UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA STREET, N.W.
ATLANTA, GEORGIA 30323

Report Nos.: 50-259/85-48, 50-260/85-48, 50-296/85-48, 50-327/85-34, and 50-328/85-34

Licensee: Tennessee Valley Authority
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1101 Market Street
Chattanooga, TN 37402-2801

Docket Nos.: 50-259, 50-260, 50-296, 50-327, and 50-328

License Nos.: DPR-33, DPR-52, DPR-68, DPR-77, and DPR-79

Facility Names: Browns Ferry 1, 2, and 3, and Sequoyah 1 and 2

Inspection Conducted: October 28 - November 1, 1985

Inspectors: G. A. Belisle — Date Signed: 12/13/85

L. E. Foster — Date Signed: 12/13/85

R. M. Latta — Date Signed: 12/13/85

M. F. Runyan — Date Signed: 12/13/85

Accompanying Personnel: R. A. Westberg, Region III
J. C. Stone, IE

Approved by: C. A. Julian, Acting Branch Chief
Division of Reactor Safety — Date Signed: 12/17/85

SUMMARY

Scope: This routine, announced inspection entailed 192 inspector-hours on site and at the Corporate Offices in the areas of corrective action on Nuclear Safety Review Staff (NSRS) Report R-84-17-NPS, Division of Quality Assurance (DQA) reorganizational changes, and ferroresonant power supply usage at Browns Ferry.

Results: No violations or deviations were identified.

REPORT DETAILS

1. Persons Contacted

Licensee Employees

Browns Ferry

*E. Balch, Compliance
*M. Bartholomae, Information Systems Project Manager
*B. Blair, Plant Procedures Supervisor
*J. Carlson, Quality Assurance Staff Supervisor
*J. Dement, Contract Services Group Supervisor
*L. Guthrie, Materials, Planning, and Scheduling Project Engineer
*E. Hill, Management Consultant
*R. Lewis, Acting Plant Manager
*S. Maehr, Planning and Scheduling Supervisor
*B. Morris, Compliance Supervisor
*R. Putman, Power Stores Section Supervisor
*J. Swindell, Operations and Engineering Supervisor
*J. Watson, Quality Systems Branch-Chattanooga

NRC Resident Inspectors

*C. Brooks, Resident Inspector
*C. Patterson, Resident Inspector

Corporate Offices in Chattanooga and Knoxville

W. Andrews, Operations QA Branch Manager
*C. Brimer, Sequoyah Site Services Manager
W. Cottle, Watts Bar Site Director
*C. Dodson, Purchasing - Nuclear Generation
*D. Henry, Purchasing - QA Staff
*W. Joly, Power Stores QA Operations Supervisor
M. Kidd, NSRS
L. Koltnow, Power Systems Development and Maintenance Section Supervisor
*E. Kvaven, Assistant Director of Purchasing
E. Law, Quality Systems Branch Chief
R. Lynskey, Programs Development Group Head
*C. McWherter, Procurement Evaluation Branch
*R. Mullin, DQA Director
D. Nowading, Chief of Materials, Information Systems Branch
R. Smith, NSRS Acting Section Chief
R. Todd, Materials Information Systems Branch Operations Supervisor
J. Watson, Quality Systems Branch
*B. Weeks, Power Stores Branch Operations Supervisor

Sequoyah

B. Bass, Quality Control (QC) Mechanical Materials Unit Supervisor
*R. Birchell, Mechanical Engineering, Compliance
G. Boles, Mechanical Maintenance Outage Support Supervisor
C. Brannon, Power Stores Supervisor
*C. Brimer, Site Services Manager
*D. Cowart, Quality Surveillance Supervisor
D. Ebbl, Materials Officer
G. Goble, Training Officer, Materials Unit
*J. Hamilton, QA/Quality Engineering (QE) Staff Supervisor
*Z. Kabiri, Support Services Supervisor
*G. Kirk, Compliance Supervisor
R. Manley, Planning and Scheduling Supervisor
G. Petty, Materials Officer/Specifications
*J. Staley, Power Stores Assistant Supervisor
*P. Wallace, Plant Manager
*C. Wilson, Nuclear Engineer

NRC Resident Inspectors

K. Jenison, Senior Resident Inspector
L. Watson, Resident Inspector

*Attended exit interview

2. Exit Interview

The inspection scope and findings were summarized on November 1, 1985, with those persons indicated in paragraph 1 above. The inspector described the areas inspected and discussed in detail the inspection findings listed below. No dissenting comments were received from the licensee.

Inspector Followup Item: Ferroresonant Power Supplies, paragraph 15

The licensee did not identify as proprietary any of the materials providec to or reviewed by the inspectors during this inspection.

3. Licensee Action on Previous Enforcement Matters

This subject was not addressed in the inspection.

4. Unresolved Items

Unresolved items were not identified during the inspection.

5. General Background

Because of perceived problems associated with material procurement practices, TVA management requested various groups to perform reviews and make recommendations to improve these activities. The following paragraphs identify the groups involved and state their review results.

a. Materials Management Steering Committee (MMSC) and Task Group

The MMSC and Task Group was formed in October 1983 (memo L21 831004 800) to review the procurement process and make recommendations for improvement.

The MMSC and Task Group generated a list containing 38 perceived problems relative to existing procurement practices. The following were some perceived problems:

Multiple reviews and approval signatures on purchase request/ purchase requisitions add time to requisition processing;

Excessive abuse of Emergency Procurement Privileges;

Inadequate planning for procurement and unrealistic expectations of delivery date;

Lack of training of employees originating purchase requisitions;

Inadequate accessibility to original requirements, interpretation of specification requirements for parts, and incomplete records;

Management does not perceive materials as important until the material is not available when needed or it affects the critical path; and

Part 21 applicability and Class 1E are not available in the MAMS (a computer program) data base.

The inspector reviewed meeting minutes for this group dating from January 1984 to March 1984. The inspector reviewed Analysis of Material Procurement Process dated June 25, 1984. This analysis provided results of a general material procurement process review conducted at Sequoyah. The analysis was based on a review of purchase requisitions from June 1 to December 31, 1982.

Because of reorganizations, responsibility transfer to various groups, or personnel unavailability, the inspector could not ascertain if any specific corrective action had been taken for these perceived problems.

b. Procurement Problems Task Force

The TVA Manager of Nuclear Power requested that a study on procurement process delays at TVA be performed. This request was stated in TVA memorandum LOO 840517 814 dated May 17, 1984. This study was also intended to provide recommended corrective actions that would either minimize or eliminate procurement delays and enhance the overall process for procuring materials and equipment for TVA's nuclear power program. A Procurement Problems Task Force (PPTF) was formed to conduct this study. The PPTF consisted of members from the Division of Operations Support, Nuclear Power (Browns Ferry), and the Division of Purchasing. Their report was issued in August 1984. The report concluded that the following problem areas existed in the procurement process:

Too many steps in the procurement cycle;

Scheduling work without sufficient procurement leadtimes;

Inadequate material specifications;

Lack of a systematic priority system;

Inadequate inventories;

Cumbersome review and approval procedures;

Inadequate communication between Division of Purchasing (PURCH) and requisitioner;

Inadequate status tracking system;

Poor vendor performance;

Insufficient expediting personnel; and

Lack of planning evidenced by 25 percent of requisitions being emergencies.

