



## Development Plan of 28 Reservoirs / BIBI HAKIMEH Oilfield (EPC)



### Non-conformance Procedure

Contract No.:  
053-073-9189

Project	Package	Contractor	Fac.	Disc.	Doc. Type	Ser. No.	Rev.
BH	00	SM	000	IP	PR	0736	D01

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# Non-conformance Procedure

Rev.	Status	Date	Document Status	Prepared by:	Checked by:	Approved by:	Client Approval
D00	IFI	17.May.2022	Issued For Information	Ma. Zeinali	H. Nikdin	A. Samadi	
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Class: I

Status:

IDC: Inter-Discipline Check  
 IFC: Issued For Comment  
 IFA: Issued For Approval  
 IFR: Issued for Review  
 AFD: Approved For Design  
 AFC: Approved For Construction  
 AFP: Approved For Purchase  
 IFI: Issued For Information  
 AB-R: As-Built for COMPANY Review  
 AB-A: As-Built –Approved

  
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 شماره ثبت: ۴۱۴۵۵۰





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	Non-conformance Procedure								 Consulting Engineers	
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	Non-conformance Procedure								 <b>TR</b> <b>Consulting Engineers</b>	
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## 1. INTRODUCTION

National Iranian South Oil Company (NISOC) plans to conduct an integrated project includes several sub-projects to preserve and increase production of Gachsaran oil fields located in south of Iran Khuzestan and Bushehr provinces as follow:

- 1) Revamping of Production and Desalting Units of Bibi Hakimeh 1&2
- 2) Fabrication & Installation a Preheater, Stripping Column and Related Equipment for Nargesi Production Unit

The purposes of first sub-project are equipping and extension of Bibihakime-2 desalting unit to achieve 110,000 SBPD desalted crude oil, and necessary modifications in Bibihakime-2 desalting & production units and Bibihakime-1 production unit so that the new plants will be able to process crude oil with 22% water cut and transfer waste water from Bibihakime-1 production unit to waste water treatment facilities in Bibihakime-1 desalting unit via installation of a none-metal pipe. Therefore, National Iranian South Oil Company (NISOC) has announced this project.

The purpose of second sub-project is crude oil sweetening in Nargesi plant by new design and necessary modifications in existing facilities. National Iranian South Oil Company (NISOC), on behalf of the National Iranian Oil Company (NIOC) is responsible to exploit oil and gas from onshore fields in the south district of Iran. According to management of planning & international affairs of National Iranian Oil Company (NIOC) pronouncement, H2S content and RVP specification of exported oil shall be in the specified allowable range; Accordingly, NISOC has decided to fulfil a project, investigating and probing required equipment and operational conditions to meet the desired crude oil specifications of sulphur content and RVP for Nargesi production units.





## 2. SCOPE

**Revamping of Production and Desalting Units of Bibi Hakimeh 1&2 and Fabrication & Installation a Preheater, Stripping Column and Related Equipment for Nargesi Production Unit** sub-projects.

## 3. DEFINITIONS

Within the context of this document, the following definitions are applicable

Owner/Client : National Iranian south oil company (NISOC)  
 Title : Development Plan of 28 Reservoirs/ BIBI HAKIMEH Oilfield (EPC)  
 Contractor : Mashin Sazi Arak/ Sealand Engineering and Well Services JV

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Consultant : Tehran Raymand Consulting Engineers

Will: Is normally used in connection with the action by the “Company” rather than by a contractor, supplier or vendor.

May: Is used where a provision is completely discretionary

Should: Is used where a provision is advisory only.

Shall: Is used where a provision is mandatory.

#### 4. CODES AND STANDARDS

OHSAS 18001:2007 - International Standard.

ISO 14001:2004 – International Standard.

#### 5. REFERENCE DOCUMENTS

ISO 9001: 2015– Quality Management Systems

#### 6. ABBREVIATIONS

NCR: Non-Conformity Report

CAR : Corrective Action Request

CA: Correction Action to eliminate the cause of a detected non-conformance or other undesirable situation.

PA: Preventive Action to eliminate the cause of a potential non-conformance or other undesirable situation.

QA/QC: Quality Assurance/Quality Control

NCE: Non- conformity from Contractor Engineering Office

NCS: Non- conformity from Supplier

NCC: Non- conformity from Contractor Construction Office





NCSE: Non- conformity from Site Relevant Contractor

NCCM: Non-Conformity from Owner/Client

#### 7. RESPONSIBILITIES

Contractor shall be responsible for implementing the requirements of this procedure in executing the Project.

