months) or is it planning to undergo any significant changes (name change; change in ownership; Chapter 7, 11 or 13; purchase or takeover of another contracting company; joint venture/partnership with another contractor; executive management personnel changes; etc.)?

Yes No

*If yes, please attach an explanation that meets the notification requirements described in **Section IX, Part A: Major Changes in a Company's Organization**.*

6. **Field, Shop or Shipyard Audit Information of Active Job Sites:** The certification program requires that auditors conduct a visit to an active industrial/marine painting job site that includes hazardous paint removal during the surface preparation process. List locations of industrial/marine hazardous paint removal jobs in progress where site interviews and observations can be conducted. Following each item, include any restrictions such as special safety requirements, facial hair, security clearances, etc.

a. Work Site: _____

Restrictions: _____

Name, title and phone number of contact person on this job site: _____

Dates on job site: _____ Shift: _____

b. Work Site: _____

Restrictions: _____

Name, title and phone number of contact person on this job site: _____

Dates on job site: _____ Shift: _____

c. Work Site: _____

Restrictions: _____

Name, title and phone number of contact person on this job site: _____

Dates on job site: _____ Shift: _____

7. Attach copies of any serious, repeat or willful federal, state/provincial or local regulatory agency worker safety and health, or environmental non-compliance, or other regulatory agency violation citations issued to any of your company's industrial/marine painting operations during the previous 36 months. Provide resolution/settlement/notice of contest documentation if applicable, as well as a brief summary of policy changes and actions your company has taken as a result of the citations.
8. Submit a required copy of OSHA Form 170 or equivalent regarding fatalities that have occurred on your job sites or in your shop or shipyard in the last 36 months.

9. Has your company or any of its personnel been involved in any of the following practices in the past 36 months?
1. Fraud;
 2. Alteration of test results or reports;
 3. Criminal conviction;
 4. Misrepresentation of information; or
 5. Illegal business practices.

Refer to SSPC Online at <http://www.sspc.org/contractors-dac/> for the **Disciplinary Action Criteria (DAC)**.

10. This is a two-part question:

1. Is your company now or has it been in the past associated in any way with a contracting company operating under another name, which has been disciplined by SSPC under the DAC? Refer to SSPC Online at <http://www.sspc.org/contractors-dac/> for information about DAC or for violation of program rules.

Yes No

If yes, please explain: _____

2. Are any of your company's officers, directors, owners, managing agents or managers now exercising (or have previously exercised) direct or indirect control, management or ownership of another contracting company, which has been disciplined by SSPC under the DAC or for violation of program rules?

Yes No

If yes, please explain: _____

If your company has not had such an association with a company previously disciplined under the DAC, please check this box:

NOTE: Failure to answer truthfully or any instance of providing inaccurate information will lead to immediate revocation or denial of certification status.

11. Has your company been disqualified or disbarred from any bidder's list in the past 24 months?

Yes No

If yes, please provide the reason for the suspension and the name of the entity: _____

12. Please attach a copy of your most recent (12 months) OSHA Accident and Illness summary form, OSHA Form 300, if applicable.
13. Total production hours logged in previous calendar year: _____
 Source of Information: _____
14. Average number of workers you've employed over preceding three years: _____
15. Is your company an organizational member of SSPC? Yes No
 If yes, please indicate the category of membership: Patron Sustaining
 Membership Number: _____ Date Membership Expires: _____
16. Indicate which categories of certification you are applying for. Refer to **Items 3a and 3b of Section IV: Evaluation Checklist** to determine which category your company is eligible for.
 Choose one: Category A Category B

NOTE: *By my initialing and signature below, I acknowledge that I have read and understand:*

Initial: _____ The QP2 Certification Program Application Form, Instructions and Program Rules

Initial: _____ The QP2 Procedure Set Forth Therein

Initial: _____ The Disciplinary Action Criteria (DAC)

As a principal officer of the application contractor, I agree to abide by and be bound by the rules, regulations and procedures set forth herein. *(Must be initialed above and signed by the President, Chief Operations Officer or Chief Executive Officer)*

Signature: _____

Print Name and Title: _____

Date: _____ Certification fee/deposit submitted with this application: _____

For a detailed description of fees, refer to **Section V: Fee Payment Schedule**.

