

NRC INSPECTION MANUAL

INSPECTION PROCEDURE 30050

CONSTRUCTION PERMIT CORPORATE MANAGEMENT MEETING

PROGRAM APPLICABILITY:

30050-01 INSPECTION OBJECTIVE

To inform utility corporate and other project management regarding the IE organization, authority, responsibilities and objectives; of the licensee's overall and continuing responsibility for assuring the acceptable implementation of the QA and Environmental Protection Programs; and to obtain pertinent information from the utility relating to the project.

30050-02 INSPECTION REQUIREMENTS

General

This meeting should be held once with each applicant around one month before (or after) CP issuance and once with each CP holder where construction is between 0-10% complete on January 1, 1980. If deemed necessary for more advanced projects, the Region has the option to cover appropriate parts of this meeting agenda during the first corporate management meeting conducted under procedure 30051, Construction Quality Review.

When this meeting is to be conducted with experienced applicant/licensee and constructor management who, based on past inspection of other projects involving the same licensee/construction management, have established an acceptable record of management participation in assuring the attainment of quality objectives during construction, the Region may abbreviate the meeting and/or conduct appropriate parts of this meeting agenda during the meeting conducted under procedure 30051.

Conduct a meeting with utility corporate and project management and utility/agent Construction Superintendent and site QA/QC Managers to discuss the following subject areas.

1. Present the functional description of the IE organization and of the NRR/IE/SD relationship. Provide clarification of IE authority, responsibility, objectives or activities in regard to the following:

- IE access to licensee/contractor personnel, facilities, activities and records relating to the nuclear project. The inspector-licensee/constructor relationship, and the need for clear channels of communication. Obtain information and procedures for such contacts.
- The Post-CP Inspection Program for inspection of licensee/contractor corporate office and site activities relating to safety and environmental protection.
- The events of a typical inspection, types of IE examinations and purpose of management interviews at the conclusion of each inspection.
- Special inspections and IE use of consultants.
- IE communication with the licensee and constructor (Part 21), e.g., management (exit) interview, inspection reports,
- The conclusions that must be reached by the regulatory staff before issuance of the OL, and the role of IE in reaching these conclusions.

2. Emphasize that the licensee has the principal and legal responsibility for all matters associated with the construction of nuclear power plants. This requires:

- a. Direct involvement of upper and middle management in the ongoing design, procurement and construction phase activities and decision making.
- b. Establishment of a formal system of management reviews and audits intended to measure adequacy of program status and of performance of all organizations involved in the design, procurement and construction of the facility.
- c. The establishment and implementation of an effective licensee/constructor quality assurance program and organization characterized by independence from the pressure of schedules and cost and which has direct access to upper management. This must include effective controls for either the quality assurance or performing functions to immediately stop work when quality of construction is in question.
- d. The independent system of audits and other quality assurance program activities should be such that all requirements of 10 CFR 50, Appendix B are satisfied. In particular, note that nuclear construction requires:
 - (1) Effective design control and verification. This includes those design activities performed at licensee/A-E/constructor engineering offices and at field locations. Design changes are also subject to design control and verification.
 - (2) Effective procurement document control and surveillance of suppliers of services and items. This should encompass procurement activities performed at licensee/A-E/constructor corporate offices or other off or on site facilities. Procurement document changes are also subject to appropriate review/ approval controls.
 - (3) Detailed preplanning of construction activities. Preplanning of activities shall include as necessary the need for an adequate work force, suitable number of quality control inspectors to adequately inspect the activity, the need for backup or standby equipment, preparations for

adverse conditions and anticipation of contingencies. Mockups and training should be considered as a means of skills training for crafts and inspection personnel.

- (4) Extensive use of written procedures and instructions for crafts and inspection personnel.
 - (5) Conformance with established procedures and audits to verify conformance.
 - (6) Use of qualified personnel for both construction and quality control to successfully accomplish activities.
 - (7) Adequate quality control and inspection.
- e. In summary, reemphasize that the construction permit (CP) holder is responsible for the design, procurement and construction of the facility in accordance with the regulations and requirements of the NRC, and for the verification of quality of construction. He may delegate functions, but the ultimate responsibility resides with the CP holder.

The licensee must define how he will demonstrate that his program will effectively meet those areas discussed in Section d. above; how his organization will measure the adequacy and effectiveness of quality assurance program elements. Emphasize that the quality assurance organization must perform an audit/sampling of contractor/ supplier implementation of 10 CFR 50, Appendix B criteria as applied to quality assurance as well as performing functions to assure that an effective QA program exists at all levels. Independent audit/review of a representative sample of purchased item and service end products is also necessary to measure the actual effectiveness of the implemented QA program.

3. Require a brief functional description by the licensee and constructor of his organization and of appointed channels of communications with IE, including delegations of responsibility by the licensee to contractors or consultants and a general discussion relating to the status of the project.

