CNRMC INSTRUCTION 4730.1

From: Commander, Navy Regional Maintenance Center

Subj: CONDITION FOUND REPORT (CFR) AND LETTER OF TRANSMITTAL (LOT)

Ref: (a) NAVSEA Standard Item 009-01

Encl: (1) Condition Found Report (CFR) Example  
(2) Letter of Transmittal (LOT) Example

1. Purpose. To refine and promulgate instructions for the processing and handling of Condition Found Reports (CFRs) and Letter of Transmittals (LOTs) used for the transmittal of routine reports and other data to Regional Maintenance Centers (RMC) by contractors.

2. Background

   a. Per reference (a), contractors will prepare and submit enclosure (1) to transmit specific information concerning inspections, deficiencies or to propose additional work which requires a government response.

   b. Contractors will use enclosure (2) to submit routine information relating to requirements of a job order.

3. Action. Waterfront Operations

   a. Class/Core Maintenance Team

      (1) Receive and record CFR/LOT.

      (2) If applicable, forward CFR/LOT to the cognizant code requiring the data or information. Reports, test memos and drawings that require design approval or review will be forwarded to the Class Engineering Liaison for action.

   b. Ship Building Specialists (SBS)
(1) Investigate the conditions cited in the CFR, including alleged constructive changes, delays and disruptions, and annotate all copies with conditions found, and remedial action recommended or being considered. The response must address each contractor question or recommendation.

(2) CFR shall not be answered with "Received and noted," but must also list follow up action i.e. "forwarded to engineering for approval."

(3) Process CFR/LOT within three working days.

(4) Forward answered CFR to Project Manager for review.

(5) When justified and authorized by Project Manager/Coordinator, prepare a work statement and cost estimate per reference (b).

(6) If Design action is required, notify the Engineering Liaison and Project Manager and forward the CFR/LOT.

(7) Take appropriate action as recommended by the engineering memo. Provide feedback to Design on action taken and results obtained.

(8) Distribute the CFR/LOT as follows:

   (a) Contractor, annotated original.

   (b) Contracting Officer, one copy of annotated original CFR. This copy shall be filed in the "Official Contract File".

   (c) Project Manager, one copy.

   (d) Ship, one copy.

   (e) Port Engineer, one copy.

   (f) SBS working file, one copy.

Note: If CFR/LOT is submitted/answered electronically, copies are not required.

(9) CFR's received that are readdressing a previous CFR or CFR answer shall be answered by the Project Manager and the Contracting Officer.
(10) CFR answers that may be contractual direction, interpretation of a work item specification or address previous answers must be assigned by the Contracting Officer.

(11) CFR that is to be returned to the contractor due to work being previously covered in specifications will be reviewed with cognizant SBS and contract specialist. If the contract specialist is in agreement, the CFR will be annotated as follows:

“Covered by paragraph _______ of work item _______ and or Modification Number________________.”

c. Project Manager

(1) Ensure CFR/LOT's are processed promptly. Generally a three working day response time shall be satisfactory.

(2) Review SBS responses on CFR and LOT's for accuracy and completeness, ensuring that all questions/recommendations addressed by contractor are answered.

(3) Ensure proper distribution of CFR's and LOT's.

d. Engineering Department. Provide timely, written resolution of problems to the requesting code, Project Manager and other applicable codes.

e. Contracts Department

(1) Only the Contracting Officer can sign a CFR requesting a waiver of contract specifications or a Contracting Officer's determination. The Contracting Officer shall review all CFRs to ensure that SBS responses do not constitute changes to the contract. Discrepancy issues will be resolved with the Class Maintenance Leader of the code annotating the CFR.

(2) Maintain a copy of annotated CFR/LOT, with attachments, as a part of the "Official Contract File."

4. Processing of CFR shall be given very high priority. CFR's marked "Urgent" shall be expedited as necessary for maximum reduction of processing time.
5. Review. The Operations Department is responsible for the annual review and update of this instruction. RMC may recommend changes through the chain of command.

Distribution:
NSSA
SERMC
SWRMC

Copy to:
OPNAV (N43, N6, N95, N96)
COMUSFLTFORCOM (N43, N6)
COMPACFLT (N43, N6)
COMNAVSEASYSCOM (00, 02, 04, 05, 21)
COMNAVSURFOR (N43, N6)
COMNAVSURFLANT (N43, N6)
SURFMEPP
NAVSHIPYD and IMF Pearl Harbor HI
NAVSHIPYD and IMF Puget Sound WA
To: Southwest Regional Maintenance (SWRMC), USN  
San Diego, California  
Via: SWRMC Field Representative

Title or Work Item: PORT SHAFT SEAL; REPAIR

Vessel: LCU  
Hull No: 1648

Spec No:  
Art No: 243-12-001  
Mod No:  

Reference: Basic  
Date of Inspection: 12/29/03

CONDITIONS FOUND (not covered in original specification)

During removal of the port shaft, contractor noted that the seal housing is grooved and will require machine and possible weld build up.

Witnessed by the port engineer

CONTRACTOR’S RECOMMENDED ACTION

Issue the contractor a change order to remove seal housing, weld/machine housing and reinstall.

Est Time: XXX  
Est MD: XXX  
Est Material: XXX

Failure to respond by _________ Will result in schedule impact  
Joe Contractor, Machinery Supervisor  
Signature of Originator, Title & Auth

SWRMC Field Representative  
Finding and/or Recommendations  
CHIT#15 applies when negotiated

Date Received from Contractor: _________________________

Joe Government  
SWRMC Representative

Date Submitted: _______________

Form 40 Rev (1)  
Enclosure (1)
LETTER OF TRANSMITTAL SAMPLE

TO: Southwest Regional Maintenance Center (SWRMC) USN
    U.S. Naval Station, Box 119
    San Diego, CA 92136
    Code#:__________________________

Letter No: ___________________
Date: ________________________
Contract No: __________________
Project No: ____________________
Vessel: ________________________
Work Item No: ________________

Gentlemen:

We are sending you ___ Attached ___ Under separate cover, via the following items:

___ Specifications     ___ Prints/Drawings     ___ Report(s):_______________
___ Quotation          ___ Change Order       ___ Paragraph: ______________

Company XYZ Remarks: __________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

___ For Approval    ___ Corrected as Noted  ___ For Disposition Instructions
___ For Your Use    ___ Rejected             ___ Return of:
___ As Requested    ___ For Closing          ___ Return Reply Requested

SWRMC REMARKS: ________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

SWRMC Signature                        Date

__________________________          ___________________

Company XYZ QA Signature                  Date

Enclosure (2)