

BQ-9000 Quality Management System

Marketer Requirements



Revision 6

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BQ-9000 Marketer Program Requirements

1 SCOPE

This document specifies requirements for a quality management system where an organization needs to

- a) demonstrate its ability to receive product that meets ASTM D6751
- b) blend biodiesel and distribute it
- c) address quality assurance through the effective application of the program, including processes for corrective action and the prevention of nonconformity.

The requirements specified herein are applicable to fuel marketers in the biodiesel industry. The requirements are site or facility specific. If a marketer operates multiple facilities, only those locations approved by the Commission can be included in marketing or distribution material that displays the BQ-9000 logo. The process control requirements are prescriptive, while the remaining clauses are descriptive.

2 TERMS AND DEFINITIONS

For use in this text, the following terms and definitions apply.

Note: The word “**shall**” indicates mandatory requirements of this document. The word “**should**” indicates a mandatory requirement with some flexibility allowed in compliance methodology. Those choosing other approaches to satisfy a “should” must be able to show that their approach meets the intent of these requirements.

2.1 ASTM: ASTM International, originally known as the American Society for Testing and Materials (ASTM), was formed over a century ago. ASTM International is one of the largest voluntary standards development organizations in the world. ASTM develops technical standards for materials, products, systems, and services.

2.2 Biodiesel: A fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats and meeting ASTM D6751, designated B100.

2.3 Blend: A blend of biodiesel with fuel oils in a specified ratio, designated Bxx, where xx is the volume percent of biodiesel.

2.4 External Laboratory: A third party laboratory that the biodiesel organization can use to test product samples.

2.5 Internal Laboratory: A laboratory that is operated or managed by the biodiesel organization.

2.6 Marketer: an entity engaged in the business of the distribution and sale of biodiesel and/or biodiesel blends of B2 or greater.

2.7 Broker: an entity involved in the transfer of product from a producer to a marketer or end use customer, and does not normally take title or physical possession of the product.

2.8 NBAC: The National Biodiesel Accreditation Commission is an autonomous committee of the National Biodiesel Board that oversees and directs the BQ-9000 program.

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2.9 Organization: A producer or marketer of biodiesel or biodiesel blends.

2.10 Producer: An organization involved in the production of B100 through assets under their direct control. Producers can either sell B100 or biodiesel blends of B99 or higher. The Producer shall be registered with the EPA as a renewable fuels producer.

2.11 Quality Manual: A document that describes the elements of the quality program used to assure that the requirements of this document are met.

2.12 Quality Program: The organizational structure, responsibilities, procedures, processes and resources necessary to manage quality.

2.13 Verification: Confirmation by examination and provision of objective evidence that specified requirements have been fulfilled.

3 REFERENCES

3.1 Normative References

The following references contain provisions which, through reference herein, constitute provisions of these requirements. All referenced documents are subject to revision, and all those applying these requirements are required to apply the most recent editions of the references indicated below.¹

ASTM D396 Standard Specification for Fuel Oils

ASTM D975, Standard Specification for Diesel Fuel Oils

ASTM D1298, Standard Test Method for Density, Relative Density (Specific Gravity), or API Gravity of Crude Petroleum and Liquid Petroleum Products by Hydrometer Method.

ASTM D4052, Standard Test Method for Density and Relative Density of Liquids by Digital Density Meter

ASTM D4057, Standard Practice for Manual Sampling of Petroleum and Petroleum Products.

ASTM D4176, Standard Test Method for Free Water and Particulate Contamination in Distillate Fuels (Visual Inspection Procedures)

ASTM D6751, Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels.²

ASTM D7371, Standard Test Method for Determine of Biodiesel (Fatty Acid Methyl Esters) Content in Diesel Fuel Oil Using Mid Infrared Spectroscopy (FTIR-ATR-PLS Method)

ASTM D7467, Standard Specification for Diesel Fuel Oil, Biodiesel Blend (B6 – B20)

Form BQF-1, BQ-9000 External Laboratory Verification

¹ ASTM documents are available from www.astm.org.

² Any approved alternative test methods listed in ASTM D 6751 are acceptable for use in this program.

3.2 Informative References

The following reference is included as bibliographic information which may contain material useful in the application of this requirements document. Excerpts from this reference were used in the development of the requirements in this document.

ISO 9001:1994³, *Quality Management Systems - requirements*

4 DOCUMENTATION REQUIREMENTS

The quality management system documentation shall include

- a) documented statements of a quality policy
- b) a quality manual
- c) documented procedures required by the BQ-9000 Program
- d) records required by this standard

The organization shall establish and maintain a documented quality management system containing provisions which explicitly or by reference, include the requirements contained in this document. The organization shall implement the newest revision of the BQ-9000 Marketer Program Requirements into their quality management system within 90 days of the effective date of the latest revision. The organization shall notify the NBAC when these quality system changes have been made.

4.1 Quality Manual

The quality program shall be documented in a quality manual, which meets the requirements herein including the means to ensure that B100 conforms to ASTM D6751, is appropriately blended and meets any customer specific requirements. The quality manual shall include or make reference to quality system procedures.

4.2 Quality Policy

A quality policy shall be defined and documented which includes the objectives for and commitment to quality. The quality policy shall be related to the business goals of the biodiesel operation and the expectations of its customers. The quality policy shall be invoked throughout the biodiesel operation and understood by all levels of personnel.

4.3 Quality System Procedures

Documented Quality System Procedures (QSPs) shall be prepared that describe the process to be employed for determining and documenting how operational quality requirements will be met and be consistent with the requirements herein. Procedures shall make reference to work instructions that define how an activity is performed.

4.4 Document Control

The quality program shall contain provisions for maintaining and controlling BQ-9000 quality program related documents and records. Document Control shall have at least the following:

³ International Organization for Standardization (ISO). This material is reproduced from ISO 9001:1994 with permission of the American National Standards Institute (ANSI) on behalf of ISO.

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- a) A method of identifying the current document; such as a revision letter, a revision date, or an effective date on page each of the document.
- b) A Document Status form that lists all documents in the Quality System the current revision of each document as defined in a) above and the effective date of the revision.
- c) A distribution list of those in possession of your Quality Manuals.
- d) A method for controlling the distribution of new and updated sections of your Quality System Documents. This should include a mechanism to remind the recipients to destroy the copy of the obsolete documents. This is particularly important where forms are copied in advance of use.

4.5 Control and Retention of Records

Records shall be established and maintained to provide evidence of effective implementation, operation and compliance of the organization's quality system. Records shall be retained for a minimum of two years. Records shall be legible, identifiable and accessible. The storage of quality records shall be done in a manner that ensures record integrity.

5. MANAGEMENT RESPONSIBILITY

5.1 Quality Management Representative

A quality management representative (QMR) shall be appointed and irrespective of other duties, shall chair quality management review meetings, ensure that a quality program is established and that it meets the requirements herein, report on the performance of the quality program and ensure that the most recent version of the quality documents are made available to personnel.

5.2 Internal Quality System Audits

The organization shall develop and implement a system for performing internal quality audits. Internal quality system audits of each element of the quality system shall occur at a minimum of once per year to verify that the organization's operations comply with the requirements stated in its quality management system to determine the effectiveness of the quality program. Audits should be performed by persons other than those responsible for the area being audited. Audit frequency should be increased when audit results indicate that increased frequency would be beneficial. Audit results shall be presented to personnel responsible for the audited area and cited nonconformities shall be resolved in a timely manner as defined in documented procedures. The audit process, nonconformance reports, corrective action plans, and effective corrective action shall be included in internal audit records.

5.3 Quality Management Review

Quality management review meetings shall be held at least once every six months. Records shall be kept of the review meetings. The input to management review meetings should include information on the following:

- a) results of Internal Quality System Audits
- b) customer feedback
- c) process performance & product conformity
- d) status of preventive and corrective actions

- e) follow-up actions from previous management reviews
- f) changes that could affect the quality management system
- g) recommendations for improvement.

6 LABORATORIES

6.1 Laboratory Practices

Internal and external laboratories used by the organization shall implement the following practices.

- a) Shall have copies of the current ASTM D6751 specification and of the test methods for the test being conducted in the laboratory.
- b) Shall have all the required equipment and standards that are required for the testing that is being conducted in the laboratory.
- c) Shall calibrate the equipment and standardize reagents at least as frequently as required by the methods for testing product to ASTM D6751 specifications. If there is not a requirement for calibrations, then a lab specific schedule shall be established for each test method used by the laboratory. Calibrations and standardizations shall be documented.
- d) Shall have a training program that demonstrates competencies for testing product to ASTM D6751 specifications.
- e) At least once every four months, a laboratory shall execute a documented program to verify that their testing results are accurate by sending duplicate samples out to an independent laboratory, purchasing and testing standards, or participating in an ASTM (or equivalent) biodiesel cross check program.
- f) Shall determine, collect and monitor appropriate data to demonstrate the effectiveness of the testing performance.
- g) Shall maintain records that indicate test results that were produced by an external laboratory.
- h) Analytical results shall reference the test method specification.

6.2 Laboratory Auditing Protocol

6.2.1 Internal laboratories

Internal lab audits shall be included as part of the Internal Quality System Audits (see 5.2).

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6.2.2 External laboratories

Organizations using external laboratories shall receive from the external laboratory a completed and signed Form BQF-1 with supporting documentation indicating their compliance with the requirements specified in 6.1. This form shall be completed annually by the external laboratory and shall be retained by the organization for a minimum of two years.

