AUTHORITY FOR IMPLEMENTATION

The President & CEO hereby approves this Quality Manual that has been aligned with the requirements of ISO 9001:2015 Standard and authorizes its implementation.

All personnel of the National Power Corporation (NPC) are enjoined to familiarize themselves with the Corporate Vision, Mission, Quality Policy and Quality Objectives and to fully support the implementation and maintenance of the Quality Management System (QMS).

The implementation of this Quality Manual takes effect ten (10) working days after its approval.

Prepared by:

JOSIE ROSIE YAP-RICARDO
Chairperson, QMS Documentation Committee

Endorsed by:

EMMANUEL A. UMALI
Quality Management Representative (QMR)/Chief Risk Officer (CRO)

Approved by:

PIO J. BENAVIDEZ
President & CEO

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1.0 INTRODUCTION

The National Power Corporation (NPC) has developed and implemented a Quality Management System (QMS) which adopts ISO 9001:2015 Standard as a framework to document and improve processes to meet the needs and expectations of NPC's customers and stakeholders.

This Quality Manual (QM) describes the general policies on how NPC conforms to the ISO 9001:2015 requirements and guides the implementation of the QMS.

2.0 TERMS AND DEFINITION

This Quality Manual (QM) adopts the terms and definitions in the ISO 9000:2015, QMS - Fundamentals and Vocabulary and other applicable standards and references as listed in Annex 1.

3.0 BACKGROUND INFORMATION

The NPC is a government-owned and controlled corporation created by virtue of Commonwealth Act No. 120 on November 3, 1936. The main functions of the NPC as defined in its Charter are:

1. Comprehensive development, utilization and conservation of Philippine water resources for all beneficial uses, including power generation; and

2. Total electrification of the Philippines through the development of power from all sources to meet the needs of industrial growth and rural electrification which shall be pursued coordinately and supported by all instrumentalities and agencies of the government, including its financial institutions.

The Charter provides that the NPC “shall be non-profit and shall devote all its returns from its capital investment as well as excess revenues from its operation, for expansion......... The Corporation....., is hereby declared exempt from the payment of all forms of taxes, duties, fees, imposts as well as costs and service fees including filing fees, appeal bonds, supersedes bonds, in any court or administrative proceedings”. While NPC was subjected to VAT under Republic Act No. 9337 (RA 9337), which took effect in November 2005, its non-profit character under the Charter as affirmed by the Department of Finance’s Ruling dated 20 January 2000, has not been affected. Moreover, the Corporation continuously performs its essential governmental function.
From the Caliraya Hydroelectric Power Plant (CHEPP) in Lumban, Laguna, the NPC became the prime energy power provider in the country until 2003. The Corporation has constructed power facilities which peaked at over 15,000 MW of mixed installed capacities coming from hydroelectric, coal-fired thermal, oil-fired thermal, geothermal, natural gas, solar, wind and biodiesel power plants. With the implementation of the Electric Power Reform Act of 2001 (EPIRA) in 2003, NPC ceded, through the sale of majority of its power facilities to the private sector by the Power Sector Assets and Liabilities Management (PSALM). NPC disengaged from the privatized power generating facilities, but remains engaged primarily in the government functions of protecting the environment and upholding the welfare of the communities hosting the power facilities. Our mandates are focused on the following:

1. Missionary Electrification in areas that are not connected to the main grids through the Small Power Utilities Group (SPUG).
2. Management of watershed areas under NPC jurisdiction.
4. Management of undisposed power generating assets.

The NPC is currently operating small power plants and undisposed assets all over the country, The Mindanao Generation Group (MinGen) Office located in Maria Cristina, Iligan City takes care of the undisposed hydropower generating assets within its jurisdiction namely the Agus and Pulangi Hydro Power Plant Complexes. The Small Power Utilities Group (SPUG) is primarily responsible for the operation and maintenance of small power plants in small islands and those not connected in the main grids.
4.0 CONTEXT OF THE ORGANIZATION

4.1 NPC ORGANIZATION AND ITS CONTEXT

The NPC, through the various FGs/Departments identifies the external and internal issues, which include positive and negative factors or conditions, relevant to its purpose and strategic direction, and that affect the ability to achieve the intended result(s) of its QMS.

Issues arising from political, legal, technological, competitive, market, cultural, social and economic environments, whether international, national, regional or local are considered in identifying and understanding the external context. Those that are related to values, culture, resources, knowledge and performance of NPC are also considered in identifying and understanding the internal context.

The NPC monitors/reviews information about these external and internal issues during management reviews at different levels.

4.2 NEEDS AND EXPECTATIONS OF INTERESTED PARTIES

The NPC, through the various FGs/Departments identifies the interested parties and their requirements, and monitors/reviews information, relevant to the QMS, during management reviews at different levels.

4.3 SCOPE OF THE NPC QUALITY MANAGEMENT SYSTEM

The NPC determines the scope of its QMS by considering external and internal issues, requirements of relevant interested parties and the products/services of the organization. It adopts the following quality management principles:

a. Customer focus
b. Leadership
c. Engagement of people
d. Process approach
e. Improvement
f. Evidence-based decision making
g. Relationship management

The NPC QMS covers NPC Vision and Mission focusing on the following mandates/functions:

1. Missionary Electrification (Operations Planning and Performance Assessment and Mindanao Operations)
2. Operation and maintenance of undisposed assets (Mindanao Generation except Agus Hydroelectric Power Plants)
3. Watershed Management
4. Dams Management
It also covers the following services:

1. **Office of the President and CEO (OP)**
   a. Management of the Corporate Plans and Programs

2. **Internal Audit Department (IAD)**
   a. Management Audit
   b. Operations Audit

3. **Office of the Corporate Secretary (OCS)**
   a. NP Board/Board Review Committee (BRC) Meetings Secretariat
   b. NP Board Records Management

