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United States Nuclear Regulatory Commission  
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Washington, DC 20555-0001

Copy:  
Chief, Construction Mechanical Vendor Branch  
Division of Construction Inspection and Operational Programs  
Office of New Reactors

Cives Steel Company  
NRC Docket Number: 99901419

Subject: Clarification to Response to NRC Inspection Report No. 99901419/2012-201,  
Notice of Violation, and Notice of Nonconformance

Reference: Letter from E. Roach (NRC) to G. Orff (Cives) NRC Inspection Report  
No. 99901419/2012-201, Notice of Violation, and Notice of  
Nonconformance Dated August 2, 2013

Dear Mr. Roach:

In response to the above mentioned letter, Cives Steel Company, Southern Division  
(Cives) herewith provides the requested clarifications.

NRC Clarification Request:

- *NON 99901419/2012-201-02 stated that Cives procedure QP 16-01 was extensively revised, new forms were created, and training was given to all management to the revised procedure. Also, the response stated that a new form (Form 16-01-1, Action Request) was created and made available to the employees. Further, the response states that the Cives Quality Assurance (QA) Manager will perform a surveillance to evaluate Cives corrective actions. Please clarify if Cives employees were trained to the new revision and forms of QP 16-01. Also, please clarify who will perform surveillance of the QA Manager work since the QA Manager is the manager responsible for implementing the corrective action program at Cives.*

Cives Response:

Subsequent to the revisions of Procedure QP 16-01, Corrective and Preventive Action and the creation of Form 16-01-1, Action Request, training of all Department Managers was performed to the procedure revisions and the new form. Prior to the placement of Form 16-01-1 in the work areas in the shop and

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office, training of all employees was performed to the existence and location of the form, how to initiate them and who to turn them in to for action. Additionally, in conjunction with this training, indoctrination of all employees and management was performed to Cives' Safety Conscious Work Environment policy.

With respect to the question of who will perform surveillance of the QA Manager, Cives has also added provisions in Procedure QP 18-01, Quality Audits and Surveillances, for the purpose of monitoring processes or observing activities that affect quality. The initial training on the revisions to this procedure and the planning, performing, and documenting of surveillances was performed by an external expert consultant employed by Cives to assist with the improvement of the overall program. In addition to the QA Manager receiving this training, certain members of the Project Management involved in Nuclear projects and Human Resource Departments were also trained to perform surveillances. Training of the personnel in these additional departments was performed for the purpose of performing surveillances of the QA Department as required.

NRC Clarification Request:

- *NON 99901419/2012-201-03 stated that Cives failed to establish and implement a program for inspection of activities affecting quality to verify conformance with Cives policies and procedures. However, your response to each of the four examples identified the deficiencies and what actions Cives took to correct them. However, your response to each of the examples failed to have a clear explanation or include what actions Cives will take to preclude repetition of similar findings. Please clarify your response to address these concerns.*

Cives Response:

In addition to training of QC personnel to the issues stated in the corrective actions initiated as a result of this NON, Cives has, with the assistance of an external expert consultant, developed a more structured and detailed procedure, QP 18-01, Quality Audits and Surveillances, for performing and documenting Surveillances. Surveillances are performed by Cives when required to verify effectiveness of corrective actions or when random reviews of the program are performed by the QA Manager or Management's designee. When a Corrective



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Action is verified complete and prior to close out a date is typically selected by either the QA Manager or the General Manager for the performance of a surveillance to verify the effectiveness of the corrective action. For potentially significant and significant problems, this verification is mandatory and a timeline is established in the procedure for completion of the verification. For non-significant problems or preventive actions the verification is optional, but in practice, Cives has opted to do this verification of effectiveness in many situations.

