

NRC Vendor Inspection

NUPIC Auditor Conference & General Membership Meeting

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Outline

- Vendor Identification
- NRC Vendor Inspections
- Inspection Results
- Inspection Reports
- Part 21 Rulemaking
- ILAC Calibration Services
- New Initiatives
- Community Information







Vendor Identification

Current Sources of Vendor Information

- Reporting systems Part 21, 50.72, 50.73
- Industry and standards organizations
- Communication with licensees, applicants, and engineering, procurement, and construction (EPC) contractors
- Allegations

Initiatives

- RIS requesting voluntary identification
- NRC public web site
- NRC CIPIMS







NRC Vendor Inspection Focus

- Emphasis on inspection of design, fabrication, testing, and inspection activities in the field as these activities are being conducted on specific components or product lines of interest.
- "Vertical-Slice" approach
 - Increased use of technical specialists in areas of mechanical, materials, structural, electrical, digital I&C
 - More emphasis on specific qualification and type testing and detailed design work associated with Targeted ITAAC SSCs

Recent Vendor Inspections:

- Newport News Industrial (NNI)
- SPX Copes Vulcan
- Assurance Technical Services
- · Westinghouse, New Stanton, PA
- Rosemont Nuclear
- SIET
- Wyle Labs
- Westinghouse, Cranberry Township, PA
- CB&I Lake Charles, LA
- United Controls International
- EnerSys Delaware Inc
- Carolina Energy Solutions

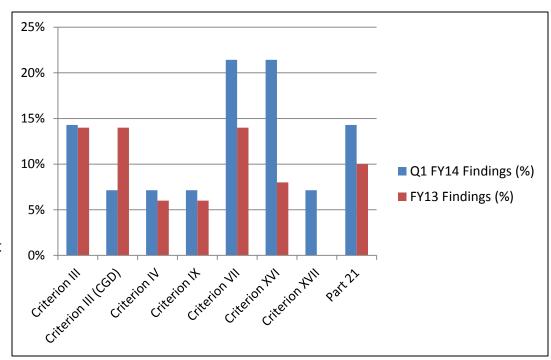


Recent Inspection Results

Most Common issues:

- ✓ Design Control and Dedication
- Control of Purchased Material, Equipment, and Services (Supplier Control)
- ✓ Corrective Actions
- ✓ Part 21

NRC is performing technically-focused performance based inspections of vendors that evaluate the detailed design, procurement, fabrication, and testing of SR SSCs. Staff continues to identify issues associated with implementation of vendors QA programs.





Typical Inspection Findings

- Compliance with 10 CFR Part 21 Identification and Reporting of Defects
- Failure to provide appropriate oversight of subcontractors
 - Subcontractors must implement Part 50, Appendix B
 Quality Assurance requirements
- Procedure adherence and documentation
- Commercial Grade Dedication is an Appendix B activity
 - Commercial grade items were not adequately dedicated
- Failure to meet design requirements
- Test Control Configuration changes to a component undergoing test without an technical assessment
- M&TE used outside of calibrated range









Inspection Reports

What to Expect per IMC 0617:

- More than Minor documentation
- Safety significant, technical focus
- Scope
- Observations and Findings
- Corrective Action documentation

Cover Letter

November 27, 2013

Andy Clark, President Assurance Technical Services 400 Park Avenue

Executive Summary

Assurance Technical Service

The U.S. Nuclear Regulatory Commission (NRC) conducted this vendor inspection to verify that. Assurance Technical Services (Premater referred to as XTS), implemented an adequate quality assurance (QA) program that complies with the requirements of Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," to Title 10 of the Code Feeders/Regulations (10 CFR) Plant 50, "Domestic Licensing of Production and Utilization Facilities," and IO CFR Plant 21, "Reporting of Defects and Noncompliance."

This inspection specifically evaluated ATS's testing and qualification of safety-related

Report Details

1. 10 CFR Part 21 Program

a. Inspection Scope

The inspectors reviewed ATS's policies and implementing procedures that govern its Tills 0 of the Code of Federal Reputations (10 CFR) Part 21 program to verify compliance with the requirements of 10 CFR Part 21. The inspectors also reviewed ATS's procedures with the requirements of 10 CFR Part 21 process. Standard Operating Plan SOP 4.28-01, "Reporting of Defects and Noncompliance," and ATS Quality Assurance System Manual Section 4.28 establish the requirements for ATS's compliance with the requirements of the CFR Part 21 process. The inspectors reviewed ATS's 10 CFR Part 21 policy and procedures and related documentation, and interviewed the QA Director and staff members of ATS. The team inspection ferm also verified that SOP 4.29 provides adequate guidance for the different thing requirements for 10 CFR Part 21 evaluations, notification, and reporting affirmations, notification, and reporting affirmations.

b. Observations and Findings

No findings of significance in this area

. Conclusions

The inspectors determined that ATS appropriately translated the requirements of 10 CFR Part 21 into implementing procedures and, for those activities that the inspectors reviewed, innolemented them as ATS procedures required.

2. Procurement and Oversight of Suppliers

a. Inspection acope

The inspectors reviewed ATS's policies and procedures for procurement processes to verify compliance with Criterion IV and Criterion IV of Appendix B to 10 CFR part 50. The inspectors evaluated ATS's procurement controls and procedures established in ATS's Quality Program Manual (QPM) and ATS SOP 4.07.2, Special Grade Purchasing. The inspectors size reviewed PO#1 2022BOYN, Clark Oynamic Tests Lab procurement of qualification testing from ATS and PO#4500466510, Westinghouse procurement of testing services from Clark Dynamic Tests Lab, the consumers of the Services from Clark Dynamic Tests Lab, the new terms they included the regulatory requirements, design basis, and other applicable requirements in procurement documents for safety related components for the US operating reactors.