CAUTION: *Failure to report accurate, complete information will delay your certification evaluation. Omission or falsification of information will result in withholding, denial or revocation of certification status. Your company will be checked against the provisions of the **Disciplinary Action Criteria (DAC)**. If your company has critical faults as defined in the DAC and falls under one of its categories of suspension or revocation, your application will be held at SSPC for*

the length of time that is equivalent to the appropriate penalty. If your company has critical faults and subsequently falls under warning or probation, you are listed under those categories and are subject to further disciplinary action if future problems arise, provided your company is certified after successfully completing the initial audit. You have the right to appeal an SSPC decision using the appeal and arbitration procedures described herein and in the DAC.

Required Information

In order to rate and evaluate your company, the program uses specific criteria that is organized into three function areas outlined below. The Evaluation Checklist in **Section IV** contains detailed information for each area:

1. Management of Hazardous Coating Removal.

2. Technical Capabilities.

Resources maintained by your company to properly interpret and execute job specifications and requirements.

3. Personnel Qualifications and Training.

An evaluation of the qualifications and training of persons you employ to supervise, monitor and perform hazardous paint removal work.

Each of these three major function areas above contains several subcategories focusing on your company's policies, personnel, procedures and resources. You must provide a total of nine items of information for the auditor to review on site. The auditor will verify and evaluate all nine items of information during the on-site visit. The necessary records or files that you must present at that time include but are not limited to job files for projects reported on your application, job files for which job notification forms are on file, work logs, contracts, equipment maintenance records, inspection and monitoring reports, specifications, laboratory test results, containment and ventilation drawings, etc. Some information will be gathered through interviews with your personnel. **All non-public information submitted is treated as confidential.**

You must submit five items in writing with the application. They must be typed or printed legibly on separate sheets of paper or separate digital files and clearly identified. Identify in the same way documents such as written compliance programs, and file documents such as copies of specification pages and letters that already exist. **Section IV: Evaluation Checklist** below lists and describes the five items.

NOTE: To Applicants Requesting an Evaluation: *SSPC policy dictates that your company must have a written mission or company policy statement, which expresses top management's commitment to protect the safety and health of your workers, the public, and the environment during hazardous paint removal operations. SSPC requires that you communicate this mission to your employees verbally in case some cannot read or understand English or the language of your documents.*

Technical Library: SSPC expects your company to have or demonstrate accessibility to an up-to-date library of industrial and government resources on hazardous coating removal. These include:

- All relevant federal, state and local occupational safety and health standards, regulations, compliance directives and guidelines.
- Ventilation standards and procedures, if applicable.
- Relevant federal, state and local environmental regulations on solid waste, hazardous waste, air quality, water quality and soil quality.
- Containment guidelines and technical data sheets (e.g., equipment operating manuals).
- Blast cleaning and other coating removal methods (e.g., vacuum shrouded power tools, chemical stripping or water jetting).
- Waste collection, handling and disposal guidelines.
- Industrial hygiene and safety practices.

IV. Evaluation Checklist

Below is a list of all fourteen items of required information for QP2 Certification. Each of the four items that must be submitted with your application is also noted below. To find out what your company must do or what documentation it must provide, review the QP2 audit checklist before you prepare your submittal package. You can find the QP2 audit checklist on the SSPC website at <http://www.sspc.org/qp-audit-checklists>. If you have any questions about the audit checklist or need clarification on any of the application and submittal requirements, contact the Certification Program Manager at 1-877-281-7772 at extension 2235 or 2209.

A. Management of Hazardous Paint Removal Projects

1. Company Policy
2. Authority and Responsibilities of the Competent Person

B. Technical Capabilities

1. Qualification Category Being Applied For (A or B)
2. **Your Company's Hazardous Paint Removal Work History (submit with your application)**
3. **Evidence of Successful Completion of Your Company's Three Most Recent Hazardous Paint Removal Projects (submit with your application)**
 - a. *i.e., achieving of contract requirements and on-time completion; evidence of compliance with all applicable regulations governing the job site.*
4. **Company Compliance Plans (submit all three with your application):**
 - a. Worker Protection Plan
 - b. Environmental Compliance Program

- c. Waste Management Program
- 5. Reference Material
 - a. e.g., regulations, standards, procedures, technical manuals, specifications
- 6. Technical Documentation Required at the Job Site
 - a. *Unless otherwise specified, the contractor shall have specific information available at the job site during hazardous coating removal activities. See the following website link for details of what information is required at the job site: <http://www.sspc.org/qp-audit-info>.*
- 7. Enforcement of Compliance Plans

C. Personnel Qualifications and Training

- 1. Competent Person(s) Training and Experience (**submit with application**)
- 2. Annual Competent Person Refresher Training and Backup Plan
- 3. Worker Training
- 4. Environmental and Worker Monitoring Competency
- 5. Safety Coordinator

V. Fees

Companies applying for certification must submit the applicable **Administrative Fee** plus **Audit Deposit** to cover anticipated audit expenses with their application. SSPC will withhold your certification until receiving total payment.