Other changes to the program include revisions to develop a more robust procedure, QP 16-01, Corrective and Preventive Action, for trending of reject, repair and rework rates as well as item nonconformance reports. This trending is typically performed quarterly and trends identified in the NCRs generally result in a Corrective Action. Also, for additional clarification, the revisions to QP 16-01 incorporate guidance found in *DOE Guide 231.1-2 Occurrence Reporting Causal Analysis Guide* for documenting and tracking trends in non-conformances by designating cause codes for each NCR. These cause codes are taken from the causal analysis tree which is attachment 2 of DOE Guide 231.1-2.

Cives feels that with both the additional training of the QC Personnel and the revisions and implementation of these two procedures has worked well towards precluding repetition of similar findings as noted in the NRC IR.

NRC Clarification Request:

- *NON 99901419/2012-201-05 stated that Cives failed to adequately implement its process to ensure that the persons performing QA functions have the authority and organizational freedom, including sufficient independence from cost and schedule when opposed to safety considerations. The response stated that Cives took immediate corrective action to separate the responsibilities and duties of QA and Quality Control (QC). As, a result of the corrective actions Cives revised QP 01-01, "Quality Planning," and QP 01-01a, "Quality Planning Supplement," was created as a supplement to provide further specific procedural distinctions between QA and QC. However, your response failed to describe what changes Cives made to the organization and how these changes would be implemented by different individuals. Please clarify your response to address this concern.*



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Cives Response:

In order to clarify Cives' actions with respect to the QA and QC Manager positions, please consider the following. As a result of CAR 080, Cives revised the organization chart in the Nuclear Quality Assurance Manual (NQAM) whereby creating separate positions for QA Manager and QC Manager. These positions are two distinct positions, held by separate individuals and both positions report directly to the General Manager. The QA Manager oversees the revisions and distribution of the NQAM and procedures, plans, schedules and documents audits and surveillances (except where these apply to the QA Department, this is performed by other qualified individuals), and coordinates the documentation, completion and follow up of all corrective and preventive actions. The QC Manager oversees inspection activities on all items delivering to the customer which are covered under Cives' Nuclear Quality Assurance Program as well as the training, qualification and supervision of all QC personnel performing these inspection activities.

NRC Clarification Request:

- *NON 99901419/2012-201-06 stated that Cives failed to prescribe and perform activities affecting quality in accordance with documented instructions, procedures, or drawings. The response stated that for each of the four examples corrective actions were taken. As a result of these corrective actions Cives created work instructions and conducted training to the applicable employees on these new procedures. However, your response failed to include the work instruction created and an explanation on how these instructions are going to resolve the NON, and if there are any other activities affecting quality that are not been performed in accordance with documented instructions, procedures, or drawings. Please clarify your response to address these concerns.*

Cives Response:

Cives addressed only the four specific examples noted in the NRC Inspection Report in the response dated April 16, 2013, however a total of sixteen work instructions were generated as a result of the corrective action investigation associated with this NON. From the examples listed in the response, the work instructions created were as follows:

- 1) 05-01-04 – Work Instructions for Plasma Burning Table




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- 2) 05-01-09 – Work Instructions for Production Assistant and Creating Cutting Sheets Utilizing Cives Production Software.
- 3) 10-03-01 – Work Instructions for Electronic Inspection Tablet. (The electronic inspection tablet is used by the QC Inspectors to document inspections using electronic copies of drawings for reference, whereas a newly created paper traveler “Form 01-01-0” is attached to each item and is used as a visual signifier of inspections performed.)
- 4) 05-01-3-01 – Work Instructions for Westinghouse Specification APP-G1-SX-001 Section 7.0 “Nuclear Embeds”.

Although a total of sixteen Work Instructions were generated as a result of CAR 067, the creation of Work Instructions is an on-going process as new processes are incorporated or more specific instructions are deemed to be required for processes affecting quality through the initiation of Action Requests or surveillances performed to verify effectiveness of corrective actions.

We hope these clarifications are found to be acceptable and if there are any other questions, please feel free to contact us.

Sincerely,  
CIVES STEEL COMPANY  
Southern Division



Lyn B. Busby  
Quality Assurance Manager

cc: Greg Orff – Cives Steel Company