7 RECEIPT OF PRODUCT

BQ-9000 Marketer Functioning per the Marketer Definition

A BQ-9000 Marketer functioning per the Marketer Definition has four purchase options when marketing biodiesel:

- a) The marketer can purchase biodiesel from a BQ-9000 Producer.
- b) The marketer can purchase the biodiesel from a non BQ-9000 Producer and verify that testing has been performed to produce a valid Certificate of Analysis (COA) see 7.2 (see Appendix A).
- c) The marketer can purchase biodiesel or a biodiesel blend from a BQ-9000 Marketer.
- d) The marketer can purchase biodiesel or a biodiesel blend from non BQ-9000 Marketer and verify that testing has been performed to produce a valid COA, and if applicable, an accurate blend. See 7.2 (see Appendix A).

The marketer shall document from whom the biodiesel fuel was purchased, their BQ-9000 status and the amount of fuel received. The marketer shall only accept product transfer documents that include an EPA registration number.

In any case, a representative sample of the product purchased shall be taken and retained for a minimum of 60 days.⁴ This sample shall be tested per ASTM D4176 (Procedure 2, Maximum Value of 2).

7.1 Product Received from a BQ-9000 Producer or BQ-9000 Marketer

If product is received from a BQ-9000 Producer or Marketer, the BQ-9000 Marketer may accept the COA or other documentation demonstrating that the product met the limits of the tests conducted by the biodiesel producer and off-load product directly into a distribution tank.

7.2 Product Received from a Producer or Marketer that is not BQ-9000 Certified

Product received from a producer or marketer that is not BQ-9000 certified shall have certificate(s) of analysis showing the tests were performed by either an independent lab or the BQ-9000 Marketer's internal lab to verify that the product meets full ASTM D6751 specifications, and if applicable the accuracy of the biodiesel blend.

Note: If a BQ-9000 Marketer is loading Biodiesel product or a Biodiesel blend **and** will not be offloading the product but proceeding to immediately distribute the product **and** cannot meet the

⁴ Retained samples ("retains") shall be kept in an environmentally appropriate location to avoid spoilage of the sample for the period of time being retained. In most cases, retention of at least one liter of fuel should be sufficient. If it is anticipated that cetane number will need to be tested from the retained sample, then an additional liter of fuel may be needed.

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requirements of 7.2, then the BQ-9000 Marketer must purchase their biodiesel or biodiesel blend from a BQ-9000 Producer or BQ-9000 Marketer.

7.3 Commingling of B99 or B100 Fuel Shipments or Lots

Once the requirements of Section 7.1 or 7.2 have been met that indicate the fuel has been tested and has met the specification limits of the tests conducted, the fuel shipments or lots can be commingled with other verified lots.

The cloud point of the commingled products shall be reported as either

- 1) The highest cloud point of the products being commingled or
- 2) The measured cloud point of a representative blend

The oxidation stability shall be reported as either

- 1) The lowest oxidation stability hours of the products being commingled or
- 2) The measured oxidation stability of a representative blend

The cold soak filterability shall be stated as either

- 1) Meeting the higher of the 360 or 200 second filterability time limits of the products being commingled or
- 2) The measured cold soak filterability of a representative blend

7.4 B99 or B100 Tanks with Multiple Position Holders

In a situation where a marketer distributes product from a tank where companies other than the marketer lease space, the position holders in the tank shall purchase product using the same guidelines in Sections 7 – 7.2.

7.5 Diesel Fuel & Fuel Oil as a Blend Component

Since ASTM D975 and ASTM D396 specification permits diesel fuel to be supplied with up to 5% Biodiesel content, the Marketer shall know whether the diesel fuel or fuel oil used in the Marketer's blending operations contains any percentage of biodiesel. Since the diesel fuel and fuel oil certificates of analysis may not contain information on the amount of biodiesel in the purchased diesel used for blending, the Marketer shall determine the biodiesel content through testing or by specifying the biodiesel content in the purchase contract. This requirement is not applicable when making blends of B99 or higher.

BQ-9000 Marketer Functioning per the Broker Definition

A BQ-9000 Marketer functioning only per the Broker definition must operate under the following:

- a) The Broker shall deal only with BQ-9000 Producers when transferring B100 or B99 product;
- b) The B99 blending must be performed by the BQ-9000 Producer utilizing the Producer's loading/blending facilities;
- c) If the Broker is involved in transferring blends lower than B99, the Broker shall deal only with BQ-9000 Marketers who are responsible for the blending with the BQ-9000 Marketer's facilities;
- d) If the Broker is responsible for arranging contract haulers to deliver the biodiesel product, these contracts shall include cleanliness standards for the transports as specified in section 9.4; the Broker is also responsible to arrange with on-site personnel to perform and/or document the required periodic verification that these transports are meeting the cleanliness standard;

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- e) If cleanliness standards are not included in the hauling contracts or TAS (Terminal automation system), the Broker is responsible to arrange with on-site personnel to perform cleanliness inspections prior to loading and document these inspections;
- f) If the customer is responsible for transport of the biodiesel product, the Broker has no specific responsibility to enforce transport cleanliness standards;
- g) The Broker shall not be required to retain a sample of any shipment. The Broker shall depend upon the BQ-9000 Producer to hold a sample of the production lot that is being transferred if the product is B100 or B99; the Broker shall depend upon the BQ-9000 Marketer to hold a sample of the blended product that is being transferred if the product is a blend below B99;

8 B99 or B100 STORAGE

8.1 B99 or B100 Storage and Distribution Tanks

All B100 storage and distribution tanks should be dedicated to biodiesel service. If a tank is changed from some other service to biodiesel storage, the tank should be drained dry, cleaned, and then inspected. The inspection shall be documented.

8.2 B99 or B100 Storage Tank Sampling and Testing

Inspection and testing functions associated with the verification that specified product requirements are being met shall be defined in documented procedures. Such procedures shall include the types of inspection and testing performed and the records established by same.⁵

The procedures for final inspection and testing shall require that all specified inspection and tests have been carried out and that the results meet specified requirements. Procedures for control of nonconforming product shall be employed (see 10.1) when a product fails to pass a required inspection or test.

8.3 B99 or B100 Tank Testing

If a biodiesel storage tank has no activity (no shipments out) for 30 days, product shall not be shipped from the storage tank until an outlet sample, or a representative sample of the product according to ASTM D4057 is taken. The sample shall be tested for water and sediment per ASTM D4176 and for Oxidation Stability per ASTM D6751. If the sample fails to meet specification, the production lot shall be isolated and the procedures for the control of nonconforming product shall apply.

Analytical results shall be documented. If the product is out of specification the appropriate corrective action shall be taken including documentation.

9 FUEL BLENDING AND DISTRIBUTION

9.1 Fuel Blending (see Appendix B)

9.1.1 Fuel Blending of B99 or Higher Blends

Biodiesel blends of B99 or higher require only records of the volumes of the Biodiesel and diesel fuel used to create this blend. There is no sampling or testing of these blends, nor validation of this blending process.

9.1.2 Fuel Blending of Blends Lower Than B99

⁵ Organizations should check with their laboratories to determine the optimal volume of fuel needed for testing the product and for acceptable shipping containers and procedures.

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For creating Biodiesel blends lower than B99, the blending operation shall be monitored to assure adequate mixing of the products in the correct proportions. This includes measuring and recording the volumes and blend levels as verified through bills of lading, meter printouts or other auditable records of both the biodiesel and diesel fuel, which comprise the blend. These records shall be kept for a minimum of two years.

Validation of the blending process shall be as follows:

9.1.3 Blend homogeneity is measured by obtaining samples at the upper, middle and lower regions of the vessel (if tank blending) or of the tanker or railcar (if rack blending) per ASTM D4057, Standard Guide for the Sampling of Petroleum and Petroleum Products.

9.1.4 To validate the blending process three consecutive blend lots shall be tested for each blend range that the Marketer plans to distribute.

9.1.5 The sample or samples shall be analyzed for percent biodiesel using ASTM D7371, Determination of Biodiesel Content in Diesel Fuel. The % methyl ester in each of the level samples must be within 0.50% by volume for blends less than or equal to B5 and 1.0% by volume for blends greater than B6.

9.1.6 The validation test results shall be recorded and retained for a period of two years.

9.1.7 Once initial validation has been completed, the validation shall be performed annually by requiring one test for each blend range of product distributed per 9.1.4.

9.1.8 If a Marketer has both rack blending and storage tank blending, blending validation shall be performed on both systems.

9.2 Storage and Distribution Tanks Containing Blended Biodiesel

All blend tanks should be dedicated to biodiesel blend service. If a tank is changed from some other service to biodiesel blend storage or distribution, the tank should be drained and cleaned prior to use. The inspection shall be documented.

9.3 Blended Fuel Tank Testing (See Appendix C)

An outlet sample taken from the blend tank (when there is no activity over a 30 day period) shall be tested for moisture and sediment using ASTM D4176, (Procedure 2, Maximum value of 2). If out of specification, corrective action with documentation is required.

9.4 Trucks, Railcars and Vessels Containing Biodiesel and Blended Biodiesel

The quality program shall provide cleanliness specification standards that address material and chemical compatibility issues, inspections and cleanliness for trucks, railcars and vessels used for distributing biodiesel and biodiesel blends in a BQ-9000 Marketer's supplied trucks, railcars and vessels. All trucks, railcars and vessels shall be inspected prior to loading if the previous load contained a product that would contaminate the biodiesel (e.g., gasoline, ethanol, methanol, lube oils, raw vegetable oil or animal fats). This would include dyed products and products in excess of 15 ppm sulfur when the biodiesel is destined for ULSD applications. These inspections shall be documented and retained per program requirements.

