



DEPARTMENT OF THE NAVY
COMMANDER
NAVY REGIONAL MAINTENANCE CENTER
9170 SECOND STREET, SUITE 245
NORFOLK, VA 23511-2352

CNRMCIINST 4335.2
Code 300/400
27 Jun 13

CNRMCI INSTRUCTION 4335.2

From: Commander, Navy Regional Maintenance Center

Subj: PROCEDURE FOR CONTROL OF CONTRACTOR RESPONSIBLE DEFECTS
AND GUARANTEE/WARRANTY DISCREPANCIES

Ref: (a) COMNAVSURFLANTINST 4700.1A
(b) COMUSFLTFORCOMINST 4790.3, Joint Fleet Maintenance
Manual (JFMM)
(c) Federal Acquisition Regulation (FAR) Supplement,
Clause 252.217-7013, Titled: Guarantees.

Encl: (1) Code 400 Guarantee Item Memo
(2) Code 300 Guarantee Item Memo

1. Purpose. To establish procedures and assign responsibilities per references (a) through (c) for the control of contractor responsible defects and guarantee/warranty discrepancies.

2. Background. Ship Commanding Officers are responsible by reference (a) for assisting Regional Maintenance Centers (RMCs) in ensuring that quality work is performed by outside agencies or ship force (SF) equipment, and for promptly reporting unsatisfactory work, casualties, damages or defective work discovered within the guarantee period. RMCs are responsible for providing prompt and effective resolution of reported defects.

3. Categories

a. Contractor Responsible Casualty Discovered During an Availability. Per reference (b) the contractor is responsible for inspection, repair, replacement or renewal of any defects in the ship, material, and equipment due to defective workmanship or defective materials.

b. Contractor Responsible Defect Discovered During Guarantee Period. Per reference (c), the Contractor is responsible for correcting or repairing defects in their work performed on the ship, if such defects are discovered within a period of 90 days after delivery or under certain other conditions.

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4. Policy

a. The Contractor shall not be provided with copies of correspondence in which RMCs have requested advice, decisions, or determinations from outside activities (e.g., NAVSURWARCEN, CNSL, CNAL, and NAVSEA) on controversial matters. This prohibition permits RMCs and other activities to interchange information freely, to establish a unified position and to present one resolution of the matter to the contractor.

b. The Contractor shall not be provided with copies of reports of investigative findings.

c. Only Contracting Officers have delegated authority and are authorized to obligate the government for work related to ship overhaul or repair. Care must be taken to ensure in all cases that business or contractual matters are discussed with the contractor only by persons specifically authorized as the Contracting Officer or his representatives.

5. Action

a. Guarantee Period

(1) RMCs, at the request of the Project Team (PT) will establish availability dates during the guarantee period.

(2) RMC's Project Team (PT) and Project Manager (PM) shall request by email that the responsible Shipbuilding Specialist (SBS) using enclosure (1) investigate and recommend possible action on a reported Guarantee/Warranty item.

(3) Per enclosure (2), RMC's PT and PM, in a memo to RMC Contracting Officer shall provide: Ship's name, contract information, dates of the established availability and the reported guarantee discrepancy.

(4) RMCs Contracting Office shall advise the contractor in writing the procedure to follow for correction of the guarantee discrepancy.

b. Resolution of Contractor/Government Responsible Discrepancies During Availability

(1) Cognizant Waterfront Operations personnel are responsible for:

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(a) Ensuring work is performed per specifications.

(b) Performing accept/reject inspections during availability.

(c) Ensuring that the contractor is informed of any unsatisfactory work and the action required to correct the defect.

(d) Furnishing a revised specification, when applicable, via the RMCs PT and PM to RMC Contracting Office for processing of a supplemental agreement.

(2) Any employee witnessing a casualty or receiving notification from the ship or contractor that a casualty or equipment failure has occurred is responsible for immediately reporting the casualty or damage and the details to the senior on-site representative of RMCs.

(3) The senior RMC on-site representative (e.g., Ship personnel or RMC personnel) informs PT and PM that damage has occurred and the known details.

(4) The PT will notify cognizant Department Heads of the damage and will request assistance from applicable RMC codes as required, to determine the causes and corrective actions.

(5) If required or if resolution of responsibility cannot be reached in a timely manner, the PT will notify the RMC Contracting Office.

(6) RMC Contracting Office, upon receipt of the findings and recommendation from the PT, will make a determination on whether the contractor or the government is responsible. If, in the opinion of the government, the contractor is responsible, RMC Contracting Office will notify the contractor in writing that the damages are considered to be possible contractor responsibility and will request that the contractor investigate in order to establish the contractor's position. If the contractor is not responsible; the responsible RMC PT and PM will have a new Work Item (WI) and estimate sheet written and negotiated.

(7) The PT will request the extension of the established availability and the necessary funds, if the government is responsible.