NOTE: *The fees cover the cost of staff time to review and process your application package, the cost of the on-site evaluation and audit, and the overhead expenses required to operate the Contractor Certification Program.*

Annual administrative fees are not refundable if a contractor's certification(s) are suspended or revoked.

Determine your audit expense from the following:

| QP2 <u>Only</u> Fee Schedule | | | | QP2 + QP1 <u>Combined</u> Fee Schedule | | |
|--|-------------------|----------------|----------------|--|----------------|----------------|
| | Sustaining Member | Patron Member | Non Member | Sustaining Member | Patron Member | Non Member |
| <i>Administrative Fee</i> | \$2,100 | \$2,400 | \$2,700 | \$2,400 | \$2,700 | \$3,200 |
| <i>Audit Deposit</i> | \$2,500 | \$2,500 | \$2,500 | \$4,100 | \$4,100 | \$4,100 |
| <i>Certification Total with no Corrective Action</i> | \$4,600 | \$4,900 | \$5,200 | \$6,500 | \$6,800 | \$7,300 |

| QP2 <u>Only</u> Additional Fees (As Applicable) | | | | QP2 + QP1 <u>Combined</u> Additional Fees (As Applicable) | | |
|---|----------------------|------------------|---------------|---|------------------|---------------|
| | Sustaining Member | Patron Member | Non Member | Sustaining Member | Patron Member | Non Member |
| <i>With Corrective Action Verification:</i> | +\$300 | +\$550 | +\$800 | +\$600 | +\$1,100 | +\$1,600 |
| <i>If Outside US/Mex/Canad:</i> | +\$1,500 | +\$1,500 | +\$1,500 | +\$1,500 | +\$1,500 | +\$1,500 |

EXAMPLE #1: *If your company is an SSPC Patron Member applying for initial QP2 Certification only, submit \$4,900 (\$2,400 Administrative Fee + \$2,500 Audit Deposit).*

EXAMPLE #2: *If your company is an SSPC Patron Member applying for initial QP2 + QP1 Certification together, submit \$6,800 (\$2,700 Administrative Fee + \$4,100 Audit Deposit).*

SSPC will return non-responsive and inactive applications submittals and fees to the applicant after six months of inactivity when no audit is conducted. SSPC will assess a \$750 USD administrative processing fee that will be deducted from the Administrative Fee and Audit Deposit initially submitted with the application.

For program members who withdraw from the QP program during a certification term, SSPC will retain the entire Administrative Fee submitted at the beginning of the certification period and return any unused Audit Deposit.

You must pay post-audit fees for QP2 deficiency audits or additional audit expenses when they are due. Failure to pay in a timely manner will result in a six-month suspension from the program and public notification of your suspension. If you do not pay the fees after the suspension period, you will be decertified and have to reapply for QP2 Certification. When reapplying, you will have to pay all applicable fees and all past due fees.

VI. Submittal Procedure

Help SSPC staff to process your application quickly and efficiently by adhering to the following recommendations:

- Type or clearly print all entries on the application form.
- Be certain to answer all items on the application accurately and completely.

- Send the original and one copy of the application package to SSPC. We suggest you keep a copy on hand for your use at the on-site audit. If you submit an electronic copy, submit only one electronic file.
- Clearly identify the five items of required information:
 - Work History (Item #4)
 - Competent Person Training and Experience (Item #5);
 - Worker Safety and Health Program (Item #7);
 - Environmental Compliance Plan (Item #8); and
 - Enforcement (Item #9).
- If submitting a hardcopy, secure all pages to minimize the chance of loss or separation.
- Determine the non-refundable certification fee using the schedule in **Section V: Fees**. Make your check payable to SSPC Painting Contractor Certification Program (QP2).
- Mail the application and required submittals to:
 - SSPC: The Society for Protective Coatings
 - Attn.: PCCP Program Officer
 - 800 Trumbull Drive
 - Pittsburgh, PA 15205-4365

VII. Evaluation Process

A. Qualifications and Procedures

SSPC evaluates your company based on the current version of SSPC QP2: Standard Procedure for Evaluating the Qualifications of Painting Contractors to Remove Hazardous Paint.