4. **Corporate Affairs Group (CAG)**
   a. Revenue Management (Marketing, Customer Relations, Electricity Tariff, Billings and Settlement)
   b. Corporate Planning (Strategic Plans & Programs, Systems Planning, Corporate Performance, Business Development)
   c. Information & Technology Services (Corporate Policy Formulation, Information Management, ICT Services)
   d. Corporate Communications (Plans & Programs Communication, Implementation of CSR Programs, Data/Information Gathering, Publications & Event Organizing)

5. **Office of the Legal Counsel (OLC)**
   a. Legal Services (Filing of pleading and prosecution of Civil, Criminal, Tax and ERC cases, Administrative Filing of Cases Against NPC Officials and Employees, Issuance of Legal Opinion, Review of Contract and Bonds)
   b. Land and Land Rights (Litigation of Land Registration, Eminent Domain, Tax and Other Civil Cases, Issuance of Legal Opinion, Land Surveying, Titling, Negotiation and Acquisition of Project-affected Lots and Settlement of Claims)

6. **Administration and Finance Group (AFG)**
   a. Logistics (Contract Awards and Documentation, Order Compliance and Billing, Bids and Contract Services, Warehousing, Inventory and Disposal of Materials, Supplies and Equipment, Fuel Supply Procurement, Planning and Monitoring)
   b. Human Resources (Organizational Development and Placement, Compensation and Benefits, Training Services)
   c. General Services (Security and Telecom Services, Transportation and Facility Management, Records Management)
d. Financial Planning, Budget and Program Review  
e. Treasury (Financial Plan Implementation)  
f. Controllers (Financial Reporting Services)

7. **Power Engineering Services (PES)**

a. Engineering Design and Development (Engineering Studies, Tender Documentation Preparation)  
b. Project Management (Project Control and Administration Package, Project Site Management Package, Engineering Resource Package)  
c. Environmental Management (Environmental Impact Assessment, Permitting/Licensing, Compliance Monitoring and Audit)  
d. Energy Services (Plant Performance Testing, Metrology and Calibration, Quality Assurance, Safety and Audit)  
e. Major Repair and Maintenance (Maintenance and Manufacturing)

8. **Small Power Utilities Group (SPUG)**

b. Mindanao Off-Grid and Island Grid Operations

9. **Mindanao Generation (MinGen)**

a. Operation and Maintenance of Pulangi Hydroelectric Power Plant  
b. Operations Planning (Generation Capacity Outlook, Capacity Nomination, Ancillary Reserve Capacity Nomination, PMS Coordination, Dams/Reservoir/Waterways Management, and Information System/Technology Services)  
c. Central Maintenance and Technical Services (Plant Equipment Repair/Rehabilitation/Overhauling, Parts Fabrication, Heavy Equipment for Lifting/Hauling, Installation/Commissioning of High Voltage Equipment, Calibration and Integrity/Accuracy Testing of Plant Instrumentation and Electrical Protection Relays, and Laboratory Testing)  
d. Community Development (Planning/Design/Development/Evaluation/Monitoring of ICG, ER 1-94 and O&M Infrastructure Projects)  
e. Legal Services, Safety/Security/Environmental Services, IPP Contracts Management, and Billings and Settlement Services  
f. Administration and Finance (Human Resource, Finance, Logistics)

10. **Resource Management Service (RMS)**

a. Independent Power Producer Contract Management (Contract Management for IPPs of Luzon & Visayas and O/M of Ilijan Natural Gas Receiving Facility
b. Preservation and Maintenance of Decommissioned, Mothballed, Idled & Turned-over Power Plants/Facilities and Safekeeping of Excluded Assets in the APA of Disposed Plants

c. Operation and Maintenance of Nuclear Power Village

11. Watershed Management

a. Watershed Protection and Rehabilitation (Forest Law Enforcement & Regulatory Services, Vegetative & Structural Measures)

b. Resource Development (Community-Based Project (Livelihood) and Information, Education and Communication)

12. Dams Management

a. Dams, Reservoirs and Waterways (Safety Inspection, Monitoring and Review/Assessment of the Non-Power Components of the Dam, Bathymetric and Deformation Surveys)

b. Flood Forecasting and Warning System (Data Monitoring and Flood Forecasting, Warning/Public Information Dissemination, Maintenance Activities)

The locations of the various offices are listed in Annex 2.

The NPC claims exclusion to clause 8.3 Design and Development since it does not perform those activities related to electrification, management of watersheds and dams, and operation/maintenance of undisposed assets.

4.4 QUALITY MANAGEMENT SYSTEM AND ITS PROCESSES

The NPC determines the processes and applications needed for the QMS to achieve the intended results through the following:

a. Determining the inputs required and the outputs expected from the processes;

b. Determining the sequence and interaction of the processes;

c. Determining and applying the criteria and methods including monitoring, measurements and related performance indicators;

d. Determining and ensuring the availability of resources needed for the processes;

e. Assigning the responsibilities and authorities for the processes;

f. Addressing the risks and opportunities

g. Evaluating the processes and implementing any changes needed; and

h. Improving the processes and the QMS

The NPC Business Process Diagram (Figure 1) shows the inputs, outputs, linkages/interaction of processes and responsibilities/authorities.
The NPC documents, implements and maintains the QMS through documented procedures to provide detailed instructions/standards and generate documented information as evidences of implementation. The QMS is continually improved through audit results, management review, analysis of data and corrective actions.
5.0 LEADERSHIP

5.1 LEADERSHIP AND COMMITMENT

5.1.1 GENERAL

The NPC Top Management demonstrates leadership and commitment to the QMS implementation by:

a. taking accountability for its effectiveness of the QMS;
b. ensuring that the quality policy and quality objectives are established for the QMS and compatible with the context and strategic direction of the NPC;
c. ensuring the integration of the QMS requirements into the business processes;
d. promoting the use of the process approach and risk-based thinking;
e. ensuring the availability of the required resources;
f. communicating the importance of effective quality management and conforming to its requirements;
g. ensuring that the QMS intended results are achieved;
h. engaging, directing and supporting personnel in contributing to the QMS effectiveness
   i. promoting improvement; and
   j. supporting other relevant management roles to demonstrate leadership.