These problem areas were applicable to all TVA nuclear plants. The following are the major PPTF recommendations:

Establish an adequate planning group at the plant;

Implement status tracking systems;

Set goals for turnaround time for each review/approach cycle step;

Improve and add adequate resources for expediting efforts;

Improve communication between PURCH and the site;

Eliminate all unnecessary steps in the procurement cycle with the goal of placing very few, if any, steps between the requisitioner and the purchasing agent;

Improve the inventory stockout problem;

Better utilize the automated systems;

Develop improved QA procedures and training; and

Redefine QA responsibilities for procurements.

Based on these findings, TVA management issued several memos concerning corrective actions. The following memos were reviewed by the inspector:

A memo from the Manager of Nuclear Power to the Chief, Nuclear Procurement Branch, dated October 17, 1984, stated that the PPTF task force had been very effective in identifying root causes of problems and developing meaningful recommendations for correcting these problems. This memo further added that this effort is to be focused at Browns Ferry and the other sites will be kept informed of the actions taken there. It also stated that a major initiative is underway on rewriting procedures both at the plant sites and the control offices, and that recommendations of the task force for steamlining procedures would be factored into this effort.

A memo (LO1 850423 873) from the Manager of Nuclear Power dated April 25, 1985, encouraged the task force to develop an ambitious but realistic schedule for implementation of the recommended improvements; it also stated that the success of the task force in accomplishing its objectives would be closely monitored.

Based on the above, it appears that the licensee was taking corrective actions for these items. Additionally, on September 6, 1985, the Management Review and Consulting Section issued a status schedule for PPTF corrective actions. From PPTF recommendations, 151 separate tasks were identified. As of September 6, 1985, 85 had been completed. Corrective action is ongoing to resolve these issues.

c. Nuclear Safety Review Staff

The Director of the Nuclear Safety Review Staff (NSRS) notified the Manager of Power and the Director of Purchasing by memo (GNS 840625 050) dated June 25, 1984, that NSRS would conduct a review of TVA's procurement processes involving safety-related items. The Phase I review was scheduled to be conducted at Browns Ferry (BFN) on July 9-13, 1984; at Sequoyah (SQN) on July 16-20, 1984; at Watts Bar

(WBN) on July 23-27, 1985; and at the Nuclear Central Office and Division of Purchasing (PURCH) on August 13-17, 1984. The Phase II review was to be scheduled after Phase I completion and involved the activities of the Offices of Engineering and Construction concerning Watts Bar and Bellefonte Nuclear Plants.

The actual NSRS review dates were June 11 - December 5, 1984. The report, R-84-17-NPS, was issued on March 12, 1985. This report identified five categories within which identified deficiencies could be placed.

The following were the five categories identified:

General unfamiliarity with procurement cycle;

Excessive and/or ineffective review of purchase requests and requisitions;

Ineffective use of available procurement systems;

Apparent lack of planning; and

Quality assurance.

This report specifically identified the following problem areas:

The procurement system is too cumbersome and not well known by the users (R-84-17-NPS-01A through D);

Lack of approval of onsite vendor services at SQN (R-84-17-NPS-02);

Excessive review of requests for deliveries (ROs) on indefinite quantity term (IQT) contracts (R-84-17-NPS-03);

Insufficient documentation for transferred material (R-84-17-NPS-04);

Cable assemblies at BFN with assigned quality assurance (QA) Level I designations fabricated by TVA from QA Level II parts with no mechanisms to upgrade QA classifications (R-84-17-NPS-05);

BFN power stores material receipt inspectors not trained to inspect (R-84-17-NPS-06);

Material with limited shelf life not recorded in a timely manner (R-84-17-NPS-07);

Material Automated Management System (MAMS) under utilized (R-84-17-NPS-08);

10 CFR 21 requirements incorrectly linked to Office of Nuclear Power (NUC PR) QA requirements (R-84-17-NPS-09);

Commercial grade items with QA Level I and II designations (R-84-17-NPS-10);

Quality verification for commercial grade items (R-84-17-NPS-11); and

Receipt inspections of QA Level I and II items by Field Quality Engineering (FQE) (R-84-17-NPS-12).

The NSRS report contained the following comments relative to the PPTF efforts:

> Considering the five basic categories of problems enumerated above and other findings identified elsewhere within this report, a comparison was made with the findings of the NUC PR Procurement Problems Task Force Report. With regard to the work of the task force and their findings, NSRS believes it represents a good work effort. Based upon the findings of this review, NSRS can support many of their recommendations that are directed toward changing the system, such as:
>
> Establish a planning group;
> Improve PURCH/site communications;
> Eliminate unnecessary procurement cycle steps; and
> Better utilize automated systems.
>
> NSRS understood that many of these recommendations were being implemented, but did not review the extent of the implementation. Other task force recommendations, however, appeared to be directed toward correcting the system as is or developing the ability to place blame within the present system with which NSRS does not agree.

Corrective action responses for items R-84-17-NPS 01-12 were delineated in correspondence L12 850520 800 dated May 21, 1985, from the Manager of Nuclear Power to the Director of NSRS. These corrective action responses were reviewed by NSRS personnel and additional clarification was requested in correspondence Q01 850620 051 dated June 20, 1985, from the Director of NSRS to the Manager of Nuclear Power. Corrective action response clarification was delineated in correspondence L12 850826 800 dated September 5, 1985, from the Manager of Power and Engineering (Nuclear) to the Director of NSRS.

The inspectors interviewed NSRS members and were informed that corrective action responses (L12 85020 800 and L12 850826 800) for all items had been reviewed and were considered satisfactory. Appropriate correspondence from NSRS was forthcoming delineating this. When specifically asked when the NSRS would verify corrective action

completion, NSRS personnel stated that a reinspection in this area was not scheduled in the near future.

Discussions were also conducted between NRC inspectors and TVA procurement personnel. TVA procurement personnel stated that corrective actions for recommendations R-84-17-NPS-01C, 2, 4, 6, 7, 9, and 10 had been completed. The inspectors verified that corrective actions for these items had been completed by direct inspection at BFN, corporate offices, and SQN.

Paragraphs 6 through 12 delineate the NSRS findings, procurement personnel responses, and NRC inspection results.

