

May 2, 2008

Sal Provanzano, President  
RTP Corporation  
1834 SW 2nd Street  
Pompano Beach, FL 33069

SUBJECT: NRC INSPECTION REPORT NO. (99901372/2008-201), NOTICE OF VIOLATION

Dear Mr. Provanzano:

On March 25-28, 2008, the U.S. Nuclear Regulatory Commission (NRC) conducted an inspection at RTP Corporation's facility in Pompano Beach, FL. The enclosed report presents the results of this inspection.

This was a limited scope inspection which focused on assessing your compliance with the provisions of Part 21 of Title 10 of the *Code of Federal Regulations* (10 CFR Part 21) "Reporting of Defects and Noncompliance." This NRC inspection report does not constitute NRC endorsement of your overall quality assurance or Part 21 programs.

Based on the results of this inspection, the NRC determined that two violations of NRC requirements occurred. Specifically RTP did not provide procedural guidance for the interface of the corrective action and nonconformance reporting processes with the Part 21 program. RTP also did not provide appropriate procedures to evaluate deviations and failures to comply to identify defects and failures to comply associated with substantial safety hazards. In addition, RTP could not provide objective evidence that they had prepared or maintained records necessary to accomplish the purposes of Section 51 of 10 CFR Part 21. The violations are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding them are described in detail in the subject inspection report. The violations are being cited because the NRC determined that RTP failed to meet the requirements set forth in 10 CFR Part 21 regarding procedures to evaluate deviations and maintenance of records.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your

response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request that such material is withheld from public disclosure, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Sincerely,

**/RA/**

Patrick L. Hiland  
Division Director  
Division of Engineering  
Office of Nuclear Reactor Regulation

Docket No.: 99901372

Enclosures: 1. Notice of Violation  
2. Inspection Report 99901372/2008-201

response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request that such material is withheld from public disclosure, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Sincerely,

**/RA/**

Patrick L. Hiland  
 Division Director  
 Division of Engineering  
 Office of Nuclear Reactor Regulation

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## NOTICE OF VIOLATION

RTP Corporation  
1834 SW 2nd Street  
Pompano Beach, FL 33069

Docket Number 99901372  
Inspection Report No. 99901372/2008-201

Based on the results of a Nuclear Regulatory Commission (NRC) inspection conducted March 25 – 28, 2008, of activities performed at RTP Corporation (RTP), two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. 10 CFR Part 21, Section 21.21, "Notification of failure to comply or existence of a defect and its evaluation," paragraph (a), requires, in part, each individual, corporation, partnership, or other entity subject to 10 CFR Part 21 shall adopt appropriate procedures to (1) evaluate deviations and failures to comply associated with substantial safety hazards as soon as practicable.

Contrary to the above, as of March 28, 2008:

1. RTP's 10 CFR Part 21 implementing procedure AQ 5.01.3, "Deficiency Reporting (10CFR21)," dated March 17, 2008, was not an appropriate procedure for the interface of the corrective action and nonconformance reporting processes with the Part 21 program to ensure effective identification and evaluation of deviations and failures to comply associated with a substantial safety hazard.
2. RTP's 10 CFR Part 21 implementing procedure AQ 5.01.3 was not an appropriate procedure to evaluate deviations and failures to comply to identify defects and failures to comply associated with substantial safety hazards

This issue has been identified as Violation 99901372/2008-201-01.

This is a Severity Level IV violation (Supplement VII).

- B. 10 CFR Part 21, Section 21.51, "Maintenance and inspection of records," paragraph (a), requires, in part, each individual, corporation, partnership, dedicating entity, or other entity subject to the regulations in this part shall prepare and maintain records necessary to accomplish the purposes of this part, specifically -
- (1) Retain evaluations of all deviations and failures to comply for a minimum of five years after the date of the evaluation;
  - (2) Suppliers of basic components must retain any notifications sent to purchasers and affected licensees for a minimum of five years after the date of the notification;
  - (3) Suppliers of basic components must retain a record of the purchasers of basic components for 10 years after delivery of the basic component or service associated with a basic component.

Contrary to the above, as of March 28, 2008:

RTP could not provide objective evidence that they had prepared or maintained records necessary to accomplish the purposes of 10 CFR Part 21, Section 21.51.

**ENCLOSURE 1**

This issue has been identified as Violation 99901372/2008-201-02.

This is a Severity Level IV violation (Supplement VII).

Pursuant to the provisions of 10 CFR 2.201, "Notice of Violation," RTP is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555-0001, with a copy to the Director, Division of Engineering, Office of Nuclear Reactor Regulation, within 30 days of the date of the letter transmitting this Notice of Violation. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken to avoid further violations; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agency-wide Documents Access and Management System (ADAMS), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection, described in 10 CFR 73.21.

Dated at Rockville, Maryland this 02<sup>nd</sup> day of May 2008.