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(8) RMC Contracting Office will execute a supplemental agreement and obligate funds.

(9) The PT will coordinate the ship and RMC actions on the waterfront.

c. Resolution of Contractor/Government Responsible Defects Discovered During Guarantee Period

(1) Any employee with knowledge of defective work is responsible for notifying the PT of the following: ship's name, hull number and defective work location. RMC PT and PM will initiate a Guarantee Memorandum, enclosures (1) and/or (2) to document the process.

(2) The PT is responsible for determining the facts concerning the reported defects by inspection, if feasible, or by requesting additional information from the ship. Findings and recommendations are reported using enclosure (1), which will provide the RMC Contracting Office with the investigative results in accordance with enclosure (2).

(3) When disassembly of equipment is required or if resolution of responsibility cannot be reached in a timely manner, the PT and PM will notify the RMC Contracting Office and is responsible for ensuring availability of funds if an investigation determines that the government is responsible.

(a) Any warranty work performed on a I Level system/component shall be conducted under the requirements of a written work specification.

(b) Any warranty work performed on a critical systems/Components shall be conducted under the requirement of a Expanded Process Control Procedures (EPCP).

(c) Work shall be conducted under the requirements of a written work item specification modification, Regional Calibration Center (RCC) if:

1 Warranty work requires repairs beyond the requirements in the original specification.

2 The original work specification does not adequately address the specifics required to affect the warranty repair.

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(4) RMC Contracting Office will review the investigative results and determine whether the contractor or the government is responsible for the work. If, in the opinion of the government, the contractor is responsible, RMC Contracting will notify the contractor in writing that the defect is considered to be possible contractor responsibility and Contracting will direct the contractor to proceed under the warranty clause to inspect and correct the defect, if the operating commitments of the ship permit. In the event that the contractor declines to undertake the rework, RMC Contracting will determine the most appropriate alternate procedure for correcting the defects based on location, availability funding and other factors and will inform the PT of his recommendation.

(5) RMC Contracting Office will make appropriate administrative arrangements with the contractor to either perform the work or to deposit adequate funds in advance to cover the performance of the work by another contractor.

(6) When the ship's operational commitments make it impractical to permit the contractor to repair the defect, RMC Contracting will obtain an equitable deduction from the job order price from the contractor. The PT will work with CNSL to determine if the defect/deficiency can be left in its existing condition or if alternate procedures for correcting the defect must be found.

(7) The PT will contact the cognizant Type Commander (TYCOM) representative and request a technical or restricted availability, as required.

(8) The Senior Rating Official (SRO) or PM will provide liaison for contractor correction of defects.


DAVID J. GALE

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Code 400 Guarantee Item Memo

Date

MEMORANDUM

From:

To: Code 3XX (applicable Project Management Officer)
Code 420 (X)

Subj: USS EVERSAIL (HULL-NUMBER), FYXX TYPE OF AVAIL), CONTRACT
JOB ORDER # XXFY-XX, COAR: XX-XXX

Ref: (a) Use an applicable reference (i.e., phoncon,
perscon, msg, memo or letter)

1. You are requested to notify the contractor (list contractor) that the following listed discrepancy has been reported to (RMC's name) per reference (a). The reported work is covered under G/W and considered to be contractor's responsibility with regards to subject availability:

(Item number)

XXX-XX-XXX

Title of work item

Problem: state problem

2. The Ship may be contacted at XXX-XX-XXXX to discuss guarantee work. The G/W availability dates are DD/MMM/YY thru DD/MMM/YY for contractor's inspection of listed discrepancy.

Signature

Copy to:
Code 200
Code 300
File

Enclosure (1)

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Code 300 Guarantee Item Memo

Date

MEMORANDUM

From: Code 3xx (applicable Project Manager)

To: Code 300 (applicable SBS)

Subj: USS EVERSAIL (HULL-NUMBER), FYXX TYPE OF AVAIL), CONTRACT
JOB ORDER # XXFY-XX, COAR: XX-XXX

Ref: (a) Use an applicable reference (i.e., phoncon
perscon, msg, memo or letter)

1. As advised in reference (a), request you investigate and provide in writing your findings and recommendations for the following listed discrepancy:

(Item number)

XXX-XX-XXX

Title of work item

Problem: state problem

2. This discrepancy was reported to SERMC and is covered under the subject ship's guarantee/warranty period. The reported work is considered to be (possible) contractor's responsibility with regards to subject availability.

3. Ship is presently at (state local) (or will return to) (NAVSTA name) basin on DD/MMM/YY. The assigned G/W availability dates are from DD/MMM/YY thru DD/MMM/YY for inspection/correction of the discrepancy.

4. Request your written recommendations be forwarded to Code 3xx NLT DD/MMM/YY.

Signature

Copy to:
Code 300

Enclosure (2)