6. Original Finding from NSRS Report R-84-17-NPS, Item R-84-17-NPS-01, The Procurement System is Too Cumbersome and Not Well Known by the Users. This particular item had four parts (R-84-17-NPS-01A through 01D).

   a. Specific NSRS Recommendation for Item R-84-17-NPS-01C

      A realistic timeframe(s) should be established for routine nonspecial order procurements, based upon past experience, to cover the time required from procurement origination through receipt of the material onsite. A mechanism should be included in the procurement system to periodically evaluate and adjust that timeframe as necessary, as well as communicate the timeframe to involved personnel (planners, procurers, etc.).

   b. Response for Item R-84-17-NPS-01C from Nuclear Power (NUC PR) to NSRS

      PRIDE modification improvement request (PMIR) 840050 was submitted on April 2, 1984, for a modification to the Materials Automated Management System (MAMS) to establish material leadtimes. This modification to MAMS will provide the following:

      (1) Computed leadtimes maintained on MAMS at the item (TIIC) level,
      (2) Two years of historical data,
      (3) Leadtimes computed from the date the request is prepared to the date of delivery of the item, and
      (4) Each TIIC will carry an average leadtime on the material data base.

      This will be a weighted average of the last three nonemergency orders with more weight being placed on the leadtime of the most recent order. Emergency orders are not used to calculate average leadtimes.

      The inquiry screen for the TIIC will also display the actual leadtimes for the last three nonemergency contracts and the last two emergency orders for that item.

Leadtimes will be computed only for TIIC items on MAMS; however, leadtime information for direct charge procurements can be acquired by inquiring into the system and checking computer leadtimes for items similar or identical to those being ordered.

PMIR 840050 was completed and placed into production in MAMS on February 13, 1985, providing up to two years of historical data.

c. Reply from NSRS to NUC PR for Item R-84-17-NPS-01C

The system described appears quite detailed and may be of benefit to BFN who has a dedicated procurement organization with personnel able to compute a lead time for each maintenance or modification activity. However, the other plants do not have that capability. In the interim until other sites establish a procurement group, how are the lead time requirements of this recommendation being handled for them?

d. Additional response from NUC PR to NSRS for Item R-84-17-NPS 01C

We believe NSRS misunderstood the response to this recommendation.

To clarify: The PRIDE Modification Improvement Request (PMIR) 840050 to the Materials Automated Management System (MAMS) to establish leadtimes was implemented TVA system-wide. The leadtime information is not restricted to BFN Nuclear. It is available to anyone in the procurement cycle whether it be Power Stores, Purchasing, Plant Material Units, Plant Engineering Units, etc.

We believe this adequately resolves this recommendation.

e. NRC Inspection Results for Item R-84-17-NPS-01C at Browns Ferry

Browns Ferry Plant personnel stated that they have a dedicated procurement organization which consists of personnel who can compute lead times for each maintenance and modification activity. Based on the lead time for the activity, lead time for procurement of materials and services can be determined. The licensee had performed studies and had developed graphs which showed some of the problems associated with planning, scheduling, and procurement activities. The licensee stated that this informative data was being used to determine where corrective action is needed. The inspectors review of the graphs identified the following:

The percent of time that an item was available in stock when requested by plant personnel was plotted. This graph showed that since January 1985, the percentage of available items has risen from approximately 90% to 96%. The plot of 1984 data showed that the percentage of available items was lower than the percentage available in 1985; therefore, improvements have been made.

The number of outstanding work requests, due to material restraints, during the time span from January 1985 to August 1985, increased from approximately 225 to over 300. This increase in outstanding work requests probably reflects the increase in late deliveries of material shown in the graph.

Material deliveries between January 1985 and September 1985 were tracked to determine the percent of the contracts (material procurements) that failed to meet delivery dates. Results showed that improvements had been achieved between January and April, but an upward trend of late deliveries was noted from April to September.

The percent of purchases classed as "Emergency Purchases" were plotted between October 1984 and September 1985. This graph shows that the percentage of purchases classified as emergency purchases decreased by approximately 50% (from 60% in October 1984 to 30% in June 1985 and to 40% in September 1985).

The licensee stated that progress was being made to reduce the number of emergency procedures in the following manner:

More utilization of preplanning and scheduling of work activities;

The utilization of the Browns Ferry ECN (7300 account) inventory of materials;

Comparison of new ECN Bill of Material with Browns Ferry ECN inventory;

Revision of procedures;

Assignment of personnel to assist maintenance specification engineers;

Designation of procurement requirements (Q list, Environmental Qualification (EQ), storage, vendor manuals) at time of order; and

Utilization of the improved MAMS to determine lead time.

The following documents were reviewed:

NSRS Report No. R-84-17-NPS dated March 12, 1985;

Response to NSRS Report dated May 21, 1985;

Memorandums between Browns Ferry Nuclear Plant and TVA Corporate Offices dated March 5, 1985, April 19, 1985, and May 14, 1985, concerning procurement activities;

Procurement Task Force Status Reports dated July 20, 1985, and September 20, 1985;

NSRS comments dated 6/20/85 on Nuclear Power's Responses to NSRS Report; and

Graphs as previously discussed in this report.

Based on review of the above documents, interviews, and observation of work being performed, it appears that Browns Ferry Nuclear Plant has initiated corrective action to help resolve the material lead time concerns.

f. NRC Inspection Results for Item R-84-17-NPS-01C, at Corporate

The inspector interviewed Power Stores personnel and was given a demonstration of MAMS computer system capabilities. Random stores items were accessed and historical data was retrieved showing times required for purchasing these items. This was effective for items where multiple purchases had occurred. For items where multiple purchases had not occurred such as a singular purchase, then only that purchase information was available for display. Three months time, by a dedicated staff, was used to review the last two years of purchase requisitions. Data obtained from this review had been incorporated into the MAMS computer program so that realistic purchase time dates would be available for computer users. Data that was currently available for specific items reviewed included the following:

Computed lead time and number of items maintained;

The weighted average lead time for each item is computed quarterly. The weighted average is based on the most recent three orders for receipts that have been processed. If less than three receipts are available, two or one receipt(s) will be used to compute lead time;

Duration of time (number of elapsed days) between the date the order document is prepared and the date the first receipt of the item occurs; and

The last two emergency receipts.

g. NRC Inspection Results for Item R-84-17-NPS-01C at Sequoyah

The inspectors interviewed two power stores supervisors who demonstrated the MAMS system online capability to provide procurement lead time data. Two pages of printout generated by this system were reviewed. Of the twelve listed parts, six listed the anticipated procurement lead time and six had no data. Generally, those parts without lead time data had not been procured often or recent enough to generate this data. Loading of lead time data will trail subsequent

procurement of those items. The inspectors recommended that leadtime data be preloaded with "best guess" information to provide at least some guidance upon which to base maintenance planning. Current data is amendable to reflect the most recent procurement delivery times.

The inspectors verified that leadtime information was available to and used by the Mechanical Maintenance Department planners. A Material Aide recently assigned to this department demonstrated the use of MAMS and the acquisition of leadtime data. As mentioned above, leadtime data was not available for all items. The Material Aide had established the practice of telephoning vendors in those cases to obtain estimated delivery dates.