U.S. NUCLEAR REGULATORY COMMISSION  
OFFICE OF NUCLEAR REACTOR REGULATION  
DIVISION OF ENGINEERING  
VENDOR INSPECTION REPORT

Docket No.: 99901372

Report No.: 99901372/2008-201

Vendor: RTP Corporation  
1834 SW 2nd Street  
Pompano Beach, FL 33069  
Phone (954) 974-5500  
Fax (954) 975-9815

Vendor Contact: Garfield Monfries, Business Manager  
Phone (954) 974-5500 x7200  
Garfield.Monfries@rtpcorp.com

Nuclear Industry: RTP Corporation (RTP) supplies safety-related and commercial-grade data acquisition systems to the nuclear power industry.

Inspection Dates: March 25 – 28, 2008

Inspector: Victor Hall, EQVB/DE/NRR

Approved by: Dale Thatcher, Branch Chief  
Quality & Vendor Branch  
Division of Engineering  
Office of Nuclear Reactor Regulation

## **EXECUTIVE SUMMARY**

RTP Corporation  
99901372/2008-201

The purpose of this inspection was to verify that RTP implemented an adequate 10 CFR Part 21 (Part 21) program that met NRC regulatory requirements. The inspectors reviewed portions of the Quality Assurance (QA) program and Part 21 controls that RTP Corporation (RTP) had established and implemented to meet the regulations set forth in Part 21. The inspection was conducted at RTP's facility in Pompano Beach, Florida.

The NRC inspection basis was:

- 10 CFR Part 21, "Reporting of Defects and Noncompliance."

There were no previous NRC inspections performed at RTP's facility in Pompano Beach, Florida, prior to this inspection. The results of the inspection are summarized below.

The NRC staff also observed the performance of a joint utility audit of RTP to assess the Nuclear Procurement Issues Committee (NUPIC) quality assurance audit process used for suppliers of components to the nuclear industry. The NRC staff implemented Inspection Procedure (IP) 43005, "NRC Oversight of Third-Party Organizations Implementing Quality Assurance Requirements." The trip report of the NRC staff's observations, including a list of the persons contacted during the trip, is documented in a Trip Report dated xx. (ADAMS Accession # MLxx).

### **10 CFR Part 21 Program**

The inspectors identified two violations for failures to meet the requirements of Part 21. Violation 99901372/2008-201-01 was cited because RTP did not provide procedural guidance for the interface of the corrective action and nonconformance reporting processes with the Part 21 program to ensure effective identification and evaluation of deviations and failures to comply associated with substantial safety hazards. Furthermore, RTP did not provide appropriate procedures to evaluate deviations and failures to comply to identify defects and failures to comply associated with substantial safety hazards. Violation 99901372/2008-201-02 was cited because RTP could not provide objective evidence that they had prepared or maintained records necessary to accomplish the purposes of Part 21, Section 21.51..

## REPORT DETAILS

### 1. 10 CFR Part 21 Program

#### a. Inspection Scope

The inspectors reviewed RTP Quality Assurance (QA) policies and procedures that governed the Part 21 program to determine compliance with 10 CFR Part 21, "Reporting of Defects and Noncompliances." Specifically, the inspectors reviewed portions of Quality Assurance Program Manual (AQM), Revision Q6, "Quality Assurance Program Manual," dated November 11, 2005, and portions of Quality Assurance Procedure Manual (AQPM), Revision 10, "Quality Assurance Procedure Manual," dated March 17, 2008.

In addition, the inspectors evaluated a sample of RTP's Non-Conforming Material Report (NCMR) Log used for tracking Corrective Action Reports (CARs) to verify compliance with Part 21 requirements.

Finally, the inspectors reviewed a sample of safety-related purchase orders to verify that RTP properly specified the applicability of 10 CFR Part 21 in procurement documents for safety-related services from sub-suppliers.

#### b. Observations and Findings

The inspectors noted the RTP AQM was divided into 18 sections to match the 18 criteria of Appendix B of 10 CFR Part 50, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants." The RTP AQPM provided the implementing procedures for the QA program. Each procedure in the AQPM was assigned a unique AQ number.

The inspectors noted that RTP's Part 21 implementing procedure AQ 5.01.3, "Deficiency Reporting (10CFR21)" did not include adequate interfaces with corrective action procedures to identify or evaluate potential deviations or failures to comply associated with substantial safety hazards. The inspectors noted that none of the RTP QA procedures for corrective action and non-conforming materials provided a link to the Part 21 procedure. The inspectors noted the absence of Part 21 controls in the following relevant RTP QA procedures:

- AQ 4.07, "Incoming Non-Conforming Material"
- AQ 4.07.1, "Material Substitution/Deviation Control"
- AQ 5.01, "WIP, Non-Conforming Material"
- AQ 5.03, "Deviation Disposition Request"
- AQ 6.01, "Corrective Action"

The inspectors further noted that RTP's NCMR Log did not provide a mechanism to screen for Part 21 applicability.

The inspectors observed that AQ 5.01.3 directed QA personnel to initiate the evaluation of deviations and failures to comply associated with substantial safety hazards. However, the procedure did not provide any guidance to evaluate deviations and failures



to comply associated with substantial safety hazards. Therefore RTP did not provide appropriate procedures to evaluate deviations and failures to comply.