5.1.2 CUSTOMER FOCUS

The NPC Top Management demonstrates leadership and commitment to customer requirements by ensuring that:

a. applicable statutory/regulatory and customer requirements are determined, understood and consistently met;
b. the risks and opportunities that can affect conformity of products and services and the ability to enhance customer satisfaction are determined and addressed; and
   c. the focus on enhancing customer satisfaction is maintained.

The leadership and commitment to customer requirements are demonstrated through the implementation of NPC-005, Planning and Review and NPC-006, Customer Satisfaction Measurement Procedures.

5.2 POLICY

5.2.1 NPC QUALITY POLICY

The NPC Top Management establishes, implements and maintains a Quality Policy (Figure 2) that:
a. is appropriate to the purpose and context of the organization; and supports its strategic direction;

b. provides a framework for setting quality objectives; and

c. includes a commitment to satisfy applicable requirements and continual improvement of the QMS.

Figure 2: NPC QUALITY POLICY

NPC QUALITY POLICY

The NPC is committed to provide quality and reliable power generation through missionary electrification; management of watersheds, dams and remaining generating assets, by managing resources and risks for the satisfaction of customers and stakeholders; and in compliance with statutory and regulatory requirements.

The NPC shall conform with the requirements of ISO 9001:2015 and continually improve the effectiveness of its Quality Management System (QMS) by adopting new ideas, latest technologies and best practices.

Discipline, integrity, service, commitment, professionalism and innovation are the core values of NPC.

The NPC QMS shall be communicated at all levels of the organization.

5.2.2 COMMUNICATING THE QUALITY POLICY

The NPC Quality Policy is maintained, communicated, understood, and applied within the organization. It is available to relevant interested parties as appropriate.

5.3 ORGANIZATIONAL ROLES, RESPONSIBILITIES AND AUTHORITIES

The NPC Top Management ensures that the responsibilities and authorities for relevant roles are assigned, communicated and understood within the organization. It assigns the responsibility and authority for:

a. ensuring that the QMS conforms to the requirements;

b. ensuring that the processes are delivering their intended outputs;

c. reporting on the QMS performance and on opportunities for improvement;

d. ensuring the promotion of customer focus;

e. ensuring the integrity of the QMS is maintained when changes to the QMS are planned and implemented.
5.3.1 NPC FUNCTIONAL GROUPS

The NPC Table of Organization approved by GCG in 2012 is shown in Figure 3 and the respective responsibilities are described in A-N.

Figure 3. GCG-APPROVED 2012 NPC TABLE OF ORGANIZATION

A. National Power Board (NPC Board)

- Formulate and adopt policies and measures for the management and operation of the Corporation.
- Adopt an annual and supplement budget of receipts and expenditures of the Corporation according to its requirements.
- Organize, reorganize and determine the Corporation's organizational structure and staffing pattern, abolish and create offices and positions; recommend corporate officers/personnel compensation, allowances and benefits.
- Suspend and remove for cause any corporate officer appointed by the Board.
- Adopt and set down guidelines for the employment of personnel on the basis of merit, technical competence and moral character.
- Approve the rates and fees to be charged by the Corporation.
• Write off bad debts as deemed accordingly.
• Perform other related functions.

B. Office of the Corporate Secretary (OCS)

• Keep custody of seal and records of the Board.
• Attest official acts of Board/Management Committee.
• Organize and prepare agenda of Board meetings.
• Issue notice of meetings and furnish agenda to Board members and corporate officials.
• Record proceedings of Board meetings.
• Draft minutes of NP Board meetings.
• Handle all proposals/recommendations for inclusion in the agenda of Board meetings.
• Prepare and issue certified true copies of resolutions and excerpts from the minutes and other documents in the custody of the Board.
• Perform other functions as may be assigned by the Board.

C. Internal Audit Department (IAD)

The Internal Audit Department shall help NPC accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It shall ensure that the corporation is efficiently run, morally sound, technologically advanced, cognizant of the environment and other areas of concerns, and safe from unnecessary risk. It shall appraise the adequacy of internal controls by conducting management audit and evaluating the results of operations, focusing on the effectiveness of controls of management, operating and support services systems.

The specific functions of the IAD are as follows:
• Advise the National Power Board, through the Board Audit Committee, on all matters relating to management control and operations audit;
• Review and appraise NPC’s internal control systems and procedures covering the various aspects of corporate operations, including general management organizational structures, asset management practices, financial and management records, reports, information systems and performance standards of the corporation as a whole, and those of the various functional groups, departments, plants, organizational units, field offices and installations;
• Conduct management and operations audits of the corporate functions, programs, project and activities, and determine the degree of compliance with the mandate, policies, government regulations, established objectives, systems and procedures/processes and contractual obligations;
• Analyze and evaluate the soundness, adequacy, propriety and application of management, operating and information system controls to manage the risks, and recommend measures or realistic courses of actions to improve their effectiveness, efficiency and productivity;
• Conduct investigation of allegations or reports of fraud and other kinds of irregularities as directed/requested or as disclosed in the course of management or operational audit; and
• Perform such other duties and responsibilities as may be assigned or delegated by the National Power Board or as may be required by law.