Audits are performed yearly and usually require time at an active job site and – at the discretion of the auditor or Program Manager – may require additional time at the headquarter offices. During the office and on-site visits the auditor will confirm the data you submitted with your application, interview key supervisory personnel and selected employees, observe and rate your company’s organization and operation, and examine and rate your equipment and facilities.

At the conclusion of the site visit and any office visit, the auditor will schedule an exit interview with your supervisory or management personnel. In that interview the auditor will point out items rated “Less than 2” and items rated “2” that require a **Corrective Action Report (CAR)**. See **Section XI: Scoring Criteria** for details about scoring. The auditor will then fill out a deficiency schedule that a company representative must sign. Your signature confirms that the auditor

has made you aware of any audit findings; it does not mean you agree with them. If you do not sign the audit report, SSPC will revoke or deny certification.

B. Scheduling and Canceling an Audit

SSPC and you must mutually agree on a time or timeframe for the initial audit. After confirming the date/timeframe in writing or verbally, the SSPC auditor will visit your company's office and suitable job site(s). If you cancel, request a change in the date or fail to make the job site selected by SSPC available for auditing after the audit has been scheduled, you are responsible for all expenses incurred by SSPC due to the cancellation or due to conditions prohibiting the auditor from completing the audit.

C. Determination of Status

Following the audit, the SSPC Program Administrator makes the final decision regarding your certification status. SSPC confers certification if you achieved scores of "3" in all nine evaluation items. SSPC denies certification if you received scores of "2" on more than four items that require written corrective action within 45 days of notification of the audit results. You will receive QP2 certification if you submit a Corrective Action Plan and SSPC approves it. SSPC also denies certification if you achieved scores of "1" on one or more items, which could require a follow-up audit to confirm that you have implemented acceptable corrective actions.

Failure to cooperate with the SSPC auditor or failure to provide access to information, personnel or an active industrial structure painting job site shall be sufficient cause for denial, suspension or revocation of your company's certification status.

D. Appeal Procedure

During the audit exit interview, the auditor will document and explain all deficiencies cited during the audit. If you dispute any of the audit results you may appeal them using the steps of recourse listed below:

- You must notify the Program Manager in writing within 10 working days of the exit interview, specifically identifying the deficiencies you are appealing and substantively explaining why you dispute them, including providing supporting documentation for each deficiency being contested.
- SSPC will evaluate your written appeal and notify you in writing of the evaluation results within 30 calendar days of the appeal submission receipt by SSPC. SSPC appeal evaluations will result in either acceptance of your written appeal (e.g., vacating or reducing an audit deficiency) or denial of the appeal (e.g., sustaining the deficiency). For denial of any appeal, the contractor has the option to accept the

SSPC appeal resolution and submit a **Corrective Action Plan (CAP)** which may or may not require a follow-up audit to verify CAP implementation. Finally, an appeal denial by SSPC could also result in a QP2 suspension up to one year.

- The contractor can continue the appeal process by requesting an informal conference in writing within 10 business days of an appeal denial by SSPC. The informal conference will be held at SSPC Headquarters in Pittsburgh, PA for the contractor to further explain its position and provide additional evidence supporting a downgrading or vacating of some or all of the findings.
- The final option for the contractor wishing to continue with the appeal is to utilize the existing **Disciplinary Action Criteria (DAC)** Arbitration Procedure.

Customers will be given an opportunity to comment specifically on your company's performance. All owner replies will be treated as confidential and will be used only as a component in determining certification reconfirmation. Failure to pass any announced or unannounced audit may be cause for suspension or revocation of your company's QP2 Certification status.

VIII. How to Maintain QP2 Certification

To maintain uninterrupted certification status, you must reapply for certification annually. You must submit a maintenance application, a signed internal audit report affidavit, a list of hazardous paint removal jobs in progress and/or completed since your last evaluation, copies of any changes to your compliance programs, and the appropriate fee by December 15 each year. The necessary forms and applications can be found on SSPC Online at <http://www.sspc.org>. Click on **QP Programs** and follow the appropriate links.

