

Gary P. Zaversnik
02/10/2000 07:31 AM

To: ties@rta.org@internet
cc: Gary L. Hunter@UP

Subject: Follow up to meeting

Jim Gauntt:

Based upon my notes at the January meeting, it appears I had three things to get back to you on. The documents referenced below are being forwarded to you today.

UP procedures related to new suppliers

I have enclosed our internal procedure BMS 3-19 which relates to this subject. Although without all the tangential procedures, it should give you an idea of our generic response to new products at UP.

Protection of adzed surfaces

Currently on the UP, we are adzing ties and not applying any sealant to form a barrier for the untreated wood. We are working with Osrose on a sodium fluoride jell that would be applied at time of adzing. In the timber area, bridge crews in the Southern area are applying TERMINATE, a borate based solution to the bored holes in timber and occasionally buy some sealant to put on timbers which are cut in the field.

Boultonizing

Regarding our lunch conversation on this issue. When we did our evaluation of the economics of boultonizing versus air drying, we used several reference materials in our work. I told you I would try to scare those up. As it turns out, the two predominant ones were a 1995 draft of Dave Burns' report of October 1996 in Section 2 and behind Tab 21. I have enclosed another document entitled "The Effects of Drying Methodology on the Property of Oak Crossties". This was a June 1993 report from the AAR authored by Laine, Davis and Chow.

Otherwise, thanks again for the insightful meeting! I thoroughly enjoyed it.

----- Forwarded by Gary P. Zaversnik on 02/08/2000 08:32 AM -----

James C Gauntt <ties@rta.org> on 02/04/2000 10:04:04 AM



To: Alan Miller <amiller@cfw.com>, Bill Cameron <william_cameron@koppers.com>, Rob Churma <robert_churma@cpr.ca>, Ken Jensen <KEJensen@NSCorp.com>, Gary P. Zaversnik, Dave Webb <davidawebb@aol.com>, Paul Merrick <merrick@tjm.com>, Jack Rahmes <Jack_Rahmes@CSX.com>, Joe Palese <palese@zetatech.com>, Jim Moore <jmoore@kmg.com>
cc: Bill Gadd <egaddats@worldnet.att.net>, Mike Barnes <mbarnes@cf.msstate.edu>, Don Gallery <Don.Gallery@CN.ca>

Subject: Follow up to meeting

Gentlemen,

Thank you again for participating in this past weekends meetings and

Gary Zaversnik 02/10/2000 07:31:32 AM

activities. I am convinced that we did some important work. So is the Executive Committee. In action taken on Monday, the Board approved funding to begin working on Rob Churma's proposal, and with a few refining suggestions, Dr. Kenn Brooks proposed work as well. The other "ideas" generated were also received positively and much staff work has been authorized to bring many of them to fruition. The budget will not allow us to pursue Dr. Amburgey's proposal this year, but the Board is aware that you consider it a priority as soon as funds are available.

Again, thank you for your time and input

Jim Gauntt

PS to Rob Churma: Rob I need what details you have on the June RTA field trip today or Monday at the latest. Please let me know by return email. Thanks.

NOTE to CC'd Weather Impaired Participants: Although we had a great meeting, your input was sorely missed. At this time we have not agreed to schedule another time or place for a follow up meeting. We have agreed that one should take place. It is possible that it will be scheduled in conjunction with other RTA meetings later in the year. Wish you could have been there, it was great.

 - ties.vcf



Supply Department Policies & Procedures

Procedure Name: BMS3-19
Main Topic: Internal Policies & Procedures
Sub-Topic 1: Buying Material & Services
Sub-Topic 2: Sources of Supply
Group:


Author: Diane Hobbs

Date: 09-04-98

Last Reviewed: 01-28-92

Title: **Policy: Process for Potential Suppliers to Approach Union Pacific for Business Opportunities**

GENERAL:

It is the policy of the Union Pacific Railroad to maintain an open, competitive atmosphere which is mutually beneficial to both buyer and seller. It is our policy to foster this environment. We buy on the basis of definitive specifications, quality of products and service, and competitive price. We are constantly on the lookout for new and innovative ideas from our suppliers (see procedure BMS3-9, "Policy: Vendor Relations") .

This policy covers new material proposed for use on Union Pacific whether it be a new item or a new source for an existing item.