D. Office of the President & Chief Executive Officer

• Assume accountability for overall corporate performance to the President of the Philippines, the Department of Energy Secretary, The National Power Board and general public.
• Develop and recommend to the National Power Board long-term corporate directions, goals and strategies which are necessary in efficiently and effectively carrying out the objectives of the corporation in accordance with its charter, legislative agenda and its business viability.
• Represent the corporation in all dealings and transactions with the Office of the President of the Philippines, DOE, industry leaders, IPPs and the media.
• Exercise direct supervision and control over the Offices of the Chief Operating Officer, Corporate Affairs, Office of the Legal Counsel, Administration & Finance, Power Engineering Services, Mindanao Generation, Small Power Utilities Group, Resource Management Service, Watershed Management Department, Dams Management Department.

E. Office of the Senior Vice President & Chief Operating Officer (SVP/COO)

• Within the given limit of authority, the SVP/COO shall be responsible and accountable to the President and Chief Executive Officer for the day-to-day operation of the following:
  – Mindanao Generation
  – Watershed Management
  – Dams Management
  – Small Power Utilities Group
  – Resource Management
• Set overall direction related to Watershed, Dams, SPUG, Resource and Mindanao Generation in coordination with the respective concerned groups for the effective implementation of the entire plans, management and administrative matters, social and environmental considerations.
• Develop/establish corporate policies in line with Watershed, Dams, SPUG, Resource and Mindanao Generation in accordance with corporate standards and requirements.
• Develop and recommend to the President and CEO measures and decisions that will guide in the formulation of long-term corporate goals.
• Represent the Corporation in all dealings and transactions with regulatory bodies, other utilities, academe, customers, other stockholders and employee unions.
• Oversee the implementation of the flagship and stewardship programs.
F. Corporate Affairs Group (CAG)

- Assume accountability to the President for the day-to-day decisions on concerns related to Corporate Planning, Information and Communication Technology (ICT) Services, Corporate Communications and Tariff.
- In-charge of centralized corporate strategic planning, corporate policy formulation, performance standards monitoring and evaluation, missionary electrification plan, corporate system analysis, marketing and business development, contracting, research and development, information and communication technology services, public and stakeholder relations and Corporate Social Responsibility programs.
- Develop and recommend to the President courses of actions, measures and decisions for guidance in the formulation of long-term corporate goals.
- Represent the Corporation in dealings with regulatory bodies, other utilities, academe, customers and other stakeholders.
- Oversee the implementation of and compliance to flagship programs.
- Corporate internal and external communications and image branding.

G. Office of the Legal Counsel (OLC)

- Direct the handling, planning, prosecution and defense of all cases (civil, criminal, labor, administrative, land registration/titling, tax-related and power-related) in regular courts and other quasi-judicial agencies involving the interests of the Corporation as well as its employees/officials in official capacity;
- Oversee legal studies, legal opinions, and/or position papers on legality of matters referred by Management and the Board relating to policies and/or implementation thereof and assistance on matters referred by different functional heads, department/division managers dealing with their respective functions/works for proper execution and/or implementation;
- Conduct investigation of administrative cases involving personnel and evaluate evidence and recommendations contained in the decision submitted for approval of the NPC President;
- Direct course of actions, judicial or extra-judicial, on the collection of overdue accounts of power consumers, contractual obligations of contractors, and other monies due to the Corporation as well as legal issues/concerns involving land and land rights matters, and provide legal assistance in the negotiation of financial liabilities of the Corporation whether arising from legal suits or amicable settlements;
- Provide legal assistance/procedures in public biddings, contract negotiations and review contract documents/specifications/security/guarantee bonds, etc. for supply of labor, equipment, materials and supplies for major NPC projects;
- Interpret existing or proposed laws, decrees, administrative/civil service rules and regulations and propose drafts of legislative bills, decrees, executive order, letters of instruction/implementations and if required, including the preparation of rules and regulations affecting the Corporation for signature of the President of the Philippines or for enactment by legislative bodies.
H. Administration & Finance Group (AFG)

- Formulate and recommend policies, guidelines, systems and procedures pertaining to Human Resource Management with emphasis on improving human resource productivity, quality of work life, HR satisfaction, HR development and other HR related matter.
- Identify corporate HR Management thrusts and priorities considering management direction, corporate performance review, evolving trends and cultural values, validated reports from various business groups and results of organizational studies in order to ensure responsiveness to organizational goals and objectives.
- Direct, manage and integrate Materials and Fuel Management to ensure the reliable and efficient processing of all fuel, materials, equipment, spares and supply needs of NPC plants, SPUG and other NPC offices/stations.
- Direct, supervise and ensure the annual preparation of operating and capital budgets, medium and long-term financial forecasts as required by Management and external agencies.
- Provide primary support in the defense of the Corporation’s annual budget before the Congress and the Senate.
- Formulate investment programs to support the Corporation’s power development program.
- Establish, maintain and update a sound internal control in the processing of claims and other corporate expenditures/transactions that would safeguard the NPC resources against losses or wastages through illegal or improper disposition with the end view of ensuring efficiency, economy and effectiveness in the operation and management of undisposed generating assets, the watershed and off-grid missionary areas.
- Direct, supervise and ensure the timely preparation and interpretation of financial and budgetary reports, tax administration; regulatory compliance and updating of internal control and accounting system.

I. Power Engineering Services (PES)

- Manage and supervise the implementation of power projects including construction, quality and cost control.
- Provide specialty services such as engineering surveys, hydrological studies, geological services, materials investigation and testing, social engineering and right-of-way acquisition.
- Conduct project review and cost control to maximize project feasibility.
- Perform efficiency and reliability management, metrology and field instrumentation services.
- Provide environmental management services.
- Prepare conceptual and detailed studies, design and tender documents for new facilities and rehabilitation of existing facilities.
- Prepare cost estimates and specifications.
- Facilitate custodian of project-related documents and information.
J. Small Power Utilities Group (SPUG)

- Manage off-grid generating assets, transmission and substation facilities nationwide
- Implement projects in accordance with the nationwide Missionary Electrification Program including administration of subsidy.
- Ensure quality in the operation and maintenance of off-grid power generation and transmission and substation assets.
- Ensure the implementation of the government’s Expanded Rural Electrification Program.