Based on inspections delinated in paragraphs 6e, f, and g, the inspectors concluded that corrective action for Item R-84-17-NPS-01C had been completed.

Within this area, no violations or deviations were identified.

7. Original Finding for NSRS Report, R-84-17-NPS, Item R-84-17-NPS-02, Lack of Approval of Onsite Vendor Services at SQN

a. Specific NSRS Recommendation for Item R-84-17-NPS-02

SQN should develop and implement a program that satisfies the requirement and intent of Operations Quality Assurance Manual (OQAM) Nuclear Quality Assurance Manual (NQAM), Part III, Section 2.1, paragraph 10.

b. Response for Item R-84-17-NPS-02 from NUC PR to NSRS

The three occasions identified in the NSRS report as not meeting the requirements of NQAM, Part III, Section 2.1, are Gulf and Western, purchase requisition 940060, and Furmanite, purchase requisitions 959104 and 955163. Details of the use of these vendors are as follows:

(1) Gulf and Western (940060)

The Gulf and Western service representative was brought onsite to provide technical advice to plant personnel concerning the inspection of internals and repacking of a Gulf and Western 3-inch V-ball valve. All work performed on the valve was done by SQN maintenance personnel in accordance with the site QA program. No additional paperwork was required for the vendor since he only provided technical advice to the plant personnel.

(2) Furmanite (959104 and 955163)

The Furmanite procedure used for these jobs was reviewed and approved by SQN plant personnel. Upon completion of the work, the Furmanite supervisor in charge of the work and an SQN representative signed the work package acknowledging completion of the work. The completed work packages for the two purchase requisitions are attached for your review.

Based upon our review of the three purchase requisitions identified, we have determined that SQA 45 adequately implements the requirements of NQAM, Part III, Section 2.1, and SQN did comply with requirements for acceptance of onsite services.

c. Reply from NSRS to NUC PR for Item R-84-17-NPS-02

The information obtained during the review appears to conflict with the response regarding Gulf and Western requisition (940060). The response stated SQN maintenance personnel performed all work. The purchase requisition was for Gulf and Western to inspect and repack the subject valve and does not state TVA will do any work. The requisition further states "all work is to be performed and documented in accordance with approved TVA procedures and TVA's QA program."

In a memorandum from James F. Saccoccio of Bonney Forge Engineered Value, [sic] dated September 27, 1983, to H. C. Loy, Purchasing Agent, (contract No. 83 PKI-940060 BFEV work order No. 1079), he states that Bonney Forge personnel completed the inspection and repacking of the valve on the subject contract. In a memorandum from George J. Odell, dated October 31, 1983 (L67 831031), to H. C. Loy, he states that all work was performed under SQN's QA program requirements as stated on the purchase requisition. As there is a question regarding who performed the work, please provide copies of the documentation required by the contract and work package for that job to clarify this issue.

With regard to requisition 959104 with Furmanite and the information package provided with the response, there is a problem. It appears Furmanite began work using their procedure No. N-84290, using Furmanite Nuclear Grade Compound F-700 which is not a TVA-approved compound. TVA validated that work was performed in accordance with the procedure. The discrepancy requires attention. Please identify 1) does Furmanite have a F-700 compound?, 2) if they have how do we know it was/was not used?, 3) how will this problem be corrected?

Regarding requisition 955163, information provided was satisfactory.

d. Additional response from NUC PR to NSRS for Item R-84-17-NPS-02

Attached are copies of the maintenance request (MR) and Maintenance Instruction 11.4, with data sheets, used to repair valve 2-VLV-62-714 on-TVA contract 83PK1-940060, and corresponding Bonney Forge Engineered Valve (BFEV) work order 1079.

As stated in the original response to this item, these documents clearly identify SQN craftsmen as performing the work with the Gulf & Western - BFEV representative verifying the work. We believe this adequately clarifies this issue.

Also attached is Furmanite's Material Data Sheet for job number EL 3125 identifying nuclear compound F-700N as being site received, inspected, and used. Compound F-700, identified in the body of procedure N-84301, is a typographical error and will be corrected. We believe this adequately resolves this issue.

e. NRC Inspection Results for Item R-84-17-NPS-02 at Browns Ferry

The NSRS Report specifically addressed problems concerning Lack of Approval of Onsite Vendor Services at Sequoyah Plant; however, the inspector discussed the problem with Browns Ferry personnel to determine how Browns Ferry handles onsite services. The licensee stated that the newly formed Contract Engineering Group will review specifications and contracts to ensure that responsibilities and specific duties of all parties are clearly stated and that performance requirements are adequate.

f. NRC Inspection Results for Item R-84-17-NPS-02 at Sequoyah

TVA's response dated September 5, 1985, to NSRS clarified and closed this issue which was apparently based on a misunderstanding by NSRS.

Based on inspections delinated in paragraphs 7.e and f, the inspectors concluded that corrective action for item R-84-17-NPS-02 had been completed.

Within this area, no violations or deviations were identified.

8. Original Finding from NSRS Report R-84-17-NPS, Item R-84-17-NPS-04, Insufficient Documentation for Transferred Material

a. Specific NSRS Recommendation for Item R-84-17-NPS-04

NUC PR should implement the requirements specified in ID-QAP-4.3 regarding transferred material. A copy of the original contract should be in the possession of and used by the receiving site during receipt inspection, and QC documentation required with the transfer should be specifically identified.

b. Response for Item R-84-17-NPS-04 from NUC PR to NSRS

We take exception to the conclusion in the case where the transfer of material or equipment is from one Power Stores inventory to another Power Stores inventory. Our research indicates that a request for shipment is sent by the requesting Power Stores Section to the supplying Power Stores Section, and the request does include documentation requirements. The shipping storeroom does provide the documentation requested, including a copy of the contract.

We agree with the conclusion in the case where material is shipped from another TVA division to Power Stores at a nuclear plant. Copies of the contract for the material requested is very rarely sent with the material. We agree with the recommendation that ID-QAP 4.3 should be implemented in this case. DQA will issue a Quality Bulletin or Notice by July 1, 1985, concerning the implementation of ID-QAP-4.3.

c. Reply from NSRS to NUC PR for Item R-84-17-NPS-04

This response is satisfactory.

d. NRC Inspection Results for Item Item R-84-17-NPS-04 at Browns Ferry

The licensee has revised Procedure ID QAP-4.3, Standard Practice BF-16.4 and Standard Practice BF-16.2. These procedures specify controls to be imposed during material transfer. These controls require material traceability and vendor documents to accompany the material. The material being transferred is also subject to the same receiving requirements as material being received from a vendor. Standard Practice BF-16.4 requires that the Plant QA staff perform periodic surveys of storage facilities and perform surveillances of receipt activities to ensure that requirements are being effectively implemented. Standard Practice BF-16.4 also requires Plant QA staff concurrence on safety-related material reassigned to BFN. The licensee stated that training of personnel associated with material receipt, handling, and storage was being accomplished as required by Appendix A of Standard Practice BF-16.4. Site Director Standard Practice BF-SDSP-3.1, Corrective Action, Revision 1, provides measures to ensure that conditions adverse to quality are identified and corrected. This corrective action requirement is applicable to material problems, receipt inspections, procurement, tests, inspections, and program problems.