RESPONSIBILITY AND ACTION:



If product is a new product not currently being used by Union Pacific:

New or Existing Supplier

- 1 Calls on Manager-Purchasing in person or by telephone to arrange an appointment.

NOTE: Office hours are from 9:30 to 11:30 a.m. and 1:30 to 3:00 p.m., *Monday through Friday.*

Manager-Purchasing

2. Schedules an appointment with the Supplier and requests the Supplier to furnish the following information (see procedures BMS3-5, "Policy: Financial Evaluation"  and BMS3-7, "Affirmative Action Program for Minority Business Utilization" ) during the appointment as necessary:

- Letter of Introduction
- Product Specifications
- Drawings
- Financial Analysis

- Production Capability
- Pre-award survey forms
- Price Information

3. Meets with supplier and discusses product and product review process.
4. Asks user department to determine if product has potential use.

User Department

5. Notifies Manager Purchasing of its findings.

Manager Purchasing

6. Determines if supplier is viable, using information from appointment and from user department.
7. If supplier is determined *not* to be viable, reviews as necessary with Director Purchasing or General Director Purchasing.
 - a. Documents that supplier is not viable.
 - b. Advises supplier by letter.
8. If supplier is determined to be viable, forwards specifications to user department and requests user evaluation/recommendation.

NOTE: Follows up with user department within thirty days if recommendation has not been received from the user department.


User Department

9. Reviews specifications to evaluate for use.
10. Sends evaluation/recommendation to Manager Purchasing.

Manager Purchasing

11. Reviews department evaluation recommendation as necessary with Director Purchasing or General Director Purchasing.
12. If Manager Purchasing does not accept user department's evaluation/recommendation, informs user department why evaluation/ recommendation is not accepted and requests user department to re-evaluate; continues working with user department until an agreement is reached.
13. If Manager Purchasing accepts user department evaluation/recommendation, notifies supplier.

User Department

14. Determines if testing (lab or field) is required.
15. If testing is required, submits a request for material testing (see procedure BMS3-18  "Requests for Material Testing") via the Online Requisition System (ORS) or by "Material

Requisition", Form 70000.

NOTE: Most requests originate with user department personnel; however, a Director Purchasing or Manager Purchasing may also initiate the request. In this instance, the requisition must be forwarded to appropriate user department for approval before the test.

16. If testing is *not* required, notifies Manager Purchasing.


Manager Purchasing


17. If testing is required:


- a. Receives request from user department for material testing, determines if supplier or if Research and Development funding will be used for testing costs.
- b. Notifies supplier whether Research and Development funding or if the supplier will fund testing costs.
- c. Upon receipt of laboratory/ field test results:
 - 1) If material is not approved, advises supplier of disapproval by letter.
 - 2) If material is approved by the Lab and/or by user department:
 - a) Advises supplier by letter of the approval.
 - b) Requests user department to submit Form 70209, "Request for Addition to Warehouse Stock Material Catalog", if material will be carried as stock material.
 - c) For material that will be carried as stock material, advises Sr. Manager Inventory & Customer Service (271-3779) or Manager Customer Service (so that Material Management System can be updated).

18. If testing is not required:

- a. Advises supplier by letter of the approval.
- b. Requests user department to submit Form 70209, "Request for Addition to Warehouse Stock Material Catalog", if material will be carried as stock material.
- c. For material that will be carried as stock material, advises Sr. Manager Inventory & Customer Service (271-3779) or Manager Customer Service (so that Material Management System can be updated).

19. Schedules an on-site plant audit as applicable (see BMS3-6 , "Policy: Vendor Plant Visitations" and "QSP306 Supplier Audit and Survey").

20. Requests bids (see procedure BMS5-9 , "Requesting and Receiving Quotations/Bids from Vendors").

21. Receives quotations (see procedure BMS5-1 , "Policy: Requesting Quotations and Buying").

NOTE: Bid or request for quotation may or may not be required on single source products.