K. Resource Management Service (RMS)

- Manage the operations of remaining unsold power plants in the most efficient and economical manner in accordance with established operating and maintenance procedures.
- Investigate serious plant troubles and ascertain that these are taken care of to avoid interruptions in the electric service.
- Responsible for the direction, management and administration of IPP contracts to ensure effective and efficient implementation.
- Manage the preservation of unsold main grid plants’ equipment, buildings, and land of retired and decommissioned power plants.
- In-charge of power billing and meter reading.
- Manage unsold main grid plants’ customer relations and monitor customer accounts.
- Manage Nuclear Safety and Balance of Plant systems in connection with the preservation of Bataan Nuclear Power Plant.

L. Mindanao Generation Group (MinGen)

- Administer/manage the O&M of Agus-Pulangi Hydroelectric Power Plants
  - Agus 1 and 2 HEPP Complex
  - Agus 4 and 5 HEPP Complex
  - Agus 6 and 7 HEPP Complex
  - Pulangi IV HEPP Complex
- Operate and manage dams and appurtenant structures of Agus-Pulangi Hydro Power Plants
- Undertake and implement a Dam Safety Program based on the current international standards, practices and guidelines.
- Ensure that Agus-Pulangi HEPPs dams and associated structures perform their intended functions without imposing unacceptable risks to communities.
- Conduct monitoring, surveillance, simulations and plant nominations for optimal reservoirs operations of Lake Lanao and Pulangi 4 reservoirs.
- Plan, organize and coordinate all aspects pertaining to security and safety matters of Mindanao Generation.
- Manage the implementation of IPP contracts under Mindanao Generation.
• Provide/formulate studies, opinions and/or positions on any, and all legal issues of, pertaining to, covering and affecting the Mindanao Generation, specifically on issues affecting, inter alia, human resource, finance, procurement activities and matters relating to Agus-Pulangi O&M concerns.
• Formulate/direct the policies on negotiation, preparation, review and interpretation of contracts pertaining to, covering and affecting the Mindanao Generation (including the acquisition of project-affected lots and settlement of claims).
• Administer/monitor community development projects for host communities thru internal cash generation or ER 1-94.

M. Watershed Management Department (WMD)

• Protect, conserve, manage, develop and ensure proper use of environment and natural resources in the watersheds and reservations under NPC’s jurisdiction and control including those under MOA with the NIA and DENR.
• Exercise supervision and control over the watersheds and imposes appropriate payments, fees, charges, rentals, and other revenues for the exploration, development, utilization or gathering of resources.
• Manage Universal Charge-Environmental Charge (UC-EC) funds and implement UC-EC funded projects.
• Manage assets not covered under the privatization of power plants such as landholdings, structures and facilities.

N. Dams Management Department (DMD)

• Operate and manage dams and appurtenant structures in Luzon and Visayas areas
• Undertake and implement a Dam Safety Program based on the current international standards, practices and guidelines.
• Oversee that NPC owned and operated dams and associated structures in Luzon and Visayas perform their intended functions without imposing unacceptable risks to communities.
• Implement safety and risk assessments of dams and appurtenant structures through the installation and maintenance of geo-instrumentation network.
• Conduct water inflow forecasts as basis for reservoir operations and flood warning to mitigate the effects of flooding caused by spillway releases.
• Disseminate information on flood-prone areas and alert agencies concerned.
5.3.2 QMS COMMITTEE

The QMS Table of Organization approved by NPC President & CEO is shown in Figure 4 and the respective responsibilities are described in A-G.

Figure 4. QMS TABLE OF ORGANIZATION

A. Top Management

The Top Management performs the functions described in section 5.1.1.

B. Quality Management Representative (QMR)

- Ensure that QMS processes are established, implemented and maintained.
- Report to the Top Management on the performance of the QMS and any need for improvement.

C. Deputy QMRs

- Assist the QMR in ensuring that QMS processes are established, implemented and maintained, and the promotion of awareness of customer requirements throughout NPC.
- Review documented information and report the QMS performance during management reviews.
- Advise the FG QMS Committees.
D. Documentation Committee

- Undertake activities relative to the identification, preparation, review, revision/update, approval and control of QMS documented information in accordance with NPC-001, *Control of Documents and Records* Procedure.

E. Internal Quality Audit (IQA) Committee

- Verify the adequacy and effectiveness of the QMS in accordance with NPC-003, *Internal Quality Audit* Procedure.
- Establish and evaluate competency levels and endorse training needs of IQA Team Members and prospective auditors to TDD-HRD.

F. Communications and Training Committee

- Lead the awareness campaign and indoctrination on the requirements of the QMS Standard and facilitate orientation on the new/revised procedures.

G. QMS Secretariat

- Facilitate the conduct of planning and review meetings of the QMS, follow-up actions to agreements/commitments and prepare/distribute/receive/consolidate documented information in accordance with NPC-001, *Control of Documents and Records* Procedure.
- Perform other tasks assigned by the QMR and Committee Chairpersons.

6.0 PLANNING

6.1 ACTIONS TO ADDRESS RISKS AND OPPORTUNITIES

The NPC, through the FGs/Departments, identifies the external and internal issues; the interested parties and their requirements; and the risks/opportunities that need to be addressed to ensure that the QMS can achieve its intended result(s), enhance desirable effects, prevent/reduce undesired effects and achieve improvement.

The NPC plans and implements actions as indicated in the Risk Treatment Plan to address risks and opportunities identified in the Risk Registry of each FG/Department. It also plans how to integrate and implement these actions into the QMS processes and evaluate its effectiveness. Identified plans and actions are proportionate to the potential impacts on the conformity of products/services.
Options to address risks include avoiding risk, taking risk in order to pursue an opportunity, eliminating the risk source, changing the likelihood or consequences, sharing the risk or retaining risk by informed decision. Addressing opportunities include the adoption of new practices, opening new markets, addressing new customers, building partnerships, using new technology and other desirable and viable possibilities to address the organization’s or its customers’ needs.

