



National Power Corporation

REVISION HISTORY

Document Code: **NPC-004**

Effectivity Date: **JAN 13 2023**

Document Title: **Control of Non conforming Outputs/ Products/ Services**

Page No.	Brief Description of Revision	Rev. No.
6	<p>Procedure 6.2 Receiving Inspection of Purchased Materials/Customer Property Changed details 3.1 to: Assign a control number of NCR. NCR code numbering is as follows:</p> <p>NCR-AAA-BBB-XX-YY</p> <ul style="list-style-type: none"> Sequential Number Year Generated Originating Dept./Div./Unit Originating FG <p>i.e. NCR-AFG-GSD-22-01</p>	2

Updated by:


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 Chairman, Documentation Committee

Date:

Jan. 5, 2023

Concurred by:


Emmanuel A. Umali
 NPC QMR/CRO

Date:

5 Jan 2023



NATIONAL POWER CORPORATION

CORPORATE PROCEDURE


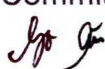




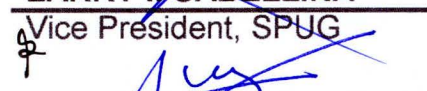
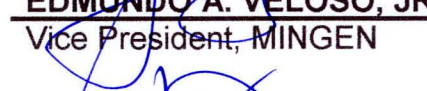
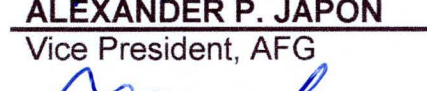

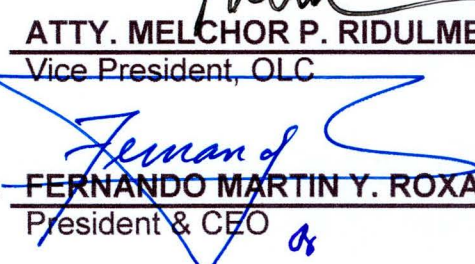

NPC-004


Document Code

CONTROL OF NONCONFORMING OUTPUTS/ PRODUCTS/SERVICES

Document Title

Revision No.: 2 Effectivity Date: JAN 13 2023

Prepared by	:  <u>ROEL M. MANANSALA</u> Chairperson, NPC Doc. Committee & Manager, CRTDD-GSD 	<u>12-1-2022</u> Date
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	:  <u>ATTY. ROGEL T. TEVES</u> Vice President, PES	<u>12-22-22</u> Date
	:  <u>LARRY I. SABELLINA</u> Vice President, SPUG	<u>12-16-22</u> Date
	:  <u>EDMUNDO A. VELOSO, JR.</u> Vice President, MINGEN	<u>12-14-22</u> Date
	:  <u>ALEXANDER P. JAPON</u> Vice President, AFG	<u>12/14</u> Date
	:  <u>RENE B. BARRUELA</u> Vice President, CAG	<u>12-13-22</u> Date
	:  <u>ATTY. MELCHOR P. RIDULME</u> Vice President, OLC	<u>12-20-22</u> Date
Approved by	:  <u>FERNANDO MARTIN Y. ROXAS</u> President & CEO 	<u>12/28</u> Date

	National Power Corporation CORPORATE PROCEDURE ISO 9001:2015 Quality Management System	Document Code: NPC-004	
		Revision No.: 2	Page 1 of 7
		Effectivity Date: January 13, 2023	

Document Title: CONTROL OF NONCONFORMING OUTPUTS/ PRODUCTS/SERVICES

1.0 PURPOSE

- 1.1 To provide guidelines to properly identify, document, evaluate and address/control nonconformities.
- 1.2 To prevent the unintended use of outputs/products and delivery of services that do not conform to specified requirements.

2.0 SCOPE

This procedure covers nonconformities identified in the following:

- 2.1 In-process and final inspection/review of outputs/products/services; and
- 2.2 Receiving, inspection and acceptance of purchased materials and customer properties.

3.0 DEFINITIONS/ACRONYMS

3.1 Definitions

- 3.1.1 Customer - person or organization that could or does receive the final product or service of NPC.
- 3.1.2 Customer Property - applies to the various instruments, devices, materials and documents used in delivering services that should be treated with confidentiality.
- 3.1.3 Deputized QC Inspector - designated personnel who is responsible to inspect materials, supplies, equipment, devices and services for conformity with contract requirements.
- 3.1.4 Disposition - statement of action(s) necessary to correct an identified nonconformance.