Inspection prior to loading is not required for each shipment if agreements and/or contracts with transport companies have stated, explicitly or by reference, the cleanliness standards that shall be complied with before hauling biodiesel. The marketer shall periodically verify that the transport companies are meeting the cleanliness specifications. These verification inspections shall be

documented and retained per program requirements.

10 REMEDIATION ELEMENTS

10.1 Nonconforming Product

The organization shall develop documented procedures that will ensure that product is prevented from unintended use or shipment if it is found to be nonconforming. Controls shall be defined that provide for identification, documentation, evaluation, segregation (when practical), disposition of nonconforming product, and for notification to the functions concerned. Personnel with the authority to review and “sign-off” on the disposition of nonconforming product shall be identified. The review of nonconforming product shall be conducted according to the documented procedures. The disposition of nonconforming product may be categorized as:

- a) reprocessed to meet specification
- b) re-classified to another non-motor vehicle fuel application
- c) rejected or destroyed.

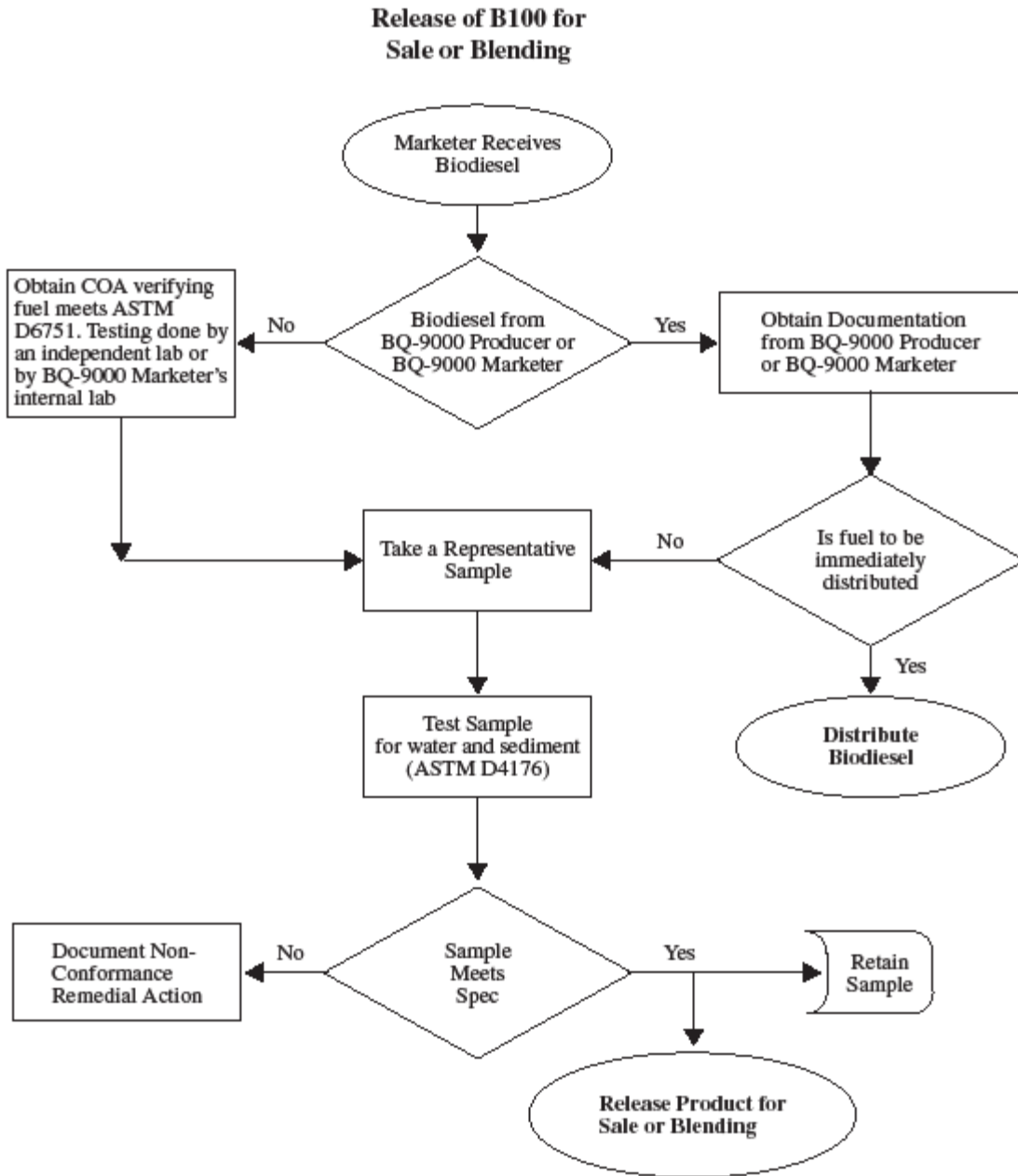
If product is reprocessed, it shall be re-inspected to assure it meets specification. The re-inspection shall be documented.

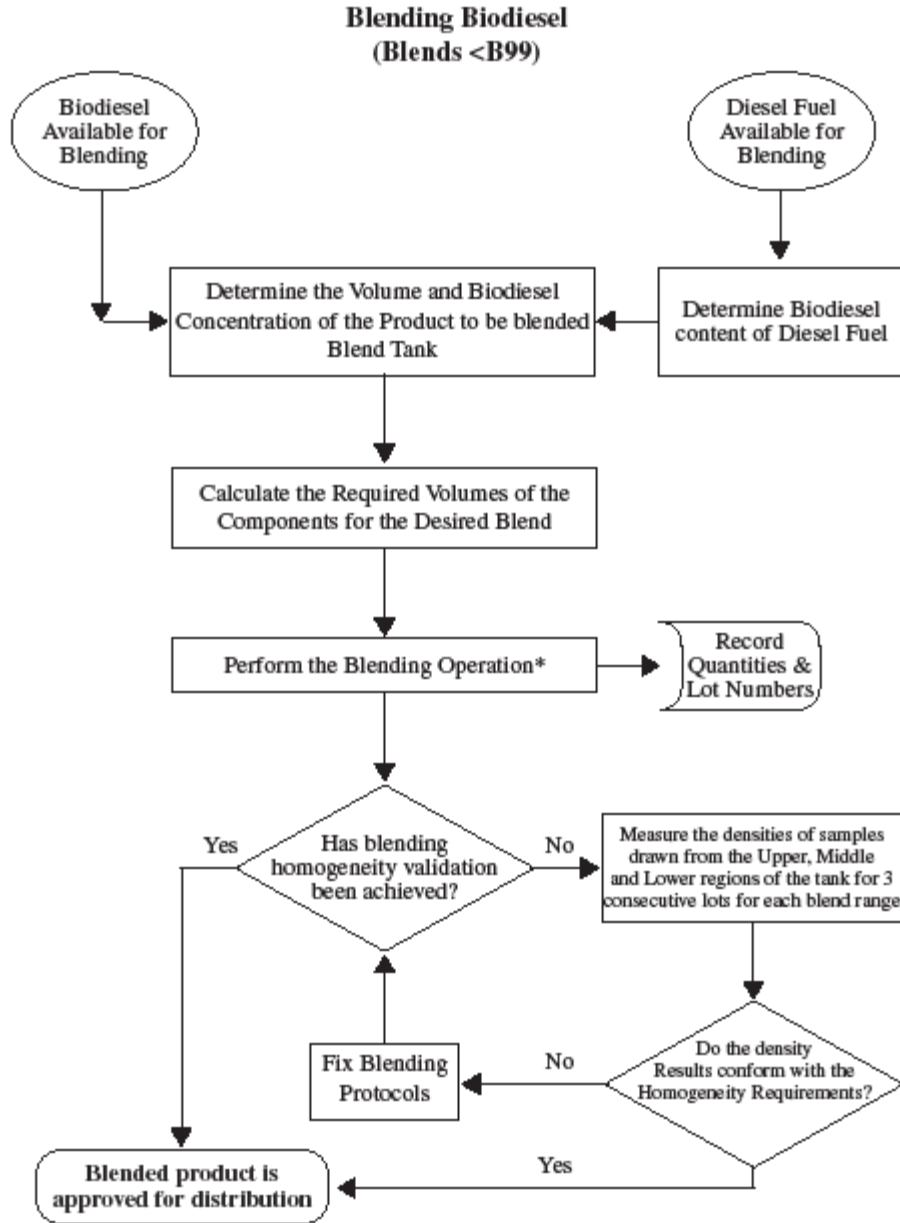
10.2 Corrective and Preventive Action Procedures

Corrective and Preventive Actions shall be managed through the use of documented procedures. Records shall be maintained for corrective and preventive actions. Corrective actions shall be issued in response to product quality nonconformities (including both internally identified and customer complaints related to product quality) and identified nonconformities related to processes of the Quality Management System (including internal and external audits).

For Corrective Actions, the procedure shall require the clear statement of the nonconformity; assignments of responsibility for definition and completion of the corrective action; identification of root cause; identification of the corrective action(s) that are intended to prevent recurrence of the nonconformity and verification of the effectiveness, at an appropriate interval following the implementation of the corrective action, of the action. Corrective actions shall not be closed until verification of effectiveness activities have been completed and recorded. Records of corrective actions shall be documented using a form that supports the above required processes.

