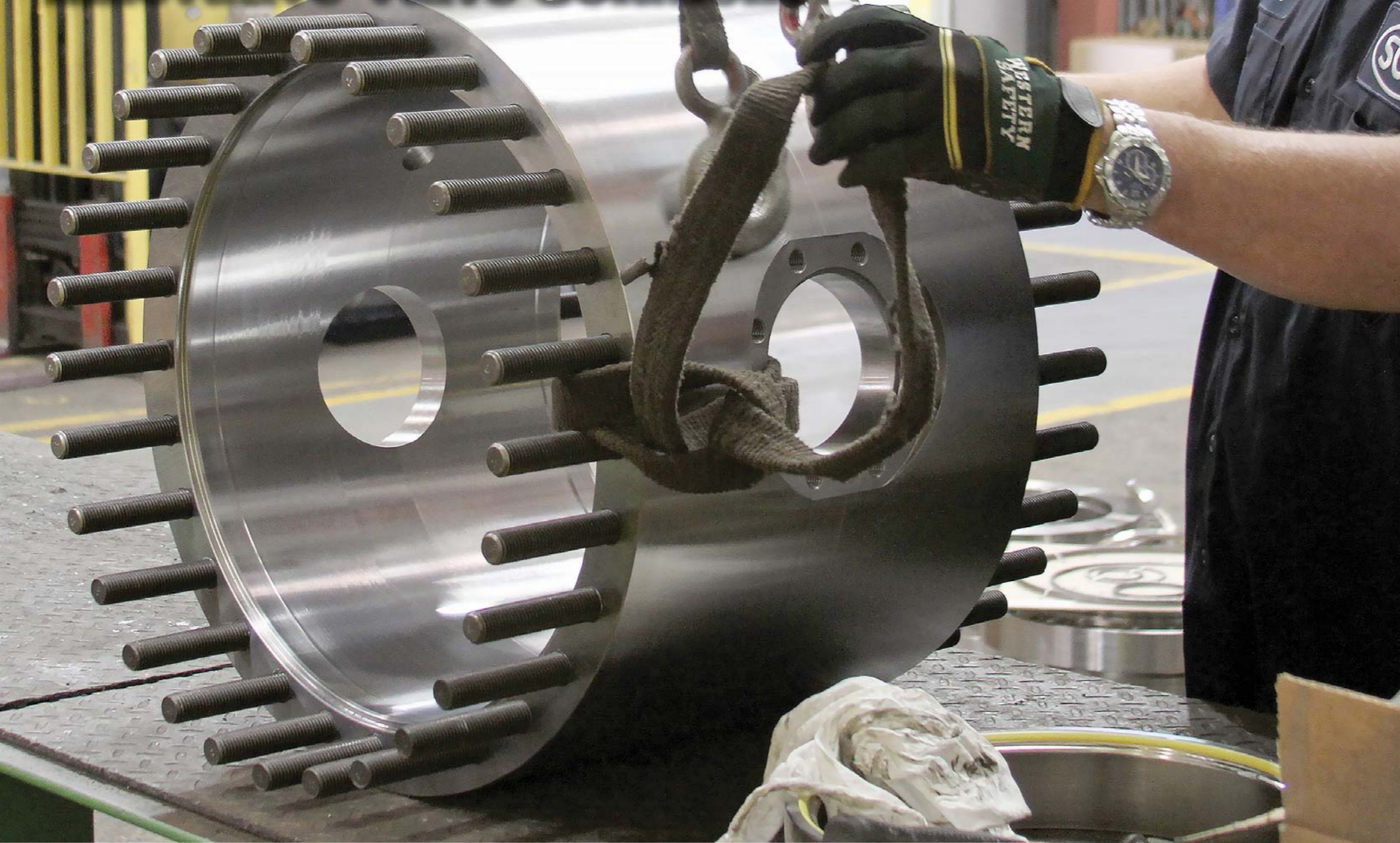


Southern California Valve – Innovative Valve Solutions



Southern California Valve (SCV) was established in 1972 in Santa Fe Springs, California as a full inline field service provider for valve maintenance and modifications for the oil & gas, pulp & paper, petrochemical, and power industries. In the mid 1970's, SCV began manufacturing pressure seal valves for the power industry then expanded its product range over the following decades. Currently, SCV manufactures twenty-one valve designs, offering a complete valve solution for almost every application. With a company culture that embraces quality, SCV has grown to be a successful and reputable, privately-held valve manufacturer with facilities in Santa Fe Springs, California and Santa Fe, Texas. Valve World sat down with Mr. Sid McCarra, President of Texas Operations to learn more about the company.