Contractor's Project Manager or his designated personnel (hereinafter referred to as Project Manager), has overall responsibility for approval or rejection of all dispositions of non-conforming product, however, he shall be responsible for obtaining Owner/Client approval for the disposition.

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Contractor's Quality Manager is responsible for preparation of Non-Conformity Report (NCR) (Attachment 1) and evaluating the Non-Conformities as identified during all phases of the Project, to be reported to the Contractor.

Contractor's inspection engineer his designated personnel (hereinafter referred to as TPA's Inspector), is responsible for preparation of Non-Conformity Report (NCR) and evaluating the Non-Conformity as identified during the procurement phase of the Project, to be reported to the Quality Manger.

Contractor's site quality control personnel through the Contractor's Site QA/QC Manager is responsible for preparation of Non-Conformity Report (NCR)(Attachment 1) and evaluating of the Non-Conformity as identified during the Construction phase of the Project, to be reported to the Contractor's Quality Manager.

Notwithstanding the above, it is the responsibility of all project personnel to identify and report non-conformities to the Project Specification.

Contractor shall conform in full with the Project Specification and Developments. Contractor shall ensure Suppliers, Sub-Suppliers and all parties for whom Contractor is responsible also conform to the Project Specification and Developments.

Contractor shall ensure that product which does not conform to Project Specification and developments are identified and controlled to prevent its unintended use or delivery. The controls, related responsibilities and authorities for dealing with non-conforming product shall be as defined in this procedure.

Acceptance of a Non-Conformity by Owner/Client shall be on a case-to-case basis and does not infer acceptance of similar Non-Conformity across the Project. Contractor will prevent continuation or repetition of non-conforming activities.





## 8. PROCEDURE

Contractor shall implement a policy of avoidance of Non-Conformity with the Project Specifications and Developments. Contractor shall instruct all Suppliers, Sub-Suppliers and Relevant Contractors that Non-Conformity with the Project Specification and Developments shall be avoided. All requests by Contractor's team, Suppliers, Sub-Suppliers and Relevant

Contractor for acceptance of Non-Conformity will be evaluated by Contractor's Management and rejected unless they are unavoidable.

In the event that Contractor considers that a Non-Conformity is unavoidable and shall be referred to Owner/Client for approval, Contractor shall identify the steps taken to try and avoid the Non-Conformity as specified in 7.1.

Schedule recovery or adverse impact on schedule shall not be given as justification to propose an NCR.

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### 8.1 Initiation of Corrective Action Evaluation of the Necessity

The need for corrective action is evaluated by reviewing the results of activities described below;

- Results obtained from Key Performance Indicators
- Results of monitoring of employer's satisfaction
- Supplier and sub-Supplier performance evaluations
- Effectiveness evaluations, related to Training and informing activities, etc.

During this review; an evaluation is made to see, if the present status may adversely affect the quality management system activities and the quality of the products and services that are turned over to employer or cause material loss or not.

### 8.2 Control Steps

#### 8.2.1 Identification of Non-conforming Product

- Through the work process of design, procurement, construction and commissioning, the person in charge of the work process in which the non-conforming product was detected shall identify any non-conformity.





#### 8.2.2 Reporting and Notification

- The person in charge shall report, and notify of the information on the detected nonconforming product to the related organization and to Owner/Client in accordance with this procedure.
- For the purpose of facilitating the process of closing the NCR, raising the non-conformity through an NCR and following up the process of closing could also be done through email, and the confirmation of NCR closing is also acceptable by email and the NCR will constitute as closed; consequently the work shall proceed. The hardcopy of NCR will consequently signed/stamped by the relevant parties and will be submitted to TPA for archiving.

### 8.3 Supporting Data

Contractor's requests for approval of Non-Conformity with the Project Specification and developments shall be supported by basic information which will contain, as a minimum (Attachment 2):

- 1) A justification of why the Non-Conformity is considered essential giving reasons for non- rejection.
- 2) Quality benefits to Owner/Client.
- 3) Delivery benefits to Owner/Client.
- 4) Overall Cost benefit to Owner/Client, Supported by Supplier/Relevant Contractor's quotation.
- 5) Other benefits to Owner/Client.

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- 6) All contractual references with copies attached.
- 7) Sketches, photographs and drawings as necessary to define the subject of the nonconformity and proposed solutions
- 8) Line by line comparison of proposed Non-Conformity with the requirements of the Project Specification and Developments.

