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Project Construction Control of Non-Conforming Items Procedure

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Project Construction Control of Non-Conforming Items Procedure

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Project Construction Control of Non-Conforming Items Procedure

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Project Construction Control of Non-Conforming Items Procedure

1.0 PURPOSE

The purpose of this procedure is to define the process for controlling and documenting Non-conforming Items of work undertaken by the Construction Contractor.

This procedure applies to works performed under all Government construction projects executed throughout the Kingdom of Saudi Arabia.

For the purposes of the Construction Management Procedures the Project Management Company is the Entity Project Management Organization (EPMO) appointed by the Entity and references prefixed with "Site", such as Site Construction Department, Site Engineering Department, represent the Project Management Company at Project level, on construction sites.

2.0 SCOPE

Non-Conformance Reports (NCRs) can be initiated on both material and on work performed that does not comply with the specifications and drawings.

Some examples of noncomplying conditions include:

- Permanent plant items that are not per specifications or are indeterminate
- Permanent plant items that are completed and accepted but are subsequently found to be nonconforming or indeterminate
- Documentation that renders a permanent plant item to be nonconforming (e.g., material traceability record)
- Procedure violations that render a permanent plant item to be nonconforming or indeterminate.
- Vendor non-conformances discovered after receipt inspection have been completed.

This procedure is not applicable to:

- Incomplete items discovered during field fabrication, installation, erection, inspection, or testing; which can be completed or reworked during the normal construction/installation operation. Such conditions need not be recorded on an NCR.
- Nonconforming items that are completed within the same work shift as they are discovered need not be recorded on an NCR but will be reported on Daily Contract Report or similar document.

3.0 DEFINITIONS

Definitions	Description
Enterprise Content Management System (ECMS)	An information management and collaboration platform for managing and controlling Project documents and Entity records
Entity Project Management Organization (EPMO)	An Entity Project Management Organization, this is an integrated team that comprises the Entity and its PMC responsible for managing all the Entity's projects.
Architect / Engineer (A/E) Consultant or Design Firm	Design Consultant appointed by the Project Management Company and are responsible for the whole or a part of the permanent works design for a project
Non-Conforming Items (Non-Conformance Report, NCR)	A deficiency in characteristic, documentation, or procedure that renders the quality of an item or activity unacceptable or indeterminate
Reject	Disposition type that defines the process of eliminating a nonconforming item from its intended use. Rejected items may be discarded, destroyed or downgraded when the downgraded item can be clearly identified and controlled.
Repair	Disposition type that defines the process of restoring a nonconforming characteristic to function in a safe and



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Definitions	Description
	reliable condition, even though that item still does not conform to the original requirement.
Rework	Disposition type that defines the process by which an item is made to conform to original requirements by completion or correction.
Use "As-Is"	A disposition permitted for a nonconforming item when it has been established by the A/E Consultant or Design Firm that the item is satisfactory for its intended use.
Site Contracts Department	Department within the Project Management Company that is responsible for administering Contracts
Site Construction Department	Department with the Project Management Company that is responsible for Construction activities/operations
Site Engineering Department	Department within the Project Management Company that is responsible for Engineering or design activities/ operations

4.0 REFERENCES

1. EPM-KCC-PR-000004 - Project Construction Punchlist Procedure
2. EPM-KCC-PR-000003 - Project Construction Project Completion and Turnover Procedure
3. EPM-EQ0-PR-000002 - Project Quality Execution Procedure
4. EPM-EQA-PR-000001 - Project Quality Assurance Audit Procedure
5. EPM-EQ0-PR-000003 - Project Quality Corrective and Preventive Action Procedure

5.0 RESPONSIBILITIES

5.1 Site Engineering Department

The Site Engineering Department is responsible to ensure validated Non-Conformance Reports (NCRs) dispositioned as Repair or Use "As Is" are reviewed, processed and subsequent changes are incorporated into affected documents as necessary.

5.2 Site Construction Department

The Site Construction Department is responsible for:

- Identifying non-conformances as part of the surveillance and inspection process, raising NCRs, ensuring that NCRs are accurate, complete and inspecting corrected works.
- Accepting/approving NCRs proposed as Rework or Reject.
- Confirming final closeout and review of NCR data to identify trend and potential corrective actions.

6.0 PROCESS/INSTRUCTIONS

6.1 General Requirements

Any Project Stakeholders who identify nonconforming items shall prepare NCRs using the Project Construction Non-Conformance Report Template (Sample) NCR Form as shown in Attachment 1.

The A/E Consultant or Design Firm are responsible for confirming the disposition of all NCRs under the following categories:

- Reject
- Repair
- Rework
- "Use As Is"



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The Site Construction Department or Site Engineering Department are responsible to ensure the Construction Contractor are aware of the confirmed disposition and that any further works are undertaken in accordance with the confirmed disposition.

6.2 Receipt of Non-Conforming Items

If Material or Equipment is found to be nonconforming during the inspection upon delivery to site or storage area, then an NCR shall be generated for Reject, Repair or Use-As-Is dispositions by the Site Construction Department.

In addition, an NCR shall be generated for all vendor non-conformances (e.g., miss fabricated commodities, improper welds, materials provided without the correct assurance documentation).

6.3 Non-Conforming Construction Items

For construction items that are discovered to be nonconforming during routine surveillance or inspection, an NCR shall be raised against the equipment, material, or permanent plant item(s) of concern and shall reference the design document(s) which are affected, how the existing condition is nonconforming, and provide a recommended disposition.

An NCR shall be generated for Reject, Repair, Rework or Use-As-Is dispositions by the Construction Contractor. If the Construction Contractor fails to initiate an NCR the Site Construction Department will initiate the report.