e. NRC Inspection Results for Item R-84-17-NPS-04 at Corporate

The inspector reviewed Quality Bulletin 85-03, Transfer of Critical Structures, Systems, and Components (CSSC) Parts and Materials, Revision 0, dated August 16, 1985. It was noted by the inspectors that although the response (paragraph 6) to this item stated that the Quality Bulletin would be issued by July 1, 1985, it was not actually

issued until August 16, 1985. This appears to be an internal problem. This bulletin clearly delineates that all responsible employees are to be knowledgeable of NQAM, Part III, Section 2.1, and Part V, Section 4.3 (ID-QAP-4.3). This bulletin also delineates transfer requirements.

f. NRC Inspection Results for Item R-84-17-NPS-04 at Sequoyah

The inspectors reviewed Quality Bulletin 85-03, issued August 16, 1985, concerning the implementation of Interdivisional Quality Assurance Procedure ID-QAP-4.3. The quality bulletin had not been received by the Power Stores supervisors. This appeared to be a management oversight. Nevertheless, the requirements of ID-QAP-4.3 were being implemented. The inspectors reviewed two QA packages associated with material transferred from the Watts Bar site. In both cases, all pertinent QA documents including original copies of the contract and vendor test or certification reports were transferred with the item.

Based on inspections delineated in paragraphs 8.d, e, and f, the inspectors concluded that corrective actions for Item R-84-17-NPS-04 had been completed.

Within this area, no violations or deviations were identified.

9. Original Finding from NSRS Report R-84-17-NPS, Item R-84-17-NPS-06, BFN Power Stores Material Receipt Inspectors Not Trained to Inspect

a. Specific NSRS Recommendation for Item R-84-17-NPS-06

NUC PR should revise the OQAM [NQAM] to prohibit receipt inspection of material with QC documentation by Power Stores and that BFN evaluate and take corrective action as necessary for the items identified in section V.B.5.

b. Response for Item R-84-17-NPS-06 from NUC PR to NSRS

The NQAM is being revised to require that certified QC inspectors receipt inspect all Level I and Level II items. Power Stores personnel will continue to receipt inspect QA Levels III and IV items. The Power Stores receipt inspector training program will be upgraded to include training for evaluation of all QC documentation (including certified material test reports (CMTR)) that may be received with QA Level III items. The Power Stores training program is scheduled to be revised and implemented by August 15, 1985. The NQAM is scheduled to be revised and implemented by October 1, 1985.

c. Reply from NSRS to NUC PR for Item R-84-17-NPS-06

NSRS cannot understand why a small, easily correctable problem, clearly identified a year ago should take a year and a half to correct. It is understood that a major procedure change could take that long; however, interim steps, which NSRS understands were not taken, in the form of directives, memorandums, temporary procedure changes or even verbal communications could be utilized to immediately correct such an easy problem to solve. This response is considered inadequate.

d. Additional Response from NUC PR to NSRS for Item R-84-17-NPS-06

Power Stores had notified all personnel (RIMS No. A23 850702 007) responsible for receiving material in the nuclear storerooms that material accompanied with a certified material test report (CMTR) must have the CMTR interpreted by a plant QA inspector prior to receiving the material. Effective October 1, 1985, the Power Stores training program will provide specific instructions to Power Stores personnel to obtain an interpretation from the plant QC inspector of any CMTR which may be received with a level III or IV item.

e. NRC Inspection Results for Item R-84-17-NPS-06 at Browns Ferry

The inspectors determined through discussions with licensee personnel that all individuals responsible for receiving material in the nuclear storerooms have been notified to obtain QC inspector interpretation of any material received with a CMTR. It was also determined that 21 of the 30 personnel in Power Stores had received specific training in this area and that subsequent to the issue of the latest revision to the NQAM, training of all personnel will be accomplished. These measures appear adequate to correct the identified problem in the receipt inspection area of Power Stores.

f. NRC Inspection Results for Item R-84-17-NPS-06 at Corporate

The inspector interviewed power stores personnel and verified by document review that power stores personnel were receiving receipt inspection training in the following areas:

Procurement documents;

Receipt inspection of QA Level III and IV items;

Receipt inspection lab;

Nonconformances;

Receipt inspection lab for nonconformances;

Receipt storage requirements; and

Quality assurance requirements relating to receipt inspection activities.

These seven areas are the various specific modules taught at the TVA training center. The inspector was informed that approximately 50 Power Stores personnel have already received this training. The remaining personnel have been scheduled to receive this training prior to implementing QA procedure changes which delineate new QA levels (December 31, 1985). The inspector reviewed memo A23 850702 007, dated July 2, 1985, from the Assistant Chief (Nuclear) Power Stores Branch to Power Stores personnel at all nuclear facilities. This memo specifically delineates that prior to receiving QA material which requires a CMTR, Power Stores personnel must obtain an interpretation of the CMTR from the plant QC inspection program.

g. NRC Inspection Results for Item R-84-17-NPS-06 at Sequoyah

The inspectors visited the TVA Training Center located near the Sequoyah site. A training program has been implemented at this facility for Power Stores personnel from all of TVA's nuclear plant sites. The inspectors reviewed the course training manual, Certified Power Stores Materials Representative Training Manual for Receipt Inspection of Level III and IV Items. This manual was designed for a two-day course and appeared to provide adequate coverage of the topic. Training included the provision that Power Stores personnel obtain interpretation from plant QC inspectors when CMTRs are received with a level III or IV item. An updated Power Stores receipt training log showed that 898 student-hours of training had been conducted in seven two-day sessions beginning August 17, 1985, and ending October 30, 1985, for Power Stores personnel from all four nuclear plant sites. Training records of individuals appeared to be in good order. Instructors involved in the Power Stores training program appeared knowledgeable and were confident of the effectiveness of the training.

Based on inspections delineated in paragraphs 9.e, f, and g, the inspectors concluded that corrective actions for Item R-84-17-NPS-06 had been completed.

Within this area, no violations or deviations were identified.

10. Original Finding from NSRS Report R-84-17-NPS, Item R-84-17-NPS-07, Material with Limited Shelf Life Not Reordered In a Timely Manner

a. Specific NSRS Recommendation for Item R-84-17-NPS-07

NUC PR should revise the OQAM [NQAM] to establish programs to inspect and reorder shelf life material to assure an adequate supply of fresh material. Also, the current three-month reorder lead time specified in DPM N77A2 should be reevaluated and adjusted as necessary.

b. Response from NUC PR to NSRS for Item R-84-17-NPS-07

We agree with the conclusion. The Power Stores Sequoyah Shelf Life Program was not being fully implemented at the time of this report. A program has been developed on the plant's PRIME computer for reviewing shelf life expiration. We also agree that neither BFN nor SQN were reordering material with sufficient leadtime to have new material in place before the existing material shelf life expired.

