# IPLOCA 2023

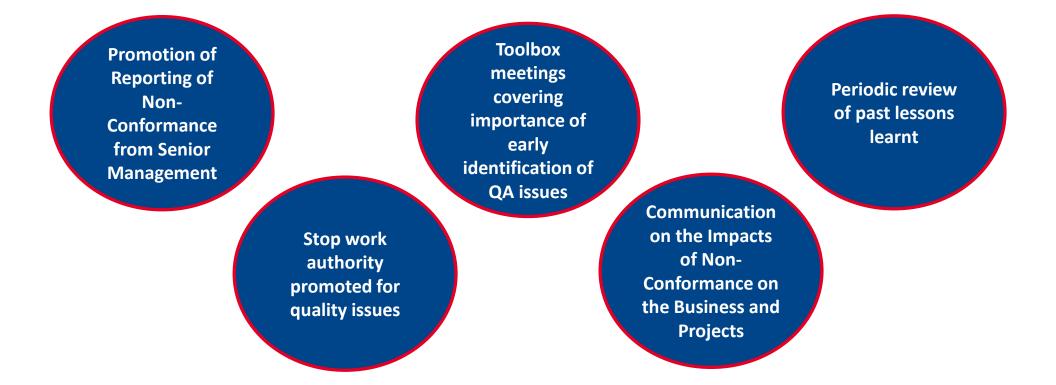
SPIECAPAG QUALITY AWARD SUBMISSION

Determination of Cost of Non-Quality





#### **Overhaul of Non-Conformance Process**



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### Process for determining the cost of Non-conformances

- Schedule Impact
- Rework Cost
- Reputation Impact





## <u>Categorisation and communication in a similar</u> <u>manner to Safety Incidents</u>

		IMPACT CATEGORIES			
		Product	Schedule	Business	Reputation
	Catastrophic	Critical component / Long Lead item - irreparable	Critical Path affected more than a week	Loss > \$10M. Loss of service provision.	Trading Suspended. Loss of reputation.
	Critical	Critical component / Long Lead item – Significant repairable damage	Critical path affected less than a week	Loss \$1M-10M. Prolonged reduction in service provision or productivity.	Legislative breach. Prohibition Notice. Certification Failure. Sustained Adverse Publicity.
CONSEQUENCE	Significant	<u>None critical</u> item – irreparable	1 crew extending duration more than a week	Loss \$100K- \$1M Disruption in service provision or productivity.	Improvement Notice. Non- <u>conformance</u> Report.
CO	Moderate	Moderate damage – <u>i.e.</u> Pipe body damage, parent material still within thickness tolerance	1 crew extending duration on site between 2 & 6 days	Loss \$10K - \$100K. Interruption to service provision.	Moderate Client/public concern with short term impact.
	Minor	Minor damage – Coating, low value items (nuts, gaskets washers)	Minor loss in production for a day	Loss < \$10K No loss to service provision.	Minor Client/public annoyance with negligible impact.



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## Authority to Stop Work for Quality Non-Compliance



