API Q2
Specification for Quality Management System Requirements for Service Supply Organizations for the Petroleum and Natural Gas Industries

A Service Providers Perspective

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How is API Q2 Different

**ISO 9001, ISO 29001 & API Q1**
- Process Based Management System

**API Q2**
- Process Based Management System
- Risk Based Management System

Diagram:
- Leadership
- Informing
- Suppliers
- Managing
- Planning
- Controlling
- Risks
API Q2 Enhancements

• Exclusions
• Risk Management
• Service Designs
• Supply Chain Controls
• Service Quality Plans
• Validation
• Management of Change
Exclusions

- Service Providers who provide or use Service Related Product (SRP) in the course of their service execution are not permitted to take exclusions to API Q2

Service Related Product:
“Materials, Equipment, and Software used in the execution of a Service”
Design and Development

Verification
- Service Related Product
- SRP Configuration
- Service Quality Plan
- Customer Specified Req.
- Legal Requirements
- Operating Conditions
- Risk Assessment Controls
- Controls for Service Execution
- Critical SRP

Validation
- NPT
- Safety Performance
- Contractual Requirements
- Service Execution
- SRP Performance
- SQP Compliance

Service Execution
Contingency Planning

- Different than Emergency & Disaster Planning covered under ISO 14001, OHSAS 18001, ISM Codes and other Industry standards

- Service Disruption Prevention
  - Historical Data
  - Reliability Data
  - Environmental and Well Conditions

- Mitigations Measures
  - Critical Spares
  - Included in the Service Quality Plan

- Contingency Planning Outputs
  - Controls for Assessed Risk
  - Actions to mitigate Service Disruptions
  - Internal & External Communication
Supply Chain Controls

• Determine Critical Services and SRP
  ➢ Identify Critical Suppliers
• Qualification of Critical Suppliers
  ➢ Onsite Assessment
  ➢ Verification that suppliers QMS conforms to Service Providers Quality Requirements
Service Quality Plans

- Specific to the Customer and the Service that is being performed
- Identifies and outlines controls for Suppliers/Subcontractors that will execute services
- Identifies Specific SRP needed for the execution of the Service
- Identifies the Risks and Mitigation Controls
- Identifies Competencies and Key & Essential personnel
- Identifies QC and QA to include Tests for
  - Startup
  - Service Execution
  - Shutdown
- Communicated to the Customer
- Changes to a SQP must go through MOC
Validation

**Service Related Product**
Validated prior to Execution of Service

Includes:
- SRP Configurations
- QC activities required to ensure SRP Reliability

**Service Performance**
- Validated throughout execution
- Upon completion
- Confirm all requirements (KPIs, critical success factors and acceptance criteria) were achieved

Must maintain records of performance and validation

Identify the person(s) for the Service Provider who are accepting the results
Management of Change

- Change in Personnel & Suppliers
- Process Execution Changes
- Management System Changes
- SRP & Design Changes

Risk Assessment

Customer Notification
What API Q2 IS NOT

• It is *not* a manual with new buzz words that you present to your customers.

• It is *not* a cross reference between your management system and your customers or to the API Q2 Standard.

• It is *not* a template that you fill in and claim compliance.

• It *is* about Service Quality and Risk Mitigation supported by metrics and actual service provider performance.
Service Provider Benefits

**Q2 Drivers**
- Improves Service Related Product Reliability
- Improves SPC and factual based decision making
- Minimizes Risk through Identification, Planning & Controls
- Improves Efficiencies
- Internal & External Communication and Information Flow

**Weatherford Q2 Beta Testing**
- Safety, Quality, Delivery and Cost Metrics to include key KPI’s that impact our customers are tracked against actual performance in Test Facility
Service Provider Benefits

Q2 Drivers

• Improves Facility Layout and Safety Performance
• Improves Identification, Traceability

Weatherford Q2 Beta Testing

• New controls implemented in Q2 Test Facility. Identifying Risks (Quality & Safety), improving identification and traceability of all SRP components
Service Provider Benefits

Q2 Drivers

• Minimizes procedural related errors due to new QC requirements associated with services and service related products
• Q2 Risk Assessment identifying critical tasks, steps that impact quality, safety and the environment

Weatherford Q2 Beta Testing

• New controls implemented in Q2 Test Facility
• Receipt, In-process and Final QC Checks
• Inspection and Test includes Hold, Witness and Monitor by the organization and the customer
Challenges

• Q2 Comprehension and Application
• Transitioning from a *process-based* to a *risk-based* management system
• Integrating new requirements into existing competencies
• Global Supply Chain
• Geographical & Cultural Differences
What’s Next for API Q2

• API Q2 Standard Published
• API Q2 Guidance Document
• API Q2 Beta Testing
• API Q2 Audit Protocols
• API Q2 Certifications
Questions