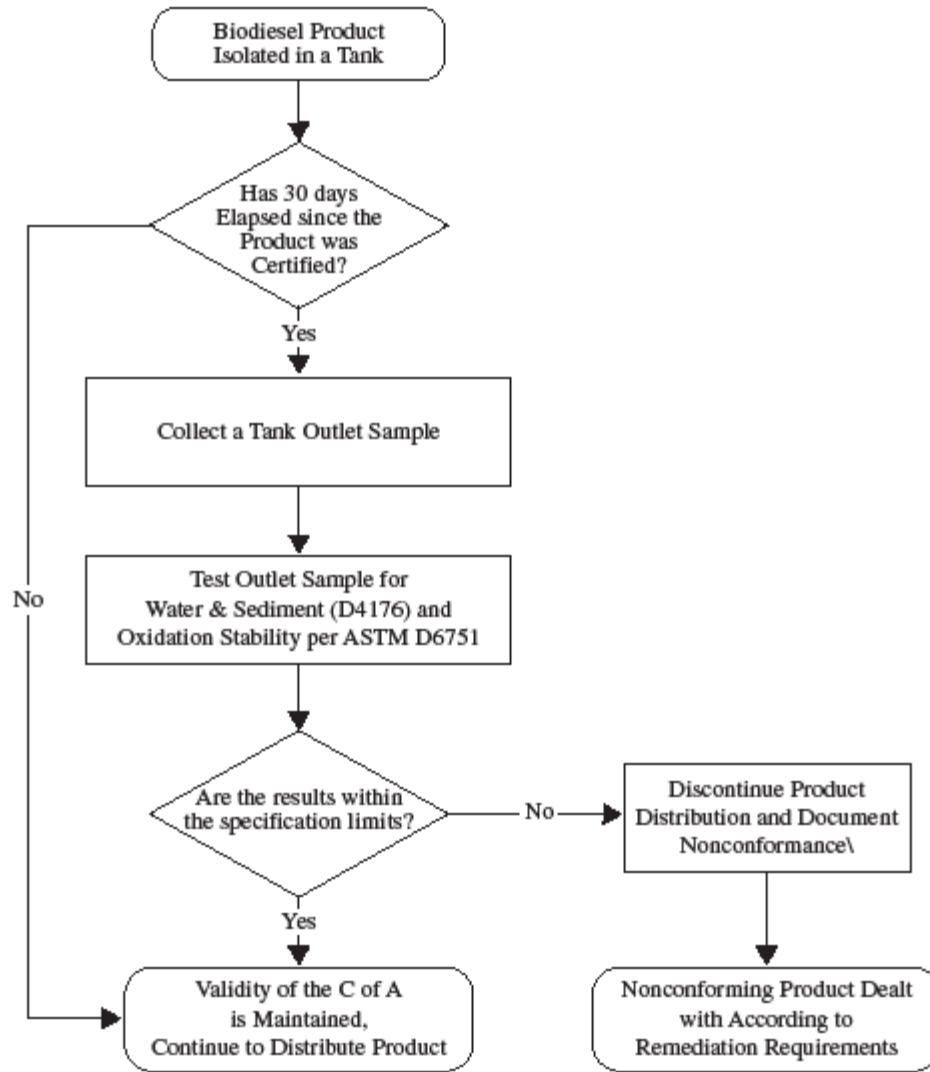
For Preventive Actions, the procedure shall require the clear statement of the condition that could result in a nonconformity (either related to product quality or processes of the Quality Management System); assignments of responsibility for the definition and completion of the preventive action and the identification of the preventive action(s) that are intended to prevent the occurrence of the nonconformity. Records of preventive actions shall be documented via memos and/or the use of forms implemented for corrective actions.





*Assure tank cleanliness standards are met, especially if tank service changes.

**Monitoring the Integrity
of Stored Product**



*Under specific storage conditions it may be prudent to conduct more frequent product inspections.

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BQF-1 Form BQ-9000 External Laboratory Verification Revision 4 Effective June 1, 2010

1. Are you a BQ-9000 registered laboratory? If yes what is the scope of registration? Attach certificate, sign, and date and return form – no further questions need be answered.
2. Is the laboratory registered with any certifying body? ____ Yes ____ No
If yes, please provide the name of the certifying body and the laboratory's registration number.
3. Does the Laboratory have the current ASTM D6751 specifications and current ASTM test methods for all biodiesel Tests that they perform? ____ Yes ____ No

Attach a copy of the Laboratory's test equipment used for biodiesel testing.
4. Describe what method the Laboratory used to ensure that they have the latest versions of ASTM documents?
5. Does the Laboratory calibrate the test equipment at least as frequently as required by the ASTM test methods used for testing Biodiesel? ____ Yes ____ No
6. For some of the Biodiesel ASTM tests, the test methods do not define a schedule for calibrating the test equipment. For these test methods, does the Laboratory have a schedule to calibrate test equipment? ____ Yes ____ No

Attach a copy of the Laboratory's schedule for calibrating test equipment used for biodiesel testing. (May be combined with question 3)
7. Describe what basis is used for establishing the recalibration schedule for the test methods described in question 4?
8. Describe the method used to ensure the expired reagents or degraded reagents are cleared from the Laboratory and not accidentally used.
9. What basis is used to determine when maintenance is to be performed on test equipment?
10. How long are the calibration and equipment maintenance records maintained?
11. What method is used to train personnel to competently perform these tests? Note: Attendance at seminars or conferences is not considered adequate training methods, unless these meetings are held specifically for Test Method training. Describe the training methods
12. Are these training records maintained? ____ Yes ____ No

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13. How frequently is retraining required?
14. Describe the Laboratory's internal audit process? Who performs the audit? Who reviews the results? Is there a system for processing corrective actions?
15. Describe what method does the Laboratory use to ensure that their testing results are accurate? Such as ASTM Cross Check Program, QC Samples, Third Party testing, etc.
16. Describe the process for analyzing the data generated to verify the effectiveness of the Laboratory's testing performance. Who performs the analysis? Who reviews the results? What frequency? Is corrective action used?
17. Describe the actions taken when test results are reported and the test equipment is later found out of calibration.
18. How long does the Laboratory retain samples submitted for Biodiesel testing?
19. Does the Laboratory's report analytical results reference the test method used?
 Yes No
20. When a Laboratory uses an external third party Laboratory for some of the Biodiesel testing, is the third party Laboratory referenced on the test results form?
 Yes No
21. What methods are used to ensure that the external third party Laboratory meets these same quality system requirements as specified on this BQF-1 form? Describe.

Laboratory Name: _____

Laboratory Address: _____

Laboratory Manager Signature: _____

Date: _____

When submitting this form, attach sufficient objective evidence to verify compliance with the laboratory requirements where appropriate.

Part B Policy Regulations

1.0 Certification Process

1.1 Initial Certification

The initial certification process is described in the NBAC BQ-9000 Application Package document. The date that the NBAC Commission approves the BQ-9000 certification for an applicant becomes the anniversary date of their certification. Approximately one year from their certification anniversary date, an on-site Surveillance Audit will be held. Approximately two years from their certification anniversary date a second Surveillance Audit will be held. At the end of three years, the organizations BQ-9000 certification expires. If the organization wishes to continue in the BQ-9000 certification program, they must reapply and complete a re-certification audit before their certification expiration date.

1.2 Surveillance Audit

The Surveillance Audit is a one day on-site audit where the Auditor reviews the program elements of the BQ-9000 organization. This audit is to verify that the BQ-9000 certified organization continues to comply with the requirements of the BQ-9000 program including any changes in the Program Requirements since the last audit.

A second Surveillance Audit is required within two years from their original certification date.

1.3 Re-Certification Renewal

At 1080 days from the original certification date, an organizations BQ-9000 certification expires. The organization may request to continue in the program and must go through a Recertification Audit. A Recertification Audit is a one and one half day audit similar to the initial Certification Audit in that the auditor looks at all elements of the organizations quality system.

See section 1.4 for pre-audit requirements and section 1.5 for post-audit requirements and a description on how the audit information is processed by the Commission.

Normally an Auditor is assigned to perform a certification (or recertification) audit and the following two surveillance audits as well as any interim follow-up audits. Then when the organization is up for its next recertification audit, a new auditor may be assigned in order to get a second perspective on the organizations performance of its quality system.

At least 180 days prior to the expiration of the BQ-9000 certification, the NBAC will provide the certified organization a notice that its certification is about to expire. The notice will be accompanied by a renewal application. The NBAC must receive the renewal application and the current version of the organization's quality manual at least 120 days before the certification has expired. The recertification audit is scheduled to allow the organization to process any non-conformances, and allows NBAC time to review the audit and approve recertification before the organization's current certificate expires. The same cycle of Surveillance Audits will then follow the recertification.

A copy of the Recertification Application Form is in the Appendix at the end of this section.

1.4 Pre-audit Requirements: Surveillance and Re-certification Audits

BQ-9000 Marketer Policy Regulations (informative)

Prior to a scheduled Surveillance Audit or Re-certification Audit, the BQ-9000 organization must:

- 1) Have completed their annual Internal Audit and have generated an Audit Report.
- 2) Sometime after this Internal Audit, the QMR should have held a Management Review Meeting to discuss how the organization is performing under their quality system and to discuss the status of any non-conformances from their Internal Audit.
- 3) A copy of the Internal Audit and the most recent two Management Review Meeting minutes must be forwarded to the NBAC Auditor prior to the upcoming Surveillance or Re-certification Audit.