6.4 Validation and Numbering

The Site Construction Department, shall validate NCRs after verifying that:

- The non-conforming item applies to permanent plant and the appropriate design document that is effected is referenced.
- The report is accurately, adequately, and concisely written including all technical requirements and nonconforming existing conditions.
- Sufficient data is provided to facilitate a proper and complete disposition of the non-conformance.

After validation the Site Construction Department shall request the Site Document Control to assign a number to the Non-Conformance Report.

6.5 Site Engineering Department Evaluation

Site Engineering Department approval is required for NCRs proposed as Repair or Use-As-Is dispositions and justification for the Engineering Department concurrence shall be included in the final disposition. Reject or Rework dispositions do not require Site Engineering Department concurrence.

The NCR may not be worked in the field until it is entered into the Project Enterprise Content Management System (ECMS) and the Site Engineering Department concurrence is obtained.

If the final disposition is to Repair or Use As-Is, engineering documents (e.g. drawings and calculations) shall be evaluated to determine whether changes reflected in the NCR are required to be incorporated into design documents. A Design Change Document may be initiated based on this evaluation.

If the approved, final disposition is to Reject or Rework the non-conformance, no further engineering actions are typically required.

The final disposition shall be issued to the Construction Contractor by the Site Contracts Department for implementation and closure.



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6.6 Closure of Non-Conformance Reports (NCRs)

After the work described in the NCR disposition is completed, the Site Construction Department shall inspect the work. If the item is found acceptable as the result of re-inspection, those who performed the re-inspection shall document the acceptance by signing and dating the NCR.

In the event the final disposition is to reject the item, the Construction Department shall sign and date the block entitled "Site Construction Department Concurrence" only after ensuring that adequate measures have been taken to prevent inadvertent use of the unacceptable item (separation, quarantining, removing from site, tagging, etc.).

6.7 Records

After the NCR is closed, Site Document Control shall distribute copies accordingly to the Construction Contractor and Site Contracts Department.

NCRs dispositioned as "Repair" or "Use As Is" shall be considered interim change documents. The Construction Contractor will incorporate or incorporate by reference the NCR works in the parent design document(s).

6.8 Trend Analysis

The Site Construction Department shall determine the probable cause of each NCR to identify common occurrence's or trends. In evaluating the cause of a non-conformance, the Site Construction Department shall determine whether the non-conformance is a unique occurrence (non-trend able) or has the potential for recurrence (trend able) and shall complete the appropriate section of the on the Project Construction NCR Trend Analysis Worksheet Template (Sample) as shown in (Attachment 2).

The Site Construction Department shall review the project's trend able NCRs to initiate appropriate corrective action to prevent recurrence in future and determine whether previous corrective actions have been effective. The frequency of this review shall be performed at least annually and prior to project completion.

7.0 ATTACHMENTS

1. EPM-KCQ-TP-000008 - Project Construction Non-Conformance Report Form Template
2. EPM-KCQ-TP-000009 - Project Construction Non-Conformance Report Trend Analysis Worksheet Template
3. Project Construction Non-Conformance Report Flow Chart



Project Construction Control of Non-Conforming Items Procedure

Attachment 1 - EPM-KCQ-TP-000008 - Project Construction Non-Conformance Report Template

NON-CONFORMANCE REPORT		Date _____
		NCR No. _____
		Project Contract No. _____
CONTRACTOR NAME:		LOCATION:
SUBJECT:		
DRAWING/SPECIFICATION NO.	REV.	ITEM DESCRIPTION
NON-CONFORMANCE CONDITION DESCRIPTION		
☐ Civil ☐ Mechanical ☐ Electrical ☐ Other _____		
Issued by: ☐ Contractor ☐ Site Construction Department		
_____	_____	_____
(Print Name)	(Signature)	(Date)
CONTRACTOR DISPOSITION		
Contractors Representative:		
_____	_____	_____
(Print Name)	(Signature)	(Date)
CONTRACTOR PROPOSED DISPOSITION		
☐ REWORK ☐ REPAIR ☐ USE AS IS ☐ REJECT		
Site Engineering Department Concurrence:		
_____	_____	_____
(Print Name)	(Signature)	(Date)
Construction Contractor Representative Confirms Work Corrected:		
_____	_____	_____
(Print Name)	(Signature)	(Date)
Site Construction Department Confirmation:		
_____	_____	_____
(Print Name)	(Signature)	(Date)
CAUSE OF NON-CONFORMANCE:		
REMARKS:		
Site Engineering Department Acceptance for Final Closure:		
_____	_____	_____
(Print Name)	(Signature)	(Date)



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Attachment 2 - EPM-KCQ-TP-000009 - Project Construction Non-Conformance Report Trend Analysis Worksheet Template

TREND ANALYSIS WORKSHEET															Date	Project No.			
PROJECT NAME:															TREND PERIOD:				
															FROM:	TO:			
TYPE OF CAUSE																			
Non-Conformance Report Number	Verbal Communication	Written Procedures & Documents	Poor Equipment Design	Conditions of Work Area	Work Schedule	Work Practices	Work Organization/Planning	Supervisory Methods	Training/ Qualification	Control of Design Documents	Available Resources	Managerial Methods	Engineering Error	Vendor or Equip Manufacturer	Maintenance	Testing	External	Non-Trendable	CAR Number
COMMENTS:																			
Site Construction Department:																			
_____ (Print Name)										_____ (Signature)					_____ (Date)				



Attachment 3 - Project Construction Non-Conformance Report Flow Chart