Part 21, Section 21.21, "Notification of failure to comply or existence of a defect and its evaluation," paragraph (a), requires, in part, each individual, corporation, partnership, or other entity subject to 10 CFR Part 21 shall adopt appropriate procedures to (1) evaluate deviations and failures to comply associated with substantial safety hazards as soon as practicable.

Contrary to the above, as of March 28, 2008, RTP's 10 CFR Part 21 implementing procedure AQ 5.01.3, "Deficiency Reporting (10CFR21)," dated March 17, 2008, was not an appropriate procedure for the interface of the corrective action and nonconformance reporting processes with the Part 21 program to ensure effective identification and evaluation of deviations and failures to comply associated with substantial safety hazards. AQ 5.01.3 was also not an appropriate procedure to evaluate deviations and failures to comply to identify defects and failures to comply associated with substantial safety hazards. This issue has been identified as Violation 99901372/2008-201-01.

The inspectors found that RTP procedure AQ 5.01.3 did provide adequate procedures and guidance regarding directors or responsible officers notifying NRC or informing affected customers of identified defects or failures to comply.

The inspectors verified, in a sample of procurement documents for safety-related services from sub-suppliers, that RTP had specified the applicability of Part 21 as required in 10 CFR 21.31.

The inspectors noted that RTP procedure AQ 1.04, "Records Retention," did not provide controls for the retention of Part 21 evaluations or notifications. RTP did not provide any records of Part 21 evaluations or Part 21 notifications. The inspectors noted that RTP had not performed any Part 21 evaluations since RTP became a privately held company in 1997. Section 51 of Part 21, "Maintenance and inspection of records," paragraph (a), requires, in part, each individual, corporation, partnership, dedicating entity, or other entity subject to the regulations in this part shall prepare and maintain records necessary to accomplish the purposes of this part, specifically -

- (1) Retain evaluations of all deviations and failures to comply for a minimum of five years after the date of the evaluation;
- (2) Suppliers of basic components must retain any notifications sent to purchasers and affected licensees for a minimum of five years after the date of the notification;
- (3) Suppliers of basic components must retain a record of the purchasers of basic components for 10 years after delivery of the basic component or service associated with a basic component.

Contrary to the above, as of March 28, 2008, RTP could not provide objective evidence that they had prepared or maintained records necessary to accomplish the purposes of Part 21, Section 21.51. This issue has been identified as Violation 99901372/2008-201-02.

c. Conclusions

The inspectors identified two violations for failures to meet the requirements of 10 CFR Part 21. Violation 99901372/2008-201-01 was cited because RTP did not provide an appropriate procedure for the interface of the corrective action and nonconformance reporting processes with the Part 21 program to ensure effective identification and evaluation of deviations and failures to comply associated with substantial safety hazards. Furthermore, RTP did not provide appropriate procedures to evaluate deviations and failures to comply to identify defects and failures to comply associated with substantial safety hazards. Violation 99901372/2008-201-02 was cited because RTP could not provide objective evidence that they had prepared or maintained records necessary to accomplish the purposes of Part 21, Section 21.51.

2. Exit Meeting

On March 28, 2008, the inspectors presented the inspection scope and findings during an exit meeting with RTP president, Sal Provanzano and other RTP personnel.

## ATTACHMENT

### 1. PERSONS CONTACTED

G. Monfries, Business and Development Manager  
W. Bitter, Manufacturing Director  
S. Durren, Quality Assurance Associate  
A. Erbay, Director of Safety Products  
B. Goodman, Test Manager  
J. Lui, Materials Manager  
S. Provanzano, President  
E. Wagoner, Technical Sales Engineer

The following NUPIC Auditors attended the Entrance and Exit meetings:

J. Magalhaes, Team Leader, Principal Engineer, Florida Power and Light  
B. Allyn, Systems Administrator, Florida Power and Light  
J. Baysinger, Manager Procurement Quality, Florida Power and Light  
J. Perry, Lead Auditor, Exelon Generation Company  
E. Wasson, Principal Quality Analyst, Constellation Energy

### 2. INSPECTION PROCEDURES USED

IP 36100, "Inspection of 10 CFR Parts 21 and 50.55(e) Programs for Reporting Defects and Noncompliance"

### 3. LIST OF ITEMS OPENED, CLOSED, AND DISCUSSED

There were no previous NRC inspections performed at RTP's facility in Pompano Beach, Florida, prior to this inspection.

<u>Item Number</u>	<u>Status</u>	<u>Type</u>	<u>Description</u>
99901372/2008-201-01	Opened	NOV	Violation of Part 21
99901372/2008-201-02	Opened	NOV	Violation of Part 21

### 4. LIST OF ACRONYMS USED

AQM	Quality Assurance Program Manual
AQPM	Quality Assurance Procedure Manual
CAR	Corrective Action Report
CFR	Code of Federal Regulations
DE	Division of Engineering
EA	Enforcement Action
EQVB	Quality and Vendor Branch
IP	Inspection Procedure
NCMR	Non-Conforming Material Report
NRC	Nuclear Regulatory Commission
NRR	Office of Nuclear Reactor Regulation
NOV	Notice of Violation
QA	Quality Assurance
RTP	RTP Corporation