

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1 LICENSEE/LOCATION INSPECTED

U.P. Engineers & Architects, Inc.
 100 Portage Street
 Houghton, MI 49931
 Location Inspected: Sault Ste. Marie, Michigan
 REPORT NUMBER(S) 2016001

2 NRC/REGIONAL OFFICE

Region III
 U.S. Nuclear Regulatory Commission
 2443 Warrenville Road, Suite 210
 isle, IL 60532-4352

3 DOCKET NUMBER(S)

030-18186

4 LICENSE NUMBER(S)

21-20275-01

5 DATE(S) OF INSPECTION

September 14, 2016

LICENSEE:

This inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

1. Based on the inspection findings, no violations were identified.
2. Previous violation(s) closed.
3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, to exercise discretion, were satisfied.

Non-cited violation(s) were discussed involving the following requirement(s)

- ✓ 4. During this inspection, certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited in accordance with NRC Enforcement Policy. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.

(Violations and Corrective Actions)

Contrary to Condition 17 of Materials License No. 21-20275-01, on multiple occasions including July 12, 2016, August 24, 2016, and September 6-7, 2016, U.P. Engineers & Architects, Inc. failed to ensure that a Troxler 3430 gauge or its container was locked while in transport. As corrective action, the licensee installed a lock on the gauge container and committed to keep the container locked when in transport from this office.

Contrary to 10 CFR 71.5(a), on multiple occasions including July 12, 2016, August 24, 2016, and September 6-7, 2016, U.P. Engineers & Architects, Inc. failed to comply with 49 CFR 177.842(d), which requires that packages of Class 7 (radioactive) materials must be so blocked and braced that they cannot change position during conditions normally incident to transportation. As corrective action, the licensee obtained additional locks and chains to ensure that such packages are blocked and braced when in transport from this office.

Statement of Corrective Actions

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

TITLE	PRINTED NAME	SIGNATURE	DATE
LICENSEE'S REPRESENTATIVE	Jacob Allen	<i>Jacob Allen</i>	9/20/16
NRC INSPECTOR	Ryan Craftley	<i>Ryan Craftley</i>	9/27/16
BRANCH CHIEF	Aaron McCraw	<i>Aaron McCraw</i>	9/27/16

Docket File Information
SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/LOCATION INSPECTED: U.P. Engineers & Architects, Inc. 100 Portage Street Houghton, MI 49931 Location Inspected: Sault Ste. Marie, Michigan REPORT NUMBER(S) 2016001	2. NRC/REGIONAL OFFICE Region III U. S. Nuclear Regulatory Commission 2443 Warrenville Road, Suite 210 Lisle, IL 60532-4352
--	---

3. DOCKET NUMBER(S) 030-18186	4. LICENSE NUMBER(S) 21-20275-01	5. DATE(S) OF INSPECTION September 14, 2016
--------------------------------------	---	--

6. INSPECTION PROCEDURES USED 87124	7. INSPECTION FOCUS AREAS FE 1-6
--	---

SUPPLEMENTAL INSPECTION INFORMATION

1. PROGRAM CODE(S) 03121	2. PRIORITY 5	3. LICENSEE CONTACT Jacob J. Allen - RSO	4. TELEPHONE NUMBER (906) 779-0937
---------------------------------	----------------------	---	---

Main Office Inspection Next Inspection Date: No Change

Field Office Inspection 707 Ashmun Street, Sault Ste. Marie, MI

Temporary Job Site Inspection

PROGRAM SCOPE

This was an unannounced routine inspection of a professional engineering firm authorized to use portable moisture density gauges containing byproduct material at locations in Houghton, Iron Mountain, Ishpeming and Sault Ste. Marie, Michigan, and at temporary job sites in NRC jurisdiction. This inspection was limited to a review of activities at the Sault Ste. Marie office where the licensee stored one Troxler 3430 gauge for local use by one of two authorized users.

PERFORMANCE OBSERVATIONS

The inspector visited the office in Sault Ste. Marie to evaluate the licensee's measures for materials security, hazard communication, and exposure control. The Independent surveys in the vicinity of the gauge storage area found readings at the surface of each gauge consistent with those indicated by the applicable certificate of registration, while readings in publicly accessible areas were below regulatory limits. The inspector did not observe the conduct of any licensed activities, as none were scheduled or in-process at the time of the inspection. Instead one of the licensee's AUs demonstrated and discussed gauge transportation, use, and maintenance. The inspector also reviewed a selection of documents, including utilization logs, leak test results, shipping papers, and hazmat refresher training certificates.

During a demonstration of gauge transportation, the inspector identified violations of Condition 17 of Materials License No. 21-20275-01 and 10 CFR 71.5(a). The violations and the licensee's corrective actions are described in Part 1. The inspector determined that the root cause of both violations was a lack of understanding of regulatory requirements.

The inspector noted that prior to the inspection, the licensee had relied on constant surveillance to ensure the security of this portable gauge while in transport and at job sites. After discussing the requirement of 10 CFR 30.34(i) and the potential challenges associated with relying on constant visual surveillance, the AU ensured that corrective actions for the two violations also provided a minimum of two barriers to prevent a violation should there be a lapse in surveillance. The inspector confirmed that the licensee's corrective actions would meet all three requirements, if used as described.