Renewal Applications

SSPC will send a letter approximately 60-90 days before your submittal is due as a reminder to reapply. If you fail to reapply when your submittal is due, your company's certification will expire and your firm will be decertified. SSPC will send a letter to any contractor who has failed to reapply as a reminder that certification has expired.

NOTE: *You are responsible for ensuring that SSPC has your current contact information for key personnel (e.g., e-mail addresses, mailing address, landline, cellphone and fax numbers, etc.). You are also responsible for submitting your application when due regardless of whether SSPC sends you a reminder notice.*

Once you have reapplied, the annual evaluation (at an industrial structure job site and possibly at your office) must take place within the calendar year or your certification will

expire. If you have active work and have not been audited prior to September 1, you are obligated to inform SSPC so the audit can be conducted to avoid a situation where you have no work to show for the annual audit.

NOTE: *Job records for projects reported in the annual submittal and those for which a job notification is on file are subject to review during a maintenance audit and should be available if the auditor asks for them. Note that it is mandatory to show the auditor an active job site during the annual audit.*

QP2 Certification status of contractors who do not have any active hazardous paint removal projects under contract at the time that renewal of their QP2 certification is due will be handled as follows: To remain qualified for a specific qualification category, the auditor must observe the contractor performing work which meets the requirements of that category at least once in the 48 months following initial qualification, or the contractor's last QP2 job site audit, provided the contractor complies with all other QP2 requirements.

During the 48 months after initial qualification, the contractor who doesn't have an active hazardous paint removal job to present when up for renewal shall give SSPC 60 days' notice of all hazardous coating removal projects prior to starting work. In addition, the contractor is subject to scheduled or unannounced follow-up audits at the discretion of SSPC and at the contractor's expense. If SSPC fails to visit the project after being given sufficient notice utilizing the job notification process, the contractor shall be considered to fulfill the audit requirements for the selected category, provided the written and photographic documentation reviewed by the auditor confirms conformance with QP2 requirements. SSPC will give the contractor the requested category of certification. This does not preclude a visit to the job site by the auditor at a later time, at the contractor's expense, to verify compliance with QP2 standards at the job site.

Contractors who fail the annual maintenance evaluation will be given 45 days after notification of audit results to submit a Corrective Action Plan and request that SSPC re-evaluate. SSPC reserves the right to withhold certification from firms who fail a maintenance or follow-up evaluation until a **Corrective Action Plan (CAP)** is submitted and approved by SSPC. SSPC may opt – in certain cases – to extend the company's certification status following acceptance of a CAP for a limited period subject to certain conditions.

Failure to maintain QP1, QP3, QP6 or QP8 Certification automatically suspends QP2 Certification.

Contractors or shops placed on suspension for failing a maintenance audit during their certification term will be formally notified in writing (e.g., by letter or e-mail) of the suspension.

- The contractor is given 45 days from notification to make corrective actions and be re-audited;
- The contractor is asked to return original certificates; and
- The contractor is asked not to represent itself as a QP Certified contractor during the suspension period.

During a suspension period the contractor's name will be removed from SSPC's online searchable database of QP Certified contractors and notice of suspension posted on the SSPC website (<http://www.sspc.org/>). When a suspension is lifted, contractors will be formally notified in writing, valid certificates will be reissued and the contractor's name will be added back to the online searchable database of QP Certified contractors.

IMPORTANT NOTE: *Contractors who fail two consecutive certification maintenance/annual audits at any time while certified (corrective action verification audits following a failed audit are not considered maintenance/annual audits) will be suspended from the program for 12-months following failure of the second audit. Audit failure is defined as one or more major deficiencies.*

NOTE: *If selected, contractors in the Random Audit Program (RAP) will undergo an audit. However, contractors accepted into the RAP are exempt from the mandatory annual evaluation during their RAP eligibility period.*

IX. Special Provisions

Major Changes in a Company's Organization

SSPC certified contracting companies are required to notify the Program Manager or Program Administrator in writing within 30 days of any major organizational. Or name change. Examples of a major change include, but are not limited to:

- Change in ownership
- Partnership/joint venture arrangement or change in existing partnership status
- Change in executive management (e.g., president, CEO, general manager)
- Declaration of bankruptcy
- Incorporation or change in corporate status
- Name change
- Becoming a subsidiary
- Change to sole proprietorship
- Relocation of main or branch business offices or opening of new branch offices

The notification shall include the following information:

- Specific details about changes
- Revised organizational and responsibility chart
- Effective dates of change
- Names of officers of reorganized company
- Any change in tax ID/EIN, federal or state
 - Submit statement from IRS or Secretary of your state assigning new tax ID/EIN

SSPC cannot begin the process of considering transferring certification status to a newly organized company until this information is provided.

