



NRC Vendor Inspection

NUPIC Auditor Conference & General Membership Meeting

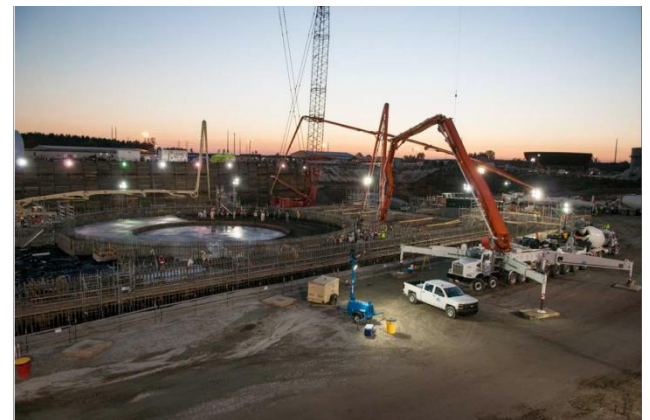
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Office of New Reactors

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

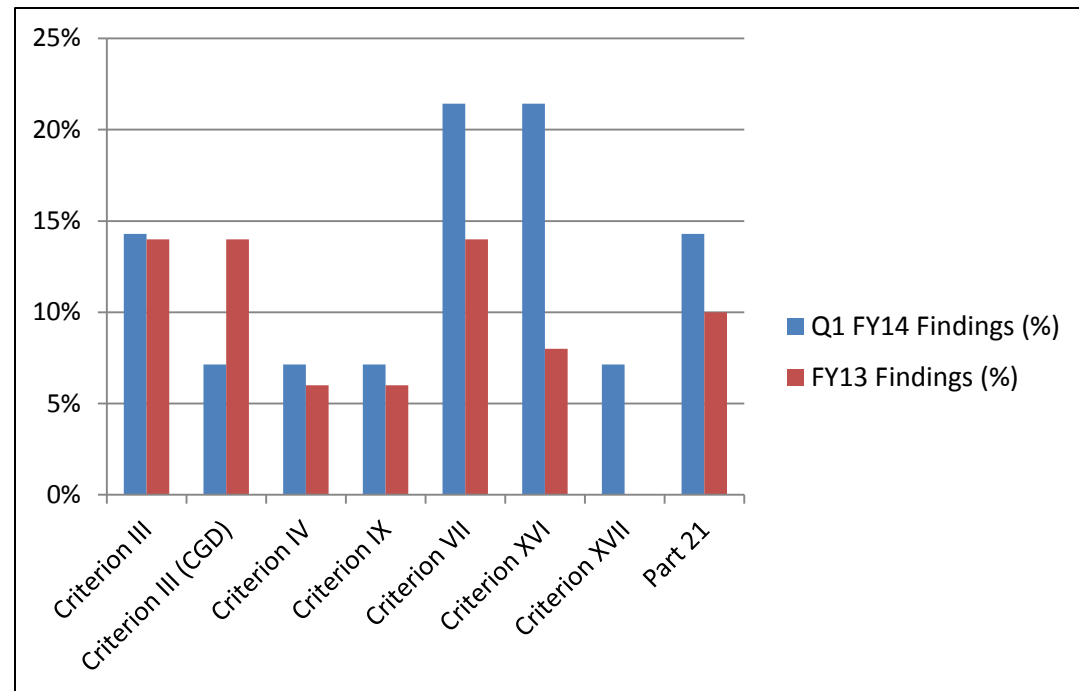
There are 40 plus inspections scheduled for FY14

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.



Trends for Q1 FY 14 findings are in similar areas as FY 13 findings

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 a technical assessment
- M&TE used outside of calibrated range