By Candace Allison and Gillian Gane

to SCV's domestic and international sales, engineering, design, and project management departments.

The quality departments at both locations consist of 6 members managing quality system implementation, inspection, documentation review and creation.

What are your plans for future facility expansion?

The Texas location is in the beginning stages of a state-of-the-art production facility expansion. This will increase the assembly area for 24" size valves and larger and will provide additional square footage for testing, painting, final inspection and shipping. The new expansion will include a lifting capacity of 80,000 pounds, allowing SCV to increase production efficiency on valves of 24" and larger. Once the production expansion is complete we will begin the 50,000 square foot warehouse for finished inventory.



SCV manufactures twenty-one valve designs. Which are the most popular?

SCV's most popular products fall under our API 6D line for the midstream market. These products include Trunnion Mounted Ball, Thru Conduit Gate (expanding and slab designs), Full Port Swing Check, Piston Checks, and Lubricated Plug valves. In addition to the midstream market we also manufacture valves to meet the upstream, downstream, and power market demands. SCV maintains a \$45 Million ready-to-ship inventory which caters to all three markets and includes one of the largest high pressure valve inventories in the US.

What certifications and quality system does SCV have in place?

Both SCV facilities have acquired their own API 6A and API 6D monograms,

CE PED certification, ISO 9001:2008 certification, Canadian Registration Numbers (CRN) and implemented an API Q1 Quality Management System.

In which industries are most of your customers and what are some of the different applications for your products?

Most of our customers are in the Oil and Gas midstream sector. However, we also manufacture and supply valves to the upstream and downstream markets from wellhead assemblies to petrochemical, refining, industrial, and power markets.

What products make up your vast valve inventory?

Our inventory consists of a combination of commodity valves, specialty valves and valves that are uncommon in size, pressure class, trim and body materials. Our standard commodity stock items consist of midstream API 6D products such as Thru Conduit Gate (expanding and slab designs), Trunnion Mounted Ball, Piston and Full Port Swing Check, and Lubricated Pressure Balanced Plug valves in carbon and stainless steel bodies with ENP and stainless trims and a variety of sealing materials to meet all customers service requirements. The API6D products are available in sizes 2" thru 48", class 150 thru 2500.



Mr. McCarra, can you give us a little more information about your California and Texas facilities?

SCV's California Operations facility has 35,000 square feet of manufacturing space, 85,000 square feet of warehousing for completed inventory, and 85 employees.

The Texas Operations facility also has 35,000 square feet of manufacturing space, has 42 employees and is home



SCV stocks API 600 downstream products including Bolted Bonnet OS&Y Wedge Gate, Globe, and Check valves in carbon and stainless steel with various trims and sealing materials in sizes 2" thru 48", class 150 thru 2500.

Our inventory of Pressure Seal products include Gate, Globe, and Check valves in WCB, C6, C9, C12, C12A and stainless steel in 2" thru 24", class 900 thru 2500. Regarding specialty valves, many customers come to us needing an engineered solution for a specific application. SCV is one of the few manufacturers that will build a one-off valve for a customer. These highly specialized valves are fewer in quantity, and require intensive engineering as well as more manufacturing time. Specialty items include API 6A Gate valves ranging from 7 1/16", 9", 11", 13 5/8", 16 3/4" 3000 and 5000 Through Conduit Gate (slab and expanding); 12" 400# TCG for Geothermal service; Double Ball valves in sizes up through 16"; API 6D Single Ball in sizes 22", 26", 28" and 32"; and API 6A 2 1/16" 10,000 Ball valves.



Can you tell us about any challenges you face in manufacturing your valves? How are you able to cope with these challenges?

Not a challenge as such, but we do take the view that supply chain management and vendor relationship development must be among the core competencies of SCV's team. We perform site specific audits using Certified Lead Auditors at all supplier facilities before ever entering into a business agreement. Site specific audits include specific matrices used to determine facility capacity and quality levels at all stages in product realization. Upon review of reports and closure of any action items, SCV's management works out mutually beneficial business arrangements with the selected vendors.



Throughout the casting and forging production process, SCV inspectors are on site at facilities monitoring heat treatment, NDE, and machining of all components prior to release to our assembly facilities. We approach our supply chain members (both large and small) as critical members of our team. With all pieces working in unison, we are able to maintain high levels of quality while maintaining commitments made to our customers.