1.5 Post-audit Requirements: Surveillance and Re-certification Audits

Prior to the close of the audit, the Auditor will produce a written audit report, noting any non-conformances, deficiencies and areas of concern. The report will be submitted to the organization's quality management team at the close of the audit for the organization's review and comment.

At the time of the closing meeting, if the QMR or a member of the organization's quality management team believes that a cited nonconformance is the result of different interpretations of a program element, and cannot settle the issue with the Auditor, the QMR can take the following path: Within five days of the closing meeting, contact the NBAC Program Manager at the National Biodiesel Board office and provide written information concerning the interpretation of the specific program element(s) and the organization's position on the nonconformance. The Program Manager will meet with the NBAC Chairman and one or more NBAC Commissioners to review the program requirements and may discuss with the Auditor, their interpretation of the requirement. This NBAC group will make a determination of the correct interpretation and will normally inform the organization of their decision within ten days of the receipt of the information from that organization.

The organization is required to submit an action plan to the Auditor within 30 days of the audit date describing how the organization will address each of the identified non-conformances. The organization may use its own Corrective Action form or may use the form found on the BQ-9000 website, www.BQ-9000.org and at a minimum must supply the following information to the Auditor:

- The nonconformance stated
- The root cause of the nonconformance
- The action plan to address the nonconformance
- The person responsible for executing the action plan
- The expected time to complete the corrective action
- An approval signature of the QMR or responsible management person who is approving this specific action plan

In the Appendix is a sample letter that may be sent out to BQ-9000 organizations prior to an upcoming Surveillance Audit or Recertification Audit that discusses these requirements.

If the organization satisfactorily completes their corrective actions on their non-conformances within 30 days of their just completed audit date, the organization is not required to submit their action plans.

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Evidence that corrective actions have addressed the non-conformances can usually be mailed or emailed to the Auditor. Under unusual circumstances a follow-up visit may be required to confirm the corrective action of a specific nonconformance.

All non-conformances are expected to be closed within 60 days of the audit date. The Commission recognizes that there may be a specific nonconformance that cannot be closed within 60 days; and this will be acceptable if the Auditor is informed of such when the organization issues its action plans. An Auditor may reject one or more of the organization's action plans if the plan(s) does not fully address the nonconformance(s). The organization must then revise and resubmit this action plan to the Auditor.

If an organization cannot reach an agreement with the Auditor on an action plan for a specific nonconformance and has submitted at least two action plans to remedy the nonconformance, the organization's QMR or designated representative can take the following path: Within five days of the rejection of a second submitted action plan for a nonconformance, contact the NBAC Program Manager at the National Biodiesel Board office and provide written information concerning the validity of the proposed action plan(s) for this nonconformance. The Program Manager will meet with the NBAC Chairman and one or more NBAC Commissioners to review the submitted action plan(s) as it relates to the cited nonconformance, and may discuss with the Auditor, their position on the proposed action plan(s). This NBAC group will make a determination on the proposed action plan(s) and will normally inform the organization of their decision within ten days of the receipt of the information from that organization.

If the organization delays closing their non-conformances beyond the 60 days (except in the circumstance noted in the above paragraph) requiring further Auditor attention, the organization may be charged \$150 per hour for the extra time that the Auditor had to spend on the audit.

If after 60 days from the audit date, the Auditor has not received any communication pertaining to the action plans or corrective actions for this audit, the organization will receive a warning letter from the National Biodiesel Accreditation Commission stating that the organization's nonconformance must be completed within the next 30 days or their certification will be suspended – if this is a surveillance audit; or their request for recertification will be denied – if this is a recertification audit.

The section **Ranking Program Elements**, describes how the Auditor evaluates the organization's execution of each program element in determining conformance to the requirements.

When the auditor has verified that all non-conformances have been closed through corrective action, a final audit report will be submitted to the NBAC.

The organization may submit written comments on this final report by submitting them to the Commission chair up to one week after receiving the final audit report from the Auditor. The Commission normally holds monthly meetings and tries to respond to Auditor's reports and recommendations within 30 days.

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Upon receipt of the Audit Report the Commission will set a meeting to vote on certification status of the organization. The Commission may request to have the Auditor present telephonically during its review to answer questions about the audit report. After dismissing the Auditor, the Commission will perform a final review the Audit Report and any written comments. The Commission can then proceed with one of the following actions:

- Based on a satisfactory Certification or Re-certification Audit Report, vote to approved certification or recertification.
- Based on the review of a satisfactory Surveillance Audit Report, allow certification to continue.
- Based on the need for additional facts, vote to postpone the certification status decision and require additional information.
- Based on the determination that the organization needs significant improvement in the execution of their quality system, vote to postpone certification status and require a follow-up audit. This follow-up audit will take place after the organization has had an opportunity to improve their quality system performance. A vote on the certification status will then take place after the results from the follow-up audit have been reviewed.
- Based on the determination that the organization's performance was unsatisfactory, vote to suspend the organization's certification. A follow-up audit is recommended. The Commission can then vote on reconsideration of the suspension based on the results of the follow-up audit.
- Based on the determination that the organization's performance was poor, vote to revoke the organization's certification.

If the Commission determines additional facts are necessary, the Commission may postpone the determination for no longer than sixty (60) days. If not, the Commission shall proceed to determination. The determination will be accomplished by a vote of the commission, with each commissioner having one vote. A majority of the commissioners must vote affirmatively on the certification request for certification to be granted. If certification is not granted, the basis for the denial, identifying all material deficiencies, will be sent to the applicant in writing.

If a follow-up audit is required, the audit fee and travel expenses shall be paid by the organization.

If the organization believes that they have received an adverse decision from the NBAC Commission, the organization may use the Reconsideration or Appeal process to address their concerns. The details for Reconsideration and Appeal are found in the section **Reconsideration and Appeal Process for NBAC Decisions**.

1.6 Audit Scheduling

If a Marketer has multiple terminals that are included in the Marketer's BQ-9000 certification these terminals are audited as well as the corporate facilities. If a Marketer has up to three terminals included, one of the three terminals is audited at the same time as the corporate facilities. Different terminals are audited each audit cycle so that all terminals over time will be audited. If a Marketer has more than three terminals included in their BQ-9000 certification program one or more additional terminal audits are required each audit cycle. See the Program Costs on the BQ-900 website for details and costs.

BQ-9000 Marketer Policy Regulations (informative)

Under most circumstances, the two Surveillance Audits and the next Recertification Audit shall be scheduled as noted above. Any interim follow-up audit between these required audits shall not change the due dates of the Surveillance and Recertification Audits.

Normally at the close of a Surveillance Audit or Recertification Audit, the next audit should be scheduled. This is required even if the next audit is a Recertification Audit and the Auditor might be changed. In such a case, the Auditor will report to NBAC when the Recert Audit is scheduled. If a new Auditor is assigned, and cannot accommodate that specific date, the new Auditor will contact the organization and establish a mutual audit date.

1.7 Audit Fee Structure

See the BQ-9000 website for details on the fee structure for each type of audit.

2.0 Ranking Program Requirements

The NBAC Commission has established a ranking of each required program element specified in the BQ-9000 Quality Management System Producer Requirements manual. The ranking system is integral to identifying deficiencies in quality management systems. Each element is identified as Critical, Major or Minor. A Critical element is essential to the successful operation of the organizations quality system. A Critical program element not being executed by an organization is a significant indicator that the organization is not focused on the BQ-9000 quality system requirements. Examples would be lack of an internal audit or insufficient quality management review meetings. A Major program element not being executed is a significant indicator that activities like data gathering and record keeping is not happening, and thus there are no evidence that the organization is meeting specific program requirements. Examples would be not completing Product Loadout forms, or not properly testing product or not training personnel who run ASTM tests. A Minor program element is important in that it supports Major or Critical program requirements. An example would be the requirement to review customer satisfaction at a Quality Management Review Meeting.

During the BQ-9000 audit, the Auditor will look at each required program element and determine whether the element is being executed satisfactorily, is being executed less than satisfactorily or is missing all together. The number and ranking of each deficiency identified in an audit will assist the NBAC Commissioners when they evaluate BQ-9000 certifications.

3.0 Certification Suspension and Revocation

3.1 Suspending BQ-9000 Producer, BQ-9000 Marketer or BQ-9000 Laboratory Status

NBAC may suspend BQ-9000 Producer, Marketer or Laboratory status and remove a company's name from the list of BQ-9000 companies at www.bq9000.org for any of the following reasons:

1. Failure to follow the approved quality management system, policies, or procedures resulting in a major nonconformance without implementing corrective action;
2. Denying access to an operation's facilities and records to the BQ-9000 auditors within the scope of the requested certification;
3. Failure to pay NBAC required fees;

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4. Failure to respond to NBAC corrective actions in the timeframe provided; or
5. A production facilities falls under the suspension criteria in Policy 5.0 Idled Production Plants.

NBAC will notify the organization in writing of the suspension and the actions required to regain BQ-9000 status, including a deadline for the specified actions. Once suspended, entities will have 180 days to remedy the reasons for suspension with a reassessment audit. If the suspended entity does not respond to the NBAC's initial notification of suspension within thirty (30) days, the entity's BQ-9000 status will be revoked. Information provided will not include specific remedies to violations.