22. Negotiates as necessary and awards business.

***If product is an existing product currently being used by
Union Pacific:***

New or Existing Supplier

1. Calls on Manager Purchasing in person or by telephone to arrange an appointment.

NOTE: Office hours are from 9:30 to 11:30 a.m. and 1:30 to 3:00 p.m., ***Monday through Friday.***

Manager Purchasing

2. Schedules an appointment with the Supplier and requests the Supplier to furnish the following information (see procedures BMS3-5 "Policy: Financial Evaluation" and BMS3-7 "Affirmative Action Program for Minority Business Utilization") during the appointment as necessary:

- Letter of Introduction
- Product Specifications Drawings
- Financial Analysis
- Production Capability
- Pre-award survey forms
- Price Information

3. Meets with supplier and discusses product and product review process.




4. Determines if supplier is competitive/viable, using information from appointment.

5. If supplier is determined ***not*** to be competitive/viable, reviews as necessary with Director Purchasing or General Director Purchasing.

- a. Documents that Supplier is not competitive/viable.
- b. Notifies supplier by letter.

6. If supplier is determined to be competitive/viable, determines if another supplier is needed after reviewing product bid list.

NOTE: Bid lists are normally held to a maximum of eight suppliers as a matter of departmental policy.

7. If another supplier is *not* needed, notifies supplier by letter.
8. Determines if product requires user department review.
9. If product does not require user department review:
 - a. Schedules an on-site plant audit as applicable (see BMS3-6 , "Policy: Vendor Plant Visitations" and "QSP306 Supplier Audit and Survey").
 - b. Requests bids (see procedure BMS5-9 , "Requesting and Receiving Quotations/Bids from Vendors").
 - c. Receives quotations (see procedure BMS5-1 , "Policy: Requesting Quotations and Buying").

NOTE: Bid or request for quotation may or may not be required on single source products.

- d. Negotiates as necessary and awards business.
10. If product requires User Department review, forwards specifications to User Department and requests User evaluation recommendation.

NOTE: Follows up with User Department within thirty days if recommendation has not been received from the User Department.

User Department

11. Reviews specifications to evaluate for use.
12. Sends evaluation/recommendation to Manager-Purchasing.

Manager-Purchasing

13. Reviews User Department evaluation/recommendation as necessary with applicable Director Purchasing or General Director Purchasing.
14. If Manager Purchasing does not accept user department's evaluation recommendation, then informs user department why evaluation/ recommendation is not accepted and requests user department to re-evaluate; continues working with user department until an agreement is reached.
15. If decision is reached not to consider an existing product, notifies supplier.


User Department



16. If decision is to consider existing product, determines if testing (lab or field) is required.
17. If testing is required, submits a request for material testing via the Online Requisition System (ORS) or by Material Requisition, Form 70000. If the estimated test period is greater than 30 days, notates this information directly on request for testing.

NOTE: Most requests originate with User Department personnel; however, a Director Purchasing or Manager Purchasing may also initiate the request. In this instance, the requisition must be forwarded to appropriate user department for approval before the test.

18. If testing is *not* required, notifies Manager Purchasing.

Manager Purchasing

19. If testing is required:
 - a. Receives request from user department for material testing, and determines if supplier or if Research and Development funding will be used for testing costs.
 - b. Notifies supplier whether Research and Development funding or if the supplier will fund testing costs.
 - c. Upon receipt of laboratory/field test results:
 - 1) If material is not approved, advises supplier by letter of disapproval.
 - 2) If material is approved by the lab or by user department:
 - a) Advises supplier by letter of the approval.
 - b) Requests user department to submit Form 70209, "Request for Addition to Warehouse Stock Material Catalog", if material will be carried as stock material.
 - c) For material that will be carried as stock material, advises Sr. Manager Inventory & Customer Service (271-3779) or Manager Customer Service so that Material Management System can be updated.
20. If testing is *not* required:
 - a. Advises supplier by letter of the approval.
 - b. Requests User Department to submit Form 70209, "Request for Addition to Warehouse Stock Material Catalog", if material will be carried as stock material.
 - c. For material that will be carried as stock material, advises Sr. Manager Inventory & Customer Service (271-3779) or Manager Customer Service so that Material Management System can be updated.
21. Schedules an on-site plant audit as applicable (see BMS3-6 , "Policy: Vendor Plant Visitations" and "QSP 306 Supplier Audit and Survey.")

22. Requests bids (see procedure BMS5-9 , "Requesting and Receiving Quotations/Bids from Vendors").
23. Receives quotations (see procedure BMS5-1 , "Policy: Requesting Quotations and Buying").
24. Negotiates as necessary and awards business.

Last Modified:

Diane Hobbs on 09/04/98