Plans have been made for a major revision to the division procedure manual (DPM) system of procedures. Revision to DPMs dealing with shelf life materials are expected to be completed by October 1, 1985.

c. Reply from NSRS to NUC PR for Item R-84-17-NPS-07

This response, as with the previous one, could and should have had interim measures taken to eliminate the problem while the procedures were being changed. Since interim measures were not established, this response is also inadequate.

d. Additional Response from NUC PR to NSRS for Item R-84-17-NPS-07

To clarify our initial response, the development of a computer program on the plants' PRIME computers was an interim, as well as a permanent measure, to notify the storerooms of shelf life expiration on material with sufficient lead time to allow the storerooms to procure additional material prior to expiration of the material in stock.

Our initial response to this recommendation addressed revisions to DPMs containing requirements for shelf life materials. Due to recent policy decisions, we are revising this response to state that plant instructions containing requirements for shelf materials will be prepared/revised by October 1, 1985.

e. NRC Inspection Results for Item R-84-17-NPS-07 at Browns Ferry

The licensee stated that Browns Ferry Plant has a prime base computer program which predetermines a date when material is required to be ordered. Standard Practice BF-16.4 is presently being revised to add TVA Form 575N, which is required to be filled out for disposal of outdated material. The proposed revision does not increase the lead time beyond three months as recommended by the NSRS Report. It is noted that the reported problem concerning lead time has no regulatory basis; therefore, TVA has to resolve this internally. Paragraph 3.2.3.4 of NQAM, Part III, Section 2.1, also addresses limited shelf life material, but does not particularly address lead time requirements.

f. NRC Inspection Results for Item R-84-17-NPS-07 at Sequoyah

The inspectors reviewed a draft copy of Administrative Instruction AI-11, Receipt Inspection, Nonconforming Items, Substitutions, and QA Level/Description Changes, Revision 34, which defined responsibilities and established controls for receipt inspection of materials, components, and spare parts procured for CSSC. Attachment 4 of this draft, Shelf Life Consideration for Materials with Natural Aging Life, adequately addressed shelf life considerations. This procedure delineated specific procurement and receipt instructions when dealing with perishable items. A clear method was stated for determining estimated shelf life.

The inspectors also reviewed a draft copy of AI-36, Storage, Handling, and Shipping of QA Material, Revision 8, which defined storage requirements and recommended practices for CSSC material and equipment. The storage of materials with shelf life considerations were adequately controlled by paragraph 5.11.15, Materials with Natural Aging Life.

The inspectors determined that the MAMS computer system was being used to list items with shelf life considerations three months prior to shelf life expiration in order to facilitate reordering, thereby having an uninterrupted supply of materials. A computer printout entitled Listing of Power Stores Shelf Life for 10/1/85 Thru 12/31/85 provided the location, contract number, receipt date, expiration date, QA level, quantity on hand, and part description for all shelf-life material.

Implementation of the above controls were verified through a visual inspection of shelf-life material in the warehouse.

Based on inspections delineated in paragraph 10.e and f, the inspectors concluded that corrective actions for Item R-84-17-NPS-07 had been completed.

Within this area, no violations or deviations were identified.

11. Original Finding from NSRS Report R-84-17-NPS, Item R-84-17-NPS-09, 10 CFR 21 Requirements Incorrectly Linked to NUC PR QA Requirements

a. Specific NSRS Recommendation for Item R-84-17-NPS-09

The OQAM [NQAM] and NUC PR procedures should be revised to remove influences of 10 CFR 21 applicability upon the determination of required quality levels for items and services, and training in the requirements and limitations of 10 CFR 21 should be provided to all personnel in the procurement cycle. It is further recommended that the OQAM [NQAM], Part III, Section 2.1, Appendix F, attachment 1, be

corrected as soon as possible and separated from the general OQAM [NQAM] revision so that all questions on the form are answered whether or not 10 CFR 21 is applicable to the item or service.

b. Response from NUC PR to NSRS for Item R-84-17-NPS-09

We agree that the QA level assignment to an item or service should reflect its importance to safety and the degree of assurance required during the procurement process. To accomplish this, the QA level definitions will be revised so that only basic components will be procured as QA Levels I and II. As part of this effort, NQAM, part III, section 2.1, appendix F, is currently being revised to clearly determine if an item is a basic component, if the item may be classified as commercial grade, and if 10 CFR 21 requirements are applicable to the supplier. The revision to appendix F will be issued by June 1, 1985. Section 2.1 of the NQAM is scheduled to be revised and implemented by October 1, 1985. See R-84-17-NPS-01B concerning training.

c. Reply from NSRS to NUC PR for Item R-84-17-NPS-09

Implementation of this recommendation is a major undertaking and the October 1, 1985 schedule is acceptable. Evaluation of the adequacy of the revised procedure will naturally occur upon its issuance.

NSRS understands that QA Level II will also be used for commercial grade items to be upgraded for use as basic components. The use of level II for that purpose is in conflict with recommendation 10. This is viewed with trepidation considering the incompleteness of the implementation of recommendation 11. Additionally, the method by which NUC PR will purchase commercial grade items as level II but not assign the level II designation until it can in fact be upgraded to a level II basic component will be of great interest to NSRS. In order to allow NUC PR greater latitude in revising the procurement QA program, NSRS will note its concerns but not object at this time.

At this writing, the revised Appendix F, projected to be issued on June 1, 1985, has not been issued.

d. Additional Response from NUC PR to NSRS for Item R-84-17-NPS-09

A telecon between C. R. McWherter and R. D. Smith on June 27, 1985, revealed a NSRS misunderstanding concerning our plans for the procurement of commercial grade basic components. To reiterate, only commercial grade basic components will be procured as QA Level II under the revised system of QA levels. Appendix F, "Determination of Basic Components Status, Commercial Grade, and 10 CFR 21 Applicability," was issued on August 16, 1985. We believe the implementation of these actions will adequately resolve recommendations -09 and -10.

e. NRC Inspection Results for Item R-84-17-NPS-09 and -10 at Browns Ferry

In accordance with the recommendation of NSRS, NQAM, Part III, Section 2.1, Appendix F, Attachment 1, had been revised on August 16, 1985. In order to evaluate the effectiveness of this change, the following current purchase requisition packages were reviewed:

Purchase Requisition No.	Title
364909	ASME Steel Plate
458205	Paint-Inside Torus and Drywell
968884	SA36 1/4" Steel Plate
349863	Seismic Bracing For Conduit

