

November 25, 2013

Steven W. Smeal, Manager, Quality Assurance
Chicago Bridge & Iron
266 Old Airport Road
Laurens, SC 29360

SUBJECT: CHICAGO BRIDGE & IRON'S RESPONSE TO THE U.S. NUCLEAR
REGULATORY COMMISSION INSPECTION REPORT NO. 99901432/2013-201,
NOTICE OF VIOLATION AND NOTICE OF NONCONFORMANCE

Dear Mr. Smeal:

Thank you for your October 31, 2013, letter in response to the Notice of Violation and Notice of Nonconformance that were discussed in the subject U.S. Nuclear Regulatory Commission (NRC) inspection report (IR).

We have reviewed your letter and found that it is not fully responsive to one of the NONs discussed in IR 99901432/2013-201. Specifically, your response to NON 99901432/2013-201-04 stated the Chicago Bridge & Iron's Laurens Quality Manual has been amended to include a requirement for a triennial commercial-grade survey and an annual evaluation of all active suppliers of safety related materials and services. Surveys are conducted for the purpose of verifying adequate controls for acceptance of critical characteristics the dedicating entity wishes to take credit of commercial suppliers. Commercial-grade surveys should be conducted at sufficient frequency to ensure that the process controls applicable to the critical characteristics of the item procured continue to be effectively implemented. Factors to be considered in determining the frequency of commercial grade surveys include the complexity of the item, frequency of procurement, receipt inspection, item performance history, and knowledge of changes in the vendor's controls. The survey frequency should not exceed the audit frequency established for Title 10 of the *Code of Federal Regulation* (10 CFR) Part 50, Appendix B, suppliers. Please clarify your response to indicate what type of controls you will be performing on your commercial suppliers.

In accordance with 10 CFR 2.390 "Public Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System, accessible from the NRC Web site 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

S. Smeal

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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 "Protection of Safeguards Information: Performance Requirements."

Please contact Mr. Yamir Diaz-Castillo at (301) 415-2228 or via electronic mail at Yamir.Diaz-Castillo@nrc.gov, if you have any questions or need assistance regarding this matter.

Sincerely,

/RA/

Edward H. Roach, Chief
Mechanical Vendor Inspection Branch
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Docket No.: 99901432

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