If an organization's actions or lack of actions do not quite meet the criteria described above, the NBAC may issue a Warning Letter to an organization that their continued certification is in jeopardy. The organization shall receive a recommendation to initiate some action such as hiring a consultant to help them better develop their program or to better execute their program, perform some internal training, and/or scheduling an interim follow-up audit that could demonstrate their improved performance under their quality system.

3.2 Reinstatement of Suspended BQ-9000 Certification

BQ-9000 status for companies will remain suspended for reasons 1, 2 and 4 above until an on-site audit verifies that effective corrective action has been taken. Final decisions on the suitability of corrective action and the company's eligibility for reinstatement are at the discretion of the NBAC.

BQ-9000 status for companies suspended for failure to pay fees will be reinstated when all outstanding fees and interest have been paid in full.

BQ-9000 status for companies suspended due to an idled production plant may be reinstated after the plant begins production and specific quality system requirements are met as defined in section **5. Idle Production Plants**.

3.3 Revoking BQ-9000 Certification

NBAC may revoke BQ-9000 status and remove an organization's name from the list of approved organizations at www.bq9000.org for any of the following reasons:

1. Repeated failure to maintain its system in conformance with the requirements of this directive and the approved quality system;
2. Failure of a suspended operation to meet conditions for reinstatement within the required timeframe;
3. Failure to respond to NBAC in given timeframe;
4. Willful violation of Federal or State regulations relevant to BQ-9000 standards;
5. Deliberate misrepresentation of the products or services distributed under a BQ-9000 system;
6. Fraudulent use of BQ-9000 Logo in advertising and promotional material; or

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7. A production facilities falls under the revocation criteria in Policy 5.0 Idled Production Plants.

NBAC will notify organizations in writing of the revocation. Companies whose approval has been revoked may reapply for BQ-9000 certification after a period of one year.

Organizations may request Reconsideration or Appeal of an adverse decision by the NBAC. See section **Reconsideration and Appeal of NBAC Decisions**.

3.4 License Use of BQ-9000 Logo

The NBAC's License Agreement with an organization is coextensive with their BQ-9000 certification per NBAC License Agreement, section 3. Thus when an organization's certification is suspended or revoked, the organization must remove the BQ-9000 logo from the organization's materials and cease to use it. An organizations continued use of the BQ-9000 logo beyond the suspension or revocation date will be actionable as unlawful infringement of intellectual property. The organization's name will be removed from the List of BQ-9000 Producers or Marketers or Laboratories on the NBAC website, but no other steps will be taken by the Commission to publicize this step.

4.0 Reconsideration and Appeal of NBAC Decisions

4.1 Reconsideration of Adverse Decision

An applicant denied certification has thirty (30) days after the Commission's adverse decision in which to submit a written request for reconsideration of a denied certification or other adverse decision to the National Biodiesel Accreditation Commission. The Commission will grant Reconsideration if it believes there is a genuine issue of fact material to the decision it made. The reconsideration request must identify the elements of the audit report or other basis for the Commission decision alleged to be inaccurate or otherwise erroneous. The applicant may attach written evidence of the alleged inaccuracy or error. Before acting on Reconsideration, the Commission reserves the right to submit to the applicant additional questions in writing or to direct further investigation by its staff or auditor, and to consider also the evidence so acquired.

The question upon Reconsideration shall be exactly the same question as upon original consideration: Shall the Application be approved? The vote required shall be the same as upon original consideration: A majority of the Commissioners in office. In its vote upon Reconsideration, the Commission shall, weighing the evidence before it, act upon the basis of the evidence presented. The Commission's decision shall contain findings of fact and conclusions based thereon.

4.2 Appealing NBAC Rulings

A party aggrieved by a decision of the Commission upon Reconsideration may appeal that decision to an Appeal Board if within twenty (20) calendar days of the decision upon Reconsideration the party writes a letter to the Commission stating the grounds for appeal, requesting a hearing, and enclosing a fee of \$2,000 to offset the Commission's miscellaneous costs incurred in the Appeal.

Upon request of such letter, the Commission shall appoint an independent Appeal Board of three

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industry experts: Preferably, one from academia, one from government, and one from private industry.

The Commission shall forward to each Appeal Board member the entire record of the matter appealed. The record on appeal shall consist of: All documents in the possession of the Commission with respect to Appellant at time of Reconsideration. The Appeal Board's decision shall be based solely on the record; no additional evidence shall be considered.

The Appeal Board shall:

- Within five days of appointment, elect a Chair;
- Within ten days of appointment, receive and thoroughly review the record;
- Invite the Appellant to submit any further written argument, to be received no later than fourteen (14) days after appointment;
- Thoroughly review any written argument submitted;
- Schedule a telephonic hearing on the appeal, to be conducted no later than thirty (30) days after appointment.

At the oral argument session, the Commission shall be represented by its Chair or its counsel. The appellant may appear in person or be represented by counsel. Each party may make an oral statement of no longer than ten minutes. There shall be no further evidence introduced; however each party shall, during oral argument, respond fully and faithfully to questions from the Appeal Board. There shall be no direct or cross-examination by the parties.

After all questions from the Appeal Board have been answered, the Board shall dismiss the parties and reach a decision. The Board may affirm the Commission decision, reverse the Commission decision, or remand to the Commission for further action in accord with the Board's decision. The Board shall reverse or remand it if it determines that the decision of the Commission was not supported by substantial evidence in the record before the Commission when reviewed as a whole. The Board shall affirm it if it determines that the decision of the Commission was supported by substantial evidence in the record before the Commission when viewed as a whole. The Appeal Board Chair shall write the decision and send it to both parties. The written decision of the Appeal Board shall be final.

5.0 BQ-9000 Marketer's Idled Facilities

5.1 Definitions

Category I Shutdown: The facility is not moving biodiesel product but the quality management system is still being followed and maintained and the quality management representative (QMR), facilities manager, and possibly the lead operator all retain their positions.

Category II Shutdown: The facility is not moving biodiesel product, the quality management system is not being followed and maintained, or the entity has been under Category I for greater than **180** days. The QMR and the facilities manager are still part of the organization but may be on other assignments.

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Category III Shutdown: The facility is not moving biodiesel product and the quality management system is not being followed and maintained. The QMR and/or the facilities manager are no longer part of the biodiesel operations.

5.2 Background

BQ-9000 certification is granted for a period of three years and may be renewed. However, a company undergoes annual surveillance audits to verify that they are maintaining and using their quality management system. The National Biodiesel Accreditation Commission (NBAC) assumes that BQ-9000 companies are actively marketing biodiesel and operating within the scope of their quality management system.

Nevertheless, a BQ-9000 Marketer may choose to shut down or idle their biodiesel facilities for an extended period of time due to any number of factors like poor economic conditions, major plant retooling or labor issues. The questions that arise from this temporary change in operating status are “How does the idling of their biodiesel facilities affect a company’s BQ-9000 status?” and “Are there any requirements for restarting their biodiesel operations?”

Facilities shutdowns may affect plant staffing, quality management system maintenance and employee familiarity with the system. As a result, the effectiveness of the company’s quality management system may be impacted. Therefore, the Commission has outlined the following quality management system restarting verification requirements for a marketing facility after a shutdown. These requirements are based upon the shutdown category classification.

5.3 Guidance

Category I Shutdown:

A company that maintains their Category I Shutdown for less than **180** days but greater than 30 days shall complete the following requirements.

- During the shutdown period the company maintains product and tank testing requirements outlined in the quality management system;
- After the 90th day they shall test stored product for all critical parameters (defined below) prior to shipment;
- Prior to startup they shall hold an abbreviated Quality Management Review Meeting to focus on the startup issues such as refresher training, sampling and testing. All affected personnel shall have had refresher training;
- If the organization has been in a Category 1 Shutdown for at least ninety days, within sixty days after startup the company shall hold an internal audit to verify the effectiveness of the quality system;
- A full quality management review meeting shall be then held within 30 days after the internal audit;
- NBAC shall receive notification of this classification.

No on-site NBAC Audit is required at the time of start-up and their BQ-9000 status is maintained. Future Surveillance audits shall be scheduled within a year from the subsequent external audit.

After **180** days of no Biodiesel marketing activity, the company’s BQ-9000 status is suspended.

Category II Shutdown:

- BQ-9000 status is suspended;
For entities interested in eventual recertification, the following must be adhered to:
- Prior to shipping stored product from their tanks, the biodiesel shall be sampled and tested for all critical parameters (defined below);
- Prior to startup they shall hold a Quality Management Review Meeting to focus on the startup issues such as refresher training, sampling and testing. All affected personnel shall have had refresher training;
- Within sixty days after startup the company shall hold an internal audit to verify the effectiveness of the quality system;
- Another quality management review meeting shall be held within 30 days after the internal audit;
- An external audit shall be scheduled within 180 days of startup;
- NBAC shall receive notification of this classification.

The next Surveillance Audit shall be scheduled within a year from the date of this most recent external audit.

Category III Shutdown:

- BQ-9000 status is revoked.

Critical Parameters for Biodiesel Testing

Biodiesel may have a tendency to degrade if not stored properly. The following critical tests are required before product can be shipped from storage if the product has sat idle for at least 90 days:

- **Water and Sediment**
- **Acid Number**
- **Oxidation Stability**
- **Visual Appearance**
- **Cold Soak Filterability**

These test methods and specification limits are described in the biodiesel specification D6751

6.0 BQ-9000 Marketer Provisional Status

6.1 Background

When an organization becomes certified as a BQ-9000 Marketer, the certification includes only those marketer facilities specified in their BQ-9000 Marketer application. As the Marketer becomes more established, they may want to bring additional marketing facilities into their BQ-9000 certification. The following information provides guidance on how these additions are to be handled.