The inspectors review of the above purchase requisition packages confirmed that the newly formed Contract Engineering Group had reviewed the purchase requisitions and had determined that Part 21 was applicable. The accompanying documentation in the purchase requisition packages appeared complete and reviews performed by the Contract Engineering Group were adequate. Item 10 of the NSRS report addressed the determination of commercial grade items with QA Level I and II designations. Corrective measures associated with item 09 are closely associated with those of item 10. The cumulative assessment of the effectiveness of the corrective measures is that they appear to be adequate to resolve the concerns expressed by the NSRS for items -09 and -10 if properly implemented.

f. NRC Inspection Results for Item R-84-17-NPS-09 at Corporate

NQAM, Part III, Section 2.1, Appendix F, Determination of Basic Component Status, Commercial Grade, and 10 CFR Part 21 Applicability (Appendix F), was issued on August 16, 1985. This revision did clarify the applicability of commercial grade and 10 CFR Part 21 to procurement activities. For any item that is on the CSSC list and required either QA Level I or II, the form in Appendix F is to be filled out, with some exceptions as detailed in Appendix F, Section 2.1. The results of filling out the form is to assign the appropriate QA Level and determine whether or not Part 21 applies. This form then becomes part of the QA record for that purchase.

To implement the recommendation that OQAM [NQAM] and NUC PR procedures be revised, NQAM, Part III, Section 2.1, Procurement of Materials Components, Spare Parts, and Services (Procurement Section) was identified in the response dated May 21, 1985, from J. P. Darling to K. W. Whitt as requiring revision. The revision to the procurement section was issued for review and comment on October 1, 1985. Discussion with the licensee established that the revision is scheduled to be issued for use by December 31, 1985. Based on the inspector's review of the draft, the thrust is to clarify the four quality

assurance levels to be applied to all purchased items listed on the CSSC list. Generally, the QA levels, as defined in the draft revision, are as follows:

QA Level I - Basic components that have specific requirements and cannot be procured as commercial grade.

QA Level II - Basic components that will be procured as commercial grade and positive identification of the item is available. Positive identification is described as documentation supplied with the original item, engineering drawing bill of material, item's description in the procurement technical specification, or the item's name and part number when supplied by the original vendor.

QA Level III - Not a basic component

QA Level IV - No special QA requirements apply. It is intended to document that a review has been made of the safety aspects and the item has no safety-related function.

Also, the draft revision of the Procurement Section changes Appendix F to include the use of the form for procurement of QA Level III items.

Recommendation R-84-17-NPS-09 also included a statement that training in the requirements and limitations of 10 CFR 21 be provided to all personnel in the procurement cycle. Based on this inspector's review of the response dated September 5, 1985, from H. G. Parris to K. W. Whitt, this has been accomplished at Browns Ferry, Sequoyah and Watts Bar on an interim basis. The licensee's response to recommendation R-84-17-NPS-01B states that a formal, documented training program covering the entire procurement cycle is being developed.

g. NRC Inspection Results for Item R-84-17-NPS-09 at Sequoyah

The inspectors reviewed procedure NQAM, Part III, Section 2.1, Procurement of Materials, Components, Spare Parts, and Services, dated August 16, 1985. Appendix F, Attachment 1, of this procedure appeared to provide sufficient guidance to determine whether an item was a basic component, commercial grade, and whether Part 21 was applicable. Plant personnel questioned about this new revision were aware and knowledgeable of the revised classification criteria.

Training encompassing the above procedure change and other aspects of the procurement cycle has been scheduled in Procurement Training Program, Sequoyah Nuclear Plant - 1985. Scheduled participants included managers, engineers, aides, and clerical personnel. Attendance sheets were reviewed for several two-day, four-hour training sessions. Overall, the new training program appeared adequate to meet the intent of the NSRS finding.

Based on inspections delineated in paragraphs 11.e, f, and g, the inspectors concluded that corrective actions for Item R-84-17-NPS-09 corrective action had been completed.

Within this area, no violations or deviations were identified.

12. Original Finding from NSRS Report R-84-17-NPS, Item R-84-17-NPS-10, Commercial Grade Items with QA Level I and II Designation

a. Specific NSRS Recommendation for Item R-84-17-NPS-10

Items purchased with no QA requirement or requirements for material certifications (COC, CMTR, etc.) and/or from vendors or manufacturers without TVA-approved QA programs should not be purchased with a QA Level I or II designation.

b. Response from NUC PR to NSRS for Item R-84-17-NPS-10

See response to R-84-17-NPS-09 above.

c. NRC Inspection Results for Item R-84-17-NPS-10 at Browns Ferry

Comments for R-84-17-NPS-09 above are applicable.

d. NRC Inspection Results for Item R-84-17-NPS-10 at Corporate

See details under R-84-17-NPS-09 at corporate

e. NRC Inspection Results for Item R-84-17-NPS-10 at Sequoyah

The inspectors reviewed Draft B, dated October 1, 1985, to procedure NQAM, Part III, Section 2.1, Procurement of Materials, Components, Spare Parts, and Services. This proposed revision changed the definitions of various levels of QA procurement so that only basic components will be procured as Level I or II. Plant personnel questioned were knowledgeable of this policy change. Training manuals for QA receipt inspectors still reflected the soon-to-be-revised QA level definitions. However, the instructors stated that recent training sessions have included the proposed QA level definition revisions.

Based on inspection delineated in 12.c, d, and e, the inspectors concluded that corrective action for Item R-84-17-NPS-10 had been completed.

Within this area, no violations or deviation were identified.

13. The remaining items from the NSRS report, although corrective actions were not completed, were reviewed by NRC inspectors at Browns Ferry to verify that corrective action was ongoing. The following paragraphs detail the results of the review.

a. Item R-84-17-NPS-01A

Standard Practice BF-16.2, Procurement, dated October 9, 1985, describes the Browns Ferry procurement program. The licensee had evaluated the program and had made revisions to streamline the procurement review cycle. This reevaluation resulted in a revision of the procurement flowcharts (Exhibits A and B of Standard Practice BF-16.2). This reevaluation resulted in reducing the previously required 26 review steps to 7 review steps as shown in Exhibit A, Flowchart of All Plant Generated Activities. This reevaluation also resulted in reducing the previously required 11 review steps to 6 steps as shown in Exhibit B, Review and Award/Rejection of Plant Generated Requirements.

The licensee had established a dedicated procurement group (Contract Engineering Group) to review procurement documents, perform liaison duties, perform bid evaluations, and perform other duties as described in paragraph 2.1.2.3 of Standard Practice BF-16.2 dated October 9, 1985. The establishment of the above group and its current functional responsibilities should improve the quality of items and reduce time in the procurement cycle.