NOTE: *If a company changes federal or state tax ID numbers or is incorporated in a new state, it will automatically have to reapply as a new company. If it is a simple change of name (e.g., “John R. Doe Co., Inc.” to “J.R. Doe, Inc.” or a change in location) and incorporated in the same state with the same tax ID numbers, a simple transfer of certification can be authorized after review by the Program Administrator. Contact the Program Manager if you are unsure whether an event at your company is considered by SSPC a “major” change in a company’s organization.*

SSPC will subsequently schedule a special audit, at the contracting company’s expense, within 60 days of notification. SSPC will also schedule another audit, at the contracting company’s expense, within six months after the special (first) audit to verify that the reorganized company is in fact maintaining the standards of the program. If the company does not pass the six-month audit, certification will be rescinded.

No transfer or certification status to a new company will be approved until the company provides SSPC with any required or requested information, passes the special (first) audit and obtains approval from the Program Administrator.

Failure to notify the Program Manager or Program Administrator of any major changes within the required time period can result in an automatic six-month suspension.

A company, which has changed its name or has otherwise reorganized, must certify in writing that it will assume responsibility for any disciplinary actions or violations of federal, state and local regulations issued under a former name. In addition, any violations of the SSPC PCCP program (e.g., written complaints from owners or **Disciplinary Action Criteria (DAC)** critical faults) by the company under its original name will be considered as part of the record of the company under its new name.

A company submitting a change of organizational status can request that SSPC waive the requirement for a special (first) audit before approving any transfer. SSPC will evaluate each request and reserves the right to waive the requirement at its own discretion. Requests to have the audit waived must be submitted at the time of notification of the organizational change.

A. Major Changes in a Company's Organization

A company with a name change must certify in writing that it will assume responsibility for any disciplinary actions or violations of federal, state and local regulations. In addition, SSPC considers any violations of the DAC program (e.g., written complaints for owners, critical faults) by the company under any previous names to be part of the new company's record.

SSPC reserves the right to not transfer certification to a newly organized company.

B. Suspension for Non-Payment of Fees

Failure to pay all fees in a timely manner will result in a six-month suspension from the program and public notification of the suspension. SSPC will notify a company of its suspension if it fails to respond within three business days to the final (second) notice of non-payment. SSPC will also withhold issuing certification for initial and annual renewal applicants who pass the evaluation but still have fees due.

C. Formal Complaint Procedure

Any authorized representative of an owner who hires a QP2 Certified painting contractor could file a formal complaint against the contractor if the representative has information that the contracting company does not practice QP2 Certification procedures. The contractor may respond to the complaint by submitting information supporting its position to SSPC. Documented complaints by an owner or its designated representative can result in a probable cause audit, authorized at the discretion of the Program Administrator.

D. Subcontracting Work

SSPC certified contractors are responsible for monitoring the actions of subcontractors to ensure they perform in accordance with PCCP requirements. Contracted tasks include, but are not limited to, environmental monitoring and testing; personnel monitoring; medical surveillance; structural repairs, cleaning, surface preparation and painting; erecting and moving containment and scaffolding; and equipment maintenance.

The QP2 contractor is responsible for controlling its subcontracting process to ensure that its subcontractors conform to PCCP quality management requirements subcontracted to them. The contractor shall evaluate and select subcontractors based on their ability to provide products/services in accordance with the contract and applicable QP2 quality management requirements.

Purchasing documents sent to the subcontractor shall specify information describing the product or service being purchased. The contractor shall ensure

that specified requirements are adequately defined in the purchasing documents prior to their release to subcontractors. Subcontractors must also be notified by you – the certified contractor – that SSPC retains the right to audit their surface preparation and coating application operations.

In all circumstances, SSPC certified contractors should hire only SSPC certified subcontractors for surface preparation and coating application work. SSPC certified contractors must hire SSPC certified contractors as required by the facility owner.