6.2 PLANNING TO ACHIEVE QUALITY OBJECTIVES

The NPC establishes Quality Objectives (Figure 5) as guide in the implementation of its QMS at various levels.

Figure 5. NPC QUALITY OBJECTIVES

<table>
<thead>
<tr>
<th>NPC QUALITY OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P</strong> - Provide quality and reliable products and services to Customers and Stakeholders;</td>
</tr>
<tr>
<td><strong>O</strong> - Observe compliance with applicable statutory and regulatory requirements and the protection of the environment;</td>
</tr>
<tr>
<td><strong>W</strong> - Work to continually improve the processes and corporate financial performance;</td>
</tr>
<tr>
<td><strong>E</strong> - Enhance personnel competency, health and wellness; and</td>
</tr>
<tr>
<td><strong>R</strong> - Reduce undesired effects through management of risks and enhance desirable effects by maximizing opportunities.</td>
</tr>
</tbody>
</table>

Quality objectives are achieved by planning the following:

a. what will be done  
b. what resources will be required  
c. who will be responsible  
d. when it will be completed  
e. how the results will be evaluated
The quality objectives at relevant processes and functions in various levels are measurable, consistent with the Quality Policy and are relevant to products/services conformity and enhancement of customer satisfaction. These take into account the applicable statutory/regulatory and other requirements. These are also reflected, monitored, communicated and updated in the Corporate Balanced Scorecard and Strategic Performance Management System (SPMS). Plans/programs are implemented and Key Performance Indicators (KPIs) and Key Result Areas (KRAs) are monitored/measured to achieve the quality objectives at the various FGs, departments, divisions and plants/satellite offices. Documented information on the quality objectives are maintained.

6.3 PLANNING OF CHANGES

The NPC determines the need for changes to the QMS through the implementation of NPC-005, Planning and Review Procedure considering the potential consequences, availability of resources and allocation/reallocation of responsibilities/authorities.

7.0 SUPPORT

7.1 RESOURCES

7.1.1 GENERAL

The NPC determines the resources needed to establish, implement, maintain and continually improve the QMS through planning and management reviews in accordance with NPC-005, Planning and Review Procedure. Planning and review consider the capabilities of, and constraints on, existing internal resources, and what needs to be obtained from external providers. Resources are provided through approved budget and procurement plan.

7.1.2 PEOPLE

The NPC determines and provides the manpower necessary to effectively implement the QMS and to operate/control its processes through the approved NPC Table of Organization.

7.1.3 INFRASTRUCTURE

The NPC determines, provides and maintains the following infrastructures necessary to operate its processes and achieve conformities of products and services with requirements:

a. building and associated utilities
b. equipment, including hardware and software
c. transportation resources
d. information and communication technology
The NPC building and associated utilities including transportation resources are identified by the General Services Department (GSD) under Administration and Finance Group (AFG). Information and communication technology related listings are available at Information Technology and Services Department (ITSD) under Corporate Affairs Group (CAG). Lists/Inventories of equipment including hardware and software are maintained by the respective FGs/Departments.

7.1.4 ENVIRONMENT

The NPC determines, provides and maintains an environment necessary to operate its processes and achieve conformity of products and services with requirements by considering the following factors:

a. social (e.g. non-discriminatory, calm, non-confrontational)
b. psychological (e.g. stress-reducing, burnout prevention, emotionally protective)
c. physical (e.g. temperature, heat, humidity, light, airflow, hygiene, noise)

The Human Resource Department (HRD) of AFG addresses the psychological well-being of personnel through the Health/Wellness Programs and social aspects through trainings/seminars (e.g. supervisory, interpersonal & customer relationship, etc.). The Environmental Management Department (EMD) under PES monitors the physical condition of the environment through the conduct of Work Environment Measurement (WEM).

7.1.5 MONITORING AND MEASURING RESOURCES

7.1.5.1 GENERAL

The NPC determines and provides the resources needed for monitoring or measuring conformity to products and services requirements to ensure valid and reliable results. It ensures that the equipment and performance evaluation mechanisms/tools i.e. Balanced Scorecard, SPMS are suitable for the specific type of monitoring and measuring activities being undertaken and maintained to ensure continuing fitness for their purpose.

Documented information are maintained as evidence of fitness for purpose of the monitoring and measuring performance of resources.

7.1.5.2 MEASUREMENT TRACEABILITY

The NPC considers traceability of measurement essential in providing confidence in the validity of measurement results and ensures that measuring equipment are:
a. identified to determine the status
b. calibrated/verified at specific intervals prior to use, against measurement standards traceable to international/national standards;
c. safeguarded from adjustments, damage or deterioration.

Appropriate actions are implemented if results generated using uncalibrated/unverified equipment are found invalid.

7.1.6 ORGANIZATIONAL KNOWLEDGE

The NPC, through the FGs/Departments in coordination with HRD-AFG, determines and updates the knowledge necessary for the operation of its processes to achieve organizational objectives and conformity of products and services considering the changing needs and trends. This knowledge is gained through any of the following and is maintained and readily available as documented information.

A. Internal Sources
   - Intellectual property
   - Knowledge gained from experience
   - Lessons learned from failures and successful projects
   - Capturing and sharing an undocumented knowledge and experience
   - Results of improvements in process, products and services

B. External Sources
   - Standards
   - Academia
   - Conferences
   - Gathering knowledge from customers and external providers

7.2 COMPETENCE

The NPC, through the TDD-HRD determines the competency requirements to ensure effectiveness of the QMS. It ensures that the personnel doing work are competent on the basis of education, training, or experience. It implements personnel competency development, evaluates the effectiveness of actions taken to address competency gaps and retains documented information. All these are addressed by Competency Management System being implemented by TDD-HRD.