Four purchase requisition packages currently being processed by Contract Engineering were reviewed. The Contract Engineering Group appeared to have an adequate understanding of the program and the packages were satisfactory.

b. Item R-84-17-NPS-01B

The establishment of a formalized, documented training program required for all personnel within the procurment cycle had not yet been established. However, the inspectors did determine that training on the October 9, 1985 revision of the Browns Ferry procedure for procurement (Standard Practice BF-16.2) had been accomplished for the Contract Engineering Group. The inspectors reviewed the latest revision to Standard Practice 16.2 (unissued) to determine the scope and content of administrative controls as well as the technical adequacy of this site specific procurement procedure. Within this area, the subject procedure appeared to provide adequate guidance relative to the procurement process as well as providing a definitive description of the functional responsibilities of the Contract Engineering Group. These corrective measures appeared to be adequate and should help resolve the NSRS concerns identified within this area; however, as noted above, the current revision to this procedure is in the review cycle and must be reevaluated upon issue.

c. Item R-84-17-NPS-01D

The NSRS recommendation to include material availability and procurement time frames in all maintenance and planning activities had been implemented by having the procurement group, functionally and administratively, report to the Planning and Scheduling Department. In addition to this reorganization, a Contract Engineering Group had been formed and staffed with technical personnel with discipline backgrounds in mechanical, electrical, and instrumentation.

The integration of the planning and procurement groups at Browns Ferry appeared to have reduced the lack of coordination between procurement time frames and material availability.

d. Item R-84-17-NPS-03

The NSRS Report finding concerning excessive review of Requests for Delivery (RD) was addressed to NUC PR; however, Browns Ferry personnel were questioned about their method to eliminate excessive RD review time. Discussions identified that Browns Ferry had reduced their review time by approximately 50 percent by revising procedures, establishment of a Contract Engineering Group, training personnel, and streamlining the review process. They were also developing standard specifications, revising approval requirements, and utilizing the computer program tracking to determine item status.

e. Item R-84-17-NPS-05

As noted by NUC PR in their second response to the NSRS report, of a revision to the NQAM, Part III, Section 2.1, was to be issued to redefine the QA level designation system. As of the date of this inspection, this revision had not been issued; however, the inspectors did review a draft copy of the subject procedure as well as an August 8, 1985, issued copy of Appendix F of the procedure. The corrective measures described in these procedures more clearly define QA levels and procurement methods. Inasmuch as the proposed corrective measures intended to provide guidance for basic component status, commercial grade determination, and the applicability of 10 CFR 21 requirements are not yet completely implemented, the relative effectiveness of these changes will have to be determined at a future date.

f. Item R-84-17-NPS-08

At the time of this inspection, the under utilization of MAMS had not been completely resolved at Browns Ferry. The inspectors determined through discussions with licensee personnel that the status of the corrective actions, as stated in a TVA letter dated September 5, 1985, remained unchanged. Review of the corrective measures within this area for adequacy could not be completed during this inspection.

g. Items R-84-17-NPS-11 and -12

In response to the NSRS concerns related to the quality verification for commercial grade items and the receipt inspections of commercial grade items, the licensee stated that they were in the process of revising the NQAM to require the following:

Receipt inspections of all commercial grade basic components will be performed by certified QC inspectors;

Certificates of Compliance must accompany commercial grade basic components;

Evaluation for equivalency of replacement parts;

Functional testing prior to operation; and

Training program for Power Stores personnel.

A review of Browns Ferry Standard Practice was being made to clarify the receipt inspection and training of personnel. Appendix A to Standard Practice BF-16.4 specifies in detail, the personnel certification program for receipt inspection of QA items.

h. Documents Reviewed:

The following documents were reviewed at Browns Ferry:

Site Director Standard Practice 3.1, Corrective Action, Revision 1

Responsibilities of the Contract Engineering Group

Division of Quality Assurance Instruction 104, Escalation of Responsibility for Deviation Corrective Action, Revision 0

Appendix F of Nuclear QA Manual Part III, Section 2.1, Determination of Basic Component Status, Commercial Grade, and 10 CFR Part 21 Applicability, Revision dated August 16, 1985

Standard Practice BF-16.4, Material, Components, and Spare Parts Receipt, Handling, Storage, Issuing, Return to Storeroom, and Transfer (Pending changes being reviewed)

Standard Practice BF-16.2, Procurement, dated October 9, 1985

Procurement Task Force Recommendations, Project Summary, September 20, 1985

Browns Ferry Organization Chart (TR200R SITEDIR-1 R1)

Nuclear Safety Review Staff Report No. R-84-17-NPS, March 12, 1985

Various Memorandums between TVA Offices, Nuclear Safety Review Staff, and Browns Ferry Site

Purchase Requisition (PR) Packages for PR Nos. 458205, 364909, and 968884 for Browns Ferry Plant

Within these areas, no violations or deviations were identified.

.14. Division of Quality Assurance (DQA)

The inspectors conducted multiple interviews with DQA personnel. The inspectors were informed during these discussion of the following changes within DQA:

The NQAM is being taken from Quality System Branch control and is being turned over to the site directors for control. This is part of an overall DQA decentralization plan. Correspondence dated October 11, 1985 (L16 851007 857), describes the transition plan for NQAM decentralization. Basically, this document states that on March 1, 1986, the NQAM will be placed entirely under the site directors' control. The NQAM is to be eventually phased out as a controlling document once; plant specific quality assurance programs are developed, interfaces between site and other organizational elements are fully defined, and the Project Managers Offices (PMO) have established mechanisms to address construction phase interfaces.

The QA Technical Specification audit function is being shifted to the various sites.

DQA will retain an overview audit function. This function will remain at the corporate office.

Plant QA personnel will be developing a staffing program.

The Topical (TVA-TR75-1A) will remain under DQA control (remain under central office control).

Plant QA staffs will be reporting to the site director.

A transition plan is being developed by DQA to assure audits and corrective action for audit findings are adequately addressed during decentralization.

These proposed changes were also discussed in Region II Report Nos. 50-259/85-47, 50-260/85-47, 50-296/85-47, 50-327/85-33, and 50-328/85-33.

Within this area, no violations or deviations were identified.

15. Ferroresonant Power Supply Usage at Browns Ferry

During this inspection, the inspectors questioned licensee personnel regarding the status of 32 safety-related ferroresonant power supplies (FPS) provided to Browns Ferry by Northern International (NI). These power supplies were the subject of an inspection performed by the Office of Inspection and Enforcement, as documented in Inspection Report 99900799/85-01, which verified the shipment of FPS as well as notification of customers under 10 CFR Part 21 reportability. It was determined that a total of 32 FPSs had been received at Browns Ferry. Of these 32, 16 had been installed in the Reactor Protection System; 8 in Unit I and 8 in Unit II. The licensee stated that the installed power supplies had been identified and that maintenance had been performed, including functional testing, which corrected the manufacturing deficiencies. The licensee had notified the NRC relative to 10 CFR Part 21 reportability requirements; however, neither the location nor the status of the remaining 16 uninstalled FPS units could be determined. Until the licensee can determine the exact location and status of these uninstalled safety-related FPS units, this will be identified as Inspector Followup Item (IFI) 259, 260, 296/85-48-01.