Unsubstantiated Non-Conformity shall be automatically rejected by Owner/Client. Contractor shall not use Cost Reduction or Schedule Recovery as justification for non-conformity. Owner/Client agreement to Non-Conformity is not grounds for Contractor to raise a Change Order.

#### **8.4 Quality Assurance Review**

Non-conformities shall be issued to Contractor's Quality Manager in order that occurrences and causes of Non-Conformity can be analyzed. Should review indicate procedural deficiencies within Contractor, Supplier or Relevant Contractor organizations then consideration shall be given to raising formal Corrective Action Request on the Department or Relevant Contractor concerned.

The review, of the non-conformities may also indicate the requirement to carry out unscheduled Quality Audit if indication is that Quality Management System is not functioning correctly.

### **9. RECORDS**




Contractor shall develop and maintain a register of non-conformity, recording details of the Non-Conformity and approval status. This register and sub-registers based upon the source of the Non-Conformity shall be issued on a monthly basis to Owner/Client.

A summary Status Report named, as "Monthly Non-Conformity Analysis Report" shall be issued as part of the Monthly Report.

Contractor's Quality Manager shall maintain the register, sub-registers, records and master file of all non-conformities.

The register shall contain the following as a minimum:





- Unique code number (assigned by Contractor)
- Source of non-conformity
- Brief description of non-conformity
- References of written correspondence relating to non-conformity
- Whether approved, rejected or pending

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## 10. ATTACHMENTS

### 10.1 Attachment 1 – Non- conformity Report

<b>Project Name</b>		
NCR No.	Rev.	Date
<b>1. Non-Conformity With Contract</b> <b>1.1 Source of Nonconformity*</b> <input type="checkbox"/> Supplier (NCS) <input type="checkbox"/> Construction (NCC) <input type="checkbox"/> Relevant Contractor (NCSE) <input type="checkbox"/> Owner/Client (NCCM) <b>1.2 Contract Reference</b> <input type="checkbox"/> Agreement Section <input type="checkbox"/> Project Specification Doc Ref <input type="checkbox"/> Contract Requirement Part		
<b>2. Subject</b> Requisition No.      Item No.      Supplier Name		
<b>3. Description of Non-Conformity</b>		
Issued by (Sign/date)		Reviewed by the QA/QC Manager(Sign/date)
<b>4. Corrective Actions Taken to Avoid Non-Conformity</b>		
<b>5. Details of Proposed Concession</b> Benefit To Owner/Client (specify which and give details ) <input type="checkbox"/> Cost <input type="checkbox"/> Quality <input type="checkbox"/> Schedule <input type="checkbox"/> Other		
<b>6. Decision of Owner/Client Engineering on Proposed remedial action</b> Rework <input type="checkbox"/> Repair <input type="checkbox"/> Reject <input type="checkbox"/> Use-as-is <input type="checkbox"/> <div style="text-align: right;">Sign/Date by:</div>		
<b>7. Owner/Client Approval</b> Accept <input type="checkbox"/> Reject <input type="checkbox"/> Signed By: Acceptance by Owner/Client does not relieve Contractor of its responsibility for the Quality of work carried out for the project in connection with this Non- conformity.		
<b>8. Verification</b> Target Completion Date      Actual Completion Date: Signed (Contractor): Verification of Completion by Owner/Client      Date: <div style="text-align: right;">Signed:</div>		
<b>9. Notes</b> 9-1 Non-Conformity to Include All Back-Up Data, Justification & Proposed Contract Addendum Where Applicable. 9-2 NCS = Supplier 9-3 NCC = Contractor Construction Office 9-4 NCSE = Site Relevant Contractor 9-5 NCCM= Owner/Client 9-6 *check 'x' in <input type="checkbox"/> as appropriate		

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## 10.2 Attachment 2 – Supporting Data for NCR

<b>Project Name</b>	
Reference /Project Specification	
Details of non-conformity	
Contractor's justification	
(2) Quality benefits to Owner/Client	
(3) Delivery benefits to Owner/Client	
(4) Overall cost benefits to Owner/Client	
(5) Other benefits to Owner/Client	
(6) All contractual reference	
(7) Sketches, photographs, drawings as necessary to define the subject of the NCR and proposed solution.	
(8) Owner/Client's representative's approval: Name, Signature, and Date	