The NRC inspection team reviewed ATS SOP 4.07-01, "Special Grade Supplier Approval" which is a high-level document governing the approval of suppliers. Specifically, it includes the commercial dedication process that ATS uses to qualify suppliers of calibration services.

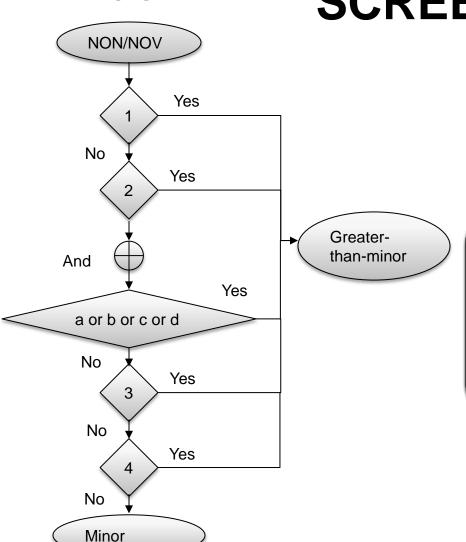
In addition to the calibration services, the inspectors reviewed the commercial grade survey documentation for Applied Technical Services. Applied Technical Services provide chemical analysis of test soray samples.

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SCREENING CRITERIA SCREENING CRITERIA

Protecting People and the Environment



- 1. Is the issue similar to
- 2. Does the issue, if left uncorrected, represent a CAQ that renders the
- d. An unqualified process, procedure, tool, instrument or
- ac unco failur
- 3. Does the issue, if left uncorrected, represent a failure to establish implement
 - 4. If left uncorrected, could the issue adversely affect the closure of an Inspection, Test, Analyses, and Acceptance Criteria (ITAAC)?

or



Part 21 Rulemaking

- On September 29, 2011, the NRC staff issued SECY-11-0135, "Staff Plans to Develop the Regulatory Basis for Clarifying the Requirements in Title 10 of the *Code of Federal Regulations* (10 CFR) Part 21, "Reporting of Defects and Noncompliance."
- On May 30, 2013, the NRC staff hosted a public meeting at NRC Headquarters, in Rockville, Maryland. The purpose of the meeting was to discuss evaluating and reporting related to the NRC staff's draft regulatory basis to clarify Part 21.
- Revision 1 to the draft regulatory basis is expected to be issued for public comment by the end of April 2014.



Commercial Calibration Services

- In November 2013, NEI and NRC staff conducted an observation of the Asia-Pacific Laboratory Accreditation Cooperation's (APLAC) evaluation of Japan Accreditation Board (JAB), as well as observations of JAB's accreditation assessments of various calibration and testing laboratories.
 - Verified APLAC's evaluation of JAB
 - Evaluated JAB's calibration and testing laboratories
- NEI is expected to submit an industry proposal to expand the NRC's current acceptance of third-party accreditation of domestic calibration laboratories for purposes of commercial-grade dedication in June 2014.



New Initiatives Update

- Regulatory Guide (RG) 1.33, Revision 3, "Quality Assurance Program Requirements (Operations)"
 - Endorses 2012 edition of ANSI/ANS-3.2-2012, "Managerial, Administrative, and Quality Assurance Controls for Operational Phase of Nuclear Power Plants," and was issued in final June 2013. Revision 2 to Regulatory Guide 1.33 was dated February 1978.
 - The ANS-3.2 standard has changed its format to more closely align with the latest version of NQA-1 and to reduce duplicative requirements







New Initiatives Update

Licensee CGI Dedication Inspections

- January 27-30, 2014, first CGI Dedication Inspection conducted at Oconee station
- Four person team (NRO and Region II)
- Inspection Procedure IP 43004 "Inspection of Commercial Grade Dedication Programs," revised on November 29, 2013 was used
- Next inspection will be at Region IV plant



New Initiatives Update

- EPRI 5652: (NP-5652 + TR 102260)
 November 2013 NRC participated in 7th CGID guidance revision technical advisory group (TAG) meeting Charlotte, NC
 - Discussion comparing/contrasting design and manufacture under 10 CFR Part 50 Appendix B with commercial- grade item dedication



July 2012 – Received NEI letter and submittal February 2013 – NRC issued 6 RAIs January 2014 – Formal NEI RAI response and Revision 1 to EPRI 1025243







Community Updates

- Vendor Quality Assurance (QA) Inspections
 - 2013 Annual Vendor Newsletter is now available on our public website at the below link. Topics of interest include news on the 10 CFR Part 21 rulemaking activities, Counterfeit, Fraudulent, and Suspect Items (CFSI), commercially procured software dedication, and vendor inspection finding data.
- Frequently Asked Questions about Quality Assurance for New Reactors
 - The Frequently Asked Questions FAQ page addresses Quality Assurance for New Reactors and currently has three main categories: 10 CFR Part 21 FAQs, Commercial Grade Dedication FAQs, and Enforcement FAQs.
- 10 CFR 50 Appendix B Notices of Nonconformance (NON) and Violation (NOV) and 10 CFR Part 21 NOVs
 - This page is to serve as a categorization tool and provides a list of all applicable QA Inspections for New Reactor Licensing and Vendor QA Inspection reports that have either a Notice of Nonconformance (NON) or Notice of Violation (NOV) within a specific criterion of 10 CFR 50 Appendix B or 10 CFR Part 21 related issue.
- Vendor Inspection Program Plan Revision 7
 - This link describes the vendor inspection program (VIP).
- Regulatory Information Conference (RIC) March 11-13, 2014
- NRO Workshop on Vendor Oversight for New Reactor Construction June 12, 2014.









QUESTIONS?

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