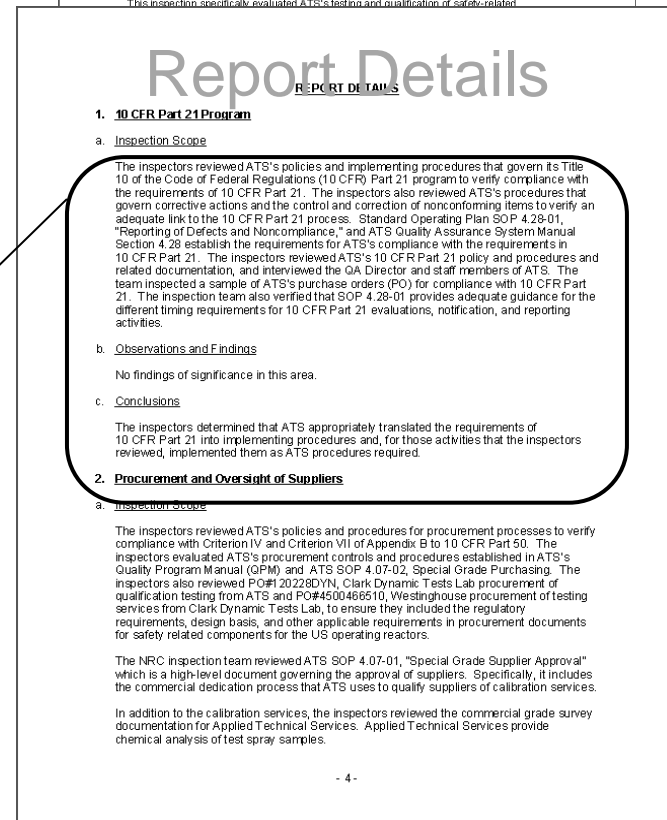
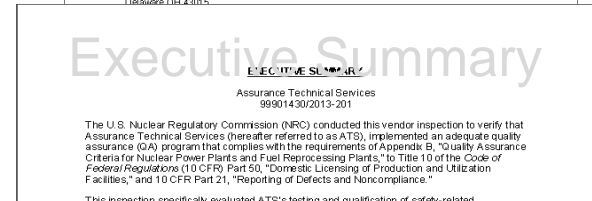
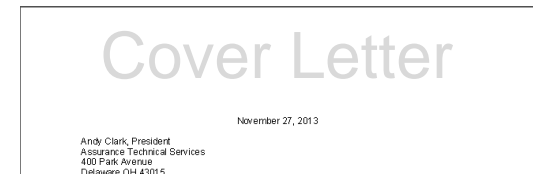
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Protecting People and the Environment

Inspection Reports

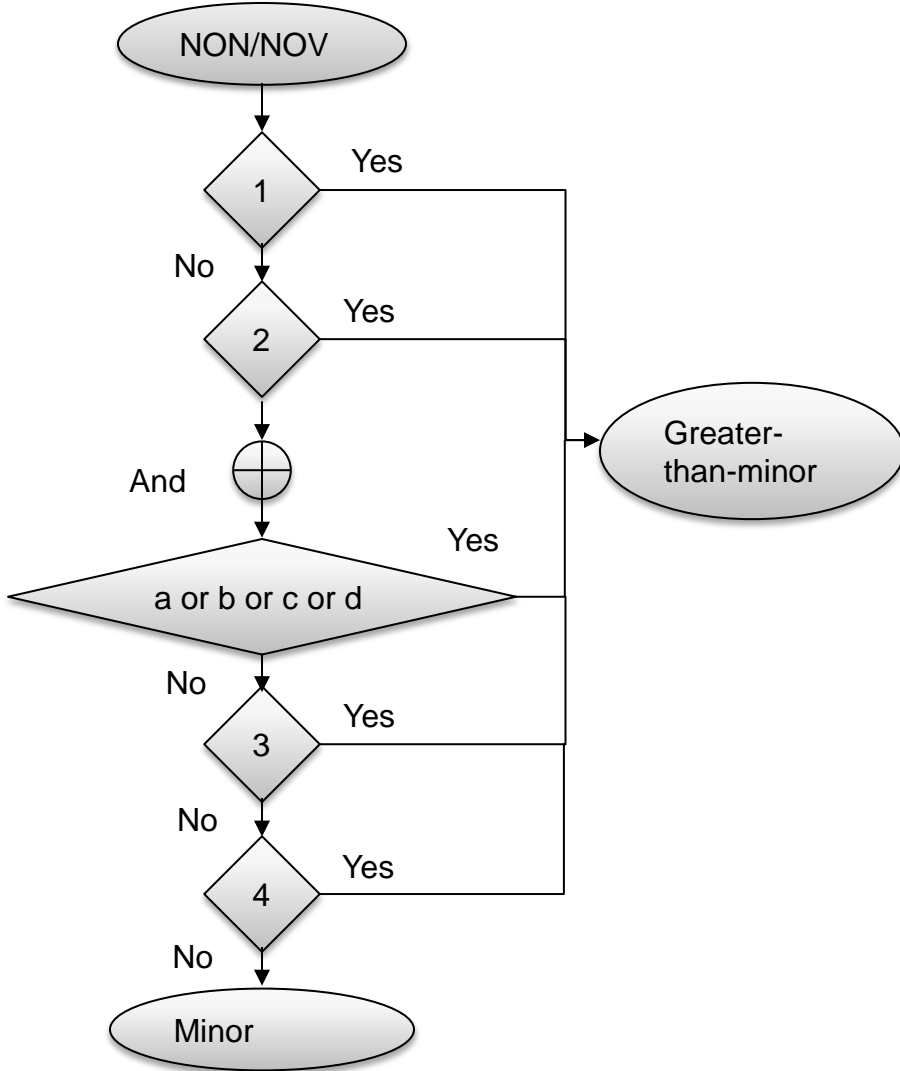
What to Expect per IMC 0617:

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



Expect more in the Scope

GREATER-THAN-MINOR SCREENING CRITERIA



1. Is the issue similar to the "not minor if"

2. Does the issue, if left uncorrected, represent a CAQ that renders the

d. An unqualified process, procedure, tool, instrument or

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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.
- **EPRI 1025243 - Software**
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.





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QUESTIONS?

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