

# Deficiency Procedures

## General Guidelines



### Overview

Steelway Building Systems aims to deliver steel buildings systems and building components that will meet or exceed the expectations of our customers and the requirements of all applicable codes, specifications, and standards to which they must adhere.

We are dedicated to the continual pursuit of quality improvements in all company functions and activities including Customer Service, Engineering and Manufacturing.

There is potential as with all manufactured products for errors and omissions. The following general procedures and guidelines are intended to outline how these issues are to be handled, if and, when they arise on a specific project.

### Erection of Product

The builder/customer agrees to employ a competent erection staff that is capable of erecting the Steelway product, or they must use a qualified erection firm who is familiar with the Steelway erection manual and the RTL-24 installation manual.

**Note:** The Erector is required to attend an RTL-24 installation training session within a reasonable period of time.

If the builder/customer erects their own product, they must own or have access to equipment that will allow for the safe and professional erection of the building. The builder/customer must be aware of the CSA Standard S16 - Design of Steel Structures (latest addition) and use it as a guideline.

### Drawing Discrepancies

In case of discrepancies between Steelway's drawings and details versus the plans for other trades, the Steelway steel plans govern (CISC code of standard practice).

### Correction of Errors and Repairs

The builder/customer shall be responsible to inspect all goods received pursuant hereto. If the builder/customer is of the view that part of the goods are damaged preventing use of same, such goods shall be noted as damaged and the Steelway Project Management team shall be notified immediately. They will determine what rectification, at Steelway's sole absolute discretion, is necessary.

Steelway shall not accept claims for damage occurring subsequent to loading at the Steelway plant, or caused during transit, unloading or handling at the job site.

Furthermore, Steelway shall not accept claims for visible shortages unless Steelway is notified within 48 hours of accepting delivery and one copy of the shipping list with shortages properly noted, is returned to Steelway within the said 48 hours.

Steelway shall not accept claims for shortages that are not visible, unless Steelway is notified within fifteen (15) days of accepting delivery and one copy of the shipping list with shortages properly noted, is returned to Steelway within the said fifteen (15) days.

Steelway shall not be responsible for any cost, expense, or damage of any kind arising from the use of damaged or other defective goods.

The correction of minor misalignments by the use of drift-pins to draw the components into line, shimming, moderate amounts of reaming, chipping, welding or cutting and the replacement of minor shortages of material is a normal part of erection and not subject to claim. (CISC code of standard practice 10th ed.)

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### Damage to Material Finishes

Minor abrasions to the painted or galvanized finish, caused by handling, loading, shipping, unloading and erection, are unavoidable, and are not subject to claim. Touch up of these minor abrasions is the responsibility of the erector and/or the end user.

Shop-primed steel which is stored in the field pending erection must be blocked above the ground and positioned to eliminate water-holding pockets, dust, mud, and other contamination of the primer film. Purlins and girts should be covered and sloped to allow water to drain off.

Primary steel should be covered and safely stacked in an upright position. Water that is allowed to pond on flanges or webs can cause the primer to lift and/or flake off the steel over time.

Steelway will not be held responsible for paint damaged by ponding water, foreign material, or exposure to atmospheric/environmental conditions, as a result of improper field storage.

Field-applied coatings may not be compatible with Steelway primer, and any damage resulting from such coatings is not the responsibility of Steelway.

### Fabrication Errors

The builder/customer is responsible for contacting Steelway's Project Management team to advise Steelway of fabrication/drawing problems and corresponding field-correct cost estimates. Steelway will then be responsible for providing the builder/customer with written approval to proceed with appropriate field corrections. This will be done in a timely manner.

**Note:** If the builder/customer proceeds with corrective work without Steelway's approval, they are doing so at their own risk and cost. Steelway will only be responsible for claims where the builder/customer documents the problem(s), the action taken, a description of the costs for repair, and submits, with invoice for payment within fifteen (15) days of the occurrence.

### Invoice Payment

By acceptance of the materials or services, the builder/customer agrees to Steelway's terms & conditions. At no time is it acceptable to deduct a claim or shortage from an invoice. Each claim will be adjudicated on its own merit and settled accordingly.

### Allowable Costs

Steelway will allow direct costs when it is responsible for the error and will follow the code of standard practices for structural steel buildings (CISC code of standard practice 10th ed.). These costs will not include profit, overhead expenses, superintendent's wages, idle crew time, standby crane time, meals, lodging, crew travel time and expenses for a return trip.

Steelway will not accept the cost of equipment (rental or depreciation), small tools, supervision, overhead or profit subject to any claim. Steelway's policy is that we do not cover costs for items like man-lifts as they are often rented by the month and often owned by the builder/customer. Typically, the cost for these items is already built in to the project.

Steelway's policy is that we do not cover paid overtime rates as we do not control the hours the worker(s) put in and/or the work that they do that dictates the overtime.

All invoices must be itemized both from sub-contractors and from the builder/customer. The Steelway Project Management team must approve any claim.

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### Deficiencies and Claims

The builder/customer is expected to correct small problems during the erection of the building as a matter of performing normal business. If the builder/customer encounters additional costs due to an error by Steelway, it will be the responsibility of the builder/customer to notify Steelway of the nature of the problem and the costs of the solution.

Pre-authorized approval by Steelway must be given to the builder/customer before any such costs are incurred. Steelway reserves the right to undertake an inspection prior to approval of such costs or to correct the problem themselves.

Steelway expects that the *Steelway Quality of Service Claim Form* will be used by the builder/customer for any quality claims. This form initiates an Internal Nonconformance Report, review, and root cause analysis.

Ensure that any relevant pictures and other supporting documentation is submitted along with the Quality of Service Claim Form. It is imperative that the completed form be returned to the Steelway Project Manager as soon as any quality problems arise, so that we may begin an investigation and determine the best course of action to solve any problems that are reported. Any delays in reporting can impact the provision of credit. It is unacceptable to report quality issues at the end of the project. Completing the *Quality of Service Claim Form* does not automatically result in Steelway's acceptance of any claimed costs.

The general procedures for handling deficiencies and claims outlined above will form the basis or starting point for determining how these issues and situations will be handled if/when they arise for this specific project.

All issues shall be immediately brought to the attention of the Steelway Project Manager. The Steelway Project Manager will work with the builder's Project Manager to review the options and costs to remedy the onsite issue(s). These will include, but are not limited to:

- The builder/erector's pricing to remedy the issue in the field;
- Steelway having the corrective work done onsite by a third party;
- Steelway correcting the deficiency at our facility or replacing the material.

The Steelway Project Manager will determine the option(s) to be used to remedy the deficiency, taking into consideration project timelines and erection concerns. When it is determined how a deficiency is to be resolved, the work is not to commence until Steelway has agreed upon the scope, the cost to remedy the issue, and has provided approval in writing to commence work.

Steelway will not accept any additional costs if the Steelway Project Manager was not notified at the time of the incident and given the opportunity to correct the problem. Claims will not be considered without proper documentation, including copies of all invoices, field work orders, etc. Cost claims must come directly from the builder/customer and will not be accepted from sub-contracted erectors.