7.3 AWARENESS

The NPC ensures that its personnel are aware of the Quality Policy and Quality Objectives; their contribution to the effectiveness of the QMS, including the benefits of improved performance; and the implications of not conforming to the QMS requirements.
7.4 COMMUNICATION

The NPC implements internal and external communications relevant to its QMS through the following channels:

a. management conferences, performance review and meetings
b. road shows and other corporate events
c. employees’ consultations
d. public address system, bulletin boards, intranet, website, annual reports and correspondences; and
e. trainings, seminars and workshops

7.5 DOCUMENTED INFORMATION

7.5.1 GENERAL

The NPC QMS establishes and maintains the documented information listed in the **NPC-001.F08 Documents Masterlist** and **NPC-001.F09 Records Masterlist** necessary for the effectiveness of the QMS in accordance with **NPC-001, Control of Documents and Records Procedure**.

7.5.2 Creating and Updating

When creating and updating documented information, the NPC ensures appropriate:

a. identification and description (e.g. title, date, author, reference number)
b. format (e.g. language, software version, graphics) and media (e.g. paper, electronic)
c. review and approval for suitability and adequacy.

7.5.3 CONTROL OF DOCUMENTED INFORMATION

Documented information of internal and external origin required by the QMS are identified and controlled to address the following:

a. distribution, access, retrieval and use;
b. storage and preservation, including preservation of legibility
c. control of changes (e.g. version control); and
d. retention and disposition

Documented information retained as evidence of conformity are protected from unintended alterations.
8.0 OPERATION

8.1 OPERATIONAL PLANNING AND CONTROL

The NPC, through the FGs/Departments plans, implements and controls its processes/outputs needed to meet the requirements for the provision of products and services. It also implements the actions identified to address risk and opportunities, quality objectives and changes by:

a. determining the requirements;
b. establishing criteria for the processes and acceptance;
c. determining the resources needed to achieve conformity to requirements;
d. implementing control of the processes in accordance with the criteria; and
e. determining, maintaining and retaining documented information to the extent necessary to have confidence that the processes have been carried out as planned and to demonstrate conformity to the requirements.

The NPC controls planned changes and reviews the consequences of unintended changes, taking action to mitigate any adverse effects, as necessary.

8.2 REQUIREMENTS FOR PRODUCTS AND SERVICES

8.2.1 CUSTOMER COMMUNICATION

The NPC, through CAG and PES, communicate to customers the following pertaining to missionary electrification, operation and maintenance of undisposed assets and management of watersheds/dams:

a. providing products/services-related information;
b. handling enquiries, contracts or orders, including changes;
c. obtaining customer feedback, including customer complaints, on products and services;
d. handling or controlling customer property;
e. establishing specific requirements for contingency actions, when relevant.

8.2.2 DETERMINING THE REQUIREMENTS FOR PRODUCTS AND SERVICES

The NPC defines/considers the requirements for products/services offered to customers including statutory/regulatory requirements and those considered necessary by the organization. It ensures that it can deliver commitments to its customers.
8.2.3 REVIEW OF THE REQUIREMENTS FOR PRODUCTS AND SERVICES

The NPC reviews the following before committing to supply products and services to customers to ensure that these are met:

a. customer requirements for delivery and post-delivery activities;
b. requirements not stated by the customer, but necessary for the specified or intended use;
c. requirements specified by the organization;
d. statutory and regulatory requirements;
e. contract or order requirements differing from those previously expressed.

The NPC confirms the customer’s requirements before acceptance of job order/contract, when no documented statement is provided.

Documented information on review results and on new products/services requirements are retained through minutes of Corporate Strategic Planning and FG/Department planning.

8.2.4 CHANGES TO REQUIREMENTS FOR PRODUCTS AND SERVICES

The NPC amends the documented information to reflect the changes in the products/services requirements and informs the concerned personnel of the changes.

8.3 DESIGN AND DEVELOPMENT OF PRODUCTS AND SERVICES

The NPC claims exclusion to clause 8.3 Design and Development since it does not perform those activities related to electrification, management of watersheds and dams, and operation/maintenance of undisposed assets.

8.4 CONTROL OF EXTERNALLY PROVIDED PROCESSES, PRODUCTS AND SERVICES

8.4.1 GENERAL

The NPC implements controls to externally provided processes, products and services in accordance with NPC-007, Control of Externally Provided Processes and Services Procedure to ensure that these conform to the requirements. The controls include criteria for evaluation, selection, monitoring of performance, and re-evaluation of external providers. The documented information of these activities and actions arising from the evaluations are retained.
8.4.2 TYPE AND EXTENT OF CONTROL

The NPC ensures that externally provided processes, products and services do not adversely affect its ability to consistently deliver conforming products and services to its customers through the following:

a. control of externally provided processes within the QMS
b. define the controls to be applied to an external provider and to the resulting output
c. consider the potential impacts of externally provided processes, products and services on its ability to consistently meet customer and applicable statutory/regulatory requirements
d. consider the effectiveness of the controls applied by the external provider
e. determine the verification, or other activities, to ensure that the externally provided processes, products and services comply the requirements.