What investments in technology has SCV made to improve efficiency?

With growth came the necessity to implement systems that increase efficiency and improve customer service. SCV implemented SAP, a company-wide web

based business management system which allows the real-time oversight of all activities performed throughout the organization. We also invested in a new quality system which makes procedures and work instructions readily available to personnel on the production floor, allowing for effective monitoring of all proficiency aspects while making all facets of our business function better.



Whether its production, receiving, inventory control, or engineering management - all the departments are tied to these program providing quick access to all necessary information. These investments ensure that orders get processed quickly and customers are satisfied. We know it's important to improve efficiency as we continue to grow.

Are your clients located mostly in North America or do you also cater to the global market?

The majority of our customers are based in North America; however, our international market share is steadily growing as we cater to all global industries including Oil & Gas, Refining, Petro Chemical, and Power. Our SCV office in Amman, Jordan covers the Middle East and North Africa while our global rep network promotes and supports SCV in their various regions.

What makes SCV different - why should customers choose SCV over another valve manufacturer?

Our products are USA engineered and designed. Our customer service and superior quality sets us apart from others. Our \$45 million ready-to-ship inventory allows for quick deliveries. We have always focused on maintaining our large inventory through extending the distribution network.



Currently, we have some strategically located warehouses to quickly react to the needs of key areas throughout the US.

What makes SCV a strong player in the global valve market?

The key to our success in this regard comes down to our stock of common and hard-to-find valves along with immediate deliveries or short lead times and overall customer communication. Currently, we are seeking quality stocking distributors worldwide so our global clients will have even faster access to our inventory.

How does SCV ensure quality products for its customers? What is your quality control process?

Upon completion of our vendor qualification auditing process and closure of action items, SCV's management strategizes on a proper vendor



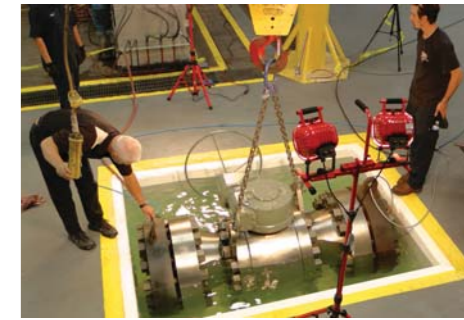
oversight plan intended to maintain the most demanding levels of quality and performance at all facets of production. From the birth of the steel until shipment of the final product, traceability and certification from foundries and mills is maintained. Rigorous inspections take place throughout the manufacturing cycle to guarantee quality.

All castings and forgings for API 6D products are being produced to API 6D Quality Specification Level (QSL) 3 requirements which require stringent non-destructive testing. SCV's extensive NDE consist of 100% WET MAG on every casting and 10% random X-ray



The quality at SCV

SCV controls quality at every level of the product realization process from procurement of the raw material to final hydro testing. Whether the steel is from the U.S. or Korea, SCV has its own inspectors on site at foundries and mills to check the steel. Positive Material Identification is performed to verify chemical acceptance. In addition, 100% magnetic particle and 10% random radiography examination takes place on all casting heats to verify sound quality at the surface and subsurface of SCV's steel. While SCV regularly performs standard metallurgical tests, customers may request ultrasonic or x-ray examinations. SCV has Level 2 inspectors who can read x-rays and ultrasonic exams to detect and evaluate any discontinuities and analyze materials. As a standard, SCV performs hydro tests on every valve manufactured to ensure that full compliance with applicable API codes and standards are maintained. In addition to Hydro testing SCV has the capacity to offer high pressure nitrogen tests, submerged nitrogen tests, & Fugitive emission testing.



of each casting heat. Upon completion of a finished valve, our quality team prepares all documentation by heat and serial number for job book completion. Certificates ranging from foundry MTRs to bolting certifications and elastomer batch reports are maintained.

Does SCV offer services after the sale and how do they benefit your customers?

SCV offers a field service division equipped with a team of highly trained and well qualified personnel that are ready to tackle anything that comes their way. SCV technicians are available 24 hours a day, 7 days a week, in order to provide a wide variety of services worldwide, including: on site supervision during commissioning and start up, field inspection, as well as maintenance and valve modifications. Additional services include valve installation oversight and training for operations personnel, preventive maintenance programs, and technical support.