SSPC realizes that there are circumstances when you are hired because of your credentials as an SSPC certified contractor and yet are required as part of your contract to hire painting subcontractors that may not be certified (e.g., minority or set aside contracts). In cases when you do hire non-certified subcontractors to fulfill a contract obligation which cannot practically or reasonably be met by the contractor or other PCCP certified subcontractor, you will need a written waiver of the QP requirement for the subcontractor from the facility owner. Regardless of the subcontractor's certification status, you are still responsible for the actions of those subcontractors to ensure they perform in accordance with your QP quality programs.

All subcontractors hired by SSPC certified contractors must be formally approved in writing by the facility owner or its official representative. Failure to comply will result in issuance of a severe critical fault under the DAC.

If a certified contractor's job site is audited and one or more of the painting subcontractors performing surface preparation and coating application work at the job site are not in compliance with QP requirements, SSPC will issue the certified contractor a warning for violations of the PCCP Subcontracting Special Provision. A second incident will result in an automatic 12-month suspension from the certification program.

SSPC certified contractors who hire non-certified contractors even though the facility owner, general contractor or specifying engineer specifically call out in their contract or general notice to contractors that all cleaning and painting subcontractors must be SSPC certified, will be subject to disciplinary action (i.e., deliberate violation of specification requirements – a severe violation resulting in suspension) under the **Disciplinary Action Criteria (DAC)**.

If a certified contractor utilizes another contractor's workers (e.g., applicators, blasters, helpers, laborer, pot tenders, equipment operators, quality control inspectors, competent persons) and these workers are paid by another entity – regardless of whether they are under your direct supervision – the workers are considered to be subcontracted from the other entity. If the contract calls for a

QP1 or QP2 contractor, the other entity must also be certified or else it is considered a violation of the DAC.

If a certified contractor is borrowing, leasing, renting, etc. workers, and those workers are on the certified contractor's payroll and under the certified contractor's direct supervision, the workers are considered employees of the certified company.

Complaints from facility owners, prime contractors or their representatives concerning SSPC certified contractors allegedly violating subcontracting practices described above will be investigated by SSPC and may result in an unscheduled probably cause audit of job records and job site.

E. **Joint Ventures and Auditing**

When SSPC audits a project being done by one or more QP certified companies as a **Joint Venture (JV)**, the audit counts as an audit for all the QP certified companies involved in the JV. That is, if the audit is successful, all the JV QP companies audited share in the success. If the audit is not successful, the audit is unsuccessful for all JV QP companies involved. In addition, SSPC reserves the right to audit a non-JV project being done by one or more of the joint venture contractors as part of their routine annual audit.

F. **Reporting Work and Citation History on the QP2 Application**

Contractors are responsible for the accuracy and completeness of reporting of regulatory citation history information submitted to SSPC when completing an initial or maintenance application. Failure to accurately report this information on the application will delay the application or result in disciplinary action or if the company is already certified, could result in suspension of the company's certification status.

G. **Administrative Suspension & Change of Company Name**

Change of company name, ownership or structure does not void a suspension or revocation issued by SSPC. Any company that is suspended or revoked for failing to meet QP audit standards, SSPC administrative policy or any other policy related to QP certification is restricted from reapplying for certification as a newly formed, merged or renamed company. Recertification in any form is prohibited for the stated duration of the suspension. Once the suspension or revocation period has lapsed, any suspension or revocation history and records will be transferred to the new business.

Any representative of the management, including but not limited to, an officer, director, superintendent, quality control supervisor, safety director, general manager, stockholder or any person who exercises directly or indirectly,

including through an intermediary person, any degree of ownership, management or control of the suspended contracting company, who forms or purchases a new company or who exercises any degree of ownership of a new, existing or purchased company renders the new, existing or purchased company ineligible for certification while any suspension of the company the person was associated with is in effect. The intent is to prevent management or other key individuals associated with the suspended company from forming or purchasing a new company or exercising any control over an existing affiliated company – such as through an intermediary person – to avoid the consequences of a PCCP suspension.

A suspended contractor may re-enter the program when the suspension or revocation period has lapsed and the conditions for reinstatement have been met. A newly formed, merged, renamed or otherwise reorganized company must submit an application and follow all procedures for QP Certification.