A BQ-9000 Marketer shall not imply or represent that any additional marketing facilities or marketing organization is included in the existing BQ-9000 certification. Nor shall the company imply or represent that the additional marketing facility or marketing organization has met the BQ-9000 requirements until they have received full BQ-9000 Marketer certification.

The NBAC recognizes that an existing BQ-9000 Marketer's successful implementation of their quality management system demonstrates commitment to the BQ-9000 program and an

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understanding of the challenges of marketing product from multiple facilities. The NBAC has created a Provisional BQ-9000 Marketer designation to expedite the recognition of additional facilities that the Marketer wants to include in their certification.

In the normal BQ-9000 certification process a biodiesel Marketing facility must operate for six months under their quality management system before they can be audited by NBAC to seek full BQ-9000 certification. This allows sufficient time for the facility personnel to become engrained in the program elements of the BQ-9000 Marketer requirements and also allows sufficient time for the QMR to gain experience in managing their quality management system. When a Marketer wants to add additional facilities to their BQ-9000 certification, the Marketer implements its existing BQ-9000 quality system into the additional facilities. This allows the new facilities to qualify under the BQ-9000 Marketer Provisional Status and can be recognized as part of the a BQ-9000 Marketer certification and can use the BQ-9000 Marketer logo before completing the six months operational requirement and its certification audit.

6.2 Eligibility Requirements

Eligibility for the BQ-9000 Marketer Provisional status is based upon the type of provisional status being sought. There are two different types: Marketer Facilities and Marketer Organizations. Marketer Facilities are capital facilities that may include storage, blending and loading racks which are designated here as terminal facilities. A Marketer Organization includes personnel involved in sales, management and marketing activities, and may include terminal facilities as previously described. The eligibility requirements for each type are different and are outlined below:

1. Addition of BQ-9000 Marketer Terminal Facilities

- a) If the BQ-9000 Marketer has operated under the BQ-9000 program long enough to complete one Surveillance Audit, the corporation may seek Marketer Provisional Status for additional terminal facilities.
- b) When more than one new terminal facility is seeking Provisional Status, the terminals are handled as a group. The Program Costs on the BQ-9000 website defines the number of audits required when multiple terminal facilities are involved. If multiple facilities are being added at the same time, not every new facility needs to be initially audited to become part of the Marketer's BQ-9000 certification.
- c) Under normal circumstances, Marketer Provisional Status is granted for a period of up to six (6) months. At the end of the six months, the new marketing terminal facilities must be involved in a satisfactory Surveillance Audit for full certification. Otherwise, the facilities lose their Provisional Status and may no longer use the BQ-9000 logo for those facilities.

2. Addition of BQ-9000 Marketer Organization

If the new Marketing Organization is to be adsorbed into the existing BQ-9000 Marketer's organization there is no need for Provisional Status. If in this circumstance there are terminal facilities that are part of the new Marketer Organization, these terminal facilities are brought in under the existing BQ-9000 Marketer's certification as described in 1. above.

If the new Marketer Organization is to retain its identity and will function somewhat independent of the existing BQ-9000 Marketer, the following apply:

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- a) If the BQ-9000 Marketer has operated under the BQ-9000 program long enough to complete one Surveillance Audit, the corporation may seek Marketer Provisional Status for an additional Marketing organization.
- b) If the BQ-9000 Marketer is seeking Provisional Status for an entire Marketing Organization, the new Marketing Organization BQ-9000 certification process is handled in the same manner as a new Marketer applying to the BQ-9000 program; however, the new Marketing Organization is eligible for Provisional Status.
- c) Under normal circumstances, Marketer Provisional Status is granted for a period of up to six (6) months. After six months, this Marketer organization must have a satisfactory Certification Audit. Otherwise, this organization loses its Provisional Status and the new Marketer may no longer use the BQ-9000 logo for this organization.

6.3 Marketer Provisional Status Prerequisites

There are a certain number of prerequisites that must be completed before NBAC can award Provisional Status; these prerequisites should take approximately three months.

1. For the Addition of BQ-9000 Marketer Terminal Facilities
 - a) The BQ-9000 Marketer shall submit a written request to the NBAC requesting permission to pursue Provisional BQ-9000 Marketer status for one or more specific facilities;
 - b) Submit the appropriate Provisional Status fees to NBAC;
 - c) For each terminal facility seeking Provisional Status, submit to the NBAC copies of documented work instructions or procedures that are specific to each of these terminals that will be added to the Marketer's existing quality system manual;
 - d) For each additional facility being added, complete validation of their blending operations as required in Section 9 of the BQ-9000 Marketer Program Requirements;
 - e) Conduct an internal audit that covers each additional facility being added. The internal audit shall be completed under the supervision of the internal auditor or QMR, either of which shall be from the existing BQ-9000 certified facility;
 - f) Hold at least one quality management review meeting led by the QMR from the existing BQ-9000 certified facility;
 - g) Submit the data from the blending validation testing, a copy of the internal audit report that covers all the additional facilities, and a copy of the Management Review Meeting to the NBAC appointed auditor for verification.

After verification that the prerequisites have been met, the NBAC auditor shall submit their report to the National Biodiesel Accreditation Commission. The NBAC shall then vote on awarding Marketer Provisional Status to the specified facility or facilities.

2. Addition of BQ-9000 Marketer Organization (with or without new terminal facilities)

This is based on the new Marketer retaining its identity and will function somewhat independent of the existing BQ-9000 Marketer.

 - a) The BQ-9000 Marketer shall submit a written request to the NBAC requesting permission to pursue Provisional BQ-9000 Marketer status for a specific Marketing Organization;

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- b) Complete and submit a BQ-9000 Application Form, and submit the appropriate Provisional Status fees to NBAC;
- c) During the time in which the new Marketing organization has Provisional Status, the organization shall operate under the quality management system of the parent BQ-9000 certified Marketer.
- d) If there are new terminal facilities that are part of the new Marketer Organization, submit to the NBAC copies of documented work instructions or procedures that are specific to each of these terminals that will be added to the Marketer's existing quality system manual;
- e) If there are new terminal facilities that are part of the new Marketer Organization, complete validation of their blending operations as required in Section 9 of the BQ-9000 Marketer Program Requirements;
- f) If the new Marketer Organization is to operate long term under its own quality management system manual, this manual can be developed while the Organization is operating under its Provisional Status.
- g) Conduct at least one internal audit. The internal audit shall be completed under the supervision of the internal auditor or QMR, either of which shall be from the existing BQ-9000 certified organization;
- h) Hold at least one quality management review meeting for the new Marketing Organization led by the QMR from the existing BQ-9000 certified organization;
- i) Submit the data from the blending validation testing (if applicable), a copy of the internal audit report and a copy of the Management Review Meeting to the NBAC appointed auditor for verification.

After verification that the prerequisites have been met, the NBAC auditor shall submit their report to the National Biodiesel Accreditation Commission. The NBAC shall then vote on awarding Marketer Provisional Status to the new Marketing Organization.

If the new Marketing organization plans to operate under a different quality manual, they can develop this manual during the time they are under Provisional Status. The new quality manual will have to be submitted to the NBAC Auditor so that the new manual can undergo a Desk Audit before the new Marketer receives its formal BQ-9000 Certification Audit. The new Marketer cannot switch over to its new quality manual until after the manual has been approved by the NBAC Auditor.

6.4 Provisional Status Fees

Provisional Status Fees for additional terminal facilities are based on a number of factors:

1. The number of terminal facilities that are currently included in the BQ-9000 Marketer's certification.
2. The number of additional facilities that are to be added to the Marketer's certification.
3. The timing of when the Marketer wants to add the new terminal facilities to their BQ-9000 certification.

When a Marketer originally applies for BQ-9000 certification, the certification audit fee includes up to three terminal facilities. If the Marketer has more than three terminals that are to be included in their BQ-9000 certification, additional fees are required to cover these other terminals. This fee schedule is described in the Program Cost on the BQ-9000 website.

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Situation 1: If the Marketer has less than three terminals included in his BQ-9000 certification, and they want to add a terminal(s) that will not take them over three terminals total, then the Provision Status Fee shall be:

- a) \$0 cost if the new terminals are subject to audit on the same date as the Marketer's next Surveillance Audit or Re-certification Audit.
- b) If the Marketer wants the additional terminal(s) included in their BQ-9000 Marketer certification at a date that is more than three months from the date of the Marketer's next Surveillance Audit or Re-certification Audit, the additional terminal(s) shall require an additional audit, The cost of the additional on-site audit (for multiple facilities) is defined in the Program Costs found on the BQ-9000 website.

In case b) this is a one-time fee because of the total number of terminals involved. At the next Marketer audit, the new terminal(s) are included at the standard Marketer on-site audit fee.

Situation 2: If the Marketer already has three terminals in his BQ-9000 certification, or they are adding terminals that will take them to more than three terminals total, an additional cost for a second on-site visit is required. (See the Program Costs for details) This cost is not affected by the timing of when the new terminal(s) are added to the BQ-9000 certification, since the total number of terminal require an additional audit no matter the timing.

Provisional Status Fees for adding a new Marketing Organization to the BQ-9000 Marketer are also based on a number of factors.