8.4.3 INFORMATION FOR EXTERNAL PROVIDERS

The NPC ensures the adequacy of requirements to be communicated to the external providers for the processes, products and services to be provided including the following:

a. approvals, delivery/release, methods, processes and equipment
b. required competence/qualifications of personnel
c. interactions with the organization
d. control and monitoring of performance
e. verification or validation activities to be performed by the organization within the external providers’ premises

8.5 PRODUCT AND SERVICE PROVISION

8.5.1 CONTROL OF PRODUCTION AND SERVICE PROVISION

The NPC, through the FGs/Departments, implements production and service provision under controlled conditions which include the following:

a. availability of documented information that defines products to be produced, the services to be provided, the activities to be performed and the results to be achieved
b. availability and use of suitable monitoring and measuring resources
c. implementation of monitoring and measurement activities at appropriate stages to verify if criteria for control of processes or outputs and acceptance for products and services have been met;
d. use of suitable infrastructure and environment for the operation of processes
e. appointment of qualified/competent persons
f. validation, and periodic revalidation, of the ability to achieve planned results of the processes for production and service provision, where the resulting output cannot be verified by subsequent monitoring or measurement
g. implementation of actions to prevent human error
h. implementation of release, delivery and post-delivery activities

8.5.2 IDENTIFICATION AND TRACEABILITY

The NPC, through FGs/Departments, uses suitable means to identify outputs necessary to ensure the conformity of products and services with requirements. It identifies the status of outputs with respect to monitoring and measurement requirements throughout production and service provision. It controls the identification of the outputs and retains the documented information to enable traceability.

8.5.3 PROPERTY BELONGING TO CUSTOMERS OR EXTERNAL PROVIDERS

The NPC exercises care with property belonging to customers or external providers while being used or under its control. It identifies, verifies, protects and safeguards customers’ or external providers’ property provided for use or incorporation into the products and services.

When the property of a customer or external provider is lost, damaged or found unsuitable for use, the NPC reports this to the customer or external provider and retain documented information on what has occurred.

8.5.4 PRESERVATION

The NPC, through the FGs/Departments, preserves the outputs during production and service provision, to the extent necessary through proper identification, handling, contamination control, packaging, storage, transmission/transportation and protection/safekeeping.

8.5.5 POST-DELIVERY ACTIVITIES

The NPC determines and meets the requirements for post-delivery activities associated with the products and services considering the following:

a. statutory and regulatory requirements
b. potential undesired consequences associated with products and services
c. nature, use and intended lifetime of its products and services
d. customer requirements
e. customer feedback

8.5.6 CONTROL OF CHANGES

The NPC reviews and controls changes for production or service provision, to the extent necessary, to ensure continuing conformity with requirements in accordance with **NPC-005, Planning and Review** Procedure. It retains documented information describing the results of the review of changes, the person(s) authorizing the change, and any necessary actions arising from the review.
8.6 RELEASE OF PRODUCTS AND SERVICES

The NPC implements planned arrangements, at appropriate stages, to verify if the product and service requirements have been met.

The products and services are not released to the customers until the planned arrangements have been satisfactorily completed, or unless approved by the proper authority and, as applicable, by the customer.

The NPC retains documented information on the release of products/services, including evidence of conformity with the acceptance criteria and traceability to the person(s) authorizing the release.

8.7 CONTROL OF NONCONFORMING OUTPUTS

The NPC identifies and controls outputs that do not conform to the requirements to prevent unintended use or delivery through the implementation of NPC-004, Control of Nonconforming Outputs/Products/Sevices. It takes appropriate action based on the nature of the nonconformity and its effect on the conformity of products and services. This also applies to nonconformities detected during or after delivery/provision of products and services. Conformities to the requirements are verified when nonconforming outputs are corrected.

The NPC retains documented information that describes the nonconformity, actions taken, any concession obtained and identifies the authority deciding the action.

9.0 PERFORMANCE EVALUATION

9.1 MONITORING, MEASUREMENT, ANALYSIS AND EVALUATION

9.1.1 GENERAL

The NPC monitors, measures, analyzes and evaluates the performance and the effectiveness of its QMS at various levels. These are implemented through Balanced Scorecard, SPMS, IQA and management reviews. Documented information are retained as evidence of the results in determining the following:

a. what needs to be monitored and measured;
b. the methods for monitoring, measurement, analysis and evaluation needed to ensure valid results;
c. when the monitoring and measurement are performed; and
d. when the monitoring and measurement results are analyzed and evaluated
9.1.2 CUSTOMER SATISFACTION

The NPC monitors customers’ perceptions of the degree to which their needs and expectations have been fulfilled using NPC-006, Customer Satisfaction Measurement Procedure.

9.1.3 ANALYSIS AND EVALUATION

The NPC analyzes and evaluates appropriate data and information arising from monitoring and measurement. The results of analysis are used to evaluate:

a. conformity of products and services
b. the degree of customer satisfaction
c. the performance and effectiveness of the QMS
d. if planning has been implemented effectively
e. the effectiveness of actions taken to address risks and opportunities
f. the performance of external providers
g. the need for improvements to the QMS

9.2 INTERNAL AUDIT

The NPC conducts internal audits at planned intervals using NPC-003, Internal Quality Audit Procedure.

9.3 MANAGEMENT REVIEW

The NPC’s Top Management reviews the organization’s QMS in accordance with NPC-005, Planning and Review Procedure to ensure its continuing suitability, adequacy, effectiveness and alignment with the strategic direction of the organization.

The NPC retains documented information as evidence of the results of planning and reviews.

10.0 IMPROVEMENT

10.1 GENERAL

The NPC determines and selects opportunities for improvement and implements any necessary actions to meet customer requirements and enhance customer satisfaction. These include:

a. improving products/services to meet requirements and to address future needs and expectations;
b. correcting, preventing or reducing undesired effects; and
c. improving the performance and effectiveness of the QMS.
10.2 NONCONFORMITY AND CORRECTIVE ACTION

The NPC addresses nonconformities in accordance with *NPC-002, Preventive and Corrective Action* Procedure and retains documented information as evidence of the nature of the nonconformities, corrections/corrective actions taken and their effectiveness.

10.3 CONTINUAL IMPROVEMENT

The NPC continually improves the suitability, adequacy and effectiveness of the QMS. It considers the results of analysis and evaluation, and the outputs from management review, to determine if there are needs or opportunities that are to be addressed as part of continual improvement.

REFERENCES


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

GCG-Approved 2012 NPC Table of Organization

NPC Risk Management Manual