NOTE: *For purposes of this document, “affiliated company” is defined as, “A company, corporation, partnership, joint venture or other business entity operating under a different name than the certified company, which performs surface preparation or coating application or administrative and other support functions for the certified company; and in which an officer, director, owner, partner or stockholder of the certified company, a previously certified company disciplined by SSPC, or the certified company itself, exercises directly or indirectly – such as through an intermediary person or family member – any significant degree of ownership, management or control.”*

X. Random Audit Program (RAP)

The **Random Audit Program (RAP)** is designed to reward QP2 contractors that are in good program standing. RAP allows the contractor’s name to be placed in a lottery type selection that determines who is audited during that calendar year. The contractors that are randomly selected are audited, while all others are not. Aside from the obvious benefit of not undergoing an audit, all contractors approved for RAP also have relief from audit fees while in the program. The program cycle is three years. The fourth year requires the contractor to pass a full audit in order to be eligible for a new three-year RAP term.

Eligibility for RAP (QP1 and QP2 Companies Only)

To be eligible for RAP, a contractor must:

1. Have passed their initial audit and the following two annual audits.
2. During the previous three audits, none of the QP1 critical items should have been rated “Less than 2,” and the QP2 audits should not have resulted in a major Corrective Action Report – or – more than four minor Corrective Action Reports.
3. Have no major organizational changes in the last three years of certification.

- a. *You may change the company name, since SSPC does not consider it a major change, but you must meet the criteria set out in **Part A** of this section.*
4. Establish a record free of disciplinary actions as defined by the **Disciplinary Action Criteria (DAC)**.

Loss of Eligibility for RAP

A contractor loses eligibility for RAP for the following reasons:

1. Failure to pass any certification or random audit.
2. Major organizational changes to the contractor's company (see **Part 2** in this section).
3. Any SSPC disciplinary action issued (warning, probation, suspension).
4. Voluntary discontinuation or disruption of certification by the contractor.
5. Declaration of bankruptcy.

Restoration of Eligibility

A contractor restores its eligibility by successfully completing a new three-year term in the regular QP2 Certification programs, and by passing a special audit after a major organizational change.

Duration of Random Audit Program Eligibility

A contractor is subject to random audit in any of the three years that it is in the random audit program. The contractor must also pass a full audit (all items on the checklist) in the fourth year to be eligible for a new three-year term in the random audit program.

NOTE: *Random reconfirmation audits consist of – at a minimum – an on-site evaluation at an active job and a visit to the corporate offices to verify compliance with certification program requirements.*

XI. Scoring Criteria

The rating of “1” is a major CAR or deficiency, and indicates:

- a) The required training, written program, practice or procedure is non-existent;
- b) The required training or written program is inadequate; or
- c) The required practice or procedure has not been in place for the minimum amount of time (e.g., less than 2/3 implemented based on sampling).

IMPORTANT NOTE: *Typically, auditors will not issue major deficiencies for isolated breakdowns in a contractor's quality system. However, there are exceptions. For example, auditors will issue a rating of “1” when they observe one or more safety violations or safety hazards that could result in an injury or serious incident. An obvious example would be a person working without appropriate fall protection as required by the contractor's safety and health plan and/or governing regulations. Auditors will also*

issue a rating of “1” if they discover one or more unauthorized deviations from contract requirements or deviations from good painting practices found in the paint shop, shipyard or field job site.

The rating of “2” is a minor CAR or deficiency, and indicates the training or written program is adequate but requires minor revision. Examples include a practice or procedure that is in place with isolated instances of non-conformance no more than 1/3 of the time based on sampling, lack of practice or documentation due to personnel turnover, non-performance by field personnel, personal hardship and natural disaster.

The rating of “3” indicates that a contractor – based on audit sampling – consistently adheres to specific training and written program requirements as well as required practices and procedures that consistently meet the letter of the standard. When there are no audit findings it means that all items evaluated during the audit were rated “3.”

A. **Corrective Action Report**

A **Corrective Action Report (CAR)**, using the **SSPC CAP (Corrective Action Plan)** form found on the SSPC website at <http://www.sspc.org/qp-cap> is required for each major deficiency (rating of “1”) found by the auditor. Remedial action for a major CAR requires the submission of a CAR followed by an on-site audit to confirm that the contractor has corrected the deficiency and implemented the corrective action plan submitted to SSPC.

Remedial action for a minor CAR requires that the auditor confirm remediation at the next audit. Minor CARs that are not remediated by the contractor by the next audit turn into a major CAR or deficiency.

NOTE: *Initial audits require corrective action report submissions for all deficiencies cited – both major and minor.*

Concerns: Occasionally, the auditor will note a “Concern” on an audit report. A Concern is not a rating – it is simply a statement for the contractor to consider for its own business purposes. No response is required for a Concern.