4. Cover other matters as deemed appropriate.

- a. Discuss reporting requirements of 10 CFR 50.55(e).
- b. Discuss 10 CFR 21 requirements, particularly in relation to:
 - (1) Designated director/responsible officer reporting and civil penalties.
 - (2) Organization responsibilities for implementing provisions of the regulation and inspection and enforcement thereof.
 - (3) Information Notice 79-30 and objective thereof.
 - (4) IE use of staff positions in NUREG 0302, Rev. 1 and other (AIF and Commission) communications made known to the nuclear industries.
 - (5) Use of alternate 50.55(e) and RG 1.16 reporting methods as the vehicle for notifying the NRC and the need in this case to establish a management system of procedures (21.21(a)) and record (21.51) of other instructions which will ensure compliance with all requirements of

the regulation which, when implemented, will assure the Commission is adequately informed of each defect or failure to comply.

30050-03 INSPECTION GUIDANCE

General

This meeting should be conducted at the highest level of executive participation achievable. It must include licensee corporate officer(s) who will be responsible for the design and construction of the facility. The utility should be encouraged to have the QA manager and principal technical staff present, as well as others IE has requested attend or that the utility deems appropriate.

A primary purpose of this meeting is to explain the IE functional relationship with NRR and SD; the IE organization and Inspection Program (refer to MC-2500 and MC-2512) for nuclear safety and site environmental protection; and to make utility corporate management fully aware of the importance and the magnitude of its responsibilities.

An applicant is not expected to possess all of the technical competence required to accomplish the design, procurement and construction of the nuclear facility for activities delegated to other contractors. However, the applicant retains overall responsibility for any part of the quality assurance program delegated to other organizations, and the applicant should assure that sufficient, trained and qualified personnel within its organization are assigned to determine whether the delegated functions are being properly carried out. Therefore, following the submittal of the PSAR and during the design and construction of the facility, the applicant is expected to be knowledgeable of the progress of the project; the adequacy and the effectiveness of the implemented QA program for the delegated activities of design, procurement and construction; and the status of any significant design, construction, shop manufacture or fabrication problems, together with an understanding of the proposed methods of correction. The utility's corporate management must continue to recognize these responsibilities throughout the construction phase in structuring and staffing his organization, in determining project management and staff personnel qualification requirements and in developing and issuing instructions related to the implementation of the QA program.

At this time, IE should obtain a general understanding of the utility's current decisions relating to the delegation of construction phase activities, structuring and staffing his organization and assignments to date. Knowledge of the utility's organization and delegation of responsibilities, specifically in the areas of off and on site design, procurement, fabrication and construction, is of primary interest to IE in its overall inspection program.

In summary, it should be made clear that although the licensee may delegate the authority contractually for activities related to design, procurement, fabrication and construction, the responsibility to the NRC for all matters associated with the plant rests with the applicant/licensee. For that part of the quality assurance program for which the applicant's organization has designated responsibility, the program shall provide for the regular review of the status and adequacy by management of those organizations participating in the program. These reviews are not limited to a single level of management or to a single functional organizations. The reviews should make visible to all levels of management on a timely basis the program being executed by or for them. The extent of review of a program activity is dependent on the manager's relationship to the activity being performed. The regularity of review of activities in the quality assurance program should be consistent with its importance in assuring quality of design, manufacturing or construction and the schedule for accomplishing the activity.

- 4a. Refer to IE manual interpretation on 50.55(e).
- b.
- (1) NUREG 0302, Rev. 1, Pages 21.21(b)(1)-(3); 21.61.
 - (2) Note that the organization is responsible for assuring compliance (as discussed in Information Notice 79-30) with all Part 21 regulations established to ensure that the Commission is "adequately informed" (21.21(b)(3)) of a defect or failure to comply.
 - (3) See (2) and (5).
 - (4) Refer to Forward of NUREG 0302, Rev. 1.
 - (5) Note that it is our position that within the meaning of pertinent regulations and staff positions, the use of alternate (50.55(e) or R.G. 1.16) reporting methods to satisfy a Part 21 reporting requirement must be controlled by a management system of procedures (21.21(a)) and instructions of other records (21.51) as necessary to assure compliance with all regulations under Part 21. Of particular importance are the regulations established to ensure the Commission will be adequately informed as discussed under 21.21(b)(3) for the reporting of a defect or failure to comply. In this regard, a "determination as to the applicability of Part 21 (reporting)" is indeed important since under Part 21 the Commission also requires appropriate notice of the "nature of the hazard" as a means to assure that an event which could result in a major reduction in the degree of protection provided to public health and safety for a licensed facility or activity received appropriate attention as established within the NRC for handling of a reported defect or failure to comply. The "determination" (i.e.-evaluation under 21.21(a) or pursuant to 21.51-"compliance") is also important to ensure that the alternate reporting method, if used, will also result in informing the Commission of all known information relative to the "generic implications" of a reported defect or failure to comply.

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