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- 3.1.5 Nonconformity Report - formal, freestanding quality assurance document which identifies a record of disposition of a nonconformance.
- 3.1.6 NCR Hold Tag - tag attached to the delivered item which is withheld from acceptance pending disposition and correction of nonconformity.
- 3.1.7 Nonconformity - deficiency in characteristics, documentation or procedure which renders the quality of an item unacceptable or indeterminate (i.e. physical defects, test failures, incorrect/inadequate documentation or deviation from prescribed processing, inspection or test procedures). It is also a non-fulfillment or failure to conform to specified requirements.
- 3.1.8 Output - result of a process that facilitates delivery of product and services.
- 3.1.9 Product - final output of NPC that can be produced without any transaction taking place between the organization and the customer.
- 3.1.10 Return to Vendor/Source - disposition that declares a delivered item not acceptable for its intended purpose and thereby returned to the supplier for replacement.
- 3.1.11 Service - final output of at least one activity of the organization performed for the customer.
- 3.1.12 Specification - written statement of requirement to be satisfied by a product, material or process. It is also a document intended primarily for use in the manufacture or procurement which clearly and accurately describes the essential and technical requirement for items, materials or services.
- 3.1.13 Use-as-is - disposition on a nonconforming product which is resolved to be acceptable as satisfying the quality requirements.

3.2 Acronyms

- 3.2.1 FG - Functional Group
- 3.2.2 ISO - International Organization for Standardization
- 3.2.3 NCR - Nonconformity Report

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3.2.5 NPC - National Power Corporation

3.2.6 QC - Quality Control

3.2.7 RO - Records Officer

4.0 REFERENCES

4.1 Philippine National Standard - ISO 9000:2015 Quality Management Systems, Fundamentals and Vocabulary

4.2 Philippine National Standard - ISO 9001:2015 Quality Management Systems, Requirements

5.0 APPENDICES

5.1 NPC-004.F01, Report Review

5.2 NPC-004.F02, Nonconformity Report Log Sheet

5.3 NPC-004.F03, Receiving Inspection Nonconformity Report

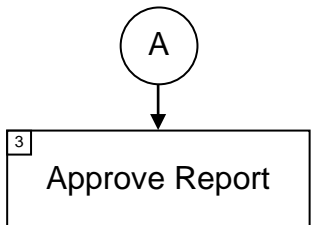
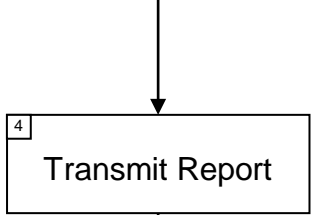
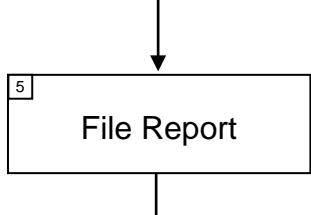
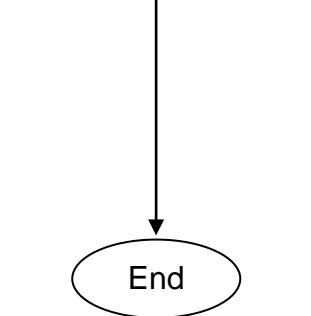
5.4 NPC-004.F04, NCR Hold Tag

5.5 NPC-004.A01, Matrix for Control of Nonconforming Outputs/Products/Services

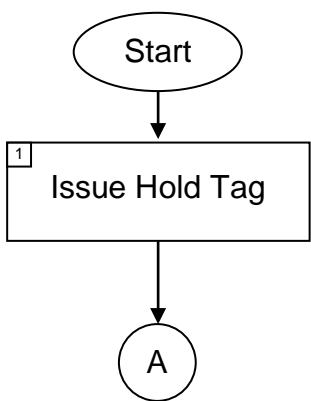
6.0 PROCEDURE

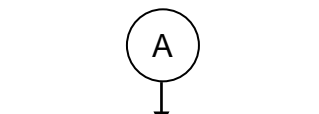
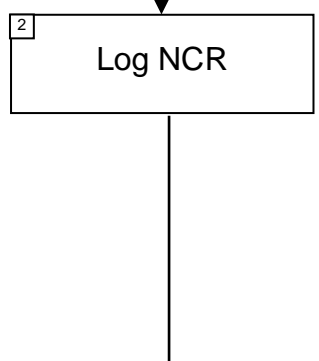
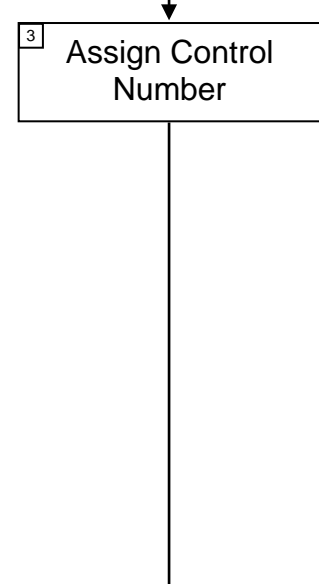
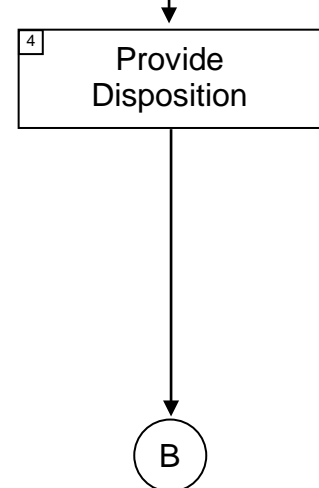