1. Whether the new Marketer Organization will operate under the existing Marketer's quality system manual or develop a new quality system manual.
2. The number of terminal facilities that the new Marketer is bringing under BQ-9000 certification.

The Provisional Status Fee for adding a new Marketer is the same as the Application Fee for a new Marketer and includes up to three terminals in this fee. If the new Marketer will use the existing Marketer's quality system manual, there will be no need for a Desk Audit. If there are more than three terminals being added, an additional cost is required and is defined in the Program Costs as an additional on-site audit fee for multiple facilities.

6.5 Steps to Full BQ-9000 Marketer Certification

The steps to full certification are dependent upon the type of operations seeking certification.

For a BQ-9000 Marketer to add a terminal(s) to their certification:

1. The terminal(s) must operate under the Marketer's quality management system for a minimum of six (6) months after receiving Provisional Status;
2. The terminal(s) must be involved in an On-Site Surveillance Audit by the NBAC appointed auditor under Situation 1 or Situation 2 described above;
3. Resolve all non-conformances identified during the Audit.

After all non-conformances have been successfully closed the NBAC auditor shall submit their finalized audit report to the National Biodiesel Accreditation Commission. The NBAC shall then vote on including the new terminal(s) in the Marketer's BQ-9000 certification.

BQ-9000 Marketer Policy Regulations (informative)

For a BQ-9000 Marketer to add a new Marketing Organization for certification:

1. The new Marketing Organization must operate under the BQ-9000 Marketer's quality system for a minimum of six (6) months after receiving Provisional Status;
2. During the time that the Marketer is operating under the Provisional Status, the Marketer's quality system shall be managed by the personnel involved in managing the quality management system of the parent BQ-9000 Marketer.
3. The new Marketing Organization must complete an On-Site Certification Audit by the NBAC appointed auditor;
4. Resolve all non-conformances identified during the registration audit;

After all non-conformances have been successfully closed the NBAC auditor shall submit their finalized audit report to the National Biodiesel Accreditation Commission. The NBAC shall then vote on awarding Marketer Certification to the new Marketing Organization.

If either the new terminal(s) or the Marketing Organization fails to achieve full BQ-9000 certification, they lose their provisional status and are no longer listed as BQ-9000 certified and are no longer permitted to use the BQ-9000 logo.

6.6 Audit Cycles

BQ-9000 Marketer adding Terminal Facilities

1. The audit dates of the BQ-9000 Marketer do not change with the addition of more terminal facilities.
2. In Situation 1 (from above), case b) after the first audit, the new terminal facilities are included in the normal scheduled audit date of the Marketer.
3. In Situation 2 (from above), the next audit required for the new facilities can be shifted to the same time frame of the Marketer's normal scheduled audit date. However there will be an extra On-site audit fee because of the number of total terminals.

BQ-9000 Marketer adding a new Marketer Organization (with or without terminals)

1. The audit dates of the existing BQ-9000 Marketer do not change with the addition of the new Marketer Organization.
2. The audit scheduling for the new Marketer is totally independent of the audit dates of the existing BQ-9000 Marketer. The new Marketer is treated as an independent organization and its audit scheduling is based on when the new Marketer achieves full BQ-9000 Marketer certification.

7.0 Change of Ownership and Acquisitions

7.1 Background

As the biodiesel industry expands, it is possible that biodiesel companies will acquire other biodiesel facilities (producer, marketer, or laboratory). This policy provides guidelines to ensure that the ownership changes are properly accounted for when it involves an organization with a BQ-9000 certification.

7.2 Ownership Changes and Acquisition Scenarios

BQ-9000 Marketer Policy Regulations (informative)

There are three common scenarios that involve ownership change or acquisition.

- The BQ-9000 organization is purchased by another BQ-9000 organization.
- The BQ-9000 organization is purchased by an organization that does not have a BQ-9000 certification.
- The BQ-9000 organization purchases a non BQ-9000 organization and wants it to become BQ-9000 certified.

A BQ-9000 organization involved in an ownership change must meet requirements outlined as follows to maintain BQ-9000 certification.

In the first scenario, if the acquired BQ-9000 organization will maintain its identity and wants to maintain its BQ-9000 certification, the acquiring organization must inform the NBAC Program Manager in writing of this request. If either entity is a member of the National Biodiesel Board they must also complete the Name Change or Company Merger Notification form and submit it to the Chief Operating Officer of the NBB, and must submit the Name Change Fee to the NBAC. Should this be the case, both entities will exist under their respective BQ-9000 certifications, and from a BQ-9000 perspective, they will be treated as separate and independent entities for audit scheduling.

In the second scenario, if the acquiring entity is not a BQ-9000 organization, and the entity being acquired is BQ-9000 certified, there are two possible cases: one where the existing BQ-9000 quality system is maintained and one where it is not.

If the entity being acquired retains its original quality management system and the quality management team will remain (or remain for a sufficient time) to train a new quality management team, the certification is maintained under the following provisions. The acquiring entity must inform the BQ-9000 Program Manager in writing that the acquired BQ-9000 organization's quality system and quality management team will continue. If the acquired entity is a member of the National Biodiesel Board they must also complete the Name Change or Company Merger Notification form and submit it to the Chief Operating Officer of the NBB, and must submit the Name Change Fee to the NBAC.

If the non-BQ9000 organization does not adsorb the BQ-9000 organization's quality system and its quality management team, then the acquired BQ-9000 organization is no longer considered BQ-9000 certified.

In the third scenario, the organization being acquired may achieve BQ9000 certification via the process described in the NBAC BQ-9000 Application Package. The acquired entity may be eligible for expedited recognition as a BQ-9000 certified organization under the Provisional Status process. This is outlined in the Policies on Producer Provisional Status and Marketer Provisional Status. There is not yet a provisional policy for Laboratories.

7.3 Fees and Payments

The additional number of audits and audit costs when mergers occur are described in the BQ-9000 website under Program Costs.

BQ-9000 Marketer Policy Regulations (informative)

PRE-AUDIT LETTER

Date: (90 days from audit due date)

Dear (Client),

Our records show that you are scheduled for a BQ-9000 (*Producer, Marketer, Laboratory*) (*Surveillance, Recertification*) Audit with our BQ-9000 Auditor (*Auditor Name*) on (*Audit Date*). The BQ- 9000 program requirements specify that you must complete an internal audit within the last 12 months of your upcoming audit date; and you must also complete at least two management review meetings in this same time frame, with one of the two management review meetings sometime after your internal audit. We are requesting that you email a copy of your most recent internal audit report and a copy of the two most recent management review meeting notes to our auditor at least two weeks prior to the audit date. If you have any problems with this audit date or with these pre-audit requirements please contact your auditor immediately or contact Desiree Hale (DHale@biodiesel.org), at the National Biodiesel Board.

If during this (*Surveillance, Recertification*) Audit, the BQ-9000 Auditor determines there are one or more nonconformances, these will be reviewed with your Quality Team at the Audit Closing meeting. Within 30 days after the audit date, you are required to submit to the Auditor an action plan for each nonconformance identified. You may use your Corrective Action form or the one found on the BQ-9000 website, www.BQ-9000.org.

If one or more corrective action plans are rejected by the Auditor as being insufficient to address the nonconformance, the Auditor will request that these action plans be revised.

Within 60 days of the audit date, the Auditor will expect all corrective action plans to be completed; and the Auditor must receive emailed or mailed evidence of these corrections. If there are delays in closing all nonconformances that requires the Auditor having to spend time beyond the 60 day limit, you will be charged a fee of \$150 per hour by the Auditor to review late corrective actions. The Commission recognizes that there may be a specific nonconformance that cannot be completed within 60 days. We will take this into consideration if this is communicated to the Auditor at the time you submit your 30 day corrective action plans to the Auditor.

If after 60 days, the Auditor has received no communications from you pertaining to your action plans or corrective actions, you will receive a warning letter from the National Biodiesel Accreditation Commission stating that you must complete these requirements within the next 30 days or your (*certification will be suspended – if a surveillance audit, or request for recertification will be denied – if a recert audit*).

When all corrective actions have been satisfactorily closed, the Auditor will write a report to the NBAC Commissioner describing the audit. The Commissioners will review the report and vote on your certification. If the Commissioners find that the number and significance of all nonconformances is a concern, they may vote to delay a certification decision until a follow-up audit is held after you have had the time to improve your quality management system.

We hope you realize that an effective internal audit, good management review meetings and an attention to detail should lead to a smooth trouble free audit.

Sincerely,

Program Chair
National Biodiesel Accreditation Commission

Cc: Desiree Hale, (*Auditor*)

BQ-9000 RECERTIFICATION FORM

Company Name:

Mailing
Address:

Is your facility a subsidiary of another company?

Yes No

If "Yes" please identify the parent organization:

Mailing
Address:

Contact
Person:

E-mail: _____

Telephone: _____ Fax: _____

Recertification sought (circle as applicable):

BQ-9000 Producer
BQ-9000 Marketer
BQ-9000 Lab

For Marketers, please indicate the location of facilities or sites where the BQ-9000 program applies. Include the physical address:

BQ-9000 Marketer Policy Regulations (informative)

Please submit a complete copy of your current Quality Manual and all related documents, which describe your Quality System.

Re-certification forms are to be submitted to:

National Biodiesel Accreditation Commission
P.O. Box 104898
Jefferson City, Missouri 65110-4898
(573) 635-3893
Desiree Hale at dhale@biodiesel.org