6.1 In-process and Final Inspection/Review of Reports

<u>Flowchart</u>	<u>Responsibility</u>	<u>Details</u>
<pre> graph TD Start([Start]) --> Step1[1 Prepare Draft Report] Step1 --> Step2[2 Review Report] Step2 --> A((A)) </pre>	<p>Concerned Personnel</p>	<p>1.1 Prepare draft report.</p> <p>1.2 Fill out <i>NPC-004.F01, Report Review.</i></p> <p>1.3 Forward draft report for review to next higher position or person supervising the task together with the Report Review Form.</p>
<pre> graph TD Step2[2 Review Report] --> A((A)) </pre>	<p>Concerned Personnel</p>	<p>2.1 Review draft report.</p> <p>2.2 Fill out <i>NPC-004.F01, Report Review.</i></p> <p>Note:</p> <p>a. The nonconformities and corresponding actions per type of product indicated in <i>NPC-004.A01, Matrix for Control of Nonconforming Outputs/ Products/ Services</i> are referred back to preparer for resolution.</p> <p>b. Draft report without corrections/ nonconformities is endorsed to the next higher position authorized to approve and release the report.</p>

<u>Flowchart</u>	<u>Responsibility</u>	<u>Details</u>
 <pre> graph TD A((A)) --> 3[3 Approve Report] 3 --> 4[4 Transmit Report] 4 --> 5[5 File Report] 5 --> End((End)) </pre>	Concerned Personnel	3.1 Approve/release report by filling out NPC-004.F01, Report Review.
	DCO/RO	4.1 Transmit report to intended recipient.
		5.1 File copy of report in accordance with NPC-001, Control of Documents and Records.
		<p>Note: If the nonconformity was found after the report was transmitted to the recipient/customer, refer to NPC-002, Corrective Action to resolve the NC.</p>

6.2 Receiving Inspection of Purchased Materials/Customer Property

<u>Flowchart</u>	<u>Responsibility</u>	<u>Details</u>
 <pre> graph TD Start((Start)) --> 1[1 Issue Hold Tag] 1 --> A((A)) </pre>	Deputized QC Inspector	1.1 Issue hold tag to nonconforming delivered items using NPC-004.F04, NCR Hold Tag and segregate, if necessary.

<u>Flowchart</u>	<u>Responsibility</u>	<u>Details</u>																									
																											
	Deputized QC Inspector	2.1 Fill out Part 1 of <i>NPC-004.F03, Receiving Inspection Nonconformity Report.</i> 2.2 Log NCR in <i>NPC-004.F02, Nonconformity Report Log Sheet.</i>																									
	Deputized QC Inspector	3.1 Assign a control number of NCR. NCR code numbering is as follows: <div style="text-align: center;"> <p><u>NCR-AAA-BBB-XX-YY</u></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black; width: 20px;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black; width: 20px;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black; width: 20px;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black; width: 20px;"></td> <td style="width: 20px;"></td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td>Sequential Number</td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td>Year Generated</td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td>Originating Dept./ Div./Unit</td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td style="border-left: 1px solid black; border-right: 1px solid black;"></td> <td>Originating FG</td> </tr> </table> </div> i.e. NCR-AFG-GSD-22-01										Sequential Number					Year Generated					Originating Dept./ Div./Unit					Originating FG
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	End User	4.1 Fill out Part 2 of the <i>NPC-004.F03, Receiving Inspection Nonconformity Report.</i> Note: For dispositions on other nonconforming products refer to <i>NPC-004.A01, Matrix for Control of Nonconforming Products.</i>																									
																											

<u>Flowchart</u>	<u>Responsibility</u>	<u>Details</u>
<pre> graph TD B((B)) --> 5[5 Implement Disposition] 5 --> 6[6 Close-out NCR] 6 --> 7[7 File Close-out NCR] 7 --> End((End)) </pre>	End User	5.1 Implement disposition committed in Part 2.
	Deputized QC Inspector	5.2 Verify the implementation of disposition by filling out Part 3 of <i>NPC-004.F03, Receiving Inspection Nonconformity Report.</i>
	Deputized QC Inspector	6.1 Recommend close-out of NCR and update <i>NPC-004.F02, Nonconformity Report Log sheet.</i>
	Concerned Personnel	6.2 Approve closed-out NCR.
	End user	6.3 Forward closed-out NCR to RO for safekeeping.
	RO	7.1 File close-out NCR in accordance with <i>NPC-